

**HOUSE OF ASSEMBLY**

Thursday 24 September 1992

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

The Hon. T.H. Hemmings

**Members:**

Mr P. Holloway  
 Mr G.A. Ingerson  
 Mr C.D.T. McKee  
 Mr J.A. Quirke  
 Mr R.B. Such  
 Mr I.H. Venning

*The Committee met at 11 a.m.*

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**The CHAIRMAN:** If the Minister undertakes to supply any 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 9 October to the Clerk of the House of Assembly.

I propose to allow the Minister and the lead speaker for the Opposition to make an opening statement, if they so desire, of about 10 to 15 minutes. We will have our usual flexible approach to questions at three per member, alternating sides. I advise members that my interpretation of a supplementary question has managed to survive five sessions, so we will maintain that interpretation. Subject to the convenience of the Committee, a member who is outside the Committee and who desires to ask a question will be permitted to do so after a particular line of questioning has been exhausted.

Also, I remind members of the suspension of Standing Orders that allows for members of Estimates Committees to ask for explanations on matters relating to the Estimates of Payments and Receipts and the administration of any statutory authorities for which the Minister may be responsible. Questions must be based on lines of expenditure and revenue as revealed in the Estimates of Payments and Receipts. Reference may be made to other documents such as the Program Estimates and the Auditor-General's Report, but I do stress that members must identify the page number of the relevant financial paper from which the question is derived. Questions must be directed to the Minister and not to any advisers, but advisers may, if the Minister wishes, give a response. I also remind members of Standing Order 273, which deals with any disagreement with the Chairman's ruling.

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Tourism South Australia, \$16 725 000

**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, Adelaide Convention Centre.

**The CHAIRMAN:** I declare the proposed expenditure open for examination. Minister, do you wish to make an opening statement?

**The Hon. Barbara Wiese:** As is usually the agreement, it has been decided that we will take the lines relating to the Adelaide Convention Centre first, followed by Tourism South Australia, and then during the course of the day we will look at consumer affairs, followed by small business. I do not wish to make any opening statements, Mr Chairman; I will be happy to take questions.

**Mr INGERSON:** On page 204 of the Auditor-General's Report reference is made to lease liability under the ASER development. I note that there is a lease commitment that runs into four different categories. What do those four categories really mean, because this does not make sense to me?

**The Hon. Barbara Wiese:** The section to which the honourable member refers relates to the lease commitments that the Convention Centre must meet as part of the agreement it has in occupying the Convention Centre building. The points relating to payments that must be made not later than one year, not later than two years, etc, simply give an indication of how much must be paid off by those particular times. So there must be at least a minimum of that much must be paid by that date.

**Mr INGERSON:** Under 'not later than one year' the figure is \$6 million, and under 'not later than five' it suddenly goes to \$382 million. That is a pretty significant jump in five years. How is that to be financed or is it purely and simply a book entry or expectation?

**The Hon. Barbara Wiese:** Under the agreement the loan is a low start loan, so it was anticipated that in the early years after the establishment of the Convention Centre, whilst it was still establishing itself in the marketplace, it was most appropriate to require only fairly low repayments with a view that, as it became established, it would be in a better position to pay more. That was the arrangement reached at that time and these figures reflect the terms of that arrangement.

**Mr INGERSON:** I assume that only the Government could pick it up. Does that mean that in five years the Government will have to find \$382 million as part of the floating lease?

**The Hon. Barbara Wiese:** No, it means that some time after five years that amount of money will have to be found, but it will be found over a period of 35 years. The arrangement is a 40-year period.

**Mr INGERSON:** I refer to the Exhibition Hall and page 204 of the Estimates of Payments, where it refers to a low start loan scheme in that instance. What is the balloon lease or loan and what are the ramifications for the State in relation to the Exhibition Hall?

**The Hon. Barbara Wiese:** It is a loan repayment scheme over 25 years. I do not have the figures with me on what the payments will be over that period, but again it is a low start loan arrangement to be paid back over 25 years.

Mr **INGERSON**: Can we have that information supplied to us?

The **Hon. Barbara Wiese**: Yes, I will provide that information later.

Mr **INGERSON**: Also on page 204, under 'Reconciliation of net deficit to net cash activities', there is reference to a deferred interest payment of \$3.9 million. When is the \$3.9 million likely to be brought to account and why has it been deferred?

The **Hon. Barbara Wiese**: That deferred interest payment will be brought to account during the course of the 40-year period over which the loan repayments are scheduled.

Mr **INGERSON**: So, it relates only to the Convention Centre and not to the Exhibition Hall?

The **Hon. Barbara Wiese**: It relates to both.

#### Membership:

Mr I.H. Venning substituted for the Hon. P.B. Arnold.

The **CHAIRMAN**: Before we move to the next item of questioning, I refer to the television station cameras that are present today. It is normal procedure, as carried out on the first day of the Estimates when, in my role as Chairman of the Committee, I received a request that cameras be allowed to film from the back to get the new Premier in action. I should have thought that it would be common decency that that would not be treated as a *carte blanche* approval to appear everywhere in the gallery.

Both Presiding Officers—the Speaker and the President—have clear guidelines as to the positions from which television cameras can operate. I take it that the filming that has been taking place is just to get the Minister in her seat in the Chamber and that the television cameras will now return to their authorised position, which is between the two pillars at the back of the Chamber, so that they can then film the rest of the Committee.

Mr **McKEE**: Can the Minister explain in more detail the accumulated deficit figure that is referred to in the operating statement on page 201 of the Auditor-General's Report?

The **Hon. Barbara Wiese**: In prefacing my remarks I point out that the presentation of financial information which brings to account the accumulated deficit figure in this way is a new procedure that has been adopted this year by the Auditor-General. I think it in some ways clarifies the financial position of the Convention Centre with respect particularly to the operating arrangements for that centre which has not always been as clear as it might have been in previous sets of accounts.

So, it is now much easier to determine the gross operating profit for the Convention Centre. Previously it was a figure that one really needed to search for. In that respect I am quite pleased about the changed arrangements in laying out the figures in this way.

The matter that the honourable member raises with respect to the accumulated deficit may appear a little confusing because these figures show that the accumulated deficit is \$21.8 million, of which only \$16.8 million relates to the Convention Centre itself. That \$16.8 million is in fact a theoretical figure which is established by extrapolating the base repayments over a 40-year period at an estimated CPI increase on the

original interest repayment of 6.25 per cent, averaging the interest over the 40-year period and then accruing the difference.

Mr **INGERSON**: Sounds like creative accounting.

The **Hon. Barbara Wiese**: I am not sure what they call it. From the model developed on the 40-year lease repayments, it is currently estimated that the average interest will be 9.64 per cent, whereas in the 1991-92 financial year the interest was approximately 8 per cent. So, the difference between those is deferred interest. When this is accumulated over the past five years together with depreciation and amortisation of assets, we arrive at that theoretical \$16.8 million Convention Centre deficit plus the \$5 million for the common areas deficit figure.

In accounting terms it has been made quite clear that the lease scheme is a financial lease based on a low-start repayment where the early years of repayment are less than the estimated average over four years, as I indicated earlier with respect to the question asked by the member for Bragg. At this stage it is not until the year 2012 that it is estimated the lease repayments will have paid off all the deferred interest and from that point match the annual interest payments.

I am informed that the financial information is being presented in this way in accordance with Australian accounting standards, and hopefully members will be able to follow the information that has been presented there. It is important to provide the additional information that I have just provided so that the figure is clear and the fact that it is based on assumptions. Over time those assumptions may change as the estimates relating to the CPI and other things change, so nobody should hang their hat on the \$16.8 million being the accumulated deficit for all time.

Mr **McKEE**: I direct attention to page 110 of the Estimates of Payments in relation to the car parks. I understand that the car parks were taken over by the Convention Centre in August 1991 after the car park contractors withdrew from South Australia. What benefits have been derived from the Convention Centre's running the car parks as opposed to engaging a contractor to do it?

The **Hon. Barbara Wiese**: As the honourable member indicated, the car parks were taken over by the management of the Convention Centre on 1 August last year. The takeover was handled in a very smooth way without any serious disruption to patrons. The net result of the takeover has been favourable for the Convention Centre. This year the Convention Centre received \$148 000 more revenue after meeting one-off costs to change signage, stationery and other things of \$25 000. It is estimated that in the coming financial year there will be an even better financial return to the tune of an additional \$100 000. The gross operating profit is estimated to increase from \$2.8 million in the last financial year to \$2.9 million in the coming financial year, and that compares with the return on the car park under the previous operators in 1990-91 of \$2.66 million. The decision to take over the management of the car park has been well and truly justified, and it has been demonstrated that the Convention Centre is benefiting financially in a considerable way from having done so.

**Mr McKEE:** I understand that convention centres on a worldwide basis are not self-sufficient in that they do not make sufficient profits to meet all their debt servicing charges; instead they are regarded as catalysts for the tourism and hospitality industry. What economic benefits does the Convention Centre generate for the State?

**The Hon. Barbara Wiese:** I am glad that the honourable member has mentioned the basis on which our Convention Centre was built and on which convention centres in other parts of the world are built. From time to time we need to be reminded that in no place in the world are convention centres viable enterprises in their own right if we are expecting their operations to meet the debt servicing on the construction of such facilities. That is the case all over the world. That is why in most cases convention centres are constructed by Governments or by city councils. The idea is that they will act as a catalyst for business in the city in which they are located. Our Convention Centre is no exception. In fact, it has been an enormous catalyst for business for Adelaide city hotels, for transport services and for people who provide goods and services for those enterprises.

In the years the Convention Centre has now been operating the direct economic benefit to the State has been estimated using determinants or formulas put forward by the Bureau of Industry Economics. A few examples will show the honourable member what sort of benefit that has accrued to the State. For example, since the Convention Centre began operating there have been 177 470 room nights booked for delegates in hotels in Adelaide. The returns on hotel accommodation have amounted to \$24.84 million. Delegates spending at an average of \$125 a day has amounted to \$22.18 million. The multiplier effect of 1.6 by \$47 million odd amounts to around \$75.23 million, with a total revenue for the State of \$122.25 million since the Convention Centre opened its doors. That has been a very significant player in generating visitation to South Australia and also providing jobs and economic wealth for the State.

**Mr SUCH:** Will the Minister indicate the usage rate of the Convention Centre, and I guess the corollary is the non-usage rate, and how does that measure up with projections or expectations that were held prior to the centre being built?

**The Hon. Barbara Wiese:** I do not have with me figures for all of the years the Convention Centre has been operating, but I do have figures for the reasonably near vicinity and, if we look at bookings for conferences, conventions, seminars and small meetings, the total number of bookings in 1991-92 were 413, of which conferences, conventions, seminars and small meetings accounted for 235 events, or 57 per cent of total bookings. For the year 1991, the corresponding figures were 248 events, which represented 63 per cent of all events held in the Convention Centre, and what I am doing is distinguishing between those events which are strictly related to meetings and conventions and those events which are catering events, if you like, banquets and dinners and those sorts of things.

The predictions for the financial year 1991-92 are as follows: we forecast 395 events and the actual days booked have been 318 with an actual number of events of 413. So, it was better than forecast for the events booked for the year and the actual days booked for the year were

318. The coming financial year's forecast is 395 events. We have 169 already, which equates to 279 days booked.

**Mr SUCH:** As a supplementary, is there an index or some indication the Minister has of idle time, if you like? Is there any indication of when the centre is not being used at all in major sections or is there any index available?

**Mr van der Hoeven:** In relation to conventions, there are two low periods a year. The first is the summer or January period when everybody is on holidays around Australia and manufacturing is closed, during which period we concentrate mainly on local events or some entrepreneurial activities. The other period is June, which is the end of the financial year in the corporate sector whereby movements of meetings is not very noticeable in Australia and, again, during that time we concentrate on entrepreneurial activities on a local basis.

**Mr SUCH:** In relation to competition with the Entertainment Centre and possibly the basketball stadium, has the centre experienced any downturn as a result of the construction and operation of those facilities?

**The Hon. Barbara Wiese:** I will ask Mr van der Hoeven to respond to that question.

**Mr van der Hoeven:** The opening of the Basketball Stadium and the Entertainment Centre has had very little effect on our operation because we are a fully purpose-built Convention Centre. The Entertainment Centre is more involved in activities such as concerts and sporting activities, and the same applies to the basketball stadium. The only area where we may say that sometimes we have some competition is in the exhibition field, whereby the Entertainment Centre sometimes, in order to fill its space, uses exhibitions. However, we have not noticed any decline in business by having those two facilities in Adelaide. As a matter of fact, the Entertainment Centre is of help to us when it comes to bidding for very large conventions which do not have the capabilities of meeting, *per se*, in our main plenary hall. I am talking about Lions International conventions or large Rotary conventions where they have plenary sessions of 10 000 or 12 000 people. We can bid for that now and have the Entertainment Centre as a supplementary venue.

**Mr SUCH:** What strategies are being employed to promote the centre either here or overseas?

**The Hon. Barbara Wiese:** The Convention Centre engages in numerous advertising campaigns, both domestically and also internationally. There are a number of trade publications which the Convention Centre targets, trade publications that are considered to be appropriate for the venue. Internationally, the same is so, and we market the Convention Centre as the preferred convention destination in Australia in the international marketplace. On the domestic front we have a team of salespeople who travel to Sydney, Melbourne and Canberra on a regular basis to keep in touch with businesses and also relevant associations to try to generate business. We have two overseas representatives, one in the United States and one in Europe. Those two representatives also have their own specific sales campaigns which they pursue on behalf of the Convention Centre. They attend appropriate convention trade fares and things of that sort that exist in their respective marketplaces, and from that activity over a period of time a number of very useful leads have been

provided by those people and also bookings for conventions.

The new thrust for the Convention Centre will be to now push into the Asian market, particularly concentrating on those parts of Asia with which South Australia now has a direct air link. The places we are looking at in particular are Singapore, Indonesia, Malaysia, Hong Kong and Taiwan—of course, through Hong Kong there are very good links as well. As recently as a week or so ago, staff of the Adelaide Convention Centre went to some of those Asian countries to take part in a seminar which also included representation from Tourism South Australia and the Adelaide Convention and Tourism Authority to concentrate specifically on South Australia as an incentive destination. That was a very successful new push made by the Convention Centre and by the other tourism authorities which have some interest in the convention and tourism market, and other such opportunities will be pursued in the coming months and years.

Through the International Congress and Convention Association, the Convention Centre also pursues whatever leads can be found and, since that is the peak convention body for the world, obviously the contacts that have been made through that organisation and through Mr van der Hoeven's membership of that organisation have been very successful for the Adelaide Convention Centre. New opportunities are also being sought to ensure that the Exhibition Hall achieves as much usage as possible. One idea that is currently being worked on by the management of the Convention Centre is an exhibition to be held in February next year, which would showcase South Australian business activities. It would be called 'South Australia on Show' and would provide an opportunity for members of the South Australian public to come along to the Exhibition Hall and to see what sort of wares various South Australian companies have to offer. A number of other activities are undertaken from time to time, but generally speaking they are the highlights.

**Mr SUCH:** Does the centre obtain feedback from people attending conventions, and so on, and, if so, in summary what sort of response or reports do you get back in relation to South Australia and Adelaide?

**The Hon. Barbara Wiese:** I will ask Mr van der Hoeven to respond to that question in detail. Certainly, the Convention Centre pays a great deal of attention to receiving feedback from its clients, because obviously it is important to know whether the standards of service we are providing are appropriate and up to expectations. It is true to say that the results over the years have been very positive and that more than half the business the Convention Centre enjoys is repeat business, which is an indication of how well regarded the centre is and the standards of service that are provided at that Convention Centre. There are numerous ways by which people can respond and provide the sort of feedback that the Convention Centre looks for, and I will ask Mr van der Hoeven to elaborate on that.

**Mr van der Hoeven:** We have in place a system which involves a guest comment form. At the end of each function or convention these forms are circulated to all the attendees. They then have the opportunity to complete these forms and we analyse these comments on

details ranging from service through to catering aspects, the audio-visual aspect, guest relations, and so forth, in order to identify any problem areas and, if so—which is very seldom—we then concentrate on those aspects, in an endeavour to improve our services all the time.

On the whole, I am very pleased to say that we are recognised in the industry as the leaders in service and quality of catering. I guess it is for that reason that we have been appointed as leaders in the ICCA movement in Australia to set the pace.

**Mr SUCH:** Do the people attending the Convention Centre give any indication of what they like or dislike about Adelaide or South Australia? Do you get any feedback on that?

**Mr van der Hoeven:** No, I have had very little feedback on what people like or dislike about Adelaide because we are concentrating on what Adelaide is known for in our industry. We concentrate on medical technology and automotive, and most of our conventions are in that arena, so therefore I suggest that there will be very few complaints about the destination. Once people have been here, we have received very good comments about it. More and more we are starting to find that Adelaide is becoming a sort of gateway to the Outback. This is a new experience, and we are contributing very much to that.

**Mr SUCH:** Has the negative publicity that has been given to South Australia's financial problems, including the State Bank, had any impact on future bookings for the Convention Centre? Is it ever raised by prospective customers?

**Mr van der Hoeven:** Our problems are no lesser and no greater than those of the State of Victoria or other places. I must say that some of these negative comments we read in the *Advertiser* and such places do not do the destination any good, and it would be nice if the press would sometimes take a more positive stand on the good side of South Australia. However, on the whole, we do not have any effect of that nature, because we are not judged on the performance of the State Bank but on our performance as a convention centre. Our experience has been that, particularly internationally, people do not really know much about it.

**The CHAIRMAN:** I should like to thank Mr van der Hoeven and Mr Ashman for appearing.

#### Additional Departmental Advisers:

Mr R. Nichols, Managing Director, Tourism SA.  
 Ms A. Hooper, Director, Corporate Services.  
 Mr R. Phillips, General Manager, Marketing.  
 Mr M. Fisher, Director, Regional Administration.  
 Mr R. Hand, Development Manager.  
 Mr D. Biddiss, Financial Manager.

**Mr INGERSON:** I should like to make a very brief opening statement on tourism in South Australia. In looking at the tourism estimates, it is obvious that, with the significant real-term cut in expenditure on tourism in this budget as compared to the last, the A.D. Little report is seemingly being ignored by this Arnold Government in relation to tourism. As you would be aware, Mr Chairman, the A.D. Little report spent some time ensuring that tourism was recognised as a significant development and economic opportunity for the State of

South Australia in the future. I suspect that the neglect by this Government is due to several things: first, that we had an acting Minister for a long time; that we have had an acting head of the department for some 12 months (the Minister was not aware that she had a new departmental head appointed); and, generally, when we look at the budget, we have a worrying group of issues, and I would like very briefly to discuss them. In terms of recurrent expenditure, I find that, when you group together the salaries, administrative expenses and accommodation and service costs, there has been a \$1.58 million increase in expenditure over last year's actual expenditure.

In fact, when you look at those three items, they represent nearly one-third of the total tourism budget of this State. Salaries have increased by over 6 per cent, or nearly 9 per cent in real terms, an increase of \$361 000 across all lines. The administration expenses have increased by \$456 000, a real increase of over 30 per cent, and that the accommodation and service costs have increased across all lines by \$720 000 over the actual amount spent last year, a 58 per cent increase in real terms. A positive point is that the joint industry project funding has gone up by \$10 000 from \$98 000 to \$109 000, a significant increase. But when we look at tourism promotion and advertising, there has been a \$480 000 reduction, which is 10 per cent in real terms—yet this Government says that it is serious about tourism in South Australia. Tourism research is reduced by \$40 000, another 13 per cent reduction in real terms. In the short time since I have been shadow Minister, I have heard many times how important regional administration is, yet there is a \$44 000 (10 per cent) reduction in regional administration in this budget.

When we look at the total figures I find that there has been a \$1.2 million reduction over all in the budget which, in essence, is a 7 per cent real-term reduction in expenditure in tourism in South Australia. When I look at capital expenditure I find that no expenditure is to be made on the Kangaroo Island road or the Hawker airstrip this year, yet I remember the Wilpena and Kangaroo Island projects being pumped up as very important for the State. Fundamentally, the A.D. Little report says that they are two of the most important projects, yet there is no capital expenditure on those areas in this budget. However, I note that there has been a \$5 million expenditure in the Premier and Minister of State Development line. When we get to that later, I will be asking for an explanation of those issues. When I look at the receipt side, I find another fascinating story. It says that the Travel Centre's sales are expected to drop by some \$2 million compared to the actual budget of last year, a nearly 20 per cent reduction in real terms. I find that sundry receipts will increase by some \$470 000, but that is not nearly enough to wipe out the very significant reductions in receipts.

Further down I find this very significant drop in sales but there is this \$500 000 increase due to commissions. In discussion with the industry I am amazed how the Government will reduce its sales by \$2 million whilst getting a magic \$500 000 increase in commission. No agent that I know is significantly increasing their commission to anybody, yet here we will have a magic increase of \$500 000 falling off a truck. If one was not in

fairlyland when reading the program performance budgets, one would come out after reading the budget believing that you were in cuckoo land.

Part of the program performances refers to having at least two major developments this year. This Government has had some \$600 million in proposed or promised developments in tourism over the past five years, yet it is now talking about another two suddenly jumping out of the paper (when all previous ones have failed). How will the Government do all of that development with reductions of 10 per cent in real terms of the total budget?

In relation to marketing, it is important to note that the number of international visitors to Australia has shown a significant increase both in the number of visitors and visitor nights since 1989, and the number of visitors to South Australia has shown a steady decline whilst visitor nights has shown a very marked decline, particularly in the year 1990-91. In fact, if we analyse the holiday market, we see that a decline of some 20 per cent has occurred over the latest period.

In 1991 South Australia's share of Australia's visitors from Japan was 2.8 per cent and our share from other Asian countries was 6.1 per cent—both well below our population share expectations. The number of visitor nights spent in South Australia by interstate tourists has not reached the 1989 peak, whilst intrastate tourism has also shown a steady decrease since 1989. We are in fact losing our market in all three markets—international, interstate and intrastate.

By the turn of the century some 63 per cent of all inbound visitors to Australia will come from the Japanese and other Asian markets, yet our percentage of these growth markets is extremely low with little or no hope of improving, particularly out of Japan, as our only direct flight from this country will leave in November. The Japanese market to Australia generally has shown a consistently strong growth. Even with the pressure on the Nikkei, a year to date increase of some 33 per cent over 1991 was experienced for the first six months of this calendar year. An analysis of South Australia's share of such growth figures will show no doubt that South Australia is performing badly in this market.

If the Minister looks at program 1, in light of the declining markets, she will find that in 1991-92, compared with actual, relating to the development of a tourism identity for South Australia, salaries will increase by 32.9 per cent, accommodation and service costs will increase by 176 per cent and tourism advertising and promotion will increase by 0.28 per cent. When analysed together with program 2—information and sales service (another key program aimed at marketing South Australia)—the position with respect to the available marketing dollars available this current financial year to reverse the current decline in market shares becomes clearer, but quite unbelievable is the heading in the reverse direction to what it should be if we are serious about marketing our State.

In program 2 salaries will increase by 4.3 per cent, accommodation and service costs will increase by 11.6 per cent and tourism advertising and promotion will decrease by 20 per cent, yet the cost of providing all those services will go up and up. The real issue for tourism—marketing dollars—is going down and down.

To conclude, an examination across the programs reveals that salaries have gone from \$5.7 million to \$6 million, administration expenses are up a staggering 28 per cent, and accommodation and service costs will increase by 55 per cent, whilst tourism advertising and promotion—the actual marketing dollars available to promote this State—will decline from \$6.7 million to \$6.2 million, a real decrease of some 10 per cent.

At a time when all economic development indicators, including the money spent on A.D. Little, are recommending that tourism is a great opportunity for South Australia, this Government under this Minister has presented a budget in decline as it relates to tourism spending in our State.

**The Hon. Barbara Wiese:** Is it appropriate for me to respond?

**The CHAIRMAN:** I believe the Minister is entitled to respond.

**The Hon. Barbara Wiese:** I would like to make a few comments based on the points that the member for Bragg has made because he is not in a position, because of the presentation of figures, to have the full picture with respect to some of those matters that he has addressed in his opening comments. Therefore, he is presenting a picture of Tourism South Australia and its accounts that is not a complete one, and in some respects it is not a particularly fair one.

**Mr INGERSON:** Are you saying that the accounts are not presented fairly?

**The Hon. Barbara Wiese:** No, I am suggesting that, because you do not have the full information on some of the figures upon which you have drawn adverse conclusions, the image being presented by you is an unfair one. I will make some remarks about the A.D. Little study because it states quite clearly that the directions that have been followed in South Australia predominantly by Tourism South Australia as the Government's tourism authority have been the correct strategies to pursue.

In fact, A.D. Little points out very clearly that the strategies being pursued are on track and heading in the right direction, that the planning being undertaken in South Australia is ahead of the pack and that generally the things that have been put in place are appropriate. They suggest for the future not a radical shift in the policies being pursued by the Government but rather that there must be increased effort in particular areas in order to ensure that some of the targets and plans contained in our State tourism strategy are achieved as quickly as possible so that the State's tourism industry can achieve the potential that it has for wealth generation for our economy.

A.D. Little recognised that the tourism industry has the potential for growth in Australia, which is very significant, and that our own State has an important part to play. This State started planning for tourism long before any other State did, and the Federal Government has only just put together a national strategy for the nation. South Australia started doing these things a decade ago. The planning documents that have been prepared have been acknowledged nationally and internationally as high quality and were acknowledged by A.D. Little as such.

Some of the campaigns pursued by Tourism South Australia in recent years were praised by A.D. Little and have been recognised as being amongst the best in Australia. They made the point that we must be more targeted in some areas in order to improve our position within the national tourism marketplace.

The honourable member referred to a number of particular issues some of which I will take up. He acknowledged that the Government had set aside \$5 million as part of the economic development package, but he glossed over that; that did not fit the general thrust of his argument. It is important to stop and acknowledge appropriately that \$5 million is being provided in this budget for infrastructure development for tourism. Opportunities will emerge as the year passes and decisions will be made as to how that money can be best spent, and that will be in addition to the \$1 million which is already provided for infrastructure of one sort or another in various parts of the budget.

The honourable member referred to the fact that there was no provision in this year's budget for the Wilpena airstrip, and that is true. However, the understanding in Cabinet is that, should the Wilpena development commence during this current financial year, that money will be made available in this current financial year if it is needed, although it is more likely that it may be required at a later time. The commitment that the Government gave some time ago to fund the Wilpena airstrip will be met by it. I want to make that point quite clear as well.

The honourable member referred to Travel Centre sales and commissions. In relation to that, I point out that the new presentation of accounts which provides for double entry bookkeeping, if one likes, presents in a rather strange way the information that is available to us. The point I want to make about that is—

**Mr INGERSON:** It tells the truth maybe?

**The Hon. Barbara Wiese:** No, it doesn't tell the truth at all.

**Mr INGERSON:** It's even worse if it doesn't.

**The Hon. Barbara Wiese:** It presents the information in not the clearest of fashions. Commissions as presented in the accounts are presented on a full year basis. What that does not take account of is the fact that the Government has recently taken a decision to close the Government booking section and therefore the commissions earned will not be as projected and are not taken account of in a double entry bookkeeping system.

Therefore the sales figures are also skewed by the method of presentation. That is part of the problem as relates to the Travel Centre sales. It is not being suggested that there will be huge increases in commissions earned when lower sales are expected, which is what the honourable member suggested was being implied by these figures. That is not what is expected by Tourism South Australia at all.

As to the comments that the honourable member made concerning administration expenses, I point out that the variation in administration expenses, which is \$457 000, relates to two matters. One is a figure of \$120 000 for the ATLAS computer system which is located in Tourism South Australia and which provides a booking service for tourists. It is a service to customers and probably in the best of all worlds would be included under marketing

effort rather than administration expenses, because it is a service to customers issue. It provides a quick and efficient means of booking travel and accommodation for tourists who come into our travel centres. The variations in amounts relating to ATLAS include the fact that one payment was made in one financial year rather than in the other, and this has led to a variation.

The second amount that makes up a large part of that \$457 000 variation relates to a provision that was made when the accounts were put together which Tourism South Australia felt it may have to meet for administration issues. It has since transpired that that amount of money will not have to be put into reserve for the reason anticipated, so that money will now be freed up to go back into the marketing budget.

The honourable member made the point in his remarks that the organisation has had an Acting Minister during the past five months or so and also an Acting Managing Director for a period of about 12 months. I acknowledge that that is certainly not the best of circumstances for any organisation. In my own case, as Minister responsible for this organisation, it meant that I was not in a position to take part in the detailed budget negotiations for Tourism South Australia, and I regret that very much.

However, the honourable member cannot come in here and complain about that when it was members of his own Party who in fact were very much involved in creating the circumstances why I could not participate in those deliberations.

One of the things that I have been involved with since I resumed my position is discussions with officers about the budget and discussions as to whether there are ways in which it may be possible, during the course of the year, to reallocate resources from some of the lines of expenditure that were determined some months ago when the budget was being put together so that we might be in a position to put some increased resources towards marketing activity in particular.

In my remarks I think that I have covered a number of matters that respond to some of the criticisms that have been made by the member for Bragg. I am sure that there will be an opportunity during the course of the examination of the accounts for me to address other issues which were raised by him and which will demonstrate that the situation that he describes is not always as it is presented by him.

**Mr INGERSON:** How much did the Marketing Division's familiarisation tour to Coober Pedy and the outback cost? What was the food and beverage cost? Were several senior TSA staff reported as being intoxicated on several occasions?

**The Hon. Barbara Wiese:** I do not have that information to hand. The question was asked of me as a question on notice by the Hon. Diana Laidlaw in the Legislative Council some time ago. A reply has been prepared in response to that question which, if she has not already received it, is in the pipeline, because I have approved it recently. She will be receiving a reply to that question and hopefully will pass it on to the member for Bragg.

**Mr INGERSON:** Mr Chairman, can we request that that reply be made to this Committee as standard procedure? The question has been asked here, so can that

reply come through the normal procedure of being supplied to this Committee?

**The Hon. Barbara Wiese:** I am happy to provide it to the Committee, but it will mean that the information appears twice in *Hansard*, which I am not sure is a desirable use of paper.

**Mr INGERSON:** My next question relates to the regional road show. What was the cost of that and why were charter planes used at a much higher cost instead of using Kendell or Air Kangaroo Island?

**The Hon. Barbara Wiese:** The total cost of the regional road show was \$21 700. The idea of the regional road show was to provide an opportunity for operators in the regions of South Australia to have face-to-face contact with relevant people within Tourism SA and to learn at first hand what Tourism SA has been doing in marketing in particular. That program lasted over a number of days. A very heavy schedule was pursued by officers who participated in that road show. They visited Whyalla, Adelaide, Clare, Kangaroo Island, Murray Bridge and Naracoorte. A total of 460 people attended the various presentations in those locations. I think the general feeling was that it was a very successful presentation, and people in country areas in particular, who do not have so much contact with officers of Tourism SA, had the opportunity to ask questions first hand and to learn a lot more about the work of Tourism SA. As well as various officers making verbal presentations to the participants, a wide variety of support material—audio tape, video tape, slides and other things—also formed part of the presentation.

As regards aircraft charter, inquiries were made at the time about air travel. As people were working on a very tight schedule, it was difficult to achieve travel at the times required. I am informed that Kendell Airlines, for example, was not able to provide discounted air travel. For two legs of the road show it was decided that charter flights would be preferable to scheduled flights, and those charter flights were for visits to Whyalla and to Kangaroo Island. Six officers participated in that, and the total cost for the charter flight to Whyalla was \$950 compared with \$1 296 which would have been the scheduled air fare, so that worked out cheaper than travelling by a scheduled flight. The charter cost for the flight to Kangaroo Island was \$690, which was cheaper than the scheduled flight at \$828. It worked out to be a more cost efficient way for officers to travel. It enabled them to keep to the tight schedule that had been organised and to meet the commitments that they had made in those two locations, as well as the other country locations that were part of the trip.

**Mr INGERSON:** My next question relates to some significant changes within the department. I understand that two international representatives of Tourism SA are likely to be recalled and that the General Manager of the development section has resigned recently. It has been put to me that there is a significant amount of disarray in terms of communication between the staff of Tourism SA at the moment. What action has the Minister taken to ensure that the international scene in particular and replacement in these other areas at State level are taken care of fairly quickly; and is the Minister concerned that some of those actions were taken in haste by the previous Acting Managing Director of Tourism SA?

**The Hon. Barbara Wiese:** I have the highest regard for the previous Acting Managing Director and the work that he has undertaken in Tourism SA during the past 12 months. He was handed a very difficult job to do during that period, having only just come to the position of General Manager, Marketing, a short time before being made Acting Managing Director and having lived in South Australia for only a short period of time after coming from Victoria. He was taking on not only a new job, but a new State and a new range of people and having to forge his own contacts and so on in the industry in South Australia. It was an extremely difficult task to hand to anyone, but for someone who was coming new to the scene it was particularly difficult. I believe that he has performed his job admirably during that period and I should like to take this opportunity publicly to congratulate Mr Phillips on the work that he has undertaken during the past 12 months.

During the past year he has spent a lot of time setting in train a detailed investigation of the marketing activities of the organisation, and part of that process has been to look at the international marketing activities for South Australia. He has had the opportunity to meet and to learn more about the work that is being undertaken by our international managers in the various locations where we have representation and he has made suggestions in some of these locations that will be more cost efficient and will provide the opportunity for better marketing if we make some changes.

Also, there is a need from time to time to consider whether or not it is appropriate for officers to be relocated or recalled when they have been in a particular position for some time. Job rotation is desirable to give people an opportunity to experience the work of the organisation from a different perspective from time to time. So, for that reason this detailed investigation of our international officers is under way. It has been decided that our representatives in the Asian market and in New Zealand will be recalled and that other arrangements will be made in those market places and the options are being worked on at the moment. The honourable member has indicated that the General Manager of Planning and Development recently left his position and thereto the Managing Director has determined he will not fill that position and that in fact he will cover the duties of the position himself, supported by other managers as necessary, and the money that can be saved from that position will be able to go into marketing activities.

There are a number of matters under investigation at the moment. A number of changes have occurred or are about to occur and I believe they are in the long-term interests of Tourism South Australia and also for the tourism industry because they will provide the opportunity for the agency to provide a service to the tourism industry which makes the very best use of available resources.

We expect, for example, that with the changes which will occur in New Zealand and in Asia less money will go towards administration costs and more money will therefore be available for marketing activities. That is a positive move and I believe the industry would support moves of those sorts, and the examination of such matters across the agency taking place now is desirable and I support it. I believe that overall it is in the interests of

the industry and of Tourism South Australia and the changes will also be accepted by people within the organisation and the industry.

**Mr INGERSON:** As a supplementary question, did Mr Montgomery resign or was he shoved? Are the two international people, Mr Koorey and Mr Tregoweth, coming back with guaranteed jobs, or are they going to be redundant to the organisation.

**The Hon. Barbara Wiese:** Mr Montgomery resigned. What will happen to Mr Koorey on his return to Australia is still the subject of discussion with Tourism South Australia management. Discussions are still taking place with Mr Tregoweth about his future.

**Mr HOLLOWAY:** My first question concerns international air access to South Australia and I refer to page 212 of the Program Estimates. If I heard him correctly, the Deputy Leader said South Australia will lose its direct flight from Japan which is operated by Qantas. There has also been a claim that other airlines are reducing services to South Australia. Can the Minister say what is the true situation, and what progress has South Australia made in securing air access from international markets?

**The Hon. Barbara Wiese:** I will give a little bit of background about our international air access. First, I think it is important to acknowledge it is just 10 years since Adelaide achieved an international airport, and during that time we have managed to increase international flight movements from zero to 48 per week. The number of international airlines servicing Adelaide has risen from zero to seven and four of those new airlines commenced services during the past three years. So, in recent years there has been considerable new activity in this regard and that is due largely, I think, to the efforts of the South Australian Government in working with international carriers that have access rights to South Australia, and encouraging them to take up those rights.

We have made very considerable gains during that period, but, unfortunately it is true to say we have also suffered some losses, as have many ports in Australia and around the world, with fluctuations in demand and also changing travel patterns. One of the flights we have lost recently is the direct service from Tokyo to Adelaide which will cease operations next month. That is a significant loss to us, particularly because we worked so hard to achieve it over a period of years. Unfortunately, it is also true to say the reasons for the withdrawal of that flight are largely due to factors beyond our control. The biggest factor that related to the withdrawal of that flight is that the Japanese Government has issued a directive to Japan Airlines that they are to withdraw from cooperative arrangements like the one they had with Qantas which allowed that flight into Adelaide. It is also true to say, that the flight itself has struggled to some extent, and it has not competed well with the real boom that has occurred out of Japan and into Cairns in Australia. So, that has been something we have had to struggle against.

It has also been the case that Qantas has been shifting its own plans in the aviation area over time as well. It has been trying to withdraw from marginal flights all over the world in favour of hubbing its flights through Sydney. There have been other fluctuations in services provided for Adelaide. Air New Zealand, for example, at



one stage provided one flight a week; that was increased to two flights and has since reverted back to one. Singapore Airlines has presently four flights per week and next month it is planning to drop one of those flights.

On the positive side we now have two flights a week from Garuda; Cathay Pacific is starting one flight a week as from October and has tentative plans to make that two flights as from April next year; and Malaysian Airlines is adding a second flight per week next month. So that overall, Adelaide is becoming a much more competitive market and these new flights are opening up access to us from the countries of origin, and also providing links with Europe and markets beyond the home ports for those airlines.

Our challenge will be to raise awareness of this State and the attractions that this State has to offer in those overseas markets and to coordinate much more effectively the marketing efforts of airlines and inbound operators, the Australian Tourist Commission and other industry people that we can involve in marketing activity. Part of the review of our international operations, with the thrust of taking resources away from administrative expenses and into marketing activity, is to also concentrate more effort on creating consumer awareness in the markets in Asia where we now have direct links. Hopefully, over time all those efforts will be successful.

**Mr HOLLOWAY:** I refer again to the Arthur D. Little report, which we have already covered in some detail this morning. The report states that we will have a tough job competing with our tourism rivals because we have no icon attraction and lack sufficient product and packages. Does the Minister agree with the Little report? Also, will the Minister say what South Australia has to do to ensure that it reaches its full potential in the tourism market, to get the growth in jobs that are required in our economy?

**The Hon. Barbara Wiese:** As I indicated earlier, the Arthur D. Little report identified a number of areas in which South Australia would have to work harder if we are to achieve the potential of our tourism industry. It is true that Arthur D. Little suggested that one of our drawbacks in this State is that we do not have the 'must see' destinations, as they are called in the tourism industry, as some other parts of Australia enjoy; for example, we do not have a Great Barrier Reef, an Ayers Rock or Sydney Opera House, the icons that are very familiar to the travelling public. Therefore, that means we must work a lot harder to attract people to our State to enjoy the things we do have to offer. I suggest that we have a great deal to offer tourists. One of the thrusts that we have taken over a period of time, which will be fine-tuned and improved as time goes on, is niche marketing. Various parts of the tourism market will be much more attracted to the South Australian tourism product than others. What we must do is identify those niches and be more clever at reaching those people and making them offers that they will want to respond to. So, that is part of the work that has been undertaken in recent times on the domestic front and, in the future, it will be the thrust of activity on the international front as well.

Both our intrastate and interstate advertising campaigns of recent times have been based on the idea of getting people to respond by giving us their name and address and information about their travel preferences so that we

can get into direct marketing to particular groups of people about a particular product. Another part of that thrust is also to ensure that we have better packages that people can buy off the shelf, if you like, to make travel to South Australia a lot easier. That has been done through our Shorts campaign and also our Out of the Ordinary Interstate campaign. The packages that have been put together there can form the basis for international visitor packages as well but, in addition to that, other work is being done in the international marketplace. I do agree with the points that were made by the Arthur D. Little report on those matters. Tourism South Australia is very aware of the need to work much harder in those areas, has already started working in that direction and will be putting a lot more effort into it.

**Mr HOLLOWAY:** I am sure members of the Committee would have recently read a report in the *Advertiser* that the new owners of the Wirinna Cove resort proposed to redevelop it with an expansion of the motel accommodation, upgrading of existing facilities, including budget and family accommodation and improvement of sporting and recreation facilities. I was certainly disappointed when I first heard that Wirinna had been put in the hands of a receiver and subsequently sold. I am aware, from constituents in my area, that some investors will receive very little for their investment in that project. But it is pleasing to see that the new owner has plans for the resort. What benefits does the Minister expect will come from this sale to overseas interests?

**The Hon. Barbara Wiese:** It is a very positive thing that an overseas company which is involved in tourism developments in Asia has chosen to make an investment of this sort in South Australia, because it means that we will become linked with that company's other operations in Malaysia and in other parts of Asia, which is a big plus for South Australia in marketing terms. I think the fact that this company has made an investment in South Australia is also a very positive signal that is being sent to other international and national potential investors. The fact that this company has chosen South Australia as a place to invest means that they believe that this State has a positive future and they are prepared to put their money where their mouth is and, hopefully, that will encourage others to make similar decisions with respect to other investment opportunities that exist here in the tourism industry and in other sectors of our economy.

The company that purchased Wirinna is a company called Dakari; it is an Australian company but, as I said, it is a subsidiary of a Malaysian company which is involved in a number of clubs and resorts in other parts of Asia. The initial plans that this company has for the Wirinna resort is to significantly upgrade the existing facilities. They want to build more cabin accommodation, they want to build a nature park and eventually they want to pursue the plans that the previous owners had to develop the marina. As I said, the fact that they are already in this business in other parts of Asia means that we can become part of the network for marketing purposes, and that will be of great benefit to us. I am advised that the company that has taken over Wirinna is very sensitive to local views about foreign investment, and it intends to continue to employ local people, that is, the local people who are currently employed in the Wirinna resort, and also local consultants and contractors

when they begin their expansion program. I think that, too, is very good news.

Generally, for us it means another link into Asia, which will be of great benefit to the South Australian tourism industry at large. At the moment only about 16 per cent of the international visitors coming to South Australia are from Asia, which is a rather different profile from that which exists in other parts of Australia where a much higher proportion of Asian visitors are visiting. This will give us the chance to improve our profile and, hopefully, also increase Asian visitation to South Australia, which will bring us more into line with what is happening elsewhere in Australia in that market.

**Mr HOLLOWAY:** What is the current figure in relation to overseas tourists visiting Wirinna? Is that information available?

**The Hon. Barbara Wiese:** No, we do not have that information. We can attempt to find it for the honourable member.

**Mr INGERSON:** In relation to Bowman Park at Crystal Brook, how much did the infrastructure development cost, and was there any original overrun to that budget? What additional funds have since been allocated to patch up the mistakes made with that original building? Was the project put out to tender, or was it given to a family relative of a TSA staff member?

**The Hon. Barbara Wiese:** I would like Mr Hand to respond to this question, to the extent that he can. I am not sure he has all the information with him, but he may be able to throw some light on the issue.

**Mr Hand:** I can answer the last question first. To my knowledge, the tender was certainly not made to any relative of a TSA staff member. In terms of additional cost, the structure has been found not to have the insulation qualities originally anticipated, and some remedial work will need to be undertaken on the structure. A cost has not yet been put on that, but I expect it to be in the vicinity of \$10 000. I do not have the total costs of the structure in my head, but we can make them available. There were some additional costs to the structure at the time of its construction, but they were not because of original cost overruns. They were made because some changes were made to the building and to the additions to the building.

**Mr INGERSON:** The Minister mentioned briefly that an internal study had been undertaken in relation to the international marketing arena. Will she advise the Committee whether there is a three year or a long-term plan in this international arena and, if so, what is the general outline of the department's intention in this area in the future?

**The Hon. Barbara Wiese:** To a large extent, I have already responded to the question the honourable member has asked. In general terms, however, the review that is taking place in our international markets is designed to use more efficiently the resources we currently put into those markets; to spend less, wherever possible, on administration and more on marketing activity; to ensure that the people we have in the field are the most appropriate; that the effort we are putting in is as good as it can be; and the general movement we want to take is to build on the work that has already been undertaken over a period of years since we first appointed people to those international markets, which has been to work

directly with the travel trade in creating awareness of South Australia as a destination and to encourage the putting together of packages that include South Australian content. It includes moving from that phase of activity, which has met with reasonable success in most of those markets to looking more specifically now at finding ways of creating consumer awareness, because unless we can reach consumers more effectively to encourage them to want to buy the packages that have been put together and will be put together in the future, we will be less successful than we want to be. Mr Phillips has some additional comments about the directions that have been taken.

**Mr Phillips:** Each individual overseas market—and we have five overseas offices—produces an annual marketing plan. I have written and will publish in November this year a three year domestic and international marketing plan which outlines the philosophical approach the Minister has just stated, which is a new approach to marketing internationally, and which will give details, marketplace by marketplace, of activities over the next three years.

**Mr INGERSON:** Has an agent been appointed to New Zealand? If not, how many applications were there, both from Australia and New Zealand? Was there total Australia-wide advertising for those applicants or was it just purely and simply a narrow base?

**The Hon. Barbara Wiese:** First, extensive advertising was undertaken for registrations of interest, both here and in New Zealand and, as a result, 13 registrations of interest were received. A process has been undertaken to shortlist various of those registrations: a selection panel has been appointed, which included representation not only from within Tourism South Australia but also from the industry; and interviews have been conducted. The decision has not yet been taken as to who might be the successful applicant to run a retail operation on behalf of Tourism South Australia in New Zealand, but that decision should be made fairly soon. It is expected that such an operation will bring about quite considerable administration savings for TSA and will enable more money to be put into marketing activity and direct contact with consumers in the New Zealand marketplace.

**Mr INGERSON:** Supplementary to that, the Minister stated that the number of applicants was 13. How many Australian applicants were there and, as a further question in relation to the Minister's answer, is the model used similar to that currently being used in Western Australia?

**The Hon. Barbara Wiese:** Generally, the model being used in Western Australia is the model upon which this office is being based. We have found the operation in Western Australia to be very successful over the years. It has meant that our costs in the Western Australian marketplace have been reduced significantly from those that would have applied if we had established our own office, as we currently have in Sydney and Melbourne. From memory, the costs of running an office of the type that currently exists in Perth would be around \$200 000 a year if we were doing it ourselves. As it stands, the cost is between \$43 000 and \$45 000 a year under the arrangement we have with the private sector operator, who is working very well in the Perth marketplace. It has been a successful way to do business and to have

representation in Perth, and we expect the same sort of thing will apply in New Zealand.

The New Zealand marketplace in many ways can be considered to be something of an extension of the Australian marketplace because the New Zealand market is what we would call a mature tourist market. It knows the Australian product well. Many New Zealanders have visited Australia and are familiar with what we have to offer. Setting up an operation in New Zealand is a bit like setting up an operation elsewhere in Australia where one expects a high level of knowledge of the product and where selling the product will hopefully be a lot easier than it would be in other international marketplaces where there is less recognition of South Australia as a destination.

**Mr INGERSON:** How many applicants were Australian?

**The Hon. Barbara Wiese:** Five Australian companies registered an interest.

**Mr McKEE:** I refer to page 216, under the heading 'Cooperative projects within industry.' As I understand it, Tourism SA recently published a cooperative marketing opportunities guide, which lists a range of activities for which tourist operators can seek cooperative funding. What is the extent of cooperative projects with industry planned for 1992-93, including any other opportunities for the industry to work with Tourism South Australia?

**Mr INGERSON:** And has the money run out?

**The Hon. Barbara Wiese:** I do not think so; no. The cooperative work being undertaken with the tourism industry is a very important part of the work that Tourism South Australia undertakes. The efforts in this cooperative area are increasing year by year because we recognise that we can make our dollar go further as well as make the industry's dollar go further if we work together in pursuing marketing opportunities.

So, there are a number of fronts on which officers in Tourism South Australia have been working to create cooperative marketing opportunities for people within the industry. I will mention some of the most significant of those to be pursued in the coming financial year.

For example, in the area of promotion of regional tourism something like \$250 000 will be put towards cooperative marketing activity through the grant schemes that we operate and through the base grant funding that we provide for regional tourist associations. As far as other schemes are concerned, in excess of \$200 000 will be provided for advertising opportunities with a number of companies and also the subsidising of attendance for some industry representatives to be present at various trade shows, for example, the Australian Tourism Exchange and other international trade shows which some industry representatives would otherwise find it difficult to attend due to high costs involved.

Industry trade missions led by Tourism South Australia will provide the chance for South Australian operators to have their product better known in international markets. They will also provide a chance for South Australia to be on show.

Our 'South Australian Shorts' campaign is in itself a cooperative marketing scheme because it provides the chance for South Australian operators to put together packages and be included in the 'Shorts' brochure. We would expect about 100 000 copies of that 'Shorts'

booklet to be distributed. There will be the chance for operators to participate in direct marketing campaigns that will flow from that campaign overall. That campaign has something like \$380 000 put towards it. We have our interstate 'Out of the Ordinary' campaign worth \$1.15 million. We expect that at least 100 000 copies of that holiday booklet will be distributed to people in interstate markets—Sydney and Melbourne in particular.

There are television, press and radio campaigns to accompany it and cooperative press advertisements where industry can join together for a reasonable cost and participate in advertising, and they, too, will have a chance to participate in direct marketing opportunities that will be created out of that campaign.

We have specific international initiatives to the value of around \$200 000 in this coming year, which will include a sales mission to Asia and a trade delegation to the United States. Trade show support will be provided in the UK and Europe and hopefully there will also be new promotions of holiday product in New Zealand following the new arrangements to be put in place there.

In addition, Tourism South Australia provides a grant each year to the Adelaide Convention and Tourism Authority. This year it will be for \$250 000, which is more than we have ever provided before, and that will provide the opportunity for much more sophisticated promotion of convention and incentive travel opportunities.

So, numerous initiatives have been set in train already, with considerable amounts of money being put towards cooperative advertising and other marketing opportunities. I know that all these plans, which have already been outlined to numerous people within the industry, are being well received and quickly grasped.

*[Sitting suspended from 12.57 to 2 p.m.]*

#### Membership:

Mr Ferguson substituted for Mr Holloway.

**Mr McKEE:** I refer to page 213 of the Program Estimates. The Adelaide Convention Visitors Bureau recently held an incentive travel workshop in Adelaide. I understand that the TSA is involved in some incentive travel workshops in Asia. What new initiatives is TSA pursuing in the lucrative incentive travel market?

**The Hon. Barbara Wiese:** This is a growing area of the tourism industry. Tourism South Australia is very keen to ensure that South Australia gets an appropriate slice of the action, as it were, and for that reason has recently been cooperating with the Adelaide Convention and Tourism Authority and the Adelaide Convention Centre in exploring opportunities for incentive travel. Earlier this morning I think I said that in the last week or so a series of incentive travel workshops was conducted by those three bodies in Asia, namely, in Jakarta, Singapore and Kuala Lumpur. They were very successful workshops and have helped to establish South Australia as a suitable destination for incentive travel.

I say that it is an important and growing part of the market and one that we want to get into because very often companies choose to send on these visits members of their work force who may have performed particularly well. Depending on what type of incentive travel is being

organised, they will very often spend a lot of money in order to make the incentive an appropriate reward for members of the work force. Of course, we can benefit very much if we can have a group of tourists coming in for those particular purposes, spending better than average money whilst they are here. So, we are keen to pursue that.

Other incentive travel workshops and marketing opportunities will be pursued. There has been a similar promotion recently in Melbourne as part of the interstate campaign we have been running—the Out of the Ordinary campaign—and that attracted about 120 key incentive houses, convention and corporate buyers to that forum. So, with that group, too (the people who actually make the decisions here in Australia), we have been able to put South Australia on the map. About 15 South Australian operators supported that event and took part in it.

Already the estimated return on that one meeting alone is some 1 450 delegates, which converts to about 5 600 bed nights with a potential expenditure of about \$1.6 million coming out of that one direct initiative. If we can pick up business like that through these promotional efforts that we are conducting, I think we will well and truly begin to establish South Australia in that very lucrative part of the tourism market.

**Mr INGERSON:** During a recent study by the Economic and Finance Committee some work was done on consultancies as they related to tourism. I will not go through all those tedious questions because they are all on record. However, I would like to ask a question in relation to the regional tourism board in particular as it relates to the consultancies.

I will list a few that happened in 1991-92: the preparation of tourism strategies for the lower Mid-North region, \$26 000; the preparation of a tourism strategy for Victor Harbor, \$25 000; a survey to determine the profile of visitors to the South-East, \$24 000; a survey to determine the attitudes and impressions of visitors to Victor Harbor, \$10 000; and the preparation of regional tourism policies for 12 regions for insertion in the State Development Plan, \$24 400. That came to a total of \$109 400 in principally regional projects for the year 1991-92. How many did the regional tourism board ask for? Were they involved in the planning of any of them? Were they consulted at all during any of the research? Were they involved in discussions and findings? I suppose more importantly, were they ever shown a copy of the results in any instance?

**The Hon. Barbara Wiese:** I am advised that in the instances where Tourism South Australia has become involved in planning activity of this sort it has usually been at the request of individual councils that are looking to develop their own tourism strategies and, where appropriate, translate those strategies into area-specific supplementary development plans. This is something that Tourism South Australia has been encouraging for quite some time, because we believe that if a local community thinks ahead about what tourism needs for the foreseeable future might be and plans now, and particularly builds tourism needs into their local planning process, then some of the controversy and difficulty that has emerged from time to time when particular development proposals come forward can be avoided.

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With respect to the specific questions that were raised by the honourable member, the answer I think is that Tourism South Australia became involved in these activities as a result of local council requests. There have been opportunities for people in local areas to have some input into the development of such strategies. Very often local economic development boards have been involved in the process, and I am sure that the opportunity has existed for anyone else, including regional tourism boards or local regional tourist associations, to participate if they wanted to, although I am not sure that regional tourist associations in those cases that the honourable member mentioned were specifically consulted. However, I think they would have had the opportunity to participate if they wished.

**Mr INGERSON:** As a supplementary question, can the Minister advise the Committee through consultation with the board whether in fact that occurred?

**The Hon. Barbara Wiese:** I am happy to make contact with the regional tourism board and seek its answer to that question if that pleases the honourable member. I add one point to the statement that I made earlier, that is, that in all the cases the honourable member mentioned local tourism operators were certainly consulted on various aspects of local strategies. It is drawing a fairly fine line if the honourable member is wanting to say that there was not a specific contact with the regional tourist association. I think it is true to say in most of those cases that local operators who are members of local associations have had the opportunity to participate in the development of strategies, as it should be.

**Mr INGERSON:** As a further supplementary, is it possible to have access to the consultancy reports as a standard procedure of the Parliament, or are we required to go through the FOI system?

**The Hon. Barbara Wiese:** I understand they are local strategy documents that are usually prepared with a view to being public documents with access for anyone who has an interest in tourism development in a local area. They are all publicly available and I presume that the best way of getting access to those documents would be through the individual councils.

**Mr INGERSON:** I understand that Tourism SA is shifting into the Remm building shortly, or it has already begun to do so. What is the cost of the transfer to the Remm building, including the fit-out; what is the annual rental; and what is going to happen to the old TSA building in King William Street?

**The Hon. Barbara Wiese:** I will take the last question first. Now that Tourism SA has moved out of 18 King William Street, we no longer have any interest in that building. It is a Government-owned building and it is taken care of by SACON. I understand that, although we have not been a party to discussions with SACON in recent times, SACON is examining future opportunities for that building and undertaking costings on what is feasible for it. As far as I know, no decisions have yet been taken and Tourism SA will not be involved in that decision making process.

Part of the 10-year leasing deal that the Government has reached with the owners of the Remm building is a package of incentives. The total incentives for the relocation amount to \$2.64 million. The part of that that

relates to fit-out and relocation is \$2.3 million. That leaves an additional \$340 000, which has been used to offset the double rental which was incurred at Terrace Towers between 1 July and the time when TSA moves into the building this weekend. The entire financing of the relocation has been included in the incentives that were negotiated as part of the deal.

The total rent for the Remm building for the financial year 1992-93, which includes cleaning, management fees and all the things that form part of it, is \$788 000; for the AMP building the total is \$432 000.

**Mr INGERSON:** As a supplementary, do I understand that the total package of shifting is \$2.3 million in actual cost to the department and that for each year that the department remains in the AMP and Remm buildings the rent will be about \$1.2 million?

**The Hon. Barbara Wiese:** Yes, that is correct. It is worth pointing out, as the member for Bragg made quite a point about the increase in administration costs, that the rent that was being paid previously by Tourism SA at 18 King William Street was considered to be very low by market rent standards in the City of Adelaide because the building was essentially substandard. It was constructed in the early 1970s and, apart from the ground floor and one or two other minor parts of the building, it had not been refurbished since that time. There was considerable overcrowding throughout the building, so some people were working in conditions that did not meet Public Service standards. On top of that, of course, the asbestos problem emerged. Therefore, it would be inappropriate to compare the rent now being paid at the Remm and AMP buildings with the rent that was previously paid by Tourism SA, for the reasons that I have already outlined. The rent being paid now is comparable to the rent being paid in buildings of a similar quality and standard.

**Mr INGERSON:** As a further supplementary, in the budget line where is the \$2.3 million located if it is a cost in shifting, as you have recently explained? As I said earlier, whilst I was critical of the expenditure, the administrative services and accommodation expenses only add up to \$1.2 million, so we are talking of \$2.3 million. Where in this budget is that line located?

**The Hon. Barbara Wiese:** It is not located in our budget because it is an incentive arrangement.

**Mr INGERSON:** Who is paying for it?

**The Hon. Barbara Wiese:** It is between SACON and the building owners.

**Mr INGERSON:** My next question relates to a letter I received earlier this week in relation to the bed tax, and I read the first couple of paragraphs:

I write to express my concern at the proposal as mentioned in this week's press relating to a bed tax. I advise that I am totally opposed to it.

This gentleman is an operator of one of the motor inns. The letter continues:

I own the motor inn. I am concerned about the general reduction in business as a result of the bed tax. There are significant expenses I am already having in relation to taxes generally.

**Mr FERGUSON:** On a point of order, Mr Chairman, if I had known we were allowed to read letters into the Committee I would have brought a whole stack of letters and filled up *Hansard*.

**The CHAIRMAN:** There is no point of order. If a letter is relevant to the question the Chair will allow it, but if the member for Henley Beach—

**Mr FERGUSON:** I had better get my letters faxed up.

**The CHAIRMAN:** The member for Henley Beach could have them faxed to Parliament House, and when he asks his questions he could read them but the letters must be relevant to the Minister's portfolio and to the line we are talking about.

**Mr INGERSON:** The point is that he writes about his concern at the possible introduction of bed tax, along with all the other taxes in tourism and so forth. This particular letter reflects many others which I am quite sure the Minister has had as well. In light of the Minister's suggestion back in 1990 that the Government need to consider the option of having a bed tax and at the same time I understand saying perhaps the whole concept of a bed tax should be investigated, could the Minister say whether any research was done at that time or since that time, and also what is the current position in relation to bed tax as far as the Government is concerned?

**The Hon. Barbara Wiese:** There was some research undertaken in 1990 which the Government commissioned. It was undertaken by the South Australian Centre for Economic Studies and the paper prepared by that organisation was then used by officers of Tourism South Australia and officers of Treasury to look at a range of options for revenue raising for tourism marketing purposes that formed the basis of the Government's budget deliberations last year. The work done by TSA and Treasury officers on the range of options that were then available to the Government concluded on the question of an accommodation tax that essentially there was a difference of opinion between Tourism South Australia officers and Treasury officials. Treasury officials believed that an accommodation tax should be pursued by the Government. Tourism South Australia officials believed it was inappropriate for the Government to pursue such a tax at this time. Cabinet subsequently considered the reports that were prepared and agreed with the position which Tourism South Australia had put and which I supported that it was inappropriate for the Government to consider the introduction of an accommodation tax in the past financial year. Since that time the honourable member would be aware that the Arthur D. Little study has suggested, in the paper that was prepared on tourism, that an accommodation tax is a tax which is imposed in many parts of the world and could be put toward the cost of marketing for tourism purposes.

Last week, when the Premier was asked a question concerning Arthur D. Little's comments on this matter in his Estimates Committee, he indicated he felt this could be looked at again, but he felt the industry would need to feel comfortable with the idea of an accommodation tax before the Government would be willing to pursue it. I think he also made the comment that, in the event of a Liberal Government being elected nationally, there would also be the need to consider what impost on the tourism industry the effects of a GST would have. I am certainly aware of the grave concerns of many people in the tourism industry about the effects of a GST on the industry nationally, and I am quite sure they would be very reluctant to see both the effects of that tax and an

accommodation tax come into play because it would have a deleterious effect on the industry in Australia.

Since the comments were made by the Premier in Estimates last week and reported in the media, the Government has received numerous messages and submissions from representatives of the industry. Based on those submissions and the information that has been provided with respect to the current state of the accommodation sector of the tourism industry, the Premier feels the views expressed by the industry during this past week or so should be given quite considerable attention. He believes the timing is inappropriate for the introduction of an accommodation tax and it is not the intention of the Government to pursue one at this time.

**Mr INGERSON:** As a supplementary, Mr Chairman. In consultation with A.D. Little, did Tourism SA have any discussions at all suggesting the bed tax ought to be one of the options looked at?

**The Hon. Barbara Wiese:** Mr Rod Hand, from Tourism South Australia, had quite considerable contact with the Arthur D. Little consultants during the period they were working on the discussion paper, and I will ask him to comment on the discussion he had on this matter.

**Mr Hand:** The representative of A.D. Little was Don Tatzin, who is from the A.D. Little office in San Francisco. It was his view that there are many States in the United States and throughout the world that do have a transit tax, or a bed tax. The issue was discussed with me and other officers of TSA and Don Tatzin, and the conclusion was entirely his conclusion.

**Mr FERGUSON:** It is funny we should be mentioning this because I have just received this piece of correspondence and it is addressed to Don Ferguson, MP, Parliament House, North Terrace, Adelaide.

Dear Mr Ferguson, I have recently, with my family, taken one of South Australia's short holidays on the Yorke Peninsula and I write to congratulate the Government and in particular Tourism South Australia on their short holiday promotion. My family and I thoroughly enjoyed ourselves and if it wasn't for Tourism South Australia's advertising campaign we would not have known or been aware of the great holiday we could take in our own State of South Australia.

I cannot disclose the person who wrote that letter but I am sure you will agree there are a lot of people who appreciate Tourism South Australia. Is the Minister in receipt of similar letters of praise from other people in South Australia?

**The Hon. Barbara Wiese:** I am very pleased to say that the letter that the honourable member has received is very similar in sentiments expressed to ones that have been received by me and by Tourism South Australia over quite a long period of time since the Shorts holidays campaign was first developed some two years or so ago. There is no doubt at all that this campaign has been instrumental in raising the awareness of many more South Australians about the excellent holiday opportunities that exist within our own State. One of the reasons that Tourism South Australia embarked on the Shorts holidays campaign in the first place was that we learned from research that had been undertaken that South Australians were less likely to holiday in their own State than people in other States. We felt that this was something that needed to be turned around, partly because people could actually have a really good time holidaying in their own State, as we have some great

places to enjoy, but also because it would help to keep South Australian dollars at home circulating in our own economy and keeping South Australian businesses and jobs in place.

So, the Shorts campaign has certainly raised awareness. It has been very successful. It is strongly supported by the South Australian tourism industry. Each year, the holidays booklet gets bigger as the number of packages grow and the number of operators who wish to be involved in the Shorts campaign increases. The very nice cream on the cake is receiving letters such as the one that was read to us by the honourable member. It is very gratifying for the staff of Tourism South Australia to occasionally receive praise, because usually people are very quick to criticise if they think something is wrong. It is nice from time to time if people say, 'Thank you and well done!'

**Mr FERGUSON:** I also refer to the Travel Centre upgrade, and my question is not as negative as the one that was asked previously. Tourism South Australia Travel Centre has been relocated to the AMP building and it is being upgraded. Will the Minister comment on how this redevelopment is expected to provide tourists with the service required to support tourism growth?

**The Hon. Barbara Wiese:** The upgrading of the Travel Centre is an important part of the relocation that is taking place for Tourism South Australia, and it means that we will be in a position to provide in some instances state-of-the-art promotional opportunities for tourists who are coming into our State. As the honourable member would be aware, the location is a prime location in Adelaide, being situated just across the road at number 1 King William Street, and it is ideally located among the tourism, cultural and shopping precinct of Adelaide. The upgrading of that facility is currently under way. We expect it to be finished by the end of this month. Apart from the fact that the location offers excellent window display areas from which various promotional opportunities will flow, the layout inside the Travel Centre will be such that visitors will be able to receive information, booking support and so on in a very convenient way. There will be express counters and opportunities for people to be served with a minimum of fuss and in a minimum of time.

There will be state-of-the-art visual self-service information displays utilising computer touch screen technology, and various video systems will be in operation so that people who are waiting to be served will be able to learn about various destinations in South Australia and will have the opportunity to see for themselves what it is that they are queuing up to buy. The telephone systems also will be upgraded and there will be an opportunity 24 hours a day for people to obtain regularly requested information from recorded messages. There will be an automatic queuing system, and there will also be a facility eventually for people to leave messages for travel consultants to contact them during office hours and the opportunity for people to leave their name, addresses, fax numbers and other things so that material can be sent to them at an appropriate time. In summary, the facilities being put in place will enable greater volumes of inquiries to be handled, with a much higher level of accuracy and efficiency. I am sure that tourists will agree that the facility here in Adelaide

will be as good as or probably better than anything that exists anywhere else in Australia.

**Mr FERGUSON:** Does Tourism South Australia provide a service for schools and school students in planning tourism and tourist trips in South Australia?

**The Hon. Barbara Wiese:** No, we do not provide a service for students who are looking to plan trips. There are occasions when schools contact me or Tourism South Australia looking for information about tourism opportunities and about the tourism industry when they are doing particular projects and that sort of thing. That information is always provided wherever it is available.

**Mr SUCH:** How important is the backpacker segment of the tourist market? In the light of the tragic events that have been recorded recently that have befallen two young English women backpackers, what strategies can be adopted to help counter what will inevitably be some negative publicity arising out of those incidents and others?

**The Hon. Barbara Wiese:** The backpacker market is an important segment of the tourism industry, and it is a growing segment. In recent years in South Australia there has been a considerable increase in the provision of backpacker accommodation in Adelaide and in some country locations, which is a reflection of the growth taking place in the market. I think that South Australia is often an important stop-off point for backpackers, particularly young Europeans and Americans who are looking for adventure holidays, people who are looking to go into Australia's Outback. Very often they start in Adelaide and head north or they may come in through Darwin and come down through the centre of Australia and spend some time in South Australia before moving on to the eastern States. We consider it an important part of the industry. People in the Planning and Development Division of Tourism South Australia have assisted in developments for the accommodation sector of the industry over the past few years, and Tourism South Australia was also instrumental in the formation of a Backpackers Industry Association some time ago. So we take it seriously, and the recent events which have highlighted some of the dangers that exist for young people who are backpacking in Australia and who choose to hitchhike are a matter of considerable concern.

I think it is worth acknowledging that the dangers related to hitchhiking are prevalent not only in Australia but in other parts of the world, where people are also warned against hitchhiking. Through whichever channels we can, through some of the guides used by backpackers and through word of mouth in hostels and accommodation, we must make it quite clear to people who are backpacking in Australia that hitchhiking is probably not the best means of getting around the country. TSA is currently liaising with the Police Commissioner on matters relating to these issues, and the Police Commissioner in turn is looking at strategies with his interstate and Federal counterparts in relation to recent occurrences. I understand that the Australian Tourist Commission is also considering ways in which it might highlight the dangers of hitchhiking to those young people who come to Australia on backpacking holidays.

**Mr INGERSON:** The Minister stated that there was no intention to introduce a bed tax at this time. What does that actually mean? Does it mean next financial year

as well, or is it a commitment not to consider the tax again? Secondly, as part of that question, as far as the Minister is aware, is there support for the bed tax from Treasury?

**The Hon. Barbara Wiese:** I already indicated in my previous reply that there is support in Treasury for an accommodation tax. That has been known for many years and was made public many years ago. The outcome of the research work that took place the year before last also indicated very clearly that Treasury still supports the notion of an accommodation tax. It would be true to say that some people within the tourism industry would support an accommodation tax in principle, particularly those who have worked in the industry in other parts of the world, who have worked in conditions where such a tax applies and who have seen the benefits of such tax being applied to marketing initiatives. There is mixed feeling about the matter within the tourism industry, but there is generally a view that it is not a tax that should be introduced in South Australia at this time but that it is a matter which perhaps ought to be considered at some stage in the future. I have always taken the view that it would be an adverse move to make at this stage of our tourism industry's development, and feel that it is not appropriate for South Australia to pioneer a move in this area.

The honourable member would be aware that there is already a tax in place in the Northern Territory, and I note that the Kennedy inquiry, established by the Northern Territory Government to examine the Northern Territory Tourist Commission, recently recommended that the tax should be abolished. It has been very unpopular in the industry in the Northern Territory, even though considerable benefits have come from it by way of marketing effort. I feel that in the current recessionary climate and in view of the very cost sensitive arrangements that exist at the moment in the tourism industry it would not be in the interests of our industry to introduce such a tax. That is the view of the Premier, following the representations he has now received on the matter, and that is where it stands.

**Mr INGERSON:** Will the Minister ask TSA to assess the impact of the abolition of payroll tax, petrol tax and industrial relations reform on the tourist industry, as well as looking at the GST effect?

**The Hon. Barbara Wiese:** That is quite a task to request of any organisation, particularly the point relating to industrial reform. It depends on what sort of industrial reform might occur, as to how that might affect the cost structure of the nation's economy, let alone one sector of it. I am not sure that the question being asked is a particularly genuine one, if I might put it that way, because it is really a question that cannot be answered. The honourable member would need to outline exactly what reforms he expects to be in place in order for such factors to be built into any assessment of costs. I suggest that it is rather difficult to predict what sort of industrial reform may or may not take place in Australia over the next 10 years, or five years, for that matter, with or without a Hewson Government. I am not sure that that part of the question can be easily assessed.

On the general question of a GST, I know that the Australian Tourism Industry Association stated very early on, when the Federal Liberal Opposition was considering

the development of a GST, that it would expect such a tax to be revenue neutral to the industry or, if not, any additional revenue derived from it should fund decreases in the personal tax regime. It also expected that such a tax would have inbound tourism zero rated as an export industry. The policy released by the Federal Liberal Opposition does not satisfy either of the points raised by the tourism industry, but it is true to say that the policy that was eventually brought down probably creates some winners as well as some losers. It is a matter of further research and judgment as to whether the winners outweigh the losers or vice versa.

Certainly, ATIA believes that a GST at a rate of 15 per cent, for example, on food and accommodation would mean a rise of more than the average one-off effect of 4.7 per cent, which may be enough to outweigh the benefits of the lower transportation costs that are also part of the GST package that has been outlined by the Opposition. Some work has been done, particularly by the tourism industry, on some of the effects of a GST. How such a tax would affect various areas after we have taken away wholesale taxes, payroll taxes and other things is a matter on which further work is being done from within the industry and from the knowledge it has of the various sectors of the industry. It is much more complicated than the Federal Liberal Opposition has suggested, since it is so broad ranging and covers so many aspects of the cost structure of the industry. In an industry that is so price sensitive, as I was saying earlier, an increase of only a very small amount, particularly in the current economic conditions, could very seriously affect the tourism industry in Australia. For that reason people in the industry are very wary of such a policy change.

**Mr INGERSON:** Is the development strategy to follow the A.D. Little report recommendations of developing sites on Kangaroo Island, in the Barossa Valley and in the Flinders Ranges? If so, what is the department's priority on these developments? Secondly, has Glenelg been included in the department's priority list? Finally, how does the Minister envisage the \$5 million allocated to the Economic Development Board being part of the development strategy for Tourism SA?

**The Hon. Barbara Wiese:** Certainly Tourism South Australia supports the general views expressed about priorities for development outlined in the A.D. Little report. The Barossa, Kangaroo Island and the Flinders Ranges were identified previously by Tourism SA as having the greatest potential for future tourism development, and with that in mind some time ago Tourism South Australia began efforts to attract suitable investment for accommodation facilities in those locations. The honourable member will be very aware of the proposals for the Flinders Ranges in the Wilpena area, the support given by TSA to System One's proposal for development at the western end of Kangaroo Island and the support given for country club style development in the Barossa Valley.

TSA has provided whatever support and assistance it has been able to provide with planning arrangements, attraction of finance wherever that was requested and in other ways to try to achieve in those locations developments which will help take us to a new level of tourism activity within our State. We have a good range

of low scale small personalised tourist accommodation in many of those locations, but, in order for the location and the State to be promoted to different segments of the market and to give those locations a higher profile, it is considered desirable to attract suitable further accommodation development in those prime locations. That has been the policy of the organisation now for a number of years, and efforts have been made to try to get that to occur. Those efforts will continue and, hopefully, as our economy improves and there is greater interest in investing in property development, and tourism development in particular, South Australia will be more successful in attracting investors to look at the opportunities that exist in some of those locations.

**Mr INGERSON:** Is Glenelg on the priority list?

**The Hon. Barbara Wiese:** Glenelg is certainly considered by Tourism South Australia to be a prime location in the metropolitan area of Adelaide. Glenelg is probably the best known beach location along the metropolitan coastline. TSA believes that it has not made sufficient use of or gained sufficient benefit from our coastal areas in metropolitan Adelaide, and Glenelg certainly is a logical place for such development and upgrading of facilities to take place.

The project that is currently on the drawing board and being worked up is supported by Tourism South Australia as it will add to the amenity of Adelaide for tourists visiting our State. It is certainly one of those on our list.

The \$5 million that has been allocated by the Government in this budget for infrastructure development for tourism is a matter that is currently receiving consideration. No decisions have yet been made as to how the money will be allocated this financial year, but certainly providing support in those locations mentioned by the honourable member would be amongst the range of options available for consideration.

Generally, TSA would take the view that any infrastructure support that it would give to tourism development would be considered on a case-by-case basis and would probably vary according to the nature of the projects being put forward. Therefore, it would be difficult to take a hard and fast view about how support might be provided.

Certainly, support in the form of some sort of infrastructure development would be the preferred way to go rather than, for example, providing some sort of subsidy or something of that nature. We would rather provide roads, power, water supply or whatever would be considered by a particular developer in a certain location to be a reasonable contribution for the Government to make and which would add not only to the individual development but also to the amenity for the people of South Australia and for people visiting our State.

**Mr INGERSON:** I refer to the Mount Lofty development site. Will TSA withdraw its support for Saint Michael's current development (KPMG) on 30 September?

**The Hon. Barbara Wiese:** Responsibility for the Mount Lofty development site rests with the Minister for Environment and Planning, and I believe that she was questioned on the Mount Lofty development during her Estimates Committee some time last week. She indicated that the Government was giving the current proponents the opportunity to secure at least part finance for their



proposal by the end of September before the Government takes further decisions on what could or should occur at the Saint Michael's site.

From a tourism perspective it is a great disappointment to us that a development has not occurred on that site. It is now some seven years since registrations of interest were called and it is a prime South Australian location for tourists. We would like to see something occur on that site as quickly as possible. I hope very much that the current proponents will be in a position to attract finance and get the ball rolling on that development in the very near future.

**Mr INGERSON:** How much in dollar terms has the department contributed to this development to date and how much has TSA budgeted for its involvement in this project in 1992-93 and/or any subsequent years?

**The Hon. Barbara Wiese:** As far as I am aware, TSA has not contributed in dollar terms to the Mount Lofty proposal in the past and certainly nothing is budgeted for this financial year.

Time has been devoted to the project by officers of Tourism South Australia who have met with the proponents to discuss various ideas that they have had at one time or another about components of their project that may be attractive to tourists. That has been the nature of the input that the TSA has had to the project.

**Mr INGERSON:** How long after Premier Arnold announced the appointment of Mr Nichols as Director of Tourism on 10 September did the Minister find out that he was in fact the Director?

**The Hon. Barbara Wiese:** I am glad that the honourable member raised that question because the decision for Mr Nichols to return to Tourism South Australia was reached by the Premier and me in consultation. When I indicated in Parliament that I hoped that this matter would be clarified quickly, I did so on the basis that it was the Premier's decision as to the timing of the announcement of that matter. As it turned out, he announced it that day.

**Mr INGERSON:** And you did not mislead the Parliament?

**The Hon. Barbara Wiese:** I did not mislead the Parliament in any way. It is not my practice to mislead the Parliament, as has been proven on numerous occasions.

**Mr INGERSON:** You had no idea.

**The Hon. Barbara Wiese:** That's not true. I have just told you what the answer to that question was. If the honourable member is calling me a liar, I object to that very strongly. The decision was taken in consultation with me. I spoke with the Premier about this matter within 24 hours of resuming my post as Tourism Minister, and I indicated to him that I thought that the circumstances that had applied for 12 months, whereby there had been an acting arrangement, were not satisfactory and that it would be desirable for this matter to be clarified as quickly as it could be. I am delighted that within about 1½ weeks of that occurring Mr Nichols returned to Tourism South Australia. I am sure he is very pleased about his return. Certainly as far as TSA is concerned and the tourism industry, we are delighted to have him back.

**Mr McKEE:** I notice in the Program Estimates that Tourism South Australia will continue to spend

approximately \$4 million on tourist advertising and promotion in 1992-93. We are all aware that good promotion and public relations are crucial for the tourism industry. What has the Public Relations Unit of Tourism South Australia achieved as part of this expenditure for the past 12 months?

**The Hon. Barbara Wiese:** The Public Relations Unit is a very important part of Tourism South Australia. The work in public relations is critical to the success of Tourism South Australia not only in the activities that the unit pursues in organising promotional functions which relate to the launch of our campaigns and other things in which it has been very active during the past 12 months—and I will give examples of some of the things that it has been involved with in a moment—but also in the work it performs in raising awareness of South Australia and our tourism product with various sectors of the media that will be in a position to give us free editorial space.

Therefore, through the work of the people in our unit we are able to achieve many millions of dollars worth of free advertising for South Australia and our tourism product as a result of the work that they do in assisting with the familiarisation programs that are organised for members of the media both internationally and nationally who come to South Australia and who then go back to their home markets and write articles, do TV programs, make films or whatever. They also raise the profile of various events and other activities that are engaged in in South Australia which may be of some interest to tourists and which will bring them here.

Numerous publications are prepared by the Public Relations Unit, some of which are designed to keep the industry informed of things that are happening and the work of Tourism South Australia and others of which are designed specifically for the media which give regular updates on what TSA is doing and what sort of marketing activities are being undertaken. There is then the organisation of various promotional events which highlight some of the things that happen during the course of the year. These sorts of activities relate to the work we do with the Grand Prix, numerous festivals and gourmet weekends, and other things that occur around the State during the course of the year.

Extensive work has been undertaken, for example, during the past 12 or 18 months, in promoting the Adelaide Festival which is the second biggest tourism event in the State, as well as other activity in the form of promoting greater awareness of the tourism industry amongst people in our own State. During the past 12 months the Public Relations Unit was involved in organising a careers seminar for young people in our schools, and some 2 000 young people attended a series of seminars that were held relating to the hospitality and tourism industries as an area for future employment. So, the activities of the Public Relations Unit are many and varied and are critical to the successful promotion of the State.

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

Minister of Tourism, Miscellaneous, \$7 355 000—  
Examination declared completed.

Public and Consumer Affairs, \$4 946 000

**Chairman:**

The Hon. T.H. Hemmings

**Members:**

Mr S.J. Baker  
Mr D.M. Ferguson  
Mr C.D.T. McKee  
Mr J.A. Quirke  
Mr R.B. Such  
Mr L.H. Venning

**Witness:**

The Hon. Barbara Wiese, Minister of Consumer Affairs.

**Departmental Advisers:**

Ms C. Vardon, Chief Executive Officer, Department of Public and Consumer Affairs.  
Mr S. Carter, Director, Corporate Services.  
Ms J. Taylor, Secretary, Minister of Consumer Affairs.  
Mr L. Webb, Acting Director, Office of Fair Trading.  
Mr W. Pryor, Liquor Licensing Commissioner.  
Ms J. Worrall, Public Trustee.  
Ms S. Errington, Acting Manager, Planning and Review Unit.  
Mr D. Ayling, Registrar, Births, Deaths and Marriages.  
Mr P.D. Day, Government Adviser on Deregulation.

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

**Mr S.J. BAKER:** My first question is: when is Ms Vardon leaving?

**The Hon. Barbara Wiese:** Ms Vardon completes her duty in the Department of Public and Consumer Affairs on 9 October to take up an appointment as Secretary in the Department of Education and Training in the Australian Capital Territory. I am sure we all wish her the best in that new position. It is a source of great disappointment to me, and I think to people in the Government generally who have had anything to do with Ms Vardon during the past couple of years, that she is leaving South Australia because, during her time with us, she has made a considerable impact in her position and in the public sector generally. We are sorry that she is leaving our service, but we recognise that the position to which she is going represents a promotion, and we wish her well.

**Mr S.J. BAKER:** Further to that, does Ms Vardon have a contract with the State Government; is this the end of her contract; or is this a promotion?

*Members interjecting:*

**Mr S.J. BAKER:** I have the whole of the budget to refer to on this line.

*Members interjecting:*

**The CHAIRMAN:** Before the Minister answers the supplementary question, I would ask the Committee not to give advice to the Chairman and, for clarification,

when members are asking questions they should refer to a line. I take the point that we are on salaries and wages, but to keep the record straight, the Chairman of Estimates Committee A and I have asked at the start of any examination that members should refer to the financial papers. It would be better to do that. Much as I appreciate the assistance and protection of the member for Henley Beach, I assure him that I do not need it.

**Mr FERGUSON:** I am terribly sorry, Sir, I was overcome with emotion.

**The Hon. Barbara Wiese:** I will ask Ms Vardon to inform the Committee about the arrangements that she has on this matter.

**Ms Vardon:** At the moment I have a five-year contract with the South Australian Public Service to carry out the position of Chief Executive Officer for this department and the Commissioner for Consumer Affairs. I am two years through that contract. I will be giving that contract up to take up a contract with the Australian Capital Territory.

**Mr S.J. BAKER:** Supplementary to that, what steps are being proposed to fill that vacancy?

**The Hon. Barbara Wiese:** That matter will be discussed with the Commissioner for Public Employment very shortly. As the honourable member is aware, there is shortly to be a reshuffle of Cabinet positions. I think it is appropriate that serious discussions about the Chief Executive Officer's position should await the outcome of that. I believe it is likely to be only a few days before these matters are resolved. If for some reason or another a decision should not be made about ministerial positions, I believe it would be appropriate, in consultation with the Commissioner for Public Employment, for some decisions to be taken about an acting arrangement until some firm decisions can be made about the long-term arrangement for this position.

**Mr S.J. BAKER:** Secondly, I understand that Mr Peter Young has left or is proposing to leave the department. When will that occur; and does the fact that two most senior people will be missing reflect that there may be some difficulties within the department?

**The Hon. Barbara Wiese:** There are no difficulties at all within the department, and the changes should not be viewed in that way in any way, shape or form. Mr Young left the South Australian Public Service on 21 September; he took a voluntary separation package. It is some time now since Mr Young was working in the Department of Public and Consumer Affairs—probably 18 months or so ago—having taken up a position as Acting Director of the Department of Recreation and Sport, a position which he held for most of the duration until the present time, bar a short period towards the end when he was working on specific projects. There has been a restructuring in the Department of Public and Consumer Affairs which will mean the deputy's position within the department is no longer required and that, of course, leads to savings on salaries and a flatter administrative structure which is in keeping with recent trends in the South Australian public sector.

**Mr S.J. BAKER:** I refer to page 224 of the Program Estimates. We have performance indicators and it says 'Complaints received from patrons of the Casino.' What was the nature of the complaints, and in 1991-92 how

many complaints were established as true and what was the form of redress?

**The Hon. Barbara Wiese:** I will ask Mr Pryor, the Liquor Licensing Commissioner, who is the officer responsible in this area, to address some remarks to this question.

**Mr Pryor:** The complaints that are recorded against this performance indicator cover a whole range of activities, but in the main they would be complaints relating to disputes as to whether a bet should be paid; whether the rules of the game have been breached; whether a bet was placed on time; and disputes between individual patrons as to whether it was one person's bet or another. I do not have statistics readily to hand but I provide a monthly report to the Casino Supervisory Authority showing every complaint with an analysis of the outcome. If the Minister is happy I am prepared to provide that with the actual names of the complainants removed. So, you could actually see the nature of the complaint and the outcome and we could remove the names. That is submitted every month to the authority.

**Mr S.J. BAKER:** I am fascinated that in the Program Estimates you have a 1992-93 estimate of the number of complaints you are going to receive. It is the first time I have actually seen complaints projected forward. Is that a very conservative view of the operations of the Casino, or is it some reflection that everybody will be playing the poker machines?

**Mr Pryor:** I do not understand the question.

**Mr S.J. BAKER:** I will clarify the question. We have performance indicators and we have complaints received from patrons. We are still in September 1992 and we have a 1992-93 estimate for complaints received from patrons. I was fascinated as to the reason for projecting forward complaints which I would presume nobody had any control on, and I saw that they were down on last year so I presumed there was a reason why someone was projecting a lower figure this year.

**The Hon. Barbara Wiese:** I think the projections for complaints are based on recent years' performance. Any projection is a guess of sorts, I suppose. You cannot be absolutely sure of how many complaints you might receive but, if you look at the average of complaints over the last four years, around about 80 is a reasonable figure to have a stab at.

**Mr McKEE:** I wish to refer to the subject of computer systems, and in his 1991-92 report the Auditor-General has raised some concern about the rate of the progress of implementation of computerised systems within the Department of Public and Consumer Affairs. He has also expressed concern about some internal controls in existing systems. Can the Minister provide the Committee with information outlining the current state of the use of information technology within the department, and what action has been taken to address the Auditor-General's concerns?

**The Hon. Barbara Wiese:** Until about 18 months ago, no officers within the Department of Public and Consumer Affairs were full-time professional information technology staff. So it has been a relatively recent change within the organisation that such staff have been employed and there has been, over a period of time, a concerted effort made to assess the information technology needs of the department and to establish a

corporate computer plan. Some 58 computing projects have been identified across the department that need attention. At the early stages of that process three projects that were identified as having priority: one was the occupational licensing system project; the second was one for the births, deaths and marriages registration system, and the third was in the liquor licensing area. Other projects have been implemented in the Public Trustee Office during recent years as well.

On the three projects referred to by the Auditor-General I think it is true to say now that there has been considerable progress made with them in the occupational licensing area. It was decided that there should be a new computer system developed when it became clear that State Systems was decommissioning the Cyber computer into which a number of the computing systems of the department has previously been linked, and so it was clear there needed to be some rationalisation of systems within the department and there needed to be one improved system to cover all of the types of occupational groups that the department licences to provide the most efficient service possible.

Among the reasons that led to a delay in that project has been the need to examine whether or not the system being proposed for the department in that area should become part of the information utility concept that was being worked up elsewhere within government, so there was a pause at one stage whilst that matter was investigated by relevant people in government. During the working up of the proposal for a computer system in the occupational licensing area, numerous changes to specifications have also emerged as needs have been identified and the system developed; it also led to some delays. However, a contract is currently being negotiated with the successful contractor and it is expected will be finalised by the end of this month and work will then proceed and the project is expected to be completed by early in 1993.

As to the liquor licensing project, a detailed feasibility study was completed in October last year and at that time it became apparent that attention needed to be given to the possibility of the development of systems and procedures to cater for the possible introduction of gaming machines.

When a preliminary study was done of that area, it was realised that about two thirds of the system requirements for liquor licensing and gaming were common. So it was decided to suspend work on the main liquor licensing computer system to allow a specification to be prepared that would cover both areas of activity, and I understand that preparation of that specification is now well advanced. It is expected that acquisition of suitable hardware and software will proceed shortly and that would allow implementation in the second quarter of 1993.

Comments were made by the Auditor-General with respect to internal controls that exist in some of the systems currently in place, particularly with respect to the commercial licensing system. The point that needs to be made on that is that when it was decided late in 1991 that some changes to the system were needed, and when there were concerns that a new system would not be ready to replace the Cyber-based system, it was decided that it should be replaced on an interim basis only, and

the interim system was intended to operate for only a period of around 12 months. Therefore, the decision was taken that it was difficult to justify spending large sums of money on very sophisticated procedures for internal controls for such a short space of time. So, only relatively simple procedures were implemented for that interim period. However, the new system will incorporate extensive internal controls, and it is expected that they will be implemented early next year. So, the concerns expressed with respect to controls will no longer be a problem by the beginning of next year.

As to the residential tenancies computerisation program, that has now reached the stage where a draft business case has been presented. It is expected that a proposal will be made and presented to me in a few weeks' time seeking allocation of moneys from the Residential Tenancies Fund for further work to proceed. A detailed schedule has not yet been developed, but it would not be unreasonable to expect that a new system, covering at least the bond register function in the residential tenancies area would be in operation by the end of 1993. In the mean time, the department is almost two thirds of the way through a three stage implementation program for computerisation in the Births, Deaths and Marriages Division, which is within budget and which so far is operating very efficiently. So, the systems that have been put in place already are working well. There have been a few delays in a couple of the other projects, but they are being overcome and we hope to have those systems in place very soon as well.

**Mr McKEE:** Recently, there has been publicity about consumers' funds invested in pre-paid funeral schemes being at risk because there appears to be a lack of legislation in this area. What action has the Minister taken to ensure that the consumers are protected?

**The Hon. Barbara Wiese:** In recent times considerable concern has been expressed to me and to the Commissioner of Consumer Affairs, and I believe also to numerous members of Parliament, about activities of people working in this field of endeavour. In fact, a number of funeral directors, too, have raised complaints with me and with the Commissioner about this area of activity, which is a growing area of activity. As our population ages and as people are becoming more aware of the need to plan for their retirement, and ultimately beyond, so too are many people also looking at opportunities that are being presented for pre-paid funerals. A number of schemes are in place with respect to these pre-paid funerals, and usually the money is invested by the funeral company in a trust fund. There are laws which govern the withdrawal of such money. The Public Actuary also has some responsibilities under the Benefit Associations Act. But currently there is no specific regulation of this area of activity. Whilst a number of complaints have come forward, it would seem that there needs to be some examination of the practices that are taking place.

It may be that regulation of the area is not appropriate, but there may be ways in which some of the concerns that have been expressed can be addressed by members of the industry and the Government jointly looking at ways to ensure that the interests of consumers are protected. With that in mind, I recently wrote to representatives of the industry and also to consumer

groups inviting them to join a working party, which will also have the involvement of the Public Actuary and be chaired by the Commissioner of Consumer Affairs, to examine some of the issues that exist in the pre-paid funerals industry and, hopefully, following that consideration some guidelines or rules can be established on how this industry should proceed and on how the interests of consumers can be protected. I hope that that working party will meet for the first time some time during the next few weeks.

**Mr QUIRKE:** Can the Minister tell us what the GST implications will be for the pre-paid funeral packages? Has anyone looked at that? There could be a lot of people who think they have fixed everything up and wind up with a box without brass handles!

**The Hon. Barbara Wiese:** That is not something that has occurred to me, and I certainly have not initiated any work on it. I am quite sure that the honourable member is correct in suggesting that there will be additional cost implications for people who have pre-paid their funeral expenses and who would find, if there is a GST, that someone in the family would be up for further dollars that had not been anticipated. That is a matter that is worth having a look at, and I will make sure that the working party, when it is formed, addresses that question.

**Mr SUCH:** In respect of the Casino, is monitoring undertaken of people who may be exhibiting addiction to one form of gambling or another and, if so, what action is taken in respect of that identification?

**The Hon. Barbara Wiese:** I shall ask Mr Pryor, who is responsible for Casino monitoring aspects, to respond to that question.

**Mr Pryor:** The Casino Act provides that I can make a recommendation to the Minister of Finance to have a person barred from the Adelaide Casino. The grounds for that barring are not specific. Whilst I do not personally take a responsibility for monitoring what the honourable member would refer to as people who gamble to excess, I believe that I have a responsibility to take some action where it is brought to my attention that a person is gambling to excess at the Adelaide Casino. In the past, when I have been approached by the family of a person whom the family believes is gambling to excess, I have taken action to recommend to the Minister of Finance that that person be barred. On other occasions, I have interviewed the person and managed to have that person apply for a self-barring, which means that the person is barred from the Adelaide Casino until such time as he or she can demonstrate that the barring should be lifted. I believe that that is all I can do within my powers under the Casino Act.

**Mr SUCH:** How many people would have been barred?

**Mr Pryor:** Barred for various reasons, probably approximately 400. That would be for a whole range of reasons. Self-barrings and people that I have barred for 'gambling addiction' would possibly number around 80, although I would have to check that figure. If the Minister is happy, I can provide statistics on that.

**The Hon. Barbara Wiese:** According to information that has been provided to me, during the financial year ended 30 June 1992, 47 people were barred for numerous reasons. Information relating to previous years can be provided at a later time.

**Membership:**

Mr Holloway substituted for Mr Ferguson.

**Mr SUCH:** Page 224 of the Program Estimates refers to opportunities for multi-skilling to be provided as a result of the restructuring process. What is the nature of the multi-skilling referred to and will this mean less competent surveillance?

**The Hon. Barbara Wiese:** I am sure that no multi-skilling program is designed to provide a less competent service than is currently being provided, but I will ask Mr Pryor to speak about the program being mooted for that area.

**Mr Pryor:** What we are endeavouring to do is come up with a structure that is suitable for the maintenance mode we are now in for the control of the Adelaide Casino, rather than the structure we put in place for the implementation. Originally, we had a Chief Government Casino Inspector and a Senior Government Inspector, both nine to five positions, then we had only Government Casino inspectors working a 24 hour shift. The intention was that we would concentrate our policy-making resources during the day and have only a maintenance operation covering the 24 hour operation. We have found that that is not satisfactory, that we were wasting the resources from nine to five when, clearly, the Adelaide Casino is not in full operation. The Casino is really active from, say, five o'clock through to three in the morning, and we saw a need to provide an opportunity for teams of Government inspectors to be able to take responsibility for decisions, rather than having to refer matters either to the Senior Government Casino Inspector or the Chief Government Casino Inspector, or even to me, which often led to delays in decision-making.

We said that those people were there for 24 hours a day; they were well versed in the operations of the Casino; they were in a better position to make a decision so, in a way, we were empowering them, although I do not like the word, to make decisions relating to operational matters at the Casino, and they are now required only to refer policy issues either to the Chief Government Casino Inspector or to the Liquor Licensing Commissioner. So, far from being a reduction in the work of the Government Casino inspectors, I see it as a clear improvement, both in the level of the work they are doing and an improvement in the servicing. I can assure members that it has been welcomed by the whole of the Government inspectorate.

**Mr SUCH:** What does the on-line access to the Casino computer system achieve and what does 'control of ongoing financial transactions' mean in the context of that section of the Estimates?

**The Hon. Barbara Wiese:** The on-line access to the Casino's computer system means that the Casino inspectorate is able to keep track of everything that is happening in the Casino, in order to fulfil its functions under the Casino Act for the purpose of monitoring the activities taking place at the Casino. Those functions undertaken by the staff of the Government inspectorate, which is under Mr Pryor's wing, are powers given under the Casino Act, which Act is administered by the Minister of Finance. I am sure that Mr Pryor will be able to give greater detail about the points that have been raised.

**Mr Pryor:** The Minister has really given an overview of our control. Effectively, we monitor the Casino through two main computer systems. One is the EDT monitoring system, which is a means by which we can monitor every video gaming machine in the Casino at all times. We are provided with a satellite of that installation, and that system is under my control at all times. We also have complete access to a system referred to as the Dynamic Reporting System. Access to that enables us at any time to monitor every activity in the Adelaide Casino. It would let us monitor, say, the activities, the playing levels, of a junket. It would allow us to monitor the levels of play in a particular pit. It would let us monitor and analyse particular games, so that we can look any time at the win-loss ratio in a pit, work out whether we believe it is within accepted standards and whether we believe there is any need to examine it.

It also allows us, if we require it, to monitor every financial transaction. There is a provision within the terms and conditions of the Casino licence that requires the Casino to seek the approval of the Commissioner before entering into any agreement for the supply of goods and services over \$100 000. So we can use this system to monitor that, to ensure that, if the Casino is entering into transactions, they fall below \$100 000 or, if they are above \$100 000, people have sought approval. In effect, we can monitor and analyse every aspect of the Adelaide Casino as if we were the Adelaide Casino.

**Mr HOLLOWAY:** My first question concerns retirement villages, about which I asked a number of questions of the Minister for the Aged when he had responsibility for reviewing the legislation. I now understand that the Act has been given to the Minister. Can she say what action has been taken with the Retirement Villages Act, what resources have been committed to it and under what program these resources appear?

**The Hon. Barbara Wiese:** As the honourable member indicates, the Retirement Villages Act was committed some time ago to the Minister of Consumer Affairs, and the Commissioner for Consumer Affairs is responsible for the administration of that piece of legislation. Of course, we work in close cooperation with the Commissioner for the Aged and the Minister for the Aged in reviewing matters that relate to retirement villages and the people who live in those villages or are contemplating retirement village life. The resources for this Act are part of the residential tenancies program as the advice and conciliation functions are performed in that area and, although they are funded from the Consolidated Account and not included in the amounts recouped from the residential tenancies fund.

The education aspect is funded from the consumer education subprogram in the consumer services program and the professional and technical subprogram of the intra-agency support services program. Resources are also provided from time to time from the advice and conciliation and compliance subprograms of the consumer services program. So, members will find that throughout the accounts that have been presented to Parliament there are aspects relating to this Act.

This is a growth industry in South Australia. As our population ages, more people are contemplating

retirement village style of living. As the industry grows so various adjustments are being made along the way by the industry about the structure and nature of the services being delivered. This in turn has led to considerable dispute from time to time arising between residents and management of these villages, which is what led in the first place to the enactment of legislation to protect the rights of people who choose this life-style.

Working parties have been looking at further improving the legislation, and numerous ways have been used to consult relevant people in the process. Some months ago, we conducted a retirement village phone-in in which the Minister for the Aged and I both participated. We have produced various educational brochures and programs to inform people about their rights and responsibilities under this piece of legislation and, as part of the review taking place, a number of recommendations have been made to bring about some improvements to the legislation.

Consultation has taken place on some of those matters, and I hope that very soon we will be in a position to translate those recommendations into amendments that can form part of a Bill to be introduced into Parliament.

**Mr HOLLOWAY:** I refer to consumer education and note on page 220 of the Program Estimates that the consumer service program shows a proposed expenditure for the current financial year of \$3.82 million. Will the Minister advise the Committee of the reasons for the increase in actual expenditure in the consumer education subprogram for last year and say what education programs are to be included in the current year?

**The Hon. Barbara Wiese:** Before I answer the question specifically I point out that the departmental education function comprises more than consumer education and the subprogram referred to on page 220 of the Program Estimates. Because of the structure of the Program Estimates documentation and the nature of the services provided, a significant part of the education function is included in the executive professional technical administrative and clerical support subprogram of the intra-agency support services program. In total, it is proposed that in the coming year we will spend \$754 887 on education, \$315 000 of which is shown as consumer education.

There is no doubt consumer education brings enormous benefits to the community. It not only informs consumers of their rights and obligations under current legislation but it also informs traders about their responsibilities under legislation and hopefully will lead to a better relationship between consumers and traders.

Many of the aspects of the program planned are related to short-term activities and will bring short-term benefits on topical issues with brochures related to these matters, and so on. Other initiatives are directed towards schoolchildren and we hope will have a much longer lasting benefit. We have been very successful in providing information for people in the tertiary sector and also in high schools, and the department is now starting to look at the needs of students in the primary sector.

With all the work that is done within the department, we are now in a position to reach a wide range of the population through a variety of strategies. A number of consumer networks have been established in the metropolitan area that enable us to train opinion leaders

within communities, for example, in disadvantaged groups within the community who can act as advocates on behalf of consumers.

Numerous newsletters and pamphlets are produced and wide contact made with the media to get across information to members of the public. In addition, numerous source materials have been prepared and used in schools by the Education and Resource Centre of the department. One such pack is called the credit pack and relates to the pitfalls of using excessive credit. It won an international award within the past 12 months. During the next 12 months a national project will be achieved by South Australian officers and will include people from other parts of the country. It will look at providing information for primary school children. We hope that all these efforts will have lasting benefits for our community.

**Mr HOLLOWAY:** I refer to petrol prices in country areas. On page 227 of the Program Estimates under the heading 'Issues and trends' is a discussion about petrol prices, and the point is made that the wholesale price is effectively set by the Prices Surveillance Authority. Will the Minister explain what responsibility the department has in petrol pricing and why it appears that people in the country pay a higher price than those in the city?

**The Hon. Barbara Wiese:** The whole area of petrol pricing raises its head from time to time. It is a very topical subject at the moment in some country areas of South Australia as people are paying prices higher than those paid in other parts of the State. As the honourable member has indicated, the Prices Surveillance Authority sets the wholesale price of petrol and, although petrol prices are declared goods under the South Australian Prices Act, we have for a number of years accepted the recommendations of the PSA on wholesale prices and have not set a price for retail sales of petrol.

There has been considerable discounting of petrol, particularly in the Adelaide metropolitan area, over a period of years now.

It is the view of the Government that consumers have benefited from having no price set: that retailers having the opportunity to strike their own rate has brought its own benefits. As I indicated, in some parts of country South Australia people are paying higher prices.

Recently I was approached by the member for Whyalla about prices of petrol at Whyalla stations. It would seem that prices not only in Whyalla but in the Iron Triangle cities generally are much higher than they are in other country locations in South Australia. Following complaints that were made to me by the member for Whyalla and also numerous consumers in that area, I asked the department to monitor the price of petrol for a period of time across the State to determine what was happening, and that certainly confirmed that those prices were higher.

In 1989 complaints of this sort were made in the Iron Triangle area. The Prices Surveillance Authority undertook an investigation of what was happening in that location and found that there were a number of reasons why it appeared that the prices in those areas were higher. Those reasons did not relate to taxes being charged by the State Government because in fact our taxes are lower and that should improve the situation in country areas. It appeared that in places such as Whyalla there was much less competition, a large number of

service stations operating and not as much advertising of prices, and that sort of thing, as exists in the metropolitan area.

It seemed that there was what they call 'under the canopy' discounting taking place whereby local people were being given discounted prices whilst passers-by paid a much higher price. The conclusions of that study demonstrated that there probably needed to be much greater awareness amongst consumers who could in turn put greater pressure on the suppliers of petrol. There probably also is some need for a rationalisation of outlets in some of those locations.

The survey that we are conducting—the monitoring of prices to which I referred earlier—is continuing for a time. If it transpires that these high prices continue, we can pursue a couple of options. For example, I could request that the Prices Surveillance Authority again step in to investigate what is happening in the Iron Triangle. Also, we have the power which still exists in our Act to regulate the price of petrol. That is not something that I would want to do: I would be very reluctant to do that unless it was absolutely necessary. However, it is certainly a matter that must be left open, and we must keep an open mind about that in the interests of consumers in some of these country locations.

**Mr HOLLOWAY:** I am aware that in my electorate there is a very well known petrol discount. He owns the service station and, because of the large throughput through the station, he is able to operate on a very small retail margin. I am sure that he has a very great impact on the price of petrol in metropolitan Adelaide. Is there any information about the ownership of petrol stations in places such as Whyalla which would indicate whether they are owned by companies or whether there are privately owned stations where one might be likely to get someone who will discount or act as a white knight or whatever to keep the others honest in terms of competition?

**The Hon. Barbara Wiese:** Although we have collected that information, I do not have it with me for cities such as Whyalla. From memory, I think the split was something like half and half in Whyalla in terms of company-owned stations compared to independent stations. So, in that city, anyway, that does not seem to be a factor. I would not like to say that collusion is taking place in Whyalla with respect to the setting of petrol prices, but certainly there is very considerable consistency across stations in that city in relation to petrol prices. In the absence of consumers demanding a better deal, it seems to me that discounting is not likely to spring up in locations such as that.

**Mr S.J. BAKER:** With your indulgence, Mr Chairman, I have been on three Committees—with the Premier, the Treasurer and the Attorney-General—and on each of those occasions they have been very concise and precise. I am now in a dilemma as to whether we will get through the questions today. I realise that we could have had answers but they could have been divided in four and still provide the same amount of information to the Committee. I would appreciate it if we can keep the answers concise.

**The Hon. Barbara Wiese:** I am doing my best, Mr Chairman.

**Mr S.J. BAKER:** What problems are there with the Casino junkets?

**The Hon. Barbara Wiese:** I am not aware of any problems with Casino junkets. That is not a matter for the Government. Generally, matters relating to marketing and promotion of casino services are for the company that runs the Adelaide Casino. I was remiss in not picking up the fact that in the Program Estimates there is a reference to control procedures relating to junkets. I am not familiar with exactly what the Liquor Licensing Commissioner has in mind with respect to the review that is proposed, but I am sure he can fill us in.

**Mr Pryor:** There is no problem with the current control procedures for junkets. What that refers to is a requirement in the terms and conditions of the Casino licence that requires the Adelaide Casino to submit for my control all procedures operating in the Adelaide Casino—that is, accounting, security, surveillance and other procedures. What we are currently looking at is that a junket coming into the Adelaide Casino receives a commission based on the front moneys that the junket indicates that they will gamble at the Adelaide Casino. It has been proposed that, rather than determining a commission based on the front moneys, that is, their getting a commission whether they win or lose, it would be preferable only to pay the commission to junkets; if they have already won, why give them more?

So, we are currently looking at a system whereby junkets would be paid a commission only when they lose. The problem is that under the current terms and conditions that would be a breach, because there is a specific provision that people cannot participate in the proceeds of the Casino, that is, to get some profit from the net gambling. We have advised ATCO, the operator of the Adelaide Casino, that it will either have to seek approval from the Premier to allow it to operate in that way—and we have advised that they do this through the Lotteries Commission—or apply through the Lotteries Commission for an amendment to the terms and conditions of the licence. I do not have any problems with the proposal; it is just that at the moment it cannot do it.

**Mr S.J. BAKER:** The next item relates to the review of supplier transactions. What is the objective; are there any difficulties in that area; what is meant by that; and who will undertake the review and pay the costs?

**Mr Pryor:** That is part of our normal operation. The terms and conditions of the licence require the Adelaide Casino to seek the approval of the commissioner for any contract that relates to the provision of gaming or security expertise or for any transaction in excess of \$100 000. We are going through all the existing approvals to ensure that they are still current to update our information on people who hold positions of authority in companies that have been approved to satisfy ourselves that all the approvals should still stand and that the current list of approvals is up to date.

**Mr S.J. BAKER:** Has any information come to hand that there is proper accounting for all the moneys that are collected and passed into the bank accounts, or is there any information to suggest that anything untoward is happening in relation to the handling of Casino moneys?

**Mr Pryor:** I am not aware of anything that would lead me to believe that there is not a correct accounting for

both soft and hard count and in particular, from my perspective, in the calculation of Government tax.

**Mr S.J. BAKER:** I refer to page 225 of the Program Estimates relating to consumer services. Last year how many consumers did the department assist through the courts?

**The Hon. Barbara Wiese:** I understand there was only one case during the past 12 months when the commissioner assisted a consumer through the courts. That is distinct from the other process that is undertaken by the commissioner when he takes a matter to the commercial tribunal on behalf of consumers. Those two matters are distinct.

**Mr S.J. BAKER:** How many cases were brought before the commercial tribunal by the commissioner or on his behalf during the last year and what was the nature of those cases?

**The Hon. Barbara Wiese:** I do not think that information is presented amongst the papers that we have in a readily accessible form, so I will have to provide it at a later time.

**Mr SUCH:** I refer to the same page in the Program Estimates. Have there been any blitzes in the past year on traders in the metropolitan area or in regions of the State; if so, can the Minister give some details in regard to those blitzes?

**The Hon. Barbara Wiese:** I am not sure that we would call them blitzes. Officers of the Office of Fair Trading from time to time go out into the community to monitor the work of retailers and to ensure that they are operating within the law. Recently a visit was undertaken to the Berri district in the Riverland for five days between 31 August and 4 September. A team of four officers took part in that operation and a number of traders were visited. During that visit, nine trader infringement notices were given, eight warnings were given, one assurance was sought under section 19 (3) which related to contracts, and numerous assurances and warnings and in some cases TIN notices relating to other sections of the legislation were issued specifically with respect to attempts to avoid warranty arrangements, with respect to the eighth schedule being incomplete, failure to include prescribed information in advertisements, failure to display a licence and failure to display a certificate in a place of repair. Those were the issues that were picked up during that visit and, as I said, appropriate action was taken with respect to those matters. I understand that during the past 12 months a couple of visits have been undertaken by compliance officers to areas within metropolitan Adelaide where a similar range of breaches was detected.

**Mr SUCH:** Has the Minister had any complaints or concerns expressed to her about the security industry supplying security guards; and, if so, does she propose to introduce measures relating to that industry?

**Mr Webb:** There are problems with the industry involving security guards, because there are quite frequent reports of violence being perpetrated by security guards. There are education programs on the way to teach security guards how to deal with the problems that they face, particularly in licensed premises, when people have had too much to drink. I cannot give any statistics, but it is widespread throughout the State. The matter is being looked at with a view to trying to deal with it by way not

only of the courts but of an education program. The security industry also has an association which is trying to assist in this regard.

**Mr SUCH:** As a supplementary, is there any intention to go down the path of, say, the Western Australian system which relates to that industry?

**Mr Webb:** What is that?

**Mr SUCH:** A system of fairly rigid controls relating to the licensing of operators.

**Mr Webb:** Security guards are fairly well licensed. Looking at the means by which licensees are tested, I think it is fair to say that there are more objections to people applying for licences as security guards than any other occupation.

**The Hon. Barbara Wiese:** I think it is reasonable to say that within a relatively short period of time, since the regulations were enacted relating to security guards, there has been a cleaning up of the Act, if you like, in a number of areas and the fact that the Commissioner now has the opportunity to object to certain individuals has also been of great assistance in keeping out of that industry some of the elements that otherwise would be considered rather undesirable, people who really are not suited to that line of work and who have been amongst the people who may have been the subject of complaint in the past. Hopefully, as time passes and some of these controls have time to take effect, then the number of complaints being received will also recede.

**Mr SUCH:** In relation to page 225, what initiatives have been taken to increase consumer awareness of rights and obligations imposed upon traders?

**The Hon. Barbara Wiese:** I think a reply I gave to a previous question asked by one of my colleagues with respect to consumer education probably covers the field very well, as far as the question that has now been asked, about making consumers aware of their rights and obligations. Through various means—pamphlets, brochures, production of material for schools, media appearances, and a higher profile being taken by the Commissioner in drawing to the attention of members of the public information relating to dangerous products, dangerous goods and other things—we have been able to provide an increasing amount of information to consumers to make them more aware of their rights and obligations under current legislation. To go into greater detail I would suggest the honourable member might care to look at *Hansard* and some of the specific examples I gave of measures that have been taken recently.

**Mr SUCH:** As a supplementary, can the Minister indicate whether there is a formal system of cautions issued to traders?

**The Hon. Barbara Wiese:** Warnings are given in some circumstances where it would appear that a trader is infringing legislation. In fact, the range of measures open under the legislation vary from warnings, to seeking assurances that certain action will not be undertaken again for which there are penalties, should such action occur, through to prosecution in cases where a breach is considered to be of such importance that prosecution is warranted.

**Mr HOLLOWAY:** Does the Government intend to conduct any review of the Second-hand Motor Vehicles Act or regulations? I have been contacted by both consumers and second-hand motor vehicle dealers in



relation to various problems, as they see the Act. In relation to the dealers, one dealer who deals with the lower end of the market, with older cars, claims there is a problem with the requirement to provide a warranty for vehicles up to 15 years old before that provision runs out, and he claims it is very difficult, in regard to certain types of vehicles, to get spare parts for such vehicles. From the point of view of consumers I have had complaints in relation to the credit provision with large dealers where some finance companies that provide finance apparently have a computerised system for approving finance. The dealers have this computerised system on tap and they offer virtually instantaneous approval for credit. That causes some problems when people are subjected to fairly high pressure sales tactics, and agree to purchase a car on debt without really being able to think in detail about it. Was there any intention to review that Act to cover problems such as those that I have elaborated?

**The Hon. Barbara Wiese:** In recent months discussion has been taking place between officers of the department and representatives of the Motor Trades Association concerning various aspects of the Second-hand Motor Vehicles Act. As recently as yesterday some conclusions were drawn on recommendations that will be made to me shortly about some modifications that can be made to regulations under the Second-hand Motor Vehicles Act, that will make the business of used car dealers much easier. One of the matters addressed in these discussions was the question of statutory warranties, which was the first point the honourable member raised. I believe the MTA's preferred position would be to move to a system of warranties which is similar to that which operates in New South Wales, but that would require quite extensive amendment to our legislation. I believe what has been settled on instead is a change to the existing regulation which frees up the situation considerably, as far as the motor traders are concerned, and which is closer to the system which currently operates in Victoria. So, I think the outcome of those discussions on that matter will bring some relief to motor traders on that question of warranties which has been around for some time.

Numerous other amendments relate to a whole range of matters that are likely to be the subject of change to regulations rather than the legislation. On the questions raised about the concerns of consumers. I have received a number of representations on the question of cooling off periods for second-hand cars along similar lines that apply under other forms of legislation and that is a matter that will be considered further by officers of the department when a broader review of the Act takes place farther down the track. That might overcome some of the issues that have been raised with the honourable member by consumers.

**Mr VENNING:** I refer to the reference at page 225 of the Program Estimates, under Issues/Trends, to the extra funds required to process the large number of claims from persons affected by this default. What was the effect of this decision? What additional resources have had to be applied and with what result on the Agents Indemnity Fund?

**The Hon. Barbara Wiese:** The comment in the program description to which the honourable member

refers relates to the series of fiduciary defaults that occurred during the 1980s with respect to some landbrokers who were acting as mortgage financiers. Once these defaults were uncovered and the work begun on processing claims under the Agents Indemnity Fund, it was decided that steps should also be taken to ensure, to the extent that it is possible, that brokers acting in this capacity were maintaining their books in such a way that complied with the law and to ensure, again to the extent possible, that we could pick up any breaches of the law that were taking place. So, an extensive audit program has been put in place in this past two years or so, using KPMG Peat Marwick, who have been doing random audits of the books of landbrokers.

During the program, it has uncovered a number of breaches of the law, largely classed as minor breaches. But nevertheless it has been a good discipline for brokers and it has probably acted as something of a deterrent, hopefully, the fact that there is this random audit program in place. I hope it means that we now have overcome the problem that emerged amongst some of these people during the 1980s. No audit program will ensure that there will be no further defaults because, if there is a broker out there who deliberately wishes to break the law or commit fraud, then there are numerous ways to fiddle the books which will achieve that and which will be very difficult for an audit program of this sort to uncover.

**Mr VENNING:** That obviously costs a lot of extra money; what effect does that have on the Agents Indemnity Fund?

**The Hon. Barbara Wiese:** In the overall scheme of things, the effect has been minimal. The fund is such that it can withstand the amount of money that has been required. So, it is a self-funding program; it is not coming from Government resources. Generally, the industry supports the audit program, and it was keen to see any breaches cleared up as quickly as possible.

**Mr VENNING:** Regarding the performance indicators (page 225), in the light of the expected increases in inquiries, does the reduction in budget provision for consumer services mean that consumers are less likely to have their inquiries dealt with or investigated?

**The Hon. Barbara Wiese:** Generally, what is happening in the Office of Fair Trading is that officers are becoming more efficient. The process for handling inquiries has been considerably streamlined, particularly since the establishment of the ground floor office in the GRE building in the city, whereby consumers can walk in off the street and talk with complaints officers and in many cases have their complaint dealt with on the spot. So, instead of the practice that used to be followed whereby great massive files were opened up on every complaint and a huge amount of paperwork was undertaken, there has been a streamlining of the process, which makes the complaint handling a quicker process. It gives better service to our clients and generally we are doing a better job with reduced resources. The Commissioner would probably like to elaborate on that.

**Ms Vardon:** As well as the general comments which the Minister has made about improved efficiencies in the Office of Fair Trading in regard to complaints handling, I am happy to say that we have introduced a fast-tracking system in the office which certainly speeds things up considerably. At this time we have in place the Customer

Services Management Improvement Program, which is specifically designed to look at the telephone service and the rate of complaints and inquiries coming in through our telephones, in order to continue to improve, modify and increase efficiencies in the way in which we deal with complaints. Certainly things have been speeded up considerably.

**Mr VENNING:** The department is either being overloaded now or it was under-worked before. In any event, I would say that the department would be pretty busy, and in that case I would expect that some people are going to get pushed aside as being irrelevant. How do you determine whether or not a complaint is investigated?

**The Hon. Barbara Wiese:** We do not have a practice of pushing people aside and deciding that they are irrelevant, but I will ask Mr Webb to elaborate on the procedures that have been put in place in the Office of Fair Trading in recent times.

**Mr Webb:** The position of determining whether or not a consumer inquiry turns into a consumer complaint for formal investigation is based on whether or not the consumer can be persuaded and advised on the right means of dealing with the dispute and going back to the trader with the purpose of doing just that. If in the end the consumer cannot get anywhere with the trader or the trader cannot get anywhere with the consumer, then the matter will be formally investigated by an officer from Fair Trading. Whether or not the matter is fast-tracked very much depends on how we see the size of the problem.

If it is a relatively minor matter in terms of the value involved, we will attempt to fast-track it not by making up files but by making phone calls, recording those on a work sheet, getting some agreement from the trader to deal with the dispute and leaving it at that, unless the consumer comes back to us and says that he has tried all of that and still cannot get anywhere; that what the trader said he would do, he has not done, therefore the dispute is still open. That is how we determine it.

**Mr VENNING:** Page 225 also refers to great emphasis being placed on identifying traders regarded as being problem traders. I have rung the department many times with problems, and sometimes the staff have been unable to give me the names of certain people, because it is not ethical. How will a 'problem trader' be identified?

**Mr Webb:** The business of identifying problem traders is based upon the intelligence gathered by the people who take all the inquiries and deal with the complaints. A 'problem trader' is a trader who, on the one hand, does frightful things to the community or, on the other hand, does many little things to the community and is a repeat offender, if you like. When we identify such people, what we are talking about in principle is not only identifying them but targeting them, both in dealing with them from the consumer complaint side of things and from a compliance side of things by, if possible, taking the trader—certainly in a licensed occupation—before the Commercial Tribunal for disciplinary action.

**The Hon. Barbara Wiese:** A program of education for traders is pursued through the department. We have a series of industry forums with relevant bodies relating to legislation administered by this department, and officers of the Office of Fair Trading meet regularly with representatives of those industry bodies, so that there is a

good flow of information two ways. Through that mechanism, we are able to provide educational material to members of their associations and also to have information fed into the department about traders with whom those associations have some concern, where it is felt appropriate to do so. Sometimes it is possible for industry bodies and the Office of Fair Trading to work together in helping to set the trader on the straight and narrow, or to take whatever other action is appropriate.

**Mr S.J. BAKER:** At page 226, I note that the proposed mutual recognition of occupational licensing will require examination of licensing provisions. Are any changes envisaged? Are any new licences being imposed or any existing licences being dropped?

**The Hon. Barbara Wiese:** I will ask the Commissioner to respond to this question, because currently a detailed review is taking place of the licensing procedure, under her auspices within the department.

**Ms Vardon:** The matter of mutual recognition of occupations across Australia has received considerable input from the department. At this stage, we are not considering increasing the number of licences we administer within the department or for which we have jurisdiction. What mutual recognition is intended to do is to enable movement between States, to create the level playing field. In South Australia we are working with the industry associations to ensure that we both have an understanding of the kinds of standards that those coming into the State will be required to fulfil and, in particular, doing that through the development of competency standards at the national level, especially for the real estate and building industries. That reflects a move nationally in relation to a whole range of areas: developing competency standards; looking at movement between States in accordance with that; and the next step, having looked at the current jurisdiction over particular occupations, is to look at partially regulated occupations. We are doing that through VEETAC in Canberra, to ensure that, while there is some consistency between States, we are not over-regulating some occupations.

**Mr S.J. BAKER:** In terms of mutual recognition, one thing upsetting traders, particularly producers here in South Australia, is the fruit issue. According to complaints, South Australia is being used as a dumping ground because of the grading system, which we do not have here. Dried fruits come in from Queensland and a whole range of other fruits comes from other States. In other States, when sellers take the produce to market they must clearly indicate the grade of fruit and sell it accordingly. Here, we do not have that system of grading. Has the Minister given consideration to the criticisms made, particularly by the growers, in this circumstance, and is there any intention to address it?

**The Hon. Barbara Wiese:** This question is better directed to the Minister of Agriculture because, as I understand it, the standards being discussed are those relating to the quality of a product rather than the issue of licensing as such. If consideration is to be given to the introduction of such measures in South Australia, I believe that such decisions would be made through the Minister of Agriculture.

**Mr S.J. BAKER:** The question relates to how goods are marketed and what consumers are getting in terms of value for money. Whilst the Minister may say that it is

agricultural, the fact is that the goods are consumed and marketed and so I presumed that some representations may have been made to the Minister just as she would have had in relation to defective goods, and those sorts of things. If the Minister has not received such representations, obviously, I will take that as an indication that she is not responsible.

**The Hon. Barbara Wiese:** I am not aware of any representations having been made to the Commissioner or, indeed, to me by consumers in relation to this matter. In other areas, the department has some input into questions relating to food labelling and packaging of products and, although the prime responsibility for those areas has usually rested with some other Government agency or authority, there have been occasions on which officers of the Department of Public and Consumer Affairs have been involved in deliberations taking place on those matters. It is feasible that at some stage in the future, should consideration be given to the introduction of such standards relating to fruit and other produce, there may be a request for people within the department to be involved in such deliberations from a consumer point of view. However, at this stage there has been no such representation and, as far as I know, no request.

**Mr S.J. BAKER:** That would also include overseas goods being dumped here: you would not have any requests on those?

**The Hon. Barbara Wiese:** I am not aware of any, no.

**Mr S.J. BAKER:** My next question relates to reference on page 226 of the Program Estimates of a significant increase in the consumption to low alcohol beer. Does that reference mean that the Government is considering imposing a licence fee and, if so, how much would the Government collect? Obviously, differences are occurring in the consumption patterns. Has any thought been given to fees being applied to low alcohol products?

**The Hon. Barbara Wiese:** If consideration were to be given to a licence fee being introduced in this area it would have to be brought to Cabinet, presumably by the Minister of Finance rather than by me, but I am not aware of any desire or move within Government for such a fee to be imposed. Generally, the Government is very pleased with the changes that have occurred over time in the shift in consumer practices towards the consumption of low alcohol beers rather than high alcohol beers. The fact that there is no fee in this area has played a part in that, although it would not be the only factor. The Government would like to see the trend continue.

**Mr SUCH:** I refer to page 225 of the Program Estimates. Has the Minister or her department received complaints about what is perceived as a loss of view or outlook from a property or block of land, in particular, the promotion of land sales which indicate that a person is purchasing a view? Has any consideration been given to an educational program to indicate to potential purchasers that they buy the land and not the view?

**The Hon. Barbara Wiese:** I am advised that, although there have been inquiries about such matters on a small number of occasions in the past, it has not occurred on sufficient occasions to be considered a major issue for the department to take up.

**Mr Webb:** It is not really an issue as far as we are concerned, although it does crop up from time to time. Over the years there have been a couple of prosecutions

for misleading statements and advertisements, but I am not aware of any trend in that direction at this point.

**Mr SUCH:** My next question relates to deregulation referred to on page 226. What initiatives for deregulation are proposed for the current year? Secondly, has any decision been taken on the proposal to repeal the Motor Fuel Distribution Act?

**The Hon. Barbara Wiese:** Considerable effort is being made within Government to examine the regulations that are currently in force, and the Government Adviser on Deregulation has certainly been one of those at the forefront in pursuing the Government's desire to bring about a review of all regulations, particularly those which impact upon the business sector in our community. The honourable member may be aware that late last year Cabinet decided that responsibility for the deregulation office was to be transferred from the Attorney-General to the Minister of Small Business and that the efforts of the office should be refocused to concentrate on reviewing regulations that have an impact on the business sector so that we can speed up the pace of change in removing regulation which is unnecessary and which is having a deleterious effect on our business sector.

In that respect, two reviews were established, one being a review of all licences for which the Government is responsible and the second an inquiry into small business. Both reviews have now been completed, although they have not yet been to Cabinet. That is about to happen very soon and I hope that Cabinet will agree to the release of these reports and give an opportunity for further consultation with relevant industry groups about the recommendations contained in the report.

The report covers both the statutory licence review and the small business inquiry, since many of the issues are common to both. In that review of licences, numerous recommendations relate to the abolition of certain licences. Some recommendations are that other licences be varied, whilst others relate to cost recovery matters for another group of licences. In a broader sense there are recommendations relating to the need for the new Economic Development Board, when it is formed, to pay much closer attention to State taxation measures and to undertake a careful review of the impact of State taxes on the business sector.

Other recommendations relate to further work to be done on examining the inspection and compliance aspects that are undertaken by a range of Government departments and the Health Commission which impact on business and to examine ways in which some of these measures can either be abolished or perhaps amalgamated to reduce costs to both Government and the business sector, ways in which it might be possible to amalgamate work currently being done by the Commonwealth, State and local governments separately.

So, a range of issues have been identified for fairly quick change, and another group of issues requiring further investigation will lead to deregulation or a streamlining of Government activity and, in the process, bring about a reduction in time and cost to both Government and the business sector.

**Mr SUCH:** I refer to the Agents Indemnity Fund (page 216 of the Auditor-General's Report) and the cost of \$396 000 for education programs. What is involved in

these programs? Who runs them? Have any of the difficulties that were identified or explored last year been resolved? Also, to whom were the accounting and legal fees of \$257 000 paid?

**The Hon. Barbara Wiese:** Under the legislation there is provision for education programs to be provided in prescribed cases, and the Real Estate Institute is prescribed as a body that is able to provide particular types of education programs. For a couple of years the REI has been presenting to the department applications relating to education programs, and these applications have been assessed by officers within the department.

In the past 12 months a new set of guidelines by which such applications would be assessed were set in place. They were designed to overcome the differences of opinion that have occurred in the past two years between the REI and the department as to what should qualify for funding under the education provisions that existed. Those guidelines were developed after KPMG Peat Marwick was engaged to review the process of making payments. After consultation it recommended a series of guidelines by which this year's application from the REI has been assessed.

The guidelines that have been put in place have enabled the assessment of the REI's application this year some six months in advance of the previous practice, and that is a step forward in anyone's assessment. An amount of money was approved, following which the REI came back to the department with a further submission. In July an additional amount of money was allocated, making a total payment this year of \$215 339 for the REI's education program.

I believe that the REI may still have some reservations about the guidelines that have been developed and that it has written to the Commissioner for Consumer Affairs outlining those concerns. I believe further that some discussions will be held at some stage in the near future to discuss those points. I am sure that that will lead to a resolution of the issues that seem to have come to a head during last year and that in the future there will be in place an orderly procedure which has everyone's agreement. The Land Brokers Society also made an application for educational funds last year, but to this point in this current financial year there has been no application from that body.

**Mr S.J. BAKER:** Can the Minister say when the Agents Indemnity Fund liability of \$5.7 million will be resolved? More importantly, has anyone diagnosed the landbrokers who have failed, retraced the steps and reported on follow-up procedures to ensure that the taxpayers or the people who are paying out insurance, namely, the landbrokers, as well as the people who were affected by the original fraud, are not being taken for a ride? Has the department produced reports on these individuals, and when will the liabilities be resolved?

**The Hon. Barbara Wiese:** The contingent liabilities relating to claims that were made following the defaults that occurred in the 1980s are as follows: L.A. Field, \$6 500; Swan Shepherd, \$5.02 million; P.F. Warner, \$51 000; and B.S. Winzor, \$672 000, making a total of \$5 749 500. Various programs are in train to settle in all these cases.

In addition, moves are afoot to quarantine those landbrokers who act as mortgage financiers, so that once

this round of claims on the fund is discharged the mortgage financing aspect will be removed. The intention is that the legislation will be amended so that claims for this purpose will no longer be possible. That will come into play at about the same time as changes are taking place to the corporate law at the Commonwealth level which will bring about much more stringent controls on that aspect of the market that covers mortgage financiers.

It is hoped that through much more stringent control under corporate law the interest of consumers will be protected in the future and that no longer will this avenue be open under the Agents Indemnity Fund for people to make claims should there be another defaulting broker.

**Mr S.J. BAKER:** Has the department produced any reports on the Hodbys, Fields, Nicholls and Swan Shepherds? Has the department produced reports on the processing of those, the role played by the Commonwealth Government or by the manager of the estates? Has the department produced any reports on the way in which recoveries have been made, who has been responsible and whether they have been satisfactory?

**The Hon. Barbara Wiese:** A detailed examination has been made of all the claims that have been made along the way by various clients of these brokers. There has also been a detailed examination by the various authorities that have had to be involved in this process, including the police and the fraud squad, where appropriate, and the Commercial Tribunal. I think that in most, if not all, of these cases these people have ceased to be licensed, so a case has had to be prepared as to why that should be. Certainly there has been a fairly detailed examination of the affairs of all of these individuals.

**Mr Webb:** Whenever a matter of this kind arises, there is usually a twofold investigation: an investigation by our department in terms of what we see as breaches of the Land Agents, Brokers and Valuers Act and the need to discipline the person involved and a parallel police investigation because of the fraudulent activities that usually accompany these defaults. Then there are numerous reports on individual matters which are produced for the Commercial Tribunal in order for claims to be determined and paid; reports that relate to the actual payments from the fund in relation to those individual cases; and some reports of recoveries. In these cases there have been recoveries of \$1 798 158.20. Those recoveries came out of people like Kearns, Hodby, Neagle, Warner, Nicholls and Winzor and related in some cases to moneys got back from liquidators, some through court orders and some from the persons involved. A report relating to what these people had done would only occur in the early stages. If you are talking about some kind of analysis by way of recovering money, all I can say is that in the vast majority of cases when people commit crimes of this nature there is nothing to recover and there is nowhere to go to recover the money.

**Mr S.J. BAKER:** I would only observe that there are times when money can be obtained from estates and sometimes it is recovered expeditiously and on other occasions it is handled very badly. I will follow that up personally with the Minister. The next question relates to the Residential Tenancies Fund. I draw attention to the Auditor-General's Report and the details provided there. What are the details of expenditure by the South

Australian Housing Trust; are any other amounts proposed to be drawn from the fund for capital research and accommodation projects in 1992-93; and, if so, what projects?

**The Hon. Barbara Wiese:** I presume the honourable member is referring to payments that date back some years for research projects on housing matters undertaken by the Housing Trust.

**Mr S.J. BAKER:** The question relates, first, to the Housing Trust payment of \$1 million and, secondly, the amount of \$350 000 for the International Year of Shelter. That is where we have been. We would like to know where we are going.

**The Hon. Barbara Wiese:** There are no plans afoot, as I understand it, to provide any further amounts along the lines of the research projects that were undertaken by the Housing Trust some years ago with respect to the International Year of Shelter. As those projects are wound up, the amounts that were committed through the Residential Tenancies Fund are being discharged.

The \$1 million that has been provided recently to the Housing Trust from the Residential Tenancies Fund relates to a request to me by the Minister of Housing and Construction some time ago to boost the funds of the trust to assist people in the private rental market through a program of rent relief subsidies. That original request was made in November 1990. The Chairman of the Residential Tenancies Trust examined the request to determine whether or not it fell within the terms of the Residential Tenancies Act and recommended to me in January 1991 that—

**Mr S.J. BAKER:** I am sorry, Minister, but I know where we have been. I was asking whether we have anything in train this year of a similar nature.

**The Hon. Barbara Wiese:** There is no intention at this time to provide any further money to the Housing Trust. That is not to say that there will not be further requests, but I am very keen to ensure that the fund is not in any way jeopardised by calls of this kind on it.

I have taken advice from the Public Actuary about the ability of the fund to sustain such payments. I was advised that the \$1 million could be sustained, and it was recommended that we examine future calls on the fund for a range of things that could be foreseen and that those matters be taken into account in deliberating on whether the fund could sustain any further such payments. At this stage there is no intention to provide further amounts. As long as I am sitting in the chair, I shall be making sure that if such requests are made in future they will not be contemplated unless it is safe for the fund to make such payments.

**Mr S.J. BAKER:** What is the current rate of interest from the Treasury on deposits in the Residential Tenancies Fund?

**The Hon. Barbara Wiese:** It is 5.93 per cent.

**Mr SUCH:** Going back to page 225, in respect of imported sneakers, basketball shoes, jogging shoes, and so on, is the Minister satisfied that those items, which are very popular amongst young people and the not so young, are not over-priced and that there is no collusion in relation to the pricing of those items?

**The Hon. Barbara Wiese:** As far as I know there have been no inquiries or complaints made to the Office of Fair Trading about matters relating to the range of

goods that the honourable member has referred to, so I am not in a position to make any comment about it. It is not a matter that has been the subject of complaint.

**Mr SUCH:** Have the Minister or her officers had complaints or concerns expressed about people being over-committed either on the financial institutions cards or the in-house store type cards in the current economic climate?

**The Hon. Barbara Wiese:** The question of over-commitment of consumers and the use of credit is something that has been of considerable concern to the department, and in fact some time ago a paper was prepared on the question of over-commitment of consumers and the use of credit. Where appropriate the information that was gathered as part of that study is being used in appropriate forums to try to improve the situation that exists for consumers. The question of the use of credit and the conditions applying in the area of consumer credit, of course, is one of the matters that is under detailed scrutiny at the moment through the Standing Committee of Consumer Affairs Ministers with respect to plans that have been afoot now for a number of years to improve legislation that exists in Australia with respect to consumer credit laws. The moves that are being made are designed to provide uniformity of law across Australia, at the moment laws are not uniform. Some States do not have any consumer credit law at all. In our case we were the first State in Australia to introduce such legislation; it is now 20 years old, considerably out of date and we want to update that as quickly as we can reach a national agreement.

Matters relating to credit cards and consumer protection are amongst the issues being considered as part of that review of legislation. In addition to that, through the Education and Resources Centre of the department attempts have been made at various times to produce information packs and educational material which is being distributed to schools to educate young consumers about the pitfalls of the use of excessive credit. I think that material has been well received in schools and hopefully is having an impact on the decisions being made by young consumers about what to do in the area of the use of credit cards.

Considerable liaison occurs between people in the department and financial counsellors who are working with people who find themselves in a position of over-commitment and, of course, at the moment there is also training being undertaken within the department to enable officers to assist people in these circumstances as well. At the national level there is a Price Surveillance Authority inquiry under way on the question of credit cards, the use of credit cards and the conditions that apply, etc.

**Mr SUCH:** As a supplementary to that, have there been concerns raised with particular reference to teenagers obtaining those credit facilities and, if so, to what extent has that been identified as a problem by the parents or otherwise?

**The Hon. Barbara Wiese:** It certainly has been identified as a problem. There has been a concern for some time about the way particular department stores and other places have offered credit to young people, very often without securing any guarantees that a young person is in a position to pay should they start using

these cards which are distributed very freely. So that matter is of concern to Consumer Affairs Departments around the country and work is being undertaken by people who work with young people to try to educate them about their rights and responsibilities should they decide to use credit cards. Certainly I believe a number of parents who have found their children taking up some of these offers and spending freely without any thought of who might pay at the end of it have been very concerned about the opportunities that seem to be open to young people.

**Ms Vardon:** Through our research in the credit area—and we have been particularly concerned about the impact of credit on young people—and its accessibility to young people, we have discovered in fact that around Australia there would seem to be about 250 credit cards of various kinds available to young people, and that is a lot. We have taken a number of steps to deal with that. First of all, we work in this State with the Youth Affairs Bureau and identify in conjunction with its information the particular traders who do offer credit to young people very quickly and very easily, and we are able to deal with those businesses and, if need be, we would use the harsh and unconscionable behaviour section of the Fair Trading Act to actually deal with people who exert that kind of pressure on young people. With regard to a previous comment the Minister has made, the impact of our credit pack as a teaching resource for teachers in secondary schools has had a pretty good impact on consumer education in schools and we need to target that area.

**Mr SUCH:** I refer to page 227 in relation to price control. From whom were price fixation applications received and in respect of what goods, and what was the decision in each case? And in respect of which goods and services did the department in 1991-92 maintain price justification monitoring and give notifications, and in these two categories what changes were made in comparison with the previous year?

**The Hon. Barbara Wiese:** We do not have with us a list of those people or organisations that made applications under the provisions of the Prices Act. I will have to provide that information at a later stage. There are three categories of goods under the Prices Act, as the

honourable member would be aware: there are those items under formal control, other items that are subject to price justification, and a further group of items that are subject to price monitoring, and the applications received related to those categories. So I will undertake to provide the list of organisations that made application and also information relating to the categories of goods that fit within those three sections.

**Mr VENNING:** At page 112 of the Estimates of Payments the figure given for 'Total Receipts Retained by Agency' is some \$20 million—a substantial amount of money. As to the administration costs recovered from various funds, as referred to on page 112, how is the cost of recovery calculated as per individual fund listed?

**The Hon. Barbara Wiese:** That section of the financial paper relates to the fees that are charged by those various bodies for licences and other things and the amounts of money that are collected through the course of the work of those particular sectors of the department.

**Mr VENNING:** How do you calculate costs recovered? Is it done on a time basis per body? Do you keep a timebook on each one?

**Ms Vardon:** The administrative costs recovered from the Agents Indemnity Fund relate to the work of staff in the Office of Fair Trading and the work that they actually carry out to administer the fund. That is calculated via time sheets, and that is something that we have put in place in the past couple of years, to make sure that those costs are calculated exactly. In terms of the Residential Tenancies Fund, the sum there is the total cost of administering the fund and is derived from interest generated by the fund.

**Mr VENNING:** I refer to standards maintenance performance indicators (page 228 of the Program Estimates): in what areas of South Australia were these instruments tested? How many were tested in each area? What was the range of instruments tested? What percentage of instruments tested were inaccurate and, on average, by how much?

**The Hon. Barbara Wiese:** I am not able to provide information about the areas in which such testing took place, but I can provide a table which lists the equipment that was tested, the total numbers and the percentage that were tested correctly.

INSTRUMENTS VERIFIED, TESTED AND EXAMINED UNDER VARIABLE INSPECTION PROGRAM IN 1991-92 AND PERCENTAGE CORRECT

	Verified		Tested		Examined	
	Total	% Corr.	Total	% Corr.	Total	% Corr.
Driveway flowmeters						
Unleaded petrol	524	91	532	93	113	92
Diesel	31	70	44	65	54	90
LPG	79	72	46	76	63	63
Other	654	92	817	91	137	94
Electric cash registers	60	91	92	100	73	97
Farm milk meters	3	100	—	—	—	—
Farm milk tanks	—	—	—	—	1	100
Hopper weighers	4	75	7	85	—	—
Masses	3	100	752	99	148	100
Master meters	3	100	1	100	—	—
Measures capacity	—	—	47	95	319	98
Measures length	—	—	21	95	44	79
Meters						
Bulk fixed	56	82	49	83	—	—
LPG	8	62	—	—	—	—
Vehicle mounted	21	57	20	60	17	52
Platform instruments	58	77	43	76	8	75

	Verified		Tested		Examined	
	Total	% Corr.	Total	% Corr.	Total	% Corr.
Spirit measures . . . . .	32	44	18	94	39	17
Tanks oil industry . . . . .	59	88	17	100	3	66
Weighbridges . . . . .	184	76	357	84	32	93
Weighing instruments . . . . .	853	85	3 526	89	513	88
Wheel load weighers . . . . .	—	—	108	100	—	—

## Notes:

Verified: refers to tests by inspectors or instruments which are new or have recently been repaired and adjusted by a licensee.

Tested: refers to tests by inspectors on instruments which are already in use for trade and are not subject to recent repair or adjustment by a licensee.

Examined: refers to visual examination, which did not involve testing for accuracy of the instrument.

**The Hon. Barbara Wiese:** Most of the testing that has been undertaken has been conducted in the metropolitan area. But I cannot be any more specific than that.

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

**Mr VENNING:** Before the dinner adjournment the Minister tabled a chart concerning instrument testing and the percentage that were inaccurate. She also indicated that most of the testing had been undertaken in the urban area. Why is this not done in the rural area as well?

**The Hon. Barbara Wiese:** I invite Mr Webb to make some additional comments on this matter.

**Mr Webb:** The statistics show the percentage of correct instruments that have been verified, tested and examined over the period of a year. When we say that the statistics relate mainly to the metropolitan area, that would be the case in almost anything, anyway, but there is, in fact, a program of trade standards work which includes trade measurements work for the country areas. That is driven from the metropolitan area. In addition to that, in the Berri regional office, we have two officers who are Fair Trading officers but who are also fully trained trade standards officers—previously weights and measures inspectors.

Because another trained inspector employed in the Port Augusta office left the Public Service, the Berri office supplements that area in terms of trade measurements work. In addition to that, in Mount Gambier we had an officer dedicated almost entirely to trade measurements work, although she resigned to go to another department. However, the manager of that office is a fully trained weights and measures officer, so some weights and measures work takes place in all the country areas, anyway. That work is supplemented by the program that the city produces each year and it is also supplemented by what are in fact field exercises—I think the term used earlier was blitzes—where officers go out across the board and deal with all kinds of non-compliance but, in particular, there are officers who supplement those teams who are dedicated to dealing with trade measurements work and trade standards work.

**Mr VENNING:** The second part of the Performance Indicator table shown on page 228 refers to 'Commodities unit pricing' and 'Packaging lines'. What does that mean? Does it mean that they were tested or does it mean something else? If it means that they were tested, what ranges were tested and what were the results?

**The Hon. Barbara Wiese:** Those figures relate to the supermarket scanning that takes place.

**Mr VENNING:** Do we have any results from that?

**The Hon. Barbara Wiese:** We do not have that information with us, but it can be provided if the honourable member wishes.

**Mr S.J. BAKER:** In an earlier question I asked the Minister, I mentioned grade standards for fruit and vegetables and asked whether the Minister had received any submissions. An honourable colleague from the Legislative Council has provided me with a letter written by the South Australian Chamber of Fruit and Vegetable Industries Incorporated on 11 February 1992, asking for the Minister's consideration of this matter. I would like some clarification.

**The Hon. Barbara Wiese:** I am sorry: I do not recall that correspondence, nor do I think the Commissioner recalls it. I am not suggesting that it has not been received. If we received it, I am sure we would have given consideration to it and by now, hopefully, would have replied to it. I will chase that up.

**Mr S.J. BAKER:** If this has been looked at and a response provided, we would appreciate your thoughts on the matter.

**The Hon. Barbara Wiese:** Okay, I will provide those, too.

**Mr S.J. BAKER:** I now refer to credit union legislation. I have received a number of submissions from credit unions—and I think they do belong within the consumer affairs area, even though the legislation may well be directed by the Attorneys-General. What representations has the Minister received about the uniform credit legislation and the onerous requirements being placed on local credit unions as a result?

**The Hon. Barbara Wiese:** I may have to ask the honourable member to be a bit more specific about which organisations he is referring to when he talks about representations. As he has indicated, the legislation relating to credit unions and building societies is an area that is the responsibility of the Attorneys-General, and I would expect that the majority of submissions and representations will have been made in the past to those Ministers responsible. I do not recall receiving representations from credit unions. For a moment, I was confused with some of the representations we have had from credit societies over time in relation to the uniform consumer credit legislation. However, I do not remember receiving representations from credit unions specifically.

**Mr S.J. BAKER:** I asked the question because I have received representations from about five credit unions (including the South Australian Public Service Savings and Loans Society, the ETSA credit union and a number of others), and I would have thought that, because the Minister's purview covers that area, even though the legislation may be drawn up elsewhere, the Minister

would have had some form of representation—but I accept that she may not have.

**The Hon. Barbara Wiese:** We have not had any representations that I can recall about the building societies legislation, but we have heard from the association that covers credit unions (AFCUL) on aspects of the consumer credit legislation that would impact on credit unions.

**Mr S.J. BAKER:** My next question relates to page 228 of the Program Estimates, in relation to full evaluation of the program that will be undertaken after the introduction of national uniform legislation. I presume that this relates to the trader awareness safety and other information standards. Is a draft copy of the legislation available at this stage? What is actually being pursued in this area?

**The Hon. Barbara Wiese:** A green paper on uniform trade measurements legislation is being released this week for consultation. This results from a number of years work undertaken nationally to prepare uniform trade measurements legislation for all States in Australia. Agreement was reached by Consumer Affairs Ministers in 1990, if I recall correctly, as to the broad principles of uniform legislation and, since that time, officers in South Australia have been working on the terms of a green paper and doing some further work in consultation with various groups in industry that may be affected by such legislation.

That has led now to the development of a green paper. It was recently approved for release by Cabinet and is being released this week. After a period of further consultation with industry groups, hopefully we will then be able to draft legislation along the lines of the national agreement and have it introduced into the South Australian Parliament. The effects of that national uniform trade measurements legislation in South Australia would not have as much impact on industry as it will in other parts of Australia because the national legislation has been modelled largely on legislation that already exists in South Australia and the terms of the agreement will simply add to and improve the legislation that we have already.

**Mr SUCH:** I refer to appendix 1, which gives a list of data relating to instruments verified, tested and examined. In relation to that chart, the testing of driveway fuel meters of instruments actually in use showed that for unleaded petrol 93 per cent were correct, for diesel only 65 per cent were correct and for LPG 76 per cent were correct. Are they considered to be reasonable figures in terms of percentage correct for such instruments? It seems incredible that diesel pumps are only 65 per cent correct in terms of the ones tested.

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

**Mr Webb:** The variations alter from year to year and many of those reasons are technical reasons that I cannot give. Generally it shows, where there is a low percentage of correct measure, that that part of the industry has been neglected by us for some time. Where one sees a high percentage it is an indication that that industry has been well dealt with in that year. It will change from year to year as emphasis shifts.

**Mr SUCH:** In terms of verification in relation to new or recently repaired equipment, only 44 per cent of spirit

measures were shown to be correct. That seems an incredibly low percentage. Some people may not be getting their full dose of scotch.

**Mr Webb:** It is a very low percentage and I will query that figure when I get back to work.

**Mr SUCH:** I understand that there is a difficulty in terms of quantity of fuel as it relates to sale at the refinery gate, depending on the temperature, with considerable variation as the temperature fluctuates. Has the department looked at that problem in terms of people getting what they think they are paying for in terms of petroleum products?

**The Hon. Barbara Wiese:** I will begin by giving some information about recent developments that have taken place at the Standing Committee of Consumer Affairs Ministers with respect to temperature compensation for petrol sales. A view has been expressed in various parts of Australia over a period of time that it is not fair to consumers that they do not receive a full measure of petrol when the temperature of petrol goes above a certain level.

This issue was originally raised by the Service Station Association in New South Wales, which was concerned about the bulk supplies which it was receiving for sale, although its concern was related to its own interests rather than to those of the consumers to whom it was selling the product.

To cut a long story short, in 1991 this issue was raised at SCOCAM and Ministers expressed concern about the apparent inequity that this situation brings about for consumers. However, concern was also expressed about the potential costs that might be involved should measures be taken to rectify the situation or compensate for the temperature issue. It was directed that a cost benefit study be undertaken by the National Standards Commission.

So, over the past 12 months considerable work has been done on the matter, and at this year's SCOCAM meeting held some weeks ago Ministers resolved to support the idea of implementing, on a phase-in basis, mass or temperature convertant volume as the basis for sale of petrol and diesel. The Ministers also endorsed a recommendation for further consultation by the Standing Committee of Trade Measurements to be conducted with industry and consumers about the mechanism for its implementation with the aim of commencing in 1993.

Since that time considerable lobbying has been undertaken by representatives of the petroleum industry who do not like the idea of such a measure being implemented, and they have made a number of representations to Governments around Australia suggesting that the costs involved will be too high and that a decision on this matter should be deferred until further studies are undertaken.

The advice we had at SCOCAM a while ago was that considerable study had been undertaken in this area and that the studies that have been initiated by the industry are not likely to provide any new or different information. However, just recently—in fact earlier this month—a meeting was held between the National Standards Commission and the Australian Institute of Petroleum where it was agreed to set up several small working groups to look at some of the issues that have been raised by the petroleum industry with a view to



trying to reach some agreement on the issues on which there seems to be disagreement. I would expect that at some stage in future the matter is likely to come back to SCOCAM for further consideration.

**Mr SUCH:** I refer to measures in a different area from petroleum. Has any progress been made in relation to the measure of chips that people get in various retail outlets? Fish and chips are a semi-sacred aspect emanating from the country of the Acting Chairman.

**The Hon. Barbara Wiese:** As far as I know there has not been any study of that matter and that would be largely because chips are not sold by weight in fish and chip shops, if they are the measure of chips about which the honourable member is speaking. I am not aware of any submissions which suggest that consumers believe this to be an area of major concern that requires investigation.

**Mr SUCH:** The Minister would be aware that when people buy chips the quantity varies enormously from retail outlet to retail outlet. I am surprised that there has been no attempt to address that issue.

**The Hon. Barbara Wiese:** I am advised that no-one can recall ever receiving a consumer inquiry about this matter, and I suspect that that is because on this issue consumers vote with their feet: if they go to a particular fish and chip outlet and do not like the quantity of chips for the money they are paying they go somewhere else until their needs are satisfied.

**Mr SUCH:** Page 228 of the Program Estimates states:

Decreased recurrent expenditure is mainly due to the completion of the proposals from the Government Agencies Review Group (-3.0 AFTE and \$187 000).

In what areas were those cuts made?

**The Hon. Barbara Wiese:** Those cuts took place in the trade measurements area. As I understand it, they are savings as a result of a review of the trade measurements area which has taken place over the past year or so and which has brought about efficiencies in the operations of the trade measurements offices so that it is now possible for us to reduce staff by three. Also, it represents costs that are associated with vehicles that previously were used in that area.

**Mr VENNING:** Page 229 of the Program Estimates under 'Broad Objective(s)/Goal(s)' states:

Maintenance of standards of safety, health and convenience in licensed premises and places of public entertainment . . .

How many theatre firepersons are licensed and what criteria apply? What standards are set and what policing occurs?

**The Hon. Barbara Wiese:** We do not have the number of theatre firemen who are licensed under this legislation. The legislation has recently undergone a thorough review. A green paper has been put out for discussion with relevant groups in the community, and a large number of submissions have been received from those people. I am expecting that very soon a full report will be provided to me on the recommendations that have come from that consultation as to what we ought to be doing with the legislation.

In the preparation of the green paper, it was identified very clearly that a large number of the functions that currently are provided for in the Places of Public Entertainment Act are now duplicated or fulfilled under other pieces of legislation in other areas of the public sector. It is highly likely that there will be room for very

considerable rationalisation of activity in this area and, dare I say, deregulation, which will be of great benefit to industry.

**Mr VENNING:** Page 230 of the Program Estimates states:

Within the prescribed guidelines maximise the returns on estate and common fund investments.

What guidelines are in place to maximise returns?

**Ms Worrall:** Public Trustee makes its investments within the guidelines that are laid down within the Trustee's Act which contains a list of investments that are available to trustees to invest in and/or the investments made either within our common funds or estates unless they have been authorised by the courts individually, as sometimes they are. However, that happens only occasionally. They are investments that are authorised under that Trustee Act.

Besides those which are authorised, Public Trustee has, in the past 12 months, done a considerable review of all its financial management, including looking at the management of common funds with a view to trying to keep the investments of those common funds to the best return possible for clients. Part of that has been to look at the way in which the funds are structured. It is also ensuring that we have appropriate strategies for investing funds.

So, there are strategies in terms of investing fixed interest funds to try to maximise returns. That strategy currently corresponds to similar advice obtained from a financial adviser who did a full analysis of our funds. It is currently a strategy to try to keep the investment return high within a reasonable framework of the term of the investment.

In terms of the Equities Common Fund, which we manage, four senior stockbrokers from major broking firms in Adelaide form a panel that meets with the Public Trustee and senior management staff, and the funds invest on a regular interval, approximately every six weeks, to review the portfolio.

We obtain individual advice as the market fluctuates. We currently have on loan to us on-line information through Reuters information system to the Australian Stock Exchange which gives us instant information on the stock market and fixed interest securities. Therefore, we have our own information. We do not rely only on sources of information provided by financial advisers. Since that was installed, approximately eight weeks ago, we have been able to invest at some advantage to our clients. Those systems will be improved during this financial year.

**Mr VENNING:** As a supplementary, you mentioned the four people on the panel. Who chooses them; do you change them; and, if you do, how often?

**Ms Worrall:** Basically, they are chosen by me as the Public Trustee, because I have responsibility in this area, on the advice of my Funds Manager who is in contact with a wide range of people. They have been changed recently, after two years of the setting up of the fund. That was partly because one of our advisers left her firm to go overseas and partly because we believe there is some advantage in changing them. The current policy is that there will be a change every two years. Half the panel will change every two years. That will give us some continuity of understanding of our portfolio and

client needs, but it will also provide some new input and changes in attitude towards the fund. The attitude to the fund is fairly conservative. We are not a trading fund, but at times we see the necessity to sell and buy. It is expanding and we need people who understand the environment in which that fund is set up.

**Mr VENNING:** As a further supplementary, you talked about the four-person panel and you rotate them every two years. Are you saying that four go off and four come on?

**Ms Worrall:** No; two go off and two come on, but they stay on for four years. Every two years we make a change, so they swap over. We have just had two step down and in two years the two who have continued will step down and we will look for a change.

**Mr VENNING:** My last question relates to page 230, where it refers to expanding business and enhancing the reputation of the organisation by reviewing, promoting and developing client products and marketing for services. What targets for expansion have been set and what new products are being developed?

**Ms Worrall:** We have targets for building up our base products, which are will-making services and powers of attorney. In our will-making service we hope to move from 8 500 to 10 000 wills for this year. It will be approximately 15 per cent a year over the next five years. Our power of attorney services are growing at approximately 40 per cent, and we hope to keep that up. It is a new product in the market. Although it has been around for a long time, there is very little client awareness of it. The service is highly regarded by clients who want someone independent to run the funds.

We are also looking at some minor products. We believe that the Public Trustee can provide a service in areas which have not been made available otherwise. These relate to superannuation services for minors. There is a trust fund type service for people who die leaving superannuation funds with children who need to be looked after. We intend to promote that to superannuation managers particularly with the current employee superannuation funds which are now becoming more widespread. We believe that people need to understand that that service can be provided.

We are also looking at some of the trustee type services for individuals, such as personal approved superannuation funds which require trustee services. Again, we believe that we can make those available. They are the products which are promoted by trustee companies, but they are within the framework of the Public Trustee and are personal trustee type services. We believe that we have products which can be made available to people within that environment.

**Mr VENNING:** I should like to ask a supplementary question and commend the department on the work that it does in this area, especially in relation to rural people and farmers. I know that you do a lot of work in relation to wills. First, how many of the people for whom you write wills stay with you? I have a feeling that you may be being used to write up wills for nothing. My second question relates to power of attorney which is a new but very important area, because many people are not aware of the problems that they can have today if they do not take out a power of attorney before the problems arise. I should like to see more promotion on that.

**Ms Worrall:** We are aware that approximately 10 per cent of the wills that we write are withdrawn and people write to us saying that they have had their wills written elsewhere. We regard this as an area that needs targeting and promoting. We shall soon be starting a campaign of contact with our clients, informing them of the services that we have and providing them with what are regarded as standard client services within the financial areas. This involves keeping in touch with clients, letting them know what is being done and making them feel wanted so that they do not go somewhere else. We also know that a proportion of people—I will not try to quote a figure—make later wills elsewhere. The fallout rate is about 30 per cent; it is not high by industry standards.

Our retainment rate is actually quite good. We have strategies in place to try to keep in touch with our clients so that the retainment rate stays up. We also know that by trying to ensure that we have a reasonable profile in the community, that our client services are good and that we do not have a poor reputation for service, people will want to stay with us. A good client service is part of that strategy. This week we have employed a person who will be working with us for 12 months on improving our client service. We will be working on a full client service strategy over the next 12 months. The easiest way to lose clients is to get a bad reputation. We are working hard to ensure that what our clients want is what we give to them.

We know that the power of attorney service is one of which people are not so aware. We know that it is needed. Many people are reluctant to go through what they regard as the difficulty of going to the Guardianship Board to get an order to manage their elderly parents' affairs and often struggle on. We are trying to raise our profile in this area. Tomorrow I shall be talking to domiciliary care workers on the topic of power of attorney. We have recently changed our policy so that we now take powers of attorney from married couples who can name each other as the attorney of the first instance and the Public Trustee becomes attorney by default if the original person is unable, unwilling or incapable of carrying out that task. This is a new initiative which has been very well accepted by married couples. They see it as being particularly attractive, preferring their spouse to look after their affairs if they can, but many people are conscious that by the time they cannot look after their affairs their husband or wife may not be able to do so, either. It is something we believe provides a very good fallback-type service within the community. It is particularly attractive and being promoted by our staff throughout the State and the country as well, and being taken very well by some of our country clients.

**Mr McKEE:** Page 231 of the Program Estimates states:

To maintain registers of all births, deaths, marriages, changes of name, adoptions of children and reassignments of sex occurring in South Australia.

It then goes on to say:

To issue certified copies of and extracts from the registers upon application in payment of the prescribed fee.

The latter part of the first sentence is referring to adoptions of children and reassignments of sex which I would have thought are fairly sensitive areas. Does it mean that if anyone wants to come in and pay the prescribed fee they can get the information on those people?

**The Hon. Barbara Wiese:** No, it does not mean that. There are in place appropriate rules by which the Registrar of Births, Deaths and Marriages works in this area. The group of people relating to reassignment of sex largely relate to transsexuals, and the provision in this area came about in recent years following changes to the law, enacted by the Attorney-General, that have enabled transsexuals in this State to have recognised their reassigned sex. In fact this was a pioneering move in Australia, and I think very much welcomed by a group of people who have been lobbying for a very long time to have their rights recognised at State and Commonwealth levels in legislation which would affect their rights within the community. Perhaps Mr Ayling would like to expand on the procedures that are followed within births, deaths and marriages with respect to both adoptions and reassignment information.

**Mr Ayling:** Both the Adoption Act of 1988 and the Reassignment of Sex Act 1988 make very specific prescriptions as to who can access the original registrations of adoptions and reassignments of sex. I think you need to distinguish between the registration of that Act itself and access to the birth registrations which are endorsed or changed as a result of that reassignment. If we are looking at the question of adoption there is a complete re-registration process and there is virtually a new birth registration made as a result of the adoption process. A birth certificate issued in respect of an adopted person would have no indication of whether the details on that resulted from their natural birth registration or from the changes of detail resulting from an adoption process.

Similarly, with reassignment of sex, only the reassignee can ever access the registration in the reassignment of sex register. The reassignment of sex is then endorsed on their birth registration and any subsequent birth certificate issued is issued in the reassigned sex. Invariably these people have changed their name to the sex that they have practically adopted before the sexual reassignment, and there is no indicator on the birth certificate itself that these are or are not the names and the sex which were acquired either by birth or by reassignment. There is absolute security. It is not a question of anyone coming in off the street, paying their money, and finding out.

**Mr S.J. BAKER:** What is the status of the Government Management Board Report into the Public Trustee?

**The Hon. Barbara Wiese:** As I understand it, the report has not yet been finalised. The Chief Executive of the department and Public Trustee recently met with the people who are involved with the review and numerous matters were discussed; a draft of the report is expected fairly soon. So, it should not be very long before the finalised report is also available.

**Mr S.J. BAKER:** One of the items listed in the Estimates booklet says: 'Protect the long-term financial autonomy of the office by maintaining the real level of reserves and provisions as a safeguard to clients.' I note that you manage some \$325 million worth of assets. I would like to know the rate of return that you get on the \$325 million the reserves you believe are appropriate; and the proportion of administrative costs to the return gross of the cost of getting that return?

**Ms Worrall:** Of the \$313 million that we manage in estate funds \$203 million are in common fund. The other \$110 million is in estate assets of which approximately \$70 million is in residential property owned either as a deceased estate which we hold in transition during the administration of the estate, or alternatively as properties which have been purchased for protected persons for them to live in. The rest may be part of portfolios which we have held for quite a long time for individual persons, or as part of estate assets which are brought in. In most of those cases we do not have any indication of returns.

In terms of the common funds they break into three areas: common fund number 1 is managed generally as a long-term fund. The investments are currently out to the year 2003 and it has in it \$155 million. The return on that fund averaged, over the year, including two payments in November 1991 and May 1992 was, net of commission to Public Trustee, 13.11 per cent, and the second half year payment was approximately 13.9 per cent. Common fund number 2 is used for deceased estates moving funds in and out of those estates. It paid for the year 12.01 per cent. The third fund is the equities common fund which paid an amount in the dollar of 5.24c on a unit, the unit price at that stage being \$1.19 (par value of the unit is \$1) of which 73 per cent was franked.

We distribute all franking credits, of course, as well as all income. In terms of paying a competitive and good return to our clients, I think I can proudly claim that Public Trustee certainly performs as well as most unit funds around Australia and very much better than many. I have recently been at a conference of public trustees, and I think we have out-performed all public trustees around the country.

**Mr S.J. BAKER:** On those figures, I do congratulate you on your management of those funds.

**Ms Worrall:** We cannot guarantee to keep it up, but we certainly have strategies to try to do so. In terms of that objective, as I have said, we have undertaken a full review of our funds. We aim to restructure our funds with the Minister's approval from 1 November, where we intend to move No. 1 fund into a cash management fund, plus a unit-based long-term fund, the aim of which is to try to keep the return up for the unit-based funds for our long-term investors. They are, essentially, those people who have large payouts as protected estates and who require the very large court payouts to last them very many years. We are very conscious both of capital growth and the need for very good returns for those people. It is quite a significant part of my work to try to keep the return to our clients up.

**The CHAIRMAN:** Perhaps, Minister, the Public Trustee should go across to the State Bank!

**Mr S.J. BAKER:** I congratulate the Public Trustee for its very sound effort certainly in the past year and presumably well before that, given the nature of the funds being dealt with. What sort of level of provisioning are we talking about in terms of securing your long-term future?

**Ms Worrall:** We have just restructured our reserves, on the advice of the Auditor-General. I think that is a point worth making. The Auditor-General has advised us to separate our reserves into initial capital reserve as at the beginning of 1 July 1990, when we moved into a

more commercial role with a deposit fund. In terms of our reserve, just over \$6 million has been taken out to that. The reserves that we hold as at 30 June comprise \$17.164 million. It is on page 144 of the Auditor-General's Report.

**Mr S.J. BAKER:** What are you aiming for?

**Ms Worrall:** I cannot provide that information off hand—my accountant has a provision. I will say one thing, though: the provision is currently about 1 per cent. It is much greater than that, and part of our strategy to do that is to cover part of it with indemnity insurance so that we do not have large reserves basically sitting there locked up. Basically, we have a strategy to cover about half the provision for losses by indemnity insurance, which will build up over the next five years. I am sorry I cannot bring the figure to mind.

**Mr S.J. BAKER:** When that is available, I would like a report on that?

**Ms Worrall:** We will do that.

**Mr S.J. BAKER:** The next item I should like to address is anticipating a contribution to be paid to the State Government by way of a notional tax and special dividend. What are we talking about there, in money terms?

**The Hon. Barbara Wiese:** What is expected for the coming year is an amount of about \$1.4 million.

**Mr S.J. BAKER:** Is that based on a percentage of anything?

**The Hon. Barbara Wiese:** It is equivalent to the notional corporate tax rate, 39 per cent.

**Ms Worrall:** Plus a special dividend that we pay in addition to that. Basically, after we meet a provision for reserves we then pay a dividend to the Government as well.

**The Hon. Barbara Wiese:** If I can just clarify that, that \$1.4 million to which I referred includes the dividend.

**Mr S.J. BAKER:** On page 230 of the Program Estimates, what is meant at the second dot point in the right-hand column, 'Improve efficiency of deceased estates administration . . .'

**Ms Worrall:** A fairly large proportion of our estates are fairly small—we did a survey last year which indicated that 65 per cent of our estates have a value of less than \$50 000, which is fairly indicative of what occurs with public trustees. I guess there are two strategies in relation to administration of deceased estates. One is that we are looking internally at the way in which we manage that, and I currently have before me from my Deputy Public Trustee a proposal to set up a small fast-tracking unit which will look at dealing with these using less paperwork and moving files less often and in a more efficient manner, which we hope will cut by 50 per cent the time it takes to administer those estates.

We also have been having some informal discussions with the Registrar of Probate about our interface with that system, particularly with some initiatives which have occurred interstate and which we are interested in here that may mean that we do not need to go through the complexities of a grant of probate for very small estates. That includes some proposals from the Western Australian Law Reform Commission to increase the value of funds that can be distributed from financial institutions to beneficiaries without there being a grant of probate,

which may mean that many people with small bank accounts simply can get the money.

Also, we are looking at what occurs in all other States but South Australia, and that is, two sub-levels, if you like, below grants of probate that are administered either internally within the Public Trustee Office or by what are called elections to administer, which relates to a rather less complex estate where the details are lodged with the Probate Court rather than going through a full checking procedure and processing in the Probate Court. At the moment, those matters are being investigated within my office and, as I say, informal discussions are occurring with the Registrar of Probate, who is quite interested in those matters. We believe it will be beneficial not only to our clients but to people in South Australia if those matters can be pursued further, and we will be doing that during this year.

**Mr S.J. BAKER:** Would it be possible to provide the Committee with a copy of the five year plan at some stage?

**The Hon. Barbara Wiese:** The five year plan has not yet been finalised; it is still in the process of being discussed as to detail. I am sure that at an appropriate time a copy can be made available.

**Mr S.J. BAKER:** Finally in relation to Public Trustee matters, can an up-to-date list of charges and fees that apply to estates be made available?

**The Hon. Barbara Wiese:** Yes. We do not have a copy with us, but we will provide it later.

**Mr S.J. BAKER:** In relation to Births, Deaths and Marriages, on page 231 we have performance indicators, and there is a marvellous parallel between the 1990-91 and 1991-92 birth registration figures. Is it true that they are exactly the same?

**The Hon. Barbara Wiese:** As I understand it, the figure is not exactly the same but those figures have been rounded.

**Mr S.J. BAKER:** In relation to stage one of the computer project (computerised registration and certificate production) becoming fully operational on 27 April 1992, can the Committee be provided with details of the capital and recurrent costs of the computerisation program, and what further costs are anticipated before the completion of the project? What is the timetable?

**Mr Errington:** The estimated capital and developmental costs of the system over a five-year period, of which we are now into the third year, were estimated at \$973 000, although the present estimate is that it will come in at about \$960 000, which is under the original estimate. Of that amount, \$535 000 was what is best described as new money, that is, additional funds, and the remainder came from existing allocations to the department's Information Systems Branch and savings as a result of computerisation from within the Births, Deaths and Marriages Registration Office operating funds.

**Mr S.J. BAKER:** What stage of completion has been reached on the whole project?

**The Hon. Barbara Wiese:** As I understand it, stage one has been completed and we are almost at the end of stage two, the completion date for which is December. So far, things are on target.

**Mr S.J. BAKER:** Is there a stage three?

**The Hon. Barbara Wiese:** There are only two stages, and it will be completed in December.

**Mr S.J. BAKER:** I now refer to Department of Public and Consumer Affairs support services and to the statement on page 233 of the Program Estimates:

Greater emphasis on professional development and training following award restructuring, increased delegations and the need to improve client service delivery.

What are we talking about in terms of professional development and training? How widespread is its application, and what is the expected cost of this training during the current year?

**The Hon. Barbara Wiese:** I will ask the Commissioner to talk about this in greater detail, but there has been, particularly under her stewardship, quite an emphasis placed on professional development training for officers within the organisation. Considerable emphasis is now being placed on the provision of a higher standard of service, right across the department in the various areas in which we operate, because so many of the services provided under the umbrella of the Department of Public and Consumer Affairs relate specifically to direct client contact. It is important that our staff is trained to a standard that provides the best possible levels of service in whichever area of the department they may be working. The Commissioner, I am sure, would like to expand on that.

**Ms Vardon:** Over the past two years, we have developed a number of initiatives that relate to improving our training and professional development. In relation to award restructuring, a training component was required under that program to take account of the changed directions that some people might be experiencing. In the department we have established a staff training and development committee, which is a cross-departmental committee. That committee has developed a training activity plan, which comprises a number of components. It is a way of integrating and taking care of all the needs of individuals right across the department. We have a range of needs. The department is composed of divisions with disparate functions and, within each division, there is a need for specialist knowledge to be maintained. So, we have developed programs that take account of that. We also have programs that respond to the need to understand Federal Government directions and policies that have been put in place in the department.

Some of those more specific courses relate to equal employment opportunity, occupational health and safety and fraud control. So, the training activity plan that we put in place for the department is comprehensive and takes account of the things for which individual heads need to have responsibility, and also takes account of the needs of people right across the organisation. The key direction in all this has been the need to improve our customer service training. The cost of all that, which I will come to in a moment, has been very worthwhile, and has dramatically improved morale across the department, as well as improving the way in which we relate to the community. The costs of training and professional development in 1991-92 were \$169 833.43, which is 1.27 per cent of the budget relating to the training guarantee levy. The training guarantee levy that we needed to put in, in 1991-92, was 1 per cent—we exceeded that a little.

**Mr S.J. BAKER:** I was a bit confused about what qualifies for training and what does not. I was doing the mathematics on that and I thought you had fallen short, but you would not consider certain categories in that, so I

appreciate that you get 1.2 per cent. What award restructuring has occurred and what were the terms of such restructuring?

**Ms Vardon:** Award restructuring is something that we all had to undergo in the public sector, and in the Department of Public and Consumer Affairs I established a departmental steering committee to oversee this. Each divisional head had responsibility within his or her division to review structures and, taking into account structural efficiency principles, to reorganise and restructure each division to ensure that people took up positions under the conditions of the new award. Do I need to provide further information?

**Mr S.J. BAKER:** We are talking in general terms. What specific gains were achieved from the award restructuring process in dollars and people?

**Ms Vardon:** One of the requirements of award restructuring was improved efficiencies, and each divisional head had to demonstrate that the new structure in place and the new job specification taken up by some people in fact provided greater efficiencies for customer service. That was according to the general principles of structural efficiency. We can certainly provide information on how that might be quantified in terms of outcomes. The general principles are that we come up with flatter and more efficient structures so that people within divisions can make decisions more efficiently and more quickly. The desired outcome was to make it cost neutral, and we broadened jobs and improved multiskilling across the organisation.

**The Hon. Barbara Wiese:** Earlier in the Committee, it was pointed out that over the past two or three years the number of inquiries handled by the department had grown significantly, although the number of staff had fallen. That is an indication of the productivity increases that have occurred in the department over time.

**Mr S.J. BAKER:** The performance indicator interests me. I did not know how to read it. It says that support personnel has an average of full-time equivalents. My understanding is that with this sort of chart your support numbers should be a minimum and hands on people should be at a maximum. Have I misread this performance indicator, because it looks like the support personnel are going up marginally?

**The Hon. Barbara Wiese:** The figure for 1992-93 and in fact for 1991-92 includes the newly formed planning review unit which was established by the Commissioner some 18 months ago. It drew on staff with particular skills and expertise from various areas within the department to come together to provide this small specialised planning and review unit, which is providing policy advice and research capacity for the Commissioner and ultimately for me as Minister. So, although there appears to be an increase in support services, it is a reallocation of resources from other areas within the department.

**Mr S.J. BAKER:** What does the Minister see as an optimum in relation to those support services? What percentage would the Minister perceive should be aimed for?

**The Hon. Barbara Wiese:** I am not sure that I have an optimum figure in my head on such matters, but certainly I would encourage within the department that the organisation be as lean and mean as possible. Over

time, this department has demonstrated its capacity to work with fewer resources but to increase its workload and still operate effectively. The resources that have been provided in this support services area have been squeezed in the same way as have resources in other parts of the organisation have been squeezed over time.

Nevertheless, we have seen an increase in productivity and the department is still functioning extremely efficiently. So, I suppose it is a matter of moving in an orderly way but doing as much as can be done to reduce the resources to a level that the organisation can stand and still be efficient. The level of resources at this time is about as minimal as we can stand in this area.

**Mr S.J. BAKER:** I refer to the travel agents cooperative scheme of which there is an ongoing national review. Will the Minister provide the Committee with information on how it is developing and in what sort of direction are we pointed at this stage?

**The Hon. Barbara Wiese:** As the honourable member indicates, a study was established in August 1991 by SCOCAM and a working party chaired by South Australia has been working on three position papers. One related to options for funding the travel compensation fund within the scope of the present fund. The second was a position paper on a possible extension to the scheme, and the third was a position paper evaluating the effectiveness of the present licensing system.

Since August 1991 there has been considerable consultation with industry, and position papers were completed and presented to this year's SCOCAM meeting held in Adelaide at the end of July. Unfortunately, the papers could not be completed very much in advance of the SCOCAM meeting, so that by the time SCOCAM met there had not been adequate time for individual States to study the position papers and reach conclusions on them. For that reason, it was determined by Ministers that the position papers should go back to the States for further consideration, with the exception of the recommendations made in relation to the ways in which the operations of the travel compensation fund itself could be improved and matters which came within the power of the board of trustees to enact and which essentially were incentives to streamline the administration of the fund as it currently exists. Those matters were endorsed by SCOCAM and have been referred to the board of trustees. I would hope that by this time the board has set in train some of the improvements recommended.

Other issues are currently undergoing review by the States with a view to having the Consumer Affairs Directors reach some view on those papers at a meeting scheduled to be held in November. I hope that further recommendations could then be made to SCOCAM and that we could reach a national agreement on some of those questions.

The honourable member is probably aware that part of the catalyst for initiating some of the work that the review has undertaken was a fear that was expressed last year by people in the travel industry that consumers would be left stranded should a travel principal, for example, an airline, go broke. In fact, after the studies were initiated that did occur with Compass Airlines collapsing late last year. Since that time a couple of quick studies have been set up by the Federal Government

which, to some extent, have dovetailed with the work that was initiated by SCOCAM.

Although I believe that the Australian Federation of Travel Agents in particular had a view last year that it ought to be possible to extend the Travel Compensation Fund to include coverage for principals in the travel area, now that more detailed work has begun to look at some of those issues and some preliminary advice has been taken from public actuaries, and so on, we have found that the matter is a much more complex one than was first believed, and to try to extend the existing fund in the way first suggested would be an extremely difficult proposition.

There has been quite a change in attitude on these matters over a period of 12 months both within the industry and amongst some of the Government officers who have been working in this area across the nation. I think the scope of the recommendations that ultimately will come from these discussions will not be anywhere near as extensive as first expected.

**Mr S.J. BAKER:** Can the Committee be provided with two items: the community resources pack (we would be interested to see the material that has been put together in relation to that) and the teachers support kit?

**The Hon. Barbara Wiese:** Yes, both those things can be provided.

**Mr S.J. BAKER:** One area very dear to my heart is the building industry. It appears that despite the difficult times, or perhaps as a result of them (I am not quite sure), that area of the industry continually has what I sometimes call scallywags and what at other times I call frauds and deceivers operating. Can the Minister provide a list of complaints about the building industry that have been given to her? On how many occasions have they involved tradespeople or unqualified people who were not qualified to do the building work about which the complaint was made? How many successful prosecutions have been launched?

**The Hon. Barbara Wiese:** We will have to supply that information later. We do not have that degree of detail with us this evening.

**Mr S.J. BAKER:** In the past year, what consultancies have been issued in the department, on what subjects have they been issued and at what cost?

**The Hon. Barbara Wiese:** The information I have in front of me relates to consultancies over the past five years, and that was information that was extracted originally for the Economic and Finance Committee. If the honourable member would prefer that to be broken down to the past 12 months, that is a question I will have to take on notice and provide an answer for later.

**Mr S.J. BAKER:** I would appreciate that, and also any current consultancies.

**The Hon. Barbara Wiese:** Sure.

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

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Minister of Consumer Affairs and Minister of Small Business, Miscellaneous, \$1 156 000

**Chairman:**  
The Hon. T.H. Hemmings

**Members:**

Mr S.J. Baker  
 Mr P. Holloway  
 Mr C.D.T. McKee  
 Mr J.W. Olsen  
 Mr J.A. Quirke  
 Mr I.H. Venning

**Witness:**

The Hon. Barbara Wiese, Minister of Consumer Affairs and Minister of Small Business.

**Departmental Advisers:**

Mr R. Flavel, General Manager, Small Business Corporation.

Mr P. Day, Government Adviser on Deregulation.

**The CHAIRMAN:** I declare the proposed payments open for examination. I refer members to pages 116 and 117 of the Estimates of Payments and pages 219 to 233 of the Program Estimates.

**Mr OLSEN:** In relation to the Program Estimates, will the Minister direct me to the pages that specifically deal with small business? The Chairman indicated that pages 116 and 117 of the Estimates of Payments and pages 219 to 233 of the Program Estimates were open for examination.

**The CHAIRMAN:** It covers the miscellaneous financial summary, source of funds, application of funds and recurrent expenditure.

**Mr OLSEN:** Perhaps I can explain. I would like the Minister to draw to the Committee's attention in the Program Estimates where there are programs relating to the portfolio of small business.

**The Hon. Barbara Wiese:** The lines in the budget papers that relate to the Small Business Corporation, for which I am responsible, have been referred to by the Chairman. As far as other programs relating to small business are concerned, the honourable member will find reference to allocations of Government finance that relate to small business activity in numerous places throughout the budget papers. Most particularly, I draw his attention to the budget papers for the Department of Industry, Trade and Technology and the Department of TAFE and so on. Numerous agencies of Government have some bearing and allocate resources to programs that will have some effect on small business in South Australia. I know that the honourable member has taken the opportunity in other Estimates Committees to question appropriate Ministers on matters relating to the business activity in which their respective Government agencies are involved.

**The CHAIRMAN:** Perhaps the Chair can explain why we include pages 219 to 233 of the Program Estimates. They obviously embrace the public and consumer affairs part of the Minister's portfolio. When I opened the line I could conceivably have listed only pages 116 and 117 of the Estimates of Payments. We included the Program Estimates because it would be hard for the Chair to identify anything. We need to bring in the Program Estimates to give some degree of latitude to the Committee in the examination of the Minister. If there has been any confusion, the Chair will accept the responsibility for identifying the Program Estimates to the

Committee. I am sure that with a fair degree of patience and good will we can overcome that problem.

**Mr OLSEN:** The point I am making is that the Minister for Small Business is a portfolio that covers a very significant component of commerce and business in this State, but it has no program of estimates and information; no details of staff, personnel, the operation of the Minister's office for policy development and the like. I therefore follow it up and ask the Minister, within her ministerial office, how many people are involved in policy development and research related to small business?

**The Hon. Barbara Wiese:** The Government took a decision at the time of the creation of the small business portfolio that the areas of Government where policy formulation and development at that time were taking place should continue to fulfil the functions that were being undertaken. So that in departments like the Department of Industry, Trade and Technology, and DTAFE with respect to business training courses and things of that matter, for example, the policy development function has resided. The Premier chose, at that time, to make the small business corporation one of the arms of Government activity relating to small business directly responsible to me, and certainly it is true that officers within the small business corporation work very cooperatively with other agencies of Government in the area of policy formulation. So, there is an across Government approach being taken to the question of policy development for small business, and there are a number of departments and a range of Ministers that have some role to play in that respect.

**Mr OLSEN:** I understand the procedures. The point I am wanting to make is that unlike most portfolio and statutory authorities we do not have Program Estimates and information. We do not have, for example, forward planning, the goals and objectives, under this portfolio for the next year; there are none. What are the goals or objectives of the Minister of Small Business for 1992-93; they are not set out? Every other portfolio has goals and objectives and policy development plans. There are none here because there is just one simple line 'an allocation of resources to the Small Business Corporation'. In its own sense, I would have to say I think it provides an invaluable service within the community; I have no argument or question with that.

My point here is that a major portfolio of government, canvassing the majority of business operators in this State, has a Minister who has nobody (I take it from the answers given) within the ministry to undertake research, policy development, setting goals and objectives, and arguing amongst other agencies and departments for the plight of small business. Others certainly do take on board those issues relating to business generally, but the ministry of small business should be in there arguing for the plight of the small business operators. It should have, in my view, the capacity to undertake research policy development and undertake initiatives that will have direct benefit for the small business community. The point I am wanting to make at the outset at this hearing is that there are no resources available to the Minister under the table documents.

**The Hon. Barbara Wiese:** Mr Chairman, I suggest the honourable member is attempting to score political points but the facts do not actually bear out his arguments.

**Mr OLSEN:** Prove me wrong; tell me how many people are there?

**The Hon. Barbara Wiese:** If he would listen to the responses I have already given which indicate the role the Government is taking with respect to the development of policy and initiatives for small business, it is a much broader view than simply through the ministry of small business. As I indicated there are numerous agencies of Government that have a role to play and are playing that role very effectively. All of the agencies of Government that are working with and for small business work in a cooperative way, and there is work being undertaken within various agencies that relates to research and advocacy work; indeed, the Small Business Corporation itself as part of its charter established by legislation has a role as an advocate for small business. That includes playing an advocacy role for individual businesses that have some problem with Government departments or with financial institutions or whatever it might be. But it is also an advocacy role that is much broader than that so that the Small Business Corporation is involved in commenting on and participating in the preparation and formulation of policy and of legislation that relates to small business.

There are people within the staff of the Small Business Corporation who are working on research and who are providing valuable information to the Government through various departments and various channels and, of course, the board of the Small Business Corporation itself is also engaged in that form of activity. I remind members that the board comprises people from the small business sector as well as trade union representation and Government representation. So, it is not as simple an issue as the one the honourable member is trying to paint here. It is more complex than that and the work that is being done across Government, I think, can be measured by the results that have been produced by various agencies of Government with respect to some of the policy decisions that have been made in the past and are being made over time. My role as Minister of Small Business has been to provide something of a focus within Government for small business people so those who feel that I may be able to take up issues on their behalf can feel free to approach me about various matters, and indeed that has been something which has occurred since my appointment.

Numerous industry associations have met with me from time to time to put particular points of view about matters that impact on their own members and on particular industries. Wherever possible, I have taken up those matters with relevant agencies of Government or with the Federal Government, or with the appropriate organisation involved, to try to reach some sort of satisfactory outcome for those people concerned. We ought to have exhausted this line of discussion for the time being, and I should ask the honourable member to move on to perhaps addressing some of the issues that relate to the Small Business Corporation and some of the activities that are the subject of the budget lines.

**Mr OLSEN:** The Minister simply has not answered any of the questions that I have put to her thus far,

therefore clearly establishing the fact that there are no resources, staff, personnel available in the Minister's office designated for the purposes of looking after the interests of small business. No program performance, no goals, and no issues are set. There are no performance measures in the Ministry of Small Business. That is clearly evident because there is no line for that. It is all very well for the Minister to try to fob it off by saying that there are other people who look after that issue. That is just trying to sweep away the issue as not being important. I make the point that it is important, given that small business is this State's largest employer. Yet the Ministry of Small Business has no resources and has no Program Estimates and information available for the Parliament. Therefore, I ask the Minister: how many specific Cabinet submissions on small business has the Minister taken to Cabinet in the past 12 months?

**The Hon. Barbara Wiese:** I do not have numbers with me, but there have been submissions that I have taken to Cabinet relating to small business. There has been information that I have been able to provide or contribute to other Ministers who have brought submissions to Cabinet that would impact on small business. I would like to come back to the substantive point that is being made by suggesting to the honourable member that the presentation of information in the budget papers is not the only area in which the Government provides information about goals and objectives and the mission of Government with respect to any policy area. In fact, I would invite the honourable member to look, for example, at the annual report which is presented to Parliament each year by the Small Business Corporation which sets out goals, missions and objectives of that particular organisation for which I have responsibility.

The information that is provided in the budget papers relates to the presentation of information which has been designated largely by Treasury as to how such financial information will be presented and is not designed to be the be all and end all, the ultimate policy statement, for the Government in the area of small business. Numerous policy documents have been prepared prior to elections and at various other times which set out the Government's objectives and talk about the role that the Government can play in assisting small business.

Indeed, the commissioning of the Arthur D. Little report, for which I did not have personal responsibility but for which the Government did, is an overall document relating to the future of small business in this State because, as the honourable member himself points out, the majority of businesses in South Australia are small businesses. Any policy statement relating to the South Australian economy and the promotion of business activity in this State is, therefore, a policy document relating to small business. I would hope that the honourable member would agree that this area of policy is much broader than any one ministry. It should be broader than any one ministry, because it relates to every aspect of economic activity in South Australia.

**Mr McKEE:** We are at the end of a very long day, I am sure you would agree, Mr Chairman, and in relation to this next question that I am about to read I should like to pay tribute to the unknown scriptwriter. It is entitled 'National initiatives'. My question relates to significant initiatives in which South Australia is setting the pace. I



believe that the community is suffering a collective lack of confidence as a result of both the recession and the deluge of gloom that our media and Opposition members are serving up to us. This avalanche of bad news is tending to overshadow the success stories both in the public and in the private sector. These include South Australian small businesses that are making their mark in the export area and winning national achievement awards. Although the Public Service has also taken a bashing, I know for a fact that there are equally many success stories in the public sector. In the past, the South Australian Small Business Corporation has been acknowledged as something of a pace-setter, both within and outside the State. So, to get some good news on the table for once, will the Minister tell us: what are the areas in which the Small Business Corporation is taking the lead nationally?

**The Hon. Barbara Wiese:** I thank the honourable member for his question, and it is refreshing, I must say, to receive a question in Committee that does try to highlight some of the positives that are taking place in South Australia, instead of harping and carping on the negatives—which, I must say, is one of the fortes of the member for Kavel, one which I thought we had rid ourselves of when he decided to leave this Parliament and move to Canberra. But unfortunately he has come back again, for one reason or another, and we now have the same moaning, groaning, whining approach for which he became so famous and for which he was rejected by the people at the last couple of elections.

*Mr Olsen interjecting:*

**The CHAIRMAN:** Order! The member for Gilles, in starting his question, mentioned that we were coming to the end of a tiring day. We are also coming to the end of what can be seen by some as a very tiring two weeks of Estimates. In this Committee, we have always managed to get along very well. We can have our lighthearted moments and, sometimes, we can be a little edgy. Sometimes it gets a bit fragile, but we have always managed to get to the end of the day reasonably well. I would like to think that, in our last session, the same result can be achieved with the current Committee. So I urge everyone to show a little restraint. As the Minister quite correctly said earlier, this is an important part of her portfolio responsibilities, so we should try to examine the Minister on the Small Business Corporation.

**The Hon. Barbara Wiese:** Thank you, Mr Chairman, and I, for one, will be happy to take your advice. I should like to refer to a number of areas in which the Small Business Corporation has been working over a period of time and which, as has been alluded to by the member for Gilles, have been areas in which our corporation has shown some leadership in Australia during the past few years.

It has particularly shown considerable leadership in Australia in encouraging greater business skills within the business community and in the area of education activities relating to business activity. The national industry awareness program is one area of activity that was pioneered in South Australia by the Small Business Corporation—an idea picked up in other parts of Australia because of the success that has been achieved here. Under this program the corporation has been working closely with accountants, bankers, lawyers and

other advisers to small business who are in a very strong position to provide advice on a range of areas on which small business may need assistance in order to get the very best out of their businesses and to avoid some of the pitfalls which some small businesses encounter in setting up.

Under that program we have seen considerable successes in improving the range of people within a network across the State who can work with small businesses in providing that necessary advice, particularly with respect to cash flow management and some of the areas that have been shown by way of research programs over the years to be areas in which some considerable number of people in small business sometimes need additional help.

A range of publications have been prepared by the corporation. Numerous publications have come out of the corporation over the years, providing information about various aspects of managing a small business, and many of those publications have been distributed through the Australian Government Publication Service.

Considerable work has been undertaken by the Small Business Corporation in developing secondary year 12 study entitled 'Small Business Management' for use in secondary schools. This was sponsored by the Small Business Corporation back in 1986 and became a model for similar developments in other parts of Australia. It provides an opportunity for students to learn about business, and I hope it provides a good grounding for young people who may at a later time consider starting up their own small businesses.

The corporation has provided a focus on essential content of courses and the skill of trainers for the development of a nationally accredited competency standard for the skills of business starters and owners, and this work which has been undertaken by the corporation along with others around the nation will be the basis of future curriculum development in all States relating to business management courses.

Considerable effort has been put in to distance education courses in small business management in this State. The Adelaide College of TAFE Small Business Management Centre has developed a comprehensive 11-part home study course in small business management for new and existing small business owners, and that course has become nationally accepted and is also being sold to interested parties outside Australia.

The Small Business Corporation took part in the development of that initiative and has widely promoted it. The corporation has also been involved in the development of specific courses for people in the retail industry. Considerable work has also been put into the development of business start courses and mentoring for Aboriginal people who are interested in starting up their own business. That work has been done through the Adelaide College of TAFE.

They are among a long list of initiatives that have been taken by the Small Business Corporation in South Australia which does not always get the recognition to which I believe it is entitled but which has made quite an impact among small business people in South Australia and increasingly across Australia.

**Mr HOLLOWAY:** I am sure the Committee is aware of the \$40 million package to boost and modernise

industry and assist small business that has been announced by the Government as a first step in response to the Arthur D. Little report. The final Arthur D. Little report set out a number of action programs that were designed to strengthen the business climate. What role is envisaged for the Small Business Corporation in implementing those initiatives?

**The Hon. Barbara Wiese:** A number of the recommendations in the Arthur D. Little report related to the manufacturing sector of the South Australian economy and, along with other agencies of Government including the Centre for Manufacturing and others, the Small Business Corporation will continue to play a role in providing advice to people in that sector of industry in gearing up to become more internationally competitive, which is the focus we need to pursue if South Australia is to emerge from the current economic woes that we are facing.

The Small Business Corporation will play a key role in the establishment of a business licensing information service, which is a matter that the Government has wanted to implement in this State for quite some time. Not until this current financial year have funds been able to be found to ensure that that project can be set in train. Work has already begun on implementing that project, and I hope that by at least midway through next year that licensing information system will be in place.

The small business inquiry, which was conducted by the Government Adviser on Deregulation, also recommended that this system should be set in place as quickly as possible; and it made some recommendations about pilot projects that could be undertaken as a second stage which might in fact extend the service and provide even better service to small businesses in our State.

Numerous recommendations are made in the Arthur D. Little report relating to the difficulty of small to medium size enterprises in gaining access to finance, potential overseas markets and marketing and distribution networks. The Small Business Corporation will play whatever role it can, along with other Government agencies, in helping to solve some of those problems.

Numerous other matters were covered in the Arthur D. Little report which I will not detail now. However, the Small Business Corporation will play whatever role is considered appropriate in providing advice, assistance, backup and support for small and medium size enterprises in this State as they gear up for the next phase of economic growth in South Australia.

**The CHAIRMAN:** I call on the member for Kavel.

**Mr OLSEN:** I notice the time, Mr Chairman, and the length of replies to previous questions.

**The Hon. Barbara Wiese:** They were very short.

**Mr OLSEN:** They were not very short, Minister. If you are going to make that comment, I point out that it is an absolute abuse of Estimates Committee time to pass out Dorothy Dix questions to Government members and then for the Minister to read one, two and three-page prepared replies to them. If the Minister is so incompetent or insecure as not to be able to face questions without notice in this Committee and has got to block out Estimates Committee time, she ought not to be the Minister of Small Business. It has been clearly demonstrated that she is the Minister of Small Business in name; not action and not support.

*Mr Holloway interjecting:*

**Mr OLSEN:** I will ask a question. It is a statement of unarguable fact. In a small business newsletter that was put out by the Minister there was a statement about an immediate reduction in port charges at Port Adelaide and throughout the State. This is in response to the \$40 million contribution to the Arthur D. Little report that the honourable member referred to a moment ago. How does the Minister respond to the fact that Strang Patrick Stevedoring has supplied me with information that indicates that crane hire in the port of Adelaide has increased from \$50 per hour to \$150 per hour and that a small business entering a major new export market of sending oranges to North America—a very important new market for the Riverland and South Australia—had to pay \$7 500 extra because the Minister and the Government increased the hire of the crane threefold? Is that the way in which we are responding to the Arthur D. Little report?

**The Hon. Barbara Wiese:** The question asked by the honourable member is more appropriate to the Minister of Marine, who is responsible for the ports in South Australia and for the proposals that have been put forward to Cabinet and been endorsed to reduce port charges. There has been endorsement of a program of reduction of charges at the port of Adelaide and there has been considerable microeconomic reform with respect to the staffing levels and operations at the port of Adelaide over a period of time for which I note there has been very little recognition by Opposition members. However, it is a real success story.

The port of Adelaide is probably the most efficient of ports in Australia as a result of actions taken by this Government some years ago to begin a program of reform. That has enabled a program of reduction in port charges to be pursued. As I recall, reductions were made in some charges in the last financial year and that program has been expanded in this financial year, brought about by the significant structural reform that has taken place in that area. It is now assisting in the pursuit of the objective of the State to develop the transport hub concept, which requires that we have the most efficient port facilities that we can put together.

I cannot answer the specific points that have been made about crane hire charges for the company to which the honourable member referred, but I am sure that if he raised that matter with the Minister of Marine he would take action on it, if possible.

**Mr OLSEN:** Will the Minister, as Minister of Small Business representing the interests of small business operators in this State, investigate the matter and explain why there was a threefold increase in the cost of crane hire at the port of Adelaide? When we have a new export market with small business operators involved in it, surely the Minister of Small Business ought to be taking up the issue and championing the cause of those small business operators.

**The Hon. Barbara Wiese:** If the honourable member would like me to be a middle man, as it were, and to raise the issue on his behalf with the Minister of Marine, I shall be happy to do that, but I am sure that he could raise the matter himself and he might get action quicker. However, if that is the way that he would prefer it to be done, I am happy to do that.

**Mr OLSEN:** Has the Minister undertaken any studies in relation to the impact of financial institutions duty on small business operators, and how many small business operators have left South Australia or are channelling their financial resources out of this State through the State of Queensland, based on the fact that we have a 67 per cent higher rate than any other State? I just give you an indication of a small business operator who wants to put \$50 000 away on term deposit. If you have \$50 000 above you have a rate on short term of .005 per cent and \$2.50 financial institutions duty. However, if you do not have that amount and you want to put \$20 000 or \$30 000 away you in fact pay the full financial institutions duty and you have a negative growth in interest and investment. That clearly discriminates against small investors and it discriminates against small business operators. It is in that sort of policy area that I am seeking some sort of assurance from the Minister that she will take up and champion on behalf of small business operators in the State.

**The Hon. Barbara Wiese:** As I understand it, numerous issues are raised by small businesses that affect the way they do business with people at the Small Business Corporation from time to time. Generally speaking, the issue of the financial institutions duty is not amongst the issues raised by small business people as being a significant factor in their business activity, largely because, I believe, the majority of small businesses in the

State are doing their business within the State, so that all businesses are being affected in a fairly equal way with respect to FID. The Small Business Corporation has not been made aware of a mass exodus of South Australian companies to States like Queensland as a result of this tax, either. I might say the recent small business inquiry which was conducted by the deregulation adviser did not have this matter raised with it as an issue of concern by small businesses, and there were numerous businesses and associations representing small business that had an opportunity to make submissions and to provide advice to that inquiry. I believe there may have been some work undertaken within Treasury at some stage. I have some recollection of some work being done on the financial institutions duty by Treasury officials when there were some suggestions being made that FID was having a very significant impact on small business, but I will have to take that up further with the Treasurer.

**The CHAIRMAN:** I declare the examinations completed. I lay before the Committee a draft report, which has been circulated.

**Mr McKEE:** I move:

That the draft report be the report of the Committee.

Motion carried.

**The CHAIRMAN:** That completes the business of Estimates Committee B.

At 10 p.m. the Committee concluded.