

HOUSE OF ASSEMBLY

Thursday 2 October 1986

ESTIMATES COMMITTEE B

Chairperson:

Ms D.L. Gayler

Members:

Mr D.S. Baker
 The Hon. Ted Chapman
 Mr M.G. Duigan
 Mr G.M. Gunn
 Mr J.H.C. Klunder
 Mr P.B. Tyler

The Committee met at 11 a.m.

The CHAIRPERSON: Today we will be dealing with proposed expenditures of Agriculture, Fisheries and Recreation and Sport. I would like to outline in a preliminary way the organisational arrangements.

If the Minister undertakes to supply information at a later date, it must be in a form suitable for insertion in *Hansard* and submitted to *Hansard* no later than Friday 31 October. I propose to allow the lead speaker for the Opposition and the Minister to make opening statements if they wish to do so, and they should be approximately 10 minutes but no longer than 15 minutes.

I will take a flexible approach to giving the call for asking questions, based on three questions per member, alternating sides. A member will also be allowed to ask a brief supplementary question before switching to the next member. Subject to the convenience of the Committee, a member who is not a member of the Committee but desires to ask a question will be permitted to do so once a line of questioning on an item has been exhausted by the Committee. Indications in advance to the Chairperson would be appreciated.

Questions should be based on lines of expenditure as revealed in the Estimates of Payment paper. However, reference may also be made to other documents such as the Program Estimates, the Auditor-General's Report and so on. Questions are to be directed to the Minister and not to advisers but, of course, the Minister may refer questions to his advisers for response.

Agriculture, \$52 028 000

Witness:

The Hon. M.K. Mayes, Minister of Agriculture, Minister of Fisheries and Minister of Recreation and Sport.

The Hon. M.K. Mayes: Perhaps before I introduce my departmental advisers I can indicate that in discussions we have had with the Opposition a timetable was tentatively agreed in relation to all three portfolios, and I put these on record. The member for Eyre may wish to comment. It was proposed that from 11 a.m. until 4.30 p.m. we will deal with Agriculture; 4.30 to 6.30 p.m. with Fisheries, and 7.30 to 10 p.m. with Recreation and Sport. Is that acceptable to the Opposition?

Mr GUNN: Yes.

Departmental Advisers:

Dr J.C. Radcliffe, Director-General, Department of Agriculture.

Mr K.W. Gent, Senior Finance Officer.

Mr R.B. Wickes, Acting Director, Policy and Planning.

Mr J.C. Potter, Acting Deputy Director-General.

Mr K.J. Heinrich, Chief Animal and Plant Control Officer.

Mr B.J. Handscombe, Principal Rural Assistance Officer.

Mr J.T. Feagan, Director, Division of Animal Services.

Mr R.B. James, General Manager, SAMCOR.

Mr I.P. Will, Manager, Administration and Finance, SAMCOR.

Mr R.R. Hogarth, General Manager, SAGRIC International.

The CHAIRPERSON: I ask the lead speaker for the Opposition to make his opening remarks.

Mr GUNN: The Opposition comes to the Estimates Committee fully aware of the difficult situation that is currently facing agriculture not only in South Australia, but also in Australia as a whole. One of the things that concerns the Opposition is that Governments appear to have the unique ability to make life more difficult than is necessary for our agricultural industries which have been the backbone — and the member for Fisher may well laugh, but it is a fact — of this State and the nation. There are some 26 000 rural producers in this State and it is in the interests of everyone that these people be not only encouraged, but also given the opportunity to remain in business. We accept that the international problems involving the EEC and the American trade war are basically outside our control, but we do not accept that there are things that the South Australian and the Australian Governments cannot do.

The linchpin of the policy appears to be the statement which was contained in the Kerin economic rural policy announced in April last year which had the wholehearted support of the South Australian Government. Unfortunately, that document was long in words; it gave a lot of information, but the publication appeared to be more in line with a publicity exercise, because it has not done anything towards putting many dollars in the pockets of the farmers of this nation. We are most concerned that this document, which the South Australian Government used and supported, really has not done a great deal. It has not done much to address the high interest rates; it has not done a great deal towards helping farmers with high land valuations; and it has not done a great deal in all those other areas to which I will come.

When I said that Governments had the unique ability to make life difficult, one of the hallmarks of agriculture in South Australia and Australia has been that, for many years, we have had a system of orderly marketing. That does not mean to say that we do not support the free enterprise system — we believe that it fits into the free enterprise system and it has been of great concern to us that this system now appears to be coming under attack. One of the areas that we will look at during the next few hours will be the State Government's attitude towards orderly marketing. Where will we go? We have seen what has happened to the Potato Board and we are aware of the Government's plans (although we have not seen the proposed legislation) in relation to the Egg Board. If I understood the Minister correctly, all statutory marketing boards in South Australia will come under close scrutiny. The Opposition does not object to close scrutiny. We believe that all Government operations should be efficient and that Government should ensure that they are not acting in a manner that costs the taxpayers unduly, but there is a basic principle involved

and it has been proved beyond doubt that we have been successful in this nation because these boards have been operating. We are concerned with the principle and, therefore, that is a matter that I will take up with the Minister in the relatively near future.

There are many other things that I could mention on this occasion, but I believe that I have outlined briefly where we stand. We will look at how the Government is administering the Rural Industries Assistance branch and whether the money is going to all the people who need it. It is very important that the young farmers of this State are given the opportunity to continue on their properties. It is no good having a generation of old farmers. We have to have young people coming on in the industry. It has concerned me that, even though the Government is making a considerable amount of money available (and I understand that the Federal Government's allocation will be increased quite considerably), this money should be directed in a manner that will encourage young people to remain on their farms.

There will be a turnaround in the price that we get for our commodities in the next few years. Unfortunately, that will not happen in the next couple of years, but we must ensure that these people remain viable in the meantime. We do not need more taxes and charges.

We are now having a fringe benefits tax inflicted on us. It affects employers who might have to provide homes, for example. The State Premier supported that move. That is what I am protesting about. At the so-called tax summit in Canberra, the Prime Minister made policy on the run. The rest of the nation had a series of taxes and charges inflicted on it. That will cause havoc and it is one of the reasons why the dollar is so low, which is of some benefit to the rural population but even that benefit is offset by the highest ever interest rates. We want investment, but that will not happen when taxation policies take away concessions and we have high interest rates.

I look forward to raising all of these matters which the Opposition is worried about. I do not know whether we can make an arrangement to deal with one subject at a time. It seems ridiculous to have so many advisers here because we might ask a question of any of them. Perhaps we could start with SAMCOR so that the others can leave.

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

The Hon. M.K. Mayes: Yes. I am happy to deal with SAMCOR if that is acceptable to you, Madam Chairperson.

The CHAIRPERSON: Certainly.

The Hon. M.K. Mayes: I ask members to be patient. The portfolio is complex and diverse and it has taken much of my time to understand it. Previous Ministers have had a large number of advisers to support them. Bearing in mind the complexity and diversity of the industry, it is important for members to have technical answers available. The department is large and specialised. I might not be as fast as some Ministers when responding, but this is my first Estimates Committee, as it is yours, Madam Chairperson.

I also am concerned about the impact on the South Australian economy and the rural community of the current climate, especially world grain prices and some of the prices for our commodities. I am also anxious about the effects of the trade war between the European Economic Community and the United States, which is affecting our ability to sell to our traditional markets. That has an effect on rural areas, but the effect does not stop at the farm gate.

If flows into all areas of the South Australian community. Regarding procedure, I suggest that we go through the program in relation to some of the changes in the layout of the estimates. In 1986-87, the department's main aim will be

to continue to provide high priority, front line services to the farming community. The 1986-87 Estimates of Payments from the Consolidated Account for the Department of Agriculture are presented in a program estimates format for the first time. In previous years, the estimates have been shown on a departmental organisational basis. It is therefore difficult to compare line actual expenditures in 1985-86 with the 1986-87 estimates program format, given that it may be possible for the organisational expenditures to be spread across a number of programs.

It may also be misleading to compare estimates from the Consolidated Account with the estimates in the Program Estimates yellow book, as the Consolidated Account reflects State funds only, while the yellow book, which is further broken down into subprograms, includes funding from all sources, that is, State, industry and Commonwealth. There are larger sources of funding, both industry and Commonwealth, outside the State source.

This year's total recurrent State allocation of \$52 million is up approximately \$1.6 million on the total 1985-86 actual expenditure. The estimated expenditure from all funding sources in the 1986-87 financial year is \$120.6 million, which includes \$15.2 million from Commonwealth Government and rural industry sources, \$1.8 million expenditure for property purchase and development under the research centre redevelopment program, and a proposed rural lending program totalling about \$47 million. Additional funding was required in 1985-86 to meet the cost of fruit-fly outbreaks (\$600 000) and for expenditure on the joint Commonwealth-State vine pull scheme (\$1.5 million). This expenditure was offset, in part, by a reduction of the bovine brucellosis and tuberculosis eradication program.

The department has undertaken a rigorous review of the deployment of human resources in line with changing needs and priorities. This is in line with the Government's strategy for more effective use of the Public Service workforce, and the consequent rationalisation and reallocation of resources is reflected in the Program Estimates. Fruitful consultative mechanisms have been established with the Public Service Association in order to effect these changes smoothly. Those discussions were initiated by the Director-General of my department.

The review is part of the department's on-going corporate planning process. Every three years a public document is produced and the one for the next triennium is entitled 'Directions in South Australian Agriculture 1987-89', which I will be launching to industry leaders in a couple of weeks time. I shall be inviting the shadow Minister to the formal release. The current document will differ from its predecessors in that it was evolved after extensive consultation with rural industry bodies on the industry scenarios and key issues, and I acknowledge the role of rural industry in this process.

The proposed allocation for 1986-87 will enable the Government to honour its commitment to fill the remainder of the 22 new positions negotiated with industry in 1985-86. Six positions remain to be filled in 1986-87. The allocation also provides for additional funding for the vine pull scheme, and allows for funding adjustments required to reflect the gradual reduction in the BTEC program towards planned completion in 1992.

A major thrust in departmental services in 1986-87 will be a widening of the scope and an increase in the levels of rural assistance to hard pressed farmers. In addition to an enhanced level of lending available under the rural adjustment scheme, a commercial rural loans program has been introduced. Loans of up to \$250 000 will be available to viable rural ventures, ensuring that efficient farmers with

good management skills have access to credit which does not restrict their development.

The Commonwealth will be providing an additional \$3 million to assist the wine industry in 1986-87, and South Australia is currently developing programs to maximise the benefits of any entitlement. The department is also seeking ways to provide enhanced farm business management advice and counselling services to farm families under financial pressure in the current rural recession. A rural affairs unit will complement regional counselling services.

The concept of a Field Crops Improvement Centre to be established at Northfield will be advanced with the setting aside of funds for design and early planning work. The Government has announced that it is developing a joint venture approach to the relocation of the East End Market to Pooraka and in association with the Fricker Carrington Consortium proposals for the market are now being developed in detail with potential market users. The newly established Horticultural Exports Development Committee is exploring ways of boosting exports of horticultural products, and the Government is continuing to exert pressure on the appropriate agencies to upgrade facilities at the Adelaide International Airport as another step in developing viable markets for horticultural products especially in the Far East and South-East Asia.

My recent discussions with importers in the Asian Region were very worthwhile. The international division and its commercial arm, SAGRIC International Pty Ltd, continues to promote the development of technical and trading relationships with developing countries through provision of expertise to support their agricultural growth. At present SAGRIC International holds two large overseas contracts: the Commercial Polytechnic Project in Indonesia and the Dryland Farming Project in Jordan. Both projects are funded by the Australian Development Assistance Bureau. Other contracts are held in Malaysia, the Yemen Arab Republic, Saudi Arabia and Pakistan. These initiatives are viewed as very positive steps in promoting the well-being of agriculture in South Australia.

The CHAIRPERSON: I take it from the Minister's reference to procedure that he is suggesting that once we have dealt with SAMCOR we take each program in sequence and deal with the Estimates in that way. Is that correct?

The Hon. M.K. Mayes: That is acceptable to us.

Mr GUNN: That is acceptable if we can return to items that have already been discussed. We are dealing with one vote of \$52 million and, although the Opposition wants to be cooperative, it does not want to shut off its options.

The CHAIRPERSON: That is quite acceptable, as it is one vote. We will try to proceed sequentially, but will allow members to come back to areas already dealt with. If we are dealing, first, with SAMCOR I assume that we are dealing with pages 192 to 196. If members have a reference to the relevant program papers perhaps they will give that to assist the Committee.

Mr GUNN: SAMCOR has lost \$3 million during the last financial year. This compares with a period of the previous Government during 1981-82 and 1982-83 when there was a trading surplus of \$500 000. In view of the serious financial situation facing SAMCOR, the Opposition is of the view that it has to be placed on a sound financial basis and has to be able to operate as any normal commercial identity would: that is, it has to fund its own way. In view of the fact that some time ago the Minister tabled in the House a report containing 12 recommendations, are he and the Government going to give the board of SAMCOR the necessary support and teeth to implement those recommendations so that the organisation can get back into a surplus trading

situation? I will point out to the Minister some points that I do not think can be overlooked. There are currently 17 foremen at SAMCOR, although the research team considered that nine were adequate. Will the Minister take appropriate steps in relation to this matter, because the PSA and others have made representations in relation to this matter and appear to be being difficult in this regard.

The Opposition believes that the Government must have the political courage to take on these people and to place this organisation on a sound basis, in the interests of all the citizens of this State. Particularly in times of financial constraints, there is no way that we can allow this organisation to continue to trade in its current situation. Having examined this report carefully, I am of the view that, if the board and the management are given the support of the Government, the problems can be overcome but, if the Government does not have the courage to give them that support, the situation will not be resolved.

The Hon. M.K. Mayes: I thank the honourable member for his question. I know that he is genuinely concerned about the situation out there. I can assure the honourable member that the Government is concerned, too. This is an extremely complex situation. The triennial review does not highlight just one aspect of the activities of SAMCOR as being a problem. As members would appreciate, it highlights a variety of areas that have to be addressed. I can assure the honourable member that the Government is seriously addressing the issues involved. A submission will be put to Cabinet on Monday for deliberation and consideration. A program that I undertook I believe has been extremely successful. Because of my personal experience with SAMCOR, I asked the major parties concerned to meet in a forum environment, chaired by the Director-General as an independent person, to discuss the triennial report review, conducted by officers of the old Public Service Board. At that forum the responses obtained from the various parties involved, whether the UF&S, the unions or management were very positive and very useful. There was general agreement that SAMCOR had to be saved and that the issues involved had to be addressed. I believe that that is a positive way of approaching the matter.

I am fairly sensitive about what I say publicly at this time, in view of the submission before Cabinet and the anxieties of all those who are interested in the future of SAMCOR—not the least of whom being the 652 people who are employed by SAMCOR. I think that it is fair to say that the Government has been concerned about the deteriorating situation of the SAMCOR trading account over the past few years. We will seriously address those issues. I am prepared to say that it will be a joint effort, as it must be if we are to succeed. As well as the Government, the management and the board must have the courage to implement some of the tough decisions to be made, together with the remainder of the sectors of the community involved with SAMCOR.

Over the next few months we will probably go through a fairly bumpy period in terms of implementing the recommendations of the triennial report. In relation to the loss situation: for 1984, losses amounted to \$1.7 million; for 1985, \$0.7 million; and to June 1986, \$1.2 million. I think it is fair to say that the Treasurer and Cabinet probably do not want to see that trend continue (nor can we afford to see that continue) for any lengthy period in the 1986-87 financial year.

So, the problems involved must be addressed quickly, sensitively and with a degree of skill. I hope that recommendations from Cabinet will address the major issues raised by the triennial review. I anticipate that Cabinet will

support the majority of the recommendations. I would expect that, together with the board, management, the unions, and the industry as a whole (and a number of groups come into that aspect), we can work together to see the continuation of SAMCOR and, it is hoped, turn around the loss situation.

I believe that it will take some time to achieve that, but I will be asking for a constant review of the progress of the implementation of whatever recommendations Cabinet sees fit to adopt in the triennial review. As Minister, I will be keeping a fairly close watch on the progress of that review and those recommendations. As the board is charged with the brief to institute the management of the organisation, once the Government has decided on that policy, I will be asking the board to do that, and I suppose it will then be a question of the board, along with management, using its best skills to institute those changes.

It is not just a problem of work practices, which is probably what the honourable member is referring to in relation to some of the structures in the organisation, at the shop floor level, the slaughter chain or in the killing area; there are also problems in terms of the management structure, and I am acutely aware of those because I had to endure some of them in my former job. These problems have to be addressed urgently, because they have led to situations which are less than acceptable in a modern industrialised society and, certainly, have not assisted SAMCOR and its senior management, who have been attempting to achieve a profit situation, to achieve that goal.

In addition to that, I think there are some decisions in regard to the capital works program which have to be reviewed and which are alluded to in the triennial report. I believe they will be dealt with by Cabinet in the recommendations I have put up. I assure the honourable member that there is no backing away on my part from hard decisions, and I imagine that I have my Cabinet colleagues' support in approaching it in that way.

I must stress to the community that rumours and scuttlebutt which sometimes run around the SAMCOR environment (and I know of it because I have had to live with it in my own working environment) can in many ways be damaging to achieving the goals which we all want to see achieved for SAMCOR. I preface my remarks with those comments because I believe that we all—and I am sure that the member for Eyre appreciates this as much as anyone, being probably one of the longest serving members in the Chamber—have to be very careful what we say at this time. My general comment to him is that I certainly am taking on board the triennial review recommendations and will be dealing with them, I believe, in a responsible and certainly very sensitive way.

Mr GUNN: The Opposition is not interested in rumour or scuttlebutt, but in the time frame these recommendations are going to take, because the figures in the report indicate that there will be a continuing deficit into the current financial year, which will only exacerbate the situation, but for these 12 recommendations to have any real effect they will obviously have to be brought into operation fairly quickly, in particular the last one, no. 12, that a new, sound corporate plan will be an essential component in improving SAMCOR'S competitive position.

What we would really like to know is the time which is involved in implementing these recommendations and, second, when this new corporate plan is put into effect will it be made public and will there be a list of courses of action which will take place, and the actual time involved in implementing each of them? It is in the interests of all South Australians—consumers, producers and employees—that they know exactly where they are going. If there have

to be tough decisions made, the sooner they know it the better.

The Hon. M.K. Mayes: When the three-year plan is worked out in relation to the initiatives we are taking on the triennial review, then it will become a public document. What we are contemplating at the moment is the initial steps in relation to the triennial review and how that fits into the overall corporate strategy for SAMCOR. The Government still has the view and, I would imagine, will continue to have the view (and I think most governments, whatever shade or colour, would take the same attitude) of making it a commercially viable operation. I presume the honourable member's question is directed in that way, based on the fact that we want to see a loss situation turned around.

The speed with which we implement the recommendations depends on what Cabinet accepts in my submission to it on Monday, and how Cabinet deals with that, but I would put it in the same frame as the honourable member did in his question, and that is ASAP—as soon as possible we have to implement these changes, and I think it would be a matter for the board.

This is perhaps where the line is drawn between the Minister's responsibilities and those of the board and management, to advise me as to how they would institute their priorities. The Government has to set policies and say that it wants these things achieved, and then it is up to the board, with its experience and that of the management, as to how it would set its priorities. There is a framework set within the Cabinet document.

I do not think it would be appropriate for me to say what it is before Cabinet decides this question, but I can assure members that it is not an extensive period. I do not expect any major turnaround in the next 12 months, but would expect to see signs of one in that time. My assessment of SAMCOR is that it will never be a casino situation. It will certainly not be a viable operation in terms of being a great money spinner. It still has that aspect of providing a service and employment for South Australians, and that has to be in the back of our minds in contemplating any decision with regard to SAMCOR. I would like to see some signs—and I am sure the Treasurer would be asking for that same impact—of a turnaround within the next 12 months.

Mr GUNN: During and since the release of the report there has been considerable public comment on the report. Certain members of the board have made statements, and I ask the Minister why did he find it necessary to launch a criticism of the board (or that is how I read it) and, in particular, one member of the board, and that criticism was echoed by members of the PSA. I think it was, which I thought was unhelpful. Those members of the board being concerned to make sure that the organisation was put on a sound economic footing, the public criticism appeared not to be helpful or conducive to good relations and to getting the show running on a sound basis.

The Hon. M.K. Mayes: I think I have to respond by turning the question back on the member of the board who made those comments. When I met with the board prior to the announcement of the triennial review, I stressed that it was an extremely sensitive period and that we were dealing with people's careers and livelihoods. I am talking not only about people at the grassroots level of employment, but also, people who have many years of service. We need to foster a spirit of cooperation rather than a divisive or provocative confrontationist spirit. My view (and I think I am supported by the Chairman) was that those comments made by the Acting Chairman at that time (and I think they are highlighted by the response from the Public Service Association) were not very conducive or helpful, given the dif-

difficulties that we faced in implementing these changes at SAMCOR. Also, the person's statements were totally inaccurate and he has, as I understand it, retreated from those statements.

I cannot recall the exact figures, but I think it was suggested that 13 people were hovering in the wings who could be instantly transferred. Those figures were found to be totally inaccurate. If one looks at the overall compensation to SAMCOR for the redeployment program, and if one balances the retrenchment packages which would have to have been encountered by SAMCOR in taking those jobs from those people as against redeployment, probably it has been quite beneficial, so that is why I responded. By doing so, I think I avoided what could have been a nasty dispute and a very destructive situation. I have since spoken to the Chairman of SAMCOR about that and he agrees with me (and he has some experience in the industrial relations area) that it was unnecessary, it was provocative and that, given the environment we were about to encounter and the course on which we were about to embark, that it served no good purpose.

Mr KLUNDER: I seem to recall that SAMCOR was originally set up to deal with what was called the average kill and that the Liberal Opposition of the day in fact refused to have SAMCOR set up unless it was built to handle peak kill requirements. Is that so, and is that in fact part of the problem?

The Hon. M.K. Mayes: I am not sure of the actual wording of the policies adopted by previous Governments in regard to average or peak kill programs, but I understand that there has been a major change by former Governments from a program of perhaps service oriented attitudes to one of being a commercially structured organisation. SAMCOR has changed from being a service at any cost organisation to one that has a commercial attitude to the general marketplace.

The Hon. TED CHAPMAN: In the Minister's opening remarks he referred to the very large, specialist and important portfolio of agriculture. Against the background of the Minister's description of the portfolio, at what level in the pecking order is the portfolio at Labor Party Cabinet level? In answering that, would the Minister indicate, again against the background of the importance of this portfolio, why in the overall State budget this year we have an approximate 10 per cent increase in State funding, but only 3 per cent in agriculture?

The CHAIRPERSON: I am not at all sure that questions about pecking orders are appropriate, but certainly the overall budget question raised by the honourable member would appear to be appropriate.

The Hon. TED CHAPMAN: With respect, the Minister's remarks prompted that question. He identified the portfolio and its importance. How important is it?

The CHAIRPERSON: In relation to the budget.

The Hon. M.K. Mayes: I suppose that I am No. 13 in the pecking order. When I was advised by the Premier that he intended to appoint me to agriculture, he indicated that he would be taking a very close interest in the agricultural area. I think that the Premier has demonstrated by his interest in the various issues that have been put before me that he has a very active interest in what is happening in the agricultural portfolio.

The Hon. TED CHAPMAN: In other words, he is keeping his eye on you.

The CHAIRPERSON: Order!

The Hon. M.K. Mayes: I am sure that the Premier keeps his eye on everything that goes on in this State. As the honourable member would know, Premiers and Treasurers

keep a close eye on what goes on and I do not mind that at all, because I think in some ways it provides useful support and, certainly as a new Minister, that is helpful to me, particularly because it is a complex and diverse portfolio and one which is very challenging, whatever one's background.

In relation to examples of the Premier's interest in agriculture, I cite the following issues: the wine industry; the citrus industry; rural finance; various meetings with rural industry leaders on numerous occasions, both at a State and at a national level; his interest and concern in taking up finance matters at a Federal level with the Treasurer and the Prime Minister; and his concern with regard to various aspects of rural development in relation not only to rural industry, but also to the farm industry. In carrying out my responsibilities, which I do seriously, I assure the honourable member that, if I need advice or support from the Premier, he is there to give it to me. I know that I can take issues to him and that he will share his concern with me in regard to the impact that those policies or issues may have on the rural community and the State as a whole. He has made those comments in regard to the overall importance of agriculture in relation to the overall economy of this State.

In relation to the issues raised in regard to the overall structure of the budget, the Premier referred to that in the budget speech, and the priorities that he has established with the Cabinet have been highlighted in those statements. We have fared as well or as badly as other departments.

The Hon. TED CHAPMAN: The overall allocation was up 10 per cent but you got only 3 per cent.

The Hon. M.K. Mayes: Agriculture was allocated 3.1 per cent. I accept that the overall allocation was 10 per cent. My view fits in with the framework set out in the Premier's statement.

The Hon. TED CHAPMAN: The Minister has accepted that the overall State budget was for 10 per cent but, despite the importance of agriculture, the department ended up with an increase of only 3 per cent. He said that there is an explanation for that in the supplementary papers produced by the Premier. There is not. There is no justification there for putting this all important portfolio way down the list in the allocation of funds, hence my question—why has he finished up with so much less? I agree with him about the importance of the subject. There must be a reason. Perhaps 3 per cent is all that he asked for.

The Hon. M.K. Mayes: Page 9 of the Financial Statement of the Premier deals with the economic development of the State and highlights the priorities established by the Government. That is what I am referring to, and it answers those questions. There is an answer there. There has been a massive increase in rural assistance on last year, which is called external funding.

The Hon. TED CHAPMAN: That is separate funding.

The Hon. M.K. Mayes: The honourable member has raised the issue of funding as a whole. Rural assistance funding has increased from \$15 million to \$47 million.

The Hon. TED CHAPMAN: Full marks for that.

The CHAIRPERSON: Will the honourable member not interject?

The Hon. M.K. Mayes: The honourable member has raised the point about priorities. The Premier's statement highlights them.

The Hon. TED CHAPMAN: We have heard the Minister slam the board and the management and we have even heard him refer to the on-site labour force at SAMCOR. Does he acknowledge that the responsibility for SAMCOR is his own? Has he not learnt from his predecessors in the

Labor Ministry that it is fatal and financially disastrous to attempt to blame officers when ultimate responsibility lies with the Minister? Does he acknowledge the significance of accepting all of the responsibility for SAMCOR'S operations?

Governments are like seasons—they come and go. In regard to seasons, in the period 1980-83, when SAMCOR, under a restructured arrangement, made a trading profit, we experienced one of the worst seasons for many years. Since then, and while SAMCOR has run at progressively greater annual losses, we have enjoyed some of the better seasons in South Australian history. The number of competitors has diminished throughout Australia, the board has done its job, and so too have the men on the work floor and in management. Real responsibility has been, still is and should remain entirely with the Government generally and with the Minister in particular. Unless we establish that responsibility begins and ends at that point, we will end up attacking the personalities involved in the administration and operation of the works.

The Hon. M.K. Mayes: I cannot recall slamming the management or the board, or suggesting that the unions have been saintly. I have endeavoured to avoid such approaches. We have a complex situation which demands cooperation from everybody if we are to achieve a reasonably viable organisation. Success is measured most obviously in the profit and loss statement. I have avoided laying into anybody. If the honourable member is referring to my criticisms of the Acting Chairman, I can only say that I thought it appropriate to do that.

I am not suggesting that blame should rest with any one group or person. The situation is complex and warrants sensitive handling by all who are responsible, whether as management, board members, union officials or industry representatives. It is utterly fruitless to lay the blame at anybody's feet. There are problems at all levels of the organisation and they must be addressed. That involves everybody.

In reply to the honourable member's question concerning responsibility, I am accountable to the Parliament as the Minister, and I am responsible for SAMCOR. I accept that responsibility and the Government accepts its responsibilities in relation to the organisation and will deal with them appropriately. If the Government did not accept its responsibilities, it would not be putting forward a recommendation to be dealt with by Cabinet next Monday in an attempt to deal with current difficulties. I shall deal with this matter as best I can, given existing constraints. However, in an environment where I, as Minister, must go through certain public steps, I cannot deal with this matter as I would like. I cannot be a management consultant who can make changes. That is not possible. The Minister must hand over certain responsibilities to the board, which then initiates changes in accordance with the priorities as it sees them. The Government accepts its responsibilities because SAMCOR is a statutory body.

The Hon. TED CHAPMAN: I welcome the Minister's latter comment that he accepts his responsibility. However, as stated by my colleague Mr Gunn, the financial position of SAMCOR has deteriorated for three consecutive financial years. Over that period, however, seasonal conditions have improved and the livestock available to these works has increased. Why then, given all the favourable natural and on-farm factors, has this situation been allowed to deteriorate to its present state, bearing in mind that only a couple of years ago the then Minister (the present Minister's predecessor) told the South Australian community that the Port Lincoln abattoir section of the SAMCOR operation was the

great albatross that was pulling down the whole concern? The then Minister put the Port Lincoln abattoir out of business, yet the main facility at Gepps Cross still went down the gurgler. Is not the Minister's Government entirely to blame, because of its policies and approach to the functions of the Gepps Cross works, for the failure of SAMCOR?

The Hon. M.K. Mayes: The honourable member well knows, because he was Minister—

The Hon. TED CHAPMAN: In the successful period, yes.

The Hon. M.K. Mayes: You would be a great accountant! The figures produced for that period showed a profitable situation whereas, in fact, I am advised that between 1981 and 1983 there was not an operating profit as such. So, in effect, the honourable member has the advantage of being able to present, as his track record as Minister, figures showing a profit, whereas members of the community would not agree. Indeed, as accountants would say, the honourable member's figures do not show a true picture of the operation of SAMCOR.

Over that period, we had a considerable sale of the farm, as the honourable member knows because he was a member of the Cabinet that made the relevant decisions as a part of the capital restructuring of SAMCOR. The interest earned on the proceeds of those sales assisted the profit and loss situation considerably and helped turn a deficit into a profit, so all ills were not cured by the honourable member during his time as Minister.

True, some of the decisions made at that time would have helped SAMCOR, but more needs to be done in respect of capital programs to redress the situation. In 1980, about 163 hectares of land situated east of the Main North Road was sold for about \$4 million, and in 1985 about 55 hectares north of the railway line was sold for \$2.4 million and both sums came into the general accounts of SAMCOR. Therefore, it is not appropriate to say that from 1981 to 1983 the profit and loss operating accounts of SAMCOR necessarily represented the positive and glowing picture that the honourable member has presented.

The honourable member also said that the past three years had been a good time for SAMCOR, but my advice and my experience as Minister led me to believe that a number of abattoirs have closed. As Minister, I went through a major exercise concerning the closure of a major abattoir. From the point of view of the industry, this has been a tough time and SAMCOR has not been helped by the industry environment. During this period of restructuring, we should like to see a more favourable environment that would help our situation rather than having to go through difficult times that would cause restructuring in the industry itself.

Mr TYLER: The Minister is to be commended for taking tough decisions and introducing changes at SAMCOR. He said that cooperation was needed from all sections. What degree of support and cooperation has the Minister received from the two unions involved: the meatworkers union and the Public Service Association?

The Hon. M.K. Mayes: Earlier, in reply to a question from the member for Eyre, I referred to the forum which I had established and which was chaired by the Director-General. Reports that I have received from the Director-General and from other representatives that attended that forum state that the opportunity was given for members of the Trainer review committee to present arguments to industry representatives, including management and board members, and to outline their reasoning. Certain sections expressed concern about the idea of a forum, but I considered that such concern was unfounded.

That resulted in a response and reaction from all those representatives, including the union representative. I am not sure whether the honourable member is aware of the history of the matter, but there has not been a harmonious relationship between the major unions representing the people of SAMCOR. There is general agreement that problems at SAMCOR have to be addressed and how they must be addressed. So far so good. We are probably in early days and one would not want to be too optimistic about achieving total harmony, because hard decisions have to be made. The member for Eyre, or the member for Alexandra, may have alluded to one or two of those matters in opening comments. Some of the work practices which exist at SAMCOR have to be addressed; there is no question about that—we have to bite the bullet. That will cause some discomfort and distress. We have to deal with that as best we can.

Mr D.S. BAKER: The board has stated publicly that there is no reason why SAMCOR cannot operate like the successful Casino abattoir in New South Wales provided it is allowed to carry out the measures outlined in the report. Will the Minister give full backing to the board to implement whatever measures are required to return SAMCOR to a profitable situation?

The Hon. M.K. Mayes: It is not as simple as the honourable member presents to us. Having had to deal with SAMCOR over a number of years, I know that it would be much easier if this matter was simple, but it is not. There are hard decisions to be made. I am sorry to sound repetitive about this. I believe that the Government will take those decisions, ask the board to implement them, and will support the board.

The member for Alexandra alluded to the fact that I am the Cabinet member responsible for SAMCOR. I accept that responsibility. I will be responsible for watching closely what occurs out there. I can assure the honourable member that I will be monitoring it. I have views about how things should be done. I do not take kindly to members of the board suddenly deciding they should branch out from a particular course of action and break away. I am sure that the honourable member for Alexandra would agree with me, in view of past experience. We will have an agreed approach that I believe will address the issue.

Given the expertise that we have used already in relation to the problems highlighted by the triennial review, those problems will be addressed. I will be backing that Cabinet document 100 per cent. I am sure that we will endeavour as a Government to reinstitute some of the measures highlighted by members of the Opposition. One is that we may have depleted the financial strength of the board. My background, although it might be regarded by Opposition members as limited in the financial area, has been in the financial environment. I am aware of the need for someone with a financial background to be involved on the board. I will address that problem shortly so that we can see a strengthening of the board's skills and talents.

That is not to say that I do not have confidence in the board to address these major issues. However, we need more flexibility with appointees to the board. We need people with entrepreneurial and financial talents who will complement the board's present skills. I think that there needs to be a wide range of skills and talents available to this board. I think that we can strengthen existing skills and talents in a quick and easy manner—I hope in the near future. The primary task confronting us at the moment is dealing with the overall triennial review report. I am sure that the General Manager and the Chairman would agree with me about that. We have to concentrate on implementing those rec-

ommendations adopted by Cabinet. I hope that Cabinet supports my recommendations to it and that we deal with this problem as quickly as possible.

Mr D.S. BAKER: As the report has been out for some time, can the Minister tell me in what areas he is having trouble backing the board, and with what recommendations?

The Hon. M.K. Mayes: I am not having any problems with that.

Mr D.S. BAKER: But nothing has been done.

The Hon. M.K. Mayes: I will count to 10 and not respond to that remark. There has been a hell of a lot done! I do not know how much experience the member has in industrial relations, or what are his qualifications in financial matters.

Mr D.S. BAKER: Considerable.

The Hon. M.K. Mayes: I question that. I think that the honourable member's enthusiasm, and some of his comments made in the Parliament, suggests that he perhaps has a bull at a gate approach to the resolution of this problem. We have done much and will continue to do much in relation to this matter. I look forward to next year when I have the opportunity to come back before an Estimates Committee, sit down and go through these processes with him.

The report was released in July and had to go before the Parliament before it could be activated: that is a requirement under the Act, so I am bound by that restriction. I released it immediately to interested parties for their consideration. I think that it is important, if it is to be instituted. I suppose that we are using American management techniques here, which the Japanese have refined further: that is, if you are to make something stick you should make sure that people are involved, and that they are part of things, as it will stick for a hell of a lot longer than if one rushes in, stamps it down on people, and expects them to respond to it, particularly given the difficulty that we have with some of the major recommendations embodied in this report.

I dispute that we have not done anything in relation to this matter. Cabinet will deal with the document on Monday and processes will then start rolling. The board has already taken steps with regard to initiating changes separate from those contained in the triennial review report. It has seen some of the difficulties already and instituted these programs. That is for it to do—that is its charter. What the Government will be saying is that these are the general policy matters that it wishes to achieve: that is what a Government does, and I will be monitoring that.

The CHAIRPERSON: If there are no more questions on SAMCOR, with the understanding that if the Minister's advisers leave we will not come back to it, we will move on to program 1, remembering the flexibility that we discussed earlier.

Mr GUNN: There are plenty of questions that we could ask about SAMCOR. However, we will monitor closely what the Minister has told the Committee today and next year will follow through on what has happened at that organisation. On page 670 of the yellow book it is stated that it is estimated that some 2 000 South Australian farmers could be at risk in 1986-87. It also mentions a new rural adjustment scheme and a State fund assistance program. It states that egg marketing legislation has been reviewed and that draft proposals have been developed for improving egg marketing mechanisms for consideration by the Minister of Agriculture. During a meeting that he attended the Minister indicated clearly that all statutory marketing boards in South Australia are under review. I think that the Committee

should clearly understand that there are statutory marketing boards, such as the Barley Board which are purely involved with marketing and which do not control production. There is also the Citrus Board, and the Egg Board, which play a role in making sure that a reliable supply of eggs comes on to the market, that producers receive adequate compensation for their efforts as determined by the Department of Agriculture, and that they actually control production.

First, can the Minister indicate which of these important statutory marketing boards are on the line? In this State, if there is any interference with the Barley Board or the other boards, some 2 000 farms could be at risk. I point out to the Committee, in asking this question, that I have been advised that if the legislation continues 400 producers could be at risk and at least 100 jobs could be lost in South Australia. The Egg Board in this State has performed a very important role. I point out to the Minister and the Committee that according to the *National Farmer* of 7 August Australians eat the cheapest food in the world and not only is it cheapest but it is the highest quality.

Mr Tyler interjecting:

Mr GUNN: It is the cheapest and the best quality. I point out to the honourable member who is so keen to interject on a subject about which he knows nothing that some of us have had some practical experience in these industries and understand that this State was built by the agricultural sector. I am trying to ensure that they get a fair go. I am concerned about the whole program of statutory marketing, as this matter is so important. I have indicated what will happen in relation to the Egg Board. If the legislation proceeds, 400 producers could be at risk and 100 jobs could go. However, I am not saying that I do not believe that the operations of some of these organisations could be streamlined and made more efficient, and the size of the boards reduced. Will the Minister explain to the Committee where he stands on the question of statutory marketing and particularly in relation to organisations that are subject to review?

The Hon. M.K. Mayes: That is a very wide ranging question.

Mr GUNN: It is very important.

The Hon. M.K. Mayes: I accept that. There were some six or seven questions within that question. In relation to the review of statutory boards in the industry, I point out that the Premier has made general comments about each body being up for review. The honourable member might be referring just to what he sees as being the negative side of aspects of the egg and potato bodies, covered by several pieces of legislation, which are being reviewed. In fact, discussions are ongoing (the honourable member referred to the Barley Board in particular) for the purpose of enhancement of operations, involving an extension of the ability to operate in other areas of the industry, which assists the overall operation. At the moment, discussions are confidential and I do not want to flag in detail those discussions. They are being undertaken with my counterpart in Victoria—

Mr GUNN: And New South Wales.

The Hon. M.K. Mayes: Yes, New South Wales is a separate issue. There are two separate issues at the moment. I realise that the honourable member knows the industry. In my opinion the operations of the boards could be enhanced. I do not have an ideological view as to the role of these boards. I have a fairly pragmatic and probably economic view on their operation. I read with interest the honourable member's comments in *Hansard* about my attitude expressed in my speech to the UF&S the other night. He referred to it as being a piece of socialist doctrinaire ideology.

Mr GUNN: I thought I was very kind to you.

The Hon. M.K. Mayes: If that is kindness, remind me not to show my enemies what that statement encompassed. I was taught by a couple of classic Friedmanite economists and they would be delighted to see what I am doing in relation to the Egg Board. In fact they have already expressed that to me. These are people who support Reagan and Margaret Thatcher. They think it is overdue and they have congratulated me. I will not record what they say about comments such as that expressed by the honourable member—I will let them pass them on to him.

Mr GUNN: I hope they do.

The CHAIRPERSON: Order! If members want to have a chitchat they could adjourn to another place and have that. Can we have some orderly questioning and answering.

The Hon. M.K. Mayes: The honourable member's question provoked a fairly emotive response because, in effect, what is being proposed is a partial deregulation of the situation in the egg industry in this State. The 440 recognised producers in the industry have quotas. Over the past few weeks I have been engaged in vigorous discussion with people at all levels of the industry. There is general acceptance that maybe some of the smaller, less efficient producers will drop out. Yesterday I was talking to two of the largest producers in this State. They have a huge quota and produce huge quantities of eggs. They are not actually too concerned about this deregulation. They know very well that they will probably survive and become even more efficient under the proposals. An issue that was raised with me concerns the pulping plant. That is of major concern to the producers and to me. As a result of the discussions that I have had with the major producers in the industry I will address the concerns raised as a matter of urgency and, in fact, I have asked the department to review the position regarding the pulping plant and what we can do to perhaps take away some of the uncertainty that might exist within the industry, at both the user end (that is, perhaps Balfour Wauchope), and the other end (the packers and the producers).

So, I absolutely and categorically contest the comments made about the destruction of the industry. I have discussed the matter of egg prices continuing at the level that exists at the moment. I have raised this matter with a couple of eminent economists, who I imagine probably belong to the member for Eyre's Party. I was approached at a function by one of them, who I know has views about free marketing and economics which are generally different from mine. He congratulated me, said that the proposal was well overdue and asked why the Party to which the member for Eyre belongs did not have the guts and courage to do this years ago, as the move was in the interests of the community as a whole as well as efficient production. This economist considered that market interference (of the sort that the Government is correcting) did not in any way warrant merit from anyone in the community. So, it is interesting to see what comes out of the woodwork when one raises some of these sacred cow issues, such as the role and operation of the Egg Board.

My comments may have been somewhat anecdotal, but I want to say that we have taken a fairly careful survey of comparative prices here and interstate, and with prices remaining at their present level we would be extending an open invitation for interstate producers to invade South Australia. The honourable member would know that section 92 allows for that. There is nothing that anyone can do to prevent that. In fact, the barriers that we have erected around this State, and in particular the metropolitan area, are so flimsy that a light breeze would blow them away. The Egg Board has been on notice in relation to the matter

of prices for three years now. Three years ago next month notice was given to the Egg Board by my predecessor that it had to address this issue urgently. Moves are occurring interstate at both Government and industry levels, in New South Wales and Victoria in particular, where there are huge producers who could put their eggs on the market without much trouble.

I believe that what I am proposing is a fairly sensible deregulation which will allow for a continuation of our premarket structures within the industry and also allow for our efficient producers to continue within this industry—and I am sure that the honourable member wants to see that occur. If we look at large producers—such as those who supply to Red Comb or the other packers—some of them would probably produce 40 per cent of the eggs which go through Red Comb.

I look at Red Comb because I think they pack about 60 per cent of eggs in this State; they are huge producers. I do not think they are particularly concerned about the proposed deregulation. They are probably more concerned about the impact of the pulping situation and maintaining that in South Australia. I can assure members that I am concerned about that and we will take steps to ensure, as best as any Government can, that that pulping plant remains in this State to operate a service for both ends of the industry.

As for vertical integration, from my discussions with people in the industry, they believe it is highly unlikely to occur. That is where one gets a total monopoly or oligopoly situation on the market front. It seems to me that is most unlikely to occur. Certainly, I am speaking from my own experience of what people in the industry have told me; that it is highly unlikely for Bi-Lo or Coles, for example, to integrate vertically, take in the whole of the market and try to dominate it and control it at the production end as well as the sale end. They are moving away from that.

One of the things I found overseas, while talking in Japan to Seiyu, the largest retail chain in the world, is that they go the other way. Their suggestion to me in discussions I had with their president and executive officers was that they wanted to get further away from this because they were experts in retailing, they knew how to present products, how the consumers want them presented and how to sell them. They wanted to see Australians becoming more expert in presenting the product to them. They wanted joint ventures by providing money, but wanted Australians to run them. They would come and give advice as to what they wanted in the final product form. There is more movement away in the retail industry, regarding both commodities and durable goods, from the aspect of vertical integration to providing a more fragmented structure within the market.

It seems to me that the fears being raised by some people in the industry are not founded on economic and realistic grounds, because they tend to deny what is actually happening in the marketplace, nationally and internationally. I found the same thing in Europe and the United Kingdom. Companies such as Sainsburys did not want to be involved in the packaging process or the handling of the goods. They wanted competent producers and packagers to present to them the product they wanted in the final form for which they were prepared to pay, and they would put it on the shelves and present it to the consumers.

Because of the competition at that end of the scale, I believe they have to be on the ball as to how they present the product to the consumer in the final situation. The Government will maintain a constant review of those statutory bodies which fall within the parameters of this State's responsibilities, and they are all going to be kept on a fairly close viewing so that we can see how they perform. If I did

not do that, I am sure the honourable member would be accusing me of dereliction of duty. We have had the issue of milk, which has been raised not by me but by Bi-Lo. We have to say that there are a number of outside influences affecting the milk industry in this country. They are the Kerin package, our equalisation scheme, and the assault from some of the supermarkets to try to achieve what I believe is perhaps greater foot traffic through the doors rather than the wellbeing of the milk industry or of the community at large.

I may be cynical and harsh in my comments, but they have to answer to their shareholders in a profit and loss statement and I believe that, in the real world, that is the brief they have as managers and executive officers of that organisation. There have been concerns raised with me about the citrus industry and the operations of the citrus board. I suppose in times of crisis, when things are under stress—and let us acknowledge that the citrus industry is under extreme stress—

The Hon. Ted Chapman interjecting:

The Hon. M.K. Mayes: I am happy to support the comments from the member for Alexandra. I do not think that we need any assistance from the Federal Government in that area to institute an additional tax. I think that is the last thing we need, and we have made that comment and will continue to make it. Hopefully, the Treasurer and the Federal Government will review that decision. The same situation applies with the wine tax, but we are talking about the citrus industry and, because of stress in the industry, the growers have come to me and raised some concerns about the operations of the board.

I am not necessarily accepting on face value that their concerns are valid, but I will be holding a meeting with the board in the Riverland on 11 November and Cabinet is concerned about the impact on the Riverland of both these decisions of the Federal Government. Cabinet will be up there on 16, 17 and 18 November. These issues are of concern to me. We have had discussions to enhance the role of the Australian Barley Board, to give it a greater commercial viability in these tough times, and we know what is happening with our barley market with the invasion of the United States and its threat to our traditional market areas.

I have no brief to be vindictive or go out just for the sake of it to create problems with any industry because of the operations of the board. As a responsible Minister and, I am sure, as responsible departmental officers, I will constantly be kept informed as to the operation of these organisations. I am open to members in the industries raising their concerns with me.

We have a pricing mechanism instituted with the wine industry and, it is fair to say, the Government is being criticised by all sections of the industry in relation to the maintenance of the base pricing structure. I expect a report in the next few days from one of our chief economists in the department with regard to the pricing structure of wine grapes in this State. I have had meetings with all industry representatives and will be having further meetings with them to discuss the implications. There could not be a worse time to undertake any pricing structure review at the present time because of what has happened in that industry.

We will be looking at ways to assist the industry to adjust to the situation. We have not given up our task of confronting the Federal Treasurer and the Prime Minister in relation to their decisions regarding the wine tax. The industry has been going through a restructuring, of which I am sure the honourable member is as aware as I am. This has just added a further pressure to which we have had to respond with a

vine pull scheme which, in my opinion, must be viewed as a short-term measure and nothing more than that.

The Government, through the department, introduced it as a dignified escape route for some people who decided to leave the industry. It is unfortunate and it is tragic. The Premier has stressed to the industry and to me that we should maintain this State as the premium wine producing State and I hope that we can continue to introduce measures which will keep South Australia at the forefront of wine producing in this country and overseas.

Mr GUNN: In view of the Minister's repeated comment about savings to the consumer (up to 20 cents a dozen), would he support that comment by releasing or tabling in this Chamber today the Public Service Board report relating to the operation of the Egg Board? I understand that, on a monthly basis, it monitors the prices of eggs throughout a large range of supermarkets in South Australia and that indicates that there is a considerable variation in prices. After certain groups within the Minister's department carried out a survey and prepared a report on the Egg Board, the Minister decided to abolish that board. Will he table that report so that the public can make a judgment as to whether it was a genuine inquiry, or whether the inquiry was set up to justify the policy decision which the Minister has told us the Government made to abolish the board? Our concern has been that that information be provided so that it can become part of a general debate on the issue and the public can be properly informed.

The Hon. M.K. Mayes: I think the honourable member has referred to three reports. I will deal first with what has been called a public inquiry conducted by the Minister. Confidential submissions to the Minister provide the basis for that report and I do not believe it is appropriate (and it has not been the practice) to release to the public those confidential submissions that are contained in the body of the report. As I understand it they were given on the basis of confidentiality and they were called for on that basis by the former Minister. I do not believe it is appropriate to release that report.

Mr GUNN: But it could be that a select committee could have—

The Hon. M.K. Mayes: That is for Parliament to decide. I suppose that select committees do not release reports as such—they release the report of the select committee, but when I have been involved (and I have been involved in two fairly controversial select committees and the honourable member also has been involved in one), although it is a public inquiry, the submissions are given *in camera* and they remain *in camera* for the benefit of the members of the select committee. The reports may be released. If the honourable member wants a select committee, that is for him and Parliament to determine.

I understand a Public Service Board report dealt with the staff situation at the Egg Board. If legislation is passed, I am not sure of the wisdom of releasing that to the public. I am happy to make available the information which the Government has used in regard to pricing. I will have that background information made available if the honourable member so desires. In relation to the Public Service Board report, because it is a rather sensitive issue, rather than having it released as a public document, I am happy for the shadow spokesperson in this area to peruse it.

Mr GUNN: When a shadow Minister does that, there are always some dangers. I am keen to read the report, but if someone else, for any purpose, lets it go, then the shadow Minister can be blamed as being the person who let the information out, so I will have to consider that offer.

The Hon. M.K. Mayes: I accept that point. We are concerned about the implications of making public a document that refers to individuals. This document could not be released at a worse time. In relation to staff feelings and views, the honourable member would appreciate that there has been a certain amount of anxiety which has to be addressed urgently by the departmental officer responsible for this area, Mr Feagan. I have met with the union officials and expressed to them Government policy in relation to what the future holds for those 20 or so people employed by the Egg Board. I leave that invitation open to the honourable member and I would be happy to make the necessary arrangements. I doubt that it will become a public document, because it is a Public Service Board document. If details of it escaped, I am sure that serious questions would be raised by the Director-General. What is the third report to which the honourable member referred?

Mr GUNN: The first report is the one on which the initial decision was made. The second report was the Public Service report and the third related to a report on the Egg Board. As I understand it, the Egg Board monitors, I think on a monthly basis, the prices of eggs in a selected number of supermarkets throughout the metropolitan area. I would like reports covering the past two years tabled so that we may see the fluctuations in the price of eggs.

The Hon. M.K. Mayes: I am happy to release that.

The ACTING CHAIRPERSON (Mr Duigan): That would have to be done by 31 October to be included in *Hansard*.

The Hon. M.K. Mayes: I appreciate that, and I shall ensure that it is done.

Mr KLUNDER: I notice that the number of full-time equivalent employees in the department will decline slightly this year. Is it intended that there should be any new posts? If so, how many and what for?

The Hon. M.K. Mayes: There is to be a cut in the number of positions available to the department. That is regrettable but it is the determination of the Cabinet and in relation to budget priorities. There are to be new positions such as I mentioned in regard to commitments about rural assistance. There will be a farm mechanisation officer in the Eyre region, research officers in beef and sheep in the northern region, an irrigation agronomist at Keith and horticultural marketing officers for the central and Murraylands region. We have already filled the sheep research officer position in the northern region. Mr Hunt has commenced duties and is undertaking a survey of the needs of sheep producers in the northern region. Those positions are urgently needed and we are filling them as a matter of priority.

The Government will honour its commitment to fill the remainder of the 22 new posts that were negotiated with industry in 1985-86. I have mentioned the six which remain to be filled. I congratulate the Director-General on his handling of a sensitive issue. I give a minor brickbat to the Public Service Association for its pamphlet. I am disappointed that it saw fit to institute some of the wording as a major heading. Those views have been communicated to the Assistant General Secretary.

I should have preferred there to have been a cooperative process. I accept that it has a brief to protect its members and can argue that the department should not suffer cuts. Once we have got over that initial philosophical problem, we must be as constructive as possible, and words such as 'intervention' are unnecessary. Indeed, they might generate distress and unfortunate reactions among our employees.

There has been a genuine commitment on the part of the Director-General and his senior officers. The department has dealt with this fairly sensitive issue as efficiently and effectively as any, given the magnitude of the problem. It

is a specialised department which employs people with careers who have been devoted to the department's goals for many years. Cuts are unfortunate, but it is one of those things. Morale will remain at a high level, though. I hope to get out to see more of the department's operations in the next few months.

The Hon. TED CHAPMAN: The shadow Minister for Agriculture, the member for Eyre, described the Liberal Party's stance on statutory authorities. There is no equivocation about our support for such boards in primary industries. We arrived at that stance because we recognise that there is not a free trading climate in Australia. It might be an ideal for us to promote, but we are encumbered in primary and secondary industries by an award structure which takes away the opportunity of paying for what we get. We are encumbered by closed shop union activity—especially in this State—which dictates who we shall and shall not employ, in line with preference clauses sometimes incorporated in legislation.

If there was a free trading climate, there would be no need for board structures and, accordingly, there would be no need for the Liberal Party to insist on their retention. Does the Minister acknowledge that, although free trading might be an ideal, it is beyond our reach and its introduction into the egg, barley and wheat producing industries, for example, invites disruption for producers, packers and marketers?

The Hon. M.K. Mayes: We are getting into arguments about ideology. Unlike the honourable member, I do not have an ideological problem. I am trying to find a pragmatic solution in an attempt to save the industry. There are temporary barriers around a limited marketing area, which will inevitably be subjected to legal and commercial challenges unless we maintain efficiency.

Our marketing structure will not survive any commercial challenge. It is not a matter of ideological views about market interference. Egg producing is especially vulnerable. What is proposed is the only way in which to proceed. The honourable member may say that he speaks for the Liberal Party, but I have spoken to other members of that Party during the past few days who believe that we ought to have the freedom to buy eggs from whoever we choose. I do not have the problem. The honourable member appears to have the problem in regard to his Party and the philosophical difficulties free traders and the H.R. Nicholls Society may have.

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

Mr TYLER: My question relates to the South Australian Government's submission to the Industries Assistance Commission requesting assistance for the citrus industry. What support did the South Australian Government give the State citrus industry at the recent IAC hearing which was held to consider whether temporary assistance should be extended to the growing of citrus fruits?

The Hon. M.K. Mayes: One of the major calls related to removal of the 10 per cent sales tax on fruit juice and fruit juice drinks containing more than 25 per cent Australian content. That was the backbone of our submission to the IAC. It should not be said that that is requesting assistance; that is asking the Federal Government, through the IAC and its recommendations, to put to the Federal Government the position with regard to the impost on the industry. The State Government, in support of the citrus industry in this State, responded reasonably quickly, in my opinion, to the hearings set for 16 September in Mildura. The submission outlines the major problems we see the industry facing,

particularly in the Riverland. It also indicates the significance of the South Australian industry to this State, as it accounts for about 35 per cent of national citrus production, about 60 per cent of which is used for juice production. Basically the recommendations put before the IAC are as follows:

- that the IAC consider the serious financial position of growers and the regional economies of citrus growing areas such as the Riverland when assessing assistance levels;
- the 10 per cent sales tax on fruit juice and fruit juice drinks containing more than 25 per cent Australian content be removed;
- the floor price for imported frozen orange juice concentrate be increased from the current \$1.10 to \$2.50 per kilogram total soluble solids pending the end of a full IAC inquiry into the industry;
- that the IAC recommend that there is an urgent resolution to the current citrus dumping case and that assistance to the industry is increased pending that decision;
- that Commonwealth funding be increased under the rural assistance scheme to provide interest rate subsidies, financial assistance for debt reconstruction, household support and rehabilitation grants for growers leaving their farms;
- that Commonwealth funds be provided to subsidise State borrowings for a carry-on assistance scheme to provide additional capital to growers who have the ability to continue within the industry but who are unable to obtain affordable commercial credit;
- that the Commonwealth support the funding of community-based financial services with particular reference to citrus areas; and
- the potential to increase sales of fresh fruit, especially on export markets, be noted and considered for support under the recently announced Commonwealth marketing support initiative.

This is part of the package recently announced by the Primary Industry Minister in relation to export incentives. I reiterate that the Cabinet will be going to the Riverland on 17 and 18 November and meeting with industry representatives. I will be there on the 11th to meet with industry representatives to discuss these issues.

Mr TYLER: Can the Minister say what is the situation with grants to show societies? I note at page 191 of the Program Papers an expenditure of \$17 000, and at page 192 a proposed expenditure of \$26 000.

The Hon. M.K. Mayes: The situation is that support for show societies will continue. In addition, the department will administer the \$9 000 recurrent grant previously provided by the Department of Recreation and Sport. The capital grant to show societies will continue to be administered by the Department of Recreation and Sport. Government departments are tending to rationalise funding processes for many organisations such as show societies. The department that has the most contact with those organisations has been allocated the task and funds to administer recurrent grants to those societies. This is part of what has happened here in relation to responsibility relating to show societies.

In a number of areas three or four departments have been funding organisations. This rationalisation will result in one department funding them. Present funds will be transferred from other departments to this department. This will assist societies to reduce the amount of paperwork they have to do. Some of these groups have to put in three or four applications at different times. The people preparing this paperwork are, in many cases, volunteers who are faced with difficult administrative functions to maintain. If there is a handover or a change in elected personnel—because generally there is an elected secretary or treasurer who has responsibility—they have to have at their fingertips all of the information about when to apply.

I know, as I am sure other members know, that some organisations miss out on a claim because a new secretary has not been aware of a closing date, or something like that.

The basis of this is to allow ease of access of contact both within the organisation to the department and from the department, and the Government to the organisation.

Mr GUNN: At page 671 of the Program Papers, reference is made to plans to establish a field crop improvement centre at Northfield. This proposal has attracted a great deal of discussion and attention. Certain people are still concerned about the proposal. Will the Minister clearly outline where the proposal stands at this stage? I understand that there has been a 40 per cent increase in funds. I point out that Dr Barry Thistlewaite of Roseworthy College is still opposed to the program and has indicated that it does not want the wheat breeding program at Roseworthy shifted.

I refer the Minister to an article which appeared in all country newspapers indicating that many of the members of Roseworthy are already living in the Gawler area and are not happy about shifting to Northfield. I also draw his attention to an article in the *Stock Journal* written by John Lamb under the heading 'Northfield research split fear'. He says that the Waite Institute has already indicated that its crop breeding research will continue regardless of where the new crop breeding centre is located. The article says that the Institute has been closely involved in innovation and new crop research for over 60 years. I could go on to quote Professor Quirk's remarks on a number of occasions; he has been most concerned in his criticism of this area.

In view of the continuing controversy, is the Government satisfied that the right decision has been made? Further, does it have the total support of the industries involved in what is a most important part of our grain industry—the continuation of this specialised breeding program? Some of the programs which have been successful have greatly assisted rural industry across the nation. If this controversy between Roseworthy and Waite is not resolved and a third area becomes involved this program will be greatly interfered with. In view of the fact that there is much dissention about this matter, has the Government reconsidered its stance in relation to it?

The Hon. M.K. Mayes: I accept the honourable member's opening remarks in relation to the importance of this matter to the industry in South Australia. Everyone involved in this exercise, including departmental officers and people from the UF&S and the academic institutions, would agree with that. There would be no disagreement as to the importance of this Field Crop Research Institute for the future of the industry in South Australia. I shall refer to earlier developments to put this into its proper framework. One could instantly respond to the questions raised by the honourable member, but I think such a response would be shallow and probably taken out of context in relation to the overall development of the field crop research institute. We have four institutions involved in the field crop improvement research in South Australia—the Waite Agricultural Research Institute, which is a wing of the University of Adelaide, the Roseworthy Agricultural College, the Department of Agriculture, and the Department of Services and Supply. Through my predecessor we approached the UF&S to prepare a report on better integration of the State's field crop breeding research. I know that the honourable member is aware of that. The working party, after extensive investigation both within South Australia and interstate, provided a report to the Minister with recommendations to amalgamate field crop research. I think that is important as a key factor in this whole exercise.

That industry working party recommended amalgamation of field crop research in this State. That is at the backbone of the arguments being put by Roseworthy. I am not sure that the Waite Institute is contributing to that argument at

this time. As the honourable member would know, on 25 November the Premier announced that there would be a single field crop breeding institute in South Australia, to be established at Northfield on 20 hectares of land. The United Farmers and Stockowners supported the decision at a meeting held on 21 July 1986. Discussions have been held at all stages with the industry. I inherited this from my predecessor. I said at the outset that, if substantial reasons could be put forward to conduct a review, I would be prepared to consider that, in view of what was happening in the industry.

The more I had to do with the matter, and the more I became aware of the situation and the facts involved, the more convinced I was that the decision that had been made was the right one. After being involved in negotiations both at the public forum level and at the private level with the Director of the Waite Agricultural Research Institute, I was convinced that they did not have the facilities fundamental to the working party's report. The report had set a minimum of 20 hectares as being the amount of land required. Having discussed the matter with executive officers of the UF&S, I know that the opinion is that the people involved would prefer to have more land rather than less. From talking to people both in this State and interstate, I believe that the indications are that other institutions have gone for larger areas of land for their field crop breeding institutes. That is an important and fundamental factor in the whole discussion. We are absolutely sure (and this view has been reinforced by the University Council decision on this matter) that the Waite Institute could not provide dedicated land to the field crop breeding institute.

With regard to Roseworthy, there were some personal reasons for there being some resistance to the change. It ought to be noted at the outset that there is no Roseworthy funding for wheat breeding used from Roseworthy's own institutional budget. The funds involved in that program are from the Government and from industry. That, too, is an important factor in the whole exercise. Also, a recommendation was made about amalgamation, in relation to which there was industry support, and it was on the basis of achieving the minimum quantity of land available for field crop breeding. There was no question about that. Those two basic considerations must be satisfied before any field crop breeding institute can operate.

A working party has been established, with representatives of the major participants in the industry. The working party has been working under the Chairmanship of Mr Roger Wickes, who is with us here today. The working party has achieved some important heads of agreement. I have not checked with members of the committee as to whether it is appropriate for me to table any documents. However, basically the members of the working party have agreed on a number of important points. There has been general agreement on the field crop improvement centre role, scope and staffing, linkages, as well as several further issues that are being included in the heads of agreement, such as education—and factors involving relocation of staff. Those matters are up for further discussion by the working party. At this time the proposal is that this year we will be looking at spending \$200 000 for design work. I refer members to page 222 of the capital works estimates where under the line for other Government buildings is an allocation of \$400 000. Of that amount, \$200 000 will be devoted to funding for design work for the Northfield institute. The planning committee, with representatives from the organisations involved and the UF&S, has dealt with these issues under the terms of reference. The planning committee will determine what is needed in relation to the new field crop

institute. I could go through each point of reference, but I will not submit members to that. It is important to note that at this time there is agreement in principle to the Northfield field crop breeding institute. Some further points of discussion are being undertaken between the UF&S and the department as to whether employees will be covered under the Government Employment Act and whether the Director of the institute will be responsible to the Director-General of Agriculture. Those matters are being debated at the moment, and I understand that the UF&S had a meeting last night to consider its position in regard to those two points. For the information of the Committee, the members of the planning committee are: Roger Wickes; Gil Hol-lamby, from Roseworthy; Dr Sparrow, from Waite; Geoff Palmer, from the Department of Chemistry; and Colin Rowe, from the UF&S.

Mr GUNN: It appears that the Government is going to proceed, even though there is still continued disquiet and dissension in relation to the decision. I could refer to the history of Roseworthy, which has been involved with plant breeding programs since its inception. Further, the Waite Institute in particular has had over 60 years of involvement in biochemistry and genetic engineering, probably second to none in the nation. However, we are at the situation where we are going to have the Government's program at Northfield, while it is obvious that Waite will continue with its breeding program and people at Roseworthy, which has broad acres, will continue with their work, obviously developed on a far greater scale than will be the case at Northfield.

We will still have Roseworthy continuing with its program. I thought that the whole exercise was to put all the plant breeding in this State under the one umbrella, and it appears that it will still be fragmented. We have three or four groups of people most annoyed about it. Reading the comments of the Director at Waite, I note he appears to be anything but impressed or pleased about the general trend. I have been through all the reports and it appears to me the Minister will not achieve his objective.

As I understand it, the Northfield proposal was not the preferred option of the United Farmers and Stockowners, anyway. They only came to that decision. I understand, after it was suggested to them in the heat of the election period that they would get that or they would get nothing. Can the Minister explain to the Committee how he intends to bring these three groups under the one umbrella, or are we still going to have a fragmented exercise? I think it would be most unfortunate if all the expertise at Waite and the high standing it has in the area, as with Roseworthy, are lost and they become embroiled in one larger exercise at Northfield.

The Hon. M.K. Mayes: I hope that the honourable member did not understand me to say that the UF&S had decided on Northfield. I said that basic to the whole approach of the working party was an acceptance of an area and a number of many other factors which I think are fundamental to achieving a field crop breeding institute. I then went on to say that Waite could not offer a dedicated area to the institute so that, irrespective of the Director's constant evasive answers to my questions in that regard, when it was finally put to the university council (and I wrote to the Vice Chancellor), the response from the Vice Chancellor was exactly as we had assumed, because we had done our homework on the area of land available, the way in which the trust was bequeathed to the university and what land was committed to various other aspects, including native parkland areas.

We realised that there was no facility to accommodate it out there. I am not in any way presenting the case that the UF&S settled on Northfield. It was the most economic, the most acceptable and, presumably, the most efficient, given the area of land and the other factors in terms of economies and coordination of the field crop breeding institute. That is why the Government arrived at that decision, and all the information put before me since my being elected to the Ministry on 18 December 1985 has been such as to support that decision and continue to support it.

There is no way that the State Government or a Minister could control the activities of academics who wish to pursue the objectives and goals of their own institutions. Waite has a set of objectives which would of course be different from those of the Government, and part of that is an educational exercise as well as other research work which individual academics would pursue. There is no way in which we could direct that. If one looks at the philosophy that it is good to have as much under one's wing as possible, presumably that enhances one's academic standing in the community, so perhaps people are pursuing it for other reasons than the overall well-being of the industry in this State.

I think it has to be said that the major people involved in the industry have accepted the decision based on the information, and I did not in any way hide any information from it. I had numerous meetings and discussions with the major people within the industry, namely the academics who are involved, the participants at that level and the UF&S. I feel no discomfort from the situation. It seems to me to be the most logical, rational and economic. Because of certain changes that will occur to certain individuals who have to 'up traps' and move, there will be some discomfort. They have made some commitments at a personal level which may cause them some distress, and I am sorry about that. Perhaps they made those decisions in a vacuum, not thinking of what might come down the path.

Again, in regard to Roseworthy, it is Commonwealth funded—not State funded. They are not industry funds and, therefore, it is basically a situation which relates to the institution. We have a responsibility to the industry as a whole and must deal with it in that framework. I think that it is important, finally, to say that, in relation to Roseworthy in particular, the exchange of ideas and expertise can continue and there should be a continuation. If they want to look at work that is being done or want to exchange ideas with people at the field crop breeding institute, that should be encouraged, and I know the Director-General has that view.

Mr GUNN: It is fairly obvious that the Government is going to head down the road to construct this institute. Can the Minister nominate a time when this organisation will be completed and will be fully operational? Roseworthy may be Commonwealth funded, but obviously the State has a fair bit of influence in the operation, as the employees would technically be State employees. Will there be any attempt to rationalise, interfere with or give directions as to how the continued breeding program, which has been so successful at Roseworthy, will operate.

The Hon. M.K. Mayes: I think that there are a number of issues in the honourable member's question. The issue of the future direction of the institute and its breeding program is obviously of fundamental importance to the industry representatives, particularly to the UF&S. Through the Wheat Board and the State Wheat Research Committee, and also because of the funding that is made available through the industry, there will be a significant influence from those industry representatives on the direction of the breeding programs followed by the institute.

We can see no way of operating it other than by having those employees as employees of the State under the Government Employment Act, and I feel that the effective management of the organisation and coordination of the organisation in consultation with the industry occurs most effectively with accountability to the Director-General and the Minister, who is, of course, accountable to the Parliament and can be questioned at numerous stages on the operation of the institute.

Given the amount of interest and given that the organisation will be under close surveillance from industry representatives for certainly the initial part of its operations (and, I imagine, for ever and a day), we see it as an enhancement. Obviously, the industry sees this (from the working party's report) as being a future positive step to support the industry in this State.

Mr DUIGAN: I have three questions—two in relation to program 3 and one in relation to program 5. The first question is rather general. The Minister indicated in his opening remarks the difficulty that many agricultural producers in Australia were facing as a result of the trade war between the EEC countries and North America.

I noticed that under the heading of 'Issues and Trends' in the program description for program 3 it is stated that 2 000 South Australians could be at risk in 1986-87 as a result of the high interest rates and the low prices for agricultural products, presumably caused by the trade war to which you referred. I noticed in another document entitled 'The economic report' put out by the Treasurer and circulated by the Government that some 25 per cent of South Australia's wheat crop normally and traditionally ended up going to the Soviet Union. Now that there is severe competition for sales to the Soviet Union, from the United States and more particularly from France, because it ended up getting the major contract from the USSR, could the Minister explore the ways in which the South Australian Government, in cooperation with the Federal Government, will be looking to shore up its traditional markets and ensure that there is still an outlet, particularly for the South Australian wheat crop?

The Hon. M.K. Mayes: The situation in the international market is rather staggering. I think that there would be few Australians who have been involved in the industry who have not been staggered by the callousness and the bloody-mindedness of our overseas allies, particularly the EEC and the Americans. From a State Government's point of view, it seems that a large part of this activity has come about because of EEC policies. In my recent overseas trip I had the opportunity of meeting with a variety of people in the EEC, including the Agricultural Commissioner, Mr Andriessen, and a number of senior advisers at all levels, including Ministers of Agriculture from some of the major countries. They all acknowledged that we are in a situation where no-one can win. I think that something like 5/8ths of the EEC's annual budget has been devoted to agricultural subsidies in order to maintain its share of the market. I think that amounts to 22 billion Eurodollars per annum and that has just been increased by \$1 billion. It is anticipated that that will have to be increased again in order to match the United States subsidies.

In order to counter this problem, I think that the State must support the Commonwealth Government, major farming organisations and industry representatives in their efforts to tackle the attitudes which are being adopted by the United States in relation to its farm bill, and its export incentive programs, as well as the EEC. There are some good signs on the horizon, but I do not think that anyone ought to get excited about the multi-trade negotiations or

the GATT discussions. No-one has been able to identify a timetable of events that would place agriculture on the GATT discussion list, but the Minister for Trade (Mr Dawkins) talked about the year 1990 and that is at least four years before we start to see some results. After talking to the Europeans in particular, I think that they are very keen to have agricultural trade on the GATT discussions, purely because they do not believe they can go on (and I think they are finding out the hard way) fighting this rear guard action and to continue subsidising indefinitely as they are at the present time. The Americans have made it clear that they have no intention of backing away from their policies. We can see what they are prepared to do in relation to any agricultural product, whether it be sugar, barley or wheat. It seems to me that we are in for a hell of a time.

I think there are a number of things that a State Government can do, but I think that we, along with other States, have to support the Federal Government and encourage other State Governments and industry representatives to tackle the issue head on. I think that everyone involved in the industry has a responsibility to raise these issues with the Americans, with the EEC and, as the Minister for Trade has done, with the major agricultural producers in the recent conference in Uruguay. I think that that must continue and that we must harass and harangue the Americans and the EEC. I do not take the view that the Americans necessarily started it—I think that the EEC started the whole problem, but it is saying, 'We are being forced to do it because of the Americans.' If the EEC wanted to remove itself from the situation, it could, but of course I imagine that there would be massive domestic chaos, both politically and also within its domestic markets. There is no question that, through these policies, the EEC is supporting probably the most inefficient farm producers in the world. From what I can gather, the Americans suffer a different problem in that they are, by instituting these policies, endeavouring to save the farming community from disaster. That has been demonstrated with the recent barley and wheat sales and of course the French have just sold their wheat to the Russians for a record low. That is an indication of things to come. I have seen and heard various predictions as to the impact that will have on our rural communities through loss of sales in dollar terms and also the long-term impact in terms of forced restructuring and the debt structure that many of our farmers face.

In 1985 wheat accounted for half the cereal area in South Australia; barley, oats, cereal and rye were next in importance. Most of the State's wheat and barley is grown in the Eyre Peninsula, the Yorke Peninsula, the Lower North, the Upper North, the Upper South-East, the Mallee and the Murray Plains, so that covers a fairly large geographic area. As a result of that, one can see the impact that this will have on the rural communities throughout South Australia and the likely impact on rural towns and, as a flow on, the impact on metropolitan communities. There may be some lag impact, but it will certainly have a major impact.

I believe that we have to support our State and national farm leaders in lobbying those people in the major markets. We are a very small drop in a very large bucket. I think that the other major agricultural producers have a responsibility to join forces. I was pleased to see the talks taking place earlier this year in Cairns and in Uruguay. I think that that is a positive step forward. We must lobby the Americans at every chance. We must lobby the Europeans and point out to them the disaster that would result if we continue on this path, because we will end up with inefficient producers being subsidised and the efficient producers, such as ours, who are not subject to the same subsidies or

protection that the EEC producers are enjoying and now the Americans are starting to enjoy, suffering a disaster. The industry would collapse and the result would be horrendously inefficient producers producing a large proportion of grain or sugar in the world market. I think that that would be an absolute disaster. In all my discussions with the Americans and the Europeans, they agree.

Their heads are in the sand. They hope that they can buy their way out, but are finding that difficult. I am not sure how that affects the French, whose power in EEC agriculture policies is worrying. They might start their own activities to continue subsidies. Europe may soon face a taxpayer or consumer revolt, generally or more locally.

Mr DUIGAN: Should I take it that it is more a question of protecting inefficient industries than excess supplies on the world market and that the trade war is one of trying to buy into other people's markets? Has more than one factor generated competition between several major suppliers?

The Hon. M.K. Mayes: My view is that inefficiencies can occur at both ends. Small producers can produce inefficiently to a quota level and large producers can overproduce to a subsidised price. It appears that some European producers are small, inefficient and producing more than is required for the world market but that they continue to produce in spite of demand and supply in the world market.

The CHAIRPERSON: Order! The Chair knows that these matters are very important and that everything is related to everything but we have a problem. Honourable members want to ask questions about the South Australian budget. Perhaps the member for Adelaide could ask a question more directly related to the budget lines.

Mr DUIGAN: I was interested in the background to a crisis that could affect 2 000 Australian farmers.

The Hon. Ted Chapman interjecting:

The CHAIRPERSON: Order! The Chair will determine who has the call.

Mr DUIGAN: What is happening at the East End Market? To what will the \$2 000 be allocated and what will the study look at?

The Hon. M.K. Mayes: The \$2 000 is for a continuation of the work of Mr E. Kime, who is Chairman of the Sydney Farm Produce Authority, and he is assisting with the proposed wholesale fruit and vegetable market for Adelaide. I am sure that members are aware that the Cabinet recently approved in principle the Fricker Carrington proposal. Final negotiations continue towards a joint venture agreement to establish the market in the Pooraka area. Plans were exhibited to the press. They incorporate a multitude of wholesale and some retail outlets and a small service facility such as a tavern.

The market relocation committee, which Dr Radcliffe is involved in, has had successful meetings with the Fricker group in the past few days. There is general support from the group and the users for the Government's concept for the market. I assume that the honourable member has some interest in what is happening in his electorate because of relocation from his area to Pooraka. Discussions are proceeding fairly favourably and there have been significant moves in the past few days with regard to the venturers. I assume that a public announcement will be made in good time. It seems that things are going well and we are confident about the interest that has been shown in terms of funding and the project. Some significant statements are likely to be made around early December.

The Hon. TED CHAPMAN: As for cereal grain research, the Minister said that he had apparently shaken off the old professional lobbyist, Professor Quirke and his efforts to have the Waite property prominent in this exercise, in the

guise of the dedicated area being insufficient. I do not accept that that is fair ground on which to drop off the proposals. The Minister went on to say that he had secured the support of the UF&S in centralising and coordinating future cereal grain research activities at Northfield. He then referred to his necessary negotiations and areas of disagreement with Professor Thistlewaite from Roseworthy. Now that the Minister, apparently with the support of Cabinet, has determined that Northfield is the centre, what happens to those primary producers who over a period of many years have made their properties available to Roseworthy for testing and multiplication programs?

What happens about their long-term participation and offer of cooperation with the Department of Agriculture: has that, too, been laid aside? If not, has the Minister made arrangements to retain either through Roseworthy College, or directly, the traditional cooperation that has been received from interested and participating graingrowers from the private sector?

The Hon. M.K. Mayes: There are 42 sites involved around the State and they will continue to be involved. It is not a matter of contention before Mr Wickes' committee. It has been assumed by the committee, and by me (and I think everyone in the industry) that the practice will continue. There is no reason or basis for change, so the answer is a simple one—that it will continue forever and a day, I assume.

The Hon. TED CHAPMAN: I take it that it is to continue through the relationships that have been established with Roseworthy, or will it be taken over directly by Northfield? If the latter, what communications have you had with farmers to advise them of the future position?

The Hon. M.K. Mayes: In view of the technical nature of the question, and the fact that the Director-General has been intimately involved with this matter, I defer to him to answer the question.

Dr Radcliffe: Over many years, research officers in the Department of Agriculture at the Waite Institute and Roseworthy have had access to large numbers of research sites on farmers' properties which have been made available by farmers without charge. That has been a useful contribution over the years. The farming community has, in general terms, indicated continued availability. The planning committee has not consulted all the individual farmers involved, but the historical arrangement is that those farmers are lined up by research officers, often with the assistance of local Department of Agriculture extension people, irrespective of whether from Waite, Roseworthy or the Department of Agriculture. We hope that that sort of cooperation enjoyed by the officers over the years will continue. We have no reason to suppose that it will not continue.

The Hon. TED CHAPMAN: Will the Minister provide—preferably on notice—the price position in relation to the wine grape vine pull scheme? This matter has been around for months and that many people in the industry do not know where they are. Reports reveal that some people have pulled their posts and wire in readiness for vine pull—rightly or wrongly—and have not pruned their vines, which are budding. If they seek to prune now those vines will bleed, deteriorate and not produce a profitable crop, anyway, so they are caught in the dilemma apparently surrounding this whole scheme because the Minister has not been able to obtain sufficient moneys from the Commonwealth in the past six or eight months to honour his Government's undertaking in relation to this matter. This is a complex question.

Some people in the field got their money within the scope of the original Government commitment. Some have received provisional approval; some have got none, and

correspondence is alleged to be weeks behind in relation to inquiries on this subject. Will the Minister put on the *Hansard* record the position at the end of September showing precisely what is the financial expenditure, what is committed, the number of growers and acreages involved, and those who indicated a desire to be part of the scheme and because of financial constraints are now left hanging on the vine?

The Hon. M.K. Mayes: I have had discussions in relation to current proposals with one of the honourable member's colleagues whose electorate covers a large and significant part of our vine growing area. As I said to him, I will withhold my comments in general terms until we have finalised matters with the Commonwealth in relation to the guidelines for the \$3 million involved. We had discussions with the industry a fortnight ago to gain its views on the guidelines and how they should be applied. We have sought funds from the Commonwealth. There were 730 initial applicants for the vine pull scheme and 400 have been approved. The honourable member is concerned about the 330 who are in the wings at the moment. Growers who are not already approved for the vine pull scheme should prune—that is our response in relation to the situation at the moment. We must first finalise guidelines with the Commonwealth and argue for the maximum sum of money that we can get.

The Hon. TED CHAPMAN: It is seasonally too late for those who have not pruned to do so in some areas where the vines have budded, because if pruned they will bleed.

The Hon. M.K. Mayes: We are saying that anyone undecided should get on with it now, because there is still a chance for some of those people to prune. We will put all these questions on notice. The honourable member made comments about expectations with regard to funds. Our original expectation was for \$1.6 million from the Commonwealth. We more than doubled that, gaining an additional \$1.9 million which we managed to negotiate out of what might be called the Victorian allocation from the Commonwealth, so we ended up with more than double what we expected for the vine pull program.

We see the additional \$3 million as being something of a cushion for the impact of the wine tax that has been instituted, and we are seeking a maximum amount of money from that sum. We think we can reasonably justify that for the industry in this State.

Mr TYLER: I refer to the Agricultural Industries Policy program (page 670 of the yellow book). A specific 1986-87 target or objective is to establish a commercial lending program for farmers with funds made available by the South Australian Government Financing Authority and administered by the Rural Assistance Branch. Will the Minister or one of his officers give some further explanation of that program?

The Hon. M.K. Mayes: An amount of \$10 million has been set aside for a commercial lending program, and I referred to this in my opening comments. Its purpose is to assist rural producers who may find some difficulty in meeting the commercial lending arrangements. It is easy to encounter some difficulty at the moment, whether in the rural, commercial, manufacturing or private sectors, in relation to funds and in terms of meeting costs, with rollover charges, registration charges, survey charges, inspection fees, and so on. In relation to the obvious costs incurred by the rural community in establishing loans to assist in generating more efficient production of rural units, the Government initiated this commercial lending scheme. About 150 people have inquired about commercial loans, and 10 applicants have been approved, with seven loans having been granted.

So, there has been a good deal of interest in this scheme. Approved loans amounted to a total of \$1.6 billion at current interest rates of about 17.2 per cent per annum, and clients have an opportunity to have fixed interest rates up to three years. So, I suppose there is a marginal advantage with these rates, of some 2 per cent or 3 per cent, on the commercial market.

In my opening remarks I highlighted the fact that this scheme was designed to allow rural producers to achieve more efficient production. The scheme was announced on 29 July to the community as a whole. This is another opportunity for people to make some financial adjustment in their production programs.

Mr TYLER: On page 671 of the Program Estimates, reference is made to reviewing the department's role in biotechnology development and promotion. Can the Minister tell me what role the department plays in biotechnology and its development, and what the reference to review means?

The Hon. M.K. Mayes: I will ask the Director-General to make some comments about this as well. Last Wednesday morning, I had the privilege of opening the Biotechnology and Agriculture Conference, held at the Colonial Restaurant. I have since spoken to a number of people who participated in that conference. I was not able to stay for the whole day, but judging from the opening remarks by Dr Gary Cobon, Research Manager of Biotechnology Australia, it was a very interesting conference. He outlined the definition of biotechnology. It would seem that this field offers great potential from the point of view of not only the State but also industry. I suppose it is impossible to describe the boundaries of this field in relation to future possibilities. The department took part in promoting this conference, along with two other bodies. The conference was jointly organised by the Australian Institute of Agricultural Science, the Agricultural Technologists of Australia and the Department of Agriculture. It brought together experts from all over Australia to discuss the latest biotechnology techniques. There were some significant and eminent people present and, judging by the papers presented, the discussion was wide ranging. I might say that Mr Dean Brown was also a participant in his new role as supporting South Australian industry and the State of South Australia.

Mr GUNN: He has always done that.

The Hon. M.K. Mayes: I know that, and I welcomed his presence in the audience, I wish him continued success in private industry. Apparently he has no regrets because he said he was enjoying every minute of it. Some distinguished academics participated in the conference. I think that the department has an important role in fostering and supporting biotechnology.

Dr Radcliffe: This is a fairly complex topic, and in the public mind it tends to primarily revolve around gene transfer and genetic engineering, although there are other aspects of biotechnology, that we should not lose sight of, either. Dealing first with the question of gene transfer and genetic engineering, the basic principle—and it applies to all aspects of living matter—is that one can select genes with a particular set of characteristics which one can then transfer from the species from which they were acquired to other species. The area where this has been best developed is in the animal area, and South Australia is a world leader in this field, with Dr Bob Seamark, who is working out of the Department of Obstetrics and Gynaecology at the Queen Elizabeth Hospital. He has developed this technique with livestock, initially with mice, but more recently using pigs, and he is now looking at sheep and cattle, which have double the growth hormone of normal stock of those species and there-

fore will grow at a much more rapid rate and will produce much more economically.

In the same way, one can identify particular things for animals that one might want to add into their characteristics, there is the potential to do the same thing for plants. A good example of this work apparently being undertaken is to try to breed resistance to, say, the herbicide 'Round Up', into cereal crops, which would then allow one to plant a cereal crop, get it up and then spray everything in sight with 'Round Up', which would then bowl over all the weeds and leave the cereal crop completely unencumbered.

A third area where disease resistance can also be developed concerns various ways of developing vaccines and things of that nature that will offer resistance to disease in species and yet do so because they have a very low risk of the actual disease itself. Other areas that are important involve things like cell culture, in relation to which we are developing techniques to multiply large quantities of material from single plant cells, rather than doing so by breeding. This is now very important in the South Australian nursery industry, which is developing a market for nursery plants that can be produced in large numbers and in consistent style with very similar genetic composition and then be shipped to Singapore and markets of that nature.

Another area important in terms of biotechnology concerns the opportunity of developing biological control mechanisms, for example, to develop a disease which would help control some noxious insect that we might have, and there is certainly scope in that area as well.

The Department of State Development and the Ministry of Technology are interested in this whole area, and State Development is moving strongly towards encouraging biotechnology development within South Australia. Within the Department of Agriculture itself we will be looking at and reviewing the ways in which we can develop this area. Certainly, in the area of cell culture we are already doing research, and in aspects of biological control we have the project currently under way in Portugal to find the solution to the problem of the Portuguese millipede.

Mr D.S. BAKER: I would like to go back to take up the question asked by the member for Adelaide and the answer given by the Minister. The question was to do with the problems we are having in our export markets, and the answer had nothing to do with the issues and trends which are enunciated in the policy area of economic development. I would like to read the issues and trends as they should have been quoted by the member for Adelaide, then take up some of the problems and ask the Minister a question.

The issues and trends, on page 670, as quoted by the member for Adelaide, are high interest rates, low prices for agricultural products, and increasing on-farm and off-farm costs causing serious financial problems for farmers. It is estimated that 2 000 South Australian farms could be at risk in 1986-87, and it further states that changes overseas in production and marketing patterns of agricultural commodities are leading to changes in demand for a range of South Australian products. The Minister's answer—which seemed to be an excuse for him treading the world stage and having meetings with the EEC people and the Americans—had nothing whatsoever to do with the facts of rural agriculture.

I will deal with them one at a time, starting with high interest rates. As people would well know, that is something where the Minister may be able to have some input, and they are kept falsely high in this country because the Federal Government has to encourage overseas investment into this country to prop up its deficit. That is an area where the

Minister could quite easily do something for farmers in this State.

He has acknowledged that he cannot do anything on the other side. The other two areas where it would be of great advantage to this State for him to take an interest are on-farm and off-farm costs. On-farm costs in this country at present are completely caused and can be remedied by inputs from the Minister, with negotiations not only with his State colleagues but also his Federal colleagues. One of the most iniquitous, to which he has already alluded, is the wine tax.

We will be having introduced to this Parliament quite soon a quite iniquitous Workers Compensation Act, which will raise the costs to farmers and primary producers, in particular, throughout this State quite dramatically. We have a fringe benefits tax which is having a dramatic effect on farmers' costs. We all admit that the life of primary producers and of the people who work in that industry is not great, but most farmers do their utmost to try to soften that blow to their workers and provide some other benefits. This is an area which is causing severe hardship in the country and one in which the Minister can have great input and help the producers in this State.

The CHAIRPERSON: Order! The honourable member might recall that I drew the Minister's attention and that of the member for Adelaide to the nature of questions very wide of the mark of budget estimate lines. I wonder whether the member for Victoria would on the one hand come to his question and on the other direct himself to one of the budget lines before us.

Mr D.S. BAKER: Could the Minister please intimate that it is his intention to follow up the true costs to agriculture in this nation and in this State and try to lower those into which he may have some input, and do something to benefit the producers of this State in connection with the high interest rate levels, and do something to lower the on-farm and off-farm costs and not parade the world stage to try to do something he cannot—

The CHAIRPERSON: I think that the member has over-looked—

Mr D.S. BAKER: The question has been asked.

The CHAIRPERSON: —the question of which line he is addressing.

The Hon. M.K. Mayes: In relation to the issues and trends, I think it is accepted that there are a multitude of factors affecting farm incomes, and I think that it is important to note that it is not as simple as the honourable member would have us believe. Certainly, I am the last person who wants to go and tramp the international stage: I prefer to stay very much fixed in this State and location. Just for the honourable member's interest, it might be useful (from what I have heard Americans say on numerous occasions both publicly in the media and personally to me), if there were a few more people tramping the American stage to convince Americans of the needs that Australians have and the impact that their decisions are likely to have on Australians.

I am saying this to individuals within the farming community, farm leaders and other industry representatives, including members of Parliament. If members of Parliament were to use their travel concessions widely and wisely, I would suggest that the honourable member contemplate tramping the world stage himself and to perhaps visit America or the EEC to put across a point of view to them in regard to the impact of world pricing practices. It has been put to me that there should be further delegations—

Mr D.S. Baker interjecting:

The Hon. M.K. Mayes: The honourable member's Government had 30 years of fixing up home, and it did not do it very well. My father, as a farmer, went through that process of the honourable member's Government for 50 years, and he in another time and another place would enlighten the honourable member as to a few views he has on the ways that conservative Governments handled agriculture.

If one looks back at the progress of issues in regard to previous Governments, there is a lot that can be said about agricultural policies, but Labor Governments have been at the forefront of some of the major changes in agricultural policy. I have had the opportunity to study under one of the agricultural economists in South Australia, who has enlightened me as to some of the major changes which occurred in the industry. It is quite evident that Federal Labor Governments—certainly the Chifley and Curtin Governments—had some important impact on changes in marketing and marketing structures and support to the agricultural industry.

The factor affecting interest rates is a Federal Government policy on which the State Government has very little influence, and it is very difficult to say that the State Government can have a major influence other than advocating that there should be lower interest rates. Of course, the Federal Government has made that decision in relation to the dollar, in relation to foreign debt and in relation to overall output and performance with regard to the international scene.

It would be easy for anyone who has an understanding of international finance to say very clearly that the pressures are on the Federal Government to perform. Those pressures emanate from the International Monetary Fund, international bankers in general and other economic communities both within the Western World and within the Third World, so there are pressures on the Australian Government to maintain the dollar, to support the structure of the Australian economy and to support the economies of Australia and other economies dependent upon it. It is not easy to say, 'Let us hold the interest rates overnight so that there will be a benefit to Australia', because there could also be negative side effects.

In relation to costs at home, a number of things are being done by this Government. I do not want to go into detail about workers compensation, because that matter will be dealt with by Parliament in due course in any event. The costs involved in taking out workers compensation coverage, especially by smaller businesses, have become almost prohibitive and I am sure that many rural producers and rural industries suffer the same problem. That is why the Government is endeavouring to address this issue.

A number of issues are being addressed in relation to other on-farm costs. The Royal Commission into Grain Handling has been established by the Federal Government and the South Australian Government has promised complementary support, including legislation. Major research is being undertaken in an effort to improve technology efficiency. The Federal Government has introduced a new Rural Industry Research Act. Extension services (aimed at ensuring that modern technology is accessible to producers) are being pursued. That is referred to in a booklet relating to the department's activities; it has been made available through Parliament. Many initiatives have been taken by the department and Government in this area. I know that the Government is concerned to address those on-farm and off-farm costs in relation to all areas of primary production.

Mr D.S. BAKER: Last year the Seed Testing Authority of the Department of Agriculture made a most unfortunate

and costly mistake in diagnosing golden dodder in a sample of seed from the South-East. This cost not only the rural producers a considerable amount of money, but also, it cost dearly the reputation of that district overseas as a seed producing area in Australia. Have the claims from those producers been settled?

The Hon. M.K. Mayes: We are concerned about the impact of golden dodder and I had the opportunity of visiting the Riverland. The advice that I have received is that we have forwarded the claims to the Crown Law Department for advice.

Mr D.S. BAKER: As a supplementary question, has the department been involved in payments of other claims for golden dodder in the South-East, or anywhere else in the State?

The Hon. M.K. Mayes: There has been one other example, and I am sure that the honourable member is aware of it. I refer to the property of John Summers at Keith. The department has not accepted liability, but an *ex gratia* payment was made.

Mr D.S. BAKER: Are the details of that claim available?

The Hon. M.K. Mayes: Yes, we can make them available.

Mr D.S. BAKER: Is that the only one?

The Hon. M.K. Mayes: As I understand it, yes.

Mr KLUNDER: I note on page 190 of the Estimates that a sum of \$121 835 was spent last year on the international division. I take it that that money has now been allocated under program 2 on page 192. Can the Minister give an indication of what the funding is for? Although he touched briefly on SAGRIC International in his opening comments, can he explain in more detail what projects SAGRIC International has under way at the moment?

The Hon. M.K. Mayes: That allocation provides for the salaries and associated operating costs of the officers engaged in the activities of SAGRIC International. There are three shareholders—the Treasurer, the Deputy Premier and me—of this company.

Perhaps I might make a correction. I might have displayed some surprise at the question about shareholders in SAGRIC. The Minister of State Development is a shareholder, not the Deputy Premier. The Premier, the Minister of State Development and the Minister with responsibility for tertiary education and I are involved. I refer the Committee to the General Manager for his comments on the question about the detail required regarding SAGRIC.

Mr Hogarth: The existing activities of SAGRIC International Pty Limited are as follows: we have major projects in Jordan concerning dry land farming; in Indonesia concerned with polytechnic education; in Tunisia we have just completed work on cadastral surveying; in Pakistan we are contracted to undertake work on feedback management; in Malaysia we are examining bulk handling of paddy rice; and in the Yemen Arab Republic we are completing work on land registration.

Those are our major projects. The ones in Jordan and in Indonesia are disproportionately larger than the others. Clients include the Australian Development Assistance Bureau and the Governments of Tunisia and of the Yemen Arab Republic. In Pakistan, we are working for a private organisation, and in Malaysia we are working for the Australian Centre for International Agricultural Research.

In the past year, we undertook minor consultancies in the Yemen Arab Republic in respect of a design mission for a computerised land information system. In Pakistan we are on a mission to prepare a project for Asian Development Bank funding in respect of trickle irrigation and a consultancy in respect of a deciduous fruit development centre in Pakistan. In India we have had a person working

on apple technology and some other minor projects. We have in prospect about 11 proposals before clients. The most important is in Jordan, but there are others in the Yemen Arab Republic, Papua-New Guinea, Iran, Pakistan and China. We have 14 other opportunities which are not yet so highly developed in countries ranging from the Middle East to South and East Asia.

Mr GUNN: My first question relates to the \$10 million out of the \$29 million which has been allocated to rural assistance and the proposed new commercial loan scheme which will be financed by SAFA. The Minister did not give the length of the loans, but to be of any value they would have to be fairly long term. Will repayment be on a deferred capital basis and only an interest payment? Will they be like the primary industry loans which are currently being advertised? What effect will the commercial loans scheme have on the rural assistance branch and its ability to raise funds from the interest that it accrues from money that it has put into short-term investments?

The Hon. M.K. Mayes: The proposed time on offer is 15 years. There is some flexibility about taking shorter-term loans. I would not anticipate any impact on the operations of the rural assistance branch.

Mr GUNN: When the rural assistance branch has accumulated funds, it will invest them in short-term markets, and the accruing interest will become part of its funds, which can be loaned to industry. By going through SAFA, industry will not benefit because the money will go back to SAFA. Is that correct?

The Hon. M.K. Mayes: It goes back to rural adjustment and development and is of assistance to the rural community, so the money is not lost to the industry.

Mr GUNN: A considerable amount of money has been lent in my electorate but people have told me that funds are restricted to certain parts of the State. One person has a farm at Wudinna and also one at Waddikee, and others in that area have been refused a loan. Are there restrictions on who money can be lent to? What were the reasons for refusal? I shall be happy to provide extra information on that.

The Hon. M.K. Mayes: The people concerned did not qualify on the basis of drought yields—their yields were better than the qualifying level. I shall be happy for the honourable member to make additional information available to the department. Several cases were brought to my attention. The branch is thorough in examining applications and has established a reputation for fairness. My advice was that the people concerned did not meet the basic requirements although they may qualify under the rural assistance scheme.

Mr GUNN: In March 1985, the former Minister (Mr Blevins) initiated a report into a centre for veterinary science in South Australia. It was concluded on 5 July 1985. Has the Government or the department made any decisions about that report with a view to establishing the centre? I understand that there was considerable support from sections of the veterinary profession.

The Hon. M.K. Mayes: Is the honourable member referring to the centre for excellence for post-graduate development in veterinary science?

Mr GUNN: Yes, the report by Professor Nairn of Murdoch University.

The Hon. M.K. Mayes: A submission has gone to Cabinet and been referred back to the Minister responsible for tertiary education. I have had discussions with representatives of the professional bodies and the industry. Some \$100 000 for each of the five years would have to be found. The matter has been sent back to the responsible Minister.

I think that there is some degree of sentiment and support from a number of Cabinet Ministers, but it is probably up to the Minister of State Development to seek that funding. I certainly had comprehensive discussions with those professional leaders of the delegations with which I met.

The Hon. TED CHAPMAN: My question relates to overseas projects. I note the significant list of Government involvement in projects outside this country through the Department of Agriculture in a wide ranging area in the Near East, Middle East and Far East, as explained by Mr Hogarth. Does the Minister agree that the most significant and financially satisfying—and the most satisfactory from a result point of view—was the project commenced by the Tonkin Government on a 5 000 hectare property near Irbil in Iraq? I ask the Minister to confirm that that five-year project is completed and to say whether the South Australian Government has met all of its commitments in relation to that project and whether the Iraqi Government has met all of its commitments including payment to the State?

The Hon. M.K. Mayes: I think that it would be subjective to say that that is the most significant project. My understanding of the contracts undertaken by SAGRIC indicates that there are a number of significant projects. That project involved about \$9 million. There are a number of benefits that have come to South Australia from that project: I suppose that one is the exchange of students. Obviously, another is the linkage with the Middle East.

We have not received final payment from the Iraqi Government. The honourable member would appreciate that there is some sensitivity about how I answer his question. In relation to our commitments under the contract, we are insured for those parts that we expect to receive payment for. We are confident that we will receive payment, but there are some problems because of the war currently being waged between Iraq and Iran.

The Hon. TED CHAPMAN: That has been proceeding since before the project commenced in 1981.

The Hon. M.K. Mayes: I appreciate that. The honourable member is aware of statements in the press regarding the Iraqi Government's position as a consequence of its expenditure on that war. That impact flows on to us.

The Hon. TED CHAPMAN: I do not want the Minister to enter into that sensitive area. I appreciate the position.

The Hon. M.K. Mayes: The General Manager has advised the board and advises me today that he is quite confident that we will receive payment.

The Hon. TED CHAPMAN: Can the Minister give the completion date of that contract and the round figure involved in disputed payment at the moment? I appreciate that it is not appropriate to discuss further details. Will the Minister confirm that all of the projects, including the ones in that region, are approached under the canopy of the cost recovery policy in relation to each and every project that the South Australian department enters into, whether directly with the recipient country or via the Commonwealth under contract, that each contract is subject to full cost recovery, and that the State is not subsidising any of those exercises?

The Hon. M.K. Mayes: I do not have the exact date of the conclusion of that contract, but it was in 1985. I will take that question on notice. The amount outstanding is not in dispute: we are waiting for \$500 000. All of the projects are on a profitable basis.

The Hon. TED CHAPMAN: My next question relates to allowances payable to departmental personnel. Will the Minister put on the record the daily or living away allowance available to officers of the Department of Agriculture when they are out of town but within the boundaries of the State, and the rates payable to officers when interstate. I

appreciate that there is a range of rates for officers who are out of the country, but I do not wish to pursue that matter at the moment.

When answering my question will the Minister indicate—bearing in mind that he does not have the detail that I require at hand—the number of officers in his employ who qualified for that allowance during the financial year ended June 1986 and the total amount paid for that purpose?

The question is in several parts and may sound complicated. However, I am aware that as a matter of policy in the past a record has been kept in the department for the purpose of being able to identify the figures that I require at short notice. I appreciate that they are not available to the Minister at the moment. I would appreciate his response to the first part of my question.

The Hon. M.K. Mayes: In relation to the latter part of the honourable member's question, that will have to be taken on notice, and duly recorded in *Hansard*. The Senior Finance Officer will pursue that matter for the honourable member. The Director-General has just advised me that an amount could be paid to some 500 or 600 people, so it is a job of no small magnitude in getting that information together.

The Hon. TED CHAPMAN: I understand that there is a cooperative record of the amounts involved and that it would not be a difficult problem to obtain that information, with the equipment that the department has. However, I will leave that matter with the Minister.

The Hon. M.K. Mayes: I shall provide that information direct to the member for Alexandra. In relation to the first part of the question, the payment is \$45 a day in relation to intrastate and \$90 a day for interstate.

The Hon. TED CHAPMAN: Can the Minister indicate the extent to which fringe benefits tax, if any, is payable on those allowances and whether the amount involved will be charged against departmental lines or against another State revenue line? Evidence that we have indicates that at some locations in the State public servants are enjoying free transport and other associated expenses which, in ordinary circumstances would attract fringe benefits tax. There is a classic example on Kangaroo Island where I understand that a departmental officer or two and a number of other public servants (about 140 public servants are located on Kangaroo Island servicing various Government departments, authorities etc.) are enjoying free transport for themselves and their wives and that vehicles can be transported once a year on the *Troubridge* for free. In raising this matter, I realise that the Minister can only comment on the position in relation to his departmental officers.

The Hon. M.K. Mayes: I am not aware of that facility being available to departmental officers. I will have to inquire about that and provide a response later.

The Hon. TED CHAPMAN: I would appreciate information on that matter, if it is available, confirming whether or not that is the position.

The Hon. M.K. Mayes: I am informed that there is a special provision applicable where someone has a medical problem in a remote area.

The Hon. TED CHAPMAN: That is different altogether.

The Hon. M.K. Mayes: We will pursue that matter. In relation to the honourable member's question about fringe benefits tax and its impact on the department, it is estimated that it will cost about \$50 000 per annum which, by direction of the Premier and Treasurer, will be absorbed by the department. The breakdown is roughly \$15 000 on housing subsidies for our officers in designated areas (obviously, there are reasons to encourage officers to remain in the service of the department) and \$35 000 for cars, a matter

to which the honourable member has referred already. I am not sure that the benefits are as generous as suggested by the honourable member in his question.

The Hon. TED CHAPMAN: \$50 000 would seem to be a low figure; however, I will look at your *per diem* figures when they are provided.

The Hon. M.K. Mayes: I will now ask the Director-General to comment further on this matter.

Dr Radcliffe: There are a number of components of the fringe benefits tax which affect the Department of Agriculture. The position as I understand it—which is not necessarily guaranteed—is as follows. First, there is the question of motor vehicles. Where officers take motor vehicles home, the office to home mileage is subject to a fringe benefits tax. That happens, first, in country areas where there is no location to park a vehicle, and it may also occur where an officer goes from home to a farmer for an extension visit, or whatever. This is done rather than going from his home to his office in order to start the day and then going off to see a farmer, which in some respects can be fairly unproductive. Only one officer is entitled to have the formal daily use of a motor vehicle for home to office mileage, and that is the Director-General.

In addition, there is a liability for fringe benefits tax for houses occupied by departmental officers. This depends on the location in the State, but within a 40 kilometre radius of Adelaide, and for Whyalla and Mount Gambier a higher rate applies than for other country locations, and because houses, say, on country research centres have a relatively low rental rate, that is then equated with the Housing Trust rate and commercial rates in Adelaide, which means that there is some sense of a benefit considered to be accrued to an officer and so a tax has to be paid on that. No fringe benefits tax is paid on the actual reimbursement of travel costs to officers going about their business, because, in fact, those are the payments made for costs necessarily incurred and therefore there is no fringe benefit. Also, the Director-General receives an allowance of \$2 000 per annum, and that would also be subject to fringe benefits tax.

Mr D.S. BAKER: I refer to the rural adjustment scheme and in particular to the farm build up scheme. It appears to me that the very people whom we are encouraging to stay with agricultural pursuits and build up the size of their farms, under this Act are being precluded. Will the Minister make representations on behalf of these people to the Commonwealth Government in an endeavour to see whether something can be done?

I will explain what happens. If a person has a small farm—and we will take the South-East as an example—of 400 acres, which is not viable at this stage, in many cases the husband may go away and shear for eight months of the year or work in the vineyards and the wife go out to work. They do that specifically to earn enough money to buy the farm next door when it comes up. However, under the farm build-up scheme, because their off-farm income is too great, they are not eligible to be participants in the scheme, and these are the very people we should be encouraging to be part of the agricultural scene. They are being discriminated against. Can the Minister help in such cases?

The Hon. M.K. Mayes: Perhaps the honourable member will need more time to pursue this. I shall be happy to hear from him soon.

Mr D.S. BAKER: I think it is an area we should both pursue.

The Hon. M.K. Mayes: The full answer to this would be extensive, and I do not have the time to give it. In the situation currently there are opportunities for people who have off-farm incomes, and I know a number of people

have applied for the rural build-up scheme under rural adjustment. I have relatives in that situation. If such people can show they are in a viable economic situation, they are eligible but, obviously, the honourable member has some particular details relating to some examples which might fall between the two guidelines, and it is probably worth pursuing that later rather than giving a very short answer today.

Mr D.S. BAKER: The problem is that their off-farm income with the two of them working is greater than their net farm income.

The Hon. M.K. Mayes: Basically the honourable member is referring to a change in the Commonwealth Act, and I am happy to take it up and discuss it with him later, and I am sure the officers are also happy to do so.

Mr GUNN: I note that \$1.4 million has been provided for TB and brucellosis. How much of that will be used to proceed with the program to eradicate TB in the 30-odd deer herds that I understand are currently in South Australia? We had emotional reports when it was necessary to destroy some of the deer found to be heavily infected with TB. Can the Minister assure us that the eradication program will continue and that the funds necessary for compensation will not come out of the Cattle Compensation Fund but will come from other resources or from the deer industry?

The Hon. M.K. Mayes: The situation is extremely complex. There are a number of matters being dealt with at various levels in relation to the incident we had earlier this year and also the implications for the cattle industry and, as the honourable member has said, the Cattle Compensation Fund. I have held discussions with representatives in the deer industry, and I think I commented on this recently when we had the Animal and Plant Control (Agricultural Protection and Other Purposes) Act before the Parliament. I said then what is available. There are discussions continuing with industry representatives in relation to compensation and with the deer industry with regard to raising funds for research. There are discussions about eradication, and also in relation to the program of identification and how the deer herds should be registered in this State.

So, there are a number of matters being discussed. It is an extremely complex and very sensitive issue. I think that a great deal of good feeling has been established between the deer producers, the Deer Association of Australia, the cattle industry, the department and professional representatives who have been involved in the discussion. Under program 6, moneys are set aside to assist in this area of eradication and registration. I appreciate the point, and I can assure the honourable member that it is of concern to the Government.

Mr BLACKER: Earlier in the year before the season broke I raised with the Minister's office the concept of a crop planting scheme similar to that which has been introduced by the Victorian Government, and a variation of that introduced by the Western Australian Government. At the time the Minister or the department deemed it not to be necessary, and I guess that a late and good break saved the day. I can easily foresee that such circumstances could arise next year, and I am wondering whether the Government has any plans for a crop planting scheme or something of this kind.

Many effects could follow in a community if crops are not allowed to be planted. I understand that in the Victorian Mallee circumstances arose whereby farmers were refused finance to permit planting of a crop. The Government then indicated it would allow the crop to be planted. It may well be that the financier, the Government, or someone else will get the proceeds of that crop. This situation gave the farmer

one last chance to rearrange his affairs and, if you like, get out with some dignity. In addition it prevented a shortfall of funds in a particular community. We all know that, if a community had half a dozen farmers who were not allowed to plant a crop, the effects on that community could be quite drastic. In the longer term, it was deemed to be desirable to have the crop planting scheme. I understand the Victorian scheme this year has been very successful. Perhaps the good season has helped make it successful.

The Hon. M.K. Mayes: There has not been any detailed discussion or approach to the department in relation to the type of proposals the honourable member is suggesting. As he is probably aware, a study is being undertaken on the far west coast, and I understand that we are still working out the details. Although not totally relevant to the point made, it would cover to some degree the issue raised by the honourable member.

The response within the department, and possibly the Government, would probably be that we are putting non-viable farmers further into debt; that is the great danger. I certainly would be prepared to look at it on the basis of what the honourable member has raised, having regard to what is happening on the West Coast and the study that we hope to undertake soon.

Mr BLACKER: I thank the Minister for his reply. I got the feeling at the time that it was not being considered seriously. However, we did get the break of the season, as late as it was, and that relieved the circumstances. The people who contacted me were able to plant their crops, but until that stage they were not able to buy their super or their fuel. Until the season broke, they were in that almost destitute situation. Now that they have that breathing space, I hope that they budget wisely. I would be pleased if the Minister could take that matter up and I would be more than pleased to discuss the options that have been brought to my attention.

The ACTING CHAIRPERSON (Mr Duigan): There being no further questions I declare the examination of the vote completed.

Works and Services—Department of Agriculture,
\$2 800 000—Examination declared completed.

Fisheries, \$4 859 000

Chairperson:
Ms D.L. Gayler

Members:
The Hon. P.B. Arnold
Mr D.S. Baker
The Hon. Ted Chapman
Mr M.G. Duigan
Mr J.H.C. Klunder
Mr P.B. Tyler

Witness:

The Hon. M.K. Mayes, Minister of Agriculture, Minister of Fisheries and Minister of Recreation and Sport.

Departmental Advisers:

Mr R.A. Stevens, Director of Fisheries.
Mr G.V. Rohan, Fisheries Manager.
Mr R.G. Bridge, Administration Manager.

The ACTING CHAIRPERSON (Mr Duigan): I declare open for examination the proposed expenditure. If the Minister wishes to supply any information to the Committee, it must be in a form suitable to *Hansard* and submitted to *Hansard* no later than 31 October. I propose to allow the lead speaker for the Opposition the opportunity to make an opening statement, if he so desires, and I will provide the same opportunity to the Minister.

The Hon. P.B. ARNOLD: The areas in which I would be interested are the important St Vincent Gulf fishery, particularly the importance of the prawn fishery within that gulf, as well as the Copes report recommendations in relation to the St Vincent Gulf fishery. I refer to page 184 of the Copes report. Could the Minister give an indication of the 12 principal recommendations that were made?

The Hon. M.K. Mayes: I thank the member for Chaffey for his indication to the officers of the major areas that he wishes to address. I would have to concur with his summation of the situation, that that is one of the major areas of interest facing the department. A primary concern is how to address the problem in that fishery. In my appointment to this portfolio I am very pleased and proud that I have had an opportunity to be involved with this department. Also, I am very proud of the style and skill of management which has been exhibited by the Department of Fisheries in my brief period as Minister.

I think that we are very fortunate in having one of the best management teams in the Public Service in this State. I would say that it is unsurpassed when compared with interstate departments. The skill and talent involved is underestimated. Given the strain on resources and the ever-increasing demands that are placed on members of the department, I applaud the excellent work that is done by its officers. There are some major issues in this State with regard to our fishery resource. We have some difficult decisions to make and one involves the St Vincent Gulf fishery.

It is pleasing to report the very real progress being made in the management of South Australia's aquatic resources through the combined efforts of the Department of Fisheries and representatives of both the commercial and recreational fishing industry. Whilst there will always be some difficulties in allocating access to our fish resources on an equitable basis, there is no doubt that South Australia has achieved a very good balance in the various management regimes applied to our more popular commercial and recreational fish species. This has been publicly acknowledged by Professor Parzival Copes who, in providing a report to the Government on the Management of prawn fisheries in South Australia, stated the following:

Fisheries management is difficult, given the many uncertainties in both the natural and institutional environment with which fisheries managers must cope. In managed fisheries around the world, in my experience, mismanagement in some degree or another is the rule rather than the exception, so that a management agency with a modest number of errors only must be rated favourably. As I have stated before, I consider that South Australia overall has one of the better fisheries management records in the world. Current DOF personnel have contributed to that record. I should also point out that an extraordinary degree of approval and support for the DOF in its management role has been communicated to me through briefs and letters from many components of the South Australian fishing industry.

In 1986-87, the Government has maintained a similar level of commitment to funding the work of the Department of Fisheries in both the recurrent and capital budgets, bearing in mind the budgetary constraints under which the Government is presently operating. The Government recognises that nearly all of our commercial fisheries are very tightly controlled in terms of numbers of licence holders and the management rules under which fishermen must operate. However, the ultimate aim is to achieve long-term viability

which will enable our commercial fisheries to provide the best economic return possible to the State, recognising that fluctuations will inevitably occur in both the yield from our fisheries and the price paid for fish. With this in mind, the department and the South Australian Fishing Industry Council are pursuing economic improvement strategies in nearly all of the State's commercial fisheries, with particular emphasis on the rock lobster fishery, where it is apparent that the same catch could be caught by far fewer operators. The Government is presently considering the results of the Copes inquiry into the management of South Australia's prawn fisheries, and I expect that the Government will be responding to Professor Copes' 12 specific recommendations within the next few weeks.

The marine scale fishery is one in which there is the greatest competition between the various users of our State's fish resources. Circulation of a draft policy document entitled 'Sharing Access to South Australia's Fish Resources' took place in September of this year, and I expect that a final policy document will be available for Cabinet's consideration early in November. The aim of this policy is to provide a clear and concise approach to resource sharing, and to provide appropriate forums for discussion amongst commercial, recreational, tourist and sport fishermen.

The Government is actively encouraging the development of aquaculture enterprises in South Australia through the aquaculture station at Port Noarlunga opened in February this year, and by providing an opportunity for two South Australian research scientists to visit China and Japan to observe aquaculture techniques for prawns and other species in those countries. Those two officers are currently in Japan.

The department has recently completed the final placement of artificial reefs in the upper Spencer Gulf area, making a total of nine reefs constructed in all through the provision of Community Employment Program funds worth \$790 000. There is no doubt that the artificial reef program has been a great success story, providing recreational fishermen with specified areas in which they can be fairly certain of catching fish.

The Government recognises the continuing importance of the fishing industry to South Australia. The total value of the landed commercial catch in 1985-86 was \$76 million, with direct employment available to approximately 2 500 fishermen and their families. Fishing also provides an important leisure activity for many South Australians, with the investment in boats and gear in the recreational sector being in excess of \$170 million. The combination of recreational and commercial fishing provides significant economic spin-off to many sectors of the South Australian economy, and it is therefore important to ensure that our fish resources are managed properly. I look forward to the cooperation of all user groups in achieving this goal.

The Hon. P.B. ARNOLD: While the Minister's opening speech was of great interest, we had only 1½ hours for questions, but that has been reduced to just over one hour. I deliberately did not make an opening address so that we could get into the questions. If we have speeches, we will not get any answers. I hope that we can ask questions and get quick, short answers as the Government has allowed us only one hour.

The CHAIRPERSON: I think that there was some agreement between the Opposition and the Minister about the timetable.

The Hon. P.B. ARNOLD: I said that I wanted to delve into the Copes report. Can the Minister explain where he stands on each of the 12 recommendations in that report?

The Hon. M.K. Mayes: I am aware of the time constraints. I was happy to start questions on Fisheries earlier

but I responded to the request. Part of the process is to have opening comments.

The Hon. P.B. ARNOLD: Granted, but it is obvious what the time restraints are.

The Hon. M.K. Mayes: If the honourable member is pressed for time, I can only say that I cannot give the Government response at this time because it has not made a decision. I have made a recommendation to Cabinet which I expect will be dealt with the week after next, whereupon the Government's response will become public. I can, however, make available to the honourable member for his consideration the department's response to the Copes report.

The Hon. P.B. ARNOLD: Is that available now?

The Hon. M.K. Mayes: We can make it available.

The Hon. P.B. ARNOLD: Perhaps the department could give a quick rundown.

The Hon. M.K. Mayes: I refer the Committee to the Director of Fisheries.

Mr Stevens: The department supports recommendations 1 and 2. In relation to recommendation 3, if the Government decides to appoint an independent Chairman to chair the management liaison committee, we will raise no objection, but we believe that we have the capacity to do the job ourselves. The Chairperson of that committee at present is a fisherman rather than a departmental officer, as is the case with the Spencer Gulf Prawn Fishery. The fishermen recommended that their representative be replaced, rather than ours.

The Hon. P.B. ARNOLD: I suppose that Professor Copes has recommended otherwise, because it has not been terribly successful in the past.

Mr Stevens: I shall not comment on that. As to recommendation 4, the department's research program for 1984-85 and 1985-86 has been directed towards refining biovalue estimates and optimal target size fishing strategies. Since 1984, harvesting strategies have aimed to direct the fleet via closures to prawns with an average size approximating 27 to 30 whole per kilogram. Since research commenced, the target size of 27 whole per kilogram has been achieved, so we have no problem with that recommendation. We have discussed recommendation 5 at length with the fishing industry, including the Port Adelaide prawn fishermen. Although the experimentation could be done, it would take time and be costly. Any change to the existing mesh size of nets would require considerable financial outlay by fishermen and an appropriate lead time. On balance, adherence to a strict harvesting strategy is more likely to achieve a better result, bearing in mind the overall budgetary constraints on undertaking the work in the first place.

The Hon. P.B. ARNOLD: So you support the principle?

Mr Stevens: Yes. Recommendation 6 is that the Government should change the formula for calculating the licence fee. The current fee formula is accepted and understood by the industry and it achieves the same result as that recommended by Copes. As for recommendation 7, concerning the status of the two Investigator Strait permit holders, the department considers that the two experimental fishery licence holders should be recognised as having the same rights and obligations as the St Vincent Gulf Prawn Boat Owners Association members on the basis of their well established commitment to the fishery, their positive cooperation with research surveys and overall management, and the fact that they have previously held Commonwealth licences to fish the Investigator Strait area prior to the change to State jurisdiction. However, this recommendation is partly tied up with recommendation 9, which is to do with the removal of vessels from the fishery.

The Hon. P.B. ARNOLD: So you support recommendation 7 in principle, subject to the decision you make in relation to recommendation 9.

Mr Stevens: Recommendation 7 is that the future of those two fishermen should be determined by the Government on the basis of equity considerations. What the department has said in response to that is that we recognise them as having the same rights and obligations as the St Vincent Gulf people. Recommendation 8 is that limited entry licensing should be retained. We support that recommendation. I turn to recommendation 9. There is no doubt that this is the most contentious and potentially divisive recommendation, partly because of the number of vessels that it is suggested should be bought out—six—but mainly because Professor Copes has left it to the Government to work out how the actual process should operate. More importantly, the question of who should be bought out and for how much and where the initial funds will come from, will need to be addressed carefully. This recommendation requires a period of careful discussion as to the appropriate number of vessels and how the actual removal of vessels should take place.

The Hon. P.B. ARNOLD: So you agree with a reduction of six vessels?

Mr Stevens: If a reduction of six vessels could be achieved relatively easily, which I do not think it can be, yes, I would support it; in terms of stock management, a reduction of six vessels would be in the best interests of the fishery. Recommendation 10 says that any fishing allowed in the Gulf of St Vincent combined fishery should be strictly controlled; we agree with that. Regarding recommendation 11, the department suggests that caution be exercised in implementation of this recommendation. In particular, it would be prudent to await full recovery of the fishery before taking action on this recommendation. The same comment applies to recommendation 12.

We are saying with regard to recommendation 12 that we should await the full recovery of the fishery before we do anything about taking up any further surplus fleet capacity, if there is any. As an overall comment, I say that Professor Copes has probably gone for the best possible option in terms of vessels out of the fishery—and the hardest one.

The Hon. P.B. ARNOLD: Everyone is waiting anxiously to find out where the Government will come down in relation to this matter, because it could have massive implications for those involved in the industry, particularly the two persons in Investigator Strait.

The Hon. M.K. Mayes: The member for Alexandra has made remarks about these two fishermen. I have met the two fishermen involved.

The Hon. TED CHAPMAN: The Minister must have been impressed.

The Hon. M.K. Mayes: I was. The honourable member raised the question of equity. This is not a limited word but an all encompassing word. The equity would be addressed by the recommendations which I have put to Cabinet and which it will consider on 13 October. Hopefully, we can then get on with the process of addressing the major problems that we have in the Gulf of St Vincent with regard to that resource in particular.

The Hon. P.B. ARNOLD: What is the current situation in relation to the abalone industry in the Gulf of St Vincent, particularly in relation to pollution and disease problems in that fishery?

The Hon. M.K. Mayes: I could go on all afternoon about this matter, so could the honourable member be more precise about which specific aspects of the abalone industry in

the gulf he is referring to? I am happy to answer precise questions about what is happening there.

The Hon. P.B. ARNOLD: Will the Minister give a brief indication of what is happening and perhaps a more detailed statement can be provided at a later date. The previous Minister was scathing in his attack on me and members of the Legislative Council when we dared raise the issue of abalone 12 months ago saying that the species in the Gulf of St Vincent was in trouble.

The Hon. M.K. Mayes: Following discussions with the Abalone Management Liaison Committee a survey of the affected areas from Stansbury to Edithburgh was undertaken in September 1985 by departmental research staff with the assistance of an abalone diver. Abalone were examined for evidence of disease, heavy metals and organochlorines. There was scanning for contamination because a diver claimed on the program *60 Minutes* that pollutants in the Gulf of St Vincent were responsible for the decline in stock. No evidence of disease was found.

In fact, later in 1985 a diver sent samples of greenlip abalone to Dr Lester, whom the department uses through the Institute of Medical and Veterinary Science. He is a marine parasitologist at Queensland University. In 1979 Dr Lester discovered Perkinsus disease in blacklip abalone from Neptune Island in South Australia. He advised the department of his discovery. In May 1986 a pilot study of the incident and geographic extent of the disease was commenced in cooperation between the parasitologist of the Central Veterinary Laboratory, the Abalone Divers Association and the department.

Collections of blacklip and greenlip abalone have been taken from 12 sites in different parts of the State for analysis. They are presently being screened for Perkinsus disease as well as other parasites. Results of this study are expected by December of this year. Depending on the findings, a further program of study will be developed. While these studies are proceeding, the department has required divers fishing off Eyre Peninsula, where the disease is known to exist, to bring abalone onshore unshelled and shell them on land. This is the only known way of limiting the spread of the parasite.

The Hon. TED CHAPMAN: Does the Minister fully appreciate the record and background of the two Investigator Strait fishermen referred to by his Director—that these men are professionals in one form or another of permitted activity and that they have cooperated with the department? Does he appreciate also, and will he have regard to the fact, that they are good blokes in their own right as well as having been, for a number of years, victims of an attack on them by Crinkledick, whom I referred to earlier? Accordingly, when making major determinations about their future, it is desirable to treat them and their past activities on merit rather than trying to mix them in with that other crew, bearing in mind that they are like oil and water and that the two do not mix.

The Hon. M.K. Mayes: What more could one advocate than that 'They are good blokes', as they were described by the member for Alexandra?

The Hon. TED CHAPMAN: No question about that.

The Hon. M.K. Mayes: I do not argue with the honourable member. I attended a United Farmers and Stockowners Association annual general meeting at Kingscote where I found that the regional branch was more concerned about the likely impact of the Copes report on the two fishermen in the area than about any other issue.

The Hon. TED CHAPMAN: Did they look after good blokes? They are top men—that is what I am saying.

The Hon. M.K. Mayes: That reflects on the community itself. The questions put that night related more to what was happening in relation to the Copes Report in terms of Investigator Strait fishery rather than what was happening in the rural industry. It took me a while to adjust to that, but having met the people concerned I can understand their concerns, as they have shown a commitment to that fishery. When considering this matter I think Cabinet will appreciate that commitment to the overall fishery in that area.

I will not comment on the honourable member's passing remark about Mr Corigliano, other than to say that I think some of the fishermen operating in Gulf St Vincent prawn fishery do have an appreciation of the problems experienced by the fishermen in Investigator Strait. Those fishermen have a different type of licence which does not have the same security as does the licence of fishermen operating in Gulf St Vincent proper. I am aware of the commitment of these fishermen to the fishery and, certainly, the advice from the department, which will be conveyed to Cabinet, is that we must give some definite consideration to the position of these fishermen, who are certainly part of the fishery, and must be seen as such in relation to whatever recommendation Cabinet accepts on the Copes Report. I appreciate their concerns and the anxiety that they are feeling at the moment. As the Director has said, in addressing this problem, the fishery must be considered as a whole and not just in bits and pieces. I hope that when Cabinet's deliberations have been completed, I imagine on the 13th, we can then relieve some of the anxiety presently felt.

Mr KLUNDER: The Government and the Department of Fisheries have received considerable publicity over the past three years in relation to the establishment of artificial reefs in various waters of South Australia. Can the Minister provide the Committee with a report on the progress of the artificial reef program and, in particular, whether the reefs have been successful in increasing the availability of fish to recreational fishermen?

The Hon. M.K. Mayes: I had the great privilege of inspecting with the department one of these reefs at Whyalla earlier this year. I put on record again my congratulations to the department and the officers concerned in this program of artificial reefs. This has been a milestone and it demonstrates the success rate that the department has had with more than average frequency in regard to delivering the goods in relation to programs that it has instituted. The artificial reef program has been very successful within the fish habitats, certainly in Gulf St Vincent, Spencer Gulf and Nepean Bay, Kangaroo Island. I would encourage members to inspect underwater one of these reefs. We are finding some startling information, and our biologists are very excited about what is taking place. The exercise, supported by the CEP program, employed some 47 people in building these artificial reefs using old tyres. It was a real eye opener, and an unparalleled success, particularly when one considers that the Japanese spend millions of dollars building elaborate cement constructions and then sinking them to construct these reefs, while we used old tyres and achieved great results.

Five reefs have been placed in Gulf St Vincent near Ardrossan, Grange, Glenelg (2) and Port Noarlunga. Officers conduct regular underwater counts of the fish species and their numbers in the vicinity of the metropolitan reefs and a student from the University of Adelaide in association with the department is undertaking algal colonisation and successional studies on one of the tyre reefs. The fish census has recorded up to 25 species with a total of 10 000 fish occurring on the tyre reefs. Prior to the placement of these reefs it was rare to observe any fish in these areas. Recre-

ational anglers report good catches of King George whiting, rock fish, garfish and the occasional snapper from these reefs, where previously fishing had been barren.

Four tyre reefs were placed in northern Spencer Gulf near Blanche Harbor (Port Augusta), Lowly Point (2) and Cockle Spit (Port Pirie) in late July this year. The initial monitoring of fish numbers on these reefs commenced in September. One of the tyre reefs near Lowly Point was placed in a suitable area close to shore and provides a site for scuba divers without a boat to have an opportunity to observe fish attracted to the reef. Divers have already commented on the number of fish species that they are observing. From comments that have been made to me, I know that the people who are aware of these reefs are delighted with what is happening. The department will continue to monitor the fish numbers at the reefs. So, I can say that this represents another big gold star for the department.

The Hon. P.B. ARNOLD: I support the program wholeheartedly. Is the department committed to an ongoing program to increase the number of reefs year by year?

Mr Stevens: The previous artificial reef program has been conducted with the support of the CEP funds. The department does not have specific funding allocated this year to undertake any further artificial reef construction, and at the moment we have no further submissions to construct artificial reefs at other locations along the South Australian coastline. However, quite a number of local government authorities have written to us and asked for our assistance in constructing reefs and placement of reefs on sites appropriate for them. That is an ongoing process. To my knowledge, we are assisting three or four local government authorities at the moment. However, there are no plans involving further large scale reefs of the kind put in the upper Spencer Gulf and adjacent to the metropolitan coastline.

The Hon. P.B. ARNOLD: Surely, in the interests of the tourism industry and recreational fishing, further investment, even if it was on a joint basis with local government, would have great potential, because of the enormous value of recreational fishing to the tourism industry. One of the biggest problems faced around the coast as far as tourism is concerned is that at many of the very popular spots one has to be a very good fisherman to get a feed of fish. Certainly, cooperation between the department, local government authorities and the tourism associations in the relevant coastal areas would lead to the development of a very worthwhile joint venture.

The Hon. M.K. Mayes: I would have to agree with what the honourable member has said. In our opinion it is a very worthwhile program to promote. From the initial responses we are getting and the biological information being collected from it, it would seem it is certainly a worthwhile project to support. There are tremendous benefits from the aspect of tourism and, certainly, for South Australian recreational fishermen. There is currently a program of cooperation in which we give our services and advice free to local government. There is a program with Port Broughton council, Port Lincoln and Franklin Harbour are also looking at it, and we will be offering them professional advice.

There are other ways we can undertake to create artificial reefs. As the honourable member is probably fully aware, we also have sunk old barges. We are looking at other ways in which we can provide in a much cheaper form a natural habitat for the congregation and breeding of fish species. I can assure the honourable member that we will continue to do that. At this time we do not expect funding on the same basis as we received it for the tyre reefs. I am extremely keen on the idea being pursued, and I think that with the

stress our fisheries are under, with the high number of amateur recreational fishermen plus commercial fishermen, we have to do something like this in order to preserve fishing as a recreation.

The Hon. P.B. ARNOLD: There are still a number of conflicting articles being written in relation to the pollution from the sediment on Aldinga reef. Has it been accurately determined whether or not the storm drains in that vicinity are contributing to the degradation of the reef?

The Hon. M.K. Mayes: There has been some attention to this issue from the press and key people in the community in the past few weeks. For some time the Scuba Divers Federation of South Australia has strongly protested that these drains are seriously affecting the health of the reef and should be removed at a cost in excess of \$2 000 000. The Department of Fisheries and the Department of Environment and Planning investigated the matter and concluded that, although it would be preferable to have no discharge to the reserve, the discharge from the drains is minor compared to that from other sources, for example Willunga Creek, Silver Sands Creek and runoff from adjacent clay cliffs. The South Australian Department of Fisheries prepared a detailed Aldinga reef study brief for the Scuba Divers Federation of South Australia whose members wished to undertake a monitoring program. The study was not taken up.

On two occasions during rainstorm events in July 1986, research staff of the Department of Fisheries visited the Port Willunga-Sellicks Beach area to observe stormwater drain and local creek outflows. Significantly greater volumes of turbid water drain from the local creeks into the near-shore waters. A private consultancy firm commenced a sediment monitoring program in the Aldinga reef area in April 1986. This has involved on-site underwater sediment traps to collect sediment samples, and aerial observations from a light plane of sediment plumes from the creeks and drains.

Preliminary results from the aerial survey indicate that large volumes of sediment in the coastal waters are derived from rural lands and are, in many cases, the result of bad catchment and bad soil management practices. The sediment traps also indicate that the majority of sediment in the area is derived from the creeks rather than from the drains. The final report on the private consultants' study is expected to be available in December this year. Any further action on the matter will no doubt be determined by the District Council of Willunga.

Mr TYLER: Members will recall that the marine research vessel the *Ngerin* was launched by Mrs Angela Bannon in June 1985 and fully commissioned in September 1985. Could the Minister say what research equipment is incorporated in the vessel, and also give a summary of the first 12 months of the vessel's operations?

The Hon. M.K. Mayes: For one reason or another, there has been some attention over the years to the department's research vessel. The vessel is operating successfully and regularly, and I know that because of their enthusiasm for the work the personnel involved have, on many occasions, had to be dragged off and sent home. The vessel is equipped with most of the small scale fishing gear utilised in South Australia. These include a single rig otter trawl, rock lobster pot hauler, a longline winch and associated winch drums and hydraulic system.

Specialised scientific equipment incorporated into the vessel's design includes an oceanographic winch used in conjunction with a HIAB crane on the forecandle deck, a continuous recording thermosalinograph for recording surface temperature and salinity, an expendable bathythermo-

graph, XRT, for continually recording temperatures to depths in excess of 2 000 metres and a small computer interface for data storage and logging. The wheelhouse is equipped with many modern aids to assist in the vessel's fishing and research operations. These include both black and white and colour bottom lock sounders, auto pilot, satellite navigation, radio systems and a colour radar.

Following the commissioning of the *Ngerin* in September 1985, the vessel has successfully carried out its first nine months operation. The crew of three and all research personnel who have been on board have competently carried out all cruise plans, and the vessel did not lose any planned sea time throughout the first operational period. The vessel operated for 141 days at sea on the following programmes:

Marine scale fish	38 days
Abalone	12 days
Upper Spencer Gulf baseline study	22 days
Prawns	36 days
Plankton	18 days
Crabs	10 days
Oceanography	5 days

I think that should give the honourable member a very detailed background as to what is happening.

Mr TYLER: In addition to the established commercial and recreational fisheries in this State, could the Minister provide any information on prospects for underexploited or new fish resources in South Australian waters?

The Hon. M.K. Mayes: The department has recognised a number of potentials in relation to the future development of fisheries in this State. I have mentioned the significant potential there is for development of aquaculture of a number of South Australian species, which have been identified as having some potential—western king prawn, greenlip abalone, yellow fin whiting, Murray cod, callop and eels. The majority of those species has the following characteristics which make them attractive for aquaculture: their biology is known; technology for exploiting the biology is available; the species is fast growing and can attract significant prices; and established markets and potentially new markets have been identified. The species that have already been subject to being cultured in South Australia include the Pacific oyster, brown trout, rainbow trout, and freshwater yabbie.

To assist in the development of the aquaculture in South Australia the Government has established an aquaculture research station, comprising a hatchery with freshwater hatchery room, marine hatchery room, algal culture, two general laboratories, a public display area and sleeping quarters, and 14 by 0.2 hectare grow out ponds (nine freshwater and five marine), and that is the complex in the southern part of the metropolitan area.

It is carrying out research on species mentioned above, so as to provide the technical and biological background and the data required by potential proponents in developing aquaculture enterprises. To further assist that, there has been a number of incentives and options which may be available to proponents following assessments, and those include preferred immigration access to applicants who can demonstrate an acceptable level of assets and formally propose the development of aquaculture enterprises in South Australia.

In order to recognise the clear potential for prawn aquaculture in this State, as I indicated in my opening remarks, two South Australian experts (the Manager of the Gulf St Vincent prawn fishery and a biologist who is an expert in the area) have just been to Japan and also Shandong province in China as part of an exchange of information with the Chinese. I believe that we are endeavouring to identify the commercial potential that is available and we believe that there is a huge potential available in this area. We will

foster, as quickly and as efficiently as possible, the proponents and the opportunities, both in a commercial sense and in an industry sense, so that there may be perhaps joint ventures developed, or a use of our expertise to assist the proponents who want to go into the industry.

Mr D.S. BAKER: I was staggered to notice that marron was not included on that list in the aquaculture area. I know that in South Australia there is a considerable interest in marron. From the discussions that I have had with the department there seems to be some reluctance on its part to speed up the introduction of marron into this State.

The Hon. M.K. Mayes: It is not a native species and therefore requires importation.

Mr D.S. BAKER: It is a native species of Australia.

The Hon. M.K. Mayes: But not of South Australia; it comes from Western Australia.

Mr Stevens: Over many years the Australian Fishery Council has suggested, and the States have accepted, that native species, as far as possible, should be kept in their own habitat and general area. Marron and barramundi are not species which are native to South Australia. Certainly in my time, applications by people to bring barramundi into this State have been refused on the basis that the species is not native and that they may impact on the native species that occur naturally in our environment, but marron farming generally has been undertaken in farm areas where there are dams on the properties, etc. The department has encouraged marron farming, provided that we can get certification from the proponents of those schemes and from the local fisheries authority in Western Australia that the marron are disease free. In the honourable member's own electorate there is a particular constituent who has written to us on a number of occasions about his marron farming operation and on both occasions that he has written to us we have been able to assist him with his operation. As a department we would prefer to see a yabby culture rather than a marron culture take off, because the yabby species is native to the State and it is a species that I think has as many qualities, if not better qualities, than marron. I suppose it just happens to be that marron is the one that seems to respond to aquaculture far better than yabbies.

Mr D.S. BAKER: I totally agree with that. I think that the marketplace should really determine into which areas we go. There is more than one person in the South-East who is interested in this and in fact it has started and there is considerable interest in other areas. I hope that the department does not inhibit the investigation of aquaculture in that area, because, on the surface, the potential seems to be quite good for this State.

The Hon. M.K. Mayes: The thing that would worry me most would be the impact on the native species. I think that the Director would be derelict in his duties if he did not do exactly what the member for Victoria has suggested and did not look at every possible potential for the industry in this State. That is the specific direction which the Government is presenting to the department in forms of aquaculture and any other form of development of the industry where we can see a potential for development by South Australians to service the market, both here and overseas, so I would be happy to accept what the honourable member has said. I would not find it uncomfortable to encourage the department in that direction.

Mr D.S. BAKER: Will the Minister investigate and report on the *per diem* allowances of his officers and the impact of the fringe benefits tax on his officers in the Department of Fisheries in the same way that he said he would do for the Department of Agriculture?

The Hon. M.K. Mayes: We are talking about allowances for functions which are above the normal required functions to be performed in accordance with the duties and responsibilities. They are not, as I understand it, subject to the FBT.

Mr D.S. BAKER: There is some dispute as to whether or not the *per diem* is subject to the FBT it is our opinion that it is and I think that there was some question about it. Will you investigate it with the Department of Fisheries in the same manner as you have undertaken with the Department of Agriculture?

The Hon. M.K. Mayes: The question in relation to agriculture was a breakdown of allowances and I think that we can address that but, in relation to *per diem*, where an officer is engaged in carrying out his or her duties and receives a *per diem* reimbursement or a *per diem* funding, then I do not believe that that is subject to FBT. We can take that on notice and respond later. That would be our opinion, but the Commissioner for Taxation in this State may have a different opinion (I understand that he does not) and the Treasurer may have a different opinion again.

The CHAIRPERSON: If the Minister wishes to have any information on that matter inserted in *Hansard*, it needs to be in a form suitable for insertion and it must be provided no later than 31 October.

Mr DUIGAN: In the Minister's opening remarks he referred to the aquiculture research station at Port Noarlunga. Both on page 199 of the Estimates and page 685 of the supporting program descriptions I noticed a reference to the aquiculture research station and that it has been established over the previous financial year. It is stated also that some further studies would be initiated for the forthcoming financial year. Could the Minister indicate what studies they might be and the extent to which aquiculture has some economic future in terms of South Australian fisheries?

The Hon. M.K. Mayes: I think that perhaps, if the honourable member referred to my opening comments and my answer earlier to a question by the member for Fisher, he would be somewhat enlightened as to the areas that we consider have potential. To recapitulate, they are as follows: western king prawn, greenlip abalone, yellowfin whiting, Murray cod, callop and eels. That is the department's assessment. I think that the development of the aquiculture research station is quite important. There would be nine freshwater and five marine growout ponds. This complex will carry out research on the species that have been highlighted by me, namely: Pacific oyster; brown trout; rainbow trout and freshwater yabby. They are the major areas on which the station would concentrate and I think it is fair to say that officers in Japan and China would be looking at the prawn aquiculture in South Australia and the commercial viability of this development.

The CHAIRPERSON: I invite the member for Flinders to ask a question.

Mr BLACKER: Are the Minister and the department happy with the arrangements that were made following the spillage, or alleged pollution, of parts of Porter Bay as a result of the marina project and the diversion drain? I am not *au fait* with the present position, but I know that the department expressed some concern.

The Hon. M.K. Mayes: There has been considerable debate in the department; and between Ministers about how to deal with that problem. The solutions range from forcing the Adelaide/Wallaroo fertiliser plant to close immediately to allowing it to operate and pump waste acid into the environment. Such complex problems often strike Governments, which must decide how to dispose of waste liquid.

The waste at present goes into wetland. My view is that there is some degradation there already. The nearest environment seaward is the Proper Bay part of the coast, at the northern end of which there is some problem with tidal flows. There has been extensive negotiation and debate between the Minister for Environment and Planning, the Minister of Local Government and me and our officers. The only available alternative was to allow access to that part of the bay and to assess how much pollution is to be found there, and to monitor it with the help of the Department of Environment and Planning.

After December 1986, the company is required to seek suitable alternative waste disposal methods and there will be discussions between the Department of Environment and Planning and Adelaide Wallaroo Fertiliser Limited about what avenues of redress are available to the company to resolve the problem of waste disposal. The alternative available to the Government was to bund part of the wetland, bank it, and allow the waste to flow into it, with the aim of removing the polluted area. That would have been an extremely expensive process. It was also felt that that might not solve the problem but rather spoil the area and affect the remainder of the wetland. The matter has weighed heavily on the shoulders of everybody concerned.

I am concerned about the material going to the Proper Bay area and about the effect on the environment and fish. I hope that there will be minimal impact on the environment and the ecological structure. The department probably took the view that we should let the Department of Environment and Planning look after the problem. It does the monitoring. That goes back to the local government body in the area. What developed was illegal. We have inherited that problem. It is unfortunate, but the balance of the argument has tipped the scales towards sending the material into Proper Bay, but that will be monitored carefully.

Mr BLACKER: Do I understand from the Minister's reply that the drain is going into Proper Bay?

The Hon. M.K. Mayes: I do not think that I am able to answer that with 100 per cent accuracy but my understanding is that that is not the case at the moment. I think that a drain will be trenched from the base of the pipe.

Mr BLACKER: My understanding is that one has to go through the wetland to get to Proper Bay and you have either got to bank up or pipe the material through.

The Hon. M.K. Mayes: I was a member of the Public Works Standing Committee which went to the Porter Bay development. I could not get there for the hearing, but I have seen extensive plans and had an opportunity to see a photographic record of the areas concerned. The honourable member's assessment is accurate. Access is through the wetland. I would expect them to trench from the pipe through the wetland.

Mr BLACKER: What is the current position concerning blue crabs in the Streaky Bay and northern Bight areas?

The Hon. M.K. Mayes: Preliminary research observations indicate that there is scope for development of the blue crab fishery. Following extensive consultation by the department with the many interested groups involved (including local councils, fishermen, the South Australian Recreational Fishing Advisory Council (SARFAC) and the South Australian Fishing Industry Council (SAFIC)), Cabinet gave approval on 26 December 1984 for the introduction of three separate experimental crab fisheries.

Applications for new licences in the Spencer Gulf fishery were offered to professional net fishermen who were disadvantaged by the Government's decision in respect to netting closures in upper Spencer Gulf. The Government undertook that the issuing of experimental licences would

in no way prevent access to the crab fishery by recreational fishermen. The schemes of management for the three fisheries, incorporating Cabinet's decisions, were introduced in June 1985 and the licences took effect from 1 July 1985 as follows: West Coast fishery, four licences; Spencer Gulf fishery, six licences; Gulf St Vincent fishery, two licences.

All experimental licence holders provide detailed information on catches, effort, etc., and assist research staff of the department, when required. Due to various reasons (financial commitment, commitment to other fisheries) a number of original licence holders have since relinquished their blue crab licences. In response to large quantities of blue crabs marketed by prawn fishermen and seriously affecting the development of the fishery in its own right, the Government has determined that prawn fishermen not be permitted to sell their catch. The honourable member may recall a public statement to that effect.

The department is continuing to monitor the catch from the experimental fisheries to form an assessment of the resource potential. To date, all areas have proven viable, except for the Streaky Bay region. In response to councils' demands, the department will still prohibit activity in Davenport, Bosanquet and Murat Bays (adjacent to Ceduna and Thevenard). There seems to be quite a potential for developing a blue crab fishery in the State.

The Hon. P.B. ARNOLD: If the Minister accepts that the State's fisheries are a State asset and resource, then the Government's decision virtually wipes out the opportunity for recreational fishermen in future to obtain a pot licence to take crayfish. If the efforts of recreational fishermen have too great an impact on the resource, considering the size of the recreational fishing interest in South Australia, would it not have been better to reduce pot numbers rather than saying that those who have existing licences, so long as they renew them, can retain the three licences but that the other recreational fishermen in South Australia will be denied an opportunity of having even one pot, let alone two?

The investment of recreational fishermen in their pastime could be about \$20 000 or more. I appreciate that efforts, particularly in the southern rock lobster zone, are too great, but think that it would be a better move to reduce the effort of recreational fishermen by reducing pot numbers rather than stopping future recreational fishermen from endeavouring to catch lobster. I put this in a different category from netting because a recreational fisherman can go out with a handline and catch whiting or any other species, but it is very difficult to catch a crayfish on a hand line. I think that my suggestion is a much fairer way to handle the situation.

The Hon. M.K. Mayes: This negotiation occurred just prior to my appointment as Minister. I understand from the Director and my predecessor that what the honourable member is proposing was floated with representative organisations and rejected on the basis of their interests in the industry and their lack of catch. As a child I had a craypot at Robe, so I think I know what I am talking about. We used to retrieve pots by swimming out to them; otherwise it is a very passive form of recreation. Hoop nets and drop nets require far more activity on the part of fishermen in collecting fish.

It seems to me that what the honourable member is saying has merit. However, we work through the associations. I am sure that the honourable member appreciates that that is the only way that the department can operate—it cannot call a meeting of 295 000 recreational fishermen to sound them out for their views. We use associations as a form of testing the water. That policy has been followed by the department. Oppositions, whether Labor or Liberal, always

ask, 'Have you consulted the association's representatives?' It has been paramount in all Cabinet submissions that I have put forward that consultation has taken place. The reaction that I walked into when I made this announcement was such that I spent quite a time during my first few months as Minister meeting delegations representing recreational fishermen in all areas of the State regarding this decision. If I had taken the step that the honourable member is recommending I probably would have been tarred and feathered if I had gone to the South-east or anywhere outside the metropolitan area.

The Hon. P.B. ARNOLD: By those who already have a licence?

The Hon. M.K. Mayes: That is right.

The Hon. P.B. ARNOLD: About 1 per cent of recreational fishermen have a licence for three pots. That makes it a pretty closed shop for those who have such a licence can appreciate the vested interests of those in that category.

The Hon. M.K. Mayes: I take the honourable member's point. We have to live within the realities of the fishing environment. The two points I make are, first, that the honourable member said there is a finality about this matter, and that is not so. We are endeavouring to protect the resource as best we can.

The Hon. P.B. ARNOLD: I am not arguing about reducing the effort, which is too great.

The Hon. M.K. Mayes: There is an undertaking that there will be a review by February 1988 and that we will monitor the situation until that time, as we are endeavouring to do. That applies to both nets and pots. Figures for registered fishnets are as follows: in 1980-81 there were 11 582, and in 1984-85, there were 14 943. There were 8 310 registered lobster pots in 1980-81 and 18 021 in 1984-85. That is an indication of the pressure on the fishery.

The Hon. P.B. ARNOLD: Is there any statistical indication of how many people have a licence and how often they put a net in the water?

The Hon. M.K. Mayes: I will ask the Director to answer that question. However, it has been brought home to me on numerous occasions that it does not prohibit someone else using the registered owner's pot so long as it is in accordance with the guidelines.

Mr Stevens: Registrations are not transferable, but if the honourable member has three pots registered there is nothing to stop me using those three pots, provided the registration is carried with me. With respect to how they are being used and how much they are taking, the South Australian Amateur Fisherman's Association from the South-East area in particular, and Murray Bridge and Strathalbyn, is conducting a voluntary survey on the catch rate of pots.

The Hon. P.B. ARNOLD: Of amateurs?

Mr Stevens: Yes. It is a voluntary survey. We are asking people who register nets to do the same thing. The returns have not been encouraging because they are not mandatory. We hope to get some idea, particularly with pots, in relation to usage and catch rates, towards the end of the present rock lobster season.

The Hon. M.K. Mayes: I will add something about the difficulties we see in implementing what the honourable member proposes. I have received numerous letters from South Australians raising this issue. One of the problems is the administration process whereby we must issue new pots yet not end up in a worse situation than at present. We have had to be fairly firm about the situation with regard to the resource and the stress that it is under.

The Hon. P.B. ARNOLD: I see it as a totally different area from the fishing net in that one can go out with a

hand fishing line and catch fish. That is probably the best way. There is no way of doing that with crayfish.

The CHAIRPERSON: What is the honourable member's question?

The Hon. P.B. ARNOLD: Can the issue be further looked at? Considering the sort of capital that recreational fishermen have, I believe that the sort of closed shop situation that exists is undesirable, although I do not disagree with the need to have the effort in line with the ability of the resource to sustain that effort.

Mr Stevens: The recreational fishermen are entitled to use hoop nets and drop nets to catch rock lobster.

The Hon. P.B. ARNOLD: But a person has to sit out there bobbing up and down waiting and hoping.

Mr Stevens: I guess that applies also to line fishing. The use of drop nets and hoop nets provides much greater scope for recreation than just setting out pots. A problem that we had with rock lobster pots was that people were setting them on Sunday night and coming back and retrieving them on Saturday morning, and the consequent wastage of the resource was just shocking. So there used to be, and still are, some very bad practices applied by recreational fishermen in relation to the use of rock lobster pots generally. Hoop nets and drop nets are certainly a very active method of catching fish.

The Hon. P.B. ARNOLD: I have a letter from the District Council of Elliston in relation to a decision taken to disband the Inshore Fisheries Advisory Committee. In its letter to me of 19 August the District Council of Elliston hotly opposed the decision that had been taken. Will the Minister indicate the real reason for this and say what will be gained by disbanding the IFAC?

The Hon. M.K. Mayes: The honourable member has probably seen the reply that I sent to Mr Brazel, Chief Executive Officer of the District Council of Elliston, but I shall read it into the *Hansard* record. It is as follows:

You may or may not be aware that IFAC had experienced considerable difficulties in meeting its terms of reference; in particular, it had become quite apparent that IFAC could not 'promote and develop a cooperative approach to the management of the marine scale fishery'. Indeed, many of the submissions placed before IFAC were not based on any accredited biological, sociological or economic data, with the result that much of the discussion at IFAC meetings was unproductive, and in some cases provoked quite emotional discussion.

In considering all of the issues involved, State Cabinet decided that IFAC should be disbanded, and that a new body, to be known as the Tourism and Fishing Liaison Committee, be established to provide advice to the Minister of Fisheries. Representation on this committee is to come from the tourism and local government sectors, together with the Departments of Fisheries and Tourism.

I point out that the professional and recreational bodies concerned both felt that IFAC's time had well and truly passed and that it should become defunct. Little commitment was made by those bodies to support the continuation of IFAC. Consequently, I resolved that the only way around the problem was to establish a new and more workable committee structure, which would continue to give me the sort of advice that I needed, while not causing a bottleneck or being a non-event. Basically, that was the reason for the recommendation.

The Hon. P.B. ARNOLD: On a different subject: does the Minister support the requirements of the Department of Marine and Harbors in relation to river and lakes fishermen needing a sea-going coxswain's certificate to navigate across the Murray River? This is an absolutely absurd situation. I totally support the requirement for a coxswain's certificate for offshore operation of vessels, but most of the professional fishermen on the Murray River have been there all their lives. The situation exists where one can go to Berri

or Renmark and hire a 20 ton houseboat with a car driver's licence, but a professional fisherman who was born to the industry requires a coxswain's certificate to row across the river!

The CHAIRPERSON: Perhaps that question could be directed to the Minister of Marine next Thursday.

The Hon. P.B. ARNOLD: I will do so, but it is a matter of whether the Minister of Fisheries and the Director of Fisheries support such an absurd situation—yes or no.

The Hon. M.K. Mayes: This is the first time that this has been brought to my attention. I was not aware that that was a requirement of the Department of Marine and Harbors, and it does seem a little excessive. I will certainly take up this matter with the Minister of Marine now that the matter has been raised with me. As the Chairperson said, it is probably appropriate that the honourable member raises this matter with the Minister of Marine next week. However, I will certainly take up this matter with him as well.

The Hon. P.B. ARNOLD: Certainly a boat operator's licence would be more than adequate—and they all have them, anyhow, but that does not qualify.

The Hon. M.K. Mayes: I will certainly pursue the matter.

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

Works and Services—Department of Fisheries, \$667 000—
Examination declared completed.

[Sitting suspended from 5.55 to 7.30 p.m.]

Recreation and Sport, \$6 191 000

Chairperson:

Ms D.L. Gayler

Members:

Mr D.S. Baker

Mr H. Becker

Mr M.G. Duigan

Mr G.A. Ingerson

Mr J.H.C. Klunder

Mr P.B. Tyler

The CHAIRPERSON: I would like to raise a couple of procedural matters. If the Minister undertakes to supply information at a later date, it must be submitted in a form suitable for insertion in *Hansard* and submitted to *Hansard* no later than Friday 31 October. I propose to allow the lead speaker for the Opposition and the Minister if they so wish to make an opening statement of about 10 minutes but no longer than 15.

Witness:

The Hon. M.K. Mayes, Minister of Agriculture, Minister of Fisheries and Minister of Recreation and Sport.

Departmental Advisers:

Mr G. Thompson, Director, Department of Recreation and Sport.

Mr B. Smith, General Manager, Totalizator Agency Board.

Mr T. Arbon, Acting Manager, Racing and Gaming Division, Department of Recreation and Sport.

Mr R. Jones, Manager, Recreation, Sport and Fitness Division.

Mr P. Morrissy, Secretary, Betting Control Board.

Mr S. Wise, Finance Officer, Department of Recreation and Sport.

Mr G. Forbes, Acting Manager, Management Support Services, Department of Recreation and Sport.

The CHAIRPERSON: I call on the lead speaker for the Opposition and invite him to make an opening statement if he wishes.

Mr INGERSON: I would like to make a short comment on these estimates and comment generally on some facility developments. The first thing that we would like noted—and we would accept that because of difficulties of government at present there has been a reduction in real terms in expenditure in the recurrent area—is a significant increase in capital expenditure, and it is in that area that I would like to make a few introductory comments. In the last week or so we decided to look at the facility development programs that have been announced by the State Government since 1983. Because there is a significant increase in the capital area this year compared to an also very significant proposed increase in capital last year, members who have read the budget papers would note that for many reasons that capital expenditure did not take place. We thought it would be interesting to look at what had been announced and promised in the past three years.

In the area of small bore rifle activity there have been eight announcements since 1 September 1983, commencing with an announcement that \$900 000 would be spent by the State and Federal Governments over the next two years from 1 September 1983. As of September 1986 members will note that even though announcements had been made we had no action at all in the small bore rifle area. As to hockey, we noted that on 6 July 1984 a statement was made by the Director of the South Australian Hockey Association, Mr Robinson.

He said, 'The Government, having made several announcements in the previous week, should put its money where its mouth is.' That statement was reprinted in the *Advertiser* on 6 July 1984. Since then, and up until two days ago, a hockey stadium of some type has been announced nine times. Two days ago, an announcement was again made that we would have a hockey stadium within a month. As far as the State's sport and recreation centre is concerned, the then Minister announced on 15 July 1984 the State's sport and recreation centre would be looked at and that plans would be developed and introduced within three months. That same program has been announced four times since, culminating on 27 July this year in an announcement of a \$55 million program at SAMCOR.

Once again we note that we do not have such a program, although we have had four such announcements. The Entertainment Centre does not apply to this area, but it is applicable as far as sport is concerned. We have had five announcements in that area in the past two years. We also have the same sort of situation with a velodrome for cycling. Since June 1984, we have had nine announcements for a cycling velodrome and again, we have no velodrome. The same applies to weight lifting.

I make and highlight those comments because we hope that this year announcements that are made relating to capital expenditure can be fulfilled. I know that the Minister is very keen to make sure that they are fulfilled. We would like also to note that a baseball centre was promised four years ago; swimming centres in the western suburbs have been promised; and we hope that in the near future we might get an athletic stadium at Underdale. That document shows in essence that, whilst the Government has been very anxious (and I think on the right track) in announcing that

it would attempt to have all these facilities, nothing has happened. The Opposition hopes that, because of this massive expenditure that will occur this year, at least three of these promised actions will in fact take place.

The CHAIRPERSON: I call on the Minister to make his opening remarks.

The Hon. M.K. Mayes: I am surprised that the member has missed out on his opportunity to make the apology for which I have been waiting.

Mr BECKER: What for?

The Hon. M.K. Mayes: I will go into detail if the member for Hanson wants me to.

Mr Becker interjecting:

The Hon. M.K. Mayes: I am not surprised, given the member's performance and track record.

The total recurrent budget for 1986-87 is \$6.191 million, an increase of \$0.248 million over 1985-86 expenditure. The injection of funds into the department was made possible substantially by increasing the call on the Recreation and Sport Fund (\$0.232 million). Two factors were dominant in keeping consolidated funds stable in the face of inflationary pressures:

1. A reduction in funding with respect to large one-off expenditures in 1985-86, e.g. computer—\$352 000.
2. The Government's policy of reviewing its own expenditure to ensure that expenditures are fully in line with the resources available in the new and more difficult economic environment.

The department's ability to make an additional call on the Recreation and Sport Fund was made possible by the exceptionally good result of achieving duty returns from soccer football pools of \$600 000 in excess of budget. While this result was exceptional and returns have fallen back to a more realistic level, tax receipts are still well above the 1985-86 budgeted level (\$17 000 in 1986-87, and \$11 000 in 1985-86).

While the department has not received a large increase in funding over the 1985-86 financial year, it has endeavoured to respond to the challenge of maintaining a high level of service. Within the 1986-87 budget process a detailed review of all programs offered was undertaken with a view to efficiency and effectiveness. As a result, resources have been reallocated appropriately. In monetary terms, \$100 000 has been reallocated away from inter-agency services to programs.

In terms of manpower resources, there will be a small cut back against the actual level recorded in 1985-86, which reflects the Government's initiative to reduce manpower levels within the department by one full-time equivalent.

Looking at the program performance budgeting figures, we see a similar trend of stability in expenditure patterns. The figures provided in this document include funds from all sources. The increased funding of capital works will see the start of work on a hockey stadium and a small bore rifle facility. Increased funding has been provided to fund local level facility development, which has recorded an extremely high level of demand for funding (192 applications in 1986-87, 62 applications in 1985-86).

The structuring of the department into two programs and inter-agency support has been extended beyond the budget process into the organisational structure. This has proved to have a number of functional advantages both in terms of dealing with the public and in meeting financial responsibilities. Within program 1—recreation, sport and fitness—all State associations dealt with are of a recreation, sport, fitness or specific population nature. All development plan and salary subsidy grants for these associations are dealt with within program 1. These two grants have become the

main focus of this program. There are clear guidelines for these two grants, and each association has been assigned to a specific consultant as a point of reference. Also handled within this program are local level facility grants and a consultative/advisory service.

Program 2—racing and gaming—provides a very vital link to two very important industries—the racing industry and the gaming industry. The racing industry has a proven track record as a very important source of funding for the Government. The Racing and Gaming Division provides the link between the industry and the Government, with a view to maintaining viability. The gaming industry provides a means for recreation, sporting, social and charitable associations to raise funds for themselves that otherwise would not exist. The gaming staff have as their responsibility to ensure that all gaming is carried on within the spirit of the legislation and to ensure that the modest taxes that are applicable are paid.

I draw members' attention in particular to the incorrect statement in this morning's *Advertiser* as a result of the estimates debate held on 1 October 1986 which indicated that Mr Russel Thomson, a member of the Government assessment team for the entertainment centre, had recently resigned from the Department of Recreation and Sport. Mr Russel Thomson has, in fact, never worked for the Department of Recreation and Sport. The newspaper article, unfortunately, did create some embarrassment for Mr Graham Thompson, who is, and continues to be, the Director of the Department of Recreation and Sport.

I suggest that we deal with the TAB initially so that the General Manager can be excused and depart this hallowed Chamber.

The CHAIRPERSON: Do Opposition members accede to that request? Since we are considering recurrent expenditure and capital expenditure, we will deal with the two votes concurrently. I declare the proposed expenditure open for examination.

Mr INGERSON: The TAB annual report indicates that rental costs increased by \$38 000; why is that? In 1985-86, \$219 000 was expended for race broadcast coverage but this year only \$25 000 has been allocated—\$193 000 less. Is that because less money has been transferred to the present broadcaster 5AA?

The Hon. M.K. Mayes: The first question relates to the rental of 5AA, and the figure represents about three-quarters of the previous year's.

Mr INGERSON: What is the reason for the very significant difference between the two in the payout on race broadcast coverage of \$190 000?

The Hon. M.K. Mayes: As I understand the situation, TAB has made a decision in relation to the charges and the 5AA relationship that exists, and the return to 5AA, given the commercial practice that obviously 5DN adopted, is somewhat different. As a consequence the return to 5AA through payment is considerably less.

Mr INGERSON: I have a supplementary question. It has been stated that the payment to the broadcaster on behalf of TAB involves approximately \$1 per race meeting, whereas it costs the station concerned in the order of \$600 000 for that service. Is that a decision of the board of TAB to not meet those broadcasting costs?

The Hon. M.K. Mayes: I think the \$1 figure is accurate and the \$600 000 is fairly close. It is part of that commercial relationship that 5AA and TAB have signed and agreed.

Mr INGERSON: One could almost say from that that a considerable amount of 5AA's loss is due to a less than 'commercial' arrangement between TAB and 5AA.

The Hon. M.K. Mayes: It depends on how one describes 'commercial', I suppose. If there was a separate relationship between the two parties there might be a far greater return to 5AA from the TAB payments for the use of the airwaves. The agreement is commercially signed between the two, and it heightens the point I was making last week in relation to this very question that the member for Victoria asked. With the close accounting relationship between them, benefits to TAB flow directly from 5AA, and TAB made the decision to institute a radio network to provide that service to the punters on the basis of its own commercial aspect as against, I suppose, that of 5AA. Again, what one picks up on the swings one might lose on the roundabout in regard to providing that service to punters.

Mr INGERSON: It enables TAB (because it totally distributes its profit) to distribute a significantly larger amount of money to both the Government and the other 50 per cent of shareholders than it would if it merely involved a commercial exercise across the board. As there is a loss shown in the balance sheet, as we know that TAB has borrowed money to purchase 5AA and it distributes all its funds each year, how will TAB fund the future expansion of 5AA into country areas? How will it fund future cash shortages at 5AA?

The Hon. M.K. Mayes: I repeat what I said a week ago in relation to the financial recognition of 5AA's trading position in the TAB accounts: it is a separate entity. Its affairs will be recognised when they are lodged with the Corporate Affairs Commission. It will draw on its own assets. Presumably, if it divests itself at a considerable rate of funds in order to maintain the service, it will no longer have any assets. However, that is the worst possible scenario. It has to fund itself in relation to the acquisition of those other assets if it decides to do so.

Mr DUIGAN: I understand, both from the program description for the racing and gaming program and from the recently tabled TAB report, that investments on the TAB and the oncourse tote have increased substantially. Is it possible to comment on the extent of the TAB increase, not just in turnover but also in the profits for the TAB for the financial year just concluded? What amount is available to the Racecourse Development Fund as a result of the increase in profit?

The Hon. M.K. Mayes: In relation to the percentage turnover, as members have indicated I have already outlined in Parliament that there has been a growth in TAB turnover amounting to 9.43 per cent. One of the positive aspects about the TAB—and I will detail it while the General Manager is here—is that the General Manager, his staff and the board have shown a capacity to increase the profit above that figure of 9.43 per cent, not that there should be any correlation between the two; in fact, it could be quite the opposite in that a loss could occur.

There has been a 19.15 per cent increase in profit as a consequence of decisions taken by the board and instituted by management in regard to the operations of the TAB. I think that in itself is an excellent result. The total takings for 1985-86 were \$237.231 million. The allocation of profits is as follows: the Government received \$11.1 million; the Recreation and Sport Fund received \$65 000; galloping \$8.1 million; trotting \$1.9 million; greyhounds \$1 million; and the South Australian National Football League \$65 000, resulting in an overall increase of \$3.5 million during the period. Individual increases for 1985-86 were: \$1.7 million to the Government, recreation and sport \$31 000, galloping \$1.226 million, trotting \$370 000, greyhounds \$170 000, and the SANFL \$31 000.

Mr DUIGAN: From where does the money come for the Racecourse Development Fund? What is the allocation through the Racecourse Development Fund to each of the codes as a result of last year's activities?

The Hon. M.K. Mayes: I will obtain a split-up of those funds and how they are dealt with.

Mr DUIGAN: I have noticed on page 693 of the program budget papers that, for 1986-87, the Racecourse Development Board will have available to it \$3.5 million. Does that all come from the various sources from which that amount is made up? How is it to be distributed in terms of each of the codes?

The Hon. M.K. Mayes: There are a couple of questions there. In relation to the share to each code in respect of the TAB turnover, members will be interested in reflecting on what was done through the legislation passed by Parliament. Some 71.63 per cent on the actual turnover was recognised by galloping, 17.97 per cent by harness racing and 10.40 per cent by greyhound. For the period ending 28 August 1985, the market share was 70.04 per cent, harness racing 18.38 per cent and greyhound racing 11.58 per cent. On the TAB distribution from 1986, the fixed percentage of 73.5 represented \$8.172 million, harness racing supplying 17.5 per cent or \$1.945 million, and greyhounds \$1 000 762, which represent 9 per cent. On the actual percentages that were recorded on 1986 turnover, galloping came in on 73.74 per cent, which was \$8.199 million, harness racing was 17.71 per cent, which was \$1.969 million, and greyhounds did marginally better because they came in at 8.55 per cent, which was \$950 000. Those that benefited were the greyhound industry. Galloping was marginally below what was recorded in terms of the TAB turnover, and harness racing was marginally (0.21 per cent) below and greyhounds benefited as a consequence.

The background of that decision was that we are of the view that the situation of the night codes, to term it that way, was such that there should be a split-up that provided for some advantage to those codes which suffered some disadvantage as a consequence of times and location of facilities. The Racecourse Development Board has two major sources of funds. One is the 1 per cent of all multiple betting from both on and offcourse totalized betting and daily doubles and trebles, etc., and the other is 50 per cent of TAB offcourse fractions and unclaimed dividends. This recent addition to the board funds was provided by the Government through legislation enacted in 1983.

The board may also borrow to assist clubs, but this has generally been a mechanism used only for major development. The board has considerable flexibility in the methods that it uses to assist clubs and the most common form of assistance is by direct grant; in some cases a non-interest bearing loan is made repayable.

The board's income for 1985-86; galloping contribution from all accesses to finance was \$1.568 million, for trotting \$435 000 and for greyhounds \$257 000. That is made up of the contributions of the South Australian Totalizator Agency Board, commissions, fractions, unclaimed dividends and commissions from clubs. I hope that gives the honourable member the information that he requires.

Mr DUIGAN: I know that each of the codes is glad to know there is a guaranteed amount which comes from the Racecourse Development Fund which they can use for budgeting purposes on a guaranteed annual basis, and this is particularly so in respect of greyhounds (on which the Minister may like to comment). Without the money that is coming in from that source the opportunity for them to provide specific facilities of benefit to the punters would be substantially reduced.

The description for this program refers to the need to remain competitive and initiate market strategies, including new bet types and what is defined here as being able to counter the impact of the casino. I think I recall from reading the annual report of the TAB that the new 'bet four' type and the new telephone betting arrangements are two of the marketing strategies which have been adopted by the TAB to substantially improve its share of the market. Is that the case and, if so, can the Minister give us some idea of the extent to which those two new strategies have resulted in increased revenue?

The Hon. M.K. Mayes: Knowing the energies and the progressive nature of the TAB, I am sure that every avenue will be looked at. All-up betting is one which the General Manager reminds me came across my desk last week or early this week. Another aspect is the involvement of the TAB in specialist or unique events—an important aspect of the TAB's role and function. The new telephone betting system which has been instituted is a significant move by the TAB to improve facilities for the community, and 25 per cent is coming from telephone betting. That is certainly an avenue which the TAB will be wanting to promote and it has the capacity to do so in the near future, if it warrants that sort of response.

Overall, the TAB has been looking at every possibility of extending its services, looking at new forms of betting in the existing codes and in new codes, particularly unique sports or events which offer the opportunity for the TAB to develop. I think that we can be very proud of the TAB operation in this State, because it is probably not paralleled by too many others in other States in terms of success. From my limited knowledge of the industry, as a person who has had limited contact with the general punter, it would seem that there is a general feeling in the community that our TAB is next to none and is capable of performing very efficiently.

Mr INGERSON: I understand that the report of the TAB was very glowing, and we in the Opposition congratulate it on that report. It has the total support of the industry and of everyone. What are the turnover figures compared to budget for the first three months of this year? Are these down compared to last year and which are the codes that are affected and by how much? I understand that the casino effect has been fairly dramatic.

Mr Smith: As at the week ending 1 October we are 0.88 per cent up on last year's turnover. Whilst that may be insignificant, I point out that the completion of the first quarter was last Wednesday and we are able to maintain our profitability rate at approximately 10 per cent so, while the turnover is not particularly rosy at this point, the profit is quite substantial.

Mr INGERSON: I understand that a study has been undertaken by the TAB into the effects of the casino. Could the Minister advise what are the concerns in relation to the TAB and what effect it believes it is having already on the TAB?

The Hon. M.K. Mayes: I think, from the point of view of the Government, there is certainly an awareness that the TAB turnover has been affected to some degree by the casino. I think that that is probably accepted by the community at large. I think that some rather emotional statements have been made by some people within the codes about the impact and, in my opinion, it has been somewhat exaggerated, but certainly there is concern about that. As I understand it, a number of things are being considered by the TAB in relation to countering what it sees as perhaps an invasion of its traditional investor. I have spoken to the

Chairman and the General Manager about a couple of alternatives.

It seems that there are ways in which the TAB can perhaps regather some of those investors who follow a pattern of going to the races and then reinvesting in the casino after they have been to the races, or investing in the casino before they go to the races. I think that the honourable member has already raised with me in writing the question of monitoring the impact. The feedback from the TAB has not varied from the earlier advice in relation to the impact of conducting a poor quality meeting. Of course, there is some impact because of inclement weather, which may affect attendances. In that situation, instead of going to Morphetville, Cheltenham or Victoria Park, people may divert to North Terrace. I have had some brief discussions and I know that the TAB has considered ways in which it can bounce back at the casino. I am sure that we would like to see a vigorous campaign on the part of the TAB in order to regather those punters and investors who have perhaps travelled to North Terrace, instead of the TAB office, or the racetrack itself.

Mr INGERSON: By way of comment, as the Minister would know, there have been very significant falls on-course in the tote area and in the bookmakers' turnover, with a significant drop in general attendances, so there is a lot of concern in that area. It has all been blamed, as the Minister would know, on the casino.

The Grand Prix must also be taking many leisure dollars out of the system. What effect has 5AA had on the TAB's turnover? Has there been any attempt to quantify it? Is the TAB concerned about the continuing losses in its 5AA area as it relates to licensing of the station and its possible future use of the station as its broadcaster?

The Hon. M.K. Mayes: The TAB report from Mr Hamilton, the Chairman, commented on that. It must be an educated guess about turnover and what it has been since 5AA has been acquired, but it suggests that there is \$1.6 million additional profit.

Mr INGERSON: There is no deliberate quantification?

The Hon. M.K. Mayes: That is the TAB's best calculation. I can table a document for the honourable member prepared by the TAB which shows its profit from increased turnover, rental of space to the radio station, share dividend, and race broadcasting fees, less interest on capital, so that he can make his own assessment. We probably agree that the TAB is skilled at assessing its market impact and how it has kept up its part of the bargain by having 5AA to provide that service.

Mr TYLER: How many agencies and how many sub-agencies does the TAB have? Subagencies seem to have sprung up recently. There is one at the Aberfoyle Tavern in my electorate and a couple at Football Park. How are the agencies doing, especially the ones at Football Park, when we have semi-finals, as has been the case in the past couple of weeks?

The Hon. M.K. Mayes: On 30 June 1985, there were 13 hotel subagencies. A further eight opened during 1985-86 and two closed, leaving a total of 19. There were 98 metropolitan area outlets, 75 outlets in the country and one telephone betting facility.

Mr TYLER: Will the Minister answer the other part of my question—how is the TAB doing, particularly at Football Park when we have had semi-finals there?

The Hon. M.K. Mayes: I have seen some subagency figures because of criticisms from members of Parliament or organisations about the impact on the community. There has been a fairly good response to them. For example, in the week ending the 24th, the week of the first semi-final,

the turnover was \$11 000. The TAB's prediction was \$7 700, so that was quite favourable. The turnover on a weekly basis is \$155 000 from subagencies from Windsor to Hyde Park. That agency has opened recently and had a \$5 000 turnover in its first week of operation.

Mr TYLER: How many full-time employees and part-time employees has the TAB?

The Hon. M.K. Mayes: There are 61 permanent employees. The TAB now employs 549 people, compared with 550 in 1984-85. Part-time employees total 112 and casual employees number 376, a total of 549.

Mr BECKER: Can the Minister confirm that all development projects of the Racecourse Development Board and the TAB, particularly with subagencies, hotels and other new sites, are sent to the United Trades and Labor Council for approval before discussions take place with statutory bodies? Allegations have been made to me that certain information is sent to Trades Hall, particularly with development projects for the Racecourse Development Board and anything to do with the TAB: is this correct and, if so, why?

The Hon. M.K. Mayes: In relation to the galloping industry, I reached an agreement with the Trades and Labor Council, in regard to matters affecting employees, that they would be given an opportunity to comment on such matters. Their comments need not necessarily be accepted, but they have the opportunity to comment on them. In relation to TAB developments, is the honourable member talking about capital developments?

Mr BECKER: Yes—all development projects.

The Hon. M.K. Mayes: The answer in relation to capital developments of TAB is 'No'.

Mr BECKER: Why are these Racecourse Development Board projects referred to the respective unions? This is a union relating to employees on the racecourse. Why are the union employees consulted, when the people who employ them would no doubt have consulted them, or they would have been part of discussions or would know that the SAJC intended making certain alterations at Morphetville, for instance, whether to the stable area or other facilities? Why does it still have to go to Trades Hall?

The Hon. M.K. Mayes: I think that the simple answer is that consultation takes place in relation to those matters affecting them. The RDB is its own animal and lives with its own brief and responsibilities separate from the clubs which, of course, make submissions with regard to developments that they want the RDB to oppose. The RDB is the authority in relation to decisions, so it is the RDB that gets the club's view and the view of unions representing employees in matters affecting them. So, it is not as though the clubs are making the final decision and going through the process within their own confines, because it goes to the RDB.

Mr BECKER: The Government receives 50 per cent of the profits of the TAB, and I take it that last financial year quite a considerable sum of money was paid to the Government, as its 50 per cent share of TAB profits. Has the Minister received any representations from any of the racing codes or from elsewhere seeking to have the Government's share reduced, thus enabling a greater percentage to go back into the racing industry? If so, will the Minister say what consideration he is prepared to give to such a suggestion in future?

The Hon. M.K. Mayes: I probably do not attend one race meeting of any sort, whether it be the gallopers, harness racing or the dogs, without at least one member of the committee concerned putting exactly that question to me at some stage, either during the afternoon or the night. The

answer is generally the same, and I think that any Government in power would be most unlikely to move away from that position. A formal application has been made by the Adelaide Greyhound Racing Club in regard to the position that it is in at Days Road, the response to which was the same as it has been to the informal applications and suggestions that have been made, namely, 'No'.

Mr BECKER: Would the Minister be prepared to consider this in future, if the economy improved?

The Hon. M.K. Mayes: I would not imagine so, no.

Mr TYLER: I was interested in the Minister's reference in a previous answer to the number of full-time employees and part-time employees involved in the industry. Does the Minister or the department have details of how many women are employed on a full-time and part-time basis?

The Hon. M.K. Mayes: That question will be taken on notice and the reply forwarded in accordance with the necessary procedures for incorporation in the *Hansard* record by 31 October. However, I am sure that, judging from my local TAB shop, about 95 per cent of the employees would be women.

Mr TYLER: I understand that the Racecourse Development Board is funded by the TAB, so I believe it is appropriate to ask the following question. The Racecourse Development Board has introduced three-year development plans for each of the codes. Will the Minister say why they have introduced the development plans, and what advantages there are in the system?

The Hon. M.K. Mayes: Anyone familiar with budgeting would understand the obvious advantages, and that is one of the reasons why we introduced fixed percentages. It was one of the major aspects of the submissions made by all three codes in relation to fixed percentages. The fact that they could not agree on what the percentage should be is probably incidental to the overall principle in relation to endeavouring to support the budgeting of the codes. I understand that the greyhound racing code is most grateful, and it certainly gave them some incentive with regard to their budgeting provisions. I am not aware of the trots at the moment. I reiterate that the board has two sources of funding: one is 1 per cent of all multiple betting—and I have referred to that—and the other source is 50 per cent of TAB off-course fractions and unclaimed dividends.

Mr TYLER: I said that it received some of its funds from the TAB.

The Hon. M.K. Mayes: I thought you said all its funds. To correct that information about the funding situation, I will say that 'Yes' is the answer to the question about the three-year development plan. The emphasis in the first year of the plan is on upgrading facilities to improve the safety of racing and the long-term viability and development of the club. The Racecourse Development Board is still awaiting further information from some clubs considering the applications for additional grants. Similar three-year plans are being prepared, given that galloping is well down the track, for all harness and greyhound codes, and we hope to have details available in the near future.

It is fundamentally to provide those clubs with the opportunity to budget but, from the Government's point of view, the overview is to promote an improvement in the facility and venue for punters and for the industry as a whole. As the General Manager said earlier, if we are to have decent competition between the Casino and the TAB we must provide the best possible facilities.

As some members will know, some hard decisions have only just been taken in regard to some of the clubs, and some further difficult decisions will have to be taken about future development funds that are made available. The idea

is to promote those clubs which will be able to support the industry and enhance the meetings that are held. In August details were released of the first stage: \$1.3 million was distributed, and the main benefactors were country and provincial clubs. We can see from last Sunday's attendance at the Balaklava Racing Club that the \$220 000 to be spent there will certainly enhance what has been and should continue to be a successful club. Mount Gambier Racing Club has \$215 000; Ceduna Racing Club \$88 000; Strathalbyn \$103 000; Port Augusta \$28 000; Penola \$58 000; Port Lincoln \$38 000; and Bordertown \$22 000. The country member who is here tonight should be delighted with the funds that have been put into country racing.

Mr INGERSON: I repeat the question that I asked earlier as a supplementary question. With the obvious advantage to the TAB of having the 5AA broadcasting service continue, is the TAB concerned that continuing losses might affect the renewing of the 5AA licence? That is a significant and important factor in regard to the TAB.

The Hon. M.K. Mayes: That is a fairly sensitive issue, given the TAB's commitment to other radio stations. I can make only some general remarks at this stage about the submissions to the ABT. Let me comment without asking the General Manager to do so. From our discussions with the General Manager and the Chairman, I know that there is concern about the 5AA situation. However, we are not concerned to the point where we would be worried about our submission to the ABT.

In his questions, the member has raised the very issues that relate to the trading situation of 5AA in the way in which it has made commercial decisions with regard to the TAB. I suppose the father and son relationship is such that the income stays in the family in some ways, although the recognition of the loss is within the accounts of 5AA. I think it is fair to say that the Chairman and the General Manager are both concerned about the situation, but no one is pressing the panic button or worried in that sense.

Mr INGERSON: Does the review of the role and structure of the racing industry include the possibility of a racing commission? Who will carry out this review: will the report be made public and, if so, when?

The Hon. M.K. Mayes: There will be an inquiry in select committee terms. The terms of reference will be to look at the racing industry in this State with regard to the prospect of a racing commission and whether the industry should be managed as such by a racing commission. Because of financial constraints on the Government at the moment, we are not pressing ahead with all haste in that investigation (and that is what it is). I have not formed a view about whether or not we should have a racing commission. The inquiry will comprise representatives of the codes, namely, the TAB, the SAJC, the Trotting Control Board, greyhound racing, a consumer, the bookmakers, the TLC and an independent chairperson. That encompasses everyone. It has not been determined when the inquiry will commence or finish, but we have determined that it will cost between \$30 000 and \$50 000.

As I say, it will be conducted with appropriate terms of reference and within appropriate bounds. The findings of the report will be made public, as with select committees, but a lot of information will be given on a confidential basis, so it would be unusual to release that to the public. We would probably get very few submissions to the committee of inquiry if we made it public, so the constraints that normally operate for select committees will apply, although it will not be a select committee.

Mr INGERSON: My final question is a multi-choice question relating to bookmakers in particular. What is the

Government's intention concerning the retiring age of bookmakers? Is it the intention of the Government to allow bookmakers to bet on cricket, Grand Prix and the America's Cup? If not, why not? Is it the Government's intention to introduce telephone betting for bookmakers on course?

The Hon. M.K. Mayes: In the not too distant future a proposal will be put to Cabinet on the retirement age. I am having discussions with the bookmakers association on that proposal as well as with various representatives of the industry. As this proposal has been floated around for a number of years, it is reasonably controversial. I do not think that the bookmakers will find this proposal too hard to digest. As the member for Bragg said, the turnover for bookmakers on-course has been reduced considerably, and there are a number of reasons for that. The honourable member has not asked me about that, but I would be happy to answer his questions.

It has been put to me that on-course telephone betting should be available, and I am still considering that issue. I have not yet come to a final decision. The answer to the second question is 'No', for a number of reasons, one of which is that the TAB offers a greater variety and permutation of betting arrangements which we believe offer greater benefit to the public and the consumers.

Mr KLUNDER: What progress has the department made in promoting women's sport through the media?

The Hon. M.K. Mayes: The department has a specific program in relation to women's sport, and a consultant within the department has the specific task of achieving greater participation of women in sport. The department has also developed an information booklet entitled *Women's Sport and Recreation in the Media* with the objective of assisting women and women's sports organisations to improve their media skills and to assist the media in encouraging greater contact with and coverage of South Australian sportswomen and associations and to portray women's sport in a more positive manner. The booklet has been circularised extensively to the community, to all media representatives and to State recreation, sport and fitness associations. At that level we are endeavouring to achieve a greater awareness by the media of the need to address women's sport.

The honourable member might have noticed, as I certainly have (and the member for Hayward has probably noticed), that there has been a significant improvement in the *Advertiser* coverage of women's sport. In recent times netball and hockey have received quite a good coverage. On behalf of the department, I would like to claim the credit for that because I believe that we have done something to stimulate media interest. Certainly, my view is that the department's encouragement of women's participation and the media involvement have acted as a stimulus to bring forward the promotion of women achievers.

In today's *Advertiser* there is a large photograph of one of our prominent sportswomen. Again, that is something that I have noticed probably 10 years ago would not have been the case. We should not in any way be comfortable or feel satisfied that we have achieved full recognition, but as women's sport becomes more prominent, with achievements of sportswomen such as Glynis Nunn and others, we will see more attention and perhaps a more even share of media coverage given to women's achievements in the sports environment.

The member for Bragg has left the Chamber. I know he is interested in netball, but he was probably disappointed with the grand final this year. However, the coverage and attendance at the netball finals was superb, and can only be further encouraged so that we see a continuing exposure

of women's sport at that level. Women's sport is becoming more prominent, and the print media is showing more interest in it.

Mr BECKER interjecting:

The Hon. M.K. Mayes: That is true. We have a problem with racing coverage, and that is another issue. The department will continue to look at it. I know that our Women's Advisory Committee is interested in that aspect, as are many members of Parliament and prominent women's sportspeople with whom I have contact. Wendy Ey and others are concerned about the fact that we should be placing some emphasis on encouraging the media, and I think that in time that will occur.

Mr KLUNDER: How many women have benefited from grants and/or training courses that are available for the administration of sporting organisations?

The Hon. M.K. Mayes: The funding is quite extensive. The total for development plan funding of women's organisations was \$80 066; the total for the women administrators/development officers/research officers was \$195 801; and the total for the women's program within recreation and sport was \$49 100, totalling in all \$325 567 specifically designated for the area. I will incorporate this document in *Hansard* for the benefit of members.

PAYMENTS TO WOMEN'S ORGANISATIONS

Development Plan funding of women's organisations—			
	\$		\$
Indo-Chinese Women's Association	5 589		
Adelaide Women's C.H.C.	1 300		
Eastern C.H.C.	3 400		
Girl Guides Association	4 000		
Girls Brigade	950		
Sportswomen's Associations	2 350		
Calisthenic Association	8 053		
S.A. Rhythmic Sportive Gymnastics Association	3 980		
S.A. Women's Soccer Federation	3 858		
S.A. Softball Association	12 834		
Calisthenics Association	13 250		
S.A. Ladies Golf Union	6 080		
S.A. Women's Bowling Association	1 200		
S.A. Netball Association	13 222		
			80 066
Women Administrators/Development Officers/Research Officers—			
	\$		\$
Clay Target	2 500		
Equestrian Federation	13 000		
Ladies Golf Union	4 000		
S.A. Korfball Association	2 500		
S.A. Women's Bowling Association	3 000		
S.A. Little Athletic Association	9 000		
Confederation of Australian Motor Sport	10 000		
S.A. Netball Association	13 500		
S.A. Water Ski Association	8 500		
S.A. Table Tennis Association	9 071		
S.A. Softball Association	5 000		
S.A. Small Bore Rifle Range	3 000		
S.A. Rugby Union	5 000		
S.A. Chapter of Amateur Roller Skaters	2 080		
S.A. Rhythmic Gymnastics	3 500		
The Girls Brigade	7 150		
Recreation Association for the Elderly	10 000		
Australian Recreational Marching	4 000		
Pony Club Association	7 000		
S.A. Skiers Association	4 000		
Field Naturalists	3 000		
Girl Guides	16 000		
Y.W.C.A.	10 000		
S.A. Keep Fit Association	11 500		
Institute for Fitness Research and Training	12 500		
ACHPER	15 000		
Australian Sports Medicine Foundation	2 000		
			195 801

PAYMENTS TO WOMEN'S ORGANISATIONS

Women's Program within Recreation and Sport—		
	\$	\$
Salary	30 000	
State Conferences on Women	5 500	
Equipment and Program Grants	8 100	
Information Service	3 000	
Women's Advisory Council	2 800	
Regional Meetings	300	
		49 700
		325 567

Mr BECKER: For some time I have been concerned about the lack of sporting facilities in areas which although they are not recognised as major sporting pursuits, to us are very important. My concern has been about the lack of proper facilities for weight-lifting. I am still trying to find in the budget documents whether money has been set aside for a weight-lifting centre and what the department is doing to assist the Weight-lifting Association in South Australia to establish a permanent headquarters.

Has an approach been made to any Government department to obtain unused premises that could be converted to a weight-lifting centre or to obtain land and build a new centre? What is happening at the moment?

The Hon. M.K. Mayes: The member will not find funding for 1986-87 in this year's budget. That answers that question. I expect and hope to have funding for it in the 1987-88 budget as part of the development of sport within the State. In relation to finding a complex for weight-lifting, as the member would know, the major personality involved is concerned to stay in what I will describe as the south-western region of Adelaide. We have endeavoured to do what we can in that regard.

Mr BECKER: You are talking about Leon Holmes?

The Hon. M.K. Mayes: Yes; Leon Holmes has been promoting it, and he needs support. I am concerned about it as well, and I know the member is, too, and I also know that he has raised this matter before. We could have had access to the Aquatic Centre weight-lifting area at North Adelaide. I am sure that we probably could have squeezed out funds from somewhere to assist in making modifications to bring that area up to a standard acceptable to Leon. I wrote a letter to Leon last Friday in regard to those facilities. However, I understand that he has not agreed to use the Aquatic Centre, so we are back to base one in relation to finding a suitable facility.

As the member would appreciate, our problem is that we have only limited access. I think we have looked at every possible semi-public or public facility in the area, and we will certainly keep looking. Up until now we have drawn a blank in relation to the Aquatic Centre. I was hoping that it would meet the needs of the weight-lifters. Certainly in relation to capacity, it would have sufficed for that period. I hope that next year we can actually direct some funds to providing a weight-lifting centre.

Mr D.S. BAKER: I ask the Minister to comment about a recent national decision by education directors. Does the Minister and the Government support the idea that State athletics and swimming competitions should have only girl championships and open championships up to the age of 12 years? I am horrified to see that there are no boy championships. Does the Minister support that attitude at national level?

The Hon. M.K. Mayes: I am not aware of that decision by education directors. I think I can only refer the member to our policy in this area, which is encapsulated in a booklet called *Child's Play, Sport, and Equality* which we launched last week and which highlights our views on equal oppor-

tunity. The view expressed in the booklet is that young girls and boys should have the opportunity to participate in those sports in which they do not normally have an opportunity to participate: for example, netball for boys and sports like soccer, cricket and martial arts for girls. Initially, the intention is to give boys and girls an opportunity to develop confidence and skill to compete in various sports, be it martial arts or whatever. Girls have an opportunity to develop confidence and to participate in a mixed group or on an equal basis. In a sense, there is partial preference to focusing additional concentration on girls to help them develop those skills.

In relation to equal opportunity and boys and girls playing in mixed teams, girls should be allowed to play soccer, if they want to, to develop confidence and ball handling skills which they may not have. In fact, it has been suggested that girls do not acquire these skills, I suppose because of our social structure and the characteristics of the competition that have developed within these ball games. Girls are given an opportunity to play these games in mixed teams at a certain age, or they can play in separate teams or whatever. Basically, the format is to give children an equal opportunity to participate in the sport of their choice.

Mr D.S. BAKER: To what age?

The Hon. M.K. Mayes: I think 12 years is the cut-off age. After that there are differences in physical strength and there are problems with contact sports. However, touch football is a possibility. I have seen the junior sports program that is conducted by the SANFL, and it was quite interesting to see how young children are being developed in relation to ball skills but not necessarily including body contact because, at an early age, that can be quite damaging to young limbs and a child's overall development. It is accepted that when young people get into the teenage age group, strength differences occur. As a consequence, there is equal opportunity because there would be some disadvantage to both sexes. There is equal opportunity but it is a different aspect.

Mr INGERSON: My question relates to the Aquatic Centre and the comments made in the Auditor-General's Report. In June 1984 there was a statement by the Auditor-General that the State would meet the increased operating deficits in real terms over existing levels for a 10-year period. He made the statement that there was no attempt to quantify the cost of that. In June 1985 the Auditor-General made exactly the same comment again and in this instance said that he was concerned because this overcost had not been determined. Again, in 1986 the Auditor-General has made the same comment, but he has gone one step further and said, after three years, that the matter needs to be resolved. Such a comment by the Auditor-General three years in a row reflects fairly poorly on the department. What is the problem? When will it be resolved, so that we do not have a fourth report? What is the likely cost per year?

The Hon. M.K. Mayes: Part of the indenture has caused the problem and I draw the attention of the honourable member to the party with which we are dealing. He seems to have had similar problems with it in his experiences in regard to negotiations. The City Council is an independent and self-sufficient organisation. I shall go through the questions systematically. At this point, the situation is somewhat open ended and at the top end of the operating deficit which the State Government could incur. The discussions have reached the point where I believe that we are about to come down to the final negotiations.

The situation is still in the process of negotiation. The City Council has today released the preliminary budget

figures for the operation of the Aquatic Centre for 1985-86. We cannot get agreement because the City Council adds new factors which it believes should be taken into account in terms of the operating costs of the Aquatic Centre, such as its own—

Mr INGERSON: Why can you not make the decision and just tell them?

The Hon. M.K. Mayes: It is a process of negotiation because of the format of the indenture.

The CHAIRPERSON: Order! Interjections from the member for Bragg are out of order. The member for Fisher.

Mr TYLER: There have been a number of questions so far tonight regarding women's participation in sport. I therefore find it a bit surprising that we do not have a women's adviser in recreation and sport present here tonight. Can the Minister inform the Committee what has happened to that position?

The Hon. M.K. Mayes: As the honourable member knows, I advised the House, in an answer, I think, to a question from the member for Bragg, that the former adviser resigned from the department and transferred to the Health Commission. The position at the moment is under review by the Director-General and, as the honourable member knows, that is within the department framework. I have had some discussions with the Director-General about that.

Mr TYLER: Can the Minister or one of his departmental representatives inform the Committee as to what progress has been made in the area of Aboriginal development in recreation and sport?

The Hon. M.K. Mayes: The honourable member is probably aware that we have had a consultant in the area. This matter is coming up before Cabinet in regard to the funding. The funding under the old Commonwealth part-funding basis is due for expiry in March 1987. And that consultant was employed for a three-year period.

I think the honourable member is probably aware of who that person is (certainly, the member for Bragg is, being a supporter of his former team). That consultant has been employed within the department and has been involved in a number of aspects of developing Aboriginal sport and recreation.

I suppose one of the most important things was the development of the South Australian Aboriginal Sport and Recreational Advisory Committee, which was established and made up of community representatives. It met on several occasions and further recommended that the South Australian Aboriginal Sport and Recreation Association be formed. South Australia was divided up into 10 regions, from which 11 members will be elected to form the management committee of the association. I think that is one of the most important aspects of the role of the consultant in Aboriginal recreation and sport and, hopefully, Cabinet will support a recommendation that we continue that position.

Mr TYLER: My questions relate to the local facilities grants. I understand that the proposed allocation for this year is \$991 000. I understand also that the grants were announced some three weeks ago. As the Minister would appreciate, I have an extremely young electorate. One-third of the population in Happy Valley is under the age of 14 years and, therefore, there is considerable pressure on recreation facilities. Will the allocation for next year's grants be on the same basis as this year's allocation?

I have a number of sporting clubs in my electorate. The hockey club, in particular, is very keen to develop a synthetic surface on its grounds. Also, the member for Mawson asked me to draw to the Minister's attention that last year the southern district cricket club applied for a grant to

develop a turf wicket area and turf practice facilities in Christies Beach. The Minister may be aware that there are no turf facilities south of Flinders University, and the South Australian Cricket Association has informed clubs in the area that want to enter a senior team and participate in the district competition that, before they can do so, they must develop turf wickets. Accordingly, there is great interest by the southern community in local facility grants. Will the allocation of the grants be on the same basis as this year?

The Hon. M.K. Mayes: No. I have asked for a review of some of the guidelines. For example, because of a situation which has developed in the past few weeks, we will ensure that, in the allocation of funds, some reference is made to Australian-made products. I want to look also at the needs criteria. Nothing more has come back to me from the department in relation to those two points, but that will have some impact on the general guidelines as they are applied this year. I think that they have been developed over time and I believe that a further refinement of those guidelines will occur. The honourable member commented about the sum that was made available, and \$891 000 has been allocated to date, but \$991 000 is available. We are looking at developing an existing sporting and recreation complex and that is why we have held back a sum of \$100 000. If that development does not proceed, we will put that money back into the allocation to meet the priorities which have been established by those other clubs that have applied for grants, but we expect that we will allocate that \$100 000 to the development.

I note the honourable member's plea for his electorate in regard to funds. I take it that he is telling me that he did not get any funds from the last allocation. We will deal with the applications on the basis of the priorities that are set down in the guidelines. The officers look at priorities within the sport itself.

The honourable member will be aware that it is dealt with on the basis of a club or association application rather than through the State recognised association, as is the case with recurrent development funds. A local facility scheme is based on a local program. The honourable member will obviously encourage clubs in his area to apply for next year's program. Funding will be on a similar basis, but not the same.

Hockey has had a fair chunk of the cherry, and I imagine that other sports will submit that it has had a significant contribution, bearing in mind the grant to the Port Adelaide Hockey Club and funds for the international facility which we hope to announce at the beginning of November. Those developments will gain the support of the sport in the State and it should be remembered that Woodville has installed an artificial sand surface. I would not advocate the honourable member's raising clubs' hopes, but he should encourage them to apply.

Last year, we received 192 applications of which 39 were approved. In 1980-81, we received 377 applications of which 192 were approved and in 1985-86 we received only 62 applications, of which 42 were approved. There is a wide variation in the number of applications received. The honourable member should advise clubs in his area to apply and advise the member for Mawson to do likewise.

Mr TYLER: When are the new guidelines likely to be made public?

The Hon. M.K. Mayes: Applications close on 31 May each year. We recently received a delegation and told them that we would have the guidelines out before Christmas so that the whole community knows the terms.

Mr D.S. BAKER: Can the Minister supply a list of associations which received grants under the program? Can we

have a list of associations which did not receive grants and some reasons why? Is there a maximum grant?

The Hon. M.K. Mayes: We can supply that information. We will submit a list in due course. We have received 192 applications, of which 39 have been approved. The unsuccessful ones did not meet the criteria, such as participation. A limit, as such, has never been set on the amount of funds allocated to any one club. Port Adelaide Hockey Club received the largest single grant of \$100 000. The grants went down to as low as \$3 000, I think for a tennis club in my area. That illustrates the range of grants.

Mr D.S. BAKER: Is the Minister telling me that of 192 applications only 39 complied with the rules and regulations of the grant? A considerable amount of time and effort goes into preparing such submissions. I have spent many hours on behalf of groups within my electorate on such applications. If that is the disqualification factor, I am afraid that we have a tremendous communication problem and that a lot of time and effort is being wasted; that is why I wanted a list of the associations that were not successful and a brief reason why they were not successful, so that we could improve in the future.

The Hon. M.K. Mayes: I think two points have to be made in relation to successful and unsuccessful applications. First, if we had additional funds a lot more applications would be approved.

Mr D.S. BAKER: Can the Minister provide the list and the reasons.

The Hon. M.K. Mayes: Yes. In relation to the second aspect, it is important to note that a priority is set and that the officer grades it in relation to meeting the criteria that are set down. If we had additional funds I am sure that we could probably satisfy a large proportion of these applications. However, the priority has been such that the 39 applications that have met the criteria have met them in a priority above those that have not met them. So it is prioritised. Also, there is a grading within the guidelines.

Mr INGERSON: I want clarification of the Minister's comments, because he said in answer to the first question that these facility developments were at a local level and were for clubs. One of the concerns held by a large number of associations (and by that I mean the four or five that have approached me) is that there is not consultation between the State bodies about the granting of these applications, yet, the latest document sent out on local facilities says, at the top of page 2:

The department will contact the appropriate State recreation sport and fitness associations to comment on these applications, and these will be taken into account during the assessment process.

In the case of one of the associations that the Minister referred to earlier, the Port Adelaide Hockey Club, which received a grant, the State association advises me that it was not contacted. I think that breaches these rules, because this came to me only a month ago setting out the existing rules.

My second comment relates to what the Minister said about the use of Australian products. In fact, the granting of money to the Port Adelaide Hockey Club is for an imported product. The Australian company that wished to tender has not been asked to do so. It seems to me that the two major criteria on which these local facility grants should be based have been broken in relation to this biggest grant, which went to the Port Adelaide Hockey Club. These other associations that are coming back, and tennis is one, have commented that there should be some organised method for this facility program to prevent duplication.

It seems that we will now have two major hockey facilities in the Woodville area. Surely that is not logical local facility

development. Further, we will have a State facility—which we support. So, two major development projects for hockey will be undertaken by the department, yet consultation with the State body in relation to that local facility has not occurred. This is the sort of thing people are concerned about. If the department sends out a document saying that there will be consultation, I believe that such consultation ought to take place.

The Hon. M.K. Mayes: Because of the demands on staff it has not been possible for them to consult on all applications.

Mr INGERSON: It should not say that it will.

The Hon. M.K. Mayes: I think the point has been made. The department may contact the appropriate body. I am aware that that has not happened in all circumstances. Where there is some concern about priorities, the situation has been that the department does contact, for example, a local authority or a State body. Traditionally, it has been that local level development has been through club process, club application, as against development funding, which is processed through State associations, and encouraged to do so. One of the problems with netball, for example, is that we have two major associations which want similar resources. We must resolve the problem in that area. In relation to hockey, there is no requirement here at the moment in relation to the use, where possible, of Australian material.

Mr INGERSON: That is Federal policy.

The Hon. M.K. Mayes: That is the Federal sport policy in relation to the national facility—that is not local. I can assure the honourable member that I am having included in these guidelines a very similar sentence, which covers the situation at Port Adelaide. In fact, it is not true to say that the Wimbledon surface at Port Adelaide is totally imported. There is work value added through the weaving process. The yarn itself is imported but it is put together here. I point out to the honourable member that I have asked for a review of the contract in relation to the facility at Port Adelaide in that the organisation involved is open to determine for itself the surface that is required.

The Wimbledon surface is considerably more expensive than other types and it is of international standard, whereas a sand filled surface is not. We are looking at this on a different scale of priorities, because the facility offers greater versatility in regard to use factors. Certainly, the State coach has commented to me that the Woodville surface has been causing wear and tear to the players and equipment. It seems that the Port Adelaide club is happy to countenance the same type of surface, although perhaps a more updated version, which would provide a better playing surface resulting in less wear and tear on players and equipment. That matter is now open for review. Perhaps the totally Australian made product may be laid on that surface.

Mr INGERSON: There is an Australian made product that is very similar to the Wimbledon product. I think that, if that opportunity is available, let us hope that the commercial exercise takes its own course. My last question relates to the Auditor-General's Report for this year. At page 164 he refers to the athletics track. The Auditor-General mentioned that development costs of \$170 000 were associated with the athletics track. Will the Minister explain what those costs relate to? More importantly, the Auditor-General points out that costs of \$100 000 were incurred as a result of a claim for cancellation of a contract.

I assume he means that the contract entered into by the Government as it relates to the Regupol surface was cancelled or is still in existence. How did the department enter into this contract when the parties concerned were disagreeing about the type of surface to be used? What is the

current status of this agreement and its future cost? Are any further arrangements binding on the Government to use this Regupol product either at the athletics track or on the hockey field? In other words, I am saying that a contract has been entered into by the department with a company. The Auditor-General has said that at least \$100 000 has been paid out. There are rumours in the industry that this contract has not been finalised and that more payments are likely to be made in the future. Can the Minister explain the total contract arrangement? What has been paid out? Where do we stand?

The Hon. M.K. Mayes: As much as I respect the Auditor-General, he has it wrong again, and I do not mind saying so. He has done it before—he did it with the aquatic centre. His comments there upset not only the Secretary of the Public Works Standing Committee but also the Chairman and all the members of that committee because he got the wrong end of the cherry. Again, this statement is not correct. Included in that amount is a sum of \$100 000 that was paid as a result of a claim for the cancellation of a contract. That did not happen: we did not cancel it but we renegotiated it.

Mr INGERSON: What does it cost now?

The Hon. M.K. Mayes: The \$100 000 is part of the statement that I made within the first week of my appointment. We decided to proceed with the purchase of the Super Turf Regupol track. The Director-General has written to the Auditor-General, and I quote from his correspondence, as follows:

Your brief statement, I believe, will lead to a misunderstanding by many readers. A more accurate statement would have indicated that \$170 000 was spent on feasibility studies and athletic track maintenance and development, that is:

	\$
(a) Feasibility study for new athletics track	24 000
(b) Feasibility study and maintenance of the Olympic Sports Field track	46 000
(c) Payment to Super Turf Holdings Pty Ltd toward the cost of a new track resulting from the cancellation of the earlier contract	100 000

That carries over so that we live with that contract in a new form but we have a down payment on the track, which is deductible from the total sum. It is included in the total sum, but in payment it is deductible at this time. There will be further payments: on the progress of the development of the new track.

Mr D.S. BAKER: What was the Auditor-General's reply?

The Hon. M.K. Mayes: He has not got it yet. He will no doubt hear of it tonight from my comments, and so he should.

Mr D.S. BAKER: Can the reply go into *Hansard*?

The Hon. M.K. Mayes: I am happy to do so. I am sure he will write about it.

Members interjecting:

The Hon. M.K. Mayes: We are all in that game. I have worked for Tom; I have known him for a long time.

Members interjecting:

The Hon. M.K. Mayes: No way. Can I say something about the \$100 000?

The CHAIRPERSON: Briefly.

The Hon. M.K. Mayes: Thank you, Madam Chair. This is an important issue. Quite a deal of work has been done in preparation by Super Turf Holdings on the track surface, that is, cutting the materials and preparation, so that the \$100 000 is against work committed. If we had an invoice against that, we could present it for the work done and seek payment thereof.

The CHAIRPERSON: Other members have indicated a wish to ask questions. I would ask them to be as brief as possible.

Mr DUIGAN: I seek your guidance, Madam Chair, as to whether or not questions can still be directed to the Minister under the racing and gaming program.

The CHAIRPERSON: If it involves TAB, no.

Mr DUIGAN: No, it does not.

The CHAIRPERSON: The answer, then, is 'Yes'.

Mr DUIGAN: In answer to a question from the member for Bragg, the Minister indicated that consideration was being given to setting an age limit for bookmakers. Is the Minister able to indicate if consideration was also being given to limiting the number of bookmakers fielding on various tracks? He did indicate that the turnover was falling. Could he also indicate what those criteria might be.

The Hon. M.K. Mayes: The whole racing commission committee of inquiry would consider that aspect along with the aspect of clubs having the right to license on-course bookmakers and giving them a ticket to operate. All those aspects would be considered by the committee of inquiry. It is certainly not included in my submission to Cabinet, but it has been put to me by a number of individuals that it ought to be considered.

The CHAIRPERSON: In view of the time, I really would prefer that we take one question per member so that we can get around the Committee.

Mr KLUNDER: Can the Minister indicate with regard to bowling and golf clubs whether the perceived problems associated with the Sex Discrimination Act have materialised?

The Hon. M.K. Mayes: On 1 March 1987 the equal opportunities legislation comes into force with regard to sporting clubs. I presume that that is what the member is referring to. There will be extensive discussions between the department and sporting associations, and I think we will use some of the expertise that has been acquired and some of the forms of consultation that have been used by the Education Department in its program in developing the child's play format. I would hope that the application of those broad principles can apply to sporting associations. There is a fair understanding—because I am a member of a number of local bowling and sporting clubs—about the freedom of how it will operate. As the member would appreciate, it is not, as some people are portraying in the press, a blanket 'You shall not'.

To sum up, if there is an opportunity to offer full membership to men or women who are associate members, then they ought to have that opportunity. SACA, for example, has done it, and very handsomely too, as we all suffer when we get our accounts before the end of August. They now hit you for something like \$235 for a nominated full membership. It is not an associate membership, it is a matter of rights as a full member, and you pay more than you ever paid previously. Going back 10 or 15 years, when I joined it was \$60 for an individual. If clubs want a model, they should use SACA as that model if they want to raise funds for sport, and I am all for raising funds for sport. If anyone wants to consult with SACA they should grab the ear of Phil Ridings or Dr Kevin Griffiths and get some advice on how best to apply the Act, because they have done it effectively.

Mr BECKER: Is the Government still considering making an application to stage the Commonwealth Games in Adelaide and, if so, when, and does the Minister have any idea of the estimated cost? Is there a master plan to provide facilities for the various sporting organisations over a considerable period leading up to the Commonwealth Games? The Commonwealth Games is a worthwhile project, but, given that the recreation and sport portfolio is a pretty busy one (although not a big spender in monetary terms) and it

is time consuming, can the Minister say how much time he will be able to allocate to its administration?

The Hon. M.K. Mayes: In relation to the feasibility study, I am very positive about the idea of Adelaide making a bid for the 1998 Commonwealth Games. The honourable member would probably know, as I do, because I am aware that he has a number of links with sporting organisations, that we will require the cooperation of the major sporting groups in this State to achieve that aim. One of the great things about the Commonwealth Games is its friendly nature and the common language base that prevails, and I am sure that that will continue. I have never attended a more friendly major sporting event than the Commonwealth Games in Edinburgh, albeit that 38 countries boycotted those games. There was a tremendous atmosphere. Although Edinburgh was a last minute choice as a venue, the opening night was magnificent. The enthusiasm and the support of the Scottish organisers was terrific.

However, transport left a lot to be desired. We were stranded for an hour and a half with the President of the Australian Commonwealth Games Association and we were freezing because we were wearing summer clothing. We had to hitch back to the city in the local bus facility. I believe that Brisbane has shown that Australia can stage the Commonwealth Games, and anything Brisbane can do we can do as well, if not better.

Mr TYLER: We have the Grand Prix.

The Hon. M.K. Mayes: Exactly. I am hoping to prepare a brief. I certainly do not have any ball park figures in relation to mounting the games, but various figures have been put to me about what is happening in New Zealand for 1990. What happens in 1994 is open, I suppose, for speculation. If a New Zealand rugby or cricket team competes against South Africa, New Zealand could be history. I think that the New Zealand Commonwealth Games organisers would be most nervous about any contact with South Africa at present, because that would mean a financial disaster.

The good thing is that now sponsorship is involved, and that was noticeable at the Edinburgh Games. That is something we can really hone in on. It would require the co-operation of the City Council, as the major host promoting the games. The State Government would play a secondary role in that sense as the council would be the host. There are two schools of thought about the building of a major complex. I suppose ideally it would be terrific to have a central major complex that would be available for the 10 key sports in the games. I hope that we can start to talk about erecting those major facilities in any event for international competition within the next three or four years. Announcements in the pipeline I think will start to stitch that up, and I hope that, after we have undertaken a preliminary feasibility study in the next few months, we will be able to come out with something a bit more concrete and start talking to finance houses, business houses, the council and sporting associations about a package arrangement. We would require a sports promotion, a finance committee, and a central organising committee which would encompass a whole range of skilled people in our community. That can be done. I am very keen on the idea and I hope I can convince Cabinet.

A large proportion of my time is spent in recreation and sport; it is a very busy activity. A lot of my work is paperwork and I am prone to be a memo writer. I work between 10 p.m. and 2 a.m. Fundamentally, that is when I deal with a lot of the paperwork in all portfolios. Recreation and sport consumes much of my time on weekends, week nights and during the week. The shadow Minister would know

that attending functions and being involved in sport and recreation events is part of the job, and I endeavour to do as much as is humanly possible given my other major commitment, which is agriculture.

Mr KLUNDER: Will the Minister indicate the increases in the number of women in the department and the promotion opportunities for women within the department?

The Hon. M.K. Mayes: I refer to the document 'The 1986-87 Budget and its Impact on Women' at page 92, which states:

Equal Opportunity Allocations for Women Employees

The department is working towards the development of an Equal Opportunity Policy . . . \$28 500 will be made available for staff development, conferences and seminars in 1986-87. The following is a profile of women staff in the department under the Government Management and Employment Act as at 1 July 1986:

- The total number of positions is 71.4 of which 22 are occupied by women, that is, 30.9 per cent.
- The number and proportion of women in AO-1 and above positions is 1 and 5.6 per cent, respectively.
- The number of staff below the CO-1 barrier is 11 of which 8 are women, that is, 72.7 per cent.

The barrier is a four year barrier, but I think that is under review.

Mr INGERSON: In relation to the Sports Institute, the Minister talked about sponsorship and I notice that in the previous year the sponsorship was \$45 000 but this year there is no allocation. Why has this occurred? I also notice that the overdraft this year occurred because it has used all its short-term investments. How will it get out of that difficult cash position? What will happen at the Sports Institute in relation to facility development.

The Hon. M.K. Mayes: I understand that the promotion was from Adelaide Bottlers Incorporated, and they found it difficult to get sponsorship at that level. Sponsors always head for the glamour and lights. That has caused the downturn in sponsorship funds and the deficit runs into next year, so it meets that from this year's operations.

Mr INGERSON: How does it make up the overdraft?

The Hon. M.K. Mayes: This year's grant covers it. The draw on its funds came from sponsorship of the Commonwealth Games athletes and we gave an advance out of this year's budget so it could cope with the overdraft situation. In relation to funding, I will be meeting with the Chairman and Director on 23 October, I think, to discuss its budget implications and decisions in relation to its budget allocation from the Government.

We have had discussions with both the Director and the Chairman about the problems they face in regard to their programs. In regard to facilities, they have three phases of development. I hope we may be able to meet some of their requirements in the near future. However, it may not be in the time frame that they have requested for the development of those facilities. Certainly, we are aware that they require attention. I think there are two decisions in the not too distant future that will assist their development in the facilities area.

Mr D.S. BAKER: Is the Minister considering forwarding a proposal to Cabinet supporting the inclusion of a South Australian team in the proposed national football competition, suggesting financial support similar to that given to the South Australian yacht in the America's Cup competition but under the control of the SANFL and not an entrepreneur and, if not, why not?

The Hon. M.K. Mayes: I suggest that the member should take up that question with the President of the SANFL. I respect that body's autonomy in managing its own affairs. Certainly, it is doing very well. The Football Park stadium will be paid off within the next nine months—it is endeavouring to pay it off as soon as possible. It is looking at

protecting its own environment. I believe every South Australian would probably support it, given the type of approach from Victoria and the way the SANFL has been treated by the VFL.

Mr D.S. BAKER: What about the headline in the *News*?

The Hon. M.K. Mayes: That is the *News*—I do not agree with it. If the SANFL paid \$4 million to enter the Victorian competition, in my opinion it would get what Paddy shot at. We have to look at our participation in South Australia, where our per capita attendance at football matches is much better than is the case in Victoria. Our football clubs do not have the same financial problems as those experienced by Fitzroy. Before we enter the VFL competition we must consider what would happen to our club attendances when our team was playing interstate and what would happen with our local competition. I think there would be a drain on players and a reduction in standard in South Australia. I think the SANFL has made a wise decision. It has been cautious. The SANFL should enter the VLF competition when the terms are suitable to South Australian football. Quite frankly, our competition is much healthier than the Victorian competition, and I am sure that people like Doug Haywood would agree with that.

In relation to the Government supporting the SANFL entering a club in the VLF competition, I have not contemplated that and I have not been approached by the SANFL

in relation to it. I do not think it is appropriate for me to take the initiative other than to be available—which I have been. I have indicated on numerous occasions to both the Executive Officer and the President of the SANFL that, if they want to raise any matter with me in relation to this issue, I am more than happy to discuss it and, if need be, take up the matter with Cabinet. They have seen fit to raise with me the possible penetration of a Victorian team into South Australia, irrespective of the wishes of the SANFL. I told them that we would support them in resisting that, in whatever way we can, given the limitations that we face.

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

Works and Services—Department of Recreation and Sport.
\$5 491 000—Examination declared completed.

ADJOURNMENT

At 10 p.m. the Committee adjourned until Tuesday 7 October at 11 a.m.