



**ADDRESS IN REPLY
11 December 1997**

Mrs PENFOLD (Flinders): Four years ago today we won government in a landslide and soon after came into this House as a new Liberal Government full of great ideas for the future of the State of South Australia but faced with an unbelievable level of debt. This debt required cuts in finance to all portfolio areas if we were to be able to pay even the interest on it when it fell due before the end of our first term, instead of adding it onto the capital, as Labor had been doing. The Treasurer, Stephen Baker, did a fantastic job of keeping under strict control the natural exuberance of the new Ministers all wanting to do a first-class job in their areas of jurisdiction. The new Ministers in turn had to keep the considerable wants of the bevy of new backbenchers—all with our wish lists in our pockets—under control. The Premier had the unenviable task of presiding over the whole cauldron.

What was achieved under these difficult circumstances was, I believe, remarkable. We went from going into debt to the tune of \$1 million a day to the 1997-98 budget estimated to produce a surplus of \$1 million. While doing this, by working smarter, the Government managed to achieve enormous improvements in all those areas that affect the people of the State the most.

In health, not only are the numbers on waiting lists 27.7 per cent down and clearance time improved by 36.6 per cent compared with September 1994 but considerable improvements have been made to infrastructure all over the State, particularly in regional areas that have been neglected for many years. On Eyre Peninsula \$16.5 million is being spent to upgrade the Port Lincoln Hospital and another \$1.5 million in Ceduna.

In education it was the same. We are at last beginning to address the literacy problems with the basic skills testing pointing to where improvements need to be made, and remedial action is being taken. Again, infrastructure particularly in the regional areas, that was run down is being repaired, upgraded and renewed, with recladding, repainting and new science laboratories happening in schools across the State. Computers in schools are now common place, with some schools reaching a ratio of one for each five children. Unfortunately, we did not let the people know what we were achieving. Even our own team was not reminded enough of the success we were having and therefore did not let the electorate know about all the positives being accomplished. If the debt had not been so great, we could have achieved more, but it would have been wrong not to deal with the debt as a priority. In my maiden speech I stated:

It is time to remember that we must become profitable again. It is also time to remember that taxes are paid on profits and that without taxes we cannot afford all the things we want for ourselves and our communities. Teachers, nurses, police, pensions are all paid from the public purse. I do not believe that Governments should tax profits more: the answer is to make more profits. This will provide more jobs and will help to solve many of the social and physical ills of our people.

We had to put our own house in order. We could not just solve the problem by taxing, as it would have created another problem by further reducing jobs in the real wealth and job creating area of private enterprise. We have paid a high price for our poor communication and it will be up to us to make sure that the members, the people of the State and the media are given no reason to be distracted from our considerable achievements under difficult financial circumstances as we continue to help the State achieve great things into the next millennium. I was amused at the Leader of the Opposition's reference in his 'rousing speech' to the State ALP convention as reported in the *Sunday Mail*, when he stated: The ALP in the lead-up to the next State election had to embrace the 'new battlers', small business people and those struggling in rural South Australia.

I would like to let Mr Rann know that they are not 'new battlers': they have been battling since the settlement of these areas and I am sure that he will soon be able to forget them again after the next election, as Labor has always done before.

Country people will not be fooled by fair-weather friends. It is only under a Liberal Government that they begin to see improvements in their lot. It is the Liberal Government that constructed the Berri Bridge and the Burra-Morgan, Kimba-Cleve and Lock-Elliston roads, the upgrading of country airports, country Housing Trust areas, and is improving health and education, as outlined previously.

Last week the Financial Planners of Australia held the largest conference ever in Adelaide with 2 600 people. Mr Harry S. Dent, a famous Harvard MBA speaker, predicts that we are on the verge of the greatest boom in the history of Australia and the world because of the baby boomers and computers. We are well suited to be the beneficiaries of such a boom, with the State Government's focus on information technology and our large population of well educated baby boomers and their families. Recent indicators show that we as a State are in the vanguard of such a boom. The *SA Employment Outlook 2010*, prepared by the South Australian Centre for Economic Studies for SA Great, and released on 2 December, projects that nearly 101 000 jobs will be created in South Australia by the year 2010 in the median (most likely) scenario. Such a trend is certainly shown by the ANZ jobs growth survey of employment advertisements in South Australia for the last month, which jumped by 9.4 per cent, more than double the national average.

The recent Roxby Downs announcement will help this trend to continue upward. I am hopeful that a similar boost to jobs in mining, given the cooperation of the Opposition, within the term of this Government will become available at a Yumbarra mine site. This site is in the electorate of Giles and mention of it was noticeably absent from the maiden speech of the member for Giles, and this is despite the fact that it would ensure large numbers of jobs for people in her electorate. The proposal is supported by Aboriginal groups who can see the benefits it would bring. It would take only a few hectares from the huge Yumbarra National Park of 327 589 hectares. Upgrading of the facilities available to the people in the region could also be expected involving the harbor, the airport, the roads and accommodation to name but a few. Perhaps the member for Giles could get her colleagues to allow the checking of the potential of the minerals, the presence of which is indicated by a huge magnetic anomaly, and the development of another mine for the benefit of the State and her electorate if the presence of commercial quantities of minerals is proven.

A few kilometres away from Yumbarra is the beautiful area known as Davenport Creek, which local people tell me they would like to see protected. This is privately owned land and is under a mining lease. Perhaps the member for Giles would like to support me in an effort to make this area with its sand dunes, its clean clear water and its shag rookery into a national park for the long-term future enjoyment of the people of the State. One small area of low biodiversity and little public interest could be developed as a mine while another area, which has much higher biodiversity and public interest, could be environmentally protected. This could be accomplished using the funds made available by sale or royalty from mining to buy the land and the mining rights over the creek. There would probably even be funds enough to allow for the extension of the pipeline to Penong. The rhetoric of Labor about cooperation with the Liberal Government for the creating of jobs, particularly in the country regions, and wealth for the State would be much more believable with some tangible proof. Here is a wonderful opportunity to provide that proof.

On 3 November details were released on South Australia's overseas exports as at September 1997. These are up 11 per cent on 1995-96, with the fastest growing commodity group being fish and crustaceans, which increased 69 per cent. I am proud to say that Eyre Peninsula produces about 65 per cent of the State's income in this sector and, judging by the developments that I have witnessed, I believe much of this increase would be from the peninsula. Many people have heard about the great success of tuna farming. However, developments in abalone, oyster, mussel farms and the holding of crayfish in cages is far less well known. The entrepreneurs involved are on the leading edge of developments in these industries. They are creating real wealth for the State and, just as importantly, jobs in regional South Australia. In addition to the direct jobs created, there are also many indirect jobs from production of food for the farms and the considerable amount of equipment required. Many of these indirect jobs are being created in the city.

It is not surprising that the Yellow Pages Small Business Index also released in November advises that small business confidence in South Australia is strongest among all States. One would not think so if one listened to the Opposition talking down our great State and the achievements of its hardworking people. The Bank SA Trends Bulletin, again from November this year, advises that finance for housing construction increased almost 30 per cent in the past year. This is an indicator that is a vote of confidence in this State by the people themselves. In Port Lincoln, the Lincoln Lakes marina development is releasing another 142 building blocks for sale to the public. The existing marina blocks are all sold and the majority have new homes and units on them.

Mr Speaker, you would be aware that boundary changes to the Flinders electorate mean that I farewell the constituents I represented on Kangaroo Island for the past four years. I wish them well for what I believe will be a very exciting future in a place that has become a tourism icon around the world. The support of the Kangaroo Island councillors and council staff, both before and after amalgamation, during what was quite a difficult period in the history of the island, was appreciated. Jean Woolley very ably represented me on the island, supported by her husband Brian, and I commend her untiring efforts,

often well beyond the call of duty. At this time I also mention the hard work and support given by my personal assistant, Brenton Rehn, supported by his wife Julia, and I wish him well in his future activities and new role as a grandfather.

I am pleased to welcome the people of Ceduna, Kimba and Franklin Harbor council areas to the Flinders electorate. I look forward to meeting and working with them. The importance of their councils in assisting me in identifying the needs of their communities and putting forward winning cases to the Government cannot be underestimated. Together, working as a team, we can help to achieve the great potential we all believe is there to be developed within the electorate. As with the other councils with which I have already been working, I do not expect that we will agree with one another all the time but, if we all do the best we can as we see it and respect one another's point of view, I know we can accomplish great things.

For the benefit of members who are not aware of the electorate of Flinders, I provide some statistics. Flinders is now approximately 55 000 square kilometres and encompasses 10 council areas, with 10 hospitals, numerous nursing homes and hostels, and 60 educational institutions. It has 46 conservation parks of 519 880 hectares in area, not including Yumbarra located nearby, with two national parks of 59 440 hectares. All these institutions are supported by dozens of hard working people and equally hard working teams of volunteers.

The electorate contains only 2.6 per cent of the State's population, but produces as mentioned about 65 per cent of the State's fishing income and around 33 per cent of the State's grain income. The latter could be even greater this year if the recent rains have not caused too much damage. The mineral potential has hardly been touched. It is a whole tourist region in its own right and has more tourist bed nights than Kangaroo Island, the Barossa Valley and Flinders Ranges put together.

The region has its own hard working Eyre Regional Development Board, which works over this huge area and is just completing its first resource agreement. During the last four years it has helped generate 508 sustainable employment positions and helped to bring into the electorate \$4 million in grants and subsidies from State and Federal agencies. This is achieved under tight financial constraints and hampered by the huge logistical problem of this fabulous region of the State.

It is interesting to note that the last census showed that there had been almost no change in the number of people living on Eyre Peninsula over the period covered. This has been achieved at a time when other regional areas have been losing population. I do not actually see population increase for the State as a whole as being necessary if we increase the per capita income of the people by getting more employed, working better and smarter and more profitably.

It has been an exciting and, I believe, very productive four years for the electorate of Flinders. There have been many developments within the electorate which give me great pleasure to have seen to fruition, such as the improvements to schools, health and recreation facilities. There are many other developments that I hope to see completed within the next four years, such as the Kimba to Cleve and Elliston to Lock roads, and there are still others in my plan for the electorate that I hope to see accomplished within the next four years: for example, adequate numbers of professionals to provide doctors, mental health workers and dentists to fill the existing jobs, the wind farm at Uley, mining in Yumbarra, and the redevelopment of the civic hall in Port Lincoln to provide the region with a performing arts theatre.

With the support of the people of the electorate, of my excellent staff, family and friends—and I mention particularly my cousin Philip Roe and the Liberal Party branch members—I will continue to work hard on behalf of the people in my electorate and the State of South Australia and justify the faith they had in me as shown by my increased vote at the recent election.

ADDRESS IN REPLY 15 October 1996

Mrs PENFOLD (Flinders): It gives me great pleasure to support the motion for the Address in Reply. I congratulate Sir Eric Neal on his first opening speech as the new Governor of South Australia, and I commend his address to this very important parliamentary session. I also take this opportunity to congratulate him on the honorary doctorate recently awarded to him. It sends a positive message to the people of this State that business is important when we have a man who understands the importance of business holding the State's highest office. I wish Sir Eric an enjoyable time during his term as Governor.

An article in the *Advertiser* of 12 October stated that the biggest firms in the world have bigger economies than those of most nations. This amazed me. Of the 100 biggest economies, 49 are countries and 51 are corporations. This presents a

new era for business and for Governments who no longer have the control over the labour market that once existed. Fortunately, South Australia has a Government with flexibility that can respond positively to these global changes. Dean Brown's Liberal Government will have been in power for three years in December. Therefore, it is an excellent time to take stock of where we have come from and where we are going.

My electorate of Flinders is a microcosm of the whole State. In its 34 000 square kilometres covering most of Eyre Peninsula and Kangaroo Island we have huge potential, particularly in the growth areas of aquaculture, tourism and mining, along with the value-adding and expansion of our primary industries. However, to really start to fulfil this potential we needed a Government that provided a sound economic base from which to work and an environment conducive to the survival and expansion of the small to medium-sized businesses that make up the economic engine of the region. Despite the annual \$350 million deficit underlying the State budget that we started with, we are now on track for a State surplus. It is from this position, where we can afford it, that the Government will gradually ease the reins on the State's finances.

It was not nice to know that as a State we could not even pay all the interest on the massive debt that Labor had accumulated. The necessary sound economic base is being put in place, from which we can all take heart without fear that taxes will have to be imposed on ordinary working people, as would have had to happen as a measure of desperation to pay the State's debts that were rapidly becoming unmanageable. With business confidence will come the jobs that an electorate such as Flinders so badly needs to hold and improve our infrastructure. I point out that Eyre Peninsula, with only 2.3 per cent of the State's population, provides 33 per cent of the State's grain and about 65 per cent of the State's fishing income, mostly from exports. However, we still need to broaden our economic base as quickly as we can. The more efficient we become in our major industries, the fewer people we need to run them.

With a coastline larger than Tasmania's, it is no surprise that the electorate of Flinders has huge potential in aquaculture, both on shore and in the sea. Visitors are already coming from around the world to see what is being done in Flinders. On shore abalone farms are just coming into production and oyster farms are gradually producing top quality oysters, potentially for the world markets. Experimental farms for fin fish are in production. In addition, we have unique hybrid farms that take the wild product and hold it, ready to sell live into the world markets. The most successful of these are the tuna farms with product valued at around \$80 million and growing.

More recently, the industry rock lobster cages are being trialled. Rock lobsters, with a market value of \$23 per kilogram when put into the cages, have recently been sold for \$53 per kilogram. The lobsters are already being held in land tanks while awaiting shipment. The Government has been active in helping to ensure that these industries are properly placed for the long term. Aquaculture plans have been undertaken for all of South Australia's suitable waters, and the South Australian Research and Development Institute is continuing to undertake research relevant to their development and long term survival.

Existing fisheries have not been neglected, with research being done into fish stock. The Government has given a significant donation for research into breeding whiting fingerlings to restock the wild. The project is being financed by the Playford Trust which commemorates the 100th anniversary of Premier Tom Playford's birth. A major development to affect the Eyre Peninsula region has been the involvement of the Flinders University and SARDI in the new Marine Science Centre at Port Lincoln.

Tourism has been a sleeping giant in Flinders. On Kangaroo Island, this giant is awakening and the Government has contributed to significant roadworks and information centres, while advertising has been targeted. On Eyre Peninsula, this is just beginning to take place, with tourism and road funding going into Elliston and Streaky Bay areas among others, and plans being developed for the Lincoln and Coffin Bay national parks, with others such as Lake Newland to happen in the near future. These plans should pave the way for ecotourism opportunities within the parks to be brought to fruition.

The second stage of the Lincoln Cove Marina development will soon be released for sale. Waterfront homes of high quality in the vicinity of \$200 000 and marina berths will ensure continued investment by retirees, investors and others in this outstanding project. The 10 year program to seal all rural arterial roads is bringing hope of a better deal for communities in Kimba, Cleve, Lock and Elliston, with councils in these centres now starting on sealing work. Watching the grey snake of bitumen lengthening is a constant reminder that our Liberal Government not only cares about our rural regions but also actively supports them.

Mining has had a significant impact on Eyre Peninsula, mainly through Roxby Downs which, although not within the electorate, provides many jobs for people from the region. Significant funds are being repatriated back through links with farms and businesses and the holidays of people who work there. The recent \$1.25 billion expansion in Roxby, with an expected 6 700 jobs, will be of great benefit to the region. However, the potential of Tarcoola's gold mine and of the possible

mine in the Yumberra National Park are also of great significance, and I would be distressed if either of those projects was held up for any reason. Mineral deposits actually on the Eyre Peninsula are also being investigated through the electromagnetic aerial survey and other work being done by Mines and Energy South Australia, work which is instrumental to their success.

Fishing and farming will probably always be the major sources of income for Flinders. However, continued diversification and value adding of these products is necessary to ensure that jobs are maintained within the region. The expansion of the canola crop within the electorate has added a valuable commodity to the existing ones, and if a crushing plant is found to be viable, it will be an added bonus to process the product in the electorate as well. The \$4 million expansion of the SACBH facilities at Arno Bay I believe is a good omen and a vote of confidence in the region. The \$11 million rural strategy for upper Eyre Peninsula and the Government support and the expansion of the Minnipa research station are both major projects that have occurred in the last three years, and augur well for the future of business and farming in the region.

The new industry development boards for rural industry sectors should help to focus on the management of the rural industries, particularly in relation to export markets for wool and aquaculture products and their infrastructure requirements such as airports. The full potential of the regions of South Australia will not be able to be fulfilled without good communications. The Government has recognised the importance of information technology which, I believe, is even more important for we who live in the bush than it is for those who live in the city. If we are to reap the benefits of being able to video conference between our professional people and our students to keep them up-to-date with the best in the world, we must have improved infrastructure provided as a matter of urgency. It can be a matter of life and death whether an operation can be directed by experts miles away to deal with a crisis in a small country hospital. It can have a similar effect on the future of a student who is unable to attend a city school but who can access the information and opportunities via the Internet. The possibilities for expanding the available knowledge and ability in remote locations are endless.

An article on the world economy in the 28 September 1996 issue of the *Economist* explains some of the global

changes which IT is bringing. While there will be a change in the nature of the work and therefore jobs, as happened in the industrial revolution and transport revolution of the last two centuries, there will be advantages for governments that adapt to change. The article stated that gains will be hard to measure because conventional economics statistics designed for the industrial age are out of their depth in the information age, and I quote:

That does not mean that governments should just sit back and watch. There is plenty they can do to help their economies adjust to change and to lend a hand to those who lose their jobs. In periods of technological change it is the economies with the most flexible product and labour markets that perform best.

The Liberal Government has the flexibility to respond to the new era which has been born with the microchip. We are not tied to outdated ideology that taken in context with the world situation disadvantages our workers. There are many other positive topics that could be explored such as the effects of the local government amalgamation proposals and the Government's environment, education and health policies for the bush, but these I will cover in speeches throughout the next year. I am honoured to be a member of the Government which is playing such an important role in the development of the State. I again commend the Governor on his speech and wish him and his wife the best in their new roles. I support the adoption of the Address in Reply.

ADDRESS IN REPLY 28 September 1995

Mrs PENFOLD (Flinders): I rise to support the motion of the member for Frome and to congratulate Dame Roma on her opening speech. I also congratulate her on her tireless work representing the Queen in our State. It was not until I came into this place that I realised just what a dedicated and tireless worker she is. Another person of a similar calibre was Allan Glover. He was one of the great men we will remember on Eyre Peninsula. He was a successful farmer, husband, father and community worker, with time for everyone and everything. He will be greatly missed, especially by the people of Eyre Peninsula, and I take this opportunity to offer my condolences to his wife Ronda and his children Peter, Marilyn, Steven and Lisa and their families.

My electorate of Flinders was mentioned several times in Her Excellency's opening speech and, with its enormous size of 34 000 square kilometres and its enormous potential, I was not surprised. After the negative speech we have just been subjected to, it is my great pleasure to talk about some of the positives of this great State, some of the things that will create

the wealth that we must have to be able to afford all the services that we all want for the people who live in this State. In the 21 months since I have been elected to represent Flinders in this Parliament, the advances in aquaculture alone have been nothing short of phenomenal. This has happened in several areas: research, development of existing industries, setting up new industries, preservation and conservation of the resource, protection of the environment, and in reviewing current structures.

Aquaculture is a form of primary production. It is quite distinct from the harvesting of fish in the wild, even if that harvesting is limited by quotas. Wild fish are not put in the ocean by human effort. The production of animals—fish, molluscs, crustacea—by means of aquaculture is basically similar in concept to growing chickens or pigs for meat under intensive farming methods. In late January 1995, Premier Dean Brown asked the South Australian Development Council to examine development opportunities for the aquaculture industry in this State. The purpose of the review was to outline the structure of the aquaculture industry as it currently stands, to identify its sustainable competitive advantages, to identify its growth potential and to identify any impediments to the industry in achieving its growth potential.

I am indebted to the South Australian Development Council, more particularly the review committee, whom I will be quoting in my remarks about aquaculture. The committee established to undertake the review was comprised of: Robert Thomas as Chairman, Michael Angelakis, Ted Chapman, Daryl Evans, Rob Lewis, Vic Neverauskas, Joe Puglisi, Jim Raptis, and Neal Grant as Executive Officer. I was delighted that Daryl Evans and Joe Puglisi of Port Lincoln had an input into the review, as both have many years experience in many branches of the fishing industry. Aquaculture is the farming of aquatic species, including fish, molluscs, crustacea, and covers breeding, hatching, rearing, cultivation and husbandry for the sale of these species.

The value of aquaculture production in 1994-95 is estimated at \$87 million, which will increase to more than \$100 million next year. Significant production sectors in 1994-95 were: tuna, \$90 million; oysters, \$5 million; and barramundi, \$3.3 million. Minor production sectors were in fresh-water crayfish, \$1.15 million; abalone \$0.03 million; rainbow trout, \$0.24 million; and mussels, \$0.1 million. Rock lobster and snapper are developing aquaculture sectors. By the year 2000, the total value of production of the existing aquaculture industry is expected to be \$280 million, as mentioned in the Governor's speech. This should be regarded as the minimum achievable in the current business climate, and the true value of aquaculture in South Australia could easily be underestimated. At this figure, it will be the single largest sector, by value, of South Australia's fish production. Significant areas of production by the year 2000 will be tuna, oysters, abalone, mussels and barramundi, the great majority of this being in my electorate of Flinders.

In addition, there are considerable opportunities for the aquaculture of other species, both for human consumption and those for other uses which are not included in the above value estimates. In Port Lincoln we are also developing scientific, technical, education and support services. They are other income generating areas which will grow with the growth of aquaculture production. Overseas visitors are already coming to Port Lincoln. I am proud that South Australia has established an international reputation as a producer of quality seafood, mainly through the efforts of companies involved in producing and marketing captured fish products. The South Australian aquaculture industry can benefit from this reputation.

The State has manifold competitive advantages in this aquaculture. These are: a consistent supply of quality product; a clean environment, which is an outstanding competitive advantage world wide; suitable coastal waters; suitable areas for aquaculture in fresh water; sustainable aquaculture techniques to maintain the environment; availability of suitable land, a premium in most other places in the world; climatic diversity both on land and in the sea; a low incidence of disease; a range of species; ability to supply fresh seafood product to overseas markets during the northern hemisphere winter; an established marketing infrastructure; many examples of world leading fish farming technology; a significant research capability; and a program to provide high level education and training in the aquaculture business. There are, however, impediments to achieving the potential of aquaculture for this State. Accordingly, the Government has given clear directions to the Department of Primary Industries of South Australia to give greater emphasis to the needs of aquaculture. The head of the aquaculture unit in Primary Industries (PISA) will report directly to the Chief Executive of PISA rather than to the Director of Fisheries.

The first licences granted for aquaculture 10 years or so ago involved seven departments and five Ministers. The approval process is still a barrier, and therefore it will be streamlined. Most applications to carry out aquaculture involve, as a minimum, approval for a change of land use which requires approval as development under the Development Act 1993. As regards considering and approving applications regarding aquaculture, the Development Assessment Commission will delegate this power to an aquaculture committee especially for this job. In theory, the approval process appears to be an orderly way of handling applications, with certain departmental representatives being delegates of Ministers to approve applications in respect of land use. There was a major backlog of about 130 applications at the time the aquaculture committee of the South Australian Development Council made its first report in April this year. Some of those applications

were more than two years old. The major stumbling block in the process was the failure to produce management plans for certain areas. Mr Graham Broughton, deregulation officer in the Premier's Department, has been given the job of streamlining the processing of applications.

Lease tenure, which has been a source of grave concern, has also been addressed by the Liberal Government. Tenure agreements for aquaculturists carrying out animal farming or fattening in waters under the control of the State were quite unsatisfactory for the aquaculturists. The tenures were all annual licences, not leases. Many people had invested substantial amounts in assets which were located in specific areas of State-owned water-covered land, for which they had very short term tenure. Such a procedure was commercially high risk and unsuitable for banking. I am pleased to say that the Government has established a basis for secure tenure of lease sites.

The tuna farms, which have been established in Boston Bay, have been the subject of theft of farm fish, a significant loss to the industry, especially when you consider that each of these fish can be worth more than \$2 000. Amendments to the Fisheries Act will provide aquaculture licensees with adequate protection from theft. Access to brood stock is another sometimes contentious area which has held back development and which has been addressed by this Government.

I digress for a moment to highlight the achievements and perseverance of a pioneer in abalone breeding, Don Morrison of Louth Bay, situated about 25 kilometres north of Port Lincoln. Mr Don Morrison began research and experimentation on farming abalone in 1982. He was the first person in Australia to get abalone to spawn in captivity and the first to grow the larvae to small animals. He was at the forefront of research in the world. At the time, there was some work going on in California in the United States and some Government subsidised work in Japan, but no abalone farms. Professor John Grant and Trevor Dix of the Tasmanian Fisheries Department were also trying to get abalone to spawn. Don Morrison has spent hundreds of thousands of dollars of his own money to get to this present stage of knowledge and expertise in the culture of abalone. He has received no Government money and, in fact, the story of the past 13 years has been one of hindrance, conflict and setbacks from the Government, bureaucracy and other sections of the fishing industry. I wonder how many people would have persevered for more than 13 years before at last receiving some income from their work.

The aquaculture of abalone is on the threshold of blossoming into a multi-million dollar industry creating employment in regions that need such opportunities more than anything else, while also bringing income into the State for the benefit of all who live in South Australia. I wonder how many people will ever pause for a moment to thank the Don Morrisons of this world for the benefits derived from their initiative and sacrifice.

Access to brood stock is of paramount importance to abalone hatcheries which will be offered a choice of two mechanisms. First, hatcheries can utilise the existing access system under which they are required to use nominated licensed divers to collect brood stock requirements, after giving divers appropriate notice. Secondly, hatcheries can access abalone brood stock through the market mechanism by purchasing a small quantity of quota through direct negotiations with quota holders. Access to the wild fishery by hatcheries would be via a permit under the Fisheries Act allowing permit holders to collect their own brood stock and to dispose of the surplus brood stock as they wish.

Farming tuna is a world first that was developed in Port Lincoln. When quotas for southern blue fin tuna threatened the viability of operators, the idea of growing out the tuna caught in the wild to a more valuable market size was born. South Australian based tuna fishermen, in consultation with Japanese and South Australian researchers, the latter from the South Australian Research and Development Institute (SARDI), developed a system for the harvesting and subsequent agistment of tuna. The principal market is the highly prized sashimi market in Japan.

Under the system, tuna fishermen catch their respective quota in the southern ocean and then transfer the live fish to pens located in Boston Bay, Port Lincoln. The tuna are held for periods of up to eight months, depending on the production and marketing strategies of the individual tuna farmers and also the market demand in Japan.

Over this period the tuna are fattened and conditioned on a diet of pilchards. However, manufactured diets are being tested. The fish are harvested as sashimi tuna for the Japanese market, where they can fetch up to \$50 per kilogram depending on the size and condition of the fish. The sashimi market is highly selective and very demanding on quality. Production of tuna in Boston Bay is about 2 000 tonnes per year worth an estimated \$50 million to \$80 million based on a price range of \$25 to \$40 a kilo but, as I said, going up to \$50 a kilogram and higher. In a SARDI trial some of the fish have been kept for two years or more in an attempt to grow tuna to spawning size and maturity.

The aquaculture of oysters is another success story which had its beginning in my electorate. In fact, the five major lease areas are all on Eyre Peninsula: Denial Bay, near Ceduna, Smokey Bay, Streaky Bay, Coffin Bay and Franklin Harbor, Cowell. Small numbers of leases are also located at Louth Bay near Port Lincoln and at Nepean Bay, Kangaroo Island,

which is also in the electorate of Flinders. The 85 current licensed leaseholders occupy a total of 600 hectares. Leases range from four to 10 hectares, with the industry generally indicating that 10 hectares is the most viable manageable unit size. Total production possible from the leases is about three million dozen oysters a year or about 3 000 to 3 500 tonnes of product.

Rock lobster, which is better known as crayfish, is an industry that has experienced enormous highs and lows over the years, and again it is in Port Lincoln that experiments have begun this year to harvest crayfish in the wild and hold and grow them out to achieve high returns. The initiative came out of an aquaculture group of rock lobster fishermen who combined with the Northern Zone Rock Lobster Fishermen's Association to set up a commercial experiment in Boston Bay. Port Lincoln rock lobster fisherman Neil Bicknell said that the trials had proved that lobsters could be held in commercial densities. One or two lobsters have been held in aquariums and a dozen or so have been held in reticulating tanks for longer periods.

However, this was the first successful trial at such a magnitude as we understand it in Australia. The farming of lobsters will give fishermen greater control of the sale of their product and, therefore, greater stability in their industry. Fishermen will be released from the situation where they are at the mercy of overseas buyers during times when there is a glut of lobsters on the market.

The farming of mussels, already a success in the Eastern States and New Zealand, looks set to also be a success in Port Lincoln, where juvenile mussels spontaneously colonise the nets surrounding the tuna farms. Development licences have been granted to a major fish processing company for a research and development program on this species at four sites near Kangaroo Island. This program is being undertaken by the South Australian Research and Development Institute. Any large scale development is dependent on the results of this research program, but production in 1995-96 is expected to be worth \$100 000. Applications for development licences for keeping mussels in Boston Bay are currently under consideration. No specific lease area has been determined for mussel farming; however, interstate and overseas experience suggests that leases exceeding five to eight hectares are viable for single owner-operator ventures. However, to be financially viable, mussel farming relies on a significant volume of production, and current lease applications in Port Lincoln are actually for 20 hectare sites.

Barramundi is another fish which is new to my electorate, although it is currently grown at two other locations in South Australia. Among those interested locally is Peter Schaefer of Port Lincoln, who is researching recirculating tanks with a view to setting up a Barramundi farm. Intensive fish farming technology based on bio-filtration and recirculation of water has been developed. The technology allows for intensive fish farming in a very small area and with minimal water usage. Recirculating fish farm technology is used around the world but the particular design in South Australia is unique in all aspects including efficiency of water treatment, utilisation and space. South Australia is home to this technology.

This is the kind of initiative that will benefit all the people of this State through increased export earnings. South Australia has established an international reputation as a producer of quality seafood while the seafood industry has established a reputation for consistency in the supply of quality product to the international and domestic markets. This reputation enhances the ability of South Australian seafood suppliers to secure favourable, long-term supply contracts. Our clean environment is an outstanding competitive advantage world-wide in marketing this seafood. South Australia has a global reputation as having a relatively clean and unpolluted environment. This is especially true in regard to aquaculture undertaken in coastal waters because the State has extensive areas of coastline with little or no urban development.

We on Eyre Peninsula have at times bewailed our separation by distance from the centre of the State's activities; however, this distance has now become one of our biggest assets in relation to aquaculture. In South Australia there are extensive areas of relatively low lying coastal land adjacent to good quality oceanic water. Most of this is in my electorate, some being in the South-East of the State. Numerous small and shallow embayments around Eyre Peninsula have only small regional centres nearby. Waste water from the larger regional centres of Port Lincoln, Ceduna and Streaky Bay is either fully treated or disposed of on land, thus minimising risks and the perception of possible contamination. In many instances, coastal land is inexpensive and infrastructure, while somewhat deficient, can be made adequate for commercial viability.

Despite having few significant catchments of fresh water, South Australia has areas where sufficient surplus water exists to support aquaculture development: Kangaroo Island is one of these places. One of the biggest concerns with the expanding interest in activity in aquaculture relates to environmental sustainability as a significant component of established and proposed developments. Tuna farming in Boston Bay is managed to minimise the range of possible impacts on the bay, and the industry is committed to an environmental monitoring program and the development of an environmental code of practice. The oyster industry is one of the most regulated in the world with a view to minimising environmental impacts. This regulation is in the form of limits on stocking densities, available area for development, proportion of water beds allocated

for leases, site rehabilitation, insurance and a commitment to an environmental monitoring program and industry environmental code of practice.

The Environment Protection Authority has sought the support of PISA to develop a similar environmental code of practice with the freshwater crayfish farming industry on Kangaroo Island. The perception that the industry in South Australia has given a high priority to conducting its activities in harmony with the environment is a major advantage in the industry in the political arena which also influences the longterm marketing prospects of the industry. This is especially important where markets understand that farm management is such that it will not affect the long-term viability of the operation through either disease, habitat or political influence.

Throughout much of the world, coastal land has been heavily developed through industrialisation and urbanisation. In both cases, this has affected not only the quality of adjacent water but also the availability of coastal land. South Australia's geographical spread across a range of latitudes provides scope for the development of a range of species and techniques for aquaculture. The waters of the Southern Ocean are generally stable in temperature while the waters in the gulfs reach tropical ranges in the summer months. While it is acknowledged that the aquaculture industry in South Australia is still in its infancy, there have been few incidents of disease in fish farming activities due in part to the rigorous management practices put in place by industry participants.

The ability to market fresh seafood product to overseas markets during the northern hemisphere winter is an advantage to all Australian producers. This advantage can be further enhanced through aquaculture operations which are land-based and at least partially isolated from climactic variations. For example, South Australian barramundi farms are able to market product throughout the year. Farmers in northern Queensland and the Northern Territory are restricted to the summer months only and, as a result, South Australian product dominates the marketplace during the Australian winter. But the story does not stop there. Anything that is growing needs continual monitoring, and it is recommended that the industry be reviewed again in six months. One of the aims of that review will be to see whether impediments identified in the first review still remain.

A strategic plan for the aquaculture industry needs to be developed so that the provision of the necessary State infrastructure keeps pace with the rate of private investment in the industry. Part of that plan should be to consolidate into one Act all or the majority of matters relevant to aquaculture. The aquaculture success story is not only for fishermen: there are numerous spin-offs for other industries. For instance, artificial food for tuna is being researched and manufactured locally in Port Lincoln. Equipment is needed, most of which has to be purpose designed and built—again, in Port Lincoln. Adequate research and education are essential if the potential of aquaculture is to be fully realised and collapses in the industry are to be avoided. The Government has taken significant steps in this regard. South Australia has a significant research capability through the South Australian Research and Development Institute (SARDI) and both the Flinders and Adelaide Universities.

However, by far the most exciting development has been the establishment of the Marine Science Centre at Kirton Point on land made available by Port Lincoln City Council. The centre, attached to Flinders University, will be opened on 1 October. The project has been supported magnificently by the fishing industry and local people who, together, have contributed close to \$700 000 which, with an anticipated \$750 000 of Commonwealth funding, will mean a small outstanding debt on opening day. The current estimated cost is \$1.5 million with an additional \$380 000 extension to house the present SARDI fishing research staff located in the Port Lincoln area. Campaign chairman, Ross Haldane, said that Eyre Peninsula sports clubs were losing about 280 young people from the region every year. Nevertheless, when approached for funding, each contributed as they were able. The Port Lincoln Orienteers (a non-profit club) donated \$10 which, as Ross said, may not seem very much; however, it is the principle behind the gift that has shown the strength of our community support.

It is an example to the rest of the State which will be hampered by the enormous debt inherited from the mismanagement of the former Labor Government and which will, for a long time to come, affect what the Government can do. Local people working with the Government, and prepared to back their requests with action of this kind, will find a ready and willing partner in the Brown Liberal Government. The Flinders University and the South Australian Department for Employment, Training and Further Education have established a partnership program to provide higher level education and training in aquaculture in South Australia. It is intended that this partnership will provide a focus for collaboration between research and extension agencies, education providers and the aquaculture industry. Courses in aquaculture are in place at secondary level, thus leading into tertiary study. My Federal colleague, Barry Wakelin, the member for Grey, has joined with me in establishing a scholarship for postgraduate study at the Marine Science Centre. One of the most exciting aspects of the Marine Science Centre at Port Lincoln has been the interest shown by qualified people from overseas wanting to come here and carry out research. I can see this as an expanding area of overseas income for the State.

I turn now to an issue where the Government recognised the need for reform, on which, indeed, it has introduced significant reforms already, but in relation to which the Government has been hampered by the Democrats in another place in doing all that needs to be done. I refer to WorkCover. Some of the negative practices that were allowed to develop under the previous Government have been addressed. Workers need protection—I have not found anyone who will argue against that. Nevertheless, WorkCover premiums present a significant block to employment and therefore advancement of industry. It must be recognised that excessive demands on business simply mean that businesses do not grow and therefore do not employ.

I have been informed of several alarming examples of the cost of WorkCover to employers. I mention just one example today. The cost of WorkCover to Lincoln Bacon Specialists for the 1995-96 financial year has been estimated at more than \$101 350 on a payroll of \$1 million. The WorkCover levies for 1994-95 were \$68 658, and reimbursement for claims in the same period amounted to \$20 558, leaving an excess of \$48 100 paid to Workcover for 1994-95.

WorkCover, of course, is not the only overhead. Add superannuation and payroll tax and the outlay by Lincoln Bacon Specialists for the past year is in the vicinity of \$170 000. Even this is only part of the overheads incurred by the business in employing staff. While generous conditions of employment are to be applauded, we all—and workers especially—must ensure that we do not price ourselves out of a job. The cost of WorkCover must be brought to a more acceptable level. The Government's legislative changes have already meant that WorkCover has reversed decisions to increase levy collection this year by \$40 million. The Parliament should not stand in the way of further Government amendments, which would reduce levy rates to a nationally competitive level.

I have been astounded at the ignorance that perceives Eyre Peninsula as a dust bowl that should be forgotten. Eyre Peninsula grows 40 per cent of the State's grain in a normal year and as much as one half of the State's grain in a good year. Take that income out of the State and everyone suffers. As mentioned in Her Excellency the Governor's speech, this region supports annual primary production valued at \$1.75 billion. Our agricultural community has suffered to a greater extent than any other section of the Australian nation over the past decade. However, there are pointers to a bright future for this section of the economy. It has been said that one person's loss is another's gain, and I can foresee this coming true in the prices paid for grain.