

HOUSE OF ASSEMBLY

Thursday 14 September 1989

ESTIMATES COMMITTEE B

Chairman:

The Hon. T.M. McRae

Members:

Mr H. Becker

The Hon. Jennifer Cashmore

Mr M.G. Duigan

Mr J.K.G. Oswald

Mr M.D. Rann

The Hon. J.W. Slater

The Committee met at 11 a.m.

The CHAIRMAN: The procedure will be relatively informal. The Committee will determine its own timetable, and I will notify changes to the composition of the Committee as they occur. If the Minister undertakes to supply information at a later date, it must be in a form suitable for insertion in *Hansard*, and two copies must be submitted no later than Friday 29 September to the Clerk of the House of Assembly. I shall allow the lead speaker for the Opposition and the Minister to make an opening statement. I adopt a flexible approach in giving the call for asking questions, based on about three questions per member, and alternating sides. I also will allow supplementary questions, where appropriate, and introductory statements as we go through the various divisions of the votes.

Subject to the convenience of the Committee, members who are outside the Committee but who desire to ask a question will be permitted to do so once the line of questioning on an item has been exhausted by the Committee. An indication in advance to the Chairman will be appreciated. Questions must be based on the lines of expenditure as revealed in the Estimates of Payments. However, reference may be made to other documents, for example, Program Estimates, the Auditor-General's Report, etc.

Works and Services—Adelaide Convention Centre,
\$230 000

Witness:

The Hon. Barbara Wiese, Minister of Tourism.

Departmental Advisers

Mr P. van der Hoeven, General Manager, Adelaide Convention Centre.

Mr G. Ashman, Administration Manager.

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

The Hon. Barbara Wiese: I would like to make an opening statement. I will cover both tourism and reference to the Adelaide Convention Centre in my remarks so that we can get on with the business of questioning. Of all the tourism budgets that I have presented to budget Estimates Committee meetings since becoming Minister of Tourism in 1985, the presentation of this financial budget brings me the greatest sense of accomplishment. Just as importantly, I believe that last year's achievements, in conjunction with

the planned initiatives for the forthcoming financial year, represent a significant contribution towards a solid strategic foundation on which to base the future growth of South Australia's tourism industry.

In all of the tourism marketing, planning and administrative activities that we will be speaking of over the next few hours it is important to appreciate that the overall driving force behind these activities has been a commitment by Tourism South Australia to achieving a significantly enhanced economic return to the State. The 1988-89 financial year proved to be a turning point in the marketing and development of the tourism industry within South Australia. The injection of an additional \$1.6 million into the 1988-89 marketing budget paved the way for the introduction of the most significant series of new marketing initiatives ever undertaken by Tourism South Australia, including: the interstate 'Australia's Classic South' television advertising campaign, and accompanying print campaign; the intrastate 'Short Holidays' media advertising campaign, which was designed to motivate South Australians to holiday more within their own State; and the publication of the most extensive range of new tourism literature on South Australia ever undertaken.

In relation to the international scene, the following initiatives were undertaken: the commencement of a joint cooperative advertising campaign with Qantas and Japan Airlines to promote the weekly direct flight link between Tokyo and Adelaide, which commenced on 2 July 1989; and the introduction of a new joint marketing campaign in North America, in conjunction with Tourism Tasmania and the Victorian Tourism Commission.

In highlighting some of the major marketing achievements for the 1988-89 financial year, it is important to emphasise that these achievements were matched by the accomplishment of quite a number of outstanding tourism and development planning initiatives. As we can appreciate, all the marketing initiatives and achievements in the world mean very little if there is not the complementary development of quality tourism product to match the need of a very sophisticated market place.

In terms of sound tourism planning, the 1988-89 financial year also represented a significant milestone for Tourism South Australia. Building on the initial success of the publication of 'Tourism in South Australia—Invest in Success', the agency has produced over the past year a series of documents to assist planners, developers and operators in the development decision-making process, highlighting the need for development to work with, not against, the environment.

In relation to the encouragement of economically viable tourism development, the agency completed five preliminary feasibility studies. Positive expressions of interest in relation to all five proposed projects have been received. Tourism South Australia's planning and development role, during the year, also included significant financial contribution towards tourism infrastructure development, through such areas as a major Tourism Development Funds Grant Scheme and a series of tourism road grants as well as other financial support programs, including the Convention Loans Scheme and the Festivals Development Fund.

As far as this year is concerned, Tourism South Australia has been provided with an overall budget allocation of just over \$15 million for the 1989-90 financial year. This budget represents an additional allocation of \$2.4 million to Tourism South Australia over the 1988-89 year. Given last year's increase of \$2.5 million, this means that the agency has now achieved a 50 per cent increase in overall funds in just two years.

As is shown in the budget papers, Tourism South Australia is using its funds to pursue seven major programs. In summary, 63 per cent or close to \$9.5 million of Tourism South Australia's overall funds have been dedicated to our marketing effort; 18 per cent or close to \$2.5 million has been dedicated to the efforts of the Planning and Development Division; the program of 'Improving Regional Tourism' involves the expenditure of 6 per cent or close to \$1 million of the agency's overall funds; and 13 per cent, or close to \$1.9 million, is committed to improving the service delivery of Tourism South Australia, including the area of intra-agency support services, which covers all the agency's administrative activities, designed to ensure that all other divisions are operating at maximum efficiency.

As I stated earlier, the marketing achievements for the previous financial year proved to be a milestone. In the forthcoming year, additional funding of approximately \$1.2 million is proposed to be added to the marketing budget to enable Tourism South Australia to build upon the successes of last year. This provides for a total marketing budget of just over \$5.9 million. With the addition of the extra \$1.2 million Tourism South Australia intends to pursue a number of marketing initiatives including an additional \$620 000 committed towards our international marketing efforts; a new promotional video on South Australia will be filmed; the development of new product packages for South Australia; and the largest national print campaign ever undertaken for this State in addition to continuing with our very successful 'Australia's Classic South' 60 second television commercial, which will be launched on television in Sydney, Melbourne and country Victoria next week.

Many other marketing programs will be continued on from last year and I am sure that we will have the opportunity to highlight some of these activities during the course of today's session. I think it is important to emphasise that last year, when Tourism South Australia achieved an increase in the marketing budget of \$1.6 million, the vast majority of these new funds were directed towards boosting the State's domestic marketing effort, which had significantly lagged behind the marketing activities of other States and Territories.

As part of a three year plan to boost all segments of the agency's marketing activities, just over 50 per cent of this year's increase in the marketing budget has been dedicated to boosting the State's international marketing effort. The injection of an additional \$620 000 in marketing funds for South Australia's international marketing activities represents a 108 per cent increase over last year. Such an increase is timely, given that the tourism industry is now the number one export earner for Australia (outranking wool), and given that South Australia has been able to achieve a 56 per cent increase in overseas visitors over the past two years.

Tourism South Australia believes that the time is right to build on the international momentum that has already been built up, by injecting urgently needed funds into our major international markets, to attract new moneys in to the South Australian economy.

Whilst it gives me no pleasure in saying so, the potential long-term damage that is likely to be caused in Australia's major international markets by the current domestic pilots' dispute makes it even more imperative that South Australia takes a far more aggressive marketing stance in our international markets over the next financial year.

With regard to planning and development initiatives for the coming financial year, there are a substantial number of activities designed to build on last year's successes. The highlights include:

- an increase in funding to upgrade the agency's tourism data base and to provide solid research information on tourism product trends to assist the industry to make fully informed decisions.
- a concerted attempt to overcome identified signposting deficiencies throughout the State.
- a financial commitment towards the development of additional tourism facilities within the Flinders Ranges, a program that will run for two years.
- substantial grants to support the long-term viability of both the Pichi Richi and Steamranger railways.
- the updating of the current South Australian Tourism Plan 1987-89 to take the South Australian tourism industry into the 1990s.
- the publication of a 'Planning for Tourism' document designed to assist public and private sector decision makers interested in further tourism development within the State.

The achievements for 1988-89 and the planned initiatives for 1989-90 to which I have referred are by no means an exhaustive list of the activities carried out by Tourism South Australia. A great deal has been achieved over the past year, yet there can be no doubt that there is a great deal more that could and should be done. With the injection of a significant amount of funds for last year and for this year, Tourism South Australia is well placed to be a proactive catalyst for significant growth in the State's tourism industry.

In my foregoing remarks I did not mention the work of the Adelaide Convention Centre, which has a separate budget allocation from that of Tourism South Australia, but it is important to note that there is much contact and cooperation between Tourism South Australia and the Adelaide Convention Centre in promoting South Australia as a destination, both for tourism purposes and for convention and meeting business.

In fact, the Managing Director of Tourism South Australia is a member of the board of the Adelaide Convention Centre, as well as being a member of the board of the Adelaide Convention and Visitors Bureau which keeps him and Tourism South Australia informed of the broader picture in the Adelaide convention industry. In the past year the Adelaide Convention Centre has gained much further valuable experience in the marketplace and is rapidly developing a reputation in Australia and internationally as a facility providing high standards of service.

As I understand it, we will be proceeding with questions on the Convention Centre, and I welcome the opportunity of providing further information about the work that has been going on there.

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

The Hon. JENNIFER CASHMORE: Only briefly, in view of the time that has already elapsed, and simply to say that this budget has been predicated on the basis of a stable and relatively predictable tourism situation for South Australia. We are now facing what has been rightly called a devastating picture in terms of the prospect for losses in the industry as a result of the pilots' strike and the long and extremely difficult period of recovery involved. The Opposition will certainly be seeking a commitment from the Minister during the course of this Committee stage that the Government, in the light of its responsibilities to the industry in this State, will reassess the tourism budget because, if that is not done—

Mr DUGAN interjecting:

The CHAIRMAN: Order!

The Hon. JENNIFER CASHMORE:—the industry will find it difficult to recover. Industry spokesmen have said that it will take years. It will obviously require input from Government. I know that that input has already been requested. The Premier thus far has declined to commit himself. The industry is insisting that unless action is taken there will be even greater devastation than would occur unless recovery programs are put in place.

I simply set the scene by saying that obviously State Governments have a heavy responsibility. I believe that no-one in South Australia is asking for compensation—they are asking for forward planning that takes account of the disaster that has occurred.

Page 18 of the Auditor-General's Report states that the Adelaide Convention Centre's net deficit in 1989 was \$976 000 and its net deficit in 1988 was \$404 000, the State Government's contribution being \$3.518 million. In light of the pilots' strike, what is its estimated budgeted operating result this financial year, bearing in mind that one cannot tell at this stage what further effect that strike will have?

The Hon. Barbara Wiese: It is obviously very difficult at this stage for the Adelaide Convention Centre or any Australian tourism industry operator to make firm projections of that kind because we are not yet aware of how long the dispute will last. That key factor must be taken into account when trying to make predictions. An equally important factor that will affect the budget outcomes for all operators around Australia is the nature of the outcome of the pilots' strike.

In my opinion it is important that when this matter is resolved it be resolved in a way that enables Australia, whether it be through our tourism promotion authorities or convention promotion authorities, or whoever it might be, to go to the international marketplace and say very firmly that, although we have been through a very difficult time, this will never happen again. If we are able to say that confidently, in the international marketplace in particular, then we will be in a much stronger position to bring about the sort of recovery the honourable member talks about.

If we fall short of that with the resolution of this dispute, Australia will be in a much more precarious position. Clearly, operators, in turn, will be reassessing their position negatively. At this stage it is very difficult to know what the outcome will be. However, we know that there have already been cancellations of business in September and into October.

The Hon. JENNIFER CASHMORE: Does the Minister know the value of that?

The Hon. Barbara Wiese: For the Convention Centre it is about \$300 000 worth of business. In relation to the value to the State, in terms of money that goes into hotel accommodation and other forms of spending, it is probably close to \$500 000.

The Hon. JENNIFER CASHMORE: In the Capital Works Program the 'Overview' states that the second factor influencing the Government in framing its capital works is the desirability of Government business agencies proceeding with commercially justified investments. As Committee members would know, the Opposition does not support that. Why did the Adelaide Convention Centre enter the catering contracting business? What salaries are involved? What profit has resulted from that? What plans, if any, are there to extend the role of the centre to provide goods or services of any nature in competition with the private sector? In particular, does the centre intend to take over—or has it already taken over—the operations of the Convention Centre in the Education Building?

The Hon. Barbara Wiese: As the honourable member indicates, during the course of this financial year, the Adelaide Convention Centre extended its operations in the catering field and took over the catering contract which was previously let by Sacon for catering facilities within various sectors of Government. The Convention Centre has taken over that business. The rationale for doing so is to assist the Convention Centre more appropriately to utilise the facilities that it has at its disposal. It is quite clear that there is unused capacity in the catering facilities of the Adelaide Convention Centre, and the board of the centre advised me that it felt it would be desirable for that unused capacity to be used as much as possible. However, the board and the Government are mindful of the role of the private sector in this catering field and will be careful about decisions that are made about extending the work of the Convention Centre in this area as and when it might in some way come into conflict with the work of the private sector.

We would prefer that, to the extent that it is possible, in pursuing the work that it does, the centre should restrict its activities to those which are as close to its main charter as possible. It is not the intention of the Adelaide Convention Centre to compete with the private sector unless it is specifically invited to do so in a particular area, because people are perhaps not satisfied with the private sector options. At this point, the Convention Centre is moving carefully into this area of extended activity. So far, it has been a very successful move in that already it would appear that savings are accruing as a result of the centre's taking over the Government business to which I referred. As to the increase in staffing, I will ask Mr van der Hoeven to comment.

Mr van der Hoeven: The only increase in staffing occurring because of this activity is a result of our taking over the staff who were working at the State Education Centre and the various outlets in there as part of the overall catering contract for that venue. The staffing of the Convention Centre has not increased as per the figures provided last year.

The Hon. JENNIFER CASHMORE: The Auditor-General's Report indicates that the deficit for 1988 (that is, the State contribution towards the centre) was \$2.7 million and, for 1989, \$3.5 million. Does the Minister envisage that this State Government contribution will continue to increase on an annual basis and, if so, to what extent?

The Hon. Barbara Wiese: At this stage we expect, on last year's figures, a slight increase for this financial year. We are predicting that it will be \$3.6 million. Looking at the projections for the following two years, we expect that the figure will decrease to \$3.3 million in 1990-91 and to \$3.2 million in 1991-92.

The Hon. JENNIFER CASHMORE: Does the Convention Centre pay sales tax on its purchases and is it presently engaged in hiring and, if not, does it intend to extend into that area? I note that last year its income in respect of hiring was \$36 000 lower than for the previous year. I understand that it is about to embark on an enlarged hiring service.

The Hon. Barbara Wiese: In respect of the first question, the Convention Centre does pay sales tax on its purchases, and it also pays licence fees. It is not in the business of hiring equipment to anyone, other than equipment which it owns and which will be used within its own facility. It is not the Convention Centre's intention to compete with private sector hiring companies for the hire of equipment outside its facility.

Mr RANN: I refer to the use of the Convention Centre for concerts and sporting events. I can recall that when the Convention Centre opened for business some operational problems were associated with the staging of large concerts

and sporting events (certainly that was reported in the media). Naturally, adverse publicity which arises from such occasions could be damaging to the Convention Centre's reputation. Has there been any resolution of those problems?

The Hon. Barbara Wiese: The honourable member is correct: there was some adverse publicity in respect of a couple of functions held in the Convention Centre when it first opened. Since that time, the Convention Centre management has decided to have much greater control over the use of its facility than was previously the case. In the early days, people hiring the facility made the decisions about seating arrangements and the layout of the facility. Ultimately, that led to a number of complaints in respect of certain functions. In many cases, those decisions were taken by the hirer against the better advice of the Convention Centre management. Of course, the Convention Centre management ultimately wore the odium of the complaints.

To overcome this problem the management has done two things: first, it now insists that clients abide by the arrangements that the management believes are most appropriate in the interests of patrons. Secondly, during the intervening period the Convention Centre's bookings for functions that might be considered to be more appropriate for that facility—that is, functions associated with conventions and meetings—have now increased to such an extent that it no longer has the capacity to accept bookings for sporting events and concerts. In fact, the Convention Centre has not had a function of that kind since February this year. As time passes, the need to hold such events in there will decline even further, particularly with the new Entertainment Centre coming on stream. The Convention Centre is not particularly keen on the idea of accepting these sorts of bookings, anyway, because they are not as lucrative as the other forms of business in which it engages. With a concert or sporting event it receives only the hiring fee, whereas with meetings and conventions it is likely to obtain other business, including catering, which boosts the revenue.

Mr RANN: Is the Adelaide Convention Centre concerned about competition from the new Entertainment Centre, or is it seen as more of a complementary facility?

The Hon. Barbara Wiese: The Convention Centre, I think, would view it largely as complementary. The Entertainment Centre will be catering for some of the functions that would not be suitably housed in the Convention Centre. To some extent, it will take some pressure from the Convention Centre and it will provide an increased capacity for Adelaide to hold much larger events than the Convention Centre can cater for. For example, conventions or rallies such as those held by the service clubs (such as Lions), which require enormous space, will be very suitably held in such a centre. So, it will add to Adelaide's capacity to meet not only the concert and sporting needs of the State but also increase our capacity in the conventions and meetings market.

Mr RANN: How do the standards set by the Adelaide Convention Centre compare with other venues in Australia, and is there an ongoing monitoring of standards?

The Hon. Barbara Wiese: Certainly, and Pieter van der Hoeven and his staff, both here and internationally, provide very important feedback to the Adelaide Convention Centre about the emerging trends in the convention industry. As our Convention Centre is being used more both by international organisations and by Australian organisations, it is developing a very high reputation as a place providing very good facilities and very high standards of service. It can be summed up by the many very complimentary letters and remarks that have been made about the Convention Centre at various times during this past year or so.

In fact, I have a quote with me which appeared in the convention magazine some time ago, where, at an Australian conventions organisation meeting, there was some discussion as to the quality of convention facilities and convention bureaux within Australia. A woman named Jill Mason, the Director of Education and Member Services for the Building Owners and Management Association of Australia (BOMA), was very critical of what she saw as very poor standards of convention facilities within Australia. She ran down the Darling Harbor facility quite extensively, then told the conference:

I think it is fair to say that conference centres around Australia are not adequately staffed, and they certainly do not have their floor staff properly trained. I think the one exception is Adelaide, where I have always found the standard of service to be high. They seem to know what staging conferences is all about.

That is a typical comment.

The Hon. JENNIFER CASHMORE: I endorse that absolutely.

The Hon. Barbara Wiese: We are planning to jealously preserve that reputation in the marketplace, and it will be particularly important that we do so with the new convention facilities in other States coming on line.

Mr RANN: We talked about our national reputation: what about Adelaide as an international destination? I understand that last month the Australian committee of the International Congress and Convention Association released the results of a comprehensive world meetings industry survey, which indicated that, contrary to expectations of a decline in international interest following the bicentenary, Australia has in fact increased its bookings numbers in the lucrative world associations convention market. How has Adelaide, in particular, measured up against its international competitors in this regard?

The Hon. Barbara Wiese: Adelaide and Australia have both measured up extremely well, as far as these returns are concerned. Dealing with Australia first, that organisation indicated that Australia measured up better in terms of the annual bookings than Singapore, Hong Kong and Thailand. In markets where one would expect the cost structure to be much lower, Australia in fact shone forth as a very important destination. Adelaide sits very well within this framework, and the organisation to which the honourable member just referred is planning to hold its own general assembly here in Adelaide in November of next year. This will further highlight the importance of our facility amongst the people who are responsible internationally for booking conventions.

The figures produced by that organisation showed that Adelaide held 20 international conventions during the time studied, which compared more than favourably with many of the major international centres. New York, for example, held only 19 conferences during the same period; Los Angeles, seven; Chicago, 18; Tokyo, 39; and at the top of the list was Barcelona, which hosted 59 meetings during that period. If we look at the Adelaide Convention Centre in a national context and on the international stage, it is performing extremely well. With the reputation it has, as I indicated earlier, it should continue to do well.

The Hon. JENNIFER CASHMORE: I am happy to endorse the Minister's remarks about the standard of service and reputation of the centre. If we are looking at comparisons, I am interested to know the comparisons in terms of the marketing budget spent on advertising and promotion by the other State centres in Australia. In light of the undoubtedly disastrous impact of the pilots' strike on conventions—probably more on that sector of the industry than on any other—what plans are there to supplement the budget

of the Convention Centre for the essential recovery programs that will be required as a result of the strike?

The Hon. Barbara Wiese: I will deal with that issue first. It is much too soon for the board of the Convention Centre to be thinking of what sort of recovery plan might be necessary, for the reasons that I outlined earlier. We do not know how long the strike will last or what the resolution will be, so we do not know the long-term impact and the problem to be addressed once it is over. We must reserve judgment on these issues. I am sure that the board of the Convention Centre will want to reassess some marketing efforts in light of the pilots' dispute, as will the Adelaide Convention and Visitors Bureau, I am sure, as it looks at the broader picture within South Australia.

Discussions are taking place within State bureaux and also at the national level about the recovery program. I am sure that those organisations will want to work closely with State tourism authorities and the Australian Tourism Commission in planning a coordinated approach to the development of any recovery program.

Mr van der Hoeven: At this stage, it is difficult to ascertain other budgets. If one looks at New South Wales as an example, the whole industry was so fragmented that it was only recently that it got its act together with a new bureau working together with the Convention Centre. I hope to obtain some figures about that very soon. John Rowe from the Australian Tourism Commission has now been appointed for that exercise.

As far as the marketing budget of the Convention Centre is concerned, we were very happy to have an increase of about \$200 000 this year, which gave us the opportunity to concentrate in the long term on the international markets. We have therefore appointed a new agent in New York who does all our lead researches which we then follow up here on a domestic basis.

Melbourne is unique. The Melbourne Tourist Authority now operates with the Melbourne Congress Centre. We are monitoring that very closely in order to establish whether there is an enormous impact on us for the next year. We have not suffered at the moment, so there has been no necessity to do anything about it. However, that situation may change.

The Hon. JENNIFER CASHMORE: I asked whether the Minister had comparative figures for the convention centres of other State capitals?

Mr van der Hoeven: No, we do not.

The Hon. JENNIFER CASHMORE: I assume that marketing questions about the Convention Centre can be covered in the marketing budget.

The Hon. Barbara Wiese: No, they are entirely separate from the budget of Tourism South Australia. To the extent that the marketing budget of the Adelaide Convention Centre relates to advertising and promoting the facility itself, some of the work that is done by Tourism South Australia may be of indirect assistance in promoting the Adelaide Convention Centre, but it is not designed specifically for that purpose.

The Hon. JENNIFER CASHMORE: The grant to what was formerly the Adelaide Convention and Visitors Bureau and now the Adelaide Convention and Tourism Authority is discussed under the budget of Tourism South Australia; is that right?

The Hon. Barbara Wiese: That is right.

Mr DUIGAN: Obviously the Convention Centre has been successful in attracting a large number of national and international conventions and, as has been mentioned already, there will be greater competition in attracting those conventions to Adelaide now that new purpose-built con-

vention centres have been established in Melbourne and Sydney in particular. What are some of the overseas and international marketing initiatives that the Convention Centre will undertake during 1988-89? What arrangements, if any, will the Convention Centre make for tele-conferencing and using its own facilities?

The Hon. Barbara Wiese: During the past 12 months we have appointed a representative in New York who covers the North American and Canadian markets for us to encourage convention planners to make their destination Australia when they look for a place to hold conventions. That person has very extensive contacts throughout North America and Europe. We believe that the appointment has already well and truly paid off, because he has been able to put us in contact with a number of organisations in the few months that he has operated with us so that new meetings can be attracted to South Australia. It appears that that will be a very useful relationship.

For some time we have also had a representative in Europe who is stationed in Frankfurt, West Germany. That situation will continue and it has been helpful. We recently supported the White Glove Campaign, which included a familiarisation tour of Adelaide by convention planners from the United States of America. That one visit has helped us to secure three international bookings for the Adelaide Convention Centre. We will have representation at the annual congress of the International Congress and Convention Association which will be held in Cairo in November. We hope to encourage delegates at that conference to attend the Adelaide congress in 1990 and representation will be made on our behalf in conjunction with the Australian Tourism Commission, at the IT&ME in Chicago in May 1990. That is a well known fair for the meetings market. We will also have representation at other relevant convention planners' meetings and exhibitions in the United States in April and May next year.

There will be a continued program of interstate visits, to Melbourne, Sydney and Canberra in particular, as an ongoing exercise in marketing and sales. Calls will be made regularly to current and potential clients that will be aimed particularly at the corporate sector. We will maintain an advertising campaign and a high public relations profile in selected national and international trade magazines. In that way we hope to raise the profile of the Adelaide Convention Centre and to attract conventions to South Australia.

Mr van der Hoeven: We are very fortunate that our centre is totally equipped and wired for tele-conferencing. Internationally and domestically we have already been chosen on various occasions to stage such conferences. A couple of months ago the entire Hyatt Hotel was occupied for the launch of the new Mercedes-Benz sports model. That launch was conducted in conjunction with Geneva and the link was used. When the Lend Lease group of companies has its annual general meeting, it always uses the Convention Centre so that, through the tele-conference facility, all shareholders can participate.

It is very much the future in this business and we are only on the ground floor. We are also totally prepared for simultaneous translation, and I am pleased to say that, because that facility is available, we have just won a Japanese convention for November 1990.

Mr DUIGAN: Earlier this morning the member for Coles referred to the increased allocation to the Adelaide Convention Centre. The increase is less than 3 per cent. My question really deals with the other side of the coin. Has any work been done to determine the contribution of conventions hosted in the Convention Centre to the general well being of the State? Is the financial contribution, other than

the direct contribution to the centre, the ancillary benefit and consequences of so many people being in Adelaide from other States and overseas considered in terms of the money that they spend on other tourist facilities such as entertainment, hospitality and accommodation?

The Hon. Barbara Wiese: Yes. We keep such statistics because one of the major roles of the centre, apart from running conventions, is to do just as the member suggests, that is, to create business in South Australia for other operators in whatever area they operate. Since the centre opened it has been responsible for booking 116 120 rooms in Adelaide. Using the formula of the Bureau of Industry Economics, we estimate that revenue to the State as a result of the centre's work since it has been operating would involve about \$15.7 million in accommodation alone, and another \$12.4 million brought in by delegates spending on transport and entertainment and in the other areas referred to by the honourable member. The total value to the State using the multiplier effect of 1.6, as recommended by the BIE, would bring to about \$45 million the total benefit to the State of the work of the centre.

Mr DUIGAN: That is impressive. Probably the single most significant and unsightly contribution made to the Adelaide built environment over the past five years has been the proliferation of car parks, whether for hospitals, retail, marketing or whatever. Notwithstanding that, there is still a need for car parks in relation to the centre, and there have been some difficulties with car parking arrangements in the past, despite our seeming to be surrounded by them. Have those problems been addressed adequately, or is there a continuing need for the matter to be examined? I hope that it will mean not more car parks but better utilisation of those that are already available on North Terrace.

The Hon. Barbara Wiese: The honourable member will recall that some time ago a number of Opposition members made numerous comments about the car parking situation in and around the Adelaide Convention Centre. They predicted all sorts of stories of doom and gloom involving bottlenecks, traffic jams and horrible results that would flow from overcrowding in the vicinity of the Festival Centre and other facilities. In fact, none of those stories of doom and gloom have come to pass: things have been running extremely smoothly for some time with the parking facilities that are available in the area.

Any teething problems that were experienced in the early days were brought about not by the lack of parking facilities to cater for the area but by people not fully understanding what facilities were available and what were the most appropriate access and egress points, or using appropriately the facilities that currently existed. There has been a considerable education campaign by way of advertisement and other means to encourage people to use the facilities appropriately, and in the past several months no problems or complaints have been made. People are using the facilities properly and things are working well. Since 1 July an additional 308 spaces have become available in conjunction with the exhibition facility; those 308 spaces are open for business.

Mr DUIGAN interjecting:

The Hon. Barbara Wiese: Yes, beneath the exhibition hall itself, even though the hall is not complete. There will be an additional 472 spaces once that facility is complete, and that will add considerably to the parking facilities in the North Terrace precinct. Currently, there are 1 055 spaces in the plaza car park and 308 spaces in the exhibition hall. As I said, when construction is fully completed there will be 1 527 spaces in the area and we would expect the use of

these spaces to proceed smoothly and for people to get conveniently to their destinations in the North Terrace precinct.

The CHAIRMAN: I call on the member for Coles.

The Hon. JENNIFER CASHMORE: As far as we are concerned, we want to proceed to Tourism South Australia.

The Hon. J.W. SLATER: Can the Minister give a summary about the board of the Adelaide Convention Centre? Who are its members, how are they appointed and how do they operate?

Mr BECKER interjecting:

The Hon. J.W. SLATER: That could be a supplementary question about whether or not they get paid. I am not familiar with the board members, and I think that such information should be on the record as to the administration of the centre.

The Hon. Barbara Wiese: The Adelaide Convention Centre board is chaired by Graham Inns who, at the time of his appointment, was the Managing Director of Tourism South Australia. He is now the Director of the Department of Housing and Construction. The new Managing Director of TSA is now on the board and there are four other members. One is Michael Harrison, Deputy Chairman of the board, and he is keenly interested in the convention industry. He is a businessman in Adelaide and a member of the Adelaide City Council. That provides a useful link with the local government authority for the area.

Bill Spurr is the Director of the School of Tourism and Hospitality. Winnie Pelz is with the Department for the Arts and at the time of her appointment was working with the Living Arts Centre. One of the attractions of having Winnie on the board at that time—and it is something that continues on—is that it provided a useful link for the board with the arts facilities in the precinct. The final board member is Jack Kew, formerly General Manager of Australian Airlines in South Australia, who is semi-retired but who is doing some part-time work for at least one hotel property within the precinct.

Of course, he has very extensive contacts in the Adelaide business community. That group of people represent a diverse range of opinions. They come from backgrounds that are related to the work of the Adelaide Convention Centre and they have been on the board since its inception in 1987.

Mr BECKER: As a supplementary question, how much are members of the board paid?

The Hon. Barbara Wiese: Only two members of the board are paid fees, as only two members are not public servants. I do not know exactly how much they are paid, but I think it is about \$1 200 a year. The fees they are paid are in accordance with the schedule of fee categories that were determined by the Department of Personnel and Industrial Relations for particular types of boards and committees within Government. The members of the board are paid in accordance with DPIP's recommendation.

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

Tourism South Australia, \$15 029 000
Minister of Tourism, Miscellaneous, \$5 120 000

Chairman:

The Hon. T.M. McRae

Members:

Mr H. Becker

The Hon. Jennifer Cashmore

Mr M.G. Duigan

Mr J.K.G. Oswald
Mr M.D. Rann
The Hon. J.W. Slater

Witness:

The Hon. Barbara Wiese, Minister of Tourism.

Departmental Advisers:

Mr R.I. Nichols, Managing Director, Tourism South Australia.
Ms A. Hooper, Director, Corporate Services.
Mr D. Riley, General Manager, Marketing.
Mr M. Fisher, Director, Regional Administration.
Mr R. Hand, Acting General Manager, Planning and Development.

The Hon. JENNIFER CASHMORE: The Committee will appreciate that it is extraordinarily difficult to compare the policies and expenditures of this year with previous years because of the substantial alterations to the programs, and that was explained a little in the Minister's statement. What are the reasons for changing from 'Program Marketing of the State as a Tourist Destination' to 'Development of Tourism Identity for South Australia'. The name of the program speaks volumes, in that obviously there is a perceived need to develop an identity that suggests that we have one or do not know what it is. What is the precise total value of what was spent on marketing last year compared with what is proposed to be spent this year, recognising that that figure cannot be gleaned from an examination of the Program Estimates?

The Hon. Barbara Wiese: The reason for the change in names of the various programs is to try more accurately to designate the allocation of resources for particular functions that are undertaken under the marketing banner. We now have three programs that previously might have been described as marketing of the State as a tourist destination. The three programs are: 'Development of Tourism Identity for South Australia'; 'Information and Sales Services', which identifies more specifically the work that is done in our travel centres; and, 'Encouragement of Tourism Development'. We are attempting more accurately to match our programs with the way funds are allocated for particular functions.

It is difficult to try to draw together marketing allocations as a result of the changes in the program. As I indicated in my opening statement, marketing has been allocated \$5.9 million this financial year. To the extent that we are able accurately to draw together the amounts from the previous program, last year's marketing allocation was \$4.7 million or thereabouts.

The Hon. JENNIFER CASHMORE: As a supplementary question, the Minister mentioned program 10, 'Encouragement of Tourism Development'. The distinction in my mind between development and marketing is clear. I do not see anything under program 10 to indicate an allocation for marketing funds. The sum of \$2.9 million is allocated to 'Tourism Advertising and Promotion' in programs 7 and 8, making a total of \$5.8 million. The Minister referred to \$5.9 million. Where does the extra \$100 000 come from?

The Hon. Barbara Wiese: That would be accounted for by way of the grant that is made to the Adelaide Convention and Visitors Bureau.

The Hon. JENNIFER CASHMORE: Given the establishment of a new voluntary organisation—the Australian Convention and Tourism Authority—and given that the Minister said that it is too soon at this stage to identify the nature of recovery programs as a result of the pilots' strike,

will she acknowledge that recovery programs will be necessary and that the State Government will need to have an input into such programs? Will the Minister undertake to make an allocation to recovery programs, both for ACTA and the total marketing effort of Tourism South Australia?

The Hon. Barbara Wiese: This week I have already publicly acknowledged that there will be a need for recovery programs following the conclusion of the pilots' dispute. I have also indicated that Tourism South Australia will be working closely with representatives of the industry in the convention and meetings business and in the tourism business generally, as well as with the Australian Tourism Commission and other State tourism authorities in determining how best it can use its resources to participate in such a recovery program.

It is much too soon for us to be specific about the way in which our resources should be most appropriately used. For example, we may participate in a national campaign mounted by the Australian Tourism Commission, working with State tourism authorities in the markets in which the ATC operates but, in making decisions about that, we would have to bear in mind the specific needs of South Australia and our own areas of priority in international markets.

In addition to working with a national program, there might be a need for us to be taking specific action in particular markets of greater importance to us. A number of factors are to be taken into account. As time passes, things will become clearer as to what action is required, but we are committed to participate in a recovery program of some kind.

The Hon. JENNIFER CASHMORE: The Minister is very carefully phrasing her replies to avoid giving any kind of acknowledgment that there must be a financial commitment as distinct from participation, cooperation and any other word that one might like to use—a financial commitment. I suggest that the industry in South Australia would have its morale considerably boosted if the Minister, during this budget Estimates Committee, were to acknowledge that there must be an additional financial input from the State Government into tourism and marketing if any recovery program for this State is to be effective. Will she give such a commitment?

The Hon. Barbara Wiese: I keep in close contact with representatives of the industry and it knows perfectly well what is my position on this issue. It also knows that we have given a financial commitment, or a commitment to be involved in a financial way, to a recovery program. The industry recognises and acknowledges that it is too soon to put a dollar value on such a program or to indicate in what way we might participate in a recovery program. Participation in a recovery program means dollars: it does not simply mean lending moral support or saying, 'Good on you, Jack, you have done a good job.' We will be making a financial commitment. Whether that means a reallocation of our existing resources or a rejigging of our planned marketing activity in particular markets, or whether it means finding new dollars is a matter which will be addressed at an appropriate time. This is not the appropriate time for the reasons I have outlined.

The Hon. JENNIFER CASHMORE: What is South Australia's market share of the international market and the interstate market?

The Hon. Barbara Wiese: We do not have those figures with us, so I will take it on notice.

The Hon. J.W. SLATER: Referring to investment in tourism and the development of tourism in South Australia from page 298 of the Program Estimates, in 1988 the Government launched a publication, 'Invest in Success', which

highlighted key tourism investment opportunities. It was described by a section of the media as 'the other side of Government, the go-getting as opposed to the paper shuffling'. Will the Minister outline the proposals and development opportunities contained in that publication, and indicate whether the publication has generated interest amongst investors and people who might have a desire to finance tourism operations within South Australia?

The Hon. Barbara Wiese: During the past 12 months in particular, officers of the Planning and Development Division of TSA have spent much time working on developing a much clearer picture of the type of tourism development that is appropriate and desirable for South Australia, which would assist in adding value within South Australia and which would fill some of the gaps in our tourism product. Building on the work of the 'Invest in Success' document I launched some time last year, work has been undertaken to develop a series of preliminary feasibility studies designed to provide information to potential investors on particular projects that we believe should occur in South Australia and which give them the sort of information that they need upon which to base a judgment on whether or not the ideas put forward are viable.

The first project worked on was a property owned by the South Australian Government, Estcourt House, previously owned by the Health Commission and used as residential accommodation. That has now been vacated by the Health Commission and is being held in trust for Tourism South Australia to pursue a project for a coastal resort development using the old historic Estcourt House as its focal point. Already investors and developers have shown some interest in the matter, but it will be some time in the future that we will be calling for expressions of interest from people to further pursue that development. In the meantime, we have pursued the planning procedures that were necessary. There needed to be a change to the supplementary development plan to allow a development of that kind, and that process is now almost complete and we will be able to call for expressions of interest.

In the Barossa Valley region, the best known and second most visited part of South Australia, there is a shortage of accommodation in a particular sector of the market. Tourism South Australia identified the need for the development of a wine area country club and also a vineyard retreat-type accommodation. Pre-feasibility studies have been prepared on each of those concepts. Some proposals are before the relevant planning authority and others are in the advanced planning stage to bring those concepts into reality.

Further, there is a need in Adelaide for budget accommodation development, and a feasibility study was prepared and TSA officers are having discussions with a developer who has a suitable property and may pursue such a development. The final project that they have been working on is the concept of a coastal resort development on Kangaroo Island. Before that proceeds any further, there must be discussions with the Kingscote District Council and the Department of Environment and Planning on what might be appropriate. That is the work that has been undertaken during the past 12 months. It is starting to pay dividends in terms of investor interest that those projects have attracted. During the next 12 months, as well as working on those projects, officers will be looking at other opportunities that might exist in South Australia for tourism investment, and will be pursuing those opportunities with the appropriate people.

The Hon. J.W. SLATER: Recently there was publicity about Hong Kong investment in several areas of our economy. Is the department encouraging that sort of overseas

investment; does it want investment only within Australia; or does it want a combination of both?

The Hon. Barbara Wiese: Tourism South Australia takes the view, as does the Government generally, that it does not discriminate amongst particular investors, and it does not take a view as to whether investment should be Japanese, British or Australian. We are looking for tourism development investment which benefits the people of South Australia. We are not looking for investors who come here to make a quick buck; we want investors who are interested in assisting the South Australian economy to grow and develop. So we are talking with investors from other countries as well as people from various parts of Australia.

We have indicated to people we have talked to thus far that, where possible, we would prefer foreign investment to be by way of joint venture with Australian partners. Obviously there will be occasions when wholly foreign investment is more appropriate and, where that is the case, we will support it. As we have worked on the proposals I mentioned earlier, we have made it very clear that the development we are interested in attracting will not necessarily appeal to all investors. It will appeal to those investors who understand our development philosophy and are prepared to pursue the same sort of goals we are looking for. We have also made it very clear that we are not interested in development at any cost. We want tourism investment in developments which will be sustainable not only economically but also environmentally and which are acceptable to our local community. Unless tourism development is accepted locally, there is a chance that the tourism industry will be a lot less successful.

The Hon. J.W. SLATER: I note that \$25 000 will be spent by Tourism South Australia on the Festivals Development Fund. South Australia has earned a reputation—and quite justifiably so—as the Festival State. In fact, I understand that at the moment the 1989 Spring Heritage Festival is under way, and it has received some financial support from the fund. What is the purpose of the Festivals Development Fund and what other festivals have received financial support during the past year? What is proposed for 1989-90?

The Hon. Barbara Wiese: The Festivals Development Fund was established in 1987. It is jointly funded by Tourism South Australia and the State Government Insurance Commission to a total of \$50 000 per year. It is designed to assist in increasing the tourism value of existing festivals and to establish new festivals that have high tourism potential. The objectives of the fund have been to support those festivals and events that encourage growth in tourism within the State, which have the capacity to expand the growth in our interstate and international markets in particular and which can be used as a promotional vehicle for South Australia as a whole.

During the past financial year the fund has supported seven festivals and events: the Barley Festival on Yorke Peninsula, camel races at Bordertown, the Kernewek Low-ender on Yorke Peninsula, the Wine/Music Festival at Penola in the Coonawarra, Orange Week in the Riverland, the Spring Heritage Festival (which is celebrated throughout the State) and the Wine Festival in the Riverland. The fund has provided those events with a significant boost so that they can market their product more successfully.

During the forthcoming financial year the objectives of the fund will be looked at again. It is intended that more money will be given to a smaller number of festivals. During the coming year grants to a maximum of \$15 000 each will be given to those festivals and events which have the capacity of creating and promoting tour packages in association

with the event itself; those that create publicity and promotion to attract increased visitor numbers; and those that have the capacity to gain further commercial sponsorship. As I have said, fewer festivals will be funded but the net benefit is likely to be greater than was the case under the previous criteria.

Mr OSWALD: The questions that I will ask all require, I believe, fairly lengthy research, so I shall be quite happy if they are taken on notice and replies supplied later. Will the Minister provide information on the current salary of the Chief Executive Officer as at 30 June 1988 and 30 June 1989? What allowances, including their value, does the Chief Executive Officer receive in addition to his salary? Supplementary to that, how many officers are currently employed by the department at EO and AO levels?

The Hon. Barbara Wiese: I will take those questions on notice.

Mr OSWALD: Will the Minister provide information on the amount of sick leave taken in the department during the past financial year? How much of this leave was taken on a Monday, Friday and the days immediately before and after holiday weekends?

The Hon. Barbara Wiese: I will take that question on notice but, in so doing, I point out that a similar question was asked last year and in fact we undertook a small sample of Tourism South Australia employees in preparation for last year's Committee.

We found that the incidence of sick leave taken on those days prior to and following a weekend was very low within our organisation, and I do not anticipate that things will be very different this year. Certainly, we will provide that information.

Mr OSWALD: Does the Minister have a car phone or a cellular phone which is rented and paid for at taxpayers' expense? If so, when was it installed, what was the cost of acquisition and installation and the operating cost in the past financial year, as well as for this financial year to date? We would like a breakdown of the cost to include local, STD and any other calls.

The Hon. Barbara Wiese: No cellular phones are used by any Tourism South Australia officers. There is not one in my car, either.

Mr RANN: Will the Minister explain what activities have been undertaken by Tourism South Australia under the joint cooperative advertising campaign entered into between Qantas and Japan Air Lines (JAL)?

The Hon. Barbara Wiese: The Government considers that the achievement of this direct flight is a major step in the right direction as far as South Australia is concerned in its capacity to share in the very lucrative Japanese tourism market. The potential for growth is enormous, as members would be aware from reading reports in the press and in various other places. We are delighted that we have been able to achieve this direct flight and, in order to make sure that it is a success and that we are able to impress upon the two airlines which are jointly responsible for supplying that flight that South Australia is worthy of a second flight, we are working closely with Qantas and with JAL in Japan in promoting the flight and the destination, particularly to the travel trade.

We are doing this so that they are aware of South Australia's attractions and of the growing number of package tours which include South Australia, and so that they will do their best to fill the seats and make this flight a great success. We have allocated \$600 000 for that joint campaign, which is proceeding very effectively. As far as the trade in Japan is concerned, we conducted a series of travel trade seminars during the past financial year, following the

announcement of the direct flight. Those travel trade seminars, which took place in four major cities in Japan, helped to raise the profile of this State. The honourable member is probably aware that I visited Japan prior to the flight with officers of Tourism South Australia and with a contingent of industry representatives, who also spent some time with people in the travel trade, talking about the flight and raising the profile of South Australia, and that has had a significant impact.

A series of travel trade advertisements will appear in selected travel trade magazines, and these are designed to do the same sort of thing, namely, emphasise the availability of this direct weekly flight. We are also targeting people in the travel trade media. Already, a program of familiarisation visits has begun and some very influential people in the travel trade media are visiting South Australia to become more familiar with the things that we have to offer. In conjunction with the work which has been done in the past few months—and which will continue—we will add to the range of package tours that include South Australia as a component; this should give us a very good basis upon which to promote the State in Japan and to boost the number of people coming from that market. Of course, to some extent we will need to reassess the work that we are doing to see whether there is a need for a change in direction over the next few months as a result of the pilots' dispute. In Japan, more than in almost any other market in which we operate, there will be a great need for some damage control work to be done, because the Japanese already view Australia as being strike prone.

This in many ways reinforces prejudices that they already hold, and it will be necessary for us to do considerable work in that market in order to re-establish the reputation of South Australia as a reliable destination. That is particularly important in view of the limited amount of time Japanese travellers have to spend in Australia and in view of their reliance on air travel to fulfil the range of destinations that they include in their package tours. Much work needs to be done in that respect once this strike is over. However, we have in place some good groundwork for promoting the State, and we will be doing as much as we can to improve on that.

Mr RANN: Does the Minister believe that the industry is becoming increasingly aware of the special needs of Japanese tourists, and is she encouraged by the response of the local tourism industry in catering for Japanese tourists?

The Hon. Barbara Wiese: I am very encouraged. The industry has responded magnificently since the announcement of the direct flight. An organisation called the Japan Inbound Tourism Advisory Group (JITAG) was formed here very shortly after that announcement, and it is made up of private sector and transport operators, as well as other people who have an interest in developing the Japanese market. That organisation has been meeting regularly since early this year, identifying ways in which people can prepare themselves as individual operators and ways in which Adelaide and other areas of the State can improve the quality of the Japanese tourists' stay.

That group recommended that we should conduct a course for people who would become a core group of tour guides within Adelaide, to ensure that we were ready to provide the appropriate services as the number of tourists grew. Just yesterday, I presented certificates to the successful graduates of that course. A prerequisite for entry to that course was that people had to be fluent in the Japanese language and familiar with Japanese culture. A mixture of Australian and Japanese nationals took part, and we now have a group of

well-trained people available to act within South Australia as tour guides.

Tourism South Australia provided financial support to the tune of \$5 000 to make sure that that course eventuated, and the resources of TAFE were used. That is one example of the sort of suggestion that has come from that industry group. It has been doing its own groundwork in making sure that individual businesses are prepared for these Japanese visitors, and many of the members of JITAG accompanied us on our visit to Japan in June so that they could become more familiar with and develop first-hand knowledge of the market. That knowledge is now being utilised within their own businesses.

The response from South Australian industry has been magnificent and I am sure that when Japanese visitors come to South Australia they will discover that the standards of service are superior to those in many other parts of Australia.

Mr BECKER: As a supplementary question, how many Japanese tourists visit South Australia each week on the special flight? I understand that around 50 Japanese tourists travelled on the first couple of flights. Does the Minister have any up-to-date information as to whether those numbers are beginning to increase?

The Hon. Barbara Wiese: I do not have up-to-date information. In fact, it has been very difficult to acquire from the airlines information about numbers on the direct flight. They very jealously guard commercial information and any early information has been provided on a strictly confidential basis. However, that information is now out of date. As I understand it, the airlines do not expect heavy loads in the initial months of this flight, and they anticipate that the numbers will probably increase in the second half of the first year. Our own representatives in Japan feel that numbers for Adelaide are likely to improve once the new range of wholesalers' brochures emerge in October of this year and the product becomes better known with the travel trade. As far as I am aware, the airlines are reasonably happy with the way things are going and the numbers are roughly in line with those expected at this stage of the development.

The Hon. JENNIFER CASHMORE: Before asking the next question, according to my calculations, Government members have had 15 calls and in contrast—

Mr DUIGAN: On Tourism or the lot?

The Hon. JENNIFER CASHMORE: This Committee is examining the whole budget. At this stage there has not been equal treatment of the Government and the Opposition in asking the questions. The Minister took 10 minutes of the Committee's time with her statement, which could well have been distributed. We chose to list the Convention Centre first and, rather than take up any more time of the Committee, I will move to my next question, unless there is a response from you, Mr Chairman.

The CHAIRMAN: The Committee—not I—requested that we start with the Adelaide Convention Centre. In that area the member for Coles had eight questions and the member for Hanson had one. In fact, I called the member for Morphett twice and he signalled that he did not want to ask any questions.

The Hon. JENNIFER CASHMORE: That was in order to give me the call.

The CHAIRMAN: Indeed, but then do not say to me that I did not call Opposition members. In future, I will call all members in order so that this does not occur again. It has not occurred during the past two days. As far as the Government members were concerned, the member for Briggs asked four questions; the member for Adelaide, three;

and the member for Gilles, one; and that makes a total of eight questions, so there were nine Opposition questions and eight Government questions on the Adelaide Convention Centre. Even then, wisely, I called, 'Are there any further questions?' I looked up, but there was no response, so the honourable member had an opportunity to ask another round of questions which she did not take. So far, in relation to Tourism South Australia, the honourable member for Coles has asked six questions; the member for Morphett, two (and he has given way); the member for Hanson, one (he has also given way); the member for Gilles, three; the member for Adelaide, nil; and the member for Briggs, two (and he has also given way), so I do not accept that there has been any favouritism, and nor will there be.

The Hon. JENNIFER CASHMORE: When you are calling, I take it that you are adjusting your calls between Opposition and Government and not between individuals, because on this Committee my colleagues will leave most of the questioning to me.

The CHAIRMAN: I am balancing it between Opposition and Government, and in future I will also call the individual names of the members who are here so that this situation does not arise again. The honourable member for Coles.

The Hon. JENNIFER CASHMORE: In relation to page 307 of the Program Estimates, what proportion of funds will be spent on each of the four media mentioned on that page? Bearing in mind that media inflation rates are considerably higher—in fact, quite often at least triple—than the ordinary inflation rate, how much more space and time will the increase from \$4.5 million to \$5.9 million buy?

The Hon. Barbara Wiese: I will ask Mr Riley to respond to this question. He is our General Manager (Marketing) who, during the past couple of months since we learnt of our allocation for this year, has worked on liaison with our advertising agency and with the various media in developing our strategy for advertising during this coming financial year. As indicated in the Program Estimates, we will use television, radio and the print media, among other things, in order to market and promote the State.

Mr Riley: The increase does not relate solely to media purchasing. As the Minister indicated, some of the allocation relates to new initiatives in international marketing. In relation to the increases in media purchasing time, I will cite the interstate campaign, which is 'Australia's Classic South' and which last year cost \$945 000. That included the production, for the first time in three years, of a new television commercial about South Australia. That commercial will be used for two years in order to make the best use of the production costs. We have no need to produce a commercial, but we are spending as much money on media time. In fact, we have increased the expenditure, because last year we were able to spend only \$550 000 on air time because of the production costs associated with preparing the commercial. This year we were able to dedicate nearly \$700 000 entirely to buying media time, so that takes care of some of the inflation costs which occur when buying television time.

In relation to the interstate print campaign, last year three supplements in the *Women's Weekly* cost the agency about \$320 000. This year we are advertising in five national magazines and two State motoring magazines. That will involve double page colour spreads and we will spend about \$290 000, so it will cost less than three supplements in the *Women's Weekly*. From January to May next year we will advertise in 29 different issues of interstate magazines.

In terms of the intrastate media campaign, which is the 'Short Holidays Campaign', we will probably spend about the same amount as last year, but we will not have to spend

money on production costs. So, we will be able to spend over \$200 000, in round terms, on buying not only television time but also print and radio time.

The interstate and intrastate campaigns are proceeding. The main difference is not so much a big increase in financial allocations but what we used last year in production costs we are able to use this time in buying additional media time.

The Hon. JENNIFER CASHMORE: I am intrigued to learn that this year we are using a commercial that was used last year. I would have thought that the whole notion of South Australia's tourist identity which is being clarified and the sophistication of the television watching market would lead to a degree of boredom with an old television commercial. How many times was that commercial exposed last year, and in which markets? Do we intend to use the same commercial in the same markets this year on the same channels and in the same cities?

Mr Riley: I would be careful in referring to it as an old commercial. It has presented a new focus and image on South Australia and, if we are to ever reinforce that image, we must show the commercial enough times to get the audience to understand that that is the image of South Australia. The theme of Australia's classic south is new. It was shown in our major markets of Melbourne, Sydney and country Victoria. As to specific details of exactly how many times the commercial was shown, I will have to take that part of the question on notice and refer to the media schedules to determine exactly how many times the 60 second commercial was shown on television.

As to Australia's classic south as a theme, if we are ever going to make that image work we must reinforce it over time. We decided strategically that two years was the minimum time to work in the Melbourne and Sydney market to allow audiences to appreciate the experiences offered in South Australia. In those circumstances we have no qualms about going back to the marketplace with the same commercial, because we want to reinforce the same message.

In terms of the intrastate campaign relating to short holidays, the reaction of the industry and consumers was that it was successful. We felt encouraged to continue with the same theme of encouraging South Australians to travel within their own State. The Minister will be able to elaborate on that as well. As to the shorts campaign being extended into the packaged tour area, that will be looked at later. The short breaks theme can work well, and strategically it is important for us to reinforce that message for at least two years. I would hope that with minor variations it would be suitable for a third year, because there is a need to reinforce the image that we want for South Australia.

The Hon. JENNIFER CASHMORE: As a former advertising copywriter, I am familiar with the importance of reinforcing the message. Indeed, by the time a sponsor is fed up with the slogan, often the customer has only just become familiar with it. However, I know how I would react if I were to see again last year's television commercial for the Northern Territory.

At page 296 of the Program Estimates I see that the total allocation for marketing of the State as a tourism destination was underspent last year. What is the reason for that? Is it simply a question of accounts coming in and being paid later, or were funds not allocated?

The Hon. Barbara Wiese: The comment by the honourable member provides the answer. We did not allocate less than we intended. It is an accounting matter. Some accounts came in after the end of the financial year and were paid some time in the early part of this year.

The Hon. JENNIFER CASHMORE: At page 297 of the Program Estimates, under 'Research, South Australia's best tourism features' is an allocation of \$173 000. As it is impossible to compare what the research commitment was last year, what was the total research commitment last year, how was it spent, what were the outcomes and what was the comparison with the total research commitment this year? While officers are looking for those answers, the Minister might know without having to refer elsewhere who undertook the research.

The Hon. Barbara Wiese: Some research is undertaken in-house, but other research projects are let out on contract or we engage consultants to do the work for us, depending on the task and the resources available. I ask Mr Riley to outline research in the marketing area that has been undertaken.

Mr Riley: If there is a need to give specific amounts for individual research components, I will have to take that on notice and provide the information later. As to the general thrust of what we tried to achieve last financial year—and I can refer to some of our initiatives this year in those terms—we had to look at some market research in terms of the marketing division. One of the areas was to start a new interstate television advertising campaign. Three concepts were drawn up. We wanted to test with the market whether it was getting the sort of message we wanted to give it. We had to test three concepts in both Melbourne and Sydney amongst consumer focus groups to get their reaction to three different styles of commercial.

From those results we were able to develop the final theme of Australia's classic south. That involved some of the research. The travel centre has an exit survey carried out once each year to look at the level of satisfaction of visitors to that centre. That was carried out last financial year and the year before. We carried out a survey in about March or April this year to look at whether people were satisfied with the level of service they were getting from going into the Adelaide Travel Centre. Also, we conducted surveys in Melbourne and Sydney to see whether people were satisfied with the response they got from us once they had watched the television commercial in Melbourne and Sydney and had telephoned the toll free number to ask for material.

We went back to ask them what they liked about the commercial and to find out whether they liked the publications they received. We also went back to see whether they intended to holiday in South Australia. We have that completed survey and the results. We also have a quarterly holiday intentions monitor survey conducted which looks at measuring in all the capitals people's intention to holiday in South Australia some time within the following 12 months.

That work is aimed at trying to get a measure of whether or not we are getting an increased level of interest in travelling to this State. That is different from any campaigns that we might be researching at the time.

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

Mr Riley: Prior to lunch I was summing up the research activities of last financial year. I will now cover the research activities that are proposed this year. First, it is proposed to expand this year what we did last year with some new initiatives in research. One of the areas is the Adelaide Air Access Group, which was formed by the Government to look at improving the chances of the Adelaide International Airport gaining international flights into Adelaide. A contribution of \$10 000 will be made towards additional research, which will be conducted with the Department of State Development and the Federal Airports Commission

into the strengths of the Adelaide International Airport to attract direct flights.

We will also combine with the Australian Tourism Commission on certain research projects that it is doing, and we will pay a participation cost. The Australian Tourism Commission is looking at Japan in relation to visitor satisfaction with Australia. That is a new initiative for us this year and we will put \$20 000 towards it, although it will cost the Australian Tourism Commission more than that.

We will continue the same areas of research as occurred last year. For example, the holiday intentions monitor will continue to look at people in other capital cities to see whether they intend to travel to South Australia in the following 12 months. In extending the Shorts campaign and the Australia's Classic South campaign, we once again need to research consumer reaction to the second phase and we will be doing consumer focus group research into those areas.

We have also produced a panoramic series of new posters on Adelaide and parts of South Australia, and we will conduct research into consumer reaction on those posters to see whether or not consumers are getting the message we are trying to give them. The honourable member referred to \$173 000; included in that is the salary component of the Manager, Marketing Research who oversees the programs to which I have referred.

Mr DUIGAN: In response to a question asked earlier by the member for Gilles the Minister said that tourist developments must always be environmentally as well as financially sustainable. A number of this State's tourism strengths are in national parks and that means there will be an inevitable link between tourist demand and the natural environment. The South Australian Tourism Product Strategy clearly states that tourism development should have regard to the environment, and the Minister repeated those sentiments earlier this morning. What procedures or initiatives has the Government taken to integrate conservation and tourist developments, particularly in relation to those tourist development proposals that have attracted a degree of prominence and publicity in recent months?

The Hon. Barbara Wiese: As I indicated earlier, Tourism South Australia is aware of the need to pursue tourism development that is both economically and environmentally sustainable. It has spent a lot of effort during the past year—earlier than that too, but certainly during the past year—in strengthening the ties and relationships with people in the Department of Environment and Planning. Increasingly, people in Australia are becoming aware of the damage that poor tourism development does. It is important that the South Australian Government be as clear as possible about what is acceptable in exercising its responsibilities on behalf of the South Australian community in relation to the style and location of development so that it can ensure that the tourism industry grows in a way which the community desires and which enhances the natural and built environments of the State that are amongst our greatest tourist attractions.

It is important that we do not destroy the very thing that people come to South Australia to enjoy. For that reason, during the past 18 months considerable work has been put into developing policy documents and material that will be of assistance to planners, developers, investors and local government organisations that will have to play a role at some stage in making judgments about what is and is not appropriate in the area of tourism development.

During the past 18 months the organisation worked, first, on setting a framework for these issues within the South Australian Tourism Plan. The principles and objectives of

good tourism development were laid down in that document, and it has now been in force since 1987. Since that time officers have been working on a document known as the 'South Australian Tourism Product Strategy' which outlines more specifically the State's tourism development directions and has a key objective of encouraging the integration of conservation and tourism development, emphasising their inter-dependence. To accompany that document, we have developed an environmental code of practice—a simple statement of Tourism South Australia's environmental ethic—that we hope will be of considerable assistance to people who contemplate becoming involved in tourism development.

In addition, as I indicated earlier, we launched the Tourism in South Australia 'Invest in Success' document which spelled out some of the tourism development opportunities that the agency considers exist in South Australia. It clearly made the point that the strategy we are pursuing is one that will not suit every investor. It does not aim to suit every investor; we are seeking entrepreneurs who share our vision for tourism development and the environmental aspects of the philosophy we are pursuing.

Later this year we will have completed a document known as 'Planning for Tourism', and that useful publication will be used by State and local government planners, developers, investors and existing tourism operators. This, too, will spell out and make clearer the objectives and philosophy that we are pursuing in this respect. It would be true to say that in 1989 Tourism South Australia is much better placed than it was two or three years ago in being able to provide advice, assistance and information to potential investors on what is likely to be sustainable development and what is appropriate development, both environmentally and economically.

I think that that has been one of the most significant achievements of our Planning and Development Division during the past 18 months. I hope that it will also enhance the Government's capacity to be able to assess more effectively some of the more complex proposals that will come before us in the future. As members would be aware, some difficult proposals have come before the South Australian community in the past four or five years. The difficulty in making judgments about these proposals has highlighted in a very real way the shortcomings that have existed within the Government and, I suggest, also in the development community about the need to be clear about what we would like to see happen in South Australia and in providing the appropriate support and information for people who will be involved with it. As I have indicated, these are very significant achievements during the past 18 months and Tourism South Australia will in future be in a very strong position to assist people on development issues.

Mr DUIGAN: Is it possible to have the TSA's environmental ethics statement incorporated in *Hansard*?

The Hon. Barbara Wiese: This document to which I have referred has been used as an in-house document. I have no problem with its being incorporated, but I do not have a copy with me. I will provide it later for inclusion in *Hansard*.

Mr DUIGAN: I appreciate the Minister's preparedness to allow the community to look at the criteria that TSA has been using in responding to tourist operators' proposals that come before the Government and the department. At page 309 is a reference to the need during 1989-90 for tourism policies to be better integrated into mainstream Government policies, particularly in this area of environmental management. How is TSA contributing to the environmental assessment procedures being carried out by other Gov-

ernment departments and in what way are the department's policies being brought to bear on those other assessment procedures?

The Hon. Barbara Wiese: This is one of the issues that Tourism South Australia wants to become much more proactive in addressing. As I have just indicated in response to the previous question, the relationship that officers are now developing with the Department of Environment and Planning is strengthening all the time. In future, we want to have a much greater input into the formal planning process. We will be seeking to be very closely involved in the development of supplementary development plans, for example, particularly in those parts of the State that we have identified as having the greatest tourism potential. In fact, one of the issues that will be investigated in the coming months in conjunction with Department of Environment and Planning officers is the question whether or not it is feasible to produce a supplementary tourism plan for the State. The idea certainly has some merit in principle. We need to investigate whether or not it is a practical way of addressing the issue. These are some of the questions at which we are looking.

We also want to work much more closely with other agencies of Government that deal with questions of environmental concern, infrastructure development and other matters. I refer to organisations such as the E&WS Department, for example, that deal with water quality issues, because the provision and quality of water in some parts of the State is an issue in relation to tourism. The same would apply to power and other items. A very concerted and planned approach is now being taken by Tourism South Australia to work more closely with other agencies that have some interest in these matters so that we can establish the areas of overlap and work more cooperatively.

With that in mind, a few months ago I became a member of Cabinets' Resources and Physical Development Subcommittee, which deals largely with those agencies of Government that are responsible for infrastructure support. As well as being a member of the Economics Subcommittee of Cabinet, in which we address the questions of economic growth, I am also able to have a direct input (as is my agency) into the forward planning of some of those other infrastructure and support agencies so that, over time, tourism development principles can be taken up and incorporated in the planning processes for each of those agencies. This is also a significant step in the right direction in being able to provide much greater flexibility but, more particularly, predictability for Government agencies and the people dealing with Government agencies with particular development proposals in the tourism area.

Mr DUIGAN: Referring to the service delivery side of environmental issues, has TSA developed what might be called an historic or heritage package and, if not, would it give consideration to the development of such a package, whether it be for the metropolitan area or various parts of regional South Australia?

The Hon. Barbara Wiese: Is the member now referring to promoting the development or enhancement of heritage product as in, say, bricks and mortar, or is he talking more about the development of package tours that will encourage people to come, experience and enjoy the heritage aspects?

Mr DUIGAN: The latter, but, if you are doing something in the former, I do not know about it.

The Hon. Barbara Wiese: In fact, we are doing both. In this coming financial year, on the question of package tours, we are working on the development of some special interest package tours which would promote the many heritage attractions or aspects of South Australian heritage that peo-

ple no doubt would enjoy having the opportunity to experience, so that we can raise the profile of some of those aspects of the South Australian tourism product. Additionally, during the past few years through our infrastructure development programs, we have assisted in various parts of the State by providing the financial capacity to redevelop or upgrade many areas of historical significance.

Perhaps I can give some examples of the sorts of things about which I am speaking. Since 1985-86, we have been working closely with the local council and the Department of Environment and Planning on Kangaroo Island with an infrastructure program that is designed to manage the movement of people in the very environmentally sensitive coastal areas of Kangaroo Island. For this current year, we are planning to develop a similar, fairly comprehensive, program in the Flinders Ranges which will protect parts of the environment there that seem to be very much at risk because of indiscriminate camping and other activities.

We worked with a council in the South-East to protect and enhance the endangered Mount Schank volcanic feature. We worked on the rehabilitation of the Engelbrecht Cave in Mount Gambier. We undertook a comprehensive interpretive signposting program designed to raise awareness of various artefacts and points of historical significance. We provided funding for the Goolwa Bird Hide, which provides the opportunity for special interest groups and the general public to observe and appreciate—with minimal disturbance—the native flora and fauna in that area. In the past four or five years we have spent about \$250 000 in assisting to restore many of the mining heritage buildings in Burra. That has provided a significant tourism focus for not only that town but also the entire Mid North region of the State.

In addition, we have provided funding for restoration projects involving steam driven locomotives, paddle steamers and other water vessels, railways, and other things. Part of the allocation of our resources is designed to enhance those aspects of South Australia's heritage that we believe will play a significant role in attracting tourists to the State. We all know that there is a growing interest in the tourist marketplace in respect of people who want to experience and learn more about the places they visit.

The Hon. JENNIFER CASHMORE: I would like to pursue this question of Tourism South Australia's involvement in making judgments about what is environmentally sensitive, in accordance with the 'Issues/Trends' identified on page 303 of the Program Estimates. How is it that Tourism South Australia, until apparently as recently as a few weeks ago, supported—along with the Minister's personal support—the Mount Lofty cable car project which was demonstrably in conflict with environmental and conservation objectives? One could speak at length about this, but it is best summed up by the former President of the National Trust in the Trust's newsletter of February 1989, in which he states:

The South Australian Tourism plan 1987-89 makes it clear we don't want to be the biggest, the brashest or the most ostentatious State, but rather do things with style, charm, warmth and taste. Where, oh where is the style, charm, warmth and taste in this present proposal?

It is visually and aesthetically totally out of scale and completely at variance with the existing buildings and the environment. Why did the department and the Minister support this proposal which has subsequently been demonstrated to be unacceptable environmentally?

The Hon. Barbara Wiese: From the very beginning of the process that was undertaken in respect of the proposed Mount Lofty development it was made very clear by officers of Tourism South Australia and me in any public statements or submissions that we made to appropriate bodies that any

support we gave was subject to it undergoing the appropriate environmental impact assessments and being deemed satisfactory. The project has been submitted to that process and the environmental assessment found more negatives than pluses, which led the Government to reject the project in its original form. However, that is not to say that it did not have significant tourism merit.

Indeed, the project, as it was originally proposed with a cable car component, was considered by Tourism South Australia to be a development which would add considerably to South Australia's tourism product and provide a promotional focus which could be of benefit in attracting visitors to South Australia. Certainly, if it did not in its own right attract visitors to this State, it would provide the impetus for people to stay in South Australia a little longer in order to experience the pleasures that the development had to offer both with the cable car ride to the summit and also the other facilities that were to be incorporated on the summit itself. So, as I have said, there were some very good tourism development reasons for supporting a concept like the Mount Lofty cable car proposal, but support for it was always conditional on its satisfying the rigorous environmental impact assessment process.

The Hon. JENNIFER CASHMORE: It is worth noting that the majority of people in this State scarcely needed the results of an environmental impact statement, because the majority of people who are equipped to make judgments in this area knew that it was wrong from the start. However, the State Government, having rejected it after an environmental impact statement, actually selected it from three other environmentally acceptable options. What was Tourism South Australia's input into the Government's original selection of the cable car tender over the other three tenders?

The Hon. Barbara Wiese: As I recall, Tourism South Australia had a representative on a selection panel which assessed the concept designs that were produced by some five consortia. That officer participated in the process of assessing the designs and making the ultimate selection of the Touche Ross proposal as a concept which presented the most imaginative and interesting proposal for subsequent work. Even at that point it was made clear by the selection panel and the Government in accepting the recommendations that, although this was a concept that was favoured above the others, nevertheless it would have to be fleshed out and subjected to rigorous environmental assessment. That process was undertaken during the past few years. On the strength of the negative environmental aspects, it was ultimately rejected in the form in which it was presented.

In relation to the honourable member's assessment of the views of South Australian's in respect of this matter, it seems to me that people make judgments on issues of this kind or the perceived aesthetics of proposals. The people to whom the honourable member is referring, if she is referring to the broader population, would never have had before them sufficient information about the detail of the proposal to make well informed judgments about the pros and cons of the development and would have based their judgments on newspaper reports and on drawings in newspapers, which were inaccurate in portraying the components of that development.

The way the proposal was handled (in terms of public relations and the media comment on it) highlights one of the problems that exists in South Australia which really needs to be addressed by developers and others who have an interest in promoting development that is a little out of the ordinary, in terms of the need for carefully managed public relations campaigns being part of the pursuit of the development within the State. It is very important that the

community, when making judgments about these things, should be making judgments based on fact and not on fiction or myth.

The Hon. JENNIFER CASHMORE: I make the observation that the vast majority of submissions on the EIS, which were made on the basis of the original statement, were strongly in opposition, and those people who were opposing were well informed about the full details of the plan. Will the Minister give details of the program, under 'Development of tourism identity for South Australia' on page 297, entitled 'Raise public awareness to value of tourism industry', and indicate whether it is a continuation of an existing program element or a completely new allocation? It is impossible to see whether expenditure of the order proposed—\$301 000—has been allocated for this purpose before.

The Hon. Barbara Wiese: The issues dealt with under this program heading represent a continuation of activities in which the organisation has previously been involved and include such things as the grant of \$20 000 to be provided to the 1990 State tourism conference; an amount of \$40 000 for the 1990 State tourism awards and associated expenses; and \$140 000 to the Adelaide Conventions and Tourism Authority (ACTA): that totals \$200 000. The remaining \$101 000 is a salaries component.

The Hon. JENNIFER CASHMORE: In relation to the \$140 000 to ACTA, I thought that the Minister indicated earlier that it was \$100 000. Will the Minister confirm that it is \$140 000, and what portion of that sum is to be provided to the regions?

The Hon. Barbara Wiese: All of that amount will go to ACTA. If I indicated earlier that we were giving \$100 000, that was inaccurate.

The Hon. JENNIFER CASHMORE: It may have been \$100 000 to the Adelaide Convention and Visitors Bureau component of ACTA, which means only \$40 000 to the regions.

The Hon. Barbara Wiese: That is not so. \$140 000 is the amount that will go to ACTA.

Mr Nichols: In addition to that, ACTA now has a full-time officer who is funded out of 'regions' for her travel, and so on. ACTA actually gets more than \$140 000 from us because it incorporates moneys put aside for the central region as well.

The Hon. JENNIFER CASHMORE: ACTA allocates its funds entirely in accordance with its own judgment and with no input from the Government, then?

The Hon. Barbara Wiese: You could say that, except that the Managing Director of Tourism South Australia (TSA) is a member of the Adelaide Conventions Bureau board, a component of ACTA, and the ACTA board will also work very closely with officers of TSA in making decisions on their various programs. There will be some influence, but the board is responsible for making the decisions ultimately.

The Hon. JENNIFER CASHMORE: How does that \$140 000 compare with the previous allocation to the voluntary tourism organisations?

The Hon. Barbara Wiese: It is the same amount as last year.

The Hon. JENNIFER CASHMORE: So it is reduced, in real terms.

The Hon. J.W. SLATER: A significant amount of travel, both interstate and intrastate, is still undertaken by private motor vehicle. What role are the agencies playing in identifying the need for tourist signposting and what plans are made for providing this important infrastructure during the coming year?

The Hon. Barbara Wiese: Before answering that question, I would like to add one thing to the reply I gave a few moments ago to the member for Coles about resources provided to ACTA. I should also have mentioned that, in addition to the \$140 000 grant this year, there is a one-off grant of \$15 000 which I made available to ACTA during this past week or so to assist it in mounting its campaign to launch the new organisation. The total amount is now \$155 000.

As the member for Gilles has indicated, there is a fundamental requirement for adequate signposting for tourists in South Australia or anywhere else. In a State like South Australia, which relies to such an extent on people travelling by road in order to reach tourist destinations, we must pay careful attention to the needs of those people. During this financial year \$75 000 has been allocated from the tourism development funds for the purpose of signposting in South Australia. I believe that this is the largest allocation that has been made in this area. During the next 12 months we hope to make some very significant contributions to the signposting needs of the State. A comprehensive program of reviewing the State's signposting needs is under way. The first priority that will be addressed is the question of directional signposting for tourist features and attractions, with further funds being spent on tourist drives and interpretive signs.

Directional signposting is also being arranged for various tourist regions and it is expected that the majority of this work will be completed by the end of the financial year. In each of the regions our own regional managers, who work in conjunction with the Regional Tourist Associations, have undertaken a review of the signposting needs in the various regions of the State and, as I have stated, that work should be completed by the end of the financial year. A number of projects have commenced, but by the end of this financial year we will have made very significant progress in providing proper signposting for major tourist features throughout the State.

The Hon. J.W. SLATER: What percentage of tourists use their own vehicle?

The Hon. Barbara Wiese: Approximately 85 per cent of tourists visiting South Australia travel by road and use their own car, so it is important that we provide appropriate support for those people. When we undertake the development of a package tour product next financial year, that is one of the reasons why there will be a very strong emphasis on package tours for people who use their own vehicles.

The Hon. J.W. SLATER: What impact does the road grant program have on tourist development, what roads were funded during the previous year, what is available for that purpose during the current year, and what roads have been given priority in 1989-90 (and I presume that this is an annual allocation)?

The Hon. Barbara Wiese: An allocation is made every year through the Highways Department specifically for tourist roads and, after we have been informed of the amount of money we will be allocated in the budget, Tourism South Australia is responsible for presenting a suggested program which is then undertaken by the Highways Department. During this coming financial year \$387 000 has been made available for tourist roads, which is a slight increase on last year's figure of \$365 000. During the previous financial year of 1988-89, 10 projects were undertaken: the Hampton township drive in the district council area of Burra Burra; the Mintaro/Martindale Hall road in the district council area of Clare; the Spring Gully scenic drive also in the district council of Clare; the Antechamber Bay access road in the district council of Dudley on Kangaroo Island; the

Arden Vale road in the district council of Kanyaka-Quorn; the South Coast road in the district council of Kingscote; the East River front road in the district council of Mannum; the Alligator Gorge entrance road in the district council of Mount Remarkable; the Davenport Creek road in the district council of Murat Bay; and the Point Labatt road in the district council of Streaky Bay. There was quite a distribution of road funding in various parts of the State during the previous year.

We propose to use the funds rather differently during the coming financial year, because the amount of money being allocated for tourist roads has not grown significantly during the past two or three years, while the cost of road making is escalating. We want to use the resources available to us so that we make a significant impact in the areas where we believe our tourism potential is greatest. Therefore, this year our allocation of resources will be restricted to only three projects and the vast majority of this year's allocation will be spent on sealing a part of the South Coast road on Kangaroo Island for which \$300 000 will be committed. In addition, \$50 000 will be allocated to the Breakaways access road north of Coober Pedy and the remaining \$28 000 will go towards the Bool Lagoon game reserve access road in the South-East.

In the meantime, officers of Tourism South Australia are discussing with the Highways Department the need to review the tourism grants program and the amounts of money allocated for it. They are also discussing whether or not, in addition to providing tourist road grants money, the Highways Department can pay greater attention to incorporating tourism needs into its general program so that we might be able to achieve more significant results in the area of roads in the interests of the tourism industry.

The Hon. J.W. SLATER: We are talking about the south coast road on Kangaroo Island leading to Seal Bay?

The Hon. Barbara Wiese: Yes.

The Hon. JENNIFER CASHMORE: The member for Gilles has raised a question that I wanted to raise. I have a horrible feeling of *deja vu* about signposting. I would say that every year for the past several years the Minister or her predecessor has said that the department is conducting a review. I am not asking how much the reviews have cost, but I should have thought that a review undertaken as recently as three or four years ago would not have its priorities met by the size of the funds allocated annually since then, acknowledging of course that there are new facilities that will require new signs.

Can the Minister explain precisely the relationship between Tourism South Australia and the Highways Department in terms of the cost of and approval for signs? Are all brown tourism signs financed from the Tourism South Australia budget allocation or does the Highways Department meet the cost of any of these signs? How many more annual reviews are intended? If all the recommendations of the current review for signposting were implemented, what would it cost? How far behind are we with tourism signs in the light of immediate needs?

The Hon. Barbara Wiese: In a moment I will ask Mr Hand from the Planning and Development Division to provide supplementary information. I want first to clarify a couple of points. There have been reviews.

The Hon. JENNIFER CASHMORE: I should add that the situation was the same under the Liberal Government.

The Hon. Barbara Wiese: Significant progress has been made. That is the point I want to make. The review process is ongoing, particularly in the regions, with our regional managers having as part of their job the requirement to ensure that they keep a finger on the pulse in keeping in

touch with tourism development occurring in the regions, and working with the regional tourist associations and local government authorities in identifying areas that could be better signposted.

Some of the funds required for tourist signposting are provided by those local government authorities in areas where one might be dealing with, say, national parks or areas associated therewith. Then the Department of Environment and Planning will provide the funding, and some of the resources will come through our own Tourism South Australia budget. Although it appears that we seem to be reviewing things to death, as the reviews are conducted the work that is required also follows.

In recent years we have not had the resources to allocate large sums through our own budget to supplement the work being done by local government authorities and others in this area, but the allocation this year will allow us to do a lot more than we have been able to do in the past couple of years. Work has been undertaken in recent years and needs are constantly being reviewed and assessed. To show the Committee just how we work in this area, I will ask Mr Hand to provide further information.

Mr Hand: The problem that we have faced with signposting over the years has not necessarily been the amount of funds as much as the time that it takes to put a program into operation. This year we have been able to devote more time and concentrate more specifically on the signposting program, as well as to provide the support money to back that up. Two years ago we were able to put together a total program on Kangaroo Island. That is an area-based program, and we are looking at making all the signposting programs area-based programs. We are asking our regional managers to contact councils in a number of areas of the State to supply information on their needs.

In terms of the review, that is what we mean. We have identified areas that we believe have shortcomings, and we are reviewing what those shortcomings are. We will then establish a program of work to cover those requirements. More specifically, this year we are looking at reviewing the Barossa Valley and the Clare areas, as well as signposting in Wallaroo and Moonta. We are looking at an interpretive signposting program in the Flinders Ranges. They are the major programs this year. We have not costed the total requirements. It is not possible to do that at this time.

The Hon. JENNIFER CASHMORE: If Tourism South Australia is looking at Clare and the Barossa Valley, can I put forward for perhaps the 40th time the plea for the Clare Valley sign to be placed before drivers get to the turnoff where they might be likely to go to the Barossa Valley? Drivers are well on the Main North Road to Clare before there is a brown 'Clare Valley' sign, and obviously it should be placed before the turnoff. That matter has been raised annually for the past five or six years. If it is up for review—

Mr DUIGAN: You may be the only person who gets lost.

The Hon. JENNIFER CASHMORE: I never get lost, but I know plenty of people who do and who are new to the State. At page 298, we see that \$84 000 is allocated to improve services and standards in respect of the encouragement of Tourism Development Programs. Can the Minister elaborate on whether that means services and standards throughout the industry, or within the authority? What is the purpose of that allocation and how will it be spent, bearing in mind that the need to improve standards of service throughout the industry is a high priority?

The Hon. Barbara Wiese: The new classification system also provides problems for us in determining what is included and where. The \$84 000 is to cover a project which is not about improving standards in this case but which improves

services in tourism. This project will provide for a new packaged product task force which has been set up to set directions for work over the next 12 months. Over that period, funds will be spent on research to identify the gaps in the packaged product that now exists for South Australia, and the strategy that is being pursued is designed to increase and improve the range of retail packages available in South Australia.

In the first instance, some \$40 000 will be allocated for that purpose and, with the salary component of \$44 000, it will total \$84 000. That money is being set aside to improve the standard of service to consumers rather than to improve standards in the industry *per se*.

The Hon. JENNIFER CASHMORE: If the Minister were to give this Committee a case study of what one of these people do I could gain a better impression. My impression is that if we are to serve the consumer we need to serve the industry in order to better assist it in the development of packages. Notably in South Australia, where so many operators are small and have no capacity or do not use their capacity to identify links, they could develop together to form a package. Does the department propose to develop packages by coordinating and liaising between tour operators, or does it propose to deal directly with consumers by saying that they can go to Burra and see Miss Mabel's Cottage and come back via Mintaro? Alternatively, will the department devise packages by communicating with the owners and have them promote the packages on a coordinated basis?

The Hon. Barbara Wiese: As the honourable member indicated, the South Australian tourism industry is largely comprised of very small operators, most of whom do not have the resources, expertise or time to be involved in the preparation of package tours. That is one of the reasons why I think not many packaged products are available in South Australia at the moment. We see this as a gap in the market. During the next 12 months, Tourism South Australia wants to commence addressing that problem.

We will go about that by doing the job on behalf of industry. In-house we do not have sufficient expertise or resources in some cases to do some of the work that needs to be done, so for some of the packaged product that will be developed we will be employing a consultant—a wholesaler—who is experienced in this area and who will be able to work, in turn, directly with local operators. That consultant will present ideas to them about what is possible and desirable and, over time, raise their consciousness in relation to the desirability and need for packaged product and encourage them to participate in programs that will ultimately benefit their businesses.

As I indicated earlier, because we have such a strong emphasis on people driving themselves in tourism in South Australia, quite strong emphasis will be placed on packages for the self-drive motorist. It would probably be true to say that the development of packages of that kind at this stage is probably viewed by most of the professionals in the private sector as being rather a high-risk venture. There has been a hesitancy on the part of those people to participate in this activity. We will be providing the catalyst and sharing some of the burden to encourage people to see that there is value in this sort of activity and, over time, I think we will be able to convince the local industry that it is a desirable activity in which to engage.

The Hon. JENNIFER CASHMORE: I refer to page 298 of the Program Estimates. Under 'Improvement of Regional Tourism', I notice an allocation of \$385 000 for regional marketing strategies, \$309 000 for coordinating regional tourism initiatives, \$29 000 for providing local development

advice, \$28 000 for training activities for standards and services (which I presume is related to what the Minister said immediately preceding this question), \$29 000 for media relations and communication and \$125 000 for program support activity. That clearly outlines how the money will be spent. Will the Minister indicate the breakdown into regions of the first two matters?

The Hon. Barbara Wiese: The \$385 000 for regional marketing strategies is made up of \$44 000 for salaries and \$241 000 for regional administration.

The Hon. JENNIFER CASHMORE: Is that \$241 000 also for salaries?

The Hon. Barbara Wiese: No, it is a mixture of activities. It will cover \$10 000 for a clerical officer to provide assistance for the Regional Manager for the Flinders and Outback Regional Tourist Association; \$10 000 for travelling expenses for the Director of Regional Administration; \$3 000 for travelling and other expenses associated with the quarterly meetings of the Regional Tourism Board; \$78 400 for travelling, accommodation, meals and office expenses for officers of the region; \$37 000 for hiring vehicles from the Government car pool for field trips; an \$11 000 grant to the South Australian Tourism Industry Council (which is now part of ACTA); and \$99 600 to provide impetus for cooperative marketing for regional tourist associations as seed money for particular projects.

The Hon. JENNIFER CASHMORE: Is that 50/50 challenge grants or one-for-one or one-for-two?

The Hon. Barbara Wiese: It is usually allocated on a dollar-for-dollar basis. From that \$99 600, it is intended that \$84 000 be provided by Tourism South Australia for that dollar-for-dollar grants program, and that amounts to about \$7 000 per region. An additional \$8 000 will be used to fund staff attendance at conferences and seminars, and a number of those are scheduled for this financial year. An additional \$7 600 is allocated for contingency funds, making a total of \$241 000.

The Hon. JENNIFER CASHMORE: Again, the remainder of that improvement of regional tourism is difficult to relate to previous years' spending because of the program changes. What is the increased allocation in real terms, if any, to the regions this year in comparison with last year?

The Hon. Barbara Wiese: There has been an increase only covering inflation for the regions.

The Hon. JENNIFER CASHMORE: Which is measured at what per cent?

Mr Nichols: I am not sure. Treasury organised that for us. We will take that on notice.

The Hon. JENNIFER CASHMORE: So, it is exactly the same?

The Hon. Barbara Wiese: As last year, yes. The other programs covered here include the grants made to the regional tourist information offices as well as a component for salaries for training requirements within respective areas, and other matters. On this issue of the regions division and the support that Tourism South Australia is able to provide to regions, I indicate that this is one of the areas of operation of Tourism South Australia that I would very much like to pay great attention to in the next financial year.

As I have indicated, we have been able to achieve quite significant increases in TSA's budget during the past two years, and the increased resources have been allocated to those areas of greatest priority as we see them. In the first year, the majority of funding was devoted to promoting South Australia in the domestic marketplace. In the second year (that is this year), there will be a continuation and expansion of that program plus a significant increase in

activity in our international markets where we believe it is time to step up our activity quite considerably.

If we are successful in the next financial year, as I hope we will be, in achieving a reasonable increase in the tourism budget, some of the areas of activity of Tourism South Australia which have not enjoyed a significant increase in financial resources during the past two budget periods will be the areas of operation that I would like to address. During the course of this financial year, some effort will be put into examining the range of supports that we currently provide for regional tourism, so we will be well placed by next year's budget period to know exactly what sort of resources could appropriately be allocated to improving our ability to support the regional tourist associations and the operators in regional parts of South Australia. So, for example, we might be able to address the question of the support we currently give to the information officers in various rural locations and other issues that relate to our capacity to assist regional operators.

Mr RANN: I am sure that members on both sides of the Committee would have been very impressed with TSA's advertising campaign, 'South Australian Shorts' launched by the agency last year. Our family used the guide for a very successful Christmas holiday on Yorke Peninsula. Can the Minister detail the results of that campaign? Is there an intention to undertake any advertising to encourage South Australians to take holidays within South Australia this year?

The Hon. Barbara Wiese: The shorts campaign was a very successful one, as the member has already indicated. All of us would be able to report some success to some extent amongst our own acquaintances of people within South Australia who have suddenly discovered, as a result of this campaign, that there is an enormous range of things to do and see right here on our own doorstep. It has been a real catalyst in encouraging South Australians to look to their own State when they are planning breaks away.

One of the things we learnt from our own market research was that South Australians are less inclined to consider their own State as a place for long holiday breaks than are people in other States, but they will consider South Australia as a place to have short breaks. That was why we decided to mount this original campaign based on that theme. We knew it would be something that they already identified with. The campaign was launched in October last year and, apart from a period in December and January, ran through until April this year.

Accompanying the television advertising was the production of a brochure which gave all sorts of ideas about things that people could experience. From the very outset of that campaign, we found that the reaction was very considerable and, within a very short space of time, we had received 5 000 inquiries from South Australians looking for more information. They were sent the short break booklet and were able then to plan their breaks away.

Last summer was one of our most successful for a very long time in many regions of South Australia. A total of 11 out of 12 of our regions indicated there had been a considerable increase in visitation, and some parts of the State reported their best summer on record. There is no doubt that that was very much influenced by both our intrastate advertising campaign and our 'classic south' campaign interstate. As a result of the success of that campaign and the feedback that we had from consumers, we will be running that campaign again this coming year, but it is now our intention to add the product component I was talking about earlier. It is quite clear that people like to be able to buy a

product when they learn more about the things that are on offer.

We will be putting together some price packages that people can buy off the shelf in our travel centres, for instance, which include accommodation and perhaps some other components. They might be able to get discount admission to particular tourist attractions or a meal at a restaurant at a discounted price or with a free bottle of wine, for instance. We have commissioned a wholesaler to assist in the preparation of these packages and a new brochure containing the new packages will be out in the marketplace in February next year. That brochure will be valid for a period of about 10 months.

One of the other changes in direction in respect of the next stage of the shorts campaign is the duration of the advertising period. It has become clear that consumers work on a calendar year basis when they plan holiday breaks. They do not work on the financial year as we tend to do with our budgets and therefore in mounting advertising campaigns. This time we plan to run the advertising for the duration of the calendar year—obviously with some breaks at various times—to much more closely match the needs of consumers. As far as I know, we are the first State to take that approach to tourism advertising. We will be very keen to measure the outcome of that approach. In short, the campaign has been very successful and with a product component attached we expect it to enjoy even greater success during the forthcoming year.

Mr RANN: On several occasions the Minister, through the media, has referred to the incorporation of the RAA's accommodation gradings system into Tourism South Australia's publications. Why has this been undertaken and what progress has been made in terms of implementing this initiative?

The Hon. Barbara Wiese: Tourism South Australia works reasonably closely with the RAA, as it does with a number of other motoring organisations in Australia, because there is such a heavy emphasis on people travelling by road. We have talked with the RAA about accommodation gradings, which is a very complex area and one which is very difficult to work on. It is very difficult to establish the right definitions and criteria for particular gradings, but certainly the RAA has done considerable work in this area. During the past financial year we have been able to incorporate all RAA gradings into our computer system and we can provide that information to consumers when they assess particular accommodation offerings and plan their holidays. I will ask David Riley to address some of the projects that are currently under discussion with the RAA in respect of future grading systems and some of the work we might be able to do jointly to provide even more predictable information to consumers when they look at the various forms of accommodation.

Mr Riley: Our ultimate dilemma is the consumer who walks in and asks for information about accommodation and then asks other questions about its quality. Sometimes consumers make their decision based on price and sometimes it is the additional facilities, including access to swimming pools and recreation and sporting activities. That has been a tremendous problem for us because in the past and even now we do not have the capacity to go out and inspect and grade these facilities ourselves.

Our research and that of the RAA shows that the RAA grading system is highly regarded. We felt that we owed it to consumers to give them a grading system that they respected, so we have used the RAA system. However, it does not solve all the problems. One consumer inquiry relates to the difference between what is regarded as a five

star hotel in one city and a five star hotel in another city. Of course, a number of hotels claim that they are worthy of a six, seven or even eight star rating, which makes it very difficult for consumers to work out what the star rating system means.

I point out that there is also a diamond rating system which relates to caravan parks, and so on. We now have special accommodation such as cottages and so on, which makes South Australia a popular destination. However, accommodation of that type is not easily graded and, in fact, is not currently graded at all. Therefore, ongoing discussion between our marketing division and the RAA relates to the program which the RAA will introduce over the next three years, and it includes a grading system for special accommodation. Included in the grading system will be the log cabins in caravan parks, as well as the caravans themselves.

The Hon. JENNIFER CASHMORE: Farm holidays?

Mr Riley: Yes, they will be included. However, it will not happen overnight. The RAA program will take two to three years. We have been liaising with the RAA, because having adopted its grading system as a means of giving consumers some confidence, we have to plan to include in our future publications the grading of farm holidays, cottage accommodation and so on. Of course, the grading of packages for self drive holidays is also very important, and we are working closely with the RAA in that area.

The Hon. JENNIFER CASHMORE: I refer to page 42 of the Estimates of Receipts where I note that the actual receipts for last year were up slightly, but this year they are down. To what does the Minister attribute the reduction from \$780 000 to \$750 000?

Mr Riley: In overall terms, when we plan receipts the largest component relates to commissions through our travel centre network. Prior to the start of last financial year a target of \$500 000 in round terms was set for commissions. However, during the 12 months we found that there was a backlash following the bicentennial in that people who changed their travel patterns to take advantage of the Brisbane Expo and other events in Sydney, and so on were delaying their plans for travel in other parts of Australia. As a result, the commissions earnings were down on what we predicted. We realised that we had to get more into product packaging, which is what the Minister discussed in terms of a more saleable product on South Australia. We were more conservative in our prediction for commissions this year. We are delaying our shorts campaign, which will not occur until February, to get product packages up. It will run from February to June rather than selling the packages from September. The interstate campaign will be launched again, so we need the packages to be ready by February. They can be sold just as easily from Melbourne and Sydney as they can from Adelaide.

That just meant that we pulled back the conservative estimates of what we would earn in commissions this year, because we have delayed some of the elements of the campaign until we obtain the product packages. So if you take that a step further, obviously, we expect to be less conservative in the next financial year, with packages ready for sale, in terms of our commissions to be earned.

The Hon. JENNIFER CASHMORE: I understand what Mr Riley has just said but, if we are looking at increased tourism activity, one would anticipate that receipts from commissions would rise substantially each year on the basis of increased tourism activity. I should have thought that, in all optimism and with confidence in one's capacity to increase growth, we would be budgeting for growth. The answer that has been given prompts me to ask: on what

products does the Government Travel Centre earn a commission, and what is the percentage of that commission? Does it vary from product to product? Can the Minister or her officer give us a pen picture of the revenue and its make-up? From whom does it come and what do we charge?

Mr Riley: If you wish me to get down to specific areas where those commissions are earned, I will have to take that on notice.

The Hon. JENNIFER CASHMORE: I would like you to do that.

Mr Riley: Certainly. South Australia has many small operators and, when we talk about a tourism product that can be sold, in many circumstances we are talking about either accommodation or alternative transport, be it rail, coach or day sightseeing coach. Admissions to a range of museums and attractions throughout the State are not something one can sell over the counter of the Travel Centre.

When we talk about predicting growth in travel, are we predicting growth in travel by the self-drive motorist who makes his own way to parts of the State, which means that we do not see him through the Travel Centre? The regions see him booking accommodation and staying in those areas. In other words, we service part of the market through the Travel Centre, and the regions themselves see the rest of the market arriving on their doorstep. That part of the market which buys has to be buying rail, air or coach tickets if they are interstate. That is the market in terms of predicting commissions, which is where we have become more conservative at the moment. Our conservatism will lessen next year because we will have created some brand new packages for the self-drive motorist and will be starting to tap that market.

At the moment there are no packages to buy from interstate if one is a self-drive motorist. The vast majority of the commissions earned are accommodation-based commissions, in terms of what there is to book around the State. The other alternative is coach or rail travel, and the Murray River provides many opportunities through houseboats and trips on the Murray ranging from weekends to five-day trips. So, commissions earned will also relate to sales on the Murray River.

They will also relate to sales of coach and rail travel within South Australia. One of the things that has been growing for us, small as it is at the moment, relates to packaging special events. For example, the Oakbank Easter Carnival was packaged for the first time last year and sold through Melbourne. We negotiate with special events such as the Barossa Vintage Festival or the Barossa Gourmet Weekend about the possibility of selling packages, including accommodation. Right now, the pen picture would be dominated by sales of accommodation. There are also, on a much smaller scale, sales in relation to alternative transport.

That would be the case for Adelaide, but the story changes for Melbourne and Sydney, because Melbourne and Sydney will deal with a much higher proportion of people who want to travel to South Australia in order to have a holiday, so those offices tend to see more of those who are willing to buy the coach, rail and air trips into the State, whereas in Adelaide we are only dealing with those who want to travel to the regions of South Australia in their own cars, who may be seeking brochure information and who will book their accommodation but not much else.

The Hon. JENNIFER CASHMORE: If they book accommodation, does the Travel Centre charge them? For example, the member for Briggs said that he took a holiday last summer on Yorke Peninsula, and I am proposing to do the same this summer. I would rather book directly through the brochure and give the operator the full benefit

of my booking, if the Minister will pardon me, rather than having the Travel Centre take off a percentage. What would be the percentage if I booked, say, gypsy caravans through the Travel Centre?

Mr Riley: That question enables me to answer the other part of the question, which related to whether commissions were variable. The rate is variable: it varies depending on the arrangements secured with different operators. Because of the volume of bookings, some operators will offer a higher percentage commission because they are getting good business. Those who are not getting much business sold through the Travel Centre may prefer to pay a lower commission, so we negotiate according to the operator with whom we are dealing.

The figure may range from five per cent up to 12.5 per cent, and all depends on a range of issues, including some accommodation which will give us what we call a free listing; that is, they will dedicate, say, 12 rooms of their property always to be on our computer and always available to us to sell. That free listing is by contractual arrangement to pay a certain percentage of commission. Other places will not give us any rooms, because they want to be able to sell them all themselves, thus the honourable member's comment about booking direct.

They would simply charge the honourable member the room rate, and that is all. The only thing I would add about the whole idea of a booking system and having commissions is that the reason for the commission is the cost incurred in encouraging a person to take up a particular property that is on offer: the commission helps us, as it would any travel agency in the private sector, to be there to run the service.

The Hon. JENNIFER CASHMORE: That is interesting, because from my recollection the Government in the distant past—and in the comparatively recent past—just had the Travel Centre as a service to operators and did not charge commission. It is interesting that the commission is building up. I would like to ask a question in relation to advice and support for tourism development. Last year, assistance for facilities development amounted to \$666 885. Where is this year's vote? There is a sum of \$1.2 million: is that the same sum under program 10? If it is, it has almost doubled. What are the components of that assistance? Is it capital assistance? There is no mention of infrastructure. About three budgets ago there were grants to local government (for which there was a huge waiting list) for facilities development and regional development. Are those old grants now identified in this way? If not, what is this? What are the components of the \$1.2 million?

The Hon. Barbara Wiese: The \$1.246 million is the old infrastructure development component, and that amounts to \$1.011 million this year, with smaller amounts for other things.

The Hon. JENNIFER CASHMORE: As a supplementary question, who is getting what?

The Hon. Barbara Wiese: There are seven projects on the drawing board for this year. The first group of projects costing \$126 260 was commenced in 1988-89 and will be completed during the course of this financial year. It includes the developments on Kangaroo Island at Western River Cove, the American River boat ramp and the tree planting program. They also include the Hahndorf bus park, the Murray River signposting project, the Burra Brewery Cellars project, and the work on the *PS Marion* paddle-steamer. An additional \$150 000 will be allocated for three projects on Kangaroo Island and that just about accounts for the \$1.1 million program that I announced in, I think, 1986.

In addition, \$250 000 will be allocated for some infrastructure development in the Flinders Ranges (which will be the first stage of a two-year program); \$10 000 for the provision of car parking access and signposting at the unique granite tor outcrop at Murphy's haystack; \$8 000 for the Pichi Richi railway; \$51 740 for tourism signposting in the Barossa, Kadina, Moonta and City of Adelaide areas; and a \$465 000 grant for the Pichi Richi railway to help upgrade the track between Quorn and Woolshed Flat, and for the SteamRanger project to help upgrade the track to Goolwa, on the understanding that we achieve a satisfactory resolution of negotiations that I am now having with Australian National.

Mr DUGAN: Is the Minister happy with hotel occupancy rates, in Adelaide in particular, over the previous financial year?

The Hon. Barbara Wiese: The most recent information that we have relates to the March quarter, and at that time the average occupancy rate in South Australia was 55 per cent, which was an increase of 1 per cent over the previous year. There has not been a huge alteration, although during that time there has been a 4 per cent increase in room supply, and room demand has increased by 4.8 per cent, so I suppose the situation is satisfactory. However, I would like to see a higher occupancy rate, and I am sure that individual hotels within the State and within the City of Adelaide would like their own situation to improve.

The introduction of the Hyatt Hotel had a considerable impact on the Hilton in Victoria Square, and I am sure that additional impact will be created at the top end of the market once the Terrace comes on stream. I believe that the official statistics indicate a reasonably healthy situation. Some apprehension is being expressed by some hotel operators within the CBD in particular that the number of hotels under construction or committed could lead to an oversupply of hotel rooms down the track. It is something we will have to monitor.

Mr DUGAN: I take it from the Minister's reply to the earlier question about occupancy rates that there has been a substantial increase in supply and a marginal increase in demand and that therefore the continuing increase in supply will have to be looked at closely by the industry itself. My question is about supply. A number of proposals about the East End Market development have incorporated proposals for a hotel. The most recent development, while incorporating a hotel design, have not gone ahead because the demand for the hotel simply was not there. In this morning's paper I see that other people are going ahead, including Saxon Rudduck Architects, which have submitted a proposal on behalf of the Savoy Hotel development. Obviously, they have done their market research and have to make the project work in planning, architectural and financial terms. My question relates to the role if any played by TSA in negotiating with these hotel developers about the extent to which the market and the promotional activities of TSA would be available to supply guests to occupy the new beds. Has the TSA a role, and what is it in dealing with hotel developments?

The Hon. Barbara Wiese: I will ask Mr Hand from the Planning and Development Division to elaborate but I first would make a couple of introductory comments. Our planning and development people, when they are approached by potential developers, will provide whatever data they can to give people an idea of future trends in tourism and to indicate the role that TSA can play in marketing this State as this information may be of some benefit to a potential operator.

A number of potential developers will never come to TSA

to seek that sort of information, and presumably they will make their decisions based on other information and factors. One of the factors that our officers consistently encourage people to address is the question of market research before they proceed with any development proposals, because it is important that people should understand what is happening in tourism in South Australia and whether or not their proposed development is likely to succeed. They need to be very clear about the segment of the market to which they intend to direct their business and they need to have a clear notion of what marketing strategies they will employ. There is always the possibility, with large developments in particular, that there could be some cooperative form of marketing activity which might include some TSA involvement.

In other cases that will not be required or desirable. If there are a number of large properties in South Australia that have the capacity to undertake fairly extensive marketing activity, that in itself adds to the promotional effort for the State and can help to build the image of the State and bring new people to South Australia, efforts that are undertaken over and above the promotional work that Tourism South Australia is able to do. To expand on the role that TSA plays in talking with developers and providing advice, I ask Mr Hand to comment.

Mr Hand: The Planning and Development Division maintains a fairly substantial data base and we are continuing to improve our market intelligence so that we are aware of just what is happening in the marketplace in terms of market segmentation and what is happening with other types of hotels, that is the tourism product around Australia. We are able to assist developers with advice about what is happening and what are the opportunities that have been identified.

One of the roles we set ourselves is to look at what are the market gaps in our tourism product in South Australia and then encourage developers to look at those gaps with a view to providing that development, and therefore we feel that they will have the best chance of financial success. We can provide them with research advice. We keep a list of developments so that we are aware of what is happening to the best of our knowledge throughout the State, and we are able to use that information to know whether or not we are looking at a situation of oversupply of particular types of accommodation. In the advisory role that we play, we are able to assist with that as well, so we can tell people that they are moving into an area where there will be an oversupply.

We are also looking at initiating projects in our own right. The Minister mentioned earlier the Estcourt House proposal, which was one that TSA has identified as an opportunity. It will fill a gap. It will provide a facility for a market which is not being filled at present. Also, we can assist with projects which we believe are of major benefit to the State. We have identified a number of those and they are included in our 'Invest and Success' publication. One has been mentioned, that is, the East End Market proposal. In fact, that project is split into two parts. Of the two parcels of land, one project is run by Beneficial Finance and we have had considerable dealings with the company. We have talked to it about the potential market for types of development, particularly accommodation development, and it advised us that its research indicated that it could not be a viable proposition. We then provided the company with additional suggestions in respect of other types of products that could go on the site.

That is the sort of interaction that we have with developers, and such interaction applies in many other projects.

For example, the major project in the Barossa Valley is another project about which we are having detailed discussions with the developers.

Mr DUIGAN: Adelaide probably has the worst reputation of any Australian capital city in relation to facilities for back-packers. The Minister would be aware of the interest I took in this matter earlier this year. There is little accommodation for back-packers in Adelaide, and the city council is aware of that. Back-packers are not only students; they are people who choose a particular style of accommodation and a particular method of moving around the country in their quest to appreciate various parts of Australia. Recently the bus redevelopment in Franklin Street was unable to go ahead and the proposal for \$15 to \$20 a night accommodation at that site fell through. What, if anything, has TSA been able to do in relation to identifying the need for low cost accommodation in the city for those people who choose to back-pack around South Australia to see what it has to offer?

The Hon. Barbara Wiese: Earlier I indicated that during the past 12 months officers of the Planning and Development Division had worked on five proposals and prepared preliminary feasibility studies for opportunities that we saw in the market; and one of those opportunities was in the area of budget accommodation. A preliminary feasibility study was prepared and, since its preparation, I understand that officers of the division have had discussions with an investor who has a suitable property for development of low cost accommodation. We are aware that there is a shortage of accommodation for the low budget traveller.

There is no doubt that in the past three or so years there has been enormous growth in the back-packer market in Australia. We have detected that in South Australia, and the numbers of back-packers far outweigh the availability of accommodation, particularly in the City of Adelaide. Moreover, little suitable accommodation is currently available in parts of rural South Australia. In some of the regions of the State we have talked to people about the opportunities that exist in relation to filling this gap in the market. A number of stopping points where that sort of accommodation would be appropriate are available between Adelaide and Melbourne, and also for those heading north using the Stuart Highway for outback holiday experiences.

Mr Hand: One of the opportunities we identified, as the Minister said, was budget accommodation in the City of Adelaide. We did quite a bit of primary research to try to identify the demands. It has become clear that the back-packer market and the budget accommodation market are quite different. The back-packer market has a price requirement of up to \$12 per head as an absolute maximum; budget accommodation can go a little higher than that.

We talked to the people who looked at the project at the bus depot, which had good potential for budget accommodation. We are also talking to a number of other people as well. Our suggestion for the best economic prospect for back-packer accommodation is the purchase of either a small hotel with modification or a large house with modification; but one could probably build a new development and make it economic for budget accommodation.

Mr OSWALD: Will the Government save the railway line to ensure the continuation of SteamRanger trips between Adelaide and Victor Harbor? At present that line is close to extinction because the State Government has refused to take responsibility for it, and there are technical and historical reasons relating to responsibility. In mid-year it was my advice that the Federal land transport and communication Minister (Mr Brown) was keen, from the Commonwealth's point of view, that the line be handed over to the

State. Indeed, at that stage the State Government refused a request from the Federal Government from Australian National to relinquish control of the Mount Barker/Strathalbyn section of the line. The technicality is that the State Government believes that the line is Australian National's responsibility. Although the State Government supported this line by allocating money, it believes that it is not responsible for its maintenance and upgrading.

However, under the Federal-State railways agreement the Federal Government can close the line only with the approval of the State Government. When that approval is given, the railway line reverts to State ownership. The Minister of Tourism, Ms Wiese, in the *News* of 14 March, said that \$275 000 would be given to the Victor Harbor SteamRanger recognising 'the high profile, high quality tourism value of this service'. Later she said:

The grants would secure the long-term future of SteamRanger... by ensuring minimal track maintenance will be needed in the future.

The State Government can no longer just talk. I note that it will have crisis meetings with SteamRanger which runs the line, but talk is cheap. In the long saga of trying to keep this line alive the Government must now make a decision, and that decision can only be 'Yes' or 'No'. Will the Government provide additional funds to repair the line so that SteamRanger can remain a tourist venture in South Australia, or does the State Government plan to walk away from it?

The Hon. Barbara Wiese: The matter is not quite as simple as the honourable member would like us to believe. In fact, back in March the statements I was making were based on the proposal which was put forward at that time by the State Government and which was designed to provide appropriate funding to upgrade the railway track to Victor Harbor to such a standard that it would enable SteamRanger to continue its tours, but that meant that there would be no further call on State Government funding once that had been done. As the honourable member has said, the track has been operated by Australian National and it is the view of the Government that Australian National must bear some responsibility for its upgrading before it hands it over to the State Government.

Initially we certainly would have liked Australian National to bear the full cost of upgrading the track but, in the spirit of compromise, we put a proposal to AN in March this year providing for it to meet only a small proportion of the funds required, as well as handing over the track and all the facilities that went with it, with the State Government meeting about half the cost of upgrading the track. A contribution would also be made by SteamRanger. The conditions on which that proposal was developed would have required SteamRanger to enter into an agreement with the State Government that, if all those conditions could be fulfilled and the various contributions made, SteamRanger would have no further call on State Government funding. That proposal was put to Australian National, and not very long ago we received advice that it was not prepared to accept those conditions.

In the meantime, the matter has been brought to a head somewhat by the advice received only late last Friday afternoon by both the Minister of Transport and the SteamRanger people that AN no longer considered the track to be safe and that it could not be used for SteamRanger purposes after Monday 11 September. Obviously, not much notice was given. There was no telephone call or anything else to give people notice that this was coming up, so it was very difficult to take any action that might have averted that situation. However, as soon as I was able, I made arrangements to meet with the Chairman of Australian

National: I did that, and last Monday evening I spoke with him about this problem and about the proposal that had previously been put forward by the State Government. I am still negotiating with the Chairman on that issue. I have made some progress and I hope that, before not too long, we will be able to reach a resolution that will secure the long-term future of the line.

It is important that we find a satisfactory answer to the question of the long-term future of the line before it is possible to address the question of what might be needed to bring the track up to a minimal standard that would enable SteamRanger to resume its services. That is one of the other issues that are currently under discussion. As I indicated, considerable progress has been made in the past couple of days, and I hope that will be able to proceed soon with the allocation of \$275 000 provision for which has been made in this year's Tourism South Australia budget as our share of the upgrading of the line to Victor Harbor.

Mr OSWALD: I am sure that many rail buffs and members of the society will be very anxious about the outcome of those negotiations. We wish the Minister well in those negotiations, because we would certainly like to see that line retained.

Does the Minister agree that it is acceptable for State Governments in South Australia to impose on tourist facilities a stamp duty which, in some cases, may be higher than and different from those of interstate competitors?

The Hon. Barbara Wiese: I presume the member is talking about the 1.8 per cent stamp duty impost for houseboats?

Mr OSWALD: Let us use that as an example.

The Hon. Barbara Wiese: I guess that is the area that is of concern to the tourism industry. I have certainly received representations from houseboat owners who hire out their houseboats for holiday purposes. They are concerned about the proposal that the 1.8 per cent impost might apply to their boats, and they are most concerned about the prospect of any retrospectivity being included in such an arrangement. We are hoping to have discussions with the Commissioner of Stamps about this issue at the first available opportunity. As yet, those discussions have not taken place.

When I was last approached by people within the industry (that was not very long ago), I was advised that the stamp duties officials were simply seeking information from houseboat owners as to their financial arrangements so that sufficient information would be available to decide whether or not the tax should be charged. I am not sure whether that situation has changed since then, but I understand that the Premier, during the course of examination of the Treasury lines a few days ago, was asked questions about this issue. He has undertaken to examine the matter, particularly as it relates to houseboats and houseboat owners. I will be taking up this matter with him as well, and we will be very keen to see the outcome of the investigation.

Mr OSWALD: As a supplementary question, I thought it was a Government decision to impose a tax such as this and then make it retrospective. If that is so, why is the Minister bothering to go to the Taxation Commissioner? Why can she not just decide of her own volition within Cabinet not to impose this tax? As the spokesperson for the tourism industry, why is she not out fighting to oppose this tax, rather than doing the looking glass stunt of saying that she will look into it, get a report and talk to the Commissioner of Stamps? Really, a retrospective tax is being imposed on part of the tourism industry—the houseboat industry. She and I have both had representations, in the form of letters, from houseboat operators, who suggest that this tax

will make some fail. Yet, the Government is just going to look at it.

As I understand the situation, it is a conscious decision of the Premier and Treasury to impose a tax on the industry. Why the Minister is even bothering to go to the stamp duties people is something I would like her to explain. I believe that the Premier in Cabinet could abolish this overnight by the stroke of a pen.

The Hon. Barbara Wiese: It is not my understanding that the Government has taken this decision in relation to houseboats. In fact, this tax has never been imposed on houseboats since it came into force in 1969. Also, I understand that about 10 years ago a survey, similar to the one which is in the process of being undertaken, was conducted to make an assessment whether it would be worthwhile imposing the tax on houseboats. When the last survey was conducted, as I understand it, it was decided that the income that would be derived from the imposition of such a tax would not outweigh the costs involved in its implementation. Whether or not the situation has changed is the issue now being investigated by the Commissioner of Stamps. I have not seen any documentation on the matter, so I cannot say for certain that that is the position. However, that is as it was described to me by people in the houseboat industry who had received correspondence from the Commissioner in the first place. It is for that reason that we need to seek further information on that matter before we are able to start thumping the desk and demanding things. We first need to know the facts.

Mr Nichols: I understand that the Commissioner made the decision based on a reassessment of his responsibilities under a statute that already existed. The first thing to do is to have it re-checked. Obviously a former Commissioner made the opposite decision. I believe it should be checked first before we run to the Government and ask it to change the statute or waive these duties.

Mr BECKER: Why did the Minister advocate breaking the curfew hours of 11 p.m. to 6 a.m. at Adelaide Airport? The Minister would be aware that most people who live around the airport jealously regard those curfew hours as the only decent break they get from the activities at the airport.

The Hon. Barbara Wiese: I think I should clarify for the honourable member exactly what my position has been on this issue. I have not advocated a change in curfew hours for Adelaide Airport, but I have advocated flexibility in implementing the arrangements that are already in place to allow aircraft in certain circumstances to arrive during curfew. I refer to those occasions when, for whatever reason, an aircraft's arrival is delayed. In the past there have been situations where an aircraft has been held up in, say, Singapore and if it continued on to Adelaide it would have arrived half an hour after curfew. There was a situation last year, for example, where I was contacted by British Airways which had a plane in exactly that situation. The travellers had been inconvenienced for 24 hours or so as a result of delays on their flight from London, and there was a further delay in Sydney.

The alternative was to fly to Melbourne and accommodate the travellers in hotels, even though they had already been delayed and inconvenienced for 24 hours. The company sought permission to arrive in Adelaide half an hour after curfew. The company had gone through the usual channels with the Civil Aviation Authority but was refused permission to land in Adelaide after curfew. I took up the matter with the responsible Minister in Canberra, and he decided, in consultation with his officers, to allow that flight to land after curfew. There are occasional circumstances of

that kind where I think it is desirable for the aviation authorities to be more flexible in their interpretation of these rules. That is all I am asking. I am not suggesting that there should be changes to schedules that would have aircraft arriving consistently after curfew.

Mr BECKER: It came through in the media, particularly the local media, that the Minister advocated changing the curfew hours. That stirred the possum with the Thebarton Residents Association.

The Hon. Barbara Wiese: I know, because I have received considerable correspondence since then.

The Hon. J.W. SLATER: I refer to 'Improve personnel practices, organisation and staff development' on page 298 of the Estimates of Payments. I think that the Minister and all persons involved in tourism would recognise that from a customer's point of view one of the most important aspects in tourism is the person whom they deal with when making a booking. Do the staff in our travel centres, particularly those interstate, receive training in this area? Sales depend on a friendly and professional approach by travel consultants. As I said, it is important that a customer feels at ease and receives a professional and friendly approach. What training do our consultants undertake to increase their knowledge of the attractions and facilities in South Australia?

The Hon. Barbara Wiese: Obviously this is of great concern to us on an ongoing basis. We must be sure that our travel consultants who are in the front line convince consumers to take holidays within South Australia or travel around the State more extensively when they are here.

The Hon. J.W. SLATER: The initial contact is what convinces them.

The Hon. Barbara Wiese: Exactly. The first approach and the first impression, as the honourable member said, will decide for a client whether they will holiday in this State. Therefore, it is very important that our travel consultants are friendly and personable and that they have a good knowledge of the tourism product of the State. Each year in our budget we include an allocation for staff training. During the coming financial year, for example, we will focus on training staff in achieving sales. We would certainly like to increase the sale of product and increase our commissions.

In the area of product knowledge, every year we send our local and interstate consultants out into the field on familiarisation tours so that they can see at first hand what product is available in the State. When they return to the travel centres they are in a much stronger position to speak authoritatively about the product they are selling. In this year's budget we have allocated some \$30 000 for our staff to undertake familiarisations. We also conduct regular sales seminars for travel consultants, and weekly meetings are held amongst the staff to discuss new products that come on line.

We encourage South Australian tour operators to participate in these meetings so that they can provide their own information to the consultants. By providing this sort of information and sales training we hope not only to be in a much stronger position to improve our own sales and commissions but also, more importantly, to make sure that the various accommodation houses and other places within South Australia achieve more business through the efforts of our people.

In this financial year in our Travel Centres we will be setting sales targets for our staff that will be monitored on a monthly basis. We have a Manager of Product and Sales who is based in Adelaide, and one of his roles will be to identify sales opportunities that are not currently being

exploited. He will be working closely with those people who are developing new packaging opportunities. So, we hope that with these combined efforts in this next year we will be much more effective than we have been in the past in selling our product and in giving the best possible advice to the customers who come through the door.

I can give a couple of examples of the sorts of training activities that will be undertaken during this year. For example, two seminars on Japanese culture will be conducted for our travel consultants. As the honourable member would be aware, with the increasing number of Japanese people now visiting Adelaide, it will be important for our consultants to have a good appreciation of how to meet the needs of Japanese visitors. There is a 'Customers are really everything' course to give people information about how to be much more customer oriented and meet the needs of their clients. A range of workshops, seminars and courses will be engaged in by staff during the course of this coming year that will build upon the work that has already been done in past years in this area and make our consultants much more effective.

The Hon. JENNIFER CASHMORE: Page 295 of the Program Estimates shows that employment in Tourism South Australia will increase in the current year from 126.7 to 140. The subprogram 'Resources' shows that 10 of those people appear to be employed on programs identified on page 299. Incidentally, a 10.5 per cent increase in employment is a very significant increase for any Government agency. Because of program changes, there is no indication where those 10.5 full-time equivalents were employed before. Are they all new staff members? What is the total salary component for those 10.5 extra employees?

The Hon. Barbara Wiese: I understand that there are in fact nine new staff members for Tourism South Australia but I will ask the Managing Director to give you details of the new plans.

Mr Nichols: The difference is nine, as the Minister said. The figures from previous years are averaged figures, and we must allow for time, while people are being replaced, and so on. It looks as though it is a bigger increase than it actually is. Three of those nine positions are in planning and development, three are in marketing and three are in the department generally to handle the increased volume of work flowing through the department. Those in the marketing area will be an extra PR assistant, an extra market services officer for the travel centres—and we can give more detail of these if the honourable member requires it later—and an extra consultant on the telephones. This is just a volume problem.

In the Planning and Development Division we are increasing our work force by having a Manager, Industry Analysis at the AO3 level, a Senior Policy Officer at AO2, and a Senior Project Officer also at the AO2 level. Those three people, in summary, are there to provide better advice as to how tourism products should be developed in this State—we have been talking about a number of these things during the course of this hearing—and to provide better assistance to people who want to get the product up and running, because we believe that there has been a real gap in assisting developers in the private sector to do that.

The general staff are in the corporate services area. There is one extra person in word processing, which again is a sheer volume problem, one extra in the regions and one extra in accounts, because our accounts were ageing too long. That again is a volume problem.

The Hon. JENNIFER CASHMORE: What is the total cost?

Mr Nichols: I will have to take that on notice. I do not have in front of me the exact amount of salaries.

The Hon. JENNIFER CASHMORE: The new Managing Director appears to be a good advocate for increased staff, and I am sure the Minister is, also. International marketing, on page 296 of the Program Estimates, does not identify any sum of money except for that relating to the previous year. The Minister gave some indication in her preparatory statement: can she advise the Committee of the breakup of expenditure as between countries and how much of that marketing expenditure will be allocated to what I think would more properly be described as State development, as occurred last year with \$100 000 being contributed to the opening of a bridge in a Japanese prefecture? Is there any similar allocation this year, how much of the marketing budget for international marketing will go to Japan and how much to other destinations, and what are those other destinations?

The Hon. Barbara Wiese: Under this program, allocations are made for each of our international markets in three areas—public relations activities, advertising, and familiarisations—and there is a small contingency allocation in each of those markets. In the area of public relations we are allocating \$24 000 to North America, \$12 000 to the United Kingdom, \$8 000 to Europe, \$23 000 to South-East Asia, \$11 000 to Japan and \$23 000 to New Zealand. That makes a total of \$101 000 for international public relations activities.

In the area of international advertising, we will be spending \$171 000 in North America, \$100 000 in the United Kingdom, \$42 000 in Europe, \$140 000 in South-East Asia, \$171 000 in Japan and \$38 000 in New Zealand, making a total of \$662 000. Familiarisations to South Australia comprise \$4 000 for North America, \$5 000 for the United Kingdom, \$3 000 for Europe, \$4 000 for South-East Asia, \$57 000 for Japan, \$7 000 for New Zealand, and \$78 000 will be controlled from Adelaide for familiarisation purposes, making a total of \$158 000.

In addition to that, there is some \$39 000 in the small contingency allocations to which I have referred. In other programs there are also amounts of money which relate to international activity, the most important of which is the allocation made for administration costs, if you like, for each of those markets. So, the figures that I have given relate to the specific activities.

In addition to that, representation in those markets total \$592 000 made up of \$200 000 for Japan, \$160 000 for North America and Canada, \$115 000 for South-East Asia, \$107 000 for New Zealand and \$10 000 for the United Kingdom. The latter is a small amount because, as the honourable member would be aware, the Agent-General budget would cover the majority of it. In another part of the budget we have an allocation for literature production for the international markets where we will allocate \$40 000 for North America, \$12 000 for the United Kingdom, \$8 000 for Europe, \$10 000 for South-East Asia, \$10 000 for Japan and \$10 000 for New Zealand, making a total of \$90 000.

The Hon. JENNIFER CASHMORE: Was all the \$906 000 that was allocated to international promotion last year spent in the ways outlined by the Minister in terms of allocation, or was any of it spent in what might be loosely described as related to State Development? I think that others might describe it as the Premier's plundering the tourism marketing budget.

The Hon. Barbara Wiese: No funds were expended last year in the international markets that would fall into the category described by the honourable member, but her def-

inition of these things would probably differ from mine in some respects.

The Hon. JENNIFER CASHMORE: Given a differing definition, I repeat: was any money spent from that \$906 000 other than on literature and advertising? When one refers to 'public relations', obviously that can mean anything to anyone, but was any money spent on hospitality for the Premier or other departments other than Tourism South Australia and its programmed objectives?

The Hon. Barbara Wiese: Even using the honourable member's definition, as I recall, no money from my budget was spent on that sort of activity during this financial year.

The Hon. JENNIFER CASHMORE: In view of the fact that my colleague the Deputy Leader has sought that the State Supply budget estimates proceed at 5 p.m., I will cease my questioning on tourism.

Mr BECKER: Was your office consulted in relation to the development of the so-called international standard hotel at Marineland Park, West Beach and, if so, what advice did your office give to the developer of that project?

The Hon. Barbara Wiese: Tourism South Australia officers were consulted about the Zhen Yun proposal and, primarily in the early stages, have participated in a number of meetings that related to the development. Officers of Tourism South Australia in particular have given advice to the potential developer from our own database that could be useful to it in the production of its feasibility studies, business plans and other matters.

Mr BECKER: As a supplementary question, what will be the standard of the hotel and was a Marineland Park or some type of marine animal sanctuary considered in any of the discussions to support the development?

Mr Hand: My understanding is that, when Zhen Yun Pty Ltd was first involved in the project, it did consider the development of a hotel and, at that time, also the inclusion of a Marineland or marine attraction. I am not aware of the discussions or considerations that led to the decision not to proceed with that part of the development. However, our advice to it was that the marketplace was not ready for an international-style hotel in that location and that was not the standard that it should aim for. We recommended strongly that it undertake a market feasibility study to identify both scale and type of development.

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

State Services, \$4 329 000
Minister of State Services, Miscellaneous,
\$1 367 000
Works and Services—State Services Department,
\$4 180 000

Chairman:

The Hon. T.M. McRae

Members:

Mr H. Becker
Mr M.G. Duigan
The Hon. E.R. Goldsworthy
Mr J.K.G. Oswald
Mr M.D. Rann
The Hon. J.W. Slater

Witness:

The Hon. Barbara Wiese, Minister of State Services.

Departmental Advisers:

Mr Ray Dundon, Chief Executive Officer, State Services Department.

Mr B. Miller, Acting Director, Corporate Services.

Mr P. Bridge, Director, State Supply.

Dr H. Kobus, Acting Director, State Forensic Science.

Mr T. Fitzsimmons, Acting Director, StatePrint.

Mr P. Grenville, Director, State Fleet.

Mr E. Durand, General Manager, Statelink.

Mr M. Jones, Director, State Computing.

The **CHAIRMAN**: I declare the proposed expenditure open for examination and invite the Minister to make an opening statement.

The **Hon. Barbara Wiese**: As members would be aware, the Department of State Services provides a range of services primarily to Government. However, it also sells its services to the Federal Government and local government, statutory authorities and some segments of the general public. These services include supply, computing, printing, forensic science, transport information and communications.

State Services is required to recover all its cost of operations from fees charged for the services rendered, except in those limited cases where services are provided in the interests of Government or the community. Examples of these Government or community services are the State Information Services, the State Supply Board Secretariat, and the VIP chauffeured fleet.

In terms of the budget, members of the Committee should be aware that nearly all (95 per cent) the department trades on a commercial basis and that for 1988-89 the department made a surplus on these commercial operations of \$790 000. This was a rate of return on its assets of 1.9 per cent. Recurrent funds are not provided directly to the department from Consolidated Account for printing, supply, computing, communications and car pool services.

A new financial structure for the department was approved by the Treasurer and implemented from 1 July 1988. That charter placed the entire department on a single deposit account from which it must operate all aspects of its business. The department is now unique among Government agencies in having a financial structure that is comparable with organisations in the commercial sector. Performance targets have been set for the rate of return on assets and equity, and the department is required to pay to Consolidated Account a dividend of 50 per cent of its surplus.

I am pleased to say that for 1988-89 the department achieved its set targets and paid a dividend of \$600 000 to Consolidated Account. For 1989-90, a dividend of \$1.2 million is anticipated. The department also repays interest and principal to Treasury for capital borrowings on all assets, and in 1988-89 recognised long service leave liabilities for staff who were previously employed in areas of the department where the funds for operations came from Consolidated Account. This once only recognition of liability amounted to \$1.032 million.

Furthermore, the approved financial structure requires the department to contain prices within the rate of inflation. For 1988-89, most business units within the department were able to improve their financial performance while keeping prices considerably less than inflation, and at the same time improving their standards of service. For example, prices at State Computing and StatePrint increase by an average of 3 per cent and at the car pool by 4 per cent.

An example of the improved performance is the Government Motor Garage, which has reduced its deficit from \$197 000 in 1986-87, to \$73 000 in 1987-88 and to \$57 000

in 1988-89. The garage was able to achieve this without receiving any direct funds from Consolidated Account and had to compete for business with other suppliers in the same service industry.

In fact, nearly all the services which the department provides may be compared direct with alternative suppliers, either 'in-house' within Government agencies or in the private sector. Regular comparisons of price and quality of service are undertaken by the department to evaluate the performance of its services against the alternative suppliers. Because the department has been able to expand its activities in many areas of its operation, this gives a reasonable indication that the level of its service in terms of price and quality compares favourably with those alternative suppliers.

One area which did not come up to expectations during 1988-89 was StatePrint. The deficit of \$1.2 million represents a turnaround of \$1.6 million from 1987-88. State Services, in conjunction with the Government Management Board, has already instigated corrective measures to ensure that StatePrint breaks even during 1989-90. The general down-turn in the printing industry with its high fixed structure had an impact in StatePrint. Coupled with this was a loss of expected income of almost \$500 000 because Parliament did not sit for the expected length of time during the year. In addition to this, expenditure increased at a rate faster than inflation in a number of areas of its operation. Finally, the newly implemented management reporting system took some time to bed down and consequently there were some shortcomings in the management control of the various operations of the unit. These are being corrected and the development and implementation of a turnaround strategy has become a high priority for the department.

During 1988-89 there have been some significant achievements. In the areas of service delivery, the department:

Undertook a two-day training workshop for 716 staff out of a total work force of 820 which was aimed at improving customer service. Nearly 36 customer first teams are operating in the various business units and their aim is to examine ways of improving customer service and efficiency.

Improved the delivery cycle from 20 days to three days for goods delivered from the State Supply Seaton warehouse. This compares very favourably with interstate practice which is commonly eight weeks to six months. The current delivery cycle is equal to that provided by most commercial companies and, indeed, many such companies are entering into arrangements with State Services to act as their distribution channel to Government and semi-government areas.

Installed a 008 telephone service at State Information to increase the availability of Government information to non-metropolitan areas.

Installed new equipment in the Instantgraphic's Section of StatePrint which now provides electronic printing and high-speed copying for customers.

Opened car pools at Elizabeth and Murray Bridge. The most important change for the department in 1989-90 was the addition of the new StateLink business unit which has the responsibility of managing the Government's communicating network. During the year, StateLink installed a new PABX for the central business district of Government and the efforts of the staff involved in that project are recognised by NEC and Telecom, the companies that were involved, as being outstanding.

State Computing upgraded the capacity of its mainframe computer, and this is expected to provide customers with a reliable and efficient service until July 1990. While the department has a strong emphasis on its business objectives,

it has still been quite active in the areas of occupational safety and health and equal employment opportunity. Training programs and emphasis given by the department to occupational safety has resulted in its workers compensation costs falling from \$900 000 in 1987-88 to \$360 000 in 1989-90.

Examples of equal employment opportunity initiatives include State Supply conducting a three-day career planning workshop for the female staff, all business units being required to prepare action plans for EEO and 14 women being elected as team leaders of customer first teams. As from 1 July 1989, following extensive reviews of their operations, the business units of State Chemistry and the South Australian Centre for Remote Sensing were transferred from State Services, the former going to the Department of Agriculture and the latter to the Department of Lands. Details of estimates for 1989-90 for those units are found in those respective departments.

Under the financial structure, the estimated recurrent expenditure for the department for 1989-90 is \$86.5 million of which only \$4.3 million will be funded directly from the Consolidated Account. The estimated capital expenditure will be \$19.8 million of which \$4.2 million will be funded from Consolidated Account.

The Hon. E.R. GOLDSWORTHY: Mr Chairman, I have no introductory statement to make. That glowing statement from the Minister prompts me to make a couple of remarks before we get to the nitty-gritty of what the Auditor-General said about the department, and I think he had more unflattering things to say about this department than any other department. The Minister talks about the business view, the need to obtain a satisfactory return on capital investment, and so on. It would be true to say that the vast majority of clients of the department are Government instrumentalities and that the charges for the department's services are simply transferred from one Government agency to another. That is a statement of fact, is it not?

The Hon. Barbara Wiese: Largely that is true. There are a few exceptions where the services of this department are provided to the private sector, but they are in the minority.

The Hon. E.R. GOLDSWORTHY: So, if the department wants to make more money it charges client agencies more? It is like Peter paying Paul.

The Hon. Barbara Wiese: That is not the way it works because each of these business units is asked to operate, by and large, in a commercial environment. In most cases these business units are in competition with the private sector in winning Government business. It means that each of the units must operate as efficiently as their private or Government sector competitors in order to win their share of Government business.

The Hon. E.R. GOLDSWORTHY: The Minister is not suggesting that all Government instrumentalities are free to go to the marketplace and turn their back on the facilities that this department provides. The Auditor-General, in one or two places in his report, suggests that some departments may be going outside of Government to obtain some services. The Minister is not suggesting that the department does not have a captive Government clientele in many of its operations.

The Hon. Barbara Wiese: The honourable member will need to be more specific if he wishes to have a proper discussion about this.

The Hon. E.R. GOLDSWORTHY interjecting:

The CHAIRMAN: Order! Let the Minister finish and I will then give the Deputy Leader the call.

The Hon. Barbara Wiese: Many areas of activity undertaken by the department and its business units are in direct

competition with the private sector. For example, Government agencies are able to go outside the public sector for printing work. So, StatePrint must be competitive with the private sector in order to win Government business in that area. Other examples of that kind can be discussed during the course of this session.

The Hon. E.R. GOLDSWORTHY: State Computing is in the unenviable position of having more adverse comments made about it at the start of the Auditor-General's Report than any other department. Page ix of the Auditor-General's Report is laced with references about a lack of adequate financial and management control, and I think this applies to all the units, with maybe one or two exceptions. Page ix of the Auditor-General's Report (which links with page 315 of the Program Estimates), in relation to the State Computing Business Unit, states:

Audit's concern for a review was driven by changes in technology; and that the absence of a policy framework makes it difficult to ensure that the most appropriate investment decisions are being made . . . In November last year, the Government Management Board informed the State Services Department (then the Department of Services and Supply) that it could not support a proposed upgrade of the unit's facilities at an estimated cost of \$9 million. Subsequent information stated that the board requested an interim solution be sought to the unit's immediate capacity problem, pending clarification of large agency requirements and a better understanding of computing direction.

The Minister in her introductory statement said that the unit had been fixed up until 1990. What was done to fix it up until the middle of next year? What are the long-term plans for the computing centre? What is the \$9 million all about? Further on, the Auditor-General has a number of queries about what is going on in the department.

The Hon. Barbara Wiese: The honourable member's remarks about State Computing, as it is now known, would have the Committee believe that it is in some way or another considered by the Auditor-General to be an inefficient business unit. That is far from the truth.

The Hon. E.R. GOLDSWORTHY interjecting:

The CHAIRMAN: Order! The Deputy Leader has asked his question; he should let the Minister reply. I will give him the call again.

The Hon. Barbara Wiese: State Computing is a business unit that has run very profitably as a Government agency for some time. In relation to the broad framework for computing facilities within Government and information technology, etc., I refer the Deputy Leader to the Premier if he wishes to ask questions about the direction that the Government is taking in a broad sense, because it is the responsibility of the Government Management Board to determine policy on these questions for the Government at large.

The Government Computing Centre works very closely with the Government Management Board in taking decisions as to its directions in the provision of computing services. To give an example of that close relationship, recently State Computing was successful in winning the work of WorkCover. That matter was examined extensively by the Government Management Board as well as officers of State Computing before the decision was taken whether or not that project should be taken over. It was examined by the Government Management Board in the context of the directions that are being taken generally by the Government in this area. In fact, there is extensive consultation; an overview is provided by the Government Management Board with respect to computing and information technology issues generally. According to one briefing note I have received on this matter from the Government Management Board area, the members of that board spend about 70 per

cent of their time discussing issues that relate to the question of information technology within government.

As to the issue of the interim solution adopted by State Computing, State Computing was requested by the Government Management Board to take this approach to the situation before it because the Government Management Board is developing policies for large computing facilities. Until the policy is finalised in this area, it was concerned that State Computing should not take a decision which later may be considered to be in conflict with that broad direction. State Computing was in close consultation with the policy-making body on this issue; it acted on its advice, and some of the criticisms made by the Auditor-General in this matter are therefore not considered to be appropriate in the circumstances.

The Hon. E.R. GOLDSWORTHY: That is a new twist—not to put too strong a point on it: the Auditor-General's comments are not appropriate. I think he would be interested to read that in due course. I would have thought they were particularly pertinent. To suggest as a cop-out that it is the Premier's job because he is in charge of the Government Management Unit is a complete nonsense. The Minister is in charge of this department and she has to front up and answer for it. The Auditor-General's queries and reservations are quite serious. To suggest they are not is just not facing facts. Further on about this proposal he states:

The proposal was based on a five year business plan, envisaging a major processing upgrade in July 1990 and a cost benefit analysis over the five year period showing a favourable benefit ratio.

It is not clear to what extent the assumptions in the business plan and cost-benefit analysis may vary, given that the statement in the proposal 'clarification of larger agency processing requirements and a better understanding of government computing direction' would seem to imply that resolution of those matters are prerequisite for longer term planning of the unit's facilities.

What he is saying there is that you do not know where you are going. What is the score? That is all I ask the Minister. The Auditor-General is saying, as plain as the nose on one's face, that the department wanted to spend \$9 million but it did not have a clue where it was going.

The Hon. Barbara Wiese: That is not what is being said here, it seems to me. As I have tried to indicate to the honourable member, the Government Management Board is responsible on behalf of the Government for identifying a broad strategy and policy in the area of information technology, including computing. Because it has that overview, the Government Management Board requested State Computing, when it put forward a proposal for an upgrade of its equipment, to postpone that decision and implement an interim solution until the broader policy framework had been resolved.

The Hon. E.R. GOLDSWORTHY: Yes, because you didn't know where you were going.

The Hon. Barbara Wiese: That is not so. You don't frame policies overnight.

The Hon. E.R. GOLDSWORTHY: You don't spend money before you know where you're going.

The CHAIRMAN: Order! I would like the Minister to give her answer and I will give the Deputy Leader one more question before I call on another member.

The Hon. Barbara Wiese: The development of policy, particularly in an area as complex as this where technology is changing rapidly, is a matter which will take some time to resolve as far as the setting of a framework within which Government agencies should work. That policy is in train. It just so happened that the matter of where State Computing needed to head in terms of a decision that needed to be taken by it has arisen before the conclusion of that

policy-making process. There was proper consultation with the policy-making body on the issue, and a decision taken to implement an interim solution to allow State Computing to get on with its job whilst not in any way pre-empting the final policy position that the Government as a whole would take in this area of information technology. My remark earlier about the Auditor-General's comments perhaps was poorly expressed. What I intended to suggest was that there are matters relating to this issue upon which there are alternative points of view as to what is or is not the appropriate action to take in the circumstances.

I do not think that anybody in this department (and certainly not the officers of State Computing) would deny that it is important to have a broad policy framework within which to work. State Computing welcomes the outcome of the process that the Government Management Board is currently pursuing, and will be working closely with it in pursuing the policy that it is currently framing. That does not mean that the business of government can stop in the meantime. Decisions must be taken in the interim in order that the business of government can continue. In fact, State Computing is doing very well in the business context. The long-term future of State Computing is not at risk. It is in fact assured, and demand for its services is increasing. It is expanding the services that it provides and more and more agencies are requesting the assistance of State Computing. During the past financial year, it made a profit of about \$1.6 million, so I do not think that anybody, including the Auditor-General, is suggesting that it is not a business unit which is operating well. He certainly has some comments to make about some of these issues that relate to policy which, by and large, are not issues for State Computing to address. I will ask Ray Dundon to add to those remarks.

Mr Dundon: State Computing has developed a very good business planning process, which includes a five year business plan based on its assessment of demand for its services over that period. The upgrading was required to be in place this year because State Computing had reached the limits of its capacity and the service to government would have diminished markedly if the facility was not upgraded within that time frame. The question was whether we should upgrade on the basis of our assessment of future business plans or, given that there were a number of large agencies in the process of making decisions about their computing facilities—which might mean that our projections were somewhat lower than expected and we might have to increase them markedly—upgrade to meet what we thought our conservative projections were, or upgrade on an interim basis and make an assessment in 18 months as to the likely demand when the position with other large Government agencies was clearer.

The Government Management Board proposed that we put in an interim solution so that we were not committing the Government to a course of action which may have limited its options further down the track. As a result of that process, which we are now going through in conjunction with the Government Management Board, in July next year we will be in a much better position to firm up our forward projections. The business plans that we have at this stage demonstrate that for the next five years State Computing will make an increasing return on its investment and will meet all the financial efficiency and service level targets required of it by customers and the Government.

The Hon. E.R. GOLDSWORTHY: The Minister received a memo from the Government Management Board saying that the department was spending 70 per cent of its time on information technology. It sounds to me as though the board took the view that it had had enough. The pertinent

point is that the department proposed spending \$9 million on upgrading its equipment, even though it did not know where it was going. As I said earlier, it is as plain as the nose on one's face in the Auditor-General's Report. The Government Management Board stepped in and said 'Hang on, you do not know where you are going. You have to put a plan in place.' A moment ago the Minister said that it takes time to resolve the difficulties and set up the framework. The Auditor-General points to the fact that the department wanted to spend \$9 million even though it did not know where it was going. I do not think I have been unfair in my paraphrasing of what the Auditor-General said. Is that what the Minister believes the Auditor-General said? The department wanted to spend \$9 million but it was told, 'No, you can't because you do not know where you are going.' The facts are there in black and white.

The Hon. Barbara Wiese: I think both the Chief Executive Officer and I have described the circumstances that should be addressed in this matter. State Computing identified business opportunities that it wanted to pursue and made judgments about its capacity to do that with its existing equipment. It wanted to make a submission to purchase the equipment that it deemed appropriate to meet the business opportunities that it had identified. The Government Management Board, which is in the process of developing a broader policy framework for the Government at large, asked that that proposal not be proceeded with at the time because it was concerned that future options for the Government should not be closed off. Instead, it asked that an interim solution be put in place to allow State Computing to take up immediate opportunities which it had identified and which it could pursue straight away.

It is not a matter of saying that people do not know what direction they are taking. State Computing knew exactly what direction it could take, viewing the question of computing needs from the position it holds within government and the opportunities that it could see that it may usefully take up. The Government Management Board, which is responsible for policy, looked at things from a broader perspective. While not saying that it did not want the \$9 million proposal to continue, it was concerned that options should not be closed off for the future and instead an interim solution should be put in place.

Mr RANN: Several years ago I asked the Minister's predecessor, the member for Stuart, about the major international forensic science meeting and a bid was made for it to come to Adelaide. What is happening in this area?

The Hon. Barbara Wiese: I am delighted to inform the honourable member that the conference has been secured for Adelaide from 24 to 31 October 1990 at the Convention Centre. The organising committee for the conference comprises State Forensic Science officers who worked very hard last year in setting up the framework for the meeting. There are already signs of success. For example, we have been assured of about 100 delegates from Japan compared with the previous highest attendance of some 26 at the Vancouver meeting. We have also received such good trade support that the commercial display that is proposed to accompany the conference has nearly sold out. Most of the really hard work will be done during the course of this year when the program and the arrangements to look after the more than 1 000 international and interstate delegates are finalised.

This will be the first time that the IAFS has met anywhere outside Europe or North America, so it is something of a coup for Australia and certainly South Australia. We are sure that the facilities of the Convention Centre and the hard work that local people will put into organising this event will ensure that it is a very successful meeting. I think

particular tribute should be paid to Dr Tilstone of State Forensic Science for the work that he has done in attracting this conference to Adelaide. There is no doubt that his standing internationally has played an important part in winning this conference for South Australia and I am sure that it will be very successful.

Mr RANN: Recent headlines in the newspapers suggest that other States are starting to use DNA testing, particularly in relation to assault and other violent crimes. When will South Australia be able to enjoy the benefits of this procedure?

The Hon. Barbara Wiese: South Australia already enjoys some of the benefits of this procedure. In fact, since the beginning of July tests have been run parallel with conventional tests in paternity work. Two criminal cases were completed recently using the extremely sensitive DNA procedure. Obviously this is an area outside my expertise. I will ask Dr Kobus to provide further information because in many ways the research being done in South Australia differs from the work being done in other places, and it is very significant. I think that Dr Kobus can provide some very helpful information on that point.

Dr Kobus: DNA has become a little bit of a buzz word around forensic science at the moment, mainly because of the highly individualistic identification that it seems to imply. The whole DNA area at the moment is really at the forefront of the molecular biology area; development must therefore be done at a rate appropriate to this. So, in practical laboratories, we have to be very sure that our developments are at a point where we can actually use them in the law courts and that we are not applying things that are still very much in the research phase. It is this environment that has tended to slow down a little our actual input of work into real cases.

We actually have systems running in the laboratory at the moment and are now gathering data in order to understand how the systems apply in the general population—in other words, how individualistic are these various typings we are obtaining.

Broadly, there are two approaches to this: first, looking at DNA almost at a fingerprint level, which has been the jargon word thrown around in the press—'DNA fingerprinting'—and that is providing highly individualistic identification. We can also do DNA typing where we look at the properties at the DNA in the system but do not take it to the extent of the fingerprint approach. We can apply it in a fashion more akin to traditional blood grouping systems but provide the advantage of DNA technology in that we are looking at typings that belong to groupings of the population rather than to specific individuals.

We are hoping to introduce DNA technology in this State in terms of that approach rather than getting too carried away with the highly individualistic approach to start with, because we feel it is safer that way. The scientist who is presently looking after this molecular biology area has recently completed a Ph.D. degree at Flinders University on the subject, so he is at the forefront of current developments. We are on a safe footing there.

The other States have bought into some commercial DNA systems provided by a US company called Life Codes, which has landed in a fair amount of trouble with the US courts in recent times because of what appears to be some misleading information presented in what is becoming a famous murder case which occurred in the Bronx in New York. For these reasons, we feel that our approach in South Australia, which has differed from that in other States, is actually very valid and scientifically sound, and it will give

us a DNA service in this State which will be the equal of any elsewhere.

Mr RANN: How does staff productivity for State Forensic Science compare with that in other States and, if possible, can the Minister compare the productivity of the staff with similar institutions overseas?

The Hon. Barbara Wiese: In this State, demand for forensic science services is increasing due to an increase in the awareness of and confidence in the application of forensic sciences, and also because of the unfortunate growth in crimes against the person. State Forensic Science has responded very well to this demand and can boast very impressive output levels when compared with similar institutions in other places. Staff workloads for our State Forensic Science are very high at over 60 cases per full-time equivalent compared to 50 to 55 in the Victorian police forensic science laboratory, and overseas.

Despite this very big increase in demand, the use of forensic science services in South Australia is low by United Kingdom standards. In South Australia, State Forensic Science processes only .26 cases per year per member of the Police Force compared to .4 in the United Kingdom. As these overseas levels are gradually adopted in Australia, it is likely that this will mean that State Forensic Science will be asked to undertake much more work, and that might also impact on future resource requirements in this area.

Mr OSWALD: I would like to return to the Auditor-General's Report at page ix under 'State Services', 'Interim solution'. The interim solution, as reported therein, is in the view of the Auditor-General not cost effective. Why has the Minister proceeded with such a solution and has it been modified since the Auditor-General made his report to the Minister's department in May? If not, why not? I would like to explain that question.

Going back some years to the Flinders Medical Centre computer acquisition, and ever since then, as I have read from reports and from being on the Public Accounts Committee, Cabinet has been highly critical of the type of advice it has received from the alleged computer experts in departments. As I have read the Auditor-General's Report today, it seems to me that we have the same situation in 1989 as we had in the late 1970s and throughout the 1980s, when decisions were being made to purchase computers on the advice of the alleged experts in the department.

That information filtered through to Cabinet which in good faith approved the purchases of programs, and a year or two down the track we suddenly found that we had made a blue and that the computers were either incorrect and had to be modified or their programs had to be modified. The Deputy Leader pointed out the sequence of events leading up to this interim solution and, as I read page ix in the Auditor-General's Report, it says quite clearly that it eventually went through to Cabinet, which okayed it, and it was then introduced.

It was introduced, no doubt, because the Minister at table today advised the Cabinet, on the advice of her officers, that everything was all right—yet we find at the bottom of the page that the interim solution is not cost effective and shows a potential net cost of \$400 000, or as much as \$1.8 million. Once again, the Auditor-General states that the advice being passed down to Cabinet is not sufficient. At page x he states:

It also seems to me that the decision maker (in this case Cabinet) should be given the opportunity to weigh up whether it would wish to support another course of action . . .

At page xii he states:

The appointment of competent project managers, who can drive each of these projects towards a clear set of objectives, is essential if the projects are to be completed on time and within budget.

At page xiii he further states in relation to Austpay:

In seeking those views, I pointed out that it was Audit's view that development . . . is being driven, in many cases, by computer oriented rather than management oriented people, and from the middle management level; and that it once again brings into focus the need for senior management to become better informed and satisfied (in a non-technical way) about the need and the benefits to be gained from data processing developments in their agency. I also stressed the need for greater emphasis to be given to attracting to the data processing area people with management skills and practical 'field' experience, particularly in management accounting and business systems.

One could locate that quote in every Auditor-General's Report over the past 10 years and in every Public Accounts Committee inquiry that has been held in relation to computing. Advice is being given to the Minister—in this case, you, but also Ministers in successive Governments—that some time or other has been challenged by the Auditor-General. What will you and the Government at Cabinet level do about this historical questionable advice emanating from this Auditor-General and the previous Auditor-General? A Government cannot continue to turn a blind eye to those statements. The advice obviously is not always correct. A few minutes ago the Minister referred to the excellent advice she has received, but a time comes when one has to question that excellent advice and to say that either the department or the Auditor-General is wrong.

The Hon. Barbara Wiese: The quotes chosen by the honourable member relate to matters that have nothing whatsoever to do with State Computing. The quotes that he has chosen from the Auditor-General's Report concerning project managers and Austpay relate to the JIS and computing matters in the Motor Registration Division and other areas of Government, and do not relate to the work of State Computing. It is important that members be quite clear about what they are commenting on when they refer to the Auditor-General's Report. Some comments have been made in this year's Auditor-General's Report about State Computing. Some of the issues raised by him in this and last year's report have been taken up by management of State Computing and attempts are being made to address those issues where it is agreed that a shortcoming exists.

We welcome that sort of examination and criticism of the work of State Computing and, wherever possible, we will act on the information that he provides to us. One area in particular raised by the Auditor-General in last year's report related to costing of services for State Computing, and it was acknowledged by the department as being an area that required further attention. So, work is currently under way on improving the way that State Computing deals with this question of costing. We welcome advice from the Auditor-General and, where it is agreed that shortcomings exist, we will act as quickly as possible to remedy the situation.

However, I appeal to members to be quite sure about distinguishing between State Computing issues and computing issues that relate to other areas of Government. If members want to raise questions about those areas of Government, I suggest that they address those questions to the Minister responsible for the Government Management Board, who is taking an overview on those policy questions.

The first issue that was raised by the honourable member related to the cost benefit comments made by the Auditor-General on the interim solution.

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

Membership:

The Hon. R.K. Abbott substituted for Mr Rann.

The Hon. Barbara Wiese: The member for Morphet asked a question about the Auditor-General's comments on the cost benefit analysis of the interim solution. I make the point that the total proposal advanced by State Computing over a five-year period would have a positive cost benefit ratio of 1 to 1.12. The interim solution that State Computing was asked to implement does have a negative cost benefit analysis over the 18 months when it would be in place, but the Government Management Board considered that this was a worthwhile investment for the short term whilst the broader picture was being examined to ensure that the long-term solutions were the right ones.

Mr OSWALD: I earlier asked whether the interim solution had been or will be modified following the Auditor-General's criticism that it is not cost-effective. Notwithstanding the Minister's explanation, which probably picks up a couple of the points that the Auditor-General raised and in the context of the Auditor-General's criticism of the absence of a policy framework, what changes have been made to overcome the Auditor-General's concern that 'the unit's facility averaged only about 50 per cent of total available capacity outside of prime time . . . and considerable capacity has been taken up by on-line inquiry of files by Government agencies; and by program development and program testing by staff at both the unit and at Government agencies?' Having quoted the first and second points made by the Auditor-General, can the Minister say whether there is a proposal afoot to modify the interim solution based on the Auditor-General's suggestion or will the Minister continue with the program now in place?

The Hon. Barbara Wiese: The Auditor-General certainly commented on the use of computing facilities in prime time and made the point that perhaps the Government would want to consider the option of, I presume, forcing Government agencies to use the computing facility outside prime time. However, in response to the points made by the Auditor-General prior to the preparation of his report, the department made the point to him that the role of State Computing is to provide a service to its customers. If they wish to use the facility in peak period, then that is the period during which the service must be provided. That is not to say that State Computing does not recognise the need to encourage the use of facilities at other times.

Although the Auditor-General did not make much of this in his report, there is already an extensive offer made to customers for substantial discounts to use the computing facilities outside of peak periods. The fact that customers choose not to take up those substantial discounts perhaps speaks for itself. The reality of the matter is that, whether it is a Government computing facility or a private sector computing facility, the trend is that the capacity is found during those hours of the day when people want to use the facility.

One cannot force people to do their work in the middle of the night if they make their own judgment, presumably based on rational criteria, that it does not suit them and the running of their operation. While the point made by the Auditor-General in his report is acknowledged, it is the view of State Computing that it is not realistic to expect that there would be a large change in view of the fact that attempts have been made already to change the situation by providing significant discounts for people to use these facilities outside of the main working hours of the day.

Mr OSWALD: It is very difficult when one talks to the Auditor-General and see the staff advising him and then

sees the staff advising the Minister, because we have almost a stand-off with one group with expertise saying one thing and another group with expertise saying something else, with legislators and the Government in between. I refer to 'specific targets/objectives' on page 320 of the Program Estimates. A 10 per cent improvement in business sales is listed, with an increase of 35 per cent in the range of products and services marketed through the service. To what items does the line refer? What is the gross turnover in dollar terms and what profits were made in 1988-89?

The Hon. Barbara Wiese: I will ask Mr Miller to respond.

Mr Miller: This initiative relates to the State Information Centre, Grenfell Centre, Adelaide. As to business sales, State Information is principally funded now from community services funding from Consolidated Account. However, we are trying to improve or reduce the burden on Consolidated Account by increasing the range of Government products—that is, both information and booklets through the Government Printer, and so on—that is available at the centre. The centre earns between 25 per cent and 40 per cent commission on the products it sells. An increase in these sales would reduce the burden on Consolidated Account.

Mr OSWALD: I desire to ask a supplementary question. What is the gross turnover in dollar terms, so we have an idea of the operation?

Mr Miller: In dollar terms it is about \$70 000. Principally, it involves copies of Acts and regulations sold through the centre.

Mr OSWALD: Any maps?

Mr Miller: Yes, it includes Department of Recreation and Sport maps (such as Heysen Trail maps) and the sort of commercial products that are sold by Government agencies. We are trying to obtain more of these products to sell through the centre.

Mr OSWALD: What about aerial photographs?

Mr Miller: The centre does not handle aerial photographs, which come from the Department of Lands, but it does have posters. Tourism South Australia is looking at putting posters, maps and information into the centre.

Mr DUGAN: My two questions relate to Statelink, which is referred to at page 329 of the Program Estimates. Under 'Issues/Trends' it states:

Statelink has developed from a project to a business.

I have listened to the Minister's explanation about the rationale for the establishment of some of the units, but can she give a more specific description about why it was considered necessary to establish a new business unit in telecommunications management within the service?

The Hon. Barbara Wiese: Statelink was originally created to manage the telecommunications business of the Government as a whole. The technologies of telecommunications and information processing are converging, and both are a driving force in helping to achieve the overall goals of public sector management. By bringing the Government's communication systems under the control of a single body, the Government will be able to take advantage of its purchasing power and of the developments in the further deregulation of the supply of telecommunication services and products in Australia.

By providing a single point of contact in Statelink, the Government will achieve better negotiations with service providers including Telecom and Aussat and with the industry at large. Statelink will also cooperate with the Department of State Development and Technology in the development of opportunities for various industry organisations in South Australia. Statelink has been integrated into the State Services Department because it is a service delivery agency of

Government. It is appropriate that it should sit with other agencies that are providing services.

A comparison of Statelink costs and the previous charges for telephone services indicates that considerable savings are available to Government if this service is developed appropriately. It is expected that in the current financial year savings should amount to some \$530 000 as a result of the new network that has been established. In addition, we are now able to provide better Government telephone directories which will improve the service to the public, and these will be updated annually.

Staff who are now using the network have much greater flexibility in handling calls. Features such as call transfer, call forward, last number redial and call-pickup from a central point have greatly improved telephone services in Government agencies. We now have a single point of contact on telephone faults. That also means, of course, that we can rectify those faults much more quickly than otherwise might have been the case. I think it is true to say that in the progress that has been made so far the benefits to Government that were envisaged are being realised.

Mr DUGAN: If the advantages that the Minister has outlined are there, why did not Statelink, either as a project or as a business, establish its own communications system within the service rather than going to the next step and getting Telecom to do it? Why did we not do it ourselves? I recall there was some argument at the time as to whether or not there was some advantage for Government to establish its own communications system internally rather than having to rely on Telecom.

Mr Dundon: In respect of a privately operated network, at present most of the opportunities available for that need to be provided. The transmission needs to be provided by Telecom rather than by private means because there are regulations which prevent the interconnection of private transmission links, for example, by microwave link, radio link or something in to the public switch telephone network.

There is a regulatory requirement which limits the opportunity to connect a privately operated transmission into the public network. If deregulation moves ahead, Statelink will be looking to see whether it can keep its options open for some privately owned and operated transmission. At present, the only alternative, if we have to link into the public network, is to lease transmission time from Telecom.

Mr DUGAN: So that means you are in fact curtailed by the monopoly that Telecom has over the control of telecommunications within the State? Did the Victorian Government try to establish its own system? Was that equally curtailed by Telecom's control over the use of telecommunication lines, or was it able to establish some internal telecommunications system of its own?

Mr Dundon: The one difference between the South Australian network and the Victorian network is that the Victorian network also uses satellite transmission for some components of its network. The satellite transmission is provided by Aussat. The regulatory environment currently existing in Australia gives sole provider status to Telecom, Aussat or OTC for the provision of transmission where it needs to be interconnected with the public switch network. If we wanted to operate solely internally, we could set up our own transmission network but we would not be able to connect into the public network.

Mr DUGAN: It is an option that is there should there be any deregulation.

Mr Dundon: Certainly in the future.

Mr DUGAN: Under 1988-89 Specific targets/objectives, one of the major achievements was the successful cutover

of some 6 000 extensions to a new Government telephone network over one weekend. What is significant about that?

Mr Dundon: The significant advantage in respect of the setting up of the new network (which we called the CBD network) is that it replaced old technology which was really failing rapidly. By introducing new digital technology we laid the groundwork for a modern digital network which will ultimately expand to cover Government agencies throughout the State. That in turn will in future deliver the benefits of integrating data with voice and many other value added applications which in future will be of benefit to Government and to consumers of Government services. It was necessary to change telephone numbers because we had to interface to the public network at a different point.

Mr BECKER: When will a permanent Director and Government Printer be appointed? What is the reason for the delay and how many applications were received for the position?

Mr Dundon: There were nine applicants for the position, which was advertised in April of this year. The announcement is expected to be made next week. I anticipate that approval to make the announcement will be given tomorrow. There has been a delay because we wanted to make certain we had the right person. There were problems in scheduling all of the necessary interviews and assessments to select the applicant. People who had applied were unavailable at various times for the selection process. It was necessary to spend more time than we would have liked to resolve it, but it is now near to finalisation and I expect to obtain approval for the appointment tomorrow.

Mr BECKER: Page 180 of the Auditor-General's Report contains a Statement of Operations by Business Unit for the year ended 30 June 1989. It shows that the combined 'outside sales' from State Computing, State Fleet, State Chemistry, State Forensic Science, StatePrint, State Supply, SA Remote Sensing, and State Information was \$64.751 million. However, it shows various amounts for interest earned by those units which totalled \$1.32 million, which is 2 per cent of the turnover. Is that amount fair and reasonable? How is the income of the various units deposited? Is there any benefit from investing that money in the short term?

Mr Miller: The interest that is earned on the cash balance for the department comes from a single deposit account with Treasury. At present there is no opportunity for the department to earn money other than on the current long-term bond rate that is paid on cash balances. Currently in South Australia investment in areas such as the short-term money market and other investment is, I believe, the prerogative of SAFA. If one looks further down on the page one will see interest expenses of \$1.9 million. As part of this financial structure we underwent on 1 July last year, the department vote receives interest on its cash balance and pays interest on its debt. Usually a cash balance is generated by such things as the provision for depreciation, long service leave and surplus from operations.

Mr BECKER: I find that one of the biggest problems with Government financing is that one has to have a single account with Treasury and there is little incentive for the various units to earn a greater cash flow. Page 179 of the Auditor-General's Report shows under 'Current Assets' that cash held is \$5.5 million (and I do not know how long that has been accumulating). If we are to insist that the units operate on a commercial basis within the Government then they should be allowed to operate as such and be able to earn the most interest they can. Treasury should be far more lenient. Has this been discussed by Cabinet? Is the Minister prepared to take it to Cabinet to see whether or

not the various units can obtain greater credit than they have in the past?

The Hon. Barbara Wiese: I do not recall a discussion along those lines in Cabinet relating to this department; it has certainly not happened in my time. Substantial steps have been taken in running these business units on a commercial basis. A number of things have been put in place to enable the various business units to operate commercially. Whether or not what the honourable member is talking about should be considered in the future is something that we would have to consider.

Mr Dundon: The financial structure that we have adopted is breaking new ground not only in South Australia but also throughout Australia in the public sector. To be able to have a financial structure of the type we have was something that was quite radical and different from the usual approach to Government financing. It would give me great pleasure to be able to move into investing our cash balances in a more lucrative area, but I think we need to take one step at a time. We have spent the bulk of this year bedding down the financial structure and getting used to operating in that way. As we become more comfortable and familiar with it and Treasury becomes more confident that perhaps we can manage effectively in this way, then that will be a step we would like to pursue.

There is a strong incentive in our organisation now to maximise liquidity because it reduces our interest bill. It is a one for one credit offset: the same long-term bond rate is paid to us as we pay to Treasury. Nevertheless, we manage liquidity regularly to ensure that we have cash coming in to the various business units in order to meet the expenses that come up at various times of the year. Some of our facilities are seasonal in nature and we have to balance the cash flow to ensure that we maintain some liquidity in our operation. I am confident that we can demonstrate in a short time that this is a very good initiative from the Government's point of view in providing incentive for a more efficient and customer-focused operation. As a result of that we should be able to gain the confidence of Treasury and the Government to be able to move into investments of this type.

Mr BECKER: As a supplementary question, I know that Treasury likes to control everything and is pretty hard to break through. The department is required to contribute part of its profits to Consolidated Account and pressure is put on the department to make a profit, so I hope that the Minister will take this suggestion on board and put to the Treasurer that perhaps he ought to follow it through now that the units are required to operate on a commercial basis, bearing in mind the \$5.5 million is sitting there.

The Hon. Barbara Wiese: That may be a logical next step. During the past four or five years, and particularly since the business of public finances has become more and more difficult, we have found that Treasury has become more flexible in these areas as well and is prepared to entertain what some years ago would have been considered quite radical propositions for public sector financing. It could well be that we would want to take this up soon.

The Hon. J.W. SLATER: In relation to the provision of light motor vehicle transport services on page 315 of the Program Estimates, the information shows that the capital expenditure increased from a proposed \$5.2 million to an actual expenditure of \$8.7 million, with a proposal for 1989-90 of \$8.5 million. Does this indicate an increase in the number of vehicles in government or is there a significant increase in the growth of the number of vehicles leased in that fleet?

The Hon. Barbara Wiese: The Motor Registration Division statistics indicate that the number of light passenger vehicles in government has increased only marginally during the past four years, excluding the statistics for the South Australian Police Department. Government agencies are using leased vehicles and are not using their precious capital funds for the purchase of vehicles. This is a growing part of the State Fleet business operation. It is working very well for the various Government agencies using the service and, as an important component of the State Fleet services, it has been very successful. Other Government initiatives associated with decentralisation, for example, the Education Department, Sacon, etc., may also have contributed to the need for additional vehicles in government where that has occurred. By and large, the increase in capital expenditure reflects the transfer of vehicles from agencies to the centralised fleet being administered by State Fleet.

The Hon. E.R. GOLDSWORTHY: The Minister identified earlier in the day that the large new computing contract which was won against private sector competition was for WorkCover. We know from earlier publicity that WorkCover made a mess of its computing. What is the contract worth and what is State Computing doing for WorkCover? What is the contract all about?

The Hon. Barbara Wiese: Before I ask Malcolm Jones to respond to this question, I should indicate that the matter of the worth of the contract is a matter which is commercial/in confidence. We would rather not provide information about that. As to the nature of the contract and the sort of work we are doing for WorkCover, it is appropriate that a response be given.

The Hon. E.R. GOLDSWORTHY: What is commercially confidential—the value of the contract, the work to be done for WorkCover or what?

The Hon. Barbara Wiese: The value of the contract, because we are in competition with people in the private sector for what is essentially a two year contract which will be up for grabs again very soon. We need to protect our position in the marketplace. If we were a private sector operation which had just won the contract, we would not want to divulge the details of the worth of that contract any more than we want to as a public sector agency in the marketplace.

Mr Jones: The service we are providing WorkCover is basically what is known as a facilities management service. We are providing a computer processing service consisting of the hardware and system software on which the WorkCover corporation is running its applications. We are providing the hardware, system software, system software support, operational support, data communication links and support for its operation. The application software that it is running is its responsibility.

Mr DUGAN: As a supplementary question to the Deputy Leader's question, is the Minister aware of how many other tenders were in the field for the operation that the State Computing Centre eventually won?

The Hon. Barbara Wiese: We do not have that information.

The Hon. E.R. GOLDSWORTHY: Whilst Statelink is still fresh in our minds, the Auditor-General had a few hard things to say about that. He refers to business management and financial control, and it is the same story as with State Computing's planning or lack of planning. At page 189 of his report, the Auditor-General said:

In 1988-89, the Government applied approximately \$7 million towards implementation of the [Statelink] strategy which, to the year 1994-95, will involve estimated outlays totalling \$23 million to achieve estimated savings of \$37 million.

This cannot help but force one to think of the history of the JIS. He continues:

The Audit Review revealed some issues in the areas of management structure, policy and planning, performance assessment and financial accountability arrangements for the strategy.

A few problems were identified. Reports were asked for and the Ste Management Board is in the act, but so is the department. The Auditor-General winds up his assessment of this lot with these comments on page 191:

The Chairman, Government Management Board, provided an interim response to the report on 31 July 1989. The reply conveyed in general terms that the issues reported had been settled or were in the process of discussion as the project continues to develop. The Chairman indicated a further response addressing the issues raised would be received in due course. A reply received from the Chief Executive Officer, State Services Department, on 11 August 1989 advised that their response would be coordinated with the response from the Government Management Board.

What that is all about is that the management structures are not in place and the Auditor-General is still awaiting a response from the Government instrumentalities, including the department, to find out where you are going with this Statelink.

The Hon. Barbara Wiese: This is a similar situation, in this sense, to the questions raised by the honourable member concerning State Computing. It is the responsibility of the Government Management Board to set the policy direction for Statelink, just as it is its responsibility to set the policy direction for State Computing. If the honourable member wants to ask questions about the policy issues, he must ask those questions of the Minister responsible for the Government Management Board.

The Hon. E.R. GOLDSWORTHY: With respect, that is a cop-out which the Committee should not be expected to accept. The Minister is in charge of Statelink: \$7 million has been spent. A heap of money will be spent this year and a great amount of public money is to be spent all-up. The Auditor-General says, in effect, that he does not know where it is going.

The Hon. R.K. ABBOTT interjecting:

The Hon. E.R. GOLDSWORTHY: The honourable member obviously has a beef with the Auditor-General, as the Minister had earlier, but that is what he is saying. One cannot expect the Parliament to accept the position where a department is spending money and does not know where it is going, and then shovel it off to the Government Management Board and say that it is their pigeon, virtually saying, 'If they don't open their mouths, we will spend the money.' The Auditor-General has directed his inquiries to this department, which is to furnish a report.

The last words from the department were 'We will coordinate our report with the Government Management Board's report.' If the Minister is suggesting that she has no responsibility in this area, it just will not wash. How far has the Minister got with the departmental report in relation to this matter?

The Hon. Barbara Wiese: The point about this is that Statelink is responsible for service delivery in this area and the Government Management Board has the responsibility for developing policy. Of course, there is very close cooperation between the Government Management Board on the question of policy and officers of Statelink on the question of implementation. Each system involved in implementing Statelink has occurred under the guidance and with the cooperation of the Government Management Board. The questions that were being raised by the Auditor-General related to policy issues, and it was appropriate that the Government Management Board should prepare the appropriate response.

Where a matter related to implementation issues that were addressed by the Department of State Services, those matters were referred to the Government Management Board to be incorporated in the response that it was—properly—preparing for the Auditor-General. That is the way it must be done. It is important to point out that the Statelink network as it has developed so far has not been done in isolation from any policy direction.

As I have already indicated, the Government Management Board has been involved in that process and it is being advised by the Communication Policy Committee, of which the Department of State Services is a member, and Statelink knows what is expected of it. It has a strategy set by Logica Consultants which has been approved by the Government. The policy issues as to how the Government will integrate data with voice, etc., are being developed.

Technology is changing rapidly and we are working to make the most of that. Although all the overall policy issues have not yet been addressed by the Government Management Board as the policy making body, the process being followed is logical and planned. Statelink and the policy-making body are in very close contact throughout the implementation process.

The Hon. E.R. GOLDSWORTHY: The Minister is not suggesting that the other matters mentioned here are in the lap of the Government Management Board? The Auditor-General in his list of issues talks about management structure and policy. The Minister has shovelled that off to the Government Management Board. What about planning performance assessment and financial accountability? The Minister is not suggesting that the Government Management Board is responsible for that? All these things need attention, according to the Auditor-General. What comment will the Minister make in relation to that, and what will be in her report to him in due course?

Mr Dundon: Statelink is a new business unit which was formed, really, only last December in State Services, and it has moved from a project team into a continuing business unit. One of the tasks being worked on at present is to measure performance of the business unit and performance of the strategy against the expected savings. The Auditor-General has rightly identified that it is expected that significant financial benefits will flow from the implementation of the strategy and, as far as the operational aspects of Statelink are concerned, we have put in place a business plan for this current financial year which sets financial targets and service level targets which are expected to be achieved.

Those plans are to be considered within the next two to three weeks by the Communications Policy Committee and it will advise the Government Management Board of any views it has on those performance targets that we have set. The performance targets which are being established relate to financial matters as well as to service level and delivery matters, and we have been able to identify that, for this current financial year, something like \$600 000 of benefit will flow to the Government from the operations of Statelink by rationalising the voice network that is now in place.

As we move down the strategy and start to incorporate data transmission into the network, we expect that further benefits will come to the Government, and we are putting in place a means of measuring the benefits that will flow from that activity.

The Hon. E.R. GOLDSWORTHY: What is the current estimate of the all-up cost of putting this strategy in place—just so that we will have something to look back at in years to come in order to make some comparisons?

The Hon. Barbara Wiese: I will have to take that question on notice. We are working to the sort of figure that is mentioned in the Auditor-General's Report at page 189, but that is a figure that will need to be refined. I will bring back a reply later.

The Hon. E.R. GOLDSWORTHY: When can I expect the refinement to be available?

Mr Dundon: We can have the figure available within two weeks at the most, because we have the details back in our office. I might just make the point that, with regard to the first part of the strategy (which was the implementation of the Central Business District Network), the cost of implementation came in under the originally forecast figure from Logica, so already some reduction in cost on the implementation of the first phase of the network has been achieved. Within two weeks we should be able to tell the honourable member what we expect the total strategy to be.

The Hon. E.R. GOLDSWORTHY: It could well come in under \$23 million. Is that what you are saying?

Mr Dundon: That is a possibility. I do not know what figure we are working on at this stage, but it is in that ballpark.

The Hon. Barbara Wiese: It should be pointed out that the amounts of money that are being mentioned represent capital expenditure that would have to be spent, anyway, and the additional amounts of money that will be required will relate to operational expenditure, overheads, etc.

The Hon. E.R. GOLDSWORTHY: How does the Minister account for the \$1.2 million loss by StatePrint?

The Hon. Barbara Wiese: I gave a brief summary in my opening remarks of the reasons why there was a problem with StatePrint during the previous financial year. In short, the problem related to a shortfall in sales and the inability to recover the full cost of depreciation, interest charges, materials, superannuation and wages. As I indicated, Parliament did not sit for as long as anticipated during the previous financial year and it is very difficult for StatePrint to gear up within a short period in order to fill the capacity which otherwise would have been taken up with the printing of *Hansard*. Some prices of materials used by StatePrint during the previous 12 months escalated beyond expectations, so those were among the reasons why StatePrint found itself in this situation during this previous financial year.

The Hon. E.R. GOLDSWORTHY: As a supplementary question, under 'StatePrint' the Auditor-General states:

An audit of the unit's operations revealed an unsatisfactory standard of financial accounting and reporting. Matters arising from the review and reported to the Chief Executive Officer in April 1989 related to inadequate maintenance of financial records and processes inhibiting timely and effective management reporting and review of the unit's financial position . . .

He is saying that he does not know where they were at any given point of time. He continues:

. . . insufficient attention directed to accounting and control procedures (including reconciliations) reported to the unit in 1987-88.

The Hon. Barbara Wiese: The Department of State Services has already acknowledged that there were some problems relating to accounting methods within StatePrint. In fact, during the previous financial year, a new management information system was implemented, and there is no doubt that some problems emerged as a result of the implementation of that new system. Once it was identified that StatePrint was not meeting its budget, a full and extensive review was instigated, with the assistance of the Government Management Board, to identify very specifically what the shortcomings were so that corrective action could be determined and implemented as quickly as possible.

A program of action has already been determined and set in place. In brief, I can say that that will require that StatePrint reaches the breakeven point during the next financial year, and that will be achieved by expenditure budgets being set at the same level, in absolute dollar terms, as last year. In effect, that means a 7 per cent real reduction, and very rigorous management reporting systems will be set in place that will provide for monthly profit and loss accounts to be produced, profit centre reports to be established and reported monthly, and documentation of variances from budgets and corrective action taken and reported to the Chief Executive Officer of the department on a monthly basis.

In addition, a complete reassessment of various product lines within StatePrint and their contribution to the financial success of the unit will be undertaken. Sales targets will be established for our sales representatives and a review of the organisation's accommodation requirements will also be undertaken, because the overheads for StatePrint are very high. A scheme is already in place to overcome the problems that have emerged during the previous 12 months.

I think it is important to point out that this is an unusual result for StatePrint, because over the past 10 years it has performed creditably and the accumulated deficit over 10 years has been only \$875 000. So, we are talking about an unusual set of circumstances. This matter will be taken in hand immediately and rectified.

Mr DUIGAN: How competitive is StatePrint compared with private sector printers, both in terms of previous performance and taking into account those new management operations that the Minister has indicated will be put in place over the next few months?

Mr Fitzsimmons: In general terms, StatePrint is very competitive. It offers a range of services to satisfy the needs of both Parliament and Government departments. The majority of private organisations do not offer such a range of services as provided by StatePrint. They tend to specialise as trade houses offering other typesetting services, printing, graphic reproduction or binding and finishing services.

StatePrint offers a full range. A comparison with the private sector is carried out on a regular basis. StatePrint quotes for work in competition with the private sector. In some categories StatePrint is not competitive and we generally subcontract out such work out. Business cards are an example of this. In other instances StatePrint is competitive and is successful in about 50 per cent of the cases where it has to quote in competition with the private sector. This compares favourably with an industry average of about 30 per cent to 40 per cent success. StatePrint does not compete purely on price, as it tries to ensure that customers obtain value for money and that the service and quality are commensurate with the prices charged.

Mr DUIGAN: My question is partly related to StatePrint but also has something to do with State Supply. I refer to the encouragement of the use of unbleached and recycled paper by StatePrint in view of the community concern about the reuse of such materials. What encouragement and use is made by StatePrint of recycled printing materials?

The Hon. Barbara Wiese: Obviously, this matter is of broad community concern, along with many other issues relating to the environment and the need to recycle goods. With that raising of consciousness and awareness in the community the State Supply Board has been asked to investigate this matter and supply, where appropriate, unbleached and recycled paper for use by its clients. In fact, the State Supply Board has contacted the Commonwealth and other State supply authorities to seek comments on what action is being taken in other areas in respect of the purchase of

unbleached and recycled paper products. The idea is to try to bring about the adoption of a uniform approach throughout Australia.

The Department of Environment and Planning is also investigating the use of these products. Although a policy has yet to be determined, and authorities have been encouraged to promote the use of unbleached and recycled paper when evaluating contracts for the supply of these products. In fact, State Supply now has supplies of these materials in its warehouse and is intending to stock unbleached toilet tissue in the near future. If members are in the market for unbleached toilet tissue, they know where to come.

Since 1 September this year, wherever possible, State Supply is not stocking products containing chlorofluorocarbons because of their adverse effect on the ozone layer. Most pressure pack products now going out to schools, hospitals and the like are much more environmentally friendly than products used previously. I have just been advised that there are some complications in this issue because StatePrint has been told by photocopier manufacturers that recycled paper should not be used, and that they will refuse to maintain equipment using recycled paper. A number of issues must be addressed by agencies if they want to use these products.

Mr BECKER: I have a supplementary question about recycled paper. What is the ratio of recycled paper used by StatePrint? How does the cost compare with conventional paper? What items are now printed on recycled paper?

Mr Fitzsimmons: Recycled paper is generally dearer than fresh paper by five to 10 per cent. We have trialled it in some areas. The photocopy area is one that we are looking at closely. Some suppliers of photocopiers have advised us that recycled paper is detrimental to their machinery. Their contracts provide that, if we use materials other than those acceptable to the contractor, we could be charged for any excess maintenance required.

Mr BECKER: Is recycled paper difficult to print on?

Mr Fitzsimmons: It is.

Mr DUGAN: The Minister may not want to respond to my next comment. The Minister may be aware (and certainly all members are) that members are supplied through Parliament House with four reams of paper a month. This is a pretty limited amount of paper in a normal electorate office. If members need more paper, we are entitled to buy it through Parliament House from StatePrint, but we must pay for it as commercial customers and pay sales tax because we are not deemed to be employees of a Government department nor using it for Government purposes, despite the fact that it is not for reuse or resale.

If StatePrint does the overprinting and puts our name, title and nothing else on the letter head, because members are not deemed to be employees of a Government department, we also have to pay sales tax. The representative from StatePrint indicated that he does calling cards, presumably for employees of Government departments. He does not do it for members or, if he does, we pay sales tax because we are deemed to be different from members of Government departments and statutory authorities. My point is that there are benefits for people who undertake a public duty in a public authority on a public salary which are not available to members of Parliament who undertakes a public duty for a public purpose on a public salary.

This has to do with the way in which parliamentarians are classified under the sales tax legislation. Because we are not deemed to be members of a department, we are subject to sales tax and, to a certain extent, we are unable to benefit in the same way that other departments benefit from the services available from StatePrint. I would like to be able

to use the services available at StatePrint, and a number of them have been described tonight.

More often than not I have tended to go outside the Government system because there is no advantage in using the internal system. I wish there were. I believe that there should be advantages. I have no question apart from bringing this matter to the Minister's attention, and perhaps she might like to take it up with the Commonwealth. It is a matter of the way in which we are actually classified.

The Hon. Barbara Wiese: I was not aware of the circumstances that the honourable member outlines, but he rightly points out that the question of sales tax and eligibility for payment of sales tax is determined by the Commonwealth Government. Whether or not it is a matter that is appropriately taken up on behalf of members of Parliament by me or some other Government authority is, I suppose, a matter to be decided. I can see some merits in the argument that the honourable member is putting. Perhaps members of Parliament who are fulfilling a public function should enjoy the same exemption as other public bodies, do.

Mr DUGAN: The same problem does not arise for Federal Parliamentarians because the Federal Government printing authority supplies them with as much paper as they wish to use, overprinted as they want it, without sales tax being paid. It is supplied to them as part of their job.

The Hon. Barbara Wiese: I will undertake to make some inquiries about this matter, and I will get back to the honourable member.

Mr ABBOTT: At page 315, the Program Estimates shows State Computing with an increase in revenue of about \$2.9 million or 24 per cent for 1989-90. Given the constraints of agency funding, can the Minister explain how this will be achieved?

The Hon. Barbara Wiese: The revenue increases for this coming financial year will come from these sources: price increases, an increase in workload from existing customers, and also new customers. The price increase levied by State Computing for this year was 3 per cent—well below the general Government increase and inflation of 6 per cent. This results in approximately \$360 000 increase in revenue.

The net increase in work from existing customers is estimated to be about 4 or 5 per cent, and reflects commitments to State Computing by its customers. As we have already discussed during the course of earlier questioning, very recently State Computing was successful in winning a two year contract for computing processing business for WorkCover. It won that contract over alternative suppliers from both the public and private sector. Low risk business, a highly reliable service and value for money were among the factors that contributed to State Computing's success in winning that contract.

State Computing received advice only at the end of May this year that its bid had been successful from WorkCover. That meant it had only some three months to acquire and install computing and telecommunications equipment to establish a totally separate operating environment and to transfer the application and data to the new site. It did in fact meet the deadlines that had been set. The work that was done in that area demonstrates the effectiveness and efficiency of State Computing. There is no reason to believe that the future will be any different in the work that State Computing is able to do and the business that it is able to attract.

The Hon. R.K. ABBOTT: The Minister said that the price increase for this year was only 3 per cent. What were the price variations at State Computing for the past five years?

Mr Jones: Over the past five years, State Computing has kept its price increases well below the CPI. This has been helped by the trend of improved price performance for computing hardware, although the cost of software and the numbers of people necessary to operate and support the hardware are increasing. However, there are still economies of scale in operating large mainframe computers in the type of environment that we do. A growth in our business has enabled us to reduce, in real terms, the processing cost. Over the past five years there has been a reduction in real prices; in fact, in real terms there have been price reductions of about 40 per cent. Therefore, the efficiencies we have been able to gain in the operations of our organisation have been passed on to the users of our services already. Now that we are on to this financial charter, which was mentioned previously, we will be paying a return to the Treasury of about \$1.2 million over the next couple of years.

Mr OSWALD: The Auditor-General's Report in relation to State Supply states that the absence of policy framework makes it difficult to ensure that the most appropriate investment decisions are being made. Page 322 of the Program Estimates under 'Issues/Trends' states:

Budget overruns for large computing projects in agencies not associated with State Computing has heightened Government concern about computing expenditure.

Clearly, the Auditor-General and the Government are concerned about this matter. I am concerned about expansions from State Supply into other departments and statutory authorities. Will the Minister supply the Committee with a list of Government departments or statutory authorities that the Government has heightened concern about, particularly the agencies that have had budget overruns on large computing projects?

The Hon. Barbara Wiese: I do not think that that is a responsibility I can fulfil. I am here to answer questions about the agencies for which I am responsible. The points that were made in the budget papers relate to projects that have been discussed at some length in the appropriate places. Some of the issues relating to, for example, the JIS and other computing projects within Government that have been examined in other forums are among the issues to which this document refers, but they are not issues that relate to the work of State Computing and, as such, are not issues I can address.

Mr OSWALD: As a supplementary question, the Program Estimates under 'Broad Objective(s)/Goal(s)' states:

- Processing of information using general purpose computing equipment—

which we agree with—

- Development, implementation and support of computer systems.
- Provision and support of end user facilities and services.
- Provision of consultancy and project management services.

Under the second and fourth paragraphs, the Minister's department would be providing computing advice and consultancies to all Government departments and authorities. As I understand it, her department has the expertise and provides consultancies. In that role, I would be surprised if officers of the department were not familiar with any budget overruns or large computing projects in the various agencies that were causing the Government some concern. I believe that this knowledge would be available to someone within the department.

The Hon. Barbara Wiese: Officers of State Computing are not involved with every single computing project that occurs within Government. Therefore, they do not have access to detailed information about what has occurred with particular computing projects. So, that information is not available through my department and, if the honourable

member has concerns about particular computing projects, he should raise the questions in the appropriate Estimates Committees.

Mr OSWALD: I am at a loss why it has been included under 'Issues and trends' in her department's lines if the Minister has no interest in it. Perhaps the Minister may state who in the Government of South Australia will provide me with a list of those departments and agencies that have budget overruns that are causing the Government concern. Otherwise, why put it in the document?

The Hon. Barbara Wiese: One of the reasons the matter has been included in the document is that, as one agency of government that is concerned with computing, clearly we have an interest in some of the problems that have emerged in other areas of government as they relate to the management of computing projects. One of the issues that State Computing wants to pay greater attention to in future, as is the case more broadly in government, is the question of our capacity to provide advice and project management for computing projects. One of the issues that is a problem, not only for State Computing but for all Government services that have some computing function, is the capacity of those agencies to retain the services of appropriately qualified people. People in certain areas of computing are very much in demand and it is very difficult in the Government sector to provide remuneration packages that are comparable with those available in the private sector.

One of the issues that is of concern across government is the question of how we can acquire appropriate project management skills and provide appropriate advice where necessary in managing large computing projects. As I have indicated, State Computing has an interest in that matter because, in some cases, it will become involved in providing advice when computing projects are undertaken. In many cases it will not be involved but, nevertheless, the question of whether or not we have appropriate skills within government is an issue of concern to us all.

Mr OSWALD: At page 326, the Program Estimates state:

The Marketing Branch has improved its expertise in providing a comprehensive service necessary to retain and attract new customers in competition with the private sector printers.

I would like some explanation about this. I can understand the Government Printer having to cover certain expenses to provide printing to the Parliament—I have heard that argument over several years. I accept that there is a necessity to make a small profit because of certain activities in which the Government Printer has to be involved and because of time constraints in getting work back up here. However, I cannot see any reason for this aggressive marketing which is starting to evolve whereby the Government Printer is now going out and actively competing with the private sector. The private sector in this State is the sector from which we provide employment; it is the sector in which we will have long-term growth in the community. I know it is a philosophical argument, but the Government has no right to go out and aggressively attack private printers, which it appears to be doing.

We have other lines which indicate that they are increasing their electronic publishing equipment and other plant and equipment, so that they can be aggressive. Why can the Government Printer not do what it was originally set up to do, that is, provide an efficient printing service within government to those areas for which it was designed initially, making a small profit to cover its expenses and stop there? Why can it not stop this aggression which is pervading the whole Public Service, particularly departments such as the Government Printer, which is hell bent on competing and putting private printing houses out of business?

The Hon. Barbara Wiese: The honourable member has the wrong impression of what StatePrint is doing in this area. In the past there was a mandatory requirement for Government agencies to use the services of StatePrint. Some time ago that mandatory requirement was taken away, so the reverse of what the honourable member is suggesting is now taking place: the private sector is now capable of aggressively competing with the Government Printer for Government business. StatePrint is not aggressively competing with the private sector.

Mr OSWALD: It says that they intend to.

The Hon. Barbara Wiese: No, it does not. What is happening is that StatePrint now has to be much more lean and efficient in order to maintain a reasonable share of Government printing work, because it is now in direct competition with private sector printers. If Government agencies can get a better deal from the private sector, they are free to do so. Once upon a time, they were not, and StatePrint had a monopoly on Government work and was, therefore, not placed in the position of having to operate as efficiently as it now must.

As the honourable member would be aware, one of the major responsibilities of StatePrint is to produce *Hansard* and other parliamentary documents, but when Parliament is not sitting it is important for StatePrint to attract other work in order that its work force can be kept occupied and that the unit can run efficiently as a business unit. It is not operating within the financial charter of the whole organisation, and it ought to be trying to make a profit.

I have just had a note passed to me which requires me to correct something I have just said, that is, that the requirement for Government departments to use StatePrint is in fact still in force. It was a circular from the Department of Premier and Cabinet which is still in force, but it is no longer being actively enforced because the Government believes that competition in this area of printing is desirable and will encourage StatePrint to become a more effective business unit.

So, although the fact is wrong, the practice that I have outlined is correct, and StatePrint does have to compete now with private sector printers in attracting Government work. Some private sector work is undertaken by StatePrint, but it is a very small proportion of the work that it does.

It only accepts private sector work under certain restricted conditions that usually relate to private sector organisations requesting StatePrint to undertake that work, because they would prefer StatePrint to do it, or where the private sector does not have the right kind of equipment or is not able to meet delivery times. Last year only a very small amount of its total revenue was achieved through work taken from the private sector. I am not sure of the figure, but I think it was about \$200 000 during the previous financial year, so it was a very small component of StatePrint's work.

Mr OSWALD: My third question is almost identical to that of the member for Hanson's in relation to vehicles, so I would ask him to ask that question.

Mr BECKER: How many motor vehicles comprise the Government VIP fleet; what is the average cost per vehicle for the previous 12 months; how does that cost compare with the previous 12 months; and how many motor vehicles were replaced and at what cost? Page 315 of the Program Estimates states that the operation of the VIP fleet entailed a proposed cost for 1988-89 of \$1.3 million, but the actual expenditure was \$1.6 million. The capital costs were \$497 000 and the proposed expenditure for this financial year is \$484 000. In addition, there are 26.5 full-time employees, and there was an increase of \$266 000 in the recurrent

expenditure during the previous financial year over the budgeted figure.

The Hon. Barbara Wiese: Some of the information requested by the honourable member will have to be taken on notice and provided at a later date.

Mr Miller: In relation to the proposed budget for the VIP fleet of \$1.344 million and the actual of \$1.61 million, that is a result of the VIP fleet being included in the department's new financial structure. This meant that long service leave liability belonging to the chauffeurs was recognised as an expense, and that amounted to \$175 000. The increased salaries flowing from the normal national wage process resulted in an extra \$66 000.

Mr Dundon: That was unfunded from past history, so it was brought to account as a one time cost to bring all the accrued liabilities for long service leave to account during the previous year. That is why we revert to a lower level of expenditure in 1989-90.

Mr BECKER: I refer to the remote sensing unit which is mentioned on page 188 of the Auditor-General's Report. The Auditor-General describes the operation of the unit and then refers to a previous report where he commented on the centre's inability to achieve a favourable income trend and cost recovery target. He also referred to weakness in project costing, general accounting and financial reporting of operations. The report also states:

An audit of operations for 1988-89 confirmed a satisfactory standard of accountability.

The Attorney-General also makes this comment:

During the year, an external consultant was commissioned to undertake a review and provide independent advice on the future of the centre to achieve its commercial intensive development path.

Who was that consultant and what were the complete findings? What is the future of the Remote Sensing Unit? What was the cost of that review?

The Hon. Barbara Wiese: The consultant was commissioned by the Department of State Development and Technology and the review was undertaken by Jim Duncan, who members will recall was at one time an employee of the Department of State Development and Technology and who was the officer who worked closely on the submarine project for South Australia. As to the cost of the consultancy and its findings, that is a question we will have to take on notice.

Mr BECKER: The Auditor-General noted that the unit has been transferred to the Department of Lands, which was in line with one of the recommendations. Can the Minister explain what went wrong with the potential contract with the Ethiopian Government? The unit was trying to obtain a contract worth about \$5 million and I understand that if it had acquired the contract, it would have established the unit and would have given it a great fillip. At the last minute, because it was unable to secure the contract, the unit has subsequently suffered. Is there any chance to win back any ground with the Ethiopian Government? Is there anything that can be done in seeking further opportunities overseas for the unit? Was there any undue interference by Crown Law or any Government agency in dealing with the contract?

The Hon. Barbara Wiese: I know from reading *Hansard* from last year's Estimates Committee on this department that this question was raised and my colleague, the Hon. Mr Keneally, spent considerable time responding to questions about the Ethiopian contract. From what I can gather from his comments, it was a complex issue. Mr Dundon is in a stronger position to comment on it and whether or not there is any chance of resurrecting the contract in future. I am sure that he would like to comment on the work of

remote sensing in recent months in respect of other overseas contracts that the unit has been working on.

Mr Dundon: As a point of clarification, although the gross value of the contract was about \$5 million, the proportion that would have been income to the South Australian Centre for Remote Sensing was about \$600 000. The rest of it was for the purchase of equipment and the provision of other services which would not have come from the Centre for Remote Sensing. In the negotiation of a draft contract, certain arrangements were settled between the centre and the Ethiopian Government, which would have left the South Australian Government potentially exposed to quite significant financial liabilities. That was mainly because the Ethiopian Government would not permit any escalation clauses to be included in the contract.

That meant that, if the Ethiopian Government for some reason delayed the provision of facilities or equipment, the South Australian Government and the Centre for Remote Sensing could have been exposed for the additional costs associated with delays in the project. The Ethiopian Government would not accept the proposals which we put to have some escalation clauses included in the contract and, from that point of view, withdrew from further negotiations.

With regard to potential damage, that issue was particularly important to the centre, to the technology industry and to the remote sensing industry in Australia, as well as to the State Government. Accordingly, last November on the advice of Austrade, I was sent to the World Bank, which was the funding agency for the Ethiopian contract to, first, assess what, if any, damage had occurred to Australia's reputation and, secondly, to see, if any damage had occurred, what sort of action needed to be taken to overcome that.

I spoke extensively with people in the World Bank, and any impressions that had been created about the centre, the State Government or Australian industry at large had been confined to a very narrow area in the African section of the bank. Indeed, in discussion with the project officer responsible for that project, we agreed that the damage would be restricted primarily to the Ethiopian Government rather than to the world at large.

The impact on the Australian industry has been minimal, because a number of firms, both South Australian and based interstate, are continuing to gain extensive work with the Ethiopian Government.

In terms of the impact that it has had on the Centre for Remote Sensing, in the last 12 months we were involved with negotiations with the Philippines Government as part of a consortium for a very large \$9 million project there. We were one of the members of that consortium. Unfortunately, our consortium ran second in that bid, but it was a close run. The successful consortium was under the principal management of BHP Engineering International, which was a fairly large firm with large resources at its disposal. Whilst we were disappointed that we did not get that contract, it demonstrated that we are up there with the capabilities.

The other overseas project was a Malaysian fisheries project with which we had hoped we would be successful during the last financial year, because that was factored into our sales budgets at the time. That was to be part-funded by the Australian Space Board as part of an industry development project and an aid project for Malaysia. We received advice about a month ago that the Centre for Remote Sensing was successful in achieving that \$75 000 project, so it is not as large as some of the others.

It demonstrates that it has credibility in the international market. Late last year we sent one of our key staff members to Thailand to look at what the South-East Asian perception

of the Centre for Remote Sensing was. He came back with very positive feedback. I think that that contributed to our success in winning the Malaysian fisheries project. We would have liked to get it before it went to the Department of Lands, but that department has had a good boost for its operations in the area.

Mr BECKER: In relation to State Fleet, I know that a few years ago comment was made by the Auditor-General that not all the car spaces allocated in the Gawler Place car park were being fully utilised and that there was a low occupancy rate in relation to the rents that were being paid. Have all the vehicles now been transferred to the central Government car pool? What is the present occupancy rate of the parking bays at the Gawler Place car park?

Mr Grenville: The vehicles in the central business district of Adelaide, with the exception of one department that had an exemption, have been transferred to State Fleet. The majority of them are parked in the State Centre car park. Approximately 450 vehicles altogether are parked there, and about 220 are available for short-term hire use, in other words, *ad hoc* use to satisfy a client who needs a vehicle for an hour, a day, three days or whatever.

As well, other vehicles are there on long term hire. They are allocated to an office or an officer—perhaps an inspector in the Department of Public and Consumer Affairs needs access to a vehicle on a continuing basis. Those vehicles are parked in the State Centre car park, and we have an arrangement whereby we park approximately 1.8 vehicles per car parking space on the basis that not every vehicle is there at the one time. At times—Monday mornings or late Friday afternoons—when there are more vehicles in there than we have car parks, we have an arrangement with SGIC, the owner of the car park, to pay casual rates for the parks over and above our standard number. We believe it is an efficient arrangement. It works quite well in terms of finance and cost to State Fleet.

The Hon. E.R. GOLDSWORTHY: About \$18 million is to be spent in two years on expanding State Fleet. I think \$10 million was spent last year and \$8 million is voted to be spent this year. That puzzled me until I heard the Minister's comment earlier today that State Fleet's operations will be to replace cars in Government departments. How many vehicles in departments will be replaced by State Fleet vehicles? Obviously, that will not be on a one-for-one basis. I understand that State Fleet is seeking to expand its operations to do work for statutory authorities and local government. What work is being undertaken in relation to statutory authorities and local government? Who did that work previously (in relation to replacing ETSA vehicles with State Fleet vehicles)? Will the Minister supply more information about this? Is this exercise designed to save the public money?

The Hon. Barbara Wiese: It was only in February this year that Cabinet approved an extension of the charter of State Fleet to enable it to compete for business with local government authorities. There has been some action in that area already. One metropolitan council has already leased vehicles from State Fleet and a number of other councils have indicated an interest in doing so. The potential for business is quite extensive, as we expect it to be with various statutory authorities of Government. At the moment, those local government and State Government authorities would be making their own arrangements about motor vehicles, whether purchasing or arranging to lease from private sector companies but, as far as we are concerned, State Fleet will be able to make considerable profits from an extension of business into these areas. It is also expected that there would be savings to the Government overall as a result of the

different way of making arrangements for the provision of motor vehicles in various Government agencies.

Mr Grenville: There is a trend in the business world these days to use people who have professional expertise in terms of fleet operation. In the private sector often there are taxation reasons for that, but within government it is noticeable because, having State Fleet operate a fleet of vehicles on your behalf (that is, providing them, purchasing them, running them—paying for their operation and also salvaging them in due course), that allows the agency to get on and undertake its main stream of business. This is found attractive. As the Minister has previously indicated, it allows some agencies to put their capital to more effective use elsewhere.

The Hon. E.R. GOLDSWORTHY: Does the fact that you do not pay any sales tax when you buy these fleet vehicles give you a competitive edge in the marketplace in, say, bidding for local government work?

Mr Grenville: When dealing with other organisations, we put ourselves on an equal footing with whatever is the way in which they do business. If they are required to pay sales tax and stamp duty on those vehicles, we do precisely the same. We do not get an edge through that.

The Hon. E.R. GOLDSWORTHY: Do you add that to your bill?

Mr Grenville: Yes, we build that factor into our cost structure. Local government has a sales tax and stamp duty exemption.

Mr Dundon: When we compare our rates with the Government contractor, we even them out so we add in things such as sales tax and stamp duty, to make certain that we are still competitive and keep the efficiencies at our end of the operation. The other benefit that flows to government is that, by putting more vehicles into our fleet, the unit cost of providing the service reduces because the overheads

remain relatively fixed, whether we have 800 or 1 600 vehicles. The cost to the Government per unit vehicle will reduce and the Government benefits in that way. It also benefits through the payment of a dividend because the business unit is quite profitable, making about a 19 per cent return on investment.

The Hon. E.R. GOLDSWORTHY: Will you be able to obtain the figures on the number of departmental vehicles that have been replaced and the number that have now been added to the State fleet?

Mr Dundon: Yes, on notice.

The Hon. E.R. GOLDSWORTHY: I have a list of standard questions which the Minister, no doubt, was asked this morning. Will the Minister provide information as to the amount of sick leave taken during the past financial year and, in doing so, indicate how much of this sick leave was taken on Mondays, Fridays and the days immediately before and after holiday weekends? Will the Minister tell us how much the Chief Executive Officer is paid now and was paid as at 30 June 1988?

How many officers in the department are employed at EO and AO levels? Finally, under intra-agency support service not allocated to programs, will the Minister provide an itemised rundown of spending last financial year and the budgeted spending this financial year under salaries, wages and related payments, administration expenses, minor equipment and sundries?

The Hon. Barbara Wiese: I will be happy to provide that information.

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

ADJOURNMENT

At 9.48 p.m. the Committee adjourned until Tuesday 19 September at 11 a.m.