

**HOUSE OF ASSEMBLY**

Wednesday 7 October 1981

**ESTIMATES COMMITTEE B****Chairman:**

Mr E. K. Russack

**Members:**

Mr E. S. Ashenden  
 Mr J. C. Bannon  
 Dr B. Billard  
 Mr Max Brown  
 Mr H. H. O'Neill  
 Mr J. K. G. Oswald  
 The Hon. R. G. Payne  
 Mr I. Schmidt

*The Committee met at 11 a.m.*

Services and Supply, \$4 916 000

**Witness:**

The Hon. E. R. Goldsworthy, Deputy Premier and Minister of Mines and Energy.

**Departmental Advisers:**

Mr R. G. Glenn, Acting Director, Support Services, Department of Services and Supply.  
 Mr J. E. Burdett, Director-General, Department of Services and Supply.  
 Mr J. D. Cambridge, Director, State Supply Division.  
 Mr P. B. Byrne, Senior Accountant, Department of Services and Supply.  
 Mr B. Guerin, Chairman, Data Processing Board.  
 Mr C. S. Crisp, Director of Chemistry Division.  
 Mr D. J. Woolman, Director and Government Printer.  
 Mr M. E. Jones, Director, A.D.P. Centre, Department of Services and Supply.

**The CHAIRMAN:** The procedure to be followed is that questions will be directed to the Minister and, if the Minister desires information or wishes one of his officers to speak, that is in the hands of the Minister. In relation to questions and the time to be allowed, it was suggested and adopted by the Committee yesterday that the first lead speaker to introduce a subject can speak for, say, 15 minutes, and it was preferred that a member when asking a question does not go beyond five minutes. If a member wishes to follow the same line of questioning it was the rule yesterday that he be given an opportunity about three times to follow that line of questioning. Does the Committee wish to place any time limit for the day on any particular vote? The Committee's experience yesterday was that we did not do that, and we found that it worked quite satisfactorily. Does any member wish to suggest a time limit for each vote?

**The Hon. R. G. PAYNE:** The practice adopted yesterday having proved satisfactory, we propose that that procedure be adopted today.

**The CHAIRMAN:** The consensus is that we will adopt that procedure.

**The Hon. E. R. Goldsworthy:** On a point of clarification, Mr Chairman, what was that procedure?

**The CHAIRMAN:** There are several votes and no time limit has been determined to complete any particular vote, so we will play it by ear throughout the day. The other

thing I would like to point out is that yesterday Committee A followed each subheading. This did not preclude any Committee member coming back over that again. Is it the wish of the Committee that we follow that procedure this morning, as it would keep the matter in order?

**The Hon. R. G. PAYNE:** We will agree to that proposal. It is our understanding that in keeping within the lines we may refer to a given vote.

**The CHAIRMAN:** When a vote is announced, until that vote is concluded even though we will follow in sequence down the page, members will have an opportunity, if they have a further question, to come back to a previous matter.

**The Hon. R. G. PAYNE:** I would think that we would have no objection to that procedure either. I draw your attention, Mr Chairman, to the fact that occasionally by way of footnote within given votes reference is made to other votes which may not be the one exactly under consideration at that time. We would expect your indulgence or leniency in that situation. There may be a need to refer forward to a vote which is not then under consideration on that basis where footnotes or other related details would indicate that that would be desirable.

**The CHAIRMAN:** I cannot see that there would be any reason for that not to be followed because the purpose of the Committee is to obtain information, and that will assist. We will take each incident as it occurs.

**Mr ASHENDEN:** By way of clarification, I gather that we are changing the procedure today from yesterday in that we will be taking the lines in sequence rather than at random.

**The CHAIRMAN:** Yes.

**The Hon. R. G. PAYNE:** Without haggling too much at the beginning we understand that the procedure that will be followed will be such that we will not be prevented from referring back to lines which may have already been spoken to.

**The CHAIRMAN:** Yes, within that vote.

**Mr BANNON:** One of the things done in the Committee yesterday was, where possible, to consider the contingency line with salaries relating to it. For instance, the form of these accounts separates salaries, wages and related payments from contingencies, so one can look at the 'Office of the Minister—Administration expenses'. The two may be brought up together.

**The CHAIRMAN:** I declare the proposed expenditure open for examination. Are there any questions?

**The Hon. R. G. PAYNE:** I refer initially to page 27 of the Estimates of Payments and the line 'Director Support Services, Management Services Officers, Administrative, Accounting and Clerical Staff'. We are talking about salaries, wages and related payments. The figure voted in 1980-81 was \$293 762, and \$310 000 was actually expended. The amount proposed for 1981-82 is \$519 371. I realise that the line itself is fairly embracing by the title and descriptive wording. Will the Minister provide more detail than is available on inspection of the yellow book or books and/or in the Estimates of Payments? The amount proposed is a considerable increase, and the money may well be warranted. However, I think it would be reasonable for us to ask for further information on that line.

**The Hon. E. R. Goldsworthy:** The reason is that now included is a Government decision to establish an internal audit branch within support services and the expenses related to the Data Processing Board are now included. There is a full-year effective award increase of \$30 000. There is a breakdown of the internal audit figures, but I will let Mr Glenn explain the fine detail of that for the honourable member.

**Mr Glenn:** The proposed increase for the internal audit branch is \$54 000 and for the Data Processing Board

\$125 000, making a total increase of \$179 000. To give a full year effect of wage and salary increases granted last year, the award increase is another \$13 000, and makes a total increase in the vote of \$192 000.

**The Hon. R. G. PAYNE:** There has been some enlightenment in the answer provided. The figure of \$54 000 put forward is in relation to the establishment of an internal audit branch. Can we have some more detail on the state of play (as it were) with the establishment of that branch? Is it already under way? Is it an on-going plan that has been in progress for some time and this is the additional expenditure needed, or is the \$54 000 breakdown to set up an internal audit branch?

**The Hon. E. R. Goldsworthy:** This is a new initiative and is now fully staffed with three officers, and the impact of those salaries will be felt in this financial year.

**The Hon. R. G. PAYNE:** The other reference was for \$192 000 increase. Concerned in that \$192 000 increase was a reference to the Data Processing Board apparently for a considerable increase in activity. What is proposed in relation to that amount of money and what does it actually involve? What activity is going to take place that does not already occur with the board?

**The Hon. E. R. Goldsworthy:** There are six officers in all to service the board which totals \$125 000 over 12 months. The role of the board was spelt out in a policy statement I made public some time ago. We recently appointed another officer to the Data Processing Board. I will get Mr Guerin, the Chairman, to outline for the Committee the function of those officers who service the computing needs of the Government and advise Government about the needs and so on. Is that what the honourable member is seeking, the detailed responsibility of those officers? As can be imagined there is a considerable amount of work to be done in servicing Government departments to the extent the Government wishes to be done in view of the importance of computing to the Government.

**The Hon. R. G. PAYNE:** I think all present would agree that data processing has been somewhat of a vexed question over quite a few years. The information we are seeking is just what is proposed in the expenditure that has been put forward.

**The Hon. E. R. Goldsworthy:** I think it is appropriate for Mr Guerin to comment on the role of these officers to the Committee. As I said earlier, we have outlined a policy, and I might say to the Committee that I believe the Data Processing Board is fulfilling a particular useful function.

**Mr Guerin:** I might begin by explaining that the increase in expenditure that appears on the lines this year has two basic components. One is that some of the salaries were paid last year on the Public Service Board line and, because there has been a change in officers and so forth, identical expenditure would appear on Services and Supply. I understood a counter-balancing decrease would be included in provision for the Public Service Board. In addition, the Government approved a certain number of positions for the board during the past financial year and we were not successful in filling those positions. However, just in the past two weeks we have had the Principal Adviser to the board appointed at the E02 level, which is a significant increase in expenditure. We are currently receiving applications for the remaining positions. So, in part it is an increase in staff, and in part it is a transfer of funds.

**Mr BANNON:** I would like to pursue the matter of data processing, perhaps on a more general basis. On 27 July, the Minister announced that there was a major update taking place in computer services. He announced that a statement of computing policy had been formulated which would act as the basis of all Government computer activities. I am summarising an *Advertiser* article of that day,

which is based, presumably, on the Minister's press release. He pointed out that there had been some confusion in this area and action had been taken to establish the Data Processing Board. The Board had mapped out a new management strategy for Government agencies. He went on to say that a new centre was to be established, or there was to be an upgrading of the Centre, provision for new accommodation and so on. In other words, a major thrust was being made in this computer area.

Over the preceding weeks and subsequently there has been considerable controversy about general computing policy. My colleague in this Chamber, Dr John Cornwall, has raised problems with hospital computers, in what has been described as a fiasco. The Minister of Health responded to that—it is questionable how convincingly. While there might have been some minor areas in the statement as made by Dr Cornwall, I do not think the basic charges of confusion in the hospital area were answered at all by the Government.

There is the question of the Treasury accounting system. Yesterday, the Estimates Committee questioned Treasury officers and it was apparent that the Treasury is now moving on to a higher degree of computerisation, and is in fact making some of those facilities available to small departments at some considerable cost, but we were not able to ascertain how compatible that was with the general computing systems being introduced.

I understand that in the Motor Registration Division, for instance, consideration has been going on for some time without any real resolution on this computer question. While each specific matter could well be pursued (and perhaps the Minister could respond on them), all of that is leading up to the general question whether the Government is confident that the actions that it is taking, as announced, are solving the problem? What sort of time scale is the Government putting on this, and can it assure us that there will not be major problems of co-ordination, wasteful duplication, wrong systems chosen, and other problems that have bedevilled computing systems under previous Administrations as well as the present one?

**The Hon. E. R. Goldsworthy:** In response, I say that that is certainly the Government's aim. As the Leader knows, the history of computing in this and other States has not been all plain sailing, and I think the Leader has acknowledged that, in effect, in what he has said. What I can say is that I believe that the Government has established a structure, via the Data Processing Board, of which Mr Guerin is Chairman, whereby the Government and departments will be given advice and assistance to see that every effort is made to avoid some of the unfortunate situations that have arisen in the past and to see that sound advice is available to departments and to governments to ensure that the proper and correct decisions are made in relation to computing facilities.

I can say to the committee that I am perfectly happy with the operation of the Data Processing Board and the quality of the advice coming to government in relation to the whole range of matters that the Leader has canvassed. He has mentioned some specific examples, such as the Motor Registration Division and health areas. All of those areas are subject to scrutiny by the Data Processing Board, and advice and assistance are given at that level and to government. Information is given to government when decisions are being made in relation to all the matters that the Leader has canvassed. Mr Guerin may care to add to that.

The Leader has mentioned the fact that we have been actively pursuing some developments in relation to the A.D.P. Centre. There were discussions as late as yesterday afternoon again on suitability of site, cost, funding and so

on, in relation to the centre. I make no apology for the fact that the Government decided not to go ahead with the previous Government's development as planned for the Menz site, which, as envisaged when we came to Government, would have been a particularly expensive facility and one which this Government did not believe to be justified, particularly in view of the restraints on Loan funds.

Irrespective of that, we did not believe it wise to pursue that development in the detail that had been developed at that stage. Indeed, I make no bones about the fact that I, as Minister, was not at that time convinced about advice to government at that stage of development, even with the Computer Co-ordinating Board, which was in the development stage. The advice to government, in my view, was not as clear and co-ordinated as it should have been.

I believe it now is, and we are pursuing at this moment the location of a site for the construction of a facility. One site being considered is the present site of the A.D.P. Centre, but the problem with that site is that the present functions of the centre have to be carried on, and rebuilding would have to take place alongside the existing centre. This means that a building on that site would have to go rather higher than one would anticipate, and then the other facility would be knocked down. That is one option that is being considered. Another option is the Menz site, which appears to be an expensive site for this computer development. Because of the difficulty with retaining the present facade and the unknowns which are associated with foundations and the like, there are some unknowns involved in that area.

A strategy has been put to government in relation not only to the rebuilding but also the re-equipping of Government computing facilities. This strategy of not only rebuilding but re-equipping has been put to the Government by the Data Processing Board. It is one which the Government has accepted as being financially manageable and sensible, and which would lead to a smooth progression of re-equipping of the centre over a period. If the Leader would like further elaboration, I would be perfectly happy to give it. If there is some finer detail required, perhaps Mr Guerin can comment. In the broad sense, I think that covers the scope of what the Leader has put.

**Mr BANNON:** The answer was general, but it was a general question. Can the Minister direct his attention to the more specific points I raise, particularly regarding the health area. I remind him that in July a number of questions were asked in the Legislative Council concerning A.T.S. systems which were installed in the Royal Adelaide Hospital. He was asked when a similar system would be installed in the Queen Elizabeth Hospital and the Flinders Medical Centre.

In the course of those questions it was suggested that the position had reached the stage where there should be a major inquiry. For instance, the Minister of Health, announced that tenders had been called, and I understand that the Health Commission has its own data processing group which looks into those things. A related matter is what degree of control the Government is asserting in this area. After all, it is the Government that must pick up the tab when the systems are all installed in the long run and, through the Government, the patients pay. The Minister said that tenders had been called as a matter of priority, and that the cost would be between \$180 000 and \$260 000. Yet the tender amounts were much higher than that, and considerable doubts have been expressed about the system being looked at. In other words, it was a sort of back to the drawing board operation.

It is an area of total confusion, yet there is enormous pressure to get some system introduced which will be compatible with other information data systems and, of course,

which can be used by the hospital system in South Australia and not just installed in individual hospitals. What is the latest position and has firm action been taken in relation to the Health Commission's computer plans?

**The Hon. E. R. Goldsworthy:** I am quite happy to comment for the Leader, but I think he should appreciate that his questions are more appropriately directed to the Minister of Health. Decisions about computer facilities are made by the Health Commission, and that is not my Ministerial responsibility. Nonetheless, I acknowledge that advice comes to the Government via the Data Processing Board. In a sense, Mr Guerin reports to me with advice. His advice does not particularly relate to the Health Commission, but it is rather advice to the Government. I think the Leader's questions are misdirected to me. If the Leader wishes to pursue the detail of those questions, they would be more appropriately directed to the Minister of Health, who is responsible for the Health Commission and its computer facilities.

It is true to say that Mr Guerin has a rather broader role than just answering to the department. It just so happens that Mr Guerin and the Data Processing Board are now funded from Services and Supply, so I suppose it is appropriate for him to comment about his general role. Once again, I suggest to the Leader that his questions are more appropriately directed to the Minister of Health when those estimates are being considered. Mr Guerin's advice has been sought by the Government in relation to the Health Commission computing facilities, because the last thing the Government wants is another Flinders Medical Centre fiasco and the other associated problems that occurred in relation to computing recently. We do not want a repetition of that, and the Government is aware of the detail of reports in that connection. Mr Chairman, I do not think it is appropriate for me to answer questions about the Health Commission. I suggest that Mr Guerin briefly comment about his role as an adviser to the Health Commission. Once again, I do not believe it is appropriate for me to comment in detail about what is happening in the Health Commission, and I suggest that Mr Guerin confirms what I have said.

**Mr Guerin:** The relationship between the Data Processing Board and the health sector generally has been referred to in the Government's statement on computing policy. The health area is designated as one sector of the Government in which co-ordination is expected to take place. The Data Processing Board does not look forward to receiving proposals from a large number of separate bodies within the health sector, but expects them to come through the Health Commission as part of a co-ordinated plan. In reflection of that, the Data Processing Board has had limited involvement with the Health Commission in the 12 months or so that it has been in existence. That is related to several areas. One was a basic discussion and notification to the Health Commission that a policy and management co-ordination body was necessary within the Health Commission to co-ordinate consideration of computing proposals. Subsequently, after further discussions, a computing policy committee was established. That committee has not fully taken over the role that the Data Processing Board would see it eventually performing, but advances have been made. Secondly, the Health Commission advanced the initial proposal for the admissions, transfers and separations interim system to the Data Processing Board. It was appraised and sent back to the Health Commission, which has taken further action.

At that stage a staff member also gave some advice on the method of evaluating proposals sent in, but he did not get involved in consideration of which proposals were better than others. That involvement was discontinued when the

officer was transferred to other duties. The third area of involvement is that the Health Commission and the health unit have spent some time, effort and money in getting proposals together from a consultant on strategic planning. That is a rather large document and we are currently in the process of making arrangements for a joint meeting of the health sector computing policy committee and the Data Processing Board within the next few weeks. However, we expect that the Health Commission at that meeting will be putting forward proposals about what it wishes to adopt out of its strategic plan and that it will take action on it in the near future.

**Mr BANNON:** I thank Mr Guerin for that clarification. However, I was a little alarmed at the way the Minister approached this question. On page 12 of the policy document in black and white, under co-ordination of the development of data processing arrangements, it states that in 1981-82 specific targets and objectives are co-ordination, and then to establish continued development in functional areas, including the health sector, Health Commission and health units. It is quite clear that there was a responsibility for this area within his department, but it seems the Minister was not so clear. In any case, I am surprised that he did not strongly affirm that there ought to be such a thing, because surely co-ordination is the key. Incidentally, I draw the Minister's attention to page 12 and suggest that he look at the objectives of his department, because it might help him to become a bit more familiar with its workings.

Moving away from the Health Commission, I turn to the Motor Registration Division and the reference to motor registration and licensed driver based information, including a traffic expiation scheme. When will a decision be made about an on-line system? How many jobs will be lost if that system is introduced, and why has no decision been made?

**The Hon. E. R. Goldsworthy:** I think the Leader misunderstood what I was saying about the Health Commission, but I do not wish to get into a petty slanging match about what he understood that I was saying. If the Leader wishes to obtain more detail about what is happening in the Health Commission and the computing area generally, he should talk to the Health Commission. There is a proposal, as he suggested, seeking forward plans from agencies as a basis for identifying general data processing needs. In relation to motor registration, licensed driver based information and the traffic expiation scheme, I will obtain a report for the Leader on those matters. I think the Leader also sought information about employment.

**Mr BANNON:** How many jobs will be lost?

**The Hon. E. R. Goldsworthy:** Yes, and what is the effect in relation to employment. I do not have that information at my fingertips, but I will obtain a report for the Leader. The Leader should acknowledge that with so many economies available to the Government in relation to the installation of computing facilities, manpower can be deployed in other ways.

When we talk about jobs being lost, we are talking about the whole broad question of new technology. Whether one introduces it or whether one does not, one of the considerations is its effect on employment. It is suggested that the Government will introduce computing facilities without giving any thought to the implications for employment, but that would be a false suggestion. One seeks to facilitate economies or improve services for optimum use of both. I will be happy to find out what the employment ramifications are. I ask Mr Guerin to comment on that if he has any further detail.

**Mr Guerin:** The Motor Registration Division has been looking at using an on-line computer system for some time. A report was done several years ago but no action was taken on that basis. That did identify that a number of jobs

would be dispensed with, particularly in the more mundane clerical area. A good deal of activity was happening at the branch offices rather than centrally. Within about the last 12 months the Motor Registration Division has had some further work done by consultants to see whether those findings still obtain and it identifies some employment consequence, and that is being looked at closely now to see what it is. The questions raised for the Data Processing Board and for the Government generally are not only what advantages and disadvantages there may be in that system but also how it relates to other systems which have something to do with drivers' licences or motor vehicle registration.

In particular, there is usage by the police, and the announced project on traffic infringement notices relates to that. We are starting some work to look more closely at the detailed implications of those two schemes. The S.G.I.C. has a close link-up because of third party insurance arrangements. At this stage we are not in a position to recommend to the Government a specific policy in this area but we hope to be able to make recommendations within a fairly short time.

**Mr BANNON:** In the *Financial Review* of 28 September there was an article concerning the firm Raytheon International Data Systems which had a two-year contract for stand-alone word processors. Raytheon, which is a major international firm, has decided to establish an operation in South Australia. That is obviously something to be welcomed. In the course of negotiations for Raytheon to establish here it is understood that certain concessions and undertakings were given to that firm. I do not think the full extent has been revealed. It was interesting to read in the article the following:

... through an agreement with the State Government, hammered out last May, it had been guaranteed a percentage of all State orders for word processing gear over a set period.

This contract goes well beyond that, as the article points out. Raytheon put in a tender for this contract and may well have had the cheapest and most competitive price. My question is related to this. Is the Government conducting a survey of word processing needs in the Public Service? Has the survey been completed and, if not, why did the Government go ahead and pre-empt the survey by calling tenders and awarding the contract to Raytheon, whether or not the contract was the cheapest tender?

**The Hon. E. R. Goldsworthy:** I understand that the survey has been completed and was handed to the Premier last week. Did the Leader ask for details?

**Mr BANNON:** The Minister is saying that the study has just been completed and passed to the Premier. Why, prior to that, did the Government go ahead and award contracts in this area and pre-empt the report?

**The Hon. E. R. Goldsworthy:** Raytheon was intending to establish its factory in New South Wales and was approached by representatives of the South Australian Government with a view to seeing whether it could try to make it more attractive. As a result of negotiations with Raytheon there were some incentives offered to Raytheon. One of these incentives was that the Government would undertake to buy word processors from Raytheon for two years—up to 50 per cent of Government requirements—if prices were competitive and if the word processors were suitable for requirements. There was also a rent concession in relation to premises being made available to Raytheon. They were the basic terms of the agreement as I understand it. The equipment has to be suitable and competitive and the guarantee was for 50 per cent of Government requirements for up to two years. The survey just completed was simply to find out what Government requirements were likely to be.

**Mr BANNON:** In fact, the total contract has been awarded and not just 50 per cent, according to this article. I was leading on to the point that there are other companies operating in this State manufacturing such equipment. Have they been offered concessions and, if not, have they complained to the Government that they were not given the same concessions?

**The Hon. E. R. Goldsworthy:** I am now clear on what the Leader is referring to. In relation to this contract, it was not related to these concessions specifically. It was won on open tender. That contract was awarded on the basis of a recommendation of the Supply and Tender Board on open tender. Tenders were called, Raytheon was one of a number, and it won the tender in open competition.

**Mr BANNON:** So, there have been no complaints from other tenderers?

**The Hon. E. R. Goldsworthy:** There have been no complaints to me. It was a normal tender called and I do not know off-hand how many respondents there were but Raytheon won it on its merits. I would ask the Director of State Supply, Mr Cambridge, to, I hope, confirm what I have just said. I am sure he will, because they are the facts as I know them.

**Mr Cambridge:** The Supply and Tender Board called tenders for a contract for a quite specific part of the word processing area, the stand-alone word processor, which represents only one part of the whole spectrum of word processing. A contract was awarded to Raytheon for a two-year period for the VT 1303 stand-alone word processor and for the VT 1000 printer, which is only a specific part. If there are other requirements for word processors and they cannot be fitted by that particular word processor, they would be met once again by quotes or the open tender system to meet that particular requirement.

**The Hon. R. G. PAYNE:** Can I have more detail on that contract? I am somewhat reassured by what Mr Cambridge just said. I was alarmed at what the Minister said when he talked about a 50 per cent Government requirement in relation to word processors for a two-year period and he mentioned the word 'contract' and used the term 'if the price is right'. How in the hell can you write that into a contract? From what has been said now I take it that it was not that way, but a tender was called and the contract written as a result of that tender which would presumably specify the price and the equipment. I cannot envisage the other kind of contract. If there are such contracts I would be pleased to hear from the Minister, Mr Cambridge or somebody about that.

**The Hon. E. R. Goldsworthy:** This was not a specific part of any contract with Raytheon but was for a Government requirement which was let to tender and which Raytheon won. I do not think that there is anything incompatible with what I said earlier, despite the member's comments. One condition is that, for Raytheon to gain 50 per cent of the Government word processing requirements, their price be competitive.

**The Hon. R. G. PAYNE:** I am still not convinced. I do not understand the details of a contractual arrangement that guarantees (if that is the right word) a percentage of a market to a tenderer and yet the words 'if the price is right' are used. I presume that there was a price structure agreed and this resulted in the tender being accepted. That is the point I am trying to get at. It may be that Mr Guerin or some other officer can define what I am trying to find out.

**The Hon. E. R. Goldsworthy:** The facts are as I have stated. The indications to Raytheon were that they would get 50 per cent of the Government processing requirements up to a two-year period, if their price was competitive. I

cannot be much clearer than that. What I am saying is that it is a rider.

**The Hon. R. G. PAYNE:** Raytheon needs business advice if it is prepared to enter into a contractual agreement that contains those words. It would seem to me that they are not terribly binding. The words 'if the price is right' keep creeping in. I do not intend—

**The Hon. E. R. Goldsworthy:** We certainly did not use the words 'if the price is right'. I do not know whether we used precisely the words outlined but that is the sense of it, as I understand it.

**The Hon. R. G. PAYNE:** I would like to pursue another point on computing services and other electronic aids in that area. The Government had a policy of allowing each department to decide on its own data processing needs. It appears that in this area the Government has reversed its policy and is going to do it all from some central directing point and take away from departments their ability to work out their own data processing needs. Is this really what the Deputy Premier is saying?

**The Hon. E. R. Goldsworthy:** In relation to word processors, I made clear what the arrangements were with Raytheon. We are not talking about computers and the whole range of data processing equipment. The honourable member will acknowledge that Government departments have constraints upon them in relation to the sort of typewriters they can use. Contracts are let for the provision of a specific make of typewriter. The Supply and Tender Board lets orders for contracts for typewriters that can do the job and that can be bought at the best price. One must view this arrangement in the same light. If the machine will do the job and it can be bought at the best price, that is the one used. To suggest that there is some sort of change in policy is not accurate. There has been a certain make of typewriter recommended for general Government use for many years. The only change is that by agreeing to these arrangements the South Australian Government was able to attract industry to South Australia for a tentative period of two years. No-one can suggest that this is a change of policy. Government departments use standardised equipment across a whole range of areas. To suggest that there is a change of policy is not accurate.

**The CHAIRMAN:** I noticed that the member for Mawson wishes to ask a question on this matter. I will call the member for Mitchell and as soon as is appropriate give the member for Mawson the call.

**The Hon. R. G. PAYNE:** I now understand what has been put. I had some experience in this area some years ago, and it can lead to tenders always winning orders according to the way in which the specifications are written, let alone competitive prices and so on. I am prepared to accept what the Minister has said. In the area of data collection and word processing, the Government has already tied up its options. If that is not a reversal of the previous policy, we both see it differently.

**The Hon. E. R. Goldsworthy:** There is a slight difference of emphasis between what the honourable member is saying and what I am saying.

**Mr SCHMIDT:** My question is in relation to the service provided by the A.D.P. Centre. I think an assessment of the centre is dependent on the sort of service it will provide to its clientele. I notice on page 12 that it is proposed to increase the board 1.3 full-time equivalent persons to five, which is resulting in a six-fold expenditure increase in recurrent expenditure, whereas page 15 shows that the level of employment for the full-time equivalents is declining. If we look at 1980-81, it was proposed—I gather this was worked out by looking at the sorts of service that could be provided—it would require 105.3 full-time equivalent persons, yet the actual outcome last year was only 95.2, and

for this year it is proposed there should only be 93 persons. How adequately is it being monitored that the persons can cope with the workload being asked of them, so that the quality of the work does not diminish because of the excessive demands placed on personnel?

**The Hon. E. R. Goldsworthy:** There is a clear distinction between the Data Processing Board and the A.D.P. Centre. The A.D.P. Centre is the actual computer operation which does central computing work for the Government in a number of client departments. The Data Processing Board, where there is an increase in staff, is the body this Government set up to provide advice across the whole spectrum of computing in Government services. So there is a clear distinction between the staffing of the advisory, co-ordinating body, which is chaired by Mr Guerin, and the A.D.P. Centre, which is the operating centre for central Government computing facilities.

The other aspect is the computing which is done out in Government departments. The A.D.P. Centre is the central core computing operation for the Government. The fact is that it has been necessary to increase the provision for the central overall umbrella organisation, chaired by Mr Guerin, but we have been able to make economies in the actual operative area of the central computing facility, the A.D.P. Centre, which is controlled by Mr Malcolm Jones. There is a clear distinction in the role in the two areas.

**Mr SCHMIDT:** I was in no way disputing that difference.

**The Hon. E. R. Goldsworthy:** The fact is that the world of computing is probably one where changes are happening as quickly as anywhere else in this age of technological change. Computers are getting smaller and more powerful, and, in many cases, fewer people are needed to do the same or even a bigger job.

**Mr SCHMIDT:** I think it is commendable that we have this overriding board that can properly advise the Government. As was said earlier, we have seen the problems associated with this area in the past; therefore, it is a necessary requirement that we have a highly qualified overriding body to observe and recommend to the Government the procedures required. However, in the main, the whole viability of the Data Processing Centre and its competence is measured by the sort of service which will be provided to the client. I think it is important that a certain amount of monitoring be done of the department itself to ensure that the correct information is given out to the lesser client, the general public. It is usually the member of the general public who makes the complaint to the said department, when the computer mucks up his particular pay schedule, assessment, or whatever it may be that has been wrongly computed.

I get back to my initial point. With the updating of equipment, some new equipment can replace x persons. By the same token, I would not like to see the number of persons reduced to a level where the staff is working at their optimum at all times, with the possibility increasing of the value of work decreasing.

**The Hon. E. R. Goldsworthy:** I think Mr Jones might comment on this in a moment. What one seeks to do is to improve service to the client departments. Increasing demands are being made for further services to be made available. Mr Jones, the Director of the A.D.P. Centre, will tell you that there is also a constant striving to improve the quality of the service. Within the increasing sophistication of computing equipment, this becomes more easily obtainable with the sort of programme on which the Government is embarking. With the new equipment and rehousing programme, we believe we will be able to provide a better, more efficient service and also do it within a budget that is eminently reasonable. I think Mr Jones will acknowledge that the client departments are the first to complain if they

are not getting the service they require. I do not know whether there is much more to add on that. Mr Jones can add to it if he wishes.

**Mr Jones:** The reduction in staff numbers over the past financial year resulted from two things: first, there are the plans we have put into train now. Over the past year, we have decreased our workload somewhat because of the future computing. I think as the future comes about and we install new equipment and different types of technology we will be looking for different types of people to support our clients. The change of emphasis will be more towards assisting the users in more technical areas, which we do not do and do not have the need to do at the moment. We are certainly conscious of the fact that we have to support our users because, if we cannot do that, we will not make a success of the centre.

**Dr BILLARD:** I welcome that change of emphasis. My question relates to what really is the dissemination of skill and experience, if people have not previously used a modern computing system, they will not have that skill and experience. In future, if people are going to use the new systems they will need support and education programmes. What is being done by the Data Processing Board and other agencies to overcome the lack of experience of modern computing systems within the State Government, quite apart from the seminars and the presentations that are referred to? I recognise that that is one step, but that expertise needs to be acquired and disseminated. In particular, members of senior management need to be involved, so that they do not shirk their responsibilities and simply say that this is an area they know nothing about and will therefore offload their responsibility on to somebody who presumably does know something about computing but does not know what the management responsibilities are. So it is a double barrel question.

**The Hon. E. R. Goldsworthy:** That highlights one of the very facts which we have realised and to which Mr Guerin has given some attention. The fact is there must be some responsibility back in Government departments, and some onus on those people to be accountable in relation to any computing facilities in which they may be involved. Perhaps I could ask Mr Guerin to comment on what has been done so far in relation to general information for and education of these people.

Perhaps I could ask Mr Guerin to comment on what has been done so far in relation to general information for education of these people.

**Mr Guerin:** In that respect, the Data Processing Board has been very conscious of the fact that the Government's computing policy in relying heavily on management discretion in various departments and agencies requires that we follow through in the Government with concentration on people-related matters as much as technically related matters, although some of the people-related matters are about how they tackle a technical task. In the Government's computing policy statement, a section talks about general and specialist management skills, and one sentence states:

In summary, the people-oriented approach to successful data processing operations requires an appropriate sustained investment in development and maintenance of people who will carry the responsibility for success or failure.

Specifically, what we have in mind for the coming 12 months is a certain amount of specific work with specific agencies that are introducing new systems. One might look at the State Government Insurance Commission, which has recently installed new equipment. It has an excellent programme of familiarisation and training that was an integral part of the commission's implementation of the new system. That is probably the most obvious and easiest example to look at. In other areas, as proposals come along for new

investment, that is one aspect that we look at quite closely and we advise people in various ways to make sure that they do not neglect the training and familiarisation side.

In general terms, we have identified three areas for major consideration, because we cannot do it all during a year. One is at the senior management level, which does involve the seminars to some extent, but I will not refer further to them. It also involves working fairly closely with management of departments and agencies to help identify where they may need some support and, if possible, get them exposure to awareness or appreciation, courses, experience, or whatever. One particular thing is that a number of senior managers do not have familiarity with micro-computers, and we see an advantage in giving them an opportunity virtually to play with these things for a few hours so that they get to know what is possible at that level.

There are two other areas on which we have just completed some significant work, and we will be making recommendations to the Government. One is an identification of lack of systems analysts, people who can work out what the genuine needs of departments and agencies are in this area and provide the fundamentals for planning for their meeting future requirements, and of project managers (who are sometimes classified as the same beast but whom we see separately) who have the ability to sit on top of a project and to relate to both senior management and the more specialist people and ensure that sensible schedules are set up and that time schedules and budgets are adhered to. We are discussing with the Public Service Board the possibility of some quite formally structured recruitment and training arrangements in the service, with recruitment of existing officers who may be suitable for training in systems analysis and identification of people who may be appropriate as project managers, and working through that over the next three months, so we hope to have a firm programme there.

In addition, it has been encouraging that the Government has at various points recognised that, if there is to be investment in a particular project, we must be sure that someone at the head of it has the requisite experience and skills to make a success of it. Even though this may involve external recruitment, approval has been given and, if the project is worth while, it goes ahead. As one example, in the A.D.P. Centre re-equipment area, we identified a need for a skilled project manager. The Government gave approval, and a person has been recruited and is now well in command of the situation and he, with the internal team in the A.D.P. Centre, I think, is doing a very good job. It does not guarantee success but I think that is the sort of path we would see followed in a number of areas.

**Mr O'NEILL:** I want to ask a question arising out of volume two, at page 214. I understand from what has been going on that the A.D.P. Centre is set up to supply service to departments and statutory authorities. I also note that Government policy requires that departments be free to use that centre or to use alternative means, according to their assessment of the cost and the level of the services offered. I note at the bottom of the page that one of the objectives is to develop and implement a customer relations and marketing policy, and the services of a marketing consultant have been engaged to assist with this task and final recommendations are being prepared. I take it that a private enterprise marketing consultant has been engaged to assist the A.D.P. Centre in selling its services to Government departments. I wonder whether the Minister would like to elaborate on that, give us the name of the marketing consultant who was engaged, and say what was the value of the contract.

**The Hon. E. R. Goldsworthy:** I think the consultant came from the University of Adelaide. Mr Jones tells me that it

is Dr Peter Steidl, and he has been paid a consultancy of \$6 000 to give some advice and do consultancy in relation to marketing skills. The fact is that the A.D.P. Centre is expected to be competitive. In other words, it does not have a captive market. The honourable member was referring to the Budget document, and it makes clear that the A.D.P. Centre is not a protected animal, in that we are not compelling departments to use the centre, and the charges levied by the centre have to be competitive, so our planning for the future is on the basis of projected use and projected cash flows, if you like. It is on that basis that the re-equipment strategy has been developed, and I am convinced it has been done on the soundest of business decisions but, as I have said, the A.D.P. Centre is not a protected animal.

**Mr O'NEILL:** I realise only too well (and probably the centre's administrative staff realise, too) that the centre is not a protected animal. In fact, I guess it is a fairly restricted organisation, not an animal. One of the other things that I was going to ask was whether the centre was allowed to compete for business outside the Government area. If it is not, I ask why not.

Regarding the problem raised by another member in a previous question in respect of the people involved, in view of the rapid development of expertise and the turnover of people, is the Government proposing to introduce a system, as it has done in daily-paid areas, of term employees, so that the Government can contract people into the department? I note from Mr Guerin's remarks that external recruitment has already been approved by this Government at the centre. Is there any proposal that staff can be taken in on a contract basis for, say, a limited period of three years and then, at the completion of that period, they can either renegotiate their contract or go out?

**The Hon. E. R. Goldsworthy:** I am not aware of any specific proposal for contract appointments in the A.D.P. Centre. There are none at the moment, and there has been no specific proposal for that to happen. By the way, when I was talking about 'a protected animal', that was simply a figure of speech, I was not trying to detract from the excellence of the A.D.P. Director or his staff.

**Mr O'NEILL:** I did not think you were, but I did not want to be placed in the same position as the Minister placed himself.

**The Hon. E. R. Goldsworthy:** I did not think that I had placed myself in a difficult position—I merely used a common figure of speech. All I was saying was that they have to be competitive, and I was using what I thought was clearly understood language. There is no proposal for contracting people at the moment. In one other area of Government for which I am responsible (and it may not be appropriate to these lines), the only way in which we can get people into the Government service is to put them on a contract which offers conditions substantially better than could otherwise be offered. There is no general policy about contracting people on term employment, certainly not in this area. However, we have had to make an exception in one other area because the people are in such short supply and conditions elsewhere are such that we would just not get anyone.

**Mr MAX BROWN:** I refer to the data processing lines that we were reviewing earlier. That whole area is designed to improve efficiency in Government departments generally, and not just the Minister's own departments. Perhaps the Minister will reply to this point, because probably in that efficiency programme the Government has every intention of ultimately trying to centralise the control of all departments. Can the Minister advise me about that? The Minister is well aware that I am not happy about this type of programme, because although it may improve the efficiency of a department it does not do much for the unemployment

situation. I find it difficult to educate people to accept ultimate 100 per cent efficiency if they are unemployed.

In reply to the Leader of the Opposition, the Minister said earlier that, although he could not provide information then about the effect of this efficiency on the current employment position in the Government, he said he would be obtaining those figures. I would appreciate getting not only that figure in regard to the present period but what is the anticipated result that the Government believes data processing will ultimately have in regard to employment by the Government? Will the Minister elaborate?

**The Hon. E. R. Goldsworthy:** The first point I should make is that it is not the aim of the Government to centralise control of departments, certainly not in the area of data processing. If anything, the reverse is the case; the Government is seeking to decentralise control in the sense that heads of departments should be responsible for data processing within their departments. One of the decisions that the Government made was that we would not have a highly centralised, authoritarian data processing board which told Government departments what they had to do and the way in which they would have to do it. That would absolve them from the decisions which they should be making within their departments, and from their accountability within their departments. Mr Guerin has outlined in some detail the way in which we are setting about implementing that policy.

The honourable member was not correct in suggesting that the Government wanted to centralise in command and demand—that is certainly not our policy. In fact, our policy is quite the reverse. I would not subscribe to any view that we should employ people inefficiently, or that we should employ them just for the sake of employing them. I think that was inherent in what the honourable member was suggesting.

**Mr MAX BROWN:** No.

**The Hon. E. R. Goldsworthy:** In that case, I am sorry, because I did the honourable member a disservice and misunderstood what he was saying. The Government's view is that there are changes made to increase efficiency in various ways across government. One must be sensitive to the employment effects. One cannot simply introduce new technologies, computers or anything else without taking account of the effect it will have on people employed by Governments, and without appropriate arrangements being made if people have to be redeployed as a result of the introduction of that technology. Clearly, I misunderstood the honourable member when he spoke. I thought it was being suggested that we should employ people to keep them trying to do a job when the job was not there.

The honourable member did refer to the matter raised by his Leader in relation to the computer provisions in the Motor Registration Division. We can get some finer detail in relation to the number of people who will be redeployed as a result of the installation of that computing facility. It would be quite impossible to foresee the future changes that may occur across the whole of government, and then make any realistic summation of the number of people who would be redeployed or used in some other way in government, because of the additional employment and special skills required. I guess one could make an assessment of current proposals and, if that is what the honourable member is requesting, we can have a go at that. To suggest that it would be possible to see the future in any longer term scale and suggest what that will do to employment would be asking the impossible.

**Mr MAX BROWN:** I ought to explain to the Minister that I did not at any stage in my questioning suggest that he ought to employ people inefficiently. What I did say was that I, personally, found it very difficult to explain to

unemployed people that they can be educated to accept that we have to employ people efficiently. After all, I do not think that I need remind the Minister that they are unemployed. That is the problem that those people must face. The problem in relation to efficiency is the Minister's problem. At this stage I think it is important that the Minister, the Government and the powers that be should take time out to examine what effect this efficiency has on the employment situation. That is what I am getting at.

I believe that the figures referred to the Minister by the Leader and their present effects are relevant. However, we also want to know about the effect of this efficiency programme in relation to employment in this State. I think it is very important, if we accept changes in industry, as the Minister is doing in Government circles, that we know of the effect those changes will have in relation to employment. I do not believe that that is happening, nor is it happening here. I would like the Government to consider what I have said and then examine the whole situation. If there is some definite effect (and let us be quite frank about it, there is an effect) the Government should examine those effects and then determine whether it can implement a programme to offset that effect. I do not know whether I have made myself perfectly clear to the Minister. I am not arguing the point about the efficiency programme; my point is about its effect and what we should be doing to overcome that effect.

**The Hon. E. R. Goldsworthy:** The fact is that it is not being ignored. The honourable member's point is perfectly valid. One must realise that in this day and age, whether in private enterprise, Government or anywhere else, new technology cannot be introduced without assessing its impact on people. That fact is acknowledged. It is not true to say that the Government ignores that. Each proposal is considered on its merits as it comes before the Government, and its impact on staff and employment is assessed. Perhaps Mr Guerin will be able to comment further on the procedures used by the Data Processing Board when assessing computer proposals. I understand perfectly what the honourable member has said. It is very difficult to explain to the unemployed that something is going to be introduced which will perhaps put more people out of work.

**Mr MAX BROWN:** It is in Whyalla.

**The Hon. E. R. Goldsworthy:** I understand that, and this Government is trying, and I believe with some success (although members opposite may not agree), to improve employment opportunities. I do not believe we will do that by simply putting more people on the Government pay-roll unless there is a real job for them to do. I call on Mr Guerin to take up the point in relation to what assessment is currently made in relation to proposals for the installation of computing facilities.

**Mr Guerin:** The starting point could be to observe something that many people find surprising. In the cost of computing arrangements these days, the cost of the actual computer is fairly low as a decreasing proportion. Only about 20 or 25 per cent of expenditure is actually incurred on hardware and associated material. When looking at these situations the Data Processing Board has placed a lot of emphasis on staff aspects in two respects. First, the expected expenditures on staff and whether the work involved in introducing a new system can be justified in the Budget. That is the main problem with most of the systems we look at. The additional staff and staff of a different kind have been a problem. The other side, too, is that we require people to identify what staff might be displaced either in the sense of there being no job for them at all or because the nature of their jobs is changing. We see that as an important issue in the successful implementation of a new system. Everything may be well arranged but, if the staff



aspects are not looked at, the system may never be made to work.

The impact of computing can be quite varied. So far in our existence just this last year and immediately before it I would think that the impact on staff has been to avoid future increases. Therefore, it is not the actual loss of jobs now but what might otherwise have come in the future. Sometimes there is a centralising tendency in the sense that, instead of clerical people, data processing people work with a computer. Sometimes it works the other way so that, with some of the modern arrangements, and motor registration is one, there is some decentralising tendency. Some regional offices can sustain their existence where otherwise they would not be able to do so.

I think it is a reflection of the stage of progress that we have reached with data processing that we are able to look at separate proposals one by one. We do not have an overview yet, but we are expecting on the planning information that we are seeking from departments and agencies for this coming year to have a better view. We still have a partial view, but I think it would be surprising if we found a very substantial early impact on Government employment levels in relation to what is presently planned, and motor registration would be an example. If one looks at what is available generally in technology and considers what might happen in the Government in future, for example, computer aided drafting, there could be some impact. At this stage we do not know.

**Mr MAX BROWN:** What Mr Guerin is saying is that of all Government departments the Registrar of Motor Vehicles is one of the most computerised. From what has already been said, I take it that that has not had a great effect on manpower. Has it had an effect on manpower and, if so, to what extent?

**Mr Guerin:** I think it can be said that when the Motor Registration Division changed its administration arrangements from its previous set-up in the Railways Building, where long queues had to form and so on, to a semi-automated system, there were significant staff changes. Going from that system to an on-line system there would be other changes. The Minister has said that we can attempt to identify those changes in terms of their extent and character, and that information will be provided.

**The Hon. R. G. PAYNE:** I refer to the P.B.B. document at page 223. The sub-programme title is 'Printing, Publishing on Request', which refers to a proposal to reduce employment in the Government Printing Division. The figures indicate that in 1980-81, 220 average full-time equivalents were proposed and in the outcome 214.4 were actually employed. The figure proposed for 1981-82 is 206. What is the explanation for that, other than that the more sophisticated printing machinery is receiving greater use? Will the Minister amplify the reasons for that?

**The Hon. E. R. Goldsworthy:** I would ask Mr Woolman, the Government Printer, to provide details. Was the question in regard to overall numbers employed by the Government Printer and how the decrease is accounted for?

**The Hon. R. G. PAYNE:** The sub-programme shows 'Printing and publishing on request'. It talks about full-time and equivalents and in 1980-81, 220 were proposed. The result was 214.4, and it was proposed that a distinct reduction would be carried out in the coming year to 206. I cannot see why that activity would be changing unless it is a policy decision being made or unless we have more sophisticated printing equipment.

**Mr Woolman:** I think there are a number of reasons for the change. First, over the last financial year we finished installing technology in certain areas. That has had a limited effect on the number of people employed. I must also emphasise that in the second half of this financial year with

the restrictions on Government spending we did have a downturn in input into the division. As people left we then looked at the need for replacement. During the second half of the year the only month that we operated to budget was in June. The emphasis on the replacement of staff carried through into the current financial year. The other areas are that with the new technology that has been introduced, we have had a shift of skills from the traditional trade areas on the floor and those people have been given the opportunity to apply for other positions within the division outside the traditional trade areas. They are working in what we call support areas using a tradesperson or skilled person in planning and estimating and in customer liaison and technical services. There has been a shifting of skill from the productive areas into the support areas. That is another reason why there is a decrease in these areas. The total employment within the division is 388 people and there will be a slight increase this financial year of about two people.

**The Hon. R. G. PAYNE:** The answer was as I could have forecast: that, due to shortage of money and as a result of improved technology, that is the way the cookie crumbled. I draw the attention of the Minister to the same page, the line, 'Contracting, Printing, Publishing to private sector', wherein no provision was made in the previous year but there is now provision for \$300 000 worth of contracting out to the private sector. Are the two factors related? No provision was previously made, so clearly a decision has been made to contract out to the private sector. Is that the reason or one of the reasons for the reduction in employment figures that I have quoted?

**The Hon. E. R. Goldsworthy:** The Government Printer is seeking to run the business on sound commercial lines and to ensure that the Government Printer operates in such a way that it is not a drain on Government finances. That is a result of changes implemented on the recommendations of the Price Committee set up by the previous Government. The Price Committee made recommendations. It was to see that the Government Printer was acting on a sound commercial basis. Changes have occurred. One of the problems, as the honourable member well knows, with the Government Printer is that the flow of work to him ebbs and flows. There are times when the Government Printer has not got enough work to keep his workforce fully occupied. There are other times when there is a great rush of work—more than he can cope with.

On top of that, there is the desire of all Governments to see that the Government Printer is not placing an increasing drain on the Government's revenues. A balance is struck. There are periods when the Government Printer cannot handle all the work that he is required to handle, and some is contracted out. I will ask the Government Printer to comment but I will be surprised if that has not been the case for a number of years. There has been no fundamental change in the operations of the Government Printer. Very real efforts are being made for the Government Printer to balance his budget. Changes that have been implemented in the way it operates are a result of the recommendations of a committee of the former Government which this Government received and, with some changes (not major), accepted. From my investigations this situation occurs with all Government Printers. The ebb and flow of work is one of the difficulties. The Government Printer is established in the first instance to do Government printing. It is not a continual flow of work. When Parliament sits there is an enormous call on the resources of the Government Printer, especially when we have all night sittings. Facilities are strained to the limit, but at other times during the year the flow of work is really not all that we would desire. Perhaps Mr Woolman would care to comment further.

**Mr Woolman:** The \$300 000 that is being questioned is a result of transfer from the State Supply Division to the Government Printing Division for the procurement of printing and computer stationery which the division does not produce as we do not have the equipment to do so. Under the steering committee report to Government the recommendation was that a print procurement section be set up within the Government Printing Division to try to control the flow of work through the division, as the Minister has said. That print procurement section was set up in January this year and it looked at the total print procurement of Government departments and what was being ordered through State Supply and its own departments. Regarding the basic figure listed in this year's financial figures, the bulk of it is the transfer of that type of work traditionally purchased through State Supply. The Government Printing Division, through its print procurement section is procuring that print. It is calling and looking at tenders and recommending placement of these orders. The Minister also mentioned that at critical times of the year we find it difficult to cope with the volume of business coming through. Our critical period is July, August and September with the starting of the new session, the Auditor-General's Report, the Estimates and the Budget. It is in that period of time that we take advantage of print procurement and try to use the total private sector in this State as a supplier to Government at contractual rates.

This did not happen previously and people would just go out and purchase. Specifications were not correct and we found instances where more money was being spent outside the system than was being spent inside. By getting into print procurement we now have firm specification arrangements with printers and we have printers registered with us who will do work for us. We have contractual arrangements concerning pricing and it is evening out the work flow so that, when we can not produce, departments do not have to wait for three or four months for work to be produced through the office. This was happening previously and we are trying to make it more efficient.

**The Hon. R. G. PAYNE:** I thank the Minister for the answer. One is almost tempted to say that, with an asterisk or one of those dagger things that the Government Printer does so well alongside that line, we might not have needed to ask the question in the first place. I refer to the Programme Estimates Volume 2, page 5. Why is the cost of regulating explosives to increase sharply? Does the Minister have some activity for his department that we have not been able to keep up with? The vote was \$85 000.

**The Hon. E. R. Goldsworthy:** The cost of regulating?

**The Hon. R. G. PAYNE:** Yes.

**The Hon. E. R. Goldsworthy:** I will ask Mr Crisp, the Director of Chemistry, to comment on that.

**Mr Crisp:** There are natural increases from inflation that have been occurring from year to year. There has been an increase required for an extra amount for staffing because Australian National are starting to put through their standard line passing through Dry Creek and they have removed the siding which has been used to receive explosives by rail in this State, and this has required more handling by the Dry Creek staff and it now has to go to both Mile End and Islington. This has caused more expense. The full effect of that has not been met but that will be through this year.

**Mr O'NEILL:** I refer to the Supply and Tender Board. In November 1980, the Deputy Premier referred to the fact that the Government believed that new legislation was necessary because of the problems that were accruing in the field of public supply and tender under the existing Public Supply and Tender Act. He indicated at the time that a committee consisting of Mr Voyzey, Mr Guerin and an expert consultant in the field would be appointed and

would have the task of recommending revision. In February 1981, again in respect of the Public Supply and Tender Act, the Deputy Premier indicated that he could not see anything happening in the near future. However, within the next 12 months he thought that something may be happening. The Deputy Premier at that time could not advise the House of the name of the successful tenderer for the consultancy. Can the Deputy Premier tell us what progress has been made on the review of the Public Supply and Tender Act and when does the Government envisage new legislation will be introduced to the House? Can the Deputy Premier tell us the name of the consultant or consultants who carried out the study and what was the cost of the consultancy?

**The Hon. E. R. Goldsworthy:** I indicated that the Government was intending to introduce a new Act. From the tenor of what I said at that stage, the Government did not see that this was the most urgent thing for the Government to do. One could gain that from what the honourable member has just said. Nevertheless, we did believe it was necessary to change the legislation. A steering committee was established but the consultant was not appointed and is not yet appointed. We delayed it in the last instance. We were pursuing this about two months ago and then it became known that the Director-General of Services and Supply was going to retire and we decided not to proceed with the appointment of a consultant until the appointment of a new Director-General of Services and Supply, because he would immediately follow this up. We do intend to proceed and in due course I would be happy to let the honourable member know who the consultant is, how much we are going to pay him and what we expect him to do in conjunction with the committee. That matter is in progress at the moment with the new Director-General and the Director of Supply, Mr Burdett. Mr Burdett may care to comment.

**Mr Burdett:** I have only been with the department for a short time and I am currently in the position of reading the particular proposal that was put up by the Government to engage a consultant and form a steering committee to conduct a review of the existing Public Supply and Tender Act. The Minister has said that some negotiations have taken place with a number of consultants who submitted bids for the particular project. Currently we are intending to renegotiate with a consulting organisation about membership of a steering committee to proceed with the project of a revision of the Public Supply and Tender Act and, subject to the Government's programme, one would hope that might be introduced to the House within the next 12 months.

**Mr O'NEILL:** I refer to page 28. It refers to controlling the supply activities of statutory authorities and a legal opinion; the board is examining the possibility of extending delegation to these bodies. Would the Minister make some comment on that and say just how far that has proceeded?

**The Hon. E. R. Goldsworthy:** It is a pertinent question. As a result of legal opinion, it would appear that the law was not being observed and had not been for many years, and that statutory authorities were operating in such a way that they were in contravention of the Public Supply and Tender Act. The only sensible thing to do was to introduce a small amending Bill and give them a delegation to legalise what they were doing. That has been done.

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

**Dr BILLARD:** I have a question relating to a news release, which was made yesterday, I believe, and which may or may not touch on this area; it probably comes into data processing as much as anywhere else. This relates to

the computer software company that was going to begin operations in Adelaide. I wonder whether any inducement was given by the Government's offering to use its services in any way. The implication from the news release is that it is more scientific and mining type applications, and not really normal commercial data processing type applications.

**The Hon. E. R. Goldsworthy:** Yes, it is developmental; I think that is an appropriate word to use. The Systems Research Institute of Australia, with headquarters in Perth, is doing developmental work with computers. It was suggested to me and to the Government that activities could be about to happen and were happening in South Australia, where a branch of that institute would be appropriate, or some of the activities would be appropriate. That is being pursued. The Government has not had a great deal of input in regard to inducement as such. Mr Guerin has been involved in conversations with the people in Perth, and the announcement I made yesterday indicates that some things are certainly happening in that area.

There is minimal input in the return of resources from the Government. I think we put in \$250 to become a member of the institute. That is our only financial contribution thus far. I did offer to make available an office and perhaps a typist in the initial stages. So, there has been a minimal contribution in that area during the establishment phase. There has been a fair bit of interest by industry in relation to the videotext proposal, which will be on a trial basis early next year; that is one of its activities. I think I will ask Mr Guerin to comment for the honourable member, because it may not have immediate industrial or commercial application, but it is a developmental-type activity, as I understand it.

**Mr Guerin:** The situation that is attempting to be addressed by this sort of arrangement is that in some areas there are computer suppliers who have machines available to do various things for industries, whether mining, manufacturing, or more commercially oriented. Often there is not available software that is appropriate to their needs. The Government from time to time is approached both by computer companies, saying that there is a gap in this area, and by some mining and manufacturing companies, saying they cannot find established software or developed software that they could use. Particularly in South Australia, they found it difficult to put their investment into the proper development of software given their scale of operation. For example, in South Australia we have a number of small to medium level manufacturing industries that are quite well advanced in the use of numerically controlled machine tools. No one company can afford to take the risk of developing fully software to take advantage of new computing potential, and so there was a need established to provide some brokering arrangement to get some work done so that the risk for these developments could be spread and the benefit shared in the end.

While this was being looked at, we became aware of the institute in Western Australia, which was doing much the same sort of thing and which was starting to have some success. It started off with a mining industry base but was spreading more into manufacturing and commercial areas. The basis of the Government's interest in this is to attempt to share the very specialised and fairly expensive overheads, rather than trying to duplicate the process in South Australia.

The first stage is to establish a policy council, which will come from supporters of the institute in the State, and there would be representation from the Government, but mainly from private manufacturing industry and mining industry. That group would have an input in terms of priorities and vetting any proposals for projects, to make sure that they are financially self-supporting. The idea is

not to subsidise projects through this, but to identify things that have a commercial application. At this stage a couple of things that look quite promising, one, broadly, in the mining area and the other one very much towards the retailing area.

**Dr BILLARD:** It sounds to me, therefore, that the Systems Research Institute really operates like a software co-operative, in a sense, that different bodies or governments that are interested become members through the payment of a fee, and then research or development of software is sponsored by that organisation on behalf of the members. My first question is asking for clarification of the role of the institute.

Secondly, relating to the Videotext Application Research Centre, which was also mentioned at the same time, what specifically is the Government's role in that videotext proposal?

**The Hon. E. R. Goldsworthy:** To answer the second question first, the Government has no direct role. I understand that several companies have put up about \$8 000 (that was the figure mentioned to me) to fund this particular trial. The Government had not put any funds into that, but some Government departments may be interested in participating. However, at the moment I am not aware of any. That is done by industry and commerce interested in this trial.

I do not think this body would want to call itself a co-operative, because there are some connotations there that may not appeal, but I think that, in essence, what the honourable member is saying is true about companies and individuals interested in joining for a fee and then having the facilities and services of the institute available to them.

**Mr ASHENDEN:** I refer to the item 'Administration expenses, minor equipment and sundries'. Specifically, my questions relate to page 33, volume 2, of the Programme Estimates. I would like to ask three questions. I notice on that page some reference to staff development. Is that staff development just for the area within the Department of Services and Supply, or does it extend to providing that facility for all Government departments?

**The Hon. E. R. Goldsworthy:** That is just for the Department of Services and Supply.

**Mr ASHENDEN:** I notice two statements that indicate to me that you are looking at a new system of performance appraisal and management development, and I was wondering whether you could outline briefly the type of appraisal programme that is being developed for middle-management staff.

**The Hon. E. R. Goldsworthy:** I ask Mr Glenn to comment on that. I think that would be hard on Mr Burdett, who has been here for only a week.

**Mr Glenn:** There are two aspects to the staff development programme. The first is the performance appraisal aspect, in which we are aiming at line managers, to be able to get them to assess the performance of their staff and their own performance in their jobs. Secondly, the management development programme will be aimed at the middle-level management in the department to lift the professionalism of the officers engaged in that area. We have not finally drawn up the format, but it is envisaged that the performance appraisal will be an ongoing thing once established, and that the management development programme will extend over several years. At this stage, we have not taken any direct action to implement those things, but they are on the work programme for 1981-82.

**Mr ASHENDEN:** Apparently, new programmes are being developed. As well as the appraisal programme, I gather that there are other management development programmes. Are these being developed from within the department, or are you using outside resources for development of those programmes?

**The Hon. E. R. Goldsworthy:** I understand that they are from within the department. No outside consultant is being used at the moment.

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

Works and Services—Department of Services and Supply,  
\$1 140 000

**Chairman:**

Mr E. K. Russack

**Members:**

Mr E. S. Ashenden  
Mr J. C. Bannon  
Dr B. Billard  
Mr Max Brown  
Mr H. H. O'Neill  
Mr J. K. G. Oswald  
The Hon. R. G. Payne  
Mr I. Schmidt

**Witness:**

The Hon. E. R. Goldsworthy, Deputy Premier and Minister of Mines and Energy.

**Departmental Advisers:**

Mr R. G. Glenn, Acting Director, Support Services, Department of Services and Supply.

Mr J. E. Burdett, Director-General, Department of Services and Supply.

Mr J. D. Cambridge, Director, State Supply Division.

Mr P. B. Byrne, Senior Accountant, Department of Services and Supply.

Mr P. Guerin, Chairman, Data Processing Board.

Mr C. S. Crisp, Director of Chemistry Division.

Mr D. J. Woolman, Director and Government Printer.

Mr M. E. Jones, Director, A.D.P. Centre, Department of Services and Supply.

**The Hon. R. G. PAYNE:** My first question tends to hark back to a subject that we covered in detail earlier in relation to the purchase of data processing equipment. An amount of \$168 000 was proposed last year and \$73 269 was spent. For 1981-82 only \$75 000 is proposed for expenditure of a capital nature. Would the Minister like to amplify? Is this a holding operation while further work is being done by the board and the Government?

**The Hon. E. R. Goldsworthy:** The largest slice of that variation would be due to the fact that it was decided to defer purchase of some minor hardware, software packages, and enhancement, pending the review of the division's existing role. As I pointed out this morning, the strategy for the replacement of the A.D.P. Centre equipment and the rehousing of the centre have been fundamental questions that have had to be addressed and decided upon before any large expenditures, or even expenditures of this magnitude, were finalised. It is only in the past two months that final strategy for replacement, and so on, has been agreed. The largest part of that variation is due to deferral of purchase. I can also indicate that \$25 000 was reallocated from that line to the Chemistry Division for the purchase of laboratory equipment that was considered urgent. That, in the main, is the reason. There were deferrals of purchases that were projected in conceiving last year's Budget.

**The Hon. R. G. PAYNE:** I think one is tempted to say that the review, etc., of the department's role surely would have been in the mind of the Minister or someone in the

department 12 months ago, yet allocations were made. Presumably, now decisions have been made not to spend those sums. One wonders why they were provided for. I refer to the line dealing with purchase of printing machinery, where a considerable sum (although perhaps not large in terms of what printing machinery costs can be in these days), of \$1 040 000 is to be expended. Has the Minister any detail of what type of machinery is to be purchased?

**The Hon. E. R. Goldsworthy:** I understand that that equipment was from overseas, and I recall that there was some delay in delivery. I will ask the Government Printer to comment, but the variation was in relation to equipment either ordered and not delivered in the current year or equipment for which tenders have been called in accordance with the 1980-81 programme. My recollection is that it is for equipment not delivered from America.

**Mr Woolman:** Regarding the total vote for 1980-81 of \$1 432 000, in the past financial year we committed \$1 488 000, or slightly over budget. Actual payments were \$781 000. The balance of \$707 000 has been, or is, in the process of being delivered now.

If one takes \$707 000 away from the proposed vote this year, our expenditure this year on new equipment is \$333 000. It is a transfer from last year. It was committed last year but not delivered. Some of the equipment we purchase sometimes has a lead time on delivery of up to 18 months. We had one lot from America last year that was on order for about 18 months. It was delivered in August this year.

**The Hon. E. R. Goldsworthy:** That was my understanding of it. The fact is that we budgeted for this equipment, but it took longer than was anticipated for delivery.

**The Hon. R. G. PAYNE:** I take it that we now seem to be allocating only a much smaller amount for the current year because we are catering for some roll-over from the end of the financial year of payments that now need to be made in the current year. Thus, the Government Printing Division equipment expenditure would seem to be almost complete in regard to plans involved in the provision of new equipment. Will the process referred to before lunch of farming out orders to the private sector, as indicated by the amount of \$300 000, continue, or will the latest equipment acquisition reduce the need to farm out work to the private sector?

**The Hon. E. R. Goldsworthy:** There will be times when the call on the Government Printer is such that some work will, as has always been the case, be farmed out to the private sector. There will be other times when we would like more work to be made available to the Government Printer. One of the recommendations of the Price Committee was to try to establish a flow of work to the Government Printer to enable him to operate on a sound planning and commercial basis. Those recommendations have been adopted, and, in the first instance, Government departments are required to go to the Government Printer for their requirements.

**The Hon. R. G. PAYNE:** If one settles on \$300 000 as the sum likely to be spent on equipment not already ordered, or at least not carried over from previous years, by the Government Printer, what is the public of South Australia likely to get for that money—what machines?

**The Hon. E. R. Goldsworthy:** I will ask the Government Printer to comment on that. There has been extensive re-equipping over the years. I have been down to the Government Printer fairly recently, and some machines will go out of service when the operators retire, as I understand it. I do not think there is any major re-equipment programme envisaged at present, but I ask the Government Printer to comment about the \$300 000.

**Mr Woolman:** Going back about five years ago when the steering committee first met and came up with a decision that the division would continue as a Government Printer supplying the needs of Parliament, it was then decided to compete with the private sector, but the technology involved in the private sector had to be introduced into the Government Printing Division. We have had a re-equipping programme over the past five years. This current year is the last year of that re-equipping. The \$300 000 that we are looking at this year is the completion of a photo-typesetting system which was started last year. As we are winding down the old system and the new one is coming in, there is slight expenditure on that.

The second is to upgrade the finishing area, which is the last thing that we have looked at. The main capital item involved there is a gatherer-stitcher machine, which replaces equipment over 25 years old and for which spare parts are no longer available. The other major area is in a computerised estimating production planning and control system, and inventory control system. This just follows the trend of technology in this country and also overseas. That is a matter of about \$300 000.

**Mr SCHMIDT:** I refer to page 118 and the purchase of laboratory equipment. Last year, no amount was voted, yet \$229 was spent, and this year \$25 000 is proposed. How do you tie that in with the figures on page 19, volume 2, of the programme book where, for forensic work, you allocated last year \$25 000 and spent only \$1 000, and again this year you are proposing \$25 000 on capital expenditure. Can you relate the different figures?

**The Hon. E. R. Goldsworthy:** I will ask Mr Crisp to answer.

**Mr Crisp:** This sum provides for a micro-spectrophotometer, which is required for the examination of trace physical evidence in murder, rape and other such cases. The value of the instrument is about \$23 000, and there are parts for attachment to an existing microscope. Part of that sum has been spent on attachments, and the micro-spectrophotometer, I hope, is now on the water from the U.S.A.

**Mr SCHMIDT:** It is basically used for investigation into rape and murder cases. How does it tie in with your increased allocation of full-time equivalent staff for forensic work? Will it lead to improvement in services in that area?

**The Hon. E. R. Goldsworthy:** Again, I will ask Mr Crisp to reply in detail.

**Mr Crisp:** One extra analyst was employed during the year, which is why part of a person is recorded. The use of this instrument will give a more objective and perhaps a stronger method of identifying material without its destruction, and that is important in legal cases.

**The CHAIRMAN:** As there are no further questions, I declare the examination of this vote completed.

Deputy Premier, Miscellaneous, \$644 000

**Chairman:**

Mr E. K. Russack

**Members:**

Mr E. S. Ashenden  
Mr J. C. Bannon  
Dr B. Billard  
Mr Max Brown  
Mr H. H. O'Neill  
Mr J. K. G. Oswald  
The Hon. R. G. Payne  
Mr I. Schmidt

**Witness:**

The Hon. E. R. Goldsworthy, Deputy Premier and Minister of Mines and Energy.

**Departmental Advisers:**

Mr R. G. Glenn, Acting Director, Support Services, Department of Services and Supply.

Mr J. E. Burdett, Director-General, Department of Services and Supply.

Mr J. D. Cambridge, Director, State Supply Division.

Mr P. B. Byrne, Senior Accountant, Department of Services and Supply.

Mr B. Guerin, Chairman, Data Processing Board.

Mr C. S. Crisp, Director of Chemistry Division.

Mr D. J. Woolman, Director and Government Printer.

Mr M. E. Jones, Director, A.D.P. Centre, Department of Services and Supply.

**Mr O'NEILL:** My question is in regard to the *Government Gazette*. I understand that there has been a large increase in the charge for the *Gazette*. I notice in the Estimates of Receipts of the Consolidated Accounts for the year ending 30 June 1982 that \$3 500 000 is involved, but a break-down is not given. What extra revenue is likely to be obtained from the increase charged for the *Gazette*? What are the expected effects on subscriptions of this increase?

**The Hon. E. R. Goldsworthy:** This line deals with the cost of printing and publishing the *Gazette*. The increase in the charge was to try to recover some of the costs of producing the *Gazette*. I point out that the new charges are more in line with charges interstate. The *Gazette* in South Australia was far cheaper than gazettes in other States. The increase is to try to recover costs. I will ask Mr Woolman to comment on the extra revenue that will result from the increased charges.

**Mr Woolman:** As far as I can recall, the increase in revenue resulted not only from the *Government Gazette* but also from other charges for *Hansard* and subordinate legislation. I believe the increase in revenue is about \$120 000.

**The Hon. E. R. Goldsworthy:** That increase is not just for the *Government Gazette*. If the honourable member wants information specifically on the *Government Gazette* it will be forwarded to him, but it is not available at the moment. I understand that the figure mentioned by Mr Woolman was the gross increase.

**The CHAIRMAN:** Does the honourable member for Florey require that information?

**Mr O'NEILL:** Yes, Mr Chairman. I would also like information about the increased charges for *Hansard*. What effect, if any, will that increase have on members' *Hansard* mailing lists? At the moment each member has an allocation of 30. Owing to the effect that increased charges may have on people who may not be very affluent, does the Government intend to expand the free mailing list for members' constituents?

**The Hon. E. R. Goldsworthy:** That action is not contemplated. I have never had the impression that *Hansard* was a best seller. Nonetheless, if among the honourable member's constituents there are avid readers who wish to get on to his mailing list, he could approach the Government, and we would consider it. That matter has not been considered and there is no proposal to change the allocation for members' *Hansard* lists.

**Mr O'NEILL:** I thank the Minister for his very kind offer.

**The Hon. E. R. Goldsworthy:** I do not want to be misunderstood. If the honourable member has a list of people who want copies of *Hansard* I would be very interested to know about it, because experience indicates that that is not

generally the case. I will be very interested to see what he puts to me.

**Mr OSWALD:** I refer to the Public Supply and Tender Act investigation under 'Miscellaneous'. Is that the investigation presently being undertaken by W. D. Scott and Company? What does the department hope to achieve through an investigation or review of the Supply and Tender Board?

**The Hon. E. R. Goldsworthy:** That refers to the consultancy we were discussing this morning, which has not been let. We were discussing the redrafted Supply and Tender Act just before lunch and I mentioned that the final decision on setting up the committee and getting advice from the consultant was delayed until the appointment of a new Director-General. That is an allocation against what might be required for a consultant, but he has not yet been appointed.

**The Hon. R. G. PAYNE:** What are the terms of reference of the \$15 000 consultancy, or has it not yet reached that stage?

**The Hon. E. R. Goldsworthy:** There are no terms of reference, as I understand it, only a description of the project. Specific terms of reference have not yet been drawn up.

**The Hon. R. G. PAYNE:** Could the Minister give details of the description?

**The Hon. E. R. Goldsworthy:** Does the honourable member want me to read it out or shall I give him a copy? That is the description of the project.

**The Hon. R. G. PAYNE:** A copy is fine.

**The Hon. E. R. Goldsworthy:** It is public knowledge, and I am happy to make a copy available.

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

Mines and Energy, \$10 863 000

**Chairman:**

Mr E. K. Russack

**Members:**

Mr E. S. Ashenden

Mr J. C. Bannon

Dr B. Billard

Mr Max Brown

Mr H. H. O'Neill

Mr J. K. G. Oswald

The Hon. R. G. Payne

Mr I. Schmidt

**Witness:**

The Hon. E. R. Goldsworthy, Deputy Premier and Minister of Mines and Energy.

**Departmental Advisers:**

Mr B. P. Webb, Director-General, Department of Mines and Energy.

Mr R. K. Johns, Deputy Director-General, Department of Mines and Energy.

Mr P. R. H. Hill, Director—Mining, Department of Mines and Energy.

Dr M. J. Messenger, Director—Energy, Department of Mines and Energy.

Mr M. F. Whinnen, Director—Administration and Finance, Department of Mines and Energy.

Mr R. R. Hancock, Principal Engineer, Department of Mines and Energy.

Mr W. R. P. Boucaut, Chief Geologist, Department of Mines and Energy.

**Mr BANNON:** Under the heading 'Administration' I ask a general policy question: what is the Government's policy on public servants owning shares in companies? I understand that several senior Department of Mines and Energy officers have shares in the Western Mining Company. I do not intend to name anybody at this stage. A check of the register has indicated that. What is the Government's policy on this, particularly in an area as sensitive as mines and energy resource development? Does the Government intend to introduce legislation on the sensitive question of pecuniary interests?

**The Hon. E. R. Goldsworthy:** Let us get the record straight in regard to the Leader of the Opposition's own administration. My predecessor required the senior officers of the Department of Mines and Energy to make a declaration of their shareholdings, and that was done. There was no requirement that they quit any of those shares. When this Government was elected I discussed the matter with the Director-General. No demand was made upon departmental officers in excess of what was required by the previous Government. In other words, it was required that the officers make a declaration of their interests. I did suggest to the Director-General that it might be suitable for him to divest himself of his mining share interests and I understand that he did that, but I did not force him to. Maybe things are more sensitive now than they were during the life of the previous Government. The Hon. Hugh Hudson required that a declaration of mining interests be made but there was no requirement to divest, nor has there been any requirement by this Government to divest. I remember discussing it with the Director-General and he decided to divest.

**Mr BANNON:** As far as the Minister knows, other officers have not divested?

**The Hon. E. R. Goldsworthy:** They have not been required to divest, and no previous Government has sought that requirement. There are some legislative constraints on inspectors of mines that they cannot hold any mining interests in any mining company operating in this State. That is a legal requirement that has been in force for some time.

**Mr BANNON:** There are some requirements at the inspection level but at the senior officer and policy level is the Government not placing any requirements upon officers, except disclosing to the Minister? Is there any intention to do more than that as we go further down the track in terms of developing mining ventures?

**The Hon. E. R. Goldsworthy:** Not by me.

**Mr BANNON:** Can the Deputy Premier explain the rather large increase in funds allocated to the administration expenses item under the Deputy Director-General from \$846 782 to \$1 032 509? Can the Minister outline what that involves in terms of staff appointments and so on?

**The Hon. E. R. Goldsworthy:** The funds for payment to the executive and all administrative and accounting support services involved here have all been brought into this line. The increase is due to general salary increases and the full year effect of the appointment of the Directors of Mining, Administration and Finance and the consolidation of the executive. These people who now form the executive were separated out in previous years and are now consolidated into this line. This does not represent an increase in personnel. The position of Director of Mining was vacant and we appointed Mr Peter Hill 12 months ago. The Director of Administration and Finance, Mr Mel Whinnen, has only had six months in the department.

**Mr BANNON:** In relation to the general allocation for mines and energy, by my calculations it is up about 5.74 per cent compared to an average for departments of 4.6

per cent, in times of considerable financial stringency. Is this related to the Deputy Premier's being a member of the so-called razor gang, the Budget Review Committee, and therefore was able to plead a special case for his department, or is there some special justification for increased resources of the Government being put into this particular department and, if so, what?

**The Hon. E. R. Goldsworthy:** The average increase across this department is 5.7 per cent and the salary increase of the department is 12.4 per cent. This department is taking a cut in real terms. Let me deal with the comment of the Leader of the Opposition, that this department may have had some special favoured treatment because of the fact that I was Chairman of the Budget Review Committee. I utterly reject that suggestion. The committee was sensitive to the role it was playing. If one looks at the Budget for the Department of Mines and Energy and compares that with some of the other Government departments, it is a very modest slice of the State Budget at a time when the contribution that this department is making to the value of this State is quite enormous. The amount of work this department has been required to do in view of the known and pending developments in South Australia has increased quite markedly. Geologists and qualified people in the mining field are extremely hard to attract to Government service at this time because of the salaries the Government offers.

To suggest that this department has had special treatment is not true. It is unworthy of the Leader to suggest that. Maybe the Leader does not recognise the extra work that this department has undertaken, due to the developments that are now occurring across the whole field. As I pointed out on numerous occasions (although the Leader may choose to disregard it), the work in relation to the issue of exploration licences, for instance, has increased enormously. There is an enormous increase in effort and activity required to service the record levels of exploration that have been attracted to South Australia. If one looks at any activity within the Department of Mines and Energy, one can see there is increased activity and increased demands being made upon the department. To suggest that this department has received special treatment is quite false. The department was not given anything like the funds it sought.

**The Hon. R. G. PAYNE:** I refer to pages 32 and 33 in the Parliamentary Paper No. 9, both the salaries lines, Energy Services Division and Engineering Services Division Contingencies. There are some modest increases in the contingencies area from \$914 000 actually spent to just over the \$1 000 000 mark. In the salaries line there is a not dissimilar increase provided for in terms of percentage. If we refer to the Programme Papers on pages 38 and 39 we can see the sub-programme 'Underground water—exploration, assessment and protection'. Can the Minister say whether there is any drilling programme concerned with the evaluation of possible water supplies for Roxby Downs/Mount Isa type projects supposed to happen in our State?

**The Hon. E. R. Goldsworthy:** There was a drilling project that I referred to in last year's Estimates Committee in the Great Artesian Basin, which could have had some implication for Roxby Downs. I will ask the Deputy-General, Mr Webb, to comment on that situation as it currently stands.

**Mr Webb:** There are no drilling funds allocated to the Roxby Downs operation in the numbers that you referred to. There are no drilling operations planned to be carried out this year in relation to our work to assist the Roxby Downs operation. The number in the search fund relating to water deals with projects other than Roxby Downs.

**The Hon. R. G. PAYNE:** Can the Minister advise what would be the likely source of water for the Roxby Downs township?

**The Hon. E. R. Goldsworthy:** The line from Port Augusta to Woomera might possibly be upgraded and extended to Olympic Dam. Also, I point out that the company has engaged consultants to do ground water studies in relation to a possible supply of water from the Great Artesian Basin.

**The Hon. R. G. PAYNE:** As has been stated, there are no funds being expended in the votes before us for water resource drilling in relation to Roxby Downs, even though the possibility is that there may be an artesian supply used.

**The Hon. E. R. Goldsworthy:** My understanding is that the company has engaged consultants and that they fund that work. The Government is not spending any money on that.

**Dr BILLARD:** I want to ask a question about the operation of health and safety standards at mines. It is referred to on page 36 of the Programme Papers. I am not sure of the Budget line but I assume it comes under the mining division. Can the Minister say who are the people that inspect and enforce safety and health regulations? Are they employees of the Mines and Energy Department, or do other departments become involved?

**The Hon. E. R. Goldsworthy:** There are inspectors in the Mines Department, of course, whose job it is to monitor safety procedures, but in some circumstances the Health Commission is involved, particularly when we talk about radiation measurements, and so on. It is the responsibility of the Health Commission to undertake monitoring and to alert the Mines Department if things are not meeting the required standards, and to see that they do meet the required standards. Perhaps I will ask the Director of Mines if he will comment on this.

**Mr Hill:** In the actual mining areas the mines inspectors have the responsibility for the whole gamut of safety. The Health Commission officers are setting the standards, but most of the monitoring on a mine would be done by mines inspectors who would be acting as inspectors both under the Mines Inspection Act and the Health Act.

**Dr BILLARD:** I would like to clarify that. I am thinking specifically of the sensitive areas of uranium mining, perhaps at Beverley or later at Roxby Downs. Is it the normal practice throughout Australia that it is not the Mines Department that sets the standards, but the Health Department, or the State health authority, that sets the standard, and to what extent do they participate in ensuring that those standards are being met?

**The Hon. E. R. Goldsworthy:** That is a statement of fact: the Health Commission sets the standard, it is the responsibility of the mines inspectors to see that those standards are met, and monitoring is done by the Health Commission. Maybe Mr Hill could add to that.

**Mr Hill:** As members would be aware, there has been work going on throughout the Commonwealth to try and get codes as they refer to radio-active materials. There are three of them, covering mining and milling, transport, and waste disposal on some sort of uniform code throughout the Commonwealth. This work is progressing to the stage when the transport code and the regulations are almost complete; the code for waste disposal is nearly complete, and the work is progressing on the regulations; and on mining and milling the work is complete.

**The CHAIRMAN:** For the benefit of those members who are in the Committee today, the procedure we have followed is that, if a member has several questions on the same subject, we allow three or four questions and then, if there is a list of waiting members, we then turn to them. This morning there was a considerably higher number, but that

was because no other member had indicated his intention of asking questions.

**The Hon. R. G. PAYNE:** I would like to follow up on the previous question from the member for Newland. It is my understanding that in relation to the latter two codes referred to that previously the Commonwealth had accepted the responsibility of preparing and organising but that an announcement was made by the Commonwealth a couple of months ago and a schedule was issued which showed that certain activities of the Commonwealth were to be handed over to the States. From memory, it referred to the handling of uranium and other radio-active materials being left to the States concerned. Can the Minister enlighten me on this?

**The Hon. E. R. Goldsworthy:** The codes have been developed as a consultative process between the States and the Commonwealth. This is to get uniformity throughout the nation, but nobody is suggesting there are not regulations in place; there are regulations around the nation. This effort is to get uniformly accepted codes of safety throughout the nation, and they have been developed as a result of consultations between the States and the Commonwealth. The States then legislate in their own right for the enactment of those codes, or, if the States do not do it, the Commonwealth will.

**Mr OSWALD:** I refer to Programme Paper 9, page 32, Resource Division, under 'Geological Survey of South Australia'. Will the Minister say what the department is doing in regard to uranium developments generally? From a study of the papers I see that the only reference to uranium is under 'Miscellaneous', where there is \$17 000 for the Uranium Enrichment Study Committee.

**The Hon. E. R. Goldsworthy:** I will ask Mr Webb to comment on that.

**Mr Webb:** Over and above the item of \$17 000, reference to the Programme Estimates, volume two, pages 42 and 43 will show that a further sum of \$200 000 is devoted to uranium work generally. This relates to the monitoring of applications for licences, the setting of conditions on mining tenements, and the assistance generally of uranium exploration and development in the State. A further sum of money would also be spent, according to pages 36 and 37 of Programme Estimates, volume two, in the development of the codes and practice that a previous member has referred to.

Finally, in the work that we have commissioned with Amdel, a further sum of \$50 000, from memory, has been allocated to various aspects of uranium work to deal with the progress of uranium properties in the State. I suppose in very round numbers between \$200 000 and \$300 000 of labour and contingencies has been allocated for uranium work.

**Mr BANNON:** I would like to take up the question of the Roxby Downs development because I think it is important that much more information is provided to the public on the latest plans for this project, information which should include precisely when it is to commence, the number of jobs involved, and so on. There has been much speculation so far. I preface my precise questions by pointing out that discussion on this development and its prospects is taking place in a fairly unpromising economic environment. I do not think attention has been directed sufficiently to this, and I will be interested in the Minister's comments on that. Certainly, much more information is needed on this copper-uranium deposit and its prospects in view of its central role in the economic development strategy of the Government. Some facts have been published lately in relation to the economic prospects of such a deposit.

For Mount Isa Mines Holdings Limited, which operates basically a copper mine, annual profit fell from \$203 600 000

in 1979-80 to \$106 400 000 in 1980-81. Peko-Wallsend Limited, the operator of the Tennant Creek copper mine, reported a fall from a profit of \$50 000 000 in 1979-80 to a loss of \$7 700 000 in 1980-81. Conzinc-Riotinto Australia Limited reported a profit of \$16 000 000 in the six months to June 1981, compared to \$100 000 000 in the same period of 1980.

Peko, in reporting on its copper market, pointed out that the average price that it received for its copper in 1979-80 was \$1 950 a tonne, compared to \$1 524 in 1980-81. That, of course, is in the face of inevitable rising production costs. Mount Isa Mines reported an average 14 per cent fall in copper price, from \$1 953 to \$1 679 a tonne.

Peko is scaling down production as a result of depressed metal prices and the effects on profits of unfavourable exchange rates. It was reported at the beginning of this month that it is expected to retrench 170 people at Tennant Creek. According to a report in the *Australian* of 8 September, further copper mines could hardly come at a worse time 'as copper prices are arguably the lowest ever in real Australian dollar terms'.

The principal market for copper is the United States, and obviously the prospects of the economy of that country are important when we are looking at the matter. The *Australian Stock Exchange Journal* of August 1980 said the outlook was not bullish and reported weaker U.S. demand, with an 8.8 per cent fall in consumption from 1980, and that was on top of the 22 per cent fall in 1979. Japan and West Germany were down about 6 per cent.

I have not gone into the details of the price of uranium, where there has also been a well documented turning-down of nuclear energy development in a number of those countries that were committed to such programmes, and all the estimates made are having to be substantially revised downwards. The current world market price of uranium has fallen. In the face of those economic facts, without getting into questions of the morality of national safeguards or any other aspects of the argument, I would like to know from the Minister in fairly precise terms what the operating companies have advised the State Government are their latest plans for the Roxby Downs mine, and at what time and to what extent they see it coming into production if the way is totally smooth for that to happen.

**The Hon. E. R. Goldsworthy:** No-one denies the facts that the Leader has put to the Committee, namely, that at the moment copper prices are depressed. Copper prices are historically cyclical, and the fact is that the mine would not be starting tomorrow with copper prices at their present level. So when we are looking at the lead times in relation to a development such as Roxby Downs, what is more pertinent is what will be happening to the copper prices at the end of this feasibility study and what projections there are for metal prices and other commodities produced by that mine.

The fact that copper prices are depressed at the moment is not really a matter that is requiring our immediate attention. What is requiring our immediate attention is that we present to Parliament an indenture that will give the companies the confidence that, when a decision is made for the project to proceed, the ground rules will be such that they are acceptable to the joint venturers. In other words, they want the security of an indenture, because the next amount of money to be expended in this exploratory stage is considerable.

An amount of \$50 000 000 would have been expended, I understand, by the end of this year, which is all that the companies have been authorised to expend under the agreements reached with the previous Government and reaffirmed by this Government. There has been an accelerated exploration effort, despite the downturn in copper prices.



The joint venturers have been keen to get on with the job and that money has been spent rather more quickly than was originally envisaged.

This Government certainly supported the company's efforts to accelerate that, because, if a decision was made that (for the reason that copper prices are low now) nothing need happen, all we are doing is surely delaying the start-up of any mine that eventuates. The decision to be made now is whether to commit another \$150 000 000 to further work. Delaying that decision delays the project. That is the state of play.

The Leader has said that he should have more detail. It would be quite improper for me to discuss publicly the details of an indenture that is the subject of detailed negotiation between the Government and the joint venturers. I understand that the Leader and senior members of his Party have visited the Roxby Downs site. If they were treated as I was when I was there, the companies would have been quite happy to provide any information that the Leader and his Party sought and which could legitimately be given. I do not believe that the company has sought to hide any fact in relation to this project from the Opposition or the public.

When the Leader asks when the project will start, he is asking an impossible question. The fact is that what has been said is that one could expect that this project could start by the middle of the decade. It certainly will not start by the middle of the decade, or it will not start by the end of this decade, if the sort of reassurance that the company needs and the ground rules are not laid down. These ground rules are needed so that the company is willing to commit another \$150 000 000 to \$200 000 000. That is the plain decision to be made now.

I do not know whether the Leader would suggest it, but what I read into his remarks is, 'What are we all fussed about? Copper prices are low. Nothing will happen.' The fact is that, if we do not make decisions now and ratify an indenture, we know that that \$150 000 000 will not be committed, and that surely puts the project further back, whatever the starting date is. The profits of Western Mining were at the same level this year as last year. The Leader has mentioned profit levels, and I acknowledge that they are factual. Copper prices at the moment are depressed. They have been cyclical for the past 150 years. The decision to be made in the ensuing months is whether to permit another large chunk of money for further work. That decision must be made in the near future.

**Mr BANNON:** My quarrel over this is not with the company, the operating partners, who get on with their work quietly and effectively, but with the Government, which I am sure has embarrassed the company with its drum beating. The reason why we should get specific advice is that at the moment this project seems to be the whole centrepiece of the Government's development strategy.

It really has not got much else to talk about. Whether or not the project in the long term will be of value or will produce the benefits that the Government suggests, the question that we have to address ourselves to today is whether this is, as the Government says, the only major development that we can see looming up ahead of us, and something that must be pursued at all possible costs. In other words, if there is any doubt or division in the community over uranium, doubt about safeguards or safe processing or mining or whatever, we must put them all aside and forget about them this year because, in the long term, many years ahead, it may be that we will need this particular development to rescue the State economically. It is for that reason that details are now called for.

I am not asking for details of an indenture Act. I agree with the Minister that specific negotiations between the

companies are obviously matters that will come before the House when the Government produces some form of indenture Bill. What I am talking about is the vague statements and the great boosting of this project which is not allowing a sensible and sober community consideration of it. The Minister has referred to the middle of the decade and has said that what is important is the copper price at the end of the feasibility study.

I suggest that what is important is the copper price at the time when the mine comes on stream on a commercial scale. As the Minister points out, prices are cyclical. How far up or down they go is dependant on a wide range of factors, most of them not in the control of the South Australian Government or the mining companies themselves. I want to know not when the Minister thinks a feasibility study will be finished or the companies might be contemplating going onto a further stage; I would like the Minister to say when the Government expects to receive substantial royalties from this project as a result of production. What is the estimate on that? Can the Minister give a fair dinkum reply to that question?

**The Hon. E. R. Goldsworthy:** The Leader has made a series of statements which cannot go unchallenged. He is suggesting that this is the only development about which the Government is talking, yet a few days ago he suggested that we should be beating the drum in relation to Cooper Basin developments. Indeed, the Government has encouraged those developments and I can say without fear of contradiction that those developments have been accelerated during the life of this Government. There was no liquids project when we came into office, and there is now a liquids project.

**Mr BANNON:** That is because the Federal Government changed its policy.

**The Hon. E. R. Goldsworthy:** The Government knows that its predecessor was great at beating the drum about projects it thought would eventuate. This Government will not fall into the trap of announcing a precise start-up date at Roxby Downs, or we will be faced with the same situation with which the former Government was faced when it announced and reannounced *ad nauseam* the start of the Redcliff petrochemical plant. It would be ludicrous for me to say that Roxby Downs will start on 1 January 1985 or the like.

The fact is that the decision will be a commercial decision made by the joint venturers after a feasibility study and, of course, the prevailing prices of commodities will be a factor that will influence that decision. It will be not just the price of copper but the price of uranium, gold, and any other products that may come from the mine. For instance, there are many rare earths up there. It will depend on the economics of the project at that time and on what the prognostications are.

For the Leader to ask me to say a date when the royalties will be a certain sum is nonsense. What is projected is what has been talked about and discussed publicly, that is, a mine with an annual production of 150 000 tonnes of copper. The Leader can do his sums on what that ought to be worth in terms of royalties, if that is the production which is achieved. When the mine starts up and is producing at that level, he will be able to ascertain what that means in terms of royalties.

Likewise, at the moment the same sort of rate applies to uranium, as it applies to gold, and all those factors will be weighed up. To suggest that I can make a commercial judgment for a mine, when the lead times are considerable, and say that those royalties will be flowing in in that year is unrealistic, and that is putting it kindly.

The Government has not played down the liquids scheme, as the Leader suggested last week. The Government has

encouraged that scheme and made statements about it. The Government knows there will be considerable benefits flowing to South Australia as a result of that scheme. There is a firm time table for the liquids scheme. The sort of question that the Leader has addressed to me would be akin to my asking him, if he were Minister of Mines and Energy in about 1975, when I was in Opposition, 'When will the liquids scheme for the Cooper Basin start, and in what year will the royalties start to flow?' That question would have been about as sensible.

In regard to the detail of the arrangements made with the company, the Government has not offended the company in any statements it has made in relation to the development of Roxby Downs. In my view, the Opposition and the Leader are trying to play it down. We are not trying to play it up particularly, but we do recognise its importance to South Australia. Certainly, everyone outside South Australia recognises its importance. As I have said on numerous occasions, all the countries and States that I have visited overseas have heard of Roxby Downs. The Leader may have heard an investment adviser from Melbourne commenting; he was not prompted by the Government.

**Mr BANNON:** He was a consultant to both the parties, B.P. and Western Mining.

**The Hon. E. R. Goldsworthy:** The Leader cannot have it both ways. The Leader claims that the Government has been talking about this and that the companies are annoyed. Now he claims that the companies have employed a person to say that it will be the biggest mine in the world.

**Mr BANNON:** He is not an employee of the companies.

**The Hon. E. R. Goldsworthy:** I heard an item, a very good news item, on the 7 o'clock A.B.C. news.

**Mr BANNON:** You agree with them?

**The Hon. E. R. Goldsworthy:** Yes, I admit that the A.B.C. frequently has good news items. The Melbourne investment adviser was asked to comment on the Roxby Downs development. There was some hoo-hah about an election: it certainly did not come from the Government. Invitations were being issued to all and sundry to comment on this matter as an election issue. The point is that the investment adviser said that it would be the biggest mine in the world. The Government did not say that, but that is what he said.

**Mr BANNON:** That will be at the turn of the century.

**The Hon. E. R. Goldsworthy:** It will not be the biggest mine in the world at the turn of the century if we do not spend some money on investigating the thing and if decisions are not made now about whether the joint venturers are prepared to commit another \$200 000 000 to the project.

*Mr BANNON interjecting:*

**The Hon. E. R. Goldsworthy:** I am sorry if the member is bored by it all. Even the activity at the moment at Roxby Downs, modest though it may be when one contemplates what it will finish up being, is generating considerable benefit to the State. There are 200 people employed up there, and if the Leader and his Party were not impressed with what they saw there then all I can say is that they must be hard to impress.

Contracts are let in South Australia for the cladding of steel shafts. The companies have a policy, which the Government has insisted on, that contracts be let in South Australia wherever possible. In fact, I opened extensions to a company that is supplying drilling equipment as a result of this activity. The activity has demanded the expenditure of \$15 000 000 over the past two years, and that has made a contribution to employment in South Australia. To suggest that we will sit down and do nothing after contemplating \$150 000 000 to \$200 000 000 for a continuing

effort is quite unrealistic. If that commitment is not made, we can be assured that the mine will be that much further down the track.

The Government does not want to talk up this activity particularly. The companies are not unhappy with what the Government has said or with what the Government is doing. We certainly realise the benefits to be derived from the liquids scheme. If we did not, we would not be bending over backwards to facilitate the early implementation of the scheme to bring those liquids on stream as soon as possible. In fact, this morning I had further discussions with the Chairman of Santos and made further progress.

**Mr BANNON:** Who are the officers working on the indenture, and when will it be introduced?

**The Hon. E. R. Goldsworthy:** I hope that we will be able to introduce the indenture during this session, which ends in April or May next year. It depends on when it is finalised. An enormous amount of work has to go into the indenture, and that is being done through my office. I am personally involved with the principals of the company. There is a team of people from the operating companies, Western Mining and B.P. The team varies in composition, depending on what aspects of the indenture are being discussed. From time to time, a whole range of Government officers are also involved. Basically, the Government team is co-ordinated by Mr Peter Hill.

When power is being discussed, a senior person from the Electricity Trust is present. When we are discussing roads, a senior person from the Highways Department is present. Treasury officers are also involved on a continuing basis, and the Under Treasurer and one of his officers are heavily involved. Officers from the Department of Mines and Energy, the Director-General, and the Deputy Director-General are also involved. As I have said, it is being co-ordinated through me as Minister of Mines and Energy, and I am also heavily involved. An officer from the Crown Law Department is involved during most of the discussions, and a second officer from that department is involved in some of the negotiations. An enormous amount of effort is going into the negotiations for this massive project.

**Mr BANNON:** I refer to the departmental resources listed on page 43 of the yellow book in relation to uranium. What proportion of those officers' time is devoted to uranium? The table indicates that, in 1981-82, it is proposed that 16 average full-time equivalent staff will be employed on coal and oil shale development; 20 on oil and gas; six on uranium; one on synthetic fuels; and two on alternative energy. In relation to that, about \$203 000 is allocated to uranium and only \$83 000 to alternative energy. Where is the uranium input going? Is it all centred around Roxby Downs, Beverley and Honeymoon?

**The Hon. E. R. Goldsworthy:** It is not all centred around Roxby Downs. Mr Webb will elaborate.

**Mr Webb:** I think reference was made to this in reply to a previous question. The uranium work projected to be done by the department covers a number of things in addition to assistance at Roxby Downs. Other uranium properties are in the process of being brought on stream (Honeymoon and Beverley, for example), and there are many exploration tenements around this State where people are searching for uranium. In all these cases, there is input from people supervising and monitoring that work and advising the Government on the progress of that work. Roxby Downs is just one aspect of the department's uranium work.

**Mr ASHENDEN:** I refer to the line 'Resources Division' and specifically to a comment made on page 43 of volume two. An amount of just over \$1 000 000 has been allocated to oil and gas under energy resources and development. What kind of work is envisaged in relation to that development?

**The Hon. E. R. Goldsworthy:** Mr Webb has that information available. Consultancy is a major component.

**Mr Webb:** That amount relates to many different things. First, some \$300 000 will be spent on consultant work in the Cooper Basin. That money is necessary because (and I think this was mentioned earlier) of the demand for exploration and mining people, particularly in the petroleum area. We have lost a number of people from that section of the organisation who have not been able to be replaced because of the salary conditions that we are presently offering. Therefore, our only option is to obtain consultant help, because this is an area in which there are legislative requirements on the Minister to check and approve work programmes in the Cooper Basin. That requires technical input we must have. That is where some of that money is being spent.

The other areas of oil and gas relate to the high level of exploration for oil and gas that is going on in areas outside the Cooper Basin; that in turn requires monitoring, assessment, consultation with companies and the preparation of documentation to assist companies in making their exploration decisions. Finally, some money will be spent on the supervision of oil and gas work in relation to the safe practice of operations.

Some money would also relate to the need to monitor the possible future use of coal in relation to its conversion to gas. This would be something well down the road, but it is a matter to which the department has to look. We have commissioned a minor amount of work in relation to the study of our coal and its suitability for gas production in the future. All of this would be part of that basic number.

**Mr ASHENDEN:** To take some of the comments further, I am concerned at the future availability of gas supplies in South Australia. Can the Minister or his officer be more specific as to what the Government is doing to ensure that this State will have gas available to it?

**The Hon. E. R. Goldsworthy:** This Government set up the Gas Supplies Review Committee which has been active and useful in developing strategies to overcome this hiatus which could occur in 1987 as a result of the expiration of the gas contracts. I pointed out to the House recently that I had visited the North Territory on three occasions to discuss the possibility of getting gas from fields there when the reserves had been proved up. We have had discussions with the Queensland Government with a view to opening up the Queensland section of the Cooper Basin, which is highly prospective. We are talking to the producing companies in relation to the current contracts. I raised this issue with the Chairman of Santos this morning. There is the realisation that we cannot let this uncertainty in relation to the 1987 contract go on indefinitely.

I believe that it is inconceivable that the gas tap to Adelaide will be turned off in 1987 and gas will flow across the border to Sydney, although legally that is the bind we are in. The advice I get is that those contracts will stand up. We are in active negotiation and discussion with A.G.M. in relation to those contracts. Decisions have to be made now in relation to future electricity supplies, so there is an urgency in relation to these matters. We are pursuing them in that light. There is a problem, but it is not insurmountable.

I would hate people to think that our electricity supplies are in jeopardy. That is not the case. When the Northern power station starts to generate electricity in 1984, it will, over a period, become a base load station for the grid, and Torrens Island will become more of a peak load station. Nonetheless, the Government is acutely conscious of the fact that we need to get more security in relation to gas supplies, particularly for the Torrens Island power station, which was constructed to burn oil or gas. The Electricity

Trust report refers to some studies being done in regard to the conversion of Torrens Island to burn coal. That would not be a cheap or desirable option. Nonetheless, there must be fall-back positions. It would be imprudent of the trust if it did not examine these fall-back options. The Government has its priorities right in regard to pursuing every avenue to ensure that we have an assured supply of gas after 1987.

**Mr ASHENDEN:** The Minister mentioned negotiating with other States, particularly Queensland, to ensure South Australian gas supplies in the future. It would be obviously more financially advantageous for this State if the gas could be found in South Australia, rather than having to buy it from interstate. What is the current level of exploration for oil and gas in South Australia, and what is anticipated for the next few years in that area?

**The Hon. E. R. Goldsworthy:** That is the best option. We want to find more gas in South Australia for our needs. The first option has to be to explore as vigorously as possible in the Cooper Basin and other significant basins. I will get Mr Johns to comment and give details on precise commitments. South Australian Oil and Gas has accelerated its efforts in the Cooper Basin and its charter is basically to explore for more gas. There will be greatly increased activity in regard to drilling for oil now that the liquids project is going ahead. One would anticipate that, although the primary objective of companies in that instance would be to drill for oil, they should find gas. One would anticipate that they would find gas in that drilling programme. I ask Mr Johns to comment further on details of the present commitments.

**Mr Johns:** Apart from the activity in the Cooper Basin referred to, there is quite a deal of on-shore activity. Licences now cover not only the Cooper Basin but also the Pedirka Basin, the Murray Basin and, down in the South-East, the Otway Basin. Work is proceeding in the Pirie-Torrens Basin north of Port Augusta where drilling is scheduled to start shortly with the proclamation of the Pitjantjatjara Land Rights Act. That now throws open a large new area that we are now considering. We hold applications for eight companies, and we can now process these. There will be quite an acceleration of exploration in that area. The commitment to exploration on-shore totals about \$200 000 000 at the moment. Off-shore in six areas, which extend along the Continental Shelf from the border of Western Australia down to the South-East (with one small gap), there are about six licences held. The commitments exceed \$130 000 000, and two wells are scheduled to be spudded later next month.

**Mr MAX BROWN:** I refer again to Roxby Downs. The Minister said earlier it would be unfair for him to give any lead as to what is contained in the indenture for Roxby Downs. Can he give the Committee some assurance that within the proposed indenture every safety precaution will be contained, to be carried out by the Government? From my experience with the Minister's predecessors in the Playford regime, a lot was left to be desired as far as environmental aspects were concerned. In the Playford era, when it was decided to support the building of an integrated steelworks at Whyalla, the B.H.P. Indenture Act contained a provision that allowed that company to pollute the heavens, the earth and everything else. It also contained a provision that, if anyone was eager to make allegations against the company, the company could prosecute them, even the news media.

It is not unreasonable at this point of time that the Minister give us some assurances that this will not occur again and that every reasonable precaution will be taken in respect to the safety issues that will obviously be part of the project.

**The Hon. E. R. Goldsworthy:** Yes, we certainly are conscious of the environmental and safety aspects of this mining operation. It is unfair to reflect on the conditions which obtained during the reign of Sir Thomas Playford. Standards acceptable then are not acceptable now; that is acknowledged world-wide. Standards in relation to mining, health, safety and so on that were considered appropriate at that time (and I do not think this is any reflection on Sir Thomas Playford; that was the level of recognition world-wide) are now not appropriate to this day and age. The public and Governments are more environmentally conscious than they were 20 years ago. In answer to the question in relation to safety, 'Yes', the Government would contemplate the most stringent safety standards in relation to the operations of any mining venture.

**Mr MAX BROWN:** Before I proceed a little further on the Roxby Downs issue, let me point out to the Minister that, in relation to his last remarks about the environment I was around in the Playford era, I was opposed to it then, and I am opposed to it now.

Turning to the proposed indenture the Minister speaks about the mining company's wanting assurances before proceeding with the spending of further large amounts of money. What are those assurances? Can the Minister advise the Committee whether it means that within the proposed indenture there will be a provision for the setting up of a uranium enrichment plant and, if so, where?

**The Hon. E. R. Goldsworthy:** I think an accurate statement is that the companies have requested an indenture and the Government is working with the companies with a view to presenting that indenture. It would be inappropriate to talk about the details which are still under discussion with the companies. I have made that clear; I do not believe that it would be proper to depart from that at present. I do not believe it would be proper for me to discuss the details of the indenture which has not been finalised.

**Mr MAX BROWN:** Let us go back to his original remarks, when the Minister said that the mining companies were putting pressure on the Government for certain assurances to be forthcoming if they were to spend further large amounts of money. I think it is reasonable that this Committee should have some idea of whether, within the proposed indenture, with which Parliament will be dealing shortly, we will be looking at assurances along the lines that the company would want definitely a uranium enrichment plant. Let me put it this way: will it be in the indenture?

**The Hon. E. R. Goldsworthy:** Is the honourable member asking me whether there will be an indenture for an enrichment plant, or is he asking whether this will be addressed in this indenture?

**Mr MAX BROWN:** An indenture is to come before the Parliament soon. As I understand it, in that proposal the Western Mining Company desires, or requires, a definite log of assurances from the Government that it will have reasonable prospects of spending large amounts of money on the Roxby Downs project in the future. Do those assurances mean that it wants from the Government an assurance that the Government ultimately will agree to the building of a uranium enrichment plant? I do not think that is unreasonable.

**The Hon. E. R. Goldsworthy:** With respect, I do. I think what the company may be requesting of the Government and what the Government is prepared to give in terms of this indenture are matters of negotiation and those negotiations are currently in train. I think it would be quite improper for me to discuss any aspect of that indenture where a request may or may not be made by the company or by the Government.

I certainly am not prepared to talk about specifics in relation to that indenture at this stage. The indenture will

be presented in due course and will be open to scrutiny. It will be the result of negotiations between the Government and the company, where the Government is seeking certain things and the company is seeking certain things. The company is seeking security of tenure in relation to this development. The Government, likewise, will be seeking certain requirements for its part. I am not prepared to discuss, and it would be improper to discuss, the details of what we are seeking, what the company is seeking, what we have agreed, and what we have not agreed.

**Mr MAX BROWN:** If the Minister is not prepared to say at this time that the proposed indenture would cover a uranium enrichment plant operation, can I ask him whether there would be another indenture if a proposed uranium enrichment plant was envisaged, outside Roxby Downs? Would that be a fair assumption?

**The Hon. E. R. Goldsworthy:** No thought has been given to the details of a separate indenture in relation to a uranium enrichment plant.

**Mr SCHMIDT:** I was interested in the Leader's comments about embarrassment to the companies and drum beating by the Government about mining developments at Roxby Downs. He did not refer to the fact that the Dunstan Administration did similar things when mining was even less progressed than it is now. The former Premier was trotting overseas looking at the safety of mining and here we have a former Minister saying how important it was, and that it was of world significance. I do not know why the Leader does not call that drum beating.

My question refers to page 32 of Parliamentary Paper No. 9 and the provision for 'Resource Division: Geological Survey of South Australia'. I relate that to what is stated on page 39 of Volume 2 of the Programme Estimates and draw the Minister's attention to the programme mentioned there, titled 'Underground water—exploration, assessment and protection'. I refer also to the sub-programme titled, 'Underground water resource evaluation and protection'. I note that a relatively large amount, \$1 042 000, has been proposed for recurrent expenditure on this sub-programme. I know that the Minister has touched briefly on this matter, but can he elaborate on the nature of the work contemplated in this sub-programme?

**The Hon. E. R. Goldsworthy:** I will ask Mr Boucaut to elaborate in a moment on that aspect. This line funds the functions of underground water, energy resource exploration, mineral exploration, geological survey, geological engineering, geophysics, petroleum engineering, and biostratigraphy. The operations of the departmental regional offices at Naracoorte, Mount Gambier, Crystal Brook, Angaston, Port Lincoln and Waikerie are also included. This is in the overall line. Three senior geologist positions in the energy resource exploration function, Fossil Fuels Branch, which became vacant during 1980-81, have been funded but recruitment is proving to be very difficult, as we have indicated earlier in relation to the demand for the services of people of this type, but Mr Boucaut can probably throw further light on the underground water sub-programme.

**Mr Boucaut:** One of the major roles of the Department of Mines and Energy is the evaluation of the State's underground water resources. This is reflected in the relatively large expenditure shown in the Estimates. The funds are spent during that evaluation in the carrying out of drilling programmes, test pumping of bores and geophysical work. Perhaps I can just elaborate on some of the work that is involved in this underground water determination. I refer particularly to the Adelaide Plains. This includes both the metropolitan area and the northern Adelaide Plains, where extensive irrigation occurs. It should be noted that the Adelaide metropolitan area in particular is subject to

increasing demands from councils, golf clubs and industrial concerns as an alternative to reticulated supplies.

We are also carrying out extensive investigations in the Angas-Bremmer area, an area of irrigation, where it is known that more water is being extracted than is available, and the water resource is being depleted. There are studies to look at the possibility of artificial recharge of this resource using surface waters from the Angas and Bremmer areas, and Lake Alexandrina. We have a major programme under way in relation to the Murray River salinity mitigation programme by the E.&W.S. Department. We spent over \$200 000 in 1980-81 on this work, and we will be continuing in this financial year. This work relates to the fact that much of the salt entering the river is from a ground water source, and our work is to determine the recent ground water picture and where it may be entering the river. This information will be given to the E.&W.S. Department so it can design mitigation works. These are some of the major programmes under way. Also, we are a consultant to other departments, in particular, the Highways Department, for which we carry out extensive investigations, including drilling for the provision of water for the Stuart Highway works in the north of the State.

**Mr SCHMIDT:** Reference was made to Waikerie and salinity leaching into the river. I gather that the allocation of \$631 000 under 'Town water resources' was for the purpose of assisting the Murray River salinity programme. Is that so?

**The Hon. E. R. Goldsworthy:** I will ask Mr Boucaut to elaborate further. Mr Chairman, I understand that all questions have to come via the Minister, who can then farm them out.

**The CHAIRMAN:** That is correct. Sessional orders provide that questions be directed to the Minister, who then has the right to direct the question for any information to any officer.

**Mr Boucaut:** The allocation for town water resources is not related to the Murray River studies. These are particularly for the provision of water supplies to particular towns. Much of South Australia is dependent for reticulated water supplies on ground water, particularly in the South-East and Eyre Peninsula. We are continuing consultation with the E.&W.S. Department in our investigation to prove up these water resources for reticulation to various towns. There are no Murray River salinity works in that allocation. It is all incorporated in the underground water resources evaluation and protection allocation.

**Mr SCHMIDT:** I gather that there is no connection between the town water resources line and the new mineral development and construction programme, which is the line above it, and the allocation of \$441 000. I make special reference to the new mineral developments, because there is some concern amongst landholders in other areas such as the Bowmans coalfield and Kingston and Sedan. The concern is related to the question of whether there will be adequate underground water supplies for their projects if they are used for other extensive projects, particularly if their holdings fall within other proposed mining programmes.

**The Hon. E. R. Goldsworthy:** I will ask Mr Boucaut to outline the efforts of the Underground Water Committee, which is pertinent to some of the matters that the honourable member has raised.

**Mr Boucaut:** The department, as well as evaluating the State's water resources, is concerned that they be properly managed. As I stated, we are doing this in collaboration with the E.&W.S. Department. It is also becoming apparent that all mining operations proposed in the State are going to be involved with underground water in some way; for

example, the provision of water supplies for domestic or production purposes, such as at Roxby Downs.

It may be de-watering, which would be the case in the Bowmans and Kingston coal pits. It could be in the protection of the water resource in terms of quality, which occurs in *in situ* leaching in relation to uranium mining at Hon-eymoon and Beverly. To reflect the Government's concern that these water resources be protected, it has established the Underground Waters Technical Advisory Committee, whose membership is comprised of representatives from the Department of Mines and Energy and the E.&W.S. Department. The role of the committee is to liaise with the company involved in the proposed mining activity at all stages of investigations into the ground water problem or whatever it may be, and to ensure that that water resource is protected for the benefit of the State. This would include various areas such as Kingston, where it is obvious that the de-watering operation must affect local landholders and their water supplies. The committee's role will be to ensure that there is either minimal inconvenience, compensation is paid, or that alternative water supplies are made available to landholders.

**Mr SCHMIDT:** The last part of my question relates to the Engineering Services Division and drilling in the Great Artesian Basin. I believe that a certain amount of water runs off to waste. What steps does the department take to arrest that problem?

**The Hon. E. R. Goldsworthy:** I refer that question to Mr Hancock.

**Mr Hancock:** The department is certainly concerned about the conservation of water. That is highlighted by the efforts we have made in the Great Artesian Basin. This follows from firm recommendations from the Water Resources Council, and some \$100 000 to \$120 000 is spent annually on work in the basin. It involves close technical supervision, an experienced drill crew and a number of workshop personnel who require transportation, accommodation and equipment. We have repaired, redrilled, relined, and in some cases abandoned 75 wells on the western margin, and about 10 to 12 more are scheduled for this current year. The Birdsville stock route bores also come under this category. Some of the wells in the deep central sections of the Great Artesian Basin are also in need of attention. These latter deep holes include Mulka and Goyder's lagoons which are very high pressure, hot, deep wells. Considerable work has also been done in pioneering the use of inert materials to complete and control these wells. That includes P.V.C., A.B.S., and, latterly, fibreglass.

**The Hon. R. G. PAYNE:** When we were discussing underground water supplies or water supplies for Roxby Downs earlier, the Minister, through his officer, said that there was no funding commitment in the 1981-82 financial year for the provision of water supplies at Roxby Downs. On page 38 of the Budget papers, one of the specific targets for 1981-82 under 'Underground water, etc.' is to establish the availability of underground water from the Great Artesian Basin in connection with mine development at Roxby Downs. Therefore, does the Minister wish to reconsider his earlier answer?

**The Hon. E. R. Goldsworthy:** I think the original question was whether any money was going to be spent on drilling. The answer to that question is 'No'. If the honourable member's question relates to people, those people are not going to be drilling.

**Mr Webb:** Those officers will be working on the data that comes from drilling that has been done previously. They will also study the results of drilling done by companies to have a better understanding of the resource available in the Great Artesian Basin and how it can be developed for the many purposes for which it is required. The

honourable member's earlier question related to drilling in the Roxby Downs project, and the answer to that question is 'No'.

**The Hon. E. R. Goldsworthy:** I think I mentioned earlier that my understanding was (and I think I was correct) that the company was hiring consultants to study alternative water supplies from the Great Artesian Basin. The Government will require resources to assess the results. There is no question whether the Government has to be involved—even with the company's consultant in assessing his results and checking their validity. This line deals with computer modelling in the Great Artesian Basin. In relation to the honourable member's previous question, the department is not doing any drilling in relation to the search for alternative water supplies.

**The Hon. R. G. PAYNE:** I accept that that is factually true. However, I deplore the fact that, when my question was put in relation to ascertaining water supplies for Roxby Downs, the Minister applied an absolutely literal interpretation of my question and that he gave a narrow specific answer. On nearly every other occasion the Minister has given us more detail than we actually require. In fact, if I had not asked that last question, I presume that it would have been left that way. I indicate that the Minister's attitude has been noted by the Committee.

**The Hon. E. R. Goldsworthy:** To suggest that the Government is not involved in the search for water in some way would be absurd.

**The Hon. R. G. PAYNE:** Why wasn't my question answered in that way?

**The Hon. E. R. Goldsworthy:** I mentioned that the first option was the upgrading of the Port Augusta-Woomera pipeline with a further extension to Roxby Downs. That involves a lot of work by Government officers. It also involves negotiations with the Federal Government in relation to that pipeline, ownership and upgrading. Of course, the Government must be involved in any decisions made in relation to water supplies, because it is a State resource. In answer to the honourable member's question about whether we are drilling for water, the answer is 'No'. A different set of circumstances applies to whether someone is conducting studies on a computer as opposed to someone actually drilling. To the plain question 'Are we drilling?' I think it would be unreasonable to say 'No, we are not drilling. We have an officer working with a computer.' That work was done in relation to the Great Artesian Basin generally, and not specifically Roxby Downs.

**Mr BANNON:** My question relates to the 'Resources Division' line and specifically the Cooper Basin gas development study. What work is involved in that study and which consultants are involved?

**The Hon. E. R. Goldsworthy:** One purpose of this study is to see that we achieve the maximum return from the fields. The funds proposed for 1981-82 are to complete, continue and expand studies which were undertaken in the first instance by Gaffney Cline, who did some work last year in relation to maximising the production of gas from fields. I think the Leader understands that there are all sorts of ways of getting gas from a field. For instance, the Government was interested to see that gas will flow out under its own pressure in the first instance. When that is depleted, the gas has to be sucked out. There are all sorts of ways of achieving a maximum return from the field. The Government intends to see that the development plans are such that the maximum return of gas is obtained from the gas fields. Work was done last year, and the consultancy was handled by Gaffney Cline. Some follow-up work will be done this year to complete, continue and expand those studies so that the department can fulfil its responsibilities under the Petroleum Act, including approval and develop-

ment programmes. As I have said, before we are prepared to approve programmes we have to be sure that those programmes will result in a maximum return of gas to this State.

That is one of the major purposes: the assessment of reserves, the checking of exploration programmes, well-by-well drilling approvals, together with the more recent development of liaison and negotiations with Queensland in respect of gas supplies in the Cooper Basin.

I think the point was made earlier that the resources are not available in the department to make those sort of technical assessments and judgments so that sound advice can be given to the Government in relation to what would be appropriate approvals for development programmes. The only way to get that sort of knowledge, which is required if we are to know the approved programmes which are of maximum benefit to this State, is to bring in expertise by way of consultancy. I think that the Leader asked what company is involved; it is John Lacey & Associates.

**Mr BANNON:** Could the Minister clarify the role of the consultants in relation to the Queensland negotiations in that sector of the Basin?

**The Hon. E. R. Goldsworthy:** They are not involved in the first instance. I hope that in the first instance these consultants will be involved in appraisal and evaluation of the best way of getting the maximum return from the known gasfields in South Australia and in giving technical advice in regard to those matters. As I indicated earlier, we are in negotiation with Queensland, and it could extend to that, but they are not the terms of reference currently operative.

**Mr BANNON:** The consultancy study then is a continuing study. Is it envisaged that it will go on beyond this current financial year and, if so, at what level?

**The Hon. E. R. Goldsworthy:** There is no further commitment. The Geoffrey Cline consultancy last year was for a specific purpose. A conscious decision was made this year for a further consultant study. There is no commitment down the line in relation to what will happen in the future. It could be that information which has turned up might indicate that there is a necessity for further work to be done, and it could indicate some pointers in regard to our negotiations with Queensland. There is no further commitment at this time.

**Mr BANNON:** Why has no money been allocated to the Lake Phillipson coalfield development studies and why was last year's allocation not spent? Could the Minister give an up-to-date report on that?

**The Hon. E. R. Goldsworthy:** We prevailed on the company to spend the money. I will get the Deputy Director-General, Mr Johns, to elaborate.

**Mr Johns:** We had \$25 000 voted last year to undertake a study to assess the Lake Phillipson coal to establish its amenability to liquefaction or other use to see whether we could upgrade it by removal of some of the sodium chloride, which is the problem with the coal. I guess we changed direction and we have inserted now, as a condition of tenure, that the company will undertake the studies. We have considerably upgraded their commitments to this end.

**Mr BANNON:** Could we have a report on the progress of the Lake Phillipson deposit evaluation and predictions about its future?

**The Hon. E. R. Goldsworthy:** Certainly. We shall be happy to provide that for the Leader.

**Dr BILLARD:** I have a question relating to energy resources exploration and development, as referred to at page 43 of the programme papers. I refer to the total receipts, which I assume are mining royalties. Last year it was estimated that there would be an income from those sources of \$4 500 000. In fact, there was an income of

\$5 200 000. It is estimated this year that the income will be \$7 900 000. Where have the increases in royalties come from, and what happened last year in our getting an increase that we did not expect?

**The Hon. E. R. Goldsworthy:** Royalties depended on the volume of gas sold and the price of gas. The price increase was more than we anticipated. The royalty total is related to quantity and price. The price of gas in South Australia went up by about 17 per cent. The New South Wales gas price was known (it was an increase of about 15 per cent) at the time, but the South Australian price was not known. The other influencing factor, although to a less marked degree, is the volume of gas sold. Basically it is related to price.

**Dr BILLARD:** The implication is that gas royalties account for most of the royalties received by the State. What proportion of the total royalty income of the State is contributed by gas?

**The Hon. E. R. Goldsworthy:** That is a statement of fact. The gas royalty is the largest single component of any royalty income to the State. If we look at minerals we are at the bottom of the barrel in regard to Australian production. That is why we are keen to get some of these mining developments going. In round figures it is probably about two-thirds.

**The Hon. R. G. PAYNE:** Referring to a matter I raised earlier in relation to the handling, milling, mining and so on of radioactive material, I said that I had seen a publication which suggested that there would be a change in responsibilities for implementation of that area of regulation. I now have that publication which is entitled 'Review of Commonwealth functions: major decisions affecting the business community'. It is an extraction from an A.G.P.S. publication, 'Ministerial statement: Review of Commonwealth functions.' The statement was prepared and released by the Commonwealth Government as a result of what was loosely called the Federal Razor Gang's examination of Commonwealth functions and responsibilities. Statements are prepared under the headings of various Federal portfolios. Under the heading 'Home Affairs and Environment', it states:

Function—Uranium.

Government Decision—Responsibility for the regulation and control of nuclear activities in Australia to be implemented as far as possible by the States and Northern Territory, with the Commonwealth maintaining a co-ordinating role.

I put to the Minister that what I said before is in fact true. If one believes the publication from the Commonwealth, what was said about the Commonwealth doing certain things will not continue. Is the State prepared for the greater role it will have to take in this area, in relation to the regulation of activities associated with uranium—mining, milling, transport and so on.

**The Hon. E. R. Goldsworthy:** There is an understanding that the States will legislate or regulate to give effect to the codes. The effect of what I said was that an Australia-wide code was being sought in the three areas initially agreed in relation to safety, and that the States would then implement those codes. The answer is 'Yes', that is the intention of the State Government.

**The Hon. R. G. PAYNE:** That was not the previous intention. The Commonwealth had, rightly or wrongly, assumed this responsibility and was going to do the things I have been talking about. In this publication it has now stated that it is not going to do this and it has been left to the States, with the Commonwealth involved purely on a co-ordinating basis. There is quite a difference involved even in obtaining this on an Australia-wide basis.

**The Hon. E. R. Goldsworthy:** The Director-General will comment on this; he is involved intimately with it. This sort

of thing is not uncommon in this day and age where State Ministers get together with the Federal Minister (whether it be roads, health or whatever) and agree on some common legislation across the nation and go home and legislate for it. My understanding was that this was a similar situation in which there would be an Australia-wide agreement between the respective authorities as to what were suitable safety standards in this day and age. The Commonwealth is involved pretty heavily in the drafting of those codes, as with these sorts of agreements, and then the States go home and enact them. I will get the Director-General to elaborate.

**Mr Webb:** Over the progress of time, the negotiations between the States and the Commonwealth have gradually moved to the stage where the States are clearly the operative organisations to implement these rules and regulations. The operative words are 'as far as possible'. The Commonwealth has now recognised that the States are able and have the necessary powers to implement these things. Accordingly, the Commonwealth has said, 'It is over to you; you get the legislation going'.

**The Hon. R. G. PAYNE:** It does not augur all that well for the future of the regulation of the industry, judging on experiences that I had where it took the State and Commonwealth Attorneys-General over two years to make a fairly simple decision in relation to the adoption of children. If we are to move at that rate, I am concerned. I am pleased that the Minister appears to accept what I put earlier, that there has been a change in the situation and that the change has been quite recent. I accept that the Minister is aware of this, and realises that the State has an increased responsibility now in that area.

**Mr ASHENDEN:** During the year the department was engaged in the rehabilitation of tailings dumps at the former Radium Hill mine and this included the disposal of low-level radioactive rejects from mineral testing at Amdel and elsewhere. Can the Minister explain the nature of this work in detail and what the Government sees as the future use of this area. Can the Minister inform the Committee as to the Government's intentions in relation to that area? Can he also include any plans for the former treatment plant at Port Pirie?

**The Hon. E. R. Goldsworthy:** It was recognised some time ago that the condition of the tailings dam at Radium Hill was not satisfactory. The Government took steps to see that this situation was improved to standards acceptable in this day and age. I made the point earlier that as the growth in knowledge has occurred standards considered appropriate even five years ago are not considered appropriate now. It was recognised that there needed to be some rehabilitation work at Radium Hill. It was also recognised that the situation at Broken Hill was unsatisfactory. Mr Hill, the Director of Mines, will give more detail on this. Since Mr Hill has been appointed as Director, he has taken up with some energy the question of the Radium Hill and Port Pirie sites.

**Mr Hill:** About a year ago at an inspection at Radium Hill it was noticed that, in the 19 years since mining had finished there, a certain amount of weathering was taking place on the tailings dam. This is not abnormal in areas of this sort. Heavy thunderstorms over a period of time causes weathering, and there is a need now and then to go back and rehabilitate. This Government made a decision to rehabilitate to a budget of \$200 000. The Engineering and Water Supply Department carried out most of the work in a professional manner. The sides of the tailings dam were built up in much the way that a normal dam is built, with consolidated clay material. A suitable clay material was found close to the tailings dam. The sides were built up, watered and compacted in the normal way that a dam is built and then, on completion of building up the sides of

the dam to a width of about four metres at the top, one metre of compacted clay was put on top of the dam.

Parallel with this, there was a second problem we had at Thebarton with tailings from the Amdel pilot plant. There were a number of tailings and drill cuttings that had been stored at Thebarton and these tailings were carted to the top of the dam and buried before final compaction. Radium Hill was an ideal place to put these tailings because it was a tailings dam and the background of Radium Hill in a granite area was fairly high, and the tailings we were putting in had a background of about the same as the tailings dam they were being buried in. The top of the No. 2 tailings dam is of a dish shape, and we left it in that shape. There is space there to bury any future tailings, drill cuttings or anything that the Government wants to bury in the area. This was all done under the supervision of the Health Commission, and the final counts on the area after it was all over are now well below what was originally there.

Turning now to Port Pirie, the tailings dam at Port Pirie, which was left after the Rare Earth Corporation ceased operations, has been fenced in the last couple of years and is an area where the public has been kept out by the fencing. In June this year there was a high tide and the water lapped over the top of one of the tailings dams from the Rare Earth Corporation. This was not the tailings dam from the original uranium plant; it was the Rare Earth's one that became flooded. The high tide and the wind had combined to give an abnormal level in the river at Port Pirie, and this continued for about an hour. During that time the tailings dams filled up with water and, when the tide receded it started to cut a channel in the top of the retaining wall. The size of this cut was about 1 foot to 2 feet across and to a depth of about 4 inches or 5 inches. When it was recognised that this had happened, the Port Pirie council assisted the Mines Department and over a fairly short period of time the wall was built up again to a stable safe condition. The heavy rain during the winter has prevented our getting back in there with heavy equipment to do a final job on stabilising the walls. We intend to get back, but it is still too slippery to get in with heavy equipment.

**Mr O'NEILL:** I want to go back to something the Director-General said a while ago in relation to Beverley and Honeymoon, specifically in reference to Beverley. I understand him to say words to the effect that work was continuing on Beverley. Is the report that appeared in one of the local papers a few weeks back about the American component of the consortium withdrawing its money and Beverley's not going ahead incorrect?

**The Hon. E. R. Goldsworthy:** The F.I.R.B. has been quite firm in relation to the Australian unissued content of uranium mines, in connection with both Honeymoon and Beverley. I am aware of a question in relation to the Honeymoon development, where a company was required to divest itself of some of its interests to make sure there was a 75 per cent Australian equity overall in the project. I am not familiar with the press report the honourable member mentions in relation to Beverley. I will ask the Director-General, Mr Webb, to comment on that.

**Mr Webb:** Perhaps I could ask my Deputy to comment on it because he is more familiar with the press report. I understand from him it is not Beverley but Honeymoon. Perhaps the Deputy Director could amplify and answer the question for the honourable member.

**The Hon. E. R. Goldsworthy:** I think I have answered the question in relation to Honeymoon. I knew there was a question there that if what the Director says is the case then that is it. I am well aware of the question of Australian equity in the Honeymoon project. Approaches were made to the Foreign Investment Review Board in relation to that

ownership and I know that company was seeking to be classified as Australianised because one of the participating companies was more than half Australian owned but however, the ownership in each company is tallied up the proportion of the Australian and foreign ownership in any company, and the final sum of the bottom line has to be 75 per cent Australian owned. The problem with this company was that it was Australian, with majority Australian ownership but its foreign component was counted in when the sums were being done to get the 75 per cent ownership.

I am well aware of the details with Honeymoon. The company was required to divest itself of part of its stake in that operation to make sure it did conform with the firm F.I.R.B. guideline for Australian equity, which is 75 per cent. Is the honourable member pressing his questions in relation to Beverley?

**Mr O'NEILL:** Yes, I am quite sure that I saw a report in one of the local papers in respect of it. I was quite surprised when I heard the Director-General say that Beverley was going ahead. I have been out to the Library, and the clippings officer out there is looking for it, but he has not come up with it yet. Is it the case that Beverley is going ahead? I am not suggesting that is not correct; it would not be the first time that newspapers have been wrong. I saw a reference to the fact that American money in the Beverley project had been withdrawn at this stage and they did not intend to proceed, but that may have been incorrect.

**The Hon. E. R. Goldsworthy:** It is true to say that the Beverley project is not as far down the track as is the Honeymoon project, which is in the pilot plan stage. Perhaps the Deputy Director-General Mr Johns might like to comment.

**Mr Johns:** I think the Minister has covered it. Certainly Honeymoon is much more advanced than is the Beverley project. They are at the pilot scale stage of development. There has been a problem with foreign equity, but that now is sorted out. I am unaware of any Beverley problem with regard to what the American appetite might be with regard to development.

**Mr SCHMIDT:** I wish to refer in my question to 'Mining Division' on page 32 of Parliamentary Paper 9, and relate that to page 36 in volume two of the Programme Estimates. My question is in relation to mining safety and monitoring. The Minister may recall that last year I asked a question in the House in relation to monitoring apparatus, particularly the monitoring of radiation near core farms and also at mine sites. I wonder if the Minister might be able to elaborate on the latest equipment that has been bought by the department and what type of radiation it is able to monitor.

**The Hon. E. R. Goldsworthy:** The Health Commission did the monitoring in relation to seeing that the appropriate codes were being observed in relation to radiation levels and safety. The Government did authorise the expenditure of a considerable amount of money, the precise amount of which I cannot recall off-hand, for the purchase of more sophisticated equipment for radiation measurement. There is a recognition by this Government that we have to be entirely satisfied that safety codes are being correctly monitored and observed. That equipment was not available when we came to Government. We have taken steps to upgrade the health physics section of the Health Commission in terms of personnel and equipment. The Mines Department also has some equipment. I will get the Director of Mines to comment on that side of it.

**Mr Hill:** To add to the comments that the Minister has made, there is a very close working relationship between the Health Commission and the Mines Inspection Branch on both equipment and procedures for monitoring. Since the Government came to office, there has been an assess-



ment of the various monitoring machines and equipment available. The Health Commission had bought, if you like, the first major capital expenditure equipment, and the commission had been assessing the pieces of equipment available. The Mines Department spent about \$16 000 last year and there will be a carry-over on some other equipment that was ordered but has not yet been paid for. We also have another allowance in there for additional funds of about equal order this year.

**The Hon. E. R. Goldsworthy:** I want to clarify that. I think that the figure Mr Hill has given is money that is on the Mines Department budget. The figure that I recall from the Health Commission is more like \$250 000, but I would not want to be held to that. The expenditure by the Health Commission for monitoring equipment was considerable.

**Mr SCHMIDT:** The other question is also in relation to inspection. This may not be within the ambit of the department but, in relation to the pipeline being constructed by Santos from the Cooper Basin to Stony Point, does the department monitor carefully the specifications of the pipeline to ensure that it is up to requirement and that all equipment and methods of installing it will be up to the required standards?

**The Hon. E. R. Goldsworthy:** Yes, that it is a condition that would normally appear in a pipeline licence and I can reassure the honourable member that the Government will need to be satisfied that the pipeline is up to the required technical standards.

**The Hon. R. G. PAYNE:** I refer to page 32 of Parliamentary Paper No. 9 and the provisions for 'Energy policy' and 'Energy development' under the heading 'Energy Division'. I also refer to the Programme Estimates, at page 41, where there is a sub-programme titled 'Legislation'. I want to relate my remark to that area. In 1979, when the Minister and his Government were elected, amongst some of the items in the Government election platform was the statement:

We will set up a State energy authority.

We are some two years down the track now and I have not seen any sign of that being set up. Has the Minister any plans? I have to be careful, because we are getting very circumspect answers. Is the 'Legislation' now contained in the booklet likely to be used in that fashion, or is any other money likely to be put forward? Has the Minister done anything about setting up a State energy authority? Is there any current activity in that area? What are the Minister's plans?

**The Hon. E. R. Goldsworthy:** I was asked that question in the House of Assembly at Question Time about a year ago by the member for Mitcham and the answer I gave then still applies. The answer was that it was decided that we would upgrade the Energy Council and not bother to change its name. In effect, the changes we made to the Energy Council and the supporting committee that we set up constitute what could be called an energy authority. We did not change the name of the council. That is what I told the member for Mitcham, as I recall, and that still stands. We do not intend to change the name of the Energy Council. We have made all the changes to that that we intend at the moment.

I have contemplated a more radical restructuring, but let me say that some of the functions that might be performed if the present structures were abandoned would be taken up by some other body, and one would have to be convinced that they would be carried out more effectively. The Gas Review Committee performs a very useful function in relation to the most pressing problems in relation to energy supply. The establishment of an energy authority would

simply duplicate that. If I set up a separate authority called an energy authority, it would take on that function, I guess.

The legislation referred to is the Commonwealth subsidies legislation. The department has been given responsibility for distribution of subsidies in South Australia under the Commonwealth Liquid Petroleum Gas Subsidies Act, 1980, and the Petroleum Products Subsidies Act, 1968. Payments of \$7 200 000 were distributed during the year. That is the legislation that is referred to. I have no intention at the moment of making any changes to the energy structures that we modified after coming to Government. We decided not to change the name. That is what I told the House about a year or 18 months ago and it is still the situation.

**The Hon. R. G. PAYNE:** One is tempted to make the remark that the promises are often large and loud and the delivery is often not quite so noticeable. It was a fairly strong point in the election policy at the time and the Minister has had a further 12 months to consider whether he ought to keep his word, but apparently he has decided, after 12 months consideration, that there is no need to keep his word and set up a State energy authority.

The other matter that I wish to canvass is not directly related to what I have just pursued, Mr Chairman, so, in deference to the way in which you are conducting the Committee, I had better see whether you are prepared to continue to call me.

**The CHAIRMAN:** I was going to say that we had departed from that to some degree, but I will call the honourable member later.

**Mr OSWALD:** I refer to pages 46 and 47 of the Programme Estimates and to the programme 'Mineral Resources—exploration, development and management', and particularly to the bottom of page 47. It is of some interest, I think, that under 'Resource allocation', recurrent expenditure for industrial minerals is \$524 000 and for extractive minerals it is \$641 000. In fact, it is greater than the projected figure for metallic minerals of \$477 000. I ask the Minister what is the reason for the department's distribution of these relative priorities.

**The Hon. E. R. Goldsworthy:** Industrial minerals are important to this State. I will call on Mr Johns to elaborate on this matter.

**Mr Johns:** I guess that the split-up relates to what it is: it demonstrates the relative importance of these categories of minerals to the State. In the case of metallics, it is recognised that copper mining was very important in the early days of this State's history and until the First World War. Since then the iron-ore industry has been very important. Today, it is fair to say that the company interest is sustaining what it is that we would regard as a satisfactory level of interest to pursue the search for new deposits.

Industrial minerals, the extractives (and opal gets a mention also in the same table), though they may be less exciting in some way and have less appeal, are of great interest and value to this State, recognising that our limestone, dolomite, gypsum, salt, talc and some of our kaolin minerals, and certainly opal, rate us amongst the biggest producers in the country. We would regard the department's involvement in assessment and evaluation and the further development of those commodities as being very important. It is an area that is largely ignored at this present time of current mineral exploration interest.

**Mr OSWALD:** In relation to the same programme on page 46, it states:

Subsidise exploration drilling for opal at Coober Pedy.

I think the Deputy Director was starting to allude to it. Can the Minister give some details about this matter and the reason for the implementation of subsidised exploration drilling for opal at Coober Pedy?

**The Hon. E. R. Goldsworthy:** All members would know that the opal miners at Coober Pedy have been in some difficulty during the last 12 months for a number of reasons, including the cost of explosives and fuel. I refer to the inability to get opal finds, and there is a general air of depression and malaise at Coober Pedy. This was quite apparent to me when I visited Coober Pedy on a couple of occasions when I went up to discuss with the miners the proposed amendments to the Mining Act and the question of strata titles on the opal fields. There was a great deal of interest in these matters. Members will recall that there was a road block to draw the public's attention to the acute problems associated with opal mining at Coober Pedy. Deputations waited on me, and there was a deputation I attended that waited on the Federal Minister (Senator Carrick) early one morning. I undertook to investigate what was within the State's sphere of influence to see what we could do to help them. Many of the matters raised were beyond the State's control. Opal marketing was a significant problem that was identified.

First, there was a problem in finding opal, and then there was a problem in relation to marketing. I undertook to look at both of those. Eventually, we did agree to a limited subsidised drilling programme to assist the opal miners to try and find some more suitable opal-bearing areas in Coober Pedy. I think we agreed on \$30 000, and \$20 000 has now been spent in relation to that drilling. The money was spent in an effort to alleviate the acute problems of opal miners at Coober Pedy. If nothing had been done, the situation would have deteriorated further, in our judgment, and their problems would have simply increased. This is a fairly modest attempt, when one considers drilling costs and the rest of it. It was a modest attempt by the Government to assist the opal miners in one of the areas where we thought we had resources and could help them. The major question involved the cost of explosives and fuel, but they were beyond our control.

**Mr BANNON:** In referring to the question of energy, I would like to ask the Deputy Premier about gas prices. I recall that particularly at the time of the Australian Petroleum Exploration Association's conference in Adelaide in April, much attention was focussed on gas prices. It was said then by the association's Chairman that there would be little incentive for companies to explore in South Australia unless there was a dramatic change in the pricing structure of natural gas in this State. At various subsequent times the matter has been raised in similar terms.

One of the keys to greater exploration effort is the price at which gas is sold. Of course, that creates a major dilemma which has always been recognised by the State Government; in particular, that gas is such an important source of electricity generation, as it is used at Torrens Island as a fuel. It means that inevitably an increase in the price of gas for domestic consumption will be translated into much higher electric power prices, which in turn are a block to industrial development.

It is a dilemma and a very difficult tight-rope along which any Government must walk. What is the latest situation in the price structure of natural gas? Has there been active consideration to different structures for export? In other words, looking to the destination or use of gas, is it true to say that, because of the price, the Cooper Basin is not being exploited or searched for gas as opposed to oil and other liquids?

**The Hon. E. R. Goldsworthy:** The Leader rightly suggests that that is a difficult problem. He would know full well that my predecessor, the Hon. Hugh Hudson, was faced with precisely the same problems that I am faced with. If anything, I think the pressures have increased. The structure which is set up in terms of enabling legislation was

that the Pipelines Authority negotiated on behalf of the State in a sense to determine the price of gas which the Electricity Trust, commercial users and the gas company believe is equitable, and the producers negotiate on their own behalf.

If agreement is not reached, the matter is referred to an arbitrator who has to be mutually agreed upon. Until recently, agreement has been reached on the price of gas without the need for recourse to an arbitrator. However, that has not been achieved recently, because in the opinion of negotiators for the Pipelines Authority (who reflect the judgment of the users, including the Gas Company, industrial users and the Electricity Trust) the price sought by the producers has been excessive. Even after long and detailed negotiations, agreement has not been reached in recent years. Therefore, the matter has been referred to an arbitrator. It has been a different arbitrator in the last two years and he has come up with a price which is then binding upon the participants.

These are yearly negotiations, while I understand A.G.L. arrangements are reviewed triennially. In South Australia negotiations are conducted yearly, and those negotiations are currently in train. The producers have suggested a price, but I do not believe it would be appropriate for me to publicly air the details of those negotiations; I think that would be quite wrong. As I have said, the producers have suggested a price. The Pipelines Authority will respond in due course and, if agreement is not reached again, there will be no recourse but to refer the matter to an arbitrator. That is a summation of the situation and I think the Leader is aware of what is involved.

Negotiations are currently under way in relation to next year's gas price. This year's price was not determined until well into this year, so the price was made retrospective to 1 January. Negotiations are currently in train in relation to the gas price for the next calendar year. Earlier, when we were discussing some of these matters, I indicated that the Government perceived this as one of the major challenges that it must face, and it must be resolved as soon as possible. I believe it is in everyone's interest for the Pipelines Authority, acting on behalf of the State, to come to some agreement with the producers for a better arrangement in relation to the supply and price of gas in the long term. I do not think anyone enjoys this yearly negotiation over the price of gas. It is an adversary situation which has been exacerbated in recent years.

As I have said, the Government is seeking, and the producers are quite willing, to discuss ways and means of coming to an arrangement, first, about what will happen in 1987 and, secondly, about fixing a price for a period longer than one year. In fact, we would like to come to an arrangement for a much longer term contract, if possible. That is a big task, as the Leader will acknowledge, and it was inherited by this Government. The Leader must be aware of the difficulties involved. The Government is currently engaged in intensive negotiations for an indenture for the liquids scheme. We hope to present that to Parliament as soon as possible.

Concurrently with that, we want to see progress made, as do the producers, in relation to discussions about the supply and price of gas. I would be misleading the Committee if I suggested that we had progressed very far in relation to reaching an agreement. It would be unrealistic of the Committee or the Leader to suggest that we could be. The fact is that there is a mutual desire to discuss these matters. I do not think that the Leader would suggest that simply by escalating the price of gas dramatically that that would automatically solve our problems in the short term. It would certainly do as he suggested, that is, raise the price of gas directly, which would certainly be reflected in

the price of electricity. However, there is not a direct correlation between the percentage increase in the price of gas and the percentage increase in the price of electricity.

In answer to a question in the House from the member for Mitchell, I said that the price of fuel is a significant factor in relation to the price of electricity, but in recent years a more significant factor has been the escalation in other costs and wages. I am saying that, if the price of gas rises 15 per cent, the price of electricity will not rise by 15 per cent. However, if the price of gas suddenly doubled, that would have a fairly dramatic effect on the price of electricity. It would not double the price of electricity, but it would have a significant effect. I assure the Leader that the Government appreciates the problem. I do not wish to hammer the point, but it is true that we inherited the problem and we are doing our best to solve it.

**The Hon. R. G. PAYNE:** The Minister could have fooled me—he has been hammering it for two years.

**The Hon. E. R. Goldsworthy:** As I said, I am not going to hammer that point in this Committee, but if the honourable member wants me to go over the history again I am happy to do that.

**Dr BILLARD:** My question relates to the Energy Information Centre. How much did it cost to establish that centre? How many staff are involved in running that centre? What assessment, if any, has been made in relation to the use of that centre by the public?

**The Hon. E. R. Goldsworthy:** I think the all-up cost of establishing that centre was \$90 000, but I will get the Director of Energy to comment on that in a moment. There are three full-time staff members engaged at the centre. The use of that centre is quite remarkable. I do not have the full details, but from time to time I have asked my officers about the public response to the centre and the number of people who visit it. I understand that the staff give lectures to interested groups in the evenings. A great deal of activity was generated as a result of the opening of the Energy Information Centre. I believe that it is performing a most useful function in relation to public information. The Director of Energy will elaborate on what I have said, particularly in relation to patronage, the use of the centre and its activities.

**Dr Messenger:** Over 10 000 people have visited the centre since it was opened. The peak has been about 1 000 people a week, but generally the average has been around 600. On top of that, a very large number of schools visit the centre, and that has been encouraged. Interest in the centre has ranged from energy in the home through to specialised questions. Quite a large range of brochures are available ranging from the solar heating of swimming pools, energy management in the home through to specialised outlines of the States energy resources.

A wide range of material is available, some of it is quite specific to on-farm use, distillate storage, etc. We are trying to cater for the whole range of interests from energy in the home through to specialist on-farm activities. Brochures are available at the centre. The number of brochures distributed is about 6 000. These booklets have been handed out to schoolchildren and people who have visited the centre since it was opened in June 1981.

**Dr BILLARD:** I notice on page 44 of the programme papers, which I assume is the area which covers the Energy Information Centre, that there are specific targets and objectives for 1981-82. It states that one such target is to extend the services of the Energy Information Centre particularly in regard to information for schools and extension to the non-metropolitan area. To what extent will that information for schools be extended and what form will it take? It was said in the previous reply that schools did visit the centre. Does the centre go out and, in effect, solicit

patronage by encouraging the dissemination of information by visiting schools.

**The Hon. E. R. Goldsworthy:** There is a limit to what three people can do in regard to soliciting. We are spreading the resources thinly, when we consider the scope of the job they are doing. As I suggested in my earlier reply, one person does go out and give lectures on request. I think this also applies to schools. There are slide kits suitable for use in schools, and the centre has an educative role. A lot of the visits to the centre have been unsolicited—people just come in off the street. The Director mentioned the people who have just come in, and are interested in learning something. They may have some request in regard to insulation of their home, hot water service or industrial matter. It is my view that the Energy Information Centre can perform a useful role in relation to schools. I ask the Director to comment.

**Dr Messenger:** Over 40 schools have been visited in the weeks since the centre was opened in June. Some of them were solicited. Many of them were aware of the centre and came in to spend the morning there during which they were given a detailed run-down and personalised discussion on these various displays. The activities of the centre and the Energy Division in relation to schools are wider than that in that we have run seminars for school teachers at primary and secondary school level to give them basic factual information on energy conservation and resources. In addition, discussions have been taking place with the Education Department in regard to introducing material into the curriculum, as well as the slide kits, and visits to schools. This is the way in which we intend to expand this into the school area.

**Mr MAX BROWN:** I wish to examine a line which refers to the Redcliff project team. I point out to the Minister that in the line it seems obvious that the Government intends to keep this team in operation. What type of work is the project team currently undertaking? I point out that it is common knowledge that the American firm, Dow, became very luke-warm on the project. I also point out to the Minister that in my humble opinion I do not believe that Dow initially did its homework on the environmental aspect of the project. At this point, I would appreciate getting information from the Minister as to what project the team is involved in, particularly now that Dow has for some time suggested that it is not interested.

**The Hon. E. R. Goldsworthy:** The situation with regard to Dow is that it still has people here and is doing studies in relation to a petro-chemical plant. It is also doing a economic feasibility study on a petro-chemical plant at Stony Point, as an alternative. It still has some appetite for the project. It is fairly common knowledge that the world markets for petro-chemicals are depressed. Despite the prognostications of the Leader of the Opposition, nothing this Government has done has inhibited Dow in making a favourable decision to establish a petro-chemical plant in South Australia.

This harks back to the comments I made earlier in relation to final decision-making in any project. That is a commercial decision. The state of the play in relation to Dow is not much different from what it was when the Premier came back from America some time ago. We believed that we should do all we could to secure the project and get some firm indications of what the situation was. Dow is still here and is still interested, as is the Asahi Chemical Company—a Japanese group. Once the Dow company indicated in, I think, October last year, that it was not prepared to make a decision, we said that that was the end of any exclusivity agreement and that it was open to any takers. There was an exclusivity arrangement with Dow which was extended as a result of a request for such

an extension. When the Premier went to America to clarify the situation we made clear that if there was not a favourable decision by that time it would be open to all bidders.

The Asahi company has people here. Currently it has established an office here and is looking at the feasibility of a petro-chemical development. The Redcliff steering team is doing a lot of work in relation to the Stony Point development. It is called the Redcliff steering team but could well be called the Stony Point steering committee because it is doing a lot of work in relation to Stony Point, although Redcliff is still an option. A lot of work it is currently doing is in relation to Stony Point development.

**Mr MAX BROWN:** The Minister is obviously a mind reader. When he says that this research project team is in the process of examining the Santos Stony Point development, I understand from the Minister that the Redcliff project team is looking more anxiously (put it that way) to abandoning the Redcliff site. I point out to the Minister that when this project was first visualised there was far more opposition from the Port Augusta and Port Pirie area than there was from the western side of the gulf. Is the project team seriously looking at an alternative (and the Minister has beaten my question by saying that the alternative project being looked at could be at Stony Point)? There will be some opposition to that: I make that perfectly clear. There would be less opposition, however, to a petro-chemical project at Stony Point than there would be to such a project at Redcliff. Is the Redcliff project team giving consideration, perhaps through Dow, to making some sort of decision soon as to the possible abandonment of the Redcliff site in preference to the Stony Point site?

**The Hon. E. R. Goldsworthy:** That decision will come. If there is a decision made to go ahead with the petro-chemical plant, then the Stony Point site would certainly be a possibility. It is premature to suggest that the Redcliff site has been abandoned. This Government did not choose the Redcliff site; it was chosen by the previous Government back in 1973 or 1974. The project was down the track when we were elected to Government, and the Opposition was still clinging to that project claiming it was its baby. We had a barney in this Committee last year over the Redcliff project.

The Redcliff site has not been abandoned. This team is not working flat out on an alternative petro-chemical site at Stony Point. The members of the team are doing a lot of work on the liquids scheme that we are negotiating at the moment. They are not intentionally involved in evaluating details of a petro-chemical plant at the moment, whether it be at Redcliff or at Stony Point. Except for the urban housing group, who are not doing much at all on either site, those elements of the Redcliff project team involved are pretty heavily concerned with the liquids scheme, the first stage of which we are working towards having completed in early 1983. Details on a whole range of matters have to be addressed, including pipelines, easements, construction, land acquisitions, shacks, and the wharf. Some members of the Redcliff project team are actively involved in that at the moment.

**Mr MAX BROWN:** The Minister has opened up a personal issue. Obviously, companies other than Dow are involved in the proposed petro-chemical works. Can the Minister say how many other companies are involved and how many companies are we considering?

**The Hon. E. R. Goldsworthy:** The only company that have people investigating are Asahi in conjunction with Mitsui. The Government has had discussions with Asahi. Dow still has a group here actively doing some environmental work and an economic study on Stony Point for comparative purposes. The other group, Asahi, has three people here. One of their key figures was killed in a car

accident a month or so ago. The director and I had met this gentleman in Japan when I was overseas last year. He, Mr Yamakoshi, was a key figure in the Asahi team and was killed on Port Wakefield Road quite tragically a couple of months ago. He has been replaced and there are three Asahi people out here to study the petro-chemical proposal. Dow has lost its exclusivity, it is the only other group with people here actively studying the possibility of establishing a petro-chemical plant.

**Mr MAX BROWN:** With the Redcliff project team being involved in the possibility of shifting to Stony Point, can the Minister say what area of land we are looking at in respect of a petro-chemical works being built alongside Santos, and whether any consideration has been given by the Government and the Minister's department as to the impact this might have on the areas we are talking about at Stony Point, bearing in mind that there is some current opposition to the Stony Point area proposal? There have been alternatives put up. I am not saying that I agree or disagree. Has there been any defined area examined by the project team, and what is the size of the area involved?

*[Sitting suspended from 6 to 7.30 p.m.]*

**Mr MAX BROWN:** If a petro-chemical works were to be established in the Stony Point area, what sort of area would we be looking at outside of the Santos project? There has been some opposition to the Stony Point project, based on the land that has been set aside. It might be fair to have some idea of the area of land involved if the petro-chemical works was established and whether, in fact, it would be in close proximity to the Stony Point project.

**The Hon. E. R. Goldsworthy:** There is no firm proposal for the establishment of a petro-chemical plant at the Stony Point site at the moment. The Government is seeking to see that enough land is acquired to accommodate downstream developments other than those that are proposed in the initial liquids scheme, and that could include things other than simply a petro-chemical plant. So, when we are looking at total land acquisitions and buffer zones around that area we are looking at a fairly large area of land—up to 2 000 hectares when we take in buffer zones. The Government is intent on seeing that there is enough land to accommodate other developments in that area, some of which may not be envisaged at present. There is no specific proposal for a petro-chemical plant at this site, but we would be certainly concerned to see that there was enough land to accommodate a possible petro-chemical plant at that site and other downstream developments; a refinery has been talked about as one such development. There is plenty of land for further development.

**Mr MAX BROWN:** A large proportion of this land is owned under Federal Act of Parliament by the Department of the Army. I do not want to go into that situation tonight, because I think everyone would be astounded at what is being given to the Department of the Army, with no right of obtaining it back. Although the Minister probably cannot spell out what land will be made available, can he say whether it is envisaged by the project team that there would be enough land in that area, if it were to proceed with a petro-chemical plant, outside of the Department of the Army land, or would we be looking at a possible new Act of the Commonwealth Parliament to take some land from the Department of the Army?

**The Hon. E. R. Goldsworthy:** We are negotiating with the Department of the Army for the transfer of some of that land to the State. There is not enough land available to the State for downstream development such as we envisage, and we are discussing with the Army at this moment the transfer of some land back to State control.

**Mr MAX BROWN:** When the Minister replies to a question, and says the Government is in the process of obtaining land from the Department of the Army, I understand the legality of the situation. I am not trying to set myself up as a legal eagle in this thing, but the Act that covers the land that has been given to the Department of the Army, is quite clear: we cannot obtain this land unless there is either a new Act put into operation federally or some amendment to the current Act federally. Is the Minister suggesting that the Department of the Army is prepared to consider giving some of this land to the State Government? Do I understand that to be the situation?

**The Hon. E. R. Goldsworthy:** Let me make it clear that the Army land is not required for the initial project that is envisaged, but we are in negotiation with the Department of the Army to obtain further land from the Department of the Army to ensure that we do have sufficient land for further downstream development. I will check it out for the honourable member. My understanding is that it does not require any amendments to Act of Parliament, but if it does that will be pursued. These negotiations have been going on for some time. The land is available, and the probability is that other land which is under State Government control further to the north would be made available to the Army in exchange. Those negotiations have been going on for some time now; they are not critical to the initial scheme, but I believe it would be essential to bring them to a successful conclusion when we talk about downstream developments, which we hope would be generated in that area as a result of the initial liquids scheme.

**Mr SCHMIDT:** The question I want to refer to has already been answered in the main; it is in relation to the Energy Information Centre. In answering the question last time no reference was made to the expansion of the services in the non-metropolitan area. I wonder whether that could be elaborated on. On page 45, the proposed equivalent full-time staff this year is given at four, that is under the line of 'Conservation', and I doubt whether that would all be in the Information Centre. Could the Minister explain what the programme will be for the non-metropolitan area?

**The Hon. E. R. Goldsworthy:** Three people man the centre. One officer back in the head office works under the conservation programme. As the honourable member has said, that was part of the original question that was not answered. I will ask the Director of Energy to comment on the non-metropolitan programme.

**Dr Messenger:** There are two parts to the country programme: one is that the Energy Information Centre will have displays at four major regional country shows and also it is planned to have a mobile display that will be taken to the country areas, as well as our sending speakers to country areas to talk on energy conservation and energy resources.

**Mr SCHMIDT:** Also in relation to energy conservation, on pages 42 and 43 reference is made to alternative fuel energy sources, synthetic fuel and alternative energy sources. There is a staff allocation of one for synthetic fuels, and a staff allocation of two for alternative fuel energy. Could you elaborate on the type of work undertaken by the staff, because it would appear at this stage, particularly with that staff allocation, that there would be only a monitoring of these sorts of alternative source, rather than any comprehensive detailed programme? I believe, too, that some action is being taken in relation to wind energy.

**The Hon. E. R. Goldsworthy:** I think it should be understood that Government grants are made available to individuals or organisations outside of Government for research work, and that is co-ordinated through the Energy Division. Some of the resources at least of the department are absorbed in assessing and assisting with the allocation of SENRAC grants for energy research.

I think it is true to say that officers of the department, as such, are not involved in the front line of doing research themselves, but they are certainly involved in the work which is required to give advice and to service SENRAC, so that grants of Government money can be made available to selected individuals and organisations for energy research. Perhaps the Director of Energy might comment more precisely on what these three people do within the department.

**Dr Messenger:** In terms of the indirect work, a large proportion of the \$315 000 for SENRAC goes towards alternative energy. In relation to the direct work, those people are in fact equivalent people made up of a number of part-time people inside the division. Concerning key areas they are working in, solar energy is one such area. We have a solar demonstration project at the Southern Farmers plant at Murray Bridge. The hydro-carbons plant is an area where I think the work we have encouraged through Roseworthy and the Institute of Technology is leading Australia. We have some evaluation work being done on plants which yield hydro-carbons.

We are also looking at remote area power generation. One of the key things in which we have Amdel doing some work is in the area of gas production from compacted straw using farm wastes. There are other prospects of biomass, but there are some problems in terms of gathering and economics there. The compacted straw is work on which we are having some equipment work done, and some demonstration work will be done in conjunction with Amdel. We are also doing some preliminary work on the question of solar ponds. Wind work is another area.

They are perhaps the most promising alternative energy areas in South Australia. Those equivalent three people are largely doing, as you said, evaluation work in those areas, as well as monitoring and initiating work in those areas. That work in itself can be fairly time consuming. The hydro-carbon plant has a fair amount of work going into it in conjunction with these others. The gas production area is a large one as well.

**Mr BANNON:** On this question of resource allocation, I have already commented that there seems to be considerable distortion, one might say, of the department's priorities where such a small amount of the resources of the department, both in manpower and current expenditure, is devoted to alternative energy. I notice in the programme papers at page 43 there are receipts listed. Can the Minister say what those receipts are and where they derive in terms of the programme of energy resources, and why, as the receipts apparently exceed expenditure, more of those resources cannot be devoted to pursuing alternative energy programmes?

**The Hon. E. R. Goldsworthy:** I will not accept the fact that there is a distortion of priorities. The fact is, as the Director has pointed out, that \$315 000 is allocated for alternative energy research, a greater sum than any previous Administration has made available. I reject the suggestion that that is distortion of priorities at a time when there are constraints across the whole gamut of Government spending. There is \$315 000 being spent, as the Director has pointed out, to be disbursed by SENRAC. A sum of \$109 000 is the State Government's agreed contribution to the Federal energy conservation campaign, so that, in all, the sum made available is \$424 000. In my view, that is an extremely good effort by South Australia in relation to alternative energy and conservation of energy, particularly, as I say, when there is a record amount of money.

In relation to the second part of the question, we did deal with that line earlier. That is the income from royalties, and the increase in royalty payments over and above what was budgeted for was a result of an increase in income from the sale of natural gas. The major factor affecting

that increase in royalty was the price of natural gas. To suggest that more of this could be diverted into work on alternative energy is simply asking the fundamental question of what one does with resources at the Government's disposal. This idea of ear-marking for particular purposes funds from certain revenue-raising resources is perhaps attractive superficially, but I do not subscribe to the view that there is any merit in ear-marking funds from a particular source for a particular purpose. The fact is that the total pool of Government funds has to be assessed. The total competing priorities across government must be assessed and judgments made on that basis. That is a statement of fact, and it is foolish to act otherwise.

**Mr BANNON:** What about the 'user pays' principle that your Government espouses?

**The Hon. E. R. Goldsworthy:** I do not quite see the relevance of what the Leader is talking about there when we are talking about royalty income to the State. We are talking about royalty from the sale of gas. We are talking about the royalty from the sale of minerals. How one can apply the principle of user pays there in some way is a mystery to me. I do not resile from the basic stance which I have outlined, that royalties are a part of legitimate Government revenue and they go into the pool of Government revenue, with competing claims taking their place in Government priorities. The top priority gets funded, and so on.

I repeat that I believe we have indicated the relatively high priority the Government gives to energy research and conservation when we are talking about an allocation of \$500 000—a record amount—when we are in times of very great financial constraint.

We could say that the total income from some source to the Government is large and therefore ought to be spent in servicing that source of revenue. I think it would be nonsense to suggest that that could be a principle which could be applied across Government. We had that argument in relation to the Hospitals Fund. It was a nice, facile argument to suggest that the lottery was justified because money from it went into the Hospitals Fund.

It did indeed go into the Hospitals Fund but, in effect, all that happened under the Labor Administration was that it was part of Government revenues. It certainly did not go as extra funds to hospitals in South Australia. For the Opposition to suggest that, in my view, would be misleading the public. It was certainly an interesting and successful way of selling the concept to the public, the idea that there was extra money going to hospitals as a result. But to suggest that all of the extra funds from the lotteries was extra money for hospitals was nonsense.

**Dr BILLARD:** My question relates to mineral resources and exploration management. I refer to page 46, volume 2, of the Programme Papers and 'Specific Targets/Objectives for 1981-82', as follows:

Supervise drilling operations at Golden Grove to evaluate resources in response to planning requirements.

Can the Minister enlarge on what is planned at Golden Grove, and what are the planning requirements?

**The Hon. E. R. Goldsworthy:** As the honourable member well knows, there is the vexed question of the rehabilitation of the mining operations in that area and the question of what level of mining should be allowed to continue, what the environmental impact of that will be and how the land actually should and will be rehabilitated. There are some problems associated with the part of the district that the honourable member represents which are not easy to solve.

**The Hon. R. G. PAYNE:** They had a little trouble last week and got a new mayor.

**The Hon. E. R. Goldsworthy:** I do not know whether the new mayor has much to do with the question we are

discussing, but the fact is that there are still significant deposits of sand, in particular, in that area which people want to mine. However, one must take account of the environmental impact and what happens at the end of the day in relation to rehabilitation of the area. I have personally inspected the area and am aware of the problems.

Those problems are being currently addressed and perhaps the Deputy Director-General, Mr Johns, will comment further. The Mines Department officer who came with me then is not here today.

**Mr Johns:** The subject of sand and clay resources in the Golden Grove area is something that has occupied our interest for a long time. It has now reached the stage where, for the purpose of planning, it is essential to define what are the remainder of the resources, to establish their dimension, size and application to potential use and balance these against what it is that may be an optimum development as against what seems sensible to be doing by way of other interests.

Our interests here, and the particular item mentioned in this paper, relates to a programme of drilling which has been proposed to involve the companies that are concerned with mining sand and clay in the Golden Grove area. A first requirement is further drilling to establish what is below the level of their existing workings so that, in conjunction with the planning people, the Department of the Environment and whatever other Government departments are involved, including the Engineering and Water Supply Department, we can get some rationalised plan in the long term for this resource and for the ultimate reparation of the area after mining has ceased.

**The Hon. E. R. Goldsworthy:** As the honourable member probably knows, there is a considerable problem in relation to rehabilitation of that land; in this case it is a question of drainage. The rehabilitation is tied up with getting water out of the area, and whether one finishes with a big lake. This problem has not simply arisen in the last couple of years, because it is a problem that has developed over a considerable time. Land fill has been tried in one area I visited. The material has just not dried out and has turned into a boggy morass. That activity was not successful. There are problems to be solved. This drilling programme is part of the gaining of information in regard to what is under the present operations with a view to solving some of these problems.

**Dr BILLARD:** I ask whether this drilling and the investigation extend beyond the current area of activity and, in particular, does it extend west of Hancock Road?

**The Hon. E. R. Goldsworthy:** I would have to take that question on notice. The area to the west of Hancock Road would be in the vicinity of the Golden Grove Oval. Probably 'No', but carry on.

**Dr BILLARD:** I asked that because there was a proposal in 1978-79 that an area west of Hancock Road, on land owned as part of the Golden Grove development, would be mined to get out some white plastic clay. That stirred up much local protest at the time. That area is not currently mined and is open paddocks. It is adjacent to the Tilley Reserve at Golden Grove. That would be a sensitive area.

**The Hon. E. R. Goldsworthy:** We will have to get a report for the honourable member. I am not aware of any proposals to mine west of Hancock Road. All the areas on which work has been undertaken have been, to the best of my knowledge, east of Hancock Road, and the areas I have been discussing are those areas. We will certainly get a report for the honourable member in relation to this drilling programme and let him know what is proposed, if anything, in relation to the land to the west of Hancock Road.

**Mr O'NEILL:** Earlier this afternoon I asked a question of the Minister and his specialist advisers in regard to

Beverley. At that time I could not be specific and the gentlemen concerned indicated that they were not aware of the problem to which I referred. In the intervening period I have been able to obtain further information. I refer to a *News* report of Monday 7 September 1981, which refers to the Beverley deposit and which states:

Uranium plant delayed. Construction of a pilot plant extracting uranium oxide from the rich Beverley uranium deposit in South Australia's Far North has been delayed. The U.S. partners in the venture, Western Nuclear Australia Ltd, announced today construction of the facility was now not expected to begin until the 'latter half of 1982'.

The report goes on to quote Mr Siller, Chairman of Oilmin, who had apparently indicated that work was starting in July of this year. The article continues:

There is no way construction could begin on the pilot plant at such an early date. The environmental impact study has not even been submitted yet. Until it is no construction work can be done.

The article then refers to the fact that it takes so much longer to get things off the ground today than it did 10 or 15 years ago. The article continues:

Three weeks ago Transoil NL, another one of the Australian partners, in its June quarter report said: 'Work leading up to the installation of a pilot *in situ* leaching plant at Beverley in South Australia continued during the quarter.'

One of the Minister's advisers said that there was some delay in relation to Beverley, and I am now referring to the Beverley plant and not the Honeymoon plant. It appears that what I said this afternoon was correct. On looking at the article again, I am concerned that it refers to a leaching plant at Beverley in South Australia.

Late last year I asked a question about groundwater and problems associated with pollution of the Great Artesian Basin at Honeymoon, which was said to be the site for the leaching operation. If my memory serves me correctly, at that time Beverley was supposed to have been for open cut mining. The answer given at the time was to the effect that there were no problems in respect to the leaching process at Honeymoon because it was situated on a minor basin or aquifer and that there were no problems at Beverley because leaching was not involved. It appears now that leaching is contemplated at Beverley, and I understand that Beverley is situated above the southern section of the Great Artesian Basin. In view of the fact that the Minister and his advisers apparently have no knowledge of this matter, can they ascertain when the Beverley venture will proceed? Will the Minister also ascertain what steps are being taken to protect groundwater in the Beverley area if leaching is going to be used as the extraction process?

**The Hon. E. R. Goldsworthy:** The honourable member's question this afternoon was not quite in line with the information that he has just given to the Committee. The member for Florey is suggesting that we do not know what we are talking about. The information we gave the Committee this afternoon was perfectly accurate. This afternoon we were discussing the problems at Honeymoon with the F.I.R.B. The import of the honourable member's question this afternoon was that there was some problem with ownership in relation to F.I.R.B. and Beverley.

**Mr O'NEILL:** On a point of order, Mr Chairman, that is not what I asked. That is the answer that the Minister gave, but it was not the question I asked.

**The CHAIRMAN:** Order! There is no point of order. The Minister will answer the question as he understands it.

**The Hon. E. R. Goldsworthy:** No misleading information has been given to the honourable member at any stage.

**The Hon. R. G. PAYNE:** The officer said that he had heard nothing of any delay, but the Minister has just demonstrated that there was a delay.

**The CHAIRMAN:** Order!

**The Hon. E. R. Goldsworthy:** The honourable member's question related to the withdrawal of finance—I think that is the way it was phrased.

**Mr O'NEILL:** That is correct.

**The Hon. E. R. Goldsworthy:** There has been no withdrawal of finance. The original proposal at Beverley was for an open pit mine. As a result of further studies, although it has not been put to me by Mr Siller, I guess the experience at Honeymoon might have led the companies at Beverley to investigate solution leaching. Previously it was clearly understood that the mine at Beverley would be open cut. The company has now decided to proceed on the basis that it will be a similar type of operation to the one at Honeymoon. That decision was made not long ago; I could not say precisely when.

I referred earlier to the fact that it would be open cut, and that is what was being proposed, but the decision is to proceed on the basis that the Beverley development would also use a solution leaching process, and the company is proceeding on that basis. In relation to ground water, I think it is appropriate to point out that the Beverley development will be subject to a full e.i.s., as Honeymoon has been. There would be no contemplation of mining going ahead there until the full effects on groundwater, if any, are clearly known and understood. Mr Boucaut referred to that matter this afternoon. I apologise to the member for Florey if he thinks that I have misrepresented what he said. The department has been aware of what has been happening at both of these locations. The proposed change in mode of mining at Beverley has obviously caused some delay.

**The CHAIRMAN:** It is my intention now to call on the member for Florey. If he feels that the Minister has misunderstood his question, he now has an opportunity to clarify the situation.

**Mr O'NEILL:** I point out that at no stage did I accuse the Minister of misleading anyone, although he may have misunderstood me. At the beginning of my remarks, although I did not make an apology, I indicated that it was unfortunate that I could not quote the exact reference. I was rather surprised that the Minister's advisers were not aware of the article that appeared in the newspaper in September. I have not accused the Minister of misleading the Committee. I am concerned that there has been a change in the method used. The Minister has not convinced me, even though he has referred to an e.i.s. study. I would like an unconditional assurance that nothing will proceed if there is any chance of any pollution of the Great Artesian Basin or any large bodies of groundwater in that area. If there is any chance of that happening, I would like an assurance that the operation will not proceed. I am not sure whether I understood the Minister correctly or not. I am aware that Mr Siller is connected with the Beverley project, because in the past I have taken some interest in the shareholders of Oilmin. I know Mr Siller is one shareholder and that the Premier of Queensland is another. Is Mr Siller in any way connected with Honeymoon?

**The Hon. E. R. Goldsworthy:** Not to my knowledge. I can give the honourable member the assurance that he seeks. I think that we would be doing the Department of Environment a disservice if we were to suggest that any development would be contemplated that involved any contamination of the Great Artesian Basin. This area lies above the Great Artesian Basin aquifer. I give the honourable member that assurance.

**Mr O'NEILL:** My last question is in regard to the indicated date. Can we now assume that the Beverley project will proceed in the latter half of 1982, or is that a decision that is yet to be made by the companies concerned?

**The Hon. E. R. Goldsworthy:** It depends on a number of factors. I could not give a precise date as to when the

operation will start. It depends on F.I.R.B. approval and other Federal Government approvals. It will depend on their feasibility work in relation to the leaching process. The next step from that is generally a pilot plant where Honeymoon is. I think it is true to say that Beverley will not be up and running as a producing mine as early as was originally anticipated. One of the major reasons is the decision not to go for an open cut mine. I am not in a position to say precisely when it will start but it will not be as early as was originally anticipated.

**Mr ASHENDEN:** I refer to page 32, the line 'Energy Division', and specifically to an item in Programme Estimates, Vol. 2, page 41. I note that the amount of \$15 000 in 1981-82 has been identified for contingency planning. Could the Minister indicate the cost to the Government of the administration of the recent petrol restrictions and indicate whether it is included in that amount?

**The Hon. E. R. Goldsworthy:** I will ask the Director of Energy to answer that. I think it was in connection with planning and contingency work in relation to events that eventually occurred.

**Dr Messenger:** That amount of money represents the time of a number of officers doing preparatory work for a fuel contingency. Any costs of running the contingency operation, in terms of overtime and staff costs, are above that. In terms of the recent occurrence, the total all-up cost was estimated to be about \$90 000, of which roughly \$50 000 was salaries. The other \$40 000 was for advertising, printing of coupons, etc., telephone calls and Motor Registration Division overtime. That is over and beyond the estimated figure incurred for that two-week period.

**Mr ASHENDEN:** In view of the public comment made in relation to that situation, is the Minister happy with the way in which the situation was handled? Are the processes undertaken by his officers under review to see whether improvements could be made, should such an occasion arise in the future?

**The Hon. E. R. Goldsworthy:** Generally the answer is 'Yes'. There was general satisfaction, although there were some complaints from some quarters. Any situation of shortage in relation to petrol rationing which causes discomfort to the public is going to be a source of annoyance and complaint. The views that have been expressed to me in terms of correspondence have been congratulatory. The Leader can snort but I can read letters to the Committee. We had some phone calls during the period of the restrictions. I would be surprised if, when the Labor Party was running affairs in regard to petrol rationing, there were not numerous complaints, as it is the nature of the exercise. It would be unrealistic to suggest that people would not find some fault with the arrangements simply because there was a shortage of fuel.

I am satisfied that overall our arrangements were quite satisfactory. I acknowledge that on Monday morning the rush was rather more than anticipated but resources were quickly made available at the Wakefield Street centre, where 32 desks were installed. That situation was quickly remedied. I do not think it is profitable to go back over the history. I have a full account of what happened in 1973. I think things ran more smoothly this time than they did then, and we did more to keep the public in work than was done previously. There are lessons to be learnt from any exercise. The department had a debriefing session and we will be better prepared next time than we were this time. To suggest that we need a full inquiry or that something was radically wrong with the way the Government handled the situation is not a statement of fact.

Members of the business community spoke to me and were perfectly happy. Although petrol resellers received some complaints, especially in regard to the man who

wanted to bring petrol from interstate (that was one of the noisiest days), they were happy with the way the Government handled the situation. There was close liaison with the oil companies on a daily basis. It could be called self-delusion, but the Leader of the Opposition is not privy to conversations I had with the media, citizens and organisations. We had some letters, and they are not stage-managed letters, although the Opposition may have had plenty of practice at that sort of thing. They are unsolicited. There was general satisfaction with the way the matter was handled in a difficult situation. The Government achieved its primary aim of keeping people in work. The views expressed to me by those who have taken the trouble to mention it was that the situation was handled well.

I am not denying that the phones ran hot while the petrol shortage was on. One would have thought that there was something wrong if that did not happen, because it is the nature of the exercise.

**The Hon. R. G. PAYNE:** I know why you did not get many phone calls—you only advertised one phone number and it blew all the fuses.

**The CHAIRMAN:** Order!

**The Hon. E. R. Goldsworthy:** That was due to a Telecom problem and it was righted quickly by mid-morning. There was general satisfaction amongst the public. The primary aim was to keep dislocation of industry and people's jobs to a minimum. There was not massive dislocation of industry and employment during that very difficult situation. That aim is not achieved without a considerable amount of effort. That effort was expanded by the very considerable and commendable efforts of a large number of public servants, many of whom worked over the weekend with no special overtime arrangements. I repeat and do not exaggerate when I say that the people who have taken the trouble to mention it to me, including some people in the community whose support the Leader of the Opposition would actively seek, expressed general satisfaction to me with the way in which this situation was handled. As I say, something can be learned from every exercise. We had a debriefing session and, in the light of experience, I believe that we would be better equipped to handle a like situation in the future.

**Mr BANNON:** I thank the Minister for sparing us all these congratulatory letters. I revert back to a discussion we had earlier this afternoon on the question of Radium Hill, the refurbishing of the dump and the removal of radioactive material from Thebarton. We also discussed the situation at Port Pirie. Was the cost and feasibility of removing the waste at Port Pirie to Radium Hill looked at? If so, what was the outcome of that consideration?

**The Hon. E. R. Goldsworthy:** The Leader knows that the problem has been with us since about 1956. It was a problem with which the Government of which he was a part wrestled. The Director of Mining mentioned that it had been fenced and that was done by my predecessor. I acknowledge that. The operation has been to contain those tailings dams to see that the public of Port Pirie suffer no ill as a result of the presence of those dams. Studies have been undertaken in relation to further efforts to try to solve the problem with the long term in view. The cost and logistics of moving that material and the hazard the removal would probably involve (although I am not *au fait* with the details of any study that has been carried out in that regard) through Port Pirie to Radium Hill would in itself be a difficult exercise and probably prohibitively expensive. That does not commend itself as the best way of dealing with the problem. I ask the Director of Mining to comment further as he has, since his appointment, been involved actively with the consultancy in relation to the Port Pirie tailings dams.



**Mr Hill:** The short answer is that we have looked at it. We are having troubles with the costs because it is laying on a swamp. There are physical problems in picking it up, containing and moving the material. We are not happy with the costs we have at the present time and are doing further studies.

**Mr BANNON:** Can I have an idea of the scale of costs?

**The Hon. E. R. Goldsworthy:** I only hazard a guess and would not put it higher than a guess. The physical job of getting into that marshy, swampy environment and picking it up, putting it on trucks (with the stuff dripping off trucks), taking it through the streets of Port Pirie and carting it to Radium Hill could run into millions. The actual job would present considerable problems. Mr Hill has pointed out that option is being addressed (among others) and the Government did authorise the employment of a consulting engineer to look at the range of options so that the Government could be informed of the best way of finding a long-term solution.

**Mr BANNON:** But you would still not be prepared to give any idea of the scale of costs involved. Is it some thousands, hundreds of thousands, millions, or what? What are we talking about?

**The Hon. E. R. Goldsworthy:** We have not had a cost given to us. I do not know the answer to that question. I am guessing from my knowledge of the area, the amount of material involved, the difficulty of picking it up, and the number of truck loads. I have not sat down with a pencil and paper and worked it out because we will be employing a consultant to give a precise answer. I guess that we will be talking of a million or millions rather than tens or hundreds of thousands. I cannot be more precise than that. That information has not yet been provided to the Government. Having visited the scene two or three times and knowing the problems involved, that is my guess of the scale of costs we would probably be looking at if we handled it in that way, of picking up the stuff cleanly and getting rid of it. Common sense tells us that this option would be very difficult, but it is not ruled out.

**Mr BANNON:** Obviously some element of urgency has been introduced to try to find a final solution. I am pleased to see the Government taking some action on it. What is the volume of material involved?

**The Hon. E. R. Goldsworthy:** I do not know precisely. To get an idea of the area involved, one would have to do a calculation of the depth of material, if you are talking about volume.

**Mr BANNON:** There is a great deal of ignorance about this.

**The Hon. E. R. Goldsworthy:** There is a sudden interest by the Leader of the Opposition in this matter. The situation in Port Pirie is contained. The Leader has suddenly got some sense of urgency in relation to the tailings dam.

**Mr BANNON:** After the breach.

**The Hon. E. R. Goldsworthy:** The Health Commission was monitoring in relation to that breach, and a full report was given. There was no danger to anyone as a result of that breach. Action was taken immediately to strengthen the walls of that dam, as the Director of Mining has explained to the Leader. There is no sudden urgency that has arisen in the past 18 months that was not there during the whole nine years of the Labor Government. To suddenly suggest that there is some great urgency in relation to—

**The Hon. R. G. PAYNE:** Your words were that there had been a change.

**The CHAIRMAN:** Can I appeal to Committee members? You all have an opportunity to ask questions. If you allow the Minister to answer, then if you are not satisfied with the information, you have an opportunity to ask other questions.

**The Hon. E. R. Goldsworthy:** The situation is contained. In response to a question earlier I said that the standard has changed over the years. Certainly the standards have changed from 1956 to the time the Labor Government was in office. The standards have not changed perceptibly since the election in 1979.

So, there is no urgency now that did not exist in 1979 when the Labor Government was in office. This Government is investigating options which the previous Government did not investigate. I am told that the tonnage does depend on how much mud is underneath the tailings dams. The figure mentioned here is 300 000 tonnes. That is in order of magnitude, and that could be way off the mark but, having been pressed for some figure, that is the figure that is mentioned. As I was pressed for a figure in relation to the cost, I had a stab at that, with my knowledge of the difficulty of removing the material, loading it, and trucking it to Radium Hill. I repeat again that the situation is contained and there is no greater urgency now than there was two years ago. The Government is looking at a longer term solution to containing this situation.

**Mr BANNON:** The Minister mentioned certain tests that were carried out, and I think he said that the Health Commission did an investigation, following the breach we were discussing earlier. What were the results of those tests? Have they been made public and have they been finalised at this stage?

**The Hon. E. R. Goldsworthy:** Those tests were carried out and, if my memory serves me correctly the results were given to the House by way of a Ministerial statement, although it might have been in answer to a question. When I was made aware of the circumstances and when the details of the Health Commission involvement were given to the House; I think I did it. I am only too happy to get a copy of that report for the Leader of the Opposition. In effect, the report says there was no damage or possibility of damage to any people at Port Pirie as a result of that breach.

There was also, I think, some reference to the flow of that material, the possibility of any of it getting out to sea, and the effects of that; again that was negligible. If the Leader is interested, I will furnish him with a copy of that report, but there was no cause for alarm. It was a matter of concern if the wall was breached, a matter of finding out the immediate effect and taking steps to reinstate the bank and to strengthen it further. I think the Director of Mines reported earlier on that today.

**Mr SCHMIDT:** I want to address my question to volume two at page 50 in the Programme Estimates where, under the 'Specific Target/Objectives for 1981-82', it states:

Integrate the expanded facility at the Core Library (to be constructed this year) with the existing Library.

I would like to know when and where the Core Library construction will take place. I want to relate that to page 46 where it also says under 'Mineral Resources':

Calibrate gamma ray probe test pits with the international system.

I gather on site then there will be steps taken to ensure that samples taken have a specific radio-active content, so that when they come to the core farm we will be assured that the core samples will have only a very low grade radiation and any higher radiation cores will be kept on site?

**The Hon. E. R. Goldsworthy:** The two matters are separate and the cores referred to in the second instance would not be stored at the core library at Glenside. There is a pressing need to extend the core library because there are statutory requirements for the department to keep cores and to keep a record of the results of exploration in this State, and the levels of exploration are such and the increase

in exploration is such that the original core library is now too small. There is a pressing need for an extension to the core library and the current situation is that tenders have been called for a considerable extension to the core library. I think that reflects the greatly increased level of exploration; the core library has had to be extended before it was contemplated that that would be necessary.

The Health Commission does vet the core samples at Glenside, and the test calibration pits concerned with geophysical dam hole probes are used in oil, gas, coal and uranium exploration, in addition to other mineral research. That work is done at Amdel. That relates to the second part of the honourable member's question. The first part was in relation to what is happening in the core library. That work is at the stage where tenders are being called and we hope the work should proceed at the conclusion of this financial year.

**The Hon. R. G. PAYNE:** I refer to the line in the Parliamentary Paper 9 on page 34, concerning Amdel laboratories, payment for services, for which \$721 000 was voted; we actually paid \$721 000. The current projection is for \$700 000. My understanding is that the current arrangements at Amdel are that the Commonwealth and the State, guarantee to supply Amdel with \$500 000 of work each year, and that Amdel is required to make certain other arrangements by way of work it actually does for the mineral industry, and so on. Is there a reason for the reduced amount being proposed for this year? One would have thought that, since we are in the middle of this absolute upsurge of mineral activity in South Australia (thanks to the present Government), we might have seen an increased amount for Amdel rather than a reduction.

**The Hon. E. R. Goldsworthy:** The fact is that Amdel had a record year last year, I think, and does not need the same level of Government support. I think a branch office was opened recently in Townsville. It is negotiating in the Northern Territory, and I raised some matters on behalf of Amdel while I was up there a couple of months ago, amongst other things. So, Amdel is going extremely well.

In our judgment it does not need the same level of South Australian Government contribution, and it would not inhibit its activities, in view of the increased work it is attracting from outside Government. I think the annual report tabled last week indicated that its growth was about 46 per cent last year. It might have been higher, but it was an extremely good year, and the level of funding from the South Australian Government, particularly when Government funds were tight, was considered adequate at \$700 000.

**The Hon. R. G. PAYNE:** I think I must record my pleasure at hearing the Minister give praise to some activity which did take place during the previous Government. Secondly, I think the Minister would, perhaps in his better moments, give some credit to the previous Minister, the Hon. Hugh Hudson, who had the wisdom to widen the charter which used to apply to Amdel, so that it was able to obtain the work to which he refers.

**The Hon. E. R. Goldsworthy:** I am not arguing with that point of view. I was a member of the House when the new Amdel legislation was introduced. We supported the Act. The fact is that Amdel was in dire straits at that stage. It is true to say that an organisation such as Amdel will go well when there is a resurgence of mining exploration and activity. This country is in that situation at the moment. It would not matter a darn who was in Government. In a sense it would, Mr Chairman, in relation to some of the activities of Amdel, but I am glad the honourable member—

**The Hon. R. G. PAYNE:** I thought you might reconsider that.

**The Hon. E. R. Goldsworthy:** Yes, I did reconsider that, because I have recent memories of agitation down at Thebarton, and now the honourable member is so fulsome in his praise of my predecessor in relation to Amdel, I am quite sure he will support me in my efforts to insulate Amdel against unwarranted, unfair and incorrect attacks which are based on incorrect information.

As the honourable member will well know, there were some questions in the House of Assembly in relation to Amdel that I think had their genesis in some of the activities of Mr Scott MHR. I hope that the honourable member's obvious level of support for Amdel will enable him to assist me to repel false accusations in relation to Amdel and see that its very valuable work is carried on.

While we are all being so magnanimous, I acknowledge the fact that my predecessor brought that Act into the House. I am not sure whether it was the Hon. Hugh Hudson; I think it was. I remember the debate. We supported the Bill because Amdel was in very serious trouble at the time. Amdel is a joint venture, so to speak, of the Commonwealth Government, the State Government and industry, and it enjoys the support of those three. It is quite unique in that regard, and it is very highly regarded, not only in this country but internationally. Amdel now attracts quite a deal of work from overseas. I think that is a sign of the esteem in which it is held.

I acknowledge quite freely that the Amdel legislation was brought in by my predecessor. When Amdel is being attacked by some of the members of his Party, I hope that he will be assiduous in seeing that facts are the basis of that argument and not misleading and emotional statements which are patently untrue.

**The CHAIRMAN:** I point out that only 1¼ hours remain in this evening's session. There are two more votes, and it might be that the Committee members may not have many questions on these other two votes, but I ask members to bear that in mind.

**Mr BANNON:** My question is about electricity generation. We discussed earlier gas supply and gas prices, and the discussion obviously highlighted the need to diversify our dependence on gas for electricity generation. It is probably a pretty wasteful way of using gas, burning it off in that way, although when it was cheap and available it obviously made a lot of sense to do so. In the longer run the trust is developing its coal deposits, and I think that we have had enough information in other forums about that. I ask specifically about the proposition that New South Wales coal may be used for South Australian electricity generation. What approaches have been made concerning the purchase of New South Wales coal, or discussions of its feasibility? Where will it be used and in what equipment will it be used? How will it be brought to South Australia?

**The Hon. E. R. Goldsworthy:** I do not want to overplay this option, but it appears to be probably the next best economic option if gas just is cut off. I do not believe for one minute that it will be cut off, that the tap will be switched off in 1987, contracts or no contracts. That is a situation which none of us would contemplate, but it appears that probably the next best economic option, if the conversion of Torrens Island had to take place, would be to burn coal, but only coal superior in quality to anything that we have in South Australia. That would amount to a \$200 000-000 conversion, I think that is the figure. The rating of the station would have to be downgraded. It would not be as efficient as it is burning gas. That appears to be the next best economic option if we are to see that Torrens Island sees out its economic life.

It has got to the stage now, in regard to the sort of feasibility and conversion required, that I understand that a consultancy has been done and the trust is contemplating

seeking expressions of interest in relation to the supply of coal. I would be happy to give the Leader a bit more information confidentially. I do not think it is appropriate that I go into all the ramifications of that before the Committee. I repeat that it is not an option that is particularly favourable to the Government. It would be a fall-back option if the worst happened. When I say the worst happened, it would be if the gas was cut off.

The fact is that Torrens Island power station has an economic life which should run into the next century. To suggest that we just close it down on a grid the size of South Australia would be economically not acceptable. The best range of options would include Torrens Island making a contribution of some sort or other to the South Australian grid, and the strategy is to take Torrens Island off the base load to more of a peak-load situation. That will occur as the Northern Power Station builds up its generating capacity starting in 1984, with the first 250 megawatt unit and it is planned to build it up to 750. The fourth unit at Torrens Island has been commissioned and that has been planned for some time. The best option for South Australia is to see out the economic life of Torrens Island, and the best option for that is to burn gas.

I know I am in agreement with my predecessor when we discuss whether it is wasteful to burn gas in this way. It is a matter of price and availability. Oil is now a precious commodity. In my view it is no more wasteful to burn gas, which is a premium fuel, than it is to burn oil. However, oil is too dear and that is a fact of life. Gas is a good, clean premium fuel. Whatever is burnt in a power station, the efficiency of that power station will probably be about 40 per cent, whether coal or gas is burnt. That is the nature of power generation. I do not think that any of us can accept the argument that we should shut down Torrens Island and get off gas because of that argument. The economics of that step would be horrendous.

It is a function of availability and price. Part of the strategy is certainly for the uptake of gas for electricity generation, or the quantity of gas for electricity generation to diminish in the latter part of this decade as the load is taken up by the northern power station. Another aspect is that all the prognostications of the producers indicate that a lot of gas is still to be discovered in that part of South Australia. The producers and others are only interested in selling what they have got—at a price. They are not interested in great reserves which have nowhere to go. I agree with the Leader: we would not have had any gas scheme at all if large quantities had not been committed to contracts.

We argued about the details of those contracts, but I agree: if gas had not been sold in quantities, it would not have been economic. Likewise, producers are interested in a turnover of cash in the short term. If there is a large quantity of gas I am quite sure they would be happy for it to be burnt for electricity, if they can get their price. There are enormous reserves of gas in Canada, but it has nowhere to go. I think I have covered most of the points raised by the honourable member, but if I missed anything perhaps he will remind me.

**Mr BANNON:** In relation to gas, the Minister mentioned the high likelihood of further discoveries in the South Australian section of the Cooper Basin. There is also the Queensland section which I believe was referred to earlier. We certainly support talks proceeding in relation to that matter. I think we agree with those predictions that suggest that Queensland, too, will be looking for a buyer. It makes economic sense to direct gas from their section of the basin southward to Adelaide and South Australia, rather than build new pipeline facilities into Queensland. However, Queensland chauvinism does not know many bounds when

Premier Bjelke Petersen gets going. We will have to wait and see how shrewd his business acumen is.

The Minister referred to the fact that the northern power station would become the base load power supplier, with Torrens Island increasingly providing peak load generation. Is it not true to say that those parts of the northern power station under construction are really committed to meet growth in demand for users or projects already known, in particular, the Stony Point exercise and the potential available there? The pulp mill in the South-East will also require advancing the trust's programme and capacity for power generation. What are the projections for electricity demand and what sort of time scale are we looking at? When will decisions have to be made in relation to increased capacity and the source of power for such things as Port Wakefield coal? What is the time limit in this area?

**The Hon. E. R. Goldsworthy:** In relation to the first part of the Leader's question, the Electricity Trust has assured me that the developments which are being contemplated can be catered for, and I am referring to a fair jump in power at Roxby Downs. The power required for the pulp mill in the South-East can be accommodated in the growth pattern that has been provided by the construction of the northern power station along with the continued life of Torrens Island. The decision I referred to relates to the conversion of Torrens Island to burn another fuel.

It could not be contemplated that Torrens Island would be closed down. In Britain they told me that they closed down one of their oil-fired stations because oil became too expensive. We are talking about an enormously bigger electricity grid than we have in South Australia, and we could not afford to close down Torrens Island and build a power station based on Port Wakefield coal. That is not an option open to us in a short-term. The best option, and one to which we want to find an answer in the short term, is in relation to the 1987 contract. That is why I indicated earlier that we were pursuing with some vigour those negotiations. I think it would be best if I get ETSA to give the Leader some up-to-date information on its planning in relation to power supplies. There is no cause for panic. One of the consequences of the ETSA report was to raise some doubts in relation to security of power supplies in South Australia. I raised that with the trust's General Manager and Chairman yesterday during one of my regular meetings with them. They reassured me that there is no imminent crisis in relation to their decision-making. It may be best if I have a conversation with the Leader and get some up-to-date information from the trust for him in relation to the security of our power supplies.

**Mr BANNON:** Two other options are being discussed. One is the progress being made in relation to the connection or linking in to the interstate grid. What are the prospects for the C.S.R./Mannun coal deposit about which a lot of off-beat statements were made some months ago?

**The Hon. E. R. Goldsworthy:** I have more information in relation to both those matters in recent times. The Zeidler committee was set up by the Federal Government to conduct inquiries around the States, particularly the Eastern States and I think Tasmania, in relation to an interstate grid or interstate connections for power supplies. The South Australian Government co-operated fully in these inquiries. It is my view that we could well develop a strategy whereby we would share power across the south-eastern border of South Australia and Victoria. It seems that the aluminium smelter at Portland and the fact that the Newport power station finished up half the size originally planned, present some problems for Victoria. It seems that there could well be some possibility of power sharing. This Government is rather keen to investigate all possibilities in relation to power sharing.

The information I have is that the Zeidler committee report does not indicate that there is anything very imminent in relation to that. That is not a real option available immediately but it ought to be an option that we follow.

In regard to the second question in relation to C.S.R., it is true to say that the investigations so far have been preliminary. I have had discussions with the company since it came here and made that statement. There was a presentation by that company to the Government when its senior executives were in Adelaide some time ago. I have seen them since then. The sort of questions one asks are in regard to over-burden ratios, the thickness of the seams, and the quality of the coal. The information which I got in subsequent discussions with these people led me to the conclusion that we would not see a power station spring up immediately. To my mind, ETSA believes there could be a problem with cooling water. That would be a type of power station which had some other style of cooling. The company was talking about air cooling. It is not known to me.

The trust raised the question of cooling water. I raised that with the company during a subsequent discussion, along with those other matters I have mentioned. I do not think that we will see a power station spring up at Sedan in the immediate future. The Zeidler Committee has not yet reported; what I was saying about the Zeidler Committee is from indications I have of the way it was going to report. I do not have anything further to add.

**The CHAIRMAN:** There being no further questions, I declare the examination of the vote, Mines and Energy, \$10 863 000, completed.

Works and Services—Department of Mines and Energy,  
\$1 435 000

**Chairman:**

Mr E. K. Russack

**Members:**

Mr E. S. Ashenden  
Mr J. C. Bannon  
Dr B. Billard  
Mr Max Brown  
Mr H. H. O'Neill  
Mr J. K. G. Oswald  
The Hon. R. G. Payne  
Mr I. Schmidt

**Witness:**

The Hon. E. R. Goldsworthy, Deputy Premier and Minister of Mines and Energy.

**Departmental Advisers:**

Mr M. F. Whinnen, Director, Administration and Finance, Department of Mines and Energy.

Mr B. P. Webb, Director-General, Department of Mines and Energy.

Mr R. K. Johns, Deputy Director-General, Department of Mines and Energy.

Mr W. R. P. Boucaut, Chief Geologist, Department of Mines and Energy.

Mr P. Hill, Director, Mining, Department of Mines and Energy.

Dr M. J. Messenger, Director, Energy, Department of Mines and Energy.

Mr R. R. Hancock, Principal Engineer, Department of Mines and Energy.

**The Hon. R. G. PAYNE:** The figure for the purchase of plant and equipment is more than double that which was spent last year. No doubt there is a sensible explanation for that. The clue may be what was spent last year was only about half of what was allocated, which is the reverse of what I have just outlined. I would appreciate an answer from the Minister on what is contained in that proposal for the very large increase in expenditure.

**The Hon. E. R. Goldsworthy:** It is in connection with a drilling rig, and is a \$300 000 carry-over for the purchase of that rig.

**The Hon. R. G. PAYNE:** Can the Minister say where the Government purchases its rigs? There is a firm, not in my electorate, but located on the border of my electorate which I know is concerned with that provision of that facility. I am interested to know whether the Government purchases locally, overseas or where.

**The Hon. E. R. Goldsworthy:** It is a question of matching requirements to who and where that rig is to be supplied. I ask the Principal Engineer, Mr Hancock, to comment.

**Mr Hancock:** The whole matter of purchase of drilling rigs and equipment is constantly plaguing our attention. There are a number of Australian manufacturers, two being in Brisbane. The Warman people in Brisbane grew out of the Almet Masters people, to whom the honourable member may be referring. It is a matter of balancing the value for money against the value and type of equipment available in Australia. The Borne equipment, from Brisbane, with all due respects, is a plagiarism of the Gardner Denver equipment which was originally brought from the States. The Warman development of the Almet Masters equipment is essentially top head drive, universal type drilling machines and extraordinarily capable in its particular field. Warman equipment does not lend itself to our style of one-off exploratory drilling and is more matched to multiple production-type drilling. Two of the machines we have bought in the last three or four years are quarter drills made in Denver, Colorado, and one is a Longyear piece of equipment.

**The Hon. R. G. PAYNE:** It is the last firm I was referring to, that is just outside my electorate. With the courtesy of the management I was conducted over the entire operation and it was interesting to see the reloading of the tips with diamonds and the recovery that takes place. It is quite an ingenious manufacturing and recovery operation, conducted under fairly high security, even though the diamonds are only industrial diamonds, not the kind normally worn in rings. Curiously enough, the invitation to visit came out of a complaint I had received about its activities. One never knows where benefit will ultimately come from.

**The Hon. E. R. Goldsworthy:** Mr Hancock can elaborate on the dealings of the Mines Department with the firm the honourable member is referring to.

**Mr Hancock:** Over the last four years now we have been on contract to Longyear for the supply of diamond bits, reamers and other diamond tools. The Longyear diamond drill we bought from them is working at the Edlowie area and is doing an extraordinarily good job. They are the agents for Portadrill, from America. We have done the right thing on all counts.

**The CHAIRMAN:** Are there any further questions? There being no further questions I declare the examination of the vote, Department of Mines and Energy, \$1 435 000, completed.

Minister of Mines and Energy, Miscellaneous, \$661 000

**Chairman:**

Mr E. K. Russack

**Members:**

Mr E. S. Ashenden  
 Mr J. C. Bannon  
 Dr B. Billard  
 Mr Max Brown  
 Mr H. H. O'Neill  
 Mr J. K. G. Oswald  
 The Hon. R. G. Payne  
 Mr I. Schmidt

**Witness:**

The Hon. E. R. Goldsworthy, Deputy Premier and Minister of Mines and Energy.

**Departmental Advisers:**

Mr M. F. Whinnen, Director, Administration and Finance, Department of Mines and Energy.

Mr B. P. Webb, Director-General, Department of Mines and Energy.

Mr R. K. Johns, Deputy Director-General, Department of Mines and Energy.

Mr W. R. P. Boucaut, Chief Geologist, Department of Mines and Energy.

Mr P. Hill, Director, Mining, Department of Mines and Energy.

Dr M. J. Messenger, Director, Energy, Department of Mines and Energy.

Mr R. R. Hancock, Principal Engineer, Department of Mines and Energy.

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

**Mr MAX BROWN:** I refer to the Uranium Enrichment Study Committee and the proposed fees and expenses. Perhaps we should ask the Minister whether he still believes that work on the proposed uranium enrichment plant under that study committee might, in fact, begin in the near future.

**The Hon. E. R. Goldsworthy:** The scene in relation to uranium enrichment changed markedly when the Federal Government set up its U.E.G.A. group, which is an industry group charged by the Federal Government with investigating the feasibility of a uranium enrichment plant in Australia and giving advice to the Federal Government. The work of that committee cuts largely across what had been done and is being done by South Australian Government. There is no doubt that the work initiated by Premier Dunstan and carried on by this Government in uranium enrichment study has put this State in the forefront of any claims in the establishment of a uranium enrichment facility. Full marks go to the Dunstan Administration for initiating that work back in 1973. I well remember the headlines in the *Australian* when the then Premier Dunstan was saying that we were leading the race in the assembling of a uranium enrichment facility.

A complicating factor has been the establishment of this group, U.E.G.A., which occurred after this Government was elected, and it has in a sense duplicated some of the effort and made less clear some of the decision-making, it seems to me, in relation to the establishment of a uranium enrichment facility. I still believe that this State is in the forefront of those investigations, but in a sense we are in the hands to an increased degree of the Federal Government.

The announcement of the feasibility study into a conversion plant at Port Pirie indicated that we are to the forefront in relation to that part of the processing. We have got industry to commit funds to a feasibility study of the conversion plant. In the lead time work has to go on. A decision has to be made, in our view, in the near future, if

the plant is to be established, when it is anticipated that there will be enough term of turn in the uranium market towards the end of this decade. The decision cannot be delayed indefinitely or we will finish up with Australia missing the bus, in my view. We have carried on and upgraded the work of the Uranium Enrichment Committee; we have brought into the committee some people whom we believe have something to contribute. Basically, the work initiated by the former Administration has been carried on. The advent of the U.E.G.A. group, an industry group, has introduced another factor which the Uranium Enrichment Committee have to liaise. My view is that South Australia is still well situated in relation to the establishment of that facility.

**Mr MAX BROWN:** I take it from the Minister's reply that we can now take for granted that in this State we lead the rest of the Commonwealth in respect to establishing a uranium enrichment plant or the processes of uranium enrichment. I think the Minister is still evading the question I put to him. Is it likely that this State might, in the very near future, certainly in 1982, be envisaging the proposal of establishing a uranium enrichment plant? The Minister has not in fact replied to that original question. He has told me that we are in the forefront of the process, etc., but he has not in fact said whether we would be, as early as 1982, in the position to establish a uranium enrichment plant.

**The Hon. E. R. Goldsworthy:** I reiterate that I still believe the State is in a strong position in relation to the establishment of this facility. In a sense, a great deal of that decision making is now being taken out of our hands. We were certainly well down the track in our discussions with Urenco Centec. It still evinced a strong interest in establishing an enrichment plant.

**Mr MAX BROWN:** Does this make any difference to Roxby Downs, for example?

**The Hon. E. R. Goldsworthy:** No, the Roxby Downs development does not hinge on the development of a uranium enrichment facility; the two are not inextricably linked. Without any malice or rancour, I should remind the honourable member that his Party was pretty keen to establish this facility in the middle 1970s, and now attitudes have changed. I think I mentioned to the House a week or two ago that there was competition for the establishment of the first nuclear reactor for power generation in South Australia back before either of us was in Parliament. The member for Stuart and other Labor speakers at that stage were vying to have the first nuclear reactor established in their district. That shows how opinions change.

**Mr O'NEILL:** Other people wanted it in the South-East.

**The Hon. E. R. Goldsworthy:** There was competition for this nuclear reactor. That shows how the attitudes have changed within the honourable member's Party. It is not all that long ago that Premier Dunstan was keen to establish—

**Mr BANNON:** He was keen to investigate.

**The Hon. E. R. Goldsworthy:** He was keen to be way out in front.

**Mr BANNON:** Yes, to be ready to take advantage of it.

**The Hon. E. R. Goldsworthy:** Yes, we applaud that. The Leader has belaboured me a time or two when I have indicated we are out in front and showing a bit too much enthusiasm for him.

**Mr BANNON:** You want the plant operating in 12 months.

**The Hon. E. R. Goldsworthy:** We have been through all of that *ad nauseam*. The statement to which he is referring and which has been misrepresented from day 1, was that it could. 'Could' was the operative word. I did not say it would, but that it could, and so it could if the decisions had been made with the degree of alacrity with which they

could have been made. Certainly there is no lack of appetite from the people in Britain, Germany and Holland and Urenco Centec in relation to the matter.

It is this Government's view that South Australia should have a major claim because the fact is that the Roxby Downs mine will be a mine with a very long life. We are not a major uranium producer at the moment. The Northern Territory is the major uranium producer. Uranium is being produced in Queensland. When one looks into the future and looks at the State which is likely to be in the business for maybe 100 years, you look at South Australia and the fact is that uranium enrichment plants which I have inspected and which the former Premiers have inspected are good, safe, clean, chemical plants. That would give a very considerable fillip to South Australia if that particular industry was attracted to this State. Therefore, we are still keen to attract it, but it is certainly not linked inextricably with the Roxby Downs development.

**Mr MAX BROWN:** I take it from the Minister's reply that it is not anticipated that we would be looking at such a plant in the very near future. At this time, perhaps the Minister could tell the Committee whether, in the Uranium Enrichment Committee's view, we still have a viable situation in relation to an enrichment plant in South Australia, having regard to the present trend in world markets for the product. Has there been, in the view of the Uranium Enrichment Committee, a down-turn in world markets for uranium enrichment that would affect in any way the possibility of that enrichment plant in this State?

**The Hon. E. R. Goldsworthy:** I should say that the lead time in relation to the construction of an enrichment plant is considerable and that, if a plant was to be up and running by the end of this decade or the early 1990s, decisions would have to be made, in my view, within the next two or three years, if we are talking about that sort of lead time. I acknowledge that there has been a down-turn in the uranium market, but all the indications that we have are that at the end of the decade or the early 1990s the position will be changed.

The most recent indication that I have had from France in the past 10 days was that the election of the new Government there will not make any appreciable difference to the nuclear programme in France, despite what was said during the election campaign. Nothing we say or do here will change the commitment of the world to nuclear energy, and nothing we say or do here will change commitments which have already been made and which are continuing to be made in the developed world and the developing world in relation to the provision of nuclear energy. I am saying that the sort of lead times involved in relation to decision making and planning would dictate, in my view, that, if a decision is not made in the next two or three years, it will pass Australia by.

**Dr BILLARD:** My question is directed to the line allocating \$315 000 to energy research. I know that an allocation has been made for a few years now. What results have emanated from that research and, in particular, have any research projects advanced to the stage where they have become practical commercial propositions?

**The Hon. E. R. Goldsworthy:** I have visited two or three projects which have had commercial application. SENRAC has made grants available. I recall one was at a refrigeration plant at Mile End or somewhere down in that area that I visited with Mr Johns. A SENRAC grant has assisted in the establishment of a space cooling system. Mr Johns might elaborate on that in a moment.

I visited a milk factory at Murray Bridge where a SENRAC grant was made available for some of the heating requirements for that milk factory. A whole series of solar collectors were set up on the roof of the factory. We

inspected that large bank of solar collectors that were in commercial operation. That was done through a SENRAC grant. I visited one of the hot water industries—Beasley Industries—and inspected those premises and some of the developmental work the company is doing.

**Mr BANNON:** I do not think the inspections have done you much good. It seems as though you are struggling to remember what you have said.

**The Hon. E. R. Goldsworthy:** No. I am saying I saw them and that SENRAC grants assisted in the commercial application. I had a look at the windmill at the Institute of Technology, but that has had no immediate commercial application. I have inspected several of the SENRAC projects, but I am trying to recall those which have some immediate commercial application and advantage since that was the subject of the question, I am concentrating on those. Maybe at this late hour I am not answering in staccato tones which indicate I am jumping out of my skin and not answering with the alacrity the Leader might wish of me. I am recalling some of these visits where there has been some commercial application as a result of SENRAC grants. I will ask the Deputy Director-General to comment.

**Mr Johns:** The results achieved to date through the SENRAC funding of research and development had been reported in the second report which came out in June of this year. It details a variety of energy modes, including solar, space-cooling, heating, refrigeration, fossil fuels and a whole range of alternatives. I think the most successful—not only has it been developed, but it has also been commercially adapted with a great potential for further expansion—is the Hydro Thermal Engineering Pty Ltd development of a plate heat exchanger air-conditioning system. This is being installed in Telecom. Telecom has taken a liking to the invention. Its special advantage is that it cools the air in the building without adding to humidity. Units have been installed in New South Wales, Victoria and South Australia. The aim of this group now is to further develop this commercial large-size unit, and it is now working on a domestic unit. The problem there relates to size particularly.

Of the two other most successful developments, the Minister has referred to one—the Beasley Industries flat plate solar collector, and that is being developed commercially. The South Australian Gas Company has developed a domestic solar gas hot water system, which relies on the use of gas just for top-up at times of water withdrawal, and patents have been taken out on that. I guess they are the three projects that have been developed to a commercial scale. Reference to the report of the committee, may give a feel for what it is that is being developed in other areas. I believe they have been quite significant developments, but I have referred to the only commercial applications.

**Dr BILLARD:** On the question of the electrical vehicle development, I know that grants have been given to that project over a number of years now. I wonder how much has been granted and how close that is to the commercial development.

**The Hon. E. R. Goldsworthy:** I think the grants were committed over a three-year period to the electric vehicle project. In 1980-81 the grant was \$138 000, of which \$98 621 was actually spent. An amount of \$39 000 was carried forward. That is to complete the project, as I understand. This was to cover the Government's original proposal, as I said, for the conversion of vehicles to electric drive.

**Dr Messenger:** The programme relating to that \$138 000 was intended to cover seven vehicles. What has happened is that the first one has been converted and is currently being got up to full power. That was funded jointly by the Department of Mines and Energy and the Energy Council. The conversion of the second vehicle is about to take place.

Those seven vehicles will then be tested in various modes ranging from courier vehicles, to Australia Post type use, to Government department type use, to check their reliability and to, in general, check their acceptability to users. They will also be used in conjunction with a battery exchange programme, which is intended to increase the vehicle range by enabling a complete battery pack to be slid out and a recharged one slipped in to allow the vehicle to make multiple trips during the day rather than relying on the battery pack being charged overnight.

There have been quite some significant improvements to the original Flinders design of electric vehicle development largely involving multiple motors on the one shaft to increase the compactness of the unit. This has led to some delays—some quite worthwhile delays—in getting the design improved. Over the next few months I guess there will be some quite dramatic improvements, both in the vehicle itself and in the battery exchange project.

**The CHAIRMAN:** I suggest that, as there is only seven minutes to go, there be brief questions and answers now.

**Dr BILLARD:** Do you see this project leading to the development of an electric vehicle based on the Flinders model, or do you see it simply as contributing to the general knowledge about electric vehicles?

**The Hon. E. R. Goldsworthy:** The quickest way is to get the Director of Energy to answer that. I could talk about what we saw in Japan in relation to their electric vehicle development. I think that we would be fooling ourselves if we thought that there was going to be a massive changeover to electric vehicles in a short period of time in this State, or elsewhere. The Japanese have done an enormous amount of work on this.

**Dr Messenger:** The quick answer is that the National Energy Research Development Council has been funding both this project, in part, and also a project in New South Wales, which uses a slightly different mode. The intention is that in the fairly near future they will decide which of those vehicles has the most commercial promise and then direct funds largely towards the most promising project.

**Mr O'NEILL:** Can the Minister rule out the possibility of a site close to Adelaide for any future uranium enrichment plant?

**The Hon. E. R. Goldsworthy:** No decision has been made in relation to the siting of a uranium enrichment plant. I repeat again, I do not want this to be construed as saying that a particular site is in mind. What I said before I stick by: a uranium enrichment plant is a clean, safe, chemical operation, and they exist close to cities in the places I visited overseas. Do not take that as indicating that there is any particular site being favoured in relation to the establishment of that facility. I say again that it is my firm view that populations have nothing to fear from the establishment of a uranium enrichment facility of the type that

I saw on my overseas visit. No decision has been made about that.

**Mr O'NEILL:** So it is possible that a future plant could be built in the environs of metropolitan Adelaide?

**The Hon. E. R. Goldsworthy:** I have just said that no decision has been made. I do not want anything more or less to be read into that. Most of the competition for the site is centred on the Iron Triangle, in which there is some interest, but no decision has been made in relation to the site, because no decision has been made about the construction of the plant as yet.

**Mr OSWALD:** In relation to the lines 'Energy Council' and 'Energy Research', considerable sums of money have been set aside. In view of the recent petrol shortages and the possibility of future shortages, what action has been taken under these lines to encourage development of alternative sources of fuel?

**Dr Messenger:** Under the Senrac line, one of the most interesting alternative fuel projects is the compressed natural gas demonstration that was undertaken by Sagasco. That process uses compressed natural gas as a fuel in place of petrol. Much of the Energy Council funds this year will be going towards a demonstration project involving two special buses in the S.T.A. fleet which will be using l.p.g. That will be run on an extended trial programme. It is very important to this State because of the large quantities of l.p.g. available indigenously. That fuel would be available in a fuel emergency and available for a bus fleet to take people to and from work. Therefore, we will be far more self sufficient in a fuel that is efficient. Initial trial results have been quite favourably received in terms of smoothness of operation and favourable comments by the public.

**Mr OSWALD:** Is a source of fuel from agricultural products still well down the track, or are we looking at that in the immediate future?

**The Hon. E. R. Goldsworthy:** I do not think there is anything immediately imminent in a South Australian context. The latest news on the Australian scene that I am aware of is a proposal to grow sugar cane in the Ord River with a view to production of fuel. All sorts of crops have been tried there without a degree of success. I understand that the latest proposal is that sugar cane can be grown there quite successfully with good yields and, as I understand it, the proposal is to look at conversion to liquid fuel.

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

#### ADJOURNMENT.

At 10 p.m. the Committee adjourned until Thursday 8 October at 11 a.m.