

## HOUSE OF ASSEMBLY

Tuesday 6 October 1981

## ESTIMATES COMMITTEE A

**Chairman:**

Mr G. M. Gunn

**Members:**

Mr J. C. Bannon  
 Mr R. E. Glazbrook  
 Mr J. Mathwin  
 Mr T. M. McRae  
 Mr J. W. Olsen  
 Mr R. J. Randall  
 Mr J. P. Trainer  
 The Hon. J. D. Wright

*The Committee met at 11 a.m.*

**The CHAIRMAN:** Members of the Committee have a time table before them. Is it the wish of the Committee that that time table be accepted?

**Mr OLSEN:** I move:

That the draft time table be adopted.

Motion carried.

**The Hon. J. D. WRIGHT:** In the circumstances of having accepted the time table as proposed, if, at 4.30 p.m. on a certain day, we are not quite finished one of the Ministers, is there authority to extend beyond that time? A situation could arise where one needed 15 or 20 minutes to finish a programme. Are we now tied to the actual programme as indicated?

**The CHAIRMAN:** These time tables are for a full day. Today we have the Premier available for the whole of the sitting. The Committee will be considering in a moment or two whether it is appropriate actually to divide its time in a cut-up, line by line. For the guidance of members of the Committee, the Chair intends to see each member three times so that that member can follow up a line of questioning. The Chair will give some latitude if it is obvious that the member has only one more question to ask to complete his line of questioning.

I intend to give official Committee members the first opportunity to question the Minister before the Committee and, at the appropriate stage, I will allow any member to ask questions. I suggest that members who are not members of the official Committee, when they wish to raise questions, come to the front so that the Minister can see them. The only remaining matter is a proposed time table for each particular vote. What is the wish of the Committee about that matter?

**Mr BANNON:** At this stage, I suggest that we go on and, if it looks as though we will need a time table, perhaps the Committee could adopt one.

**The CHAIRMAN:** It is entirely up to the Committee, which can bring that matter to the attention of the Chair if it so desires. I declare the proposed expenditure open for examination and welcome the Premier.

Legislative Council, \$300 000

**Witness:**

The Hon. D. O. Tonkin, Premier, Treasurer, Minister of State Development, and Minister of Ethnic Affairs.

**Departmental Advisers:**

Mr G. D. Mitchell, Clerk of the House of Assembly.  
 Mr A. M. Schultz, Accounting Officer to the Legislature.

**Mr BANNON:** Pages 8 and 9 of the Estimates payment document refer to payments for which specific appropriation is authorised by various Acts. Is there an opportunity to question on those? If so, what is the appropriate point of the proceedings to do so?

**The Hon. D. O. Tonkin:** If I can make a suggestion, I think that most of those sums are covered by specific Acts and that they therefore range over the full range of portfolios. If there is any particular question on them, they would probably be best addressed to each responsible Minister as he comes forward. I suggest, with great respect, that the scope for questioning on some of them is extremely limited simply because they are set sums in an Act.

**The CHAIRMAN:** Is the Committee happy with that? There being no further questions, I declare examination of the vote completed.

House of Assembly, \$625 000

**Witness:**

The Hon. D. O. Tonkin, Premier, Treasurer, Minister of State Development, and Minister of Ethnic Affairs.

**Departmental Advisers:**

Mr G. D. Mitchell, Clerk of the House of Assembly.  
 Mr A. M. Schultz, Accounting Officer to the Legislature.

**Mr OLSEN:** I refer to the expenses of the Parliamentary Accounts Committee in terms of its representing the State at the Joint Commonwealth Parliamentary Conference in November. I understand that no line is included in the Budget for the committee to attend such a conference, whereas I note that the PWSC has a line which covers expenses of the committee travelling to take evidence in the course of its duties. Can the Premier say what the situation is in the provision of some funding for that committee to attend to its duties?

**The Hon. D. O. Tonkin:** I think it is important that we recognise the concern and the great enthusiasm with which the Public Accounts Committee members perform their duties. I point out, however, that the PWSC travelling expenses are very much down to earth expenses inasmuch as members travel to the sites of works, and it is essential that the committee does so in the discharge of its duties. However, with regard to the PAC and members' attendance at interstate conferences, and so on, it has been the Government's policy to allow the Chairman and the Secretary to attend. We work on the understanding that members of the Parliament already have travelling allowances which would allow them to attend in their own right if they so wish. At the present time it is not possible to provide funds for everyone to go to such conferences.

**Mr Millhouse:** My question is rather contrary to the line of the last question. I understand that the Government is at present reducing expenditure right through rather than increasing it. This does not seem to be evident in the present vote. From time to time I have put it to the Premier that members of Parliament should set an example of frugality and that we should take our share of expenditure cuts along with everyone else. The Premier does not seem to have taken that advice. I ask whether I am right in thinking that he has not, and if he has not, why not?

**The Hon. D. O. Tonkin:** No, the honourable member is wrong. Indeed, we are cutting back on whatever expenditure we can. It can be seen all the way through the Estimates

that the figures which come forward in most instances are an increase on last year's expenditure. They may not allow for inflation in many instances, and that is exactly what we are looking for. As honourable members would know, it is impossible adequately to cut back in money terms because of the large increases in wages and salaries, among other things, that have taken place. As the honourable member knows, the question of salaries for members of Parliament is a matter for an independent tribunal. That tribunal sets those salary levels, and it is really out of the Government's hands and in the hands of Parliament.

**Mr Millhouse:** In what way have there been cut-backs with regard to expenditure for the House of Assembly?

**The Hon. D. O. Tonkin:** I think that that matter is probably in the hands of Parliament and the hands of the Presiding Officers (the President and the Speaker), who have the responsibility for administering that.

**Mr Millhouse:** I do not think I will be able to get it, then, under these procedures. I therefore ask the Premier, as the Minister responsible for the Treasury of the State, the question again. If you do not know, please say so. In what ways has there been a cutting down of expenditure in the House of Assembly?

**The Hon. D. O. Tonkin:** I would suggest that the Clerk could more appropriately give that precise information.

**Mr Millhouse:** I am quite happy for an expert to do it.

**Mr Mitchell:** There is, in fact, a cut-back on expenditure from last year. You will notice that last year there was \$641 000 expended. This year the proposal is \$625 000. Many of the figures in the vote depend entirely on the sittings of Parliament. If Parliament sits less during the year our expenditure will be down considerably.

**Mr Millhouse:** I suggest to the Premier that, if we were to sit reasonable hours and not through the night, when presumably overtime is paid to the staff, and so on, that in itself would bring down the costs of Parliament. Is that contemplated now: that better sitting hours should be adopted?

**The Hon. D. O. Tonkin:** There is no question but that it adds considerably to the costs. The question has been discussed with me by the Speaker and, to some extent, by the President. It is important to keep our sitting hours as reasonable as we can for many reasons. We intend to do that. I think the Deputy Leader of the Opposition and the Deputy Premier have already had some discussions on that matter, and I think that a satisfactory agreement has been reached.

**Mr OLSEN:** I note that the amount allocated for Select Committees for 1981-82 is the same as was voted for 1980-81, yet, actual payments exceeded the vote by almost 300 per cent. Is it envisaged that the allocation of \$8 000 will be a realistic allocation for 1981-82?

**The Hon. D. O. Tonkin:** Yes it is, but there are difficulties in establishing exactly how much is likely to be required each financial year, for the simple reason that it is impossible to look into the future. If we had a crystal ball we could be very precise.

**The CHAIRMAN:** Are there any further questions? The examination of that vote is completed.

Parliamentary Library, \$209 000

**Chairman:**  
Mr G. M. Gunn

**Members:**

Mr J. C. Bannon  
Mr R. E. Glazbrook  
Mr J. Mathwin  
Mr T. M. McRae  
Mr J. W. Olsen  
Mr R. J. Randall  
Mr J. P. Trainer  
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**Witness:**

The Hon. D. O. Tonkin, Premier, Treasurer, Minister of State Development, and Minister of Ethnic Affairs.

**Departmental Advisers:**

Mr G. D. Mitchell, Clerk of the House of Assembly.  
Mr A. M. Schultz, Accounting Officer to the Legislature.

**Mr BANNON:** I would like to ask the Premier about the provision of research staff in the library. The two research officers currently employed are many months in arrears with their work. For some time there has been a demand by members on both sides of the House for additional assistance. I think that this is particularly apposite in these Budget considerations, where a very large amount of information has been supplied to members at a very late hour, and they are meant to be able to analyse and follow up points in these documents in order to perform effectively on committees and process their questions. Obviously, in the time allowed very little can be done by way of assistance by the research staff of the library. I point out that in the preparation, for instance, of these yellow books many public servants have been involved in collating the information. The assessment of it by members of Parliament can only take place over a fairly short period. Is it the Government's intention to provide additional research assistance for members this year, bearing in mind there are two research officers for 69 members of Parliament in South Australia? In Queensland, for example, there are seven for 82 members, a very much better ratio than the one to 35 ratio that we have at present.

**The Hon. D. O. Tonkin:** The question of research staff has received close attention. A request was made some months ago and denied at that stage on financial stringencies. I understand from discussions I have had with the Speaker and the President on this matter that there is a waiting list of up to six months for some particular matters but that if something is required urgently the Library staff tend to do the very best they can to put them into orders of priority and that some things are therefore left longer than others, depending on the priority they assess.

It is not a satisfactory situation; we have had further discussions with the Speaker and the President, and currently are examining the prospect of finding funds and making them available from other areas within this local budget and from the general budget to see whether additional help can be given.

**Mr BANNON:** Could the Premier explain why these books, which relate to the budgetary provisions made by the Government, were not tabled at the same time as his Budget speech was delivered to the House? We have laid some considerable stress on this in our submission to the Standing Orders Committee examining the Estimates procedure, and all members would share the feeling that, having this large amount of information lobbed on us in a complicated form with only two or three days in the case of this Committee to assess it, makes it in many ways impractical to use.

Could the Premier (a) explain why the Programme Estimates books were late on this occasion; and (b) can he

assure us that in future they will be tabled when he delivers his Budget speech so that they can be read in conjunction with that speech.

**The Hon. D. O. Tonkin:** I am not sure that this is exactly an appropriate time to talk about it, but I am quite happy to do so. It really does not bear on the research staff of the Parliamentary Library, but it is still a good point. Bearing in mind the indulgence which you are allowing here—and thank you for the indulgence which you are now obviously allowing me—I am most grateful indeed to the officers of Treasury, and particularly members of the programme performance budget team who have done so much to prepare the documents for us. I think they have done a magnificent job under great difficulties, and the heads of departments involved who have been co-operating with them have also done a great deal, too.

As to the question asked why the papers were tabled late on this occasion, I do not think there is any difference in time. The Estimates Committees have only existed for two years, this being the second year, and I think they were tabled last year in the latter part of the week before the Budget Estimates Committees commenced. While it is possible to get out a line Budget and the full Budget picture, the detail is so immense that it takes a great deal longer to prepare, check and read. The matter is giving us some concern, but I hope that we will not be called next year to Premiers' Conferences and Loan Councils at such a late stage as we were this year and that we will not have to undergo the same vicious pruning exercise that was necessary following the June Premiers' Conference, when we found that what we had expected to get would be reduced by nearly \$60 000 000. It was partly because of that that it has taken rather longer to prepare the Programme Estimates.

As for next year and the future, it has yet to be seen what form will be adopted. I think members will agree that the Programme Estimates are most detailed on this occasion and that a great deal of information is there, and it is there simply to avoid the necessity of members asking questions of the Committee the answers to which they can readily ascertain from looking at the yellow book. Certainly, we will try to bring it in in an amalgamated form. We have already tried informally, with one or two departments, to amalgamate the line Budget system together with the Programme Performance Book, and I suspect that the method of presentation next year could involve an incorporation of both systems in the one document. If that is so, and if it is successful, then the problems that the Leader has raised will be overcome.

**Mr BANNON:** I have a follow-up question in relation to the research assistance provided to members. Irrespective of the general demand and need for extra research officers in the Library, I ask the Premier whether, on future occasions, when some matter is under consideration—and let us say on this occasion specifically the Budget Estimates—a special support team could be seconded to the Library to provide assistance to members.

**The Hon. D. O. Tonkin:** It is a proposal that certainly could be examined but I would like to see a little more detail of it in costings, and so on.

**The Hon. J. D. WRIGHT:** Can the Premier say why the Programme Estimates were so late in distribution, and will he assure the Committee, and consequently the Parliament, that next year every effort will be made to table the documents at the same time as he delivers his Budget speech? If he cannot do that why can it not be done?

**The CHAIRMAN:** Before the Premier answers, let me say that we are referring here to the Parliamentary Library, and I think it would be better if that discussion took place

in relation to a later item when we refer to the Premier and Cabinet. However, I will allow the Premier to answer.

**The Hon. D. O. Tonkin:** I thought I had answered those two questions. It depends very much on what happens to the documents, how they are prepared next year, and in what form. I hope it will be a combination of line and programme performance budgeting, and they will therefore be in one document and the difficulties will disappear. I cannot guarantee that that will happen, because it is the next stage in progression, but that is the plan.

They were released at a relatively late stage because they were late in production. They were not finished until after the introduction of the line budget to Parliament. They had to be checked very carefully, not only by Treasury staff but by the Ministers and departments concerned. That checking process has taken an extra week after that, and it is a question of releasing the documents when we did. It was the same procedure as that adopted last year, but I hope that in future years the difficulty will be overcome by the change in format.

**Mr TRAINER:** My question relates to the contingencies line. How much is to be spent on books and periodicals for the Library this year, and how does that amount compare with previous amounts in terms of increase or decrease, especially in 1980?

**The Hon. D. O. Tonkin:** My advice is that more than 80 per cent of the sum voted in contingencies is for spending on books and periodicals, but I do not have the details.

**Mr TRAINER:** Can you advise whether that is an increase or a decrease on the equivalent sum for last year?

**The Hon. D. O. Tonkin:** No, I am sorry, I cannot do that, but I am certain I can obtain the information for the honourable member.

**The CHAIRMAN:** For the benefit of the Premier, I point out that, in answering a question, the Minister may state that he will obtain information for the Committee at a later date and the questioner may ask that the information be made available for insertion in *Hansard*, if that is his wish. That course of action is available to the Minister.

**Mr McRAE:** I note that the proposed increase in the allocation for the Parliamentary Librarian's salary is about 12.5 per cent. Looking through the various allocations for salary increases in the lines, I note that there are considerable variations, some increases being as low as 3.5 per cent and others, as in the case of the Supreme Court judges, being about 12 per cent or 15 per cent. Is there any method by which the Treasury has gone about the general task of estimating salary increases? Is there some formula by which salary increases as a group have been looked at?

**The Hon. D. O. Tonkin:** This matter of round-sum allowances is more appropriate to Treasury. I will deal with the Parliamentary Librarian's salary initially, and then I will come to the general principle. The sum that was voted in 1980-81 was the salary payable at the time, but there were wage increases during the year and, obviously, the expenditure was entirely the result of those increases. The proposed sum this year is the annual salary payable to the Librarian as at 1 July. Whatever wage increases are passed on will obviously come into round-sum allowances. Because the wage and salary increases to be granted in the year to come are provided for by a round-sum allowance (this is shown on page 4 of the Estimates of Payments as \$78 000 000 in 1981-82) and not against each department, a comparison on which questions could be based would tend to undertake the expected increase in expenditure. That is just a general principle.

Actual payments (if we can get the working rules straight, and this will apply to other departments also) include the actual costs incurred due to wage and salary increases during the year just completed. They are taken into account

from the round-sum allowance and included in the total expenditure for the past year. Proposed payments reflect the level of wages and salaries operative as at 30 June 1981: in other words, they include the full year cost of the previous year's wage and salary increases, but they make no allowance in that figure for the sums that may be payable, for instance, 12 months after that date. They do not include provision for prospective increases in wages and salaries that may be incurred during 1981-82. It is important to note the difference in that the actual payments include the actual costs, and the proposed payments do not include possible costs for the future.

It is a little bit difficult to compare them exactly without taking the round sum into allowance. The actual round sum allowance providing for wage and salaries increases spreads over all departments since 1981-82. Each department will call on the round sum allowance of \$78 000 00 for salary and wages increases as they occur. While I am dealing with this principal, there is in the contingency line \$17 500 000, which is the round sum allowance made for price increases beyond the inflation allowance included in contingency allocations for 1981-82; it will be drawn on by a number of departments, but not necessarily by all departments. The full budgetary provision for expenditure by any department is greater than that directly shown against the department in the figures shown now as presented, because it is impossible to quantify what they will be for the rest of the year. We cannot really compare the latter figure, the proposed payment, against the previous year's actual expenditure to get any real measure of variation. One has to make some sort of calculation and allowance for the probable wage and cost increases in the forthcoming year. The whole of the documents have been prepared on that basis.

**Mr McRAE:** The other point I wish to make about the salary for the Parliamentary Librarian is that it has been the view of the Library Committee over many years that that salary allowance is inadequate and that there should be an equation, as there was in years gone by, between the Parliamentary Librarian and the State Librarian. Is the Premier prepared once again to re-examine this vexed question?

**The Hon. D. O. Tonkin:** As the honourable member would know, there was a salary increase two years ago by upgrading the position. It is a matter of assessing this in the light of current financial stringencies. It will certainly be examined.

**Mr McRAE:** I understand that the Library Committee has been considering a small, computer-based data system. One of the proposals being looked at is Ausinet. The basic idea of that system is to have the resources of the various Parliamentary Libraries, including the Commonwealth Parliamentary Library, and other libraries, available at a reasonable price—I think it is about \$5 000 a year. There would be a considerable cost benefit in carrying out some of the very research work about which we have been talking, for instance, ascertaining under the heading of 'Inter-governmental financial relations', what are the relevant recent published documents. Has any money been set aside under the contingency lines, or elsewhere, for the consideration of Ausinet?

**The Hon. D. O. Tonkin:** It is an interesting prospect, and one at which obviously the Library Committee has been looking very carefully. I am not aware of any approach being made to the President, the Speaker or the Government about this matter. It might be worth inquiring of the Minister of Local Government and the Arts about the possibility of using such a net in relation to the total library link-up. It certainly sounds an interesting proposition. It may indeed (and I expect that the honourable member has this in mind) be one way of overcoming the difficulty with

research services. It certainly sounds as though it would be worth looking at the introduction of this link as opposed to the need to employ additional staff. I am grateful to the honourable member for bringing this matter forward. I will certainly make a note of it, and certainly undertake that the Government would be very interested indeed to receive the final deliberations of the Library Committee.

**The Hon. J. D. WRIGHT:** Has the Government given any consideration to upgrading the facilities of the library by establishing a media monitoring service? I understand that for many years the Queensland Parliament has provided such a system, which gives an opportunity for members to study such programmes as *Sixty Minutes*, *Nation-wide*, news items, and those things that the Premier knows as well as I do that, because of the difficulties members sometimes face, they cannot see. I think it is a fact that the old Media Monitoring Unit is lying idle somewhere in the Premier's Department, or it might have been sold. It seems to me that if members miss these programmes they are at a disadvantage, not only in their own constituencies but also in understanding what is happening within the State. Therefore, it affects their deliberations within the Parliament. I think it is reasonable, if the Queensland Parliament (and the Victorian Parliament, I am told) provides this facility, that the South Australian Parliament should provide it as well.

**The Hon. D. O. Tonkin:** The old media monitoring service, which was part of the Premier's Department, is not lying idle: it has largely been disposed of. One recording unit is left, and it is used for specific purposes when something particular comes forward. The old media monitoring service, if I may say so, was not particularly valuable to general members of Parliament because it took a considerable time for the tapes, and so on, to be forwarded to the library after it had been used. I can well remember that point from a great deal of close personal experience. It is not a thing which has been considered by the Government at present. The need for such a unit has not been established, or, indeed, raised until now. If a general concern is expressed about this matter, perhaps it could be examined again. I think that the expenditure at this time, particularly when we are trying to squeeze out funds, to consider the employment of additional research staff and the possible linking up with Ausinet, would be quite out of the question. That is my reaction at this stage.

**Mr GLAZBROOK:** My question relates to the listing of long service leave and superannuation payments. I notice that we list pay-roll tax and termination payments, but in this line, and other lines, we do not make reference to provisions for long-service leave or superannuation payments. Where are they shown?

**The Hon. D. O. Tonkin:** I think that the total sums payable, including salaries, will include the usual provisions and will be covered under the total provisions for wages and salaries. No terminal leave payments, and so on, are expected in this 12 months.

**Mr GLAZBROOK:** I did not mean to ask why there were not any termination leave payments. I was asking whether, if we list pay-roll tax and termination leave payments, it would not be of interest to list long service leave and superannuation payments. I would be interested to know what percentage of payments we make under wages and salaries covers those points in these individual lines. Could you come back to us on that?

**The Hon. D. O. Tonkin:** That is an interesting point. Perhaps those figures could be isolated and brought forward in future. I will certainly look at that possibility.

**Mr BANNON:** You referred to the recording unit of the former Media Monitoring Unit and said that it is used for

specific purposes when something comes forward. Can you be a bit more precise? When and how is this unit used?

**The Hon. D. O. Tonkin:** If, for instance, a promotion is being conducted, such as the promotion for 'It's our State Mate', to which the Government has contributed and about which we are anxious to see what is going forward, tapes can be brought up. Nowadays, propositions for industrial development and projects that people have frequently become technically adjusted and quite often they bring a cassette forward and play that and have television presentations. So, various television programmes can be recorded if they are of particular interest from the State's point of view, and that is done. I suppose that method is used once or twice a day.

**Mr BANNON:** Are transcriptions made of television programmes?

**The Hon. D. O. Tonkin:** No. Do you mean 'Do we take one tape and transcribe it to another'?

**Mr Bannon:** No, I mean the taking of written transcriptions of TV interviews.

**The Hon. D. O. Tonkin:** No. There is no resemblance whatever to the original Media Monitoring Unit. I think the last use to which that was put was to look at Mr Chapman's excellent programmes on expenditure in the United Kingdom Public Service, which I think honourable members had a chance of seeing here.

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

Joint House Committee, \$286 000—examination declared completed.

Parliamentary Standing Committee on Public Works, \$52 000—examination declared completed.

Parliamentary Committee on Land Settlement, \$6 000

**Chairman:**  
Mr G. M. Gunn

**Members:**  
Mr J. C. Bannon  
Mr R. E. Glazbrook  
Mr J. Mathwin  
Mr T. M. McRae  
Mr J. W. Olsen  
Mr R. J. Randall  
Mr J. P. Trainer  
The Hon. J. D. Wright

**Witness:**

The Hon. D. O. Tonkin, Premier, Treasurer, Minister of State Development, and Minister of Ethnic Affairs.

**Departmental Advisers:**

Mr G. D. Mitchell, Clerk of the House of Assembly.  
Mr A. M. Schultz, Accounting Officer to the Legislature.

**Mr Millhouse:** Only a very small amount is involved, but I should hazard a guess that it is well in excess of the value of the work done by members of the Land Settlement Committee. For many years I have felt that the committee was purely a perk, that its retention was completely unjustified, and that it ought to be scrapped along with many other bodies that have kept on going. In this case, it has provided a little extra income for a few members of Parliament. Can the Premier tell me what work, if any, the Land Settlement Committee did last year?

**The Hon. D. O. Tonkin:** No, I cannot give the details of that. I would make two points in answer to the honourable member: first, I cannot agree with him that the work that has been done by the Land Settlement Committee in the past (perhaps he did not mean this) has been without value. I think that it has performed a very valuable task at various stages. Nevertheless, I must say that I am very pleased to hear his support for what is now the Government's attitude about the Land Settlement Committee. The future of the Land Settlement Committee is a question pending Government consideration.

**Mr Millhouse:** The Leader reminds me that the Clerk would have details of any meetings that the Land Settlement may have had last year. Perhaps I could ask him for that information.

**The CHAIRMAN:** All questions must be directed through the Minister.

**Mr Millhouse:** I direct the question through the Minister.

**Mr Mitchell:** No, I do not have any details of that.

**Mr Millhouse:** Is that because there have not been any?

**The Hon. D. O. Tonkin:** They could be provided, but I am not able to say. I make the point that, although not agreeing with the derogatory remarks made by the honourable member, I agree with the general thrust of his assessment that the Land Settlement Committee is probably a committee that this Parliament could do without.

**Mr Millhouse:** What are you going to do about it?

**The Hon. D. O. Tonkin:** I have already made the point quite clearly that it is a matter under consideration now.

**Mr Millhouse:** Does that mean that during the present year we might expect to see some move for its abolition?

**The Hon. D. O. Tonkin:** It is quite possible.

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

Legislature, Miscellaneous, \$2 144 000

**Chairman:**  
Mr G. M. Gunn

**Members:**  
Mr J. C. Bannon  
Mr R. E. Glazbrook  
Mr J. Mathwin  
Mr T. M. McRae  
Mr J. W. Olsen  
Mr R. J. Randall  
Mr J. P. Trainer  
The Hon. J. D. Wright

**Witness:**

The Hon. D. O. Tonkin, Premier, Treasurer, Minister of State Development, and Minister of Ethnic Affairs.

**Departmental Advisers:**

Mr G. D. Mitchell, Clerk of the House of Assembly.  
Mr A. M. Schultz, Accounting Officer to the Legislature.

**Mr BANNON:** I refer now to the new item 'Publications issued to Members of South Australian Parliament'. I am not able to find in the yellow books any explanation of the estimated proposed amount of \$224 000. Could the Premier explain?

**The Hon. D. O. Tonkin:** I ask that the Clerk answer this question.

**Mr Mitchell:** This item has been under the general operating expenses of the Government Printer. As part of the review recently undertaken by the Deputy Premier, those items were costs that were particularly delineated. The title is a bit of a misnomer, in that all publications issued to members and those that are on file (and members are all aware of how large some of those files become) are included in that \$224 000.

**Mr BANNON:** I refer to the item 'Hansard—printing and publishing'. What amounts are received by way of subscription for *Hansard* and what change has occurred since the dramatic increase in the fees charged for *Hansard*?

**The Hon. D. O. Tonkin:** I am not aware of the detail, but we can obtain the information for the Leader.

**Mr BANNON:** Both as to income and as to the number of subscribers?

**The Hon. D. O. Tonkin:** Yes.

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

State Governor's Establishment, \$290 000

**Chairman:**

Mr G. M. Gunn

**Members:**

Mr J. C. Bannon

Mr R. E. Glazbrook

Mr J. Mathwin

Mr T. M. McRae

Mr J. W. Olsen

Mr R. J. Randall

Mr J. P. Trainer

The Hon. J. D. Wright

**Witness:**

The Hon. D. O. Tonkin, Premier, Treasurer, Minister of State Development, and Minister of Ethnic Affairs.

**Departmental Advisers:**

Mr W. M. Scriven, Director-General, Department of Premier and Cabinet.

Mr E. Kageler, Chief Administrative Officer, Department of Premier and Cabinet.

**The Hon. J. D. WRIGHT:** I ask the Premier whether or not a new Governor has been chosen, and whether press speculation is correct, namely, that the announcement will be made by the Queen here next Friday or Saturday?

**The Hon. D. O. Tonkin:** I have not seen any press speculation on that matter. The matter is in train.

**The Hon. J. D. WRIGHT:** When will the appointment be announced?

**The Hon. D. O. Tonkin:** I am not able to answer that. It would be quite improper for me to do so, as the Deputy Leader knows. The announcement is not in my hands: it is a matter for the Palace.

**Mr Millhouse:** It would be quite unusual and, indeed, quite wrong for the announcement of a new Governor to be made at this stage, I should think.

**The CHAIRMAN:** The Chair was about to rule on that particular case.

**Mr MILLHOUSE:** I am glad that I was able to read your mind. I should like to ask the Premier when the present incumbent goes.

**The Hon. D. O. Tonkin:** From memory, I think the term of office expires on 7 or 8 September next year.

**Mr Millhouse:** Yes, but there is all this long service leave.

**The CHAIRMAN:** Order! The Premier is answering the question.

**The Hon. D. O. Tonkin:** I understand that His Excellency will be leaving active duty at the end of March next year.

**Mr Millhouse:** Does that mean he will be moving out of Government House then?

**The Hon. D. O. Tonkin:** I think that that was the whole purpose of the legislation, which I think the honourable member would realise if he had taken the opportunity of looking at it carefully.

**Mr Millhouse:** We can expect him physically to leave at about March of next year?

**The Hon. D. O. Tonkin:** I do not know what his exact plans are, but I do not think the honourable member means what I could interpret him as meaning. I think he intends to move into retirement.

**Mr Millhouse:** But he will be leaving the premises? That was the thrust of the question.

**The CHAIRMAN:** I have to point out to the member for Mitcham that I will only permit only a very narrow debate on this line. No reflections on His Excellency will be tolerated.

**Mr Millhouse:** I do not think I have made any reflections on him. Will he be physically moving out of Government House?

**The Hon. D. O. Tonkin:** That is right. I understand that.

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

Premier and Cabinet, \$2 958 000

**Chairman:**

Mr G. M. Gunn

**Members:**

Mr J. C. Bannon

Mr R. E. Glazbrook

Mr J. Mathwin

Mr T. M. McRae

Mr J. W. Olsen

Mr R. J. Randall

Mr J. P. Trainer

The Hon. J. D. Wright

**Witness:**

The Hon. D. O. Tonkin, Premier, Treasurer, Minister of State Development, and Minister of Ethnic Affairs.

**Departmental Advisers:**

Mr W. M. Scriven, Director-General, Department of Premier and Cabinet.

Mr E. Kageler, Chief Administrative Officer, Department of Premier and Cabinet.

**Mr BANNON:** Before asking a question I would like to make a suggestion namely, that the format of accounts such as these, which show salaries, wages and related payments separated from contingencies, could be improved if the contingency item was included under the salaries and wages heading. It certainly makes it easier in terms of questioning, because you are questioning the administration, for instance, of the Premier's Department, and I think we

should look at both the salaries and wages area, which involves manpower, and so on, and the administration connected with it, just as a matter of format. I take it, Sir, that you would not object to a cross reference being made, for instance, between pages 16 and 18.

**The CHAIRMAN:** I do not object so long as the principal question is adhered to.

**Mr BANNON:** Looking specifically now at administration, page 42 of volume 2 of the yellow book 1 sets out the Premier's office staff establishment, Minister and office. It is proposed that there be a further staff member this year. Could the Premier indicate what the functions of that person will be, salary levels, etc., and why there is a need to increase the size of his personal office staff by one?

**The Hon. D. O. Tonkin:** I point out that the figures that are given (and this is probably worth bearing in mind for all further questioning on departments now) are average figures. There is a note on the top of the page, 'Employment in average of full-time equivalents.'

**Mr BANNON:** Fourteen was proposed, but 15 is now proposed.

**The Hon. D. O. Tonkin:** That is basically the full year's effect now coming through of appointing an executive assistant. That 15 comes as a result of appointments made before the end of the financial year. If it were just in figures at the end of the financial year it would have been 15 in 1980-81. Since it is an average figure it still shows 14 there, and the increase is shown at the change of the financial year.

**Mr BANNON:** Yes, but my point still is that, whether or not that person is actually on the size of the Premier's staff, the staff size has actually been increased by one. I am asking for the position, functions and reason for that increase.

**The Hon. D. O. Tonkin:** I think that was very carefully covered (I am not sure whether it was by way of question in the House) with the appointment of an executive assistant, because the job was considered to be necessary as a matter of advising. It was a question largely of a deficiency which was found in the current Ministerial staff and which has now been rectified.

**Mr BANNON:** Could the Premier tell us how that compares with the personal office staff of the previous Administration?

**The Hon. D. O. Tonkin:** No, I cannot off hand. The whole staffing situation in the Premier's Department, of course, has undergone a radical reduction. That includes both Ministerial staff and the total administrative staff. Matters like the publicity department, and publicity and design services, have been very greatly cut, as will be seen in other areas there. There are far fewer people in the department now than there were two years ago.

**Mr BANNON:** For clarification I pointed out that there were a number of headings under this general line. Obviously, I wish to pursue various matters under Agent-General, inter-government relations, Ombudsman, publicity and research, and State Development Office. It would be easier for the Committee if we could deal with the questions *seriatim* and perhaps see if the Committee, for instance, has any further questions on the administration lines before we move to Agent-General and so on.

**The CHAIRMAN:** The committee agrees with that course of action? There being no objection, I will permit it. Are there any further questions under administration?

**Mr TRAINER:** I see that the purchase of office machines and office equipment last year had nothing voted, but that \$8 595 was spent. The sum of \$1 000 is allocated for this year. What major item of equipment was purchased with that \$8 595?

**The Hon. D. O. Tonkin:** The major item was an automatic Vocabex duplex transceiver, the amount being \$7 500. We

found to our great surprise that we were the only Premier's office in Australia not to have a Vocabex facility. Since a great deal of the very greatly expanded correspondence and communication with the Prime Minister's Department and other departments was being undertaken by Vocabex, it was considered essential that we plug into that same net. That is the reason why the Vocabex machine was used. From memory, there were a number of possibilities, but this seemed to combine the most reasonable cost with the most versatile and reliable equipment.

**Mr OLSEN:** I note on page 39 of the Programme Estimates that there is a reduction in expenditure programmed by something like \$29 000. In fact, the proposed number of State funerals has increased to five. Is it a typist's error that we are budgeting for five State funerals?

**The Hon. D. O. Tonkin:** I would hesitate at this stage to give any estimate of who might be the subject of State funerals. I could leave it to the delicacy and understanding of honourable members that we are coming to the end of an era, and one must always be prepared.

**Mr BANNON:** I move to the heading, 'Agent-General in England'. In yellow book 1, at page 40, the functions of the Agent-General are listed. This shows up the problems that we have with the yellow book, cross comparing it with the Estimates document and even attempting to assess the Government's programme and performance. One reads the programme, the provision of services to Government agencies through the office of the Agent-General, but I suggest there may be elements of the function of the Agent-General which are not really recorded under that.

My attention is directed specifically to 'Employment levels' on page 41 where we see that the proposed employment level for this financial year will be 6.3. It is already recorded on page 40 that at the end of 1981 the Official Secretary will return and will not be replaced. Last year the level of employment in the Agent-General's Office was 15. What has happened to the phantom 8.7? Are they somewhere else and, if so, where; and why cannot we get the full details from the page purporting to discuss what the Agent-General does?

**The Hon. D. O. Tonkin:** Only one part of the programme has been put forward. I think the total number at the Agent-General's Office is now 14, and it will be 13 when the Official Secretary comes home and his duties are taken over by an officer already on staff there. I think in 1977 the staff totalled 21, and it has been reducing steadily from that time, with a particular emphasis in the last two years.

**Mr BANNON:** If that is only part of the programme, where do we find the rest of the programme?

**The Hon. D. O. Tonkin:** I refer the Leader to page 15—'Attract and assist investment' and 'expansion of trade opportunities': 2.1 of the Agent-General's staff come under those titles, because they are technically working on the expansion of trade opportunities. A total of 4.2 from each of those areas is added to the 6.3. Page 17 covers the programme 'Assessment of potential development projects', involving 0.7 of that breakdown, and on page 23, covering 'Provision of assistance to South Australian citizens visiting the United Kingdom', 2.8 is added.

The Agent-General's Office is made up of a series of programmes. To a point the Leader was correct in saying he felt that they were not all shown on that page: they are not; they are shown in programme form, but it is necessary to take the elements of each programme and put them together. The aim of each programme is being achieved by the use of those people. It is just that the office has a number of programmes running through.

**Mr BANNON:** I think the problem in conducting that exercise (and I thank the Premier for that information) indicates the difficulties even of determining what pro-

gramme is being described in relation to particular functions. I think that highlights the problem that members of Parliament will have in having these documents presented at a late stage and attempting to work their way through them. It appears that some of the staff of the Agent-General's Office are involved in the programmes of State development, promotion, publicity, etc.: what is the situation with other overseas trade representatives or officers? Do they come under State Development in the Department of the Premier and Cabinet or are they attached to Trade and Industry?

**The Hon. D. O. Tonkin:** No, they come under the heading of State Development. They are on a different basis. The Agent-General's Department is still quite unique and important, inasmuch as it is the last semi-diplomatic representation that we have with Britain. In Singapore and the Philippines we are represented by one individual and in the Hong Kong and the Japanese Tokyo markets we are represented by Elders-G.M., so that the representation is given on a fee basis and we do not come into the administration that is required.

**Mr BANNON:** Those agents report to State Development and the Premier?

**The Hon. D. O. Tonkin:** Yes, the funds are allocated from State Development.

**Mr BANNON:** The Department of Trade and Industry no longer has any overseas or external function?

**The Hon. D. O. Tonkin:** I think we went into this in great detail last year. Trade and Industry obviously uses the services of those representatives. Its primary function is to investigate what opportunities there are, and it is appropriate that it should be conducted through State Development, but their services are obviously available to other departments.

**Mr GLAZBROOK:** It has been reported recently in the press that the Deputy Director of the Department of Tourism will be leaving the department soon to base himself in London on a commission for service fee. Will he be paid through the Agent-General's Office, and will he be involved in the 'provision of other services to Government agencies' (page 41)?

**The Hon. D. O. Tonkin:** No, Mr Joselin will be employed as a consultant. He, of course, will receive all the support that he needs at any time through the Agent-General's Office, but basically he will be operating from his own office, using his own facilities, and will be acting as a consultant on a paid basis and on contract. He is therefore responsible not to the Agent-General, but will be funded out of the Department of Tourism.

I must emphasise that the position is of particular importance at present as regards developments at Adelaide Airport. I think these matters could probably be raised with the Minister of Tourism or the Minister of Transport. I know it is an important matter, and we consider it is a vital part of the promotion of our State that someone is dealing with a matter that is, after all, quite critical to us, namely, the provision of direct air transport links between Adelaide and overseas.

**Mr BANNON:** I would like to turn to the Inter-governmental Relations Branch and its work. Unfortunately, we do not at this stage have the usual paper reporting on the developments in Commonwealth-State financial relationships and the Government's new federalism. The Premier referred to this in his Budget speech, and said that the document was still in the course of preparation and would be tabled separately. I suggest that there is some urgency involved, because many of the financial predictions on which the Budget is based relate to the fate of the Commonwealth-State Financial Agreement and the application of the new federalism policy. I would go further and say

that it has particular pertinence in the light of the very strong attacks which the Premier has made on the Federal Government and its grants to the States. Much of the Budget speech and other similar statements made by the Premier about what he can and cannot spend this year have involved attacks on the Federal Government and its policies.

I refer to last year's attachment paper on developments in Commonwealth and State financial relationships, and remind the Committee that the South Australian Government there, in plain words, supported the philosophical approach to federalism which is at the roots of the policies outlined in the 1975 Liberal and Country Party document on their concept of federalism, and that, in their dealings with the Commonwealth Government, the paper goes on to say that it would be their aim to ensure that, as far as possible, Commonwealth-State financial relationships developed in a way consistent with the principles espoused in the policy document.

The Prime Minister insists that, in his financial grants, he is giving effect to those principles of devolving more authority on the States as to what they might do with their money, rather than be involved in sharing programmes with the Commonwealth, and tremendous pressure on the Commonwealth to raise finance from its own sources. He would claim—and I think quite rightly—that he is acting totally consistently with the new federalism policy. That is why I say there would be considerable interest in the paper that the Premier will table in this Chamber, because I cannot at the moment see how the Premier's philosophical and rhetorical support of the Federal Government and its new federalism policy can be in any way consistent with the statements he has made against the Federal Government in terms of the money it has provided to the States. Will the Premier say, first, whether there has been a shift in Government policy; secondly, if not, how can he reconcile those statements?

**The Hon. D. O. Tonkin:** At the outset, we are getting into the realms of philosophy rather than of fact-finding on the Budget, but I do not mind that particularly. It is for you to rule, Mr Chairman.

**The CHAIRMAN:** It is entirely up to the Premier to answer the question as he sees fit.

**The Hon. D. O. Tonkin:** Thank you. The Premiers as a whole and the Treasurers, where there are Treasurers of States, have been quite united in their attitude towards the Federal Government in the past 12 months. I believe that we have done a remarkably good job in keeping our expenditure at its present level, considering the treatment we have been given as a State. When one considers the very high taxing and increases that have resulted from this move in the other States, New South Wales and Western Australia particularly, and to some extent in Victoria, I think we have done remarkably well.

The whole question of federalism involves the devolving of powers back to the States, and includes the power to raise finance, to decide how to spend revenue—in other words, to have a lump sum handed over and to have the responsibility of allocating that sum according to priorities that the State Government may accept from time to time, according to its philosophy and its policies. Unfortunately, I am bound to say that, although the Federal Government is still progressing according to its federalism policy, it is not devolving those powers and reversing the disastrous situation which we experienced between 1972 and 1975 nearly quickly enough as far as I am concerned.

The question of tied grants is one that I do not intend to go into now. We all know the story about tied grants and how the States' expenditure was absolutely structured by Federal influence, but the percentage of moneys now given to the States under tied grants, including housing grants

and a number of other things, is much less than it was in 1975; I think, from memory, it is some 10 per cent to 12 per cent less. However, there is still a long way to go, and we will continue to press for a further and continued implementation of the federalism policies. The reduction of the sums that come to us by way of tied grants and the presentation of the sums involved as an added sum to the lump sum of revenue would have been perfect had it not been that the basis of the tax-sharing refund to the States has been changed, and the sums that are coming, because of that change, are smaller. That has tended to obscure the transition to fewer tied grants and to more lump sum payments.

In reply to the Leader's implication at the end of the question, I might say that I will still support the Federal Government, although I may disagree with it quite violently on some matters of finance and will continue to do so until we get a fair go. I am not alone in that. I will continue to support its philosophy, because that philosophy is so much better than was the alternative we suffered from so critically and disastrously between 1972 and 1975, and there is no way that I could support any policy that would see a return to that state of affairs.

In reply to the second part of the question, it is intended to bring in the paper as soon as it can be prepared. We want it to be as up to date as possible. As members will know, there has been a review of relativities, and that review has been opposed by three States: Queensland, New South Wales and Victoria are rather keen to see those relativities, as recommended by the Grants Commission, accepted without question; more understandably, in my view, South Australia, Tasmania and Western Australia have no wish to see that relativities agreement accepted in any way. The influence of the Railways Agreement, in particular with South Australia and Tasmania, is something that, in our view, must be addressed by the Grants Commission. We have been successful in putting forward a case to the Federal Government and at the Premiers' Conference, whereby, while the bigger States have been given a small sum of money to make up for what they understandably regard as the shortfall they are getting this year, we are not being disadvantaged pending the resubmission to the Grants Commission of the relativities review.

A number of matters will be considered, including the influence of the health scheme, and obviously South Australia particularly is fighting very hard to get the Grants Commission to consider the Railways Agreement and what effect that would have had on our budgetary position, and to quite clearly spell that out. The figures vary, but the State stands to lose about \$70 000 000 a year in round terms as a result of the relativities agreement if it is accepted just as it is. That would have a quite catastrophic effect on our finances and force us to cut back even further than we have done now and to make a major change to some of the policies we have adopted. We have had no retrenchment as part of our very firm policy, and, although it would be a very bad thing to do, it would probably have to be reviewed if we were forced into a situation where the total relativities review was introduced without question forthwith. I hope that will not happen and that the Grants Commission will consider the effect of the Railways Agreement on the smaller States.

I believe that everyone would agree that it is absolutely ridiculous that the Grants Commission should not take account of the need for the smaller and the less well-developed States to have a fair go and some additional loading in their favour rather than giving that loading to the States that are already well developed. Under those conditions, the richer States will get richer and the poorer States will fade away. It would be a very short-sighted

policy to adopt that attitude from the point of view of the States' future but more particularly of the nation's future.

**Mr BANNON:** The Premier referred to the railways agreement. At an earlier stage, when this matter was first raised publicly, the Premier made much of the fact that in his view the agreement was not binding and we would have great difficulty in establishing our legal claim. In doing that, the Premier purported to cite the fact that there were no contracts, merely an exchange of letters, and so on. This is very relevant to our governmental relations, and I put to the Premier that, when the new Commonwealth Government came to office in 1976, it subjected those railway agreements to close legal assessment as to whether or not they were binding. The then Minister for Transport, Mr Nixon, was reported as saying:

The Federal Government wants to end its rail takeover agreements in South Australia and Tasmania but is unable to do so... The deal signed by Mr Whitlam is watertight.

Various other statements were made at the time, all of which established exactly the same position. It may be recalled that legislation was passed by both State and Federal Parliaments. I believe that the *Advertiser* editorial is worth quoting in this context, as follows:

... it is disquieting that the Fraser Government should even contemplate dishonouring a valid agreement entered into by its predecessor and subsequently ratified without opposition from the Federal coalition Parties.

The position was sorted out in 1976. While I do not deny that the potential loss from the Grants Commission is something about which we must be concerned, there is no question that the validity of the railways agreement is involved here. The Premier has substantially weakened our bargaining position with both the Commonwealth Government and the Grants Commission by unilaterally throwing doubt on the validity of the agreement.

**The Hon. D. O. Tonkin:** I am very pleased that the Leader of the Opposition has raised this subject so conveniently at this time. He is quite right: the actual transfer agreement is watertight, and there is no way we can get out of that situation when the railways transfer is binding, although I am sure that we would want to get out of it. The whole point is that (and this is the point that has been made time and time again) there are no legal agreements as to the financial transactions that were to take place. There is no enshrining in legislation of the financial arrangements that were to take place. All we have is a letter.

I suggest that the Leader is quite mistaken if he thinks there is any legal backing for the financial arrangements that were made. The Grants Commission (and I recommend that the Leader read the report) placed great emphasis on this fact. There is no enshrining of the arrangements in legislation. If anything is to be binding on Governments, it must be enshrined in legislation, because one Government cannot bind the next Government.

**Mr BANNON:** One Parliament cannot bind the next Parliament.

**The CHAIRMAN:** Order!

**The Hon. D. O. Tonkin:** I understand the Leader's perturbation. The transfer of railways agreement that was ratified by this Parliament is watertight. There was no consideration, in either a legal document or legislation of the financial arrangements that were made and, quite frankly, we do not have any grounds on which to say that there was. Any decision that will be made will have to be considered again by the Grants Commission which I hope will agree to do that, following our representations, but it will not do that because it is obliged to do so by legal agreement or legislation: it will be because we have been able to persuade the Federal Government to refer that matter to the Grants Commission as a term of reference.

The Government has explored the various aspects of the letter which is on file from the Prime Minister of the day, who said that he rather thought (and this is a loose quotation) that it would be inappropriate and not desirable to have a formal financial agreement signed. Apparently, the Premier of the day totally agreed with him for some reason or another. Personally, I still regard this issue as one of the most tragic occurrences for this State that we have ever suffered. The clear implication was that neither the Prime Minister nor the Premier of the day thought they would be replaced.

**Mr OLSEN:** When do you anticipate that the matter will be resolved, that is, that the financial arrangements and the funds flowing to the States will continue? What is the current position in relation to that pattern? Has the Federal Government responded by allowing the previous position to continue for this financial year? Will it have an effect in the next financial year on the revenue payments of this State?

**The Hon. D. O. Tonkin:** Basically, no. The Federal Government has agreed that, following the representations made at the last Premiers' Conference, the matter will be deferred and the Grants Commission will be asked to consider the matter again. I repeat that we are putting the most strenuous representations forward that it should look at the railways agreement and its effect. That matter is still to be finally decided. I have reason to believe that the Commonwealth Government will agree to our requests to have the railways agreement taken into account.

In the meantime, we are not being disadvantaged, but the other States are receiving additional funds. A total of about \$60 000 000, I believe, has been split up between the three States that stand to benefit from the relativities agreement, so we are not being disadvantaged. When it comes in, if there is an acceptance of some form of adjustment to the relativities, obviously we will be very strenuous indeed in our arguments that it should be introduced gradually and with the minimum possible effect on the State's economy, with a minimum reduction generally.

**The Hon. J. D. WRIGHT:** The Ombudsman's Report of 1980-81 (page 16) stated:

Unfortunately, my relationship with the Ministry failed in one area. The Minister concerned seemed to have some misunderstanding of the statutory responsibility and function of the office of the Ombudsman. This particular Minister appeared to believe the Ombudsman had a function akin to consumer affairs—as part and parcel of the Government administration—rather than appreciating his independence, as a representative of Parliament.

No doubt the Premier will recall that, when the report was tabled, I asked him whether or not he knew which Minister was referred to. I accepted his answer that he did not know at that stage because the report was fresh, and although he made certain allegations (which were incorrect) in his answer on that occasion about the Opposition having the report earlier, it certainly did not. As the Premier has had time to have this matter investigated, will he now name the Minister to whom the Ombudsman referred?

**The Hon. D. O. Tonkin:** The matter was fully discussed in the House. There has been quite a lot of unfortunate speculation about it. The Ombudsman has indicated that he has no intention of naming the Minister, or of wanting him named. So I do not intend to do anything but abide by that wish.

**The Hon. J. D. WRIGHT:** It is obvious that the Premier now knows the Minister's name and will not tell the Committee. If that is his stand, I do not suppose the Committee can do much about it. The other matter that concerns me is that there has been some speculation that it is the Government's intention to introduce guidelines covering the Ombudsman. Is this correct?

**The Hon. D. O. Tonkin:** No. The Deputy Leader may have misunderstood another announcement made in the House that members of the Public Service would be given a summary of the powers of the Ombudsman for their guidance.

**The Hon. J. D. WRIGHT:** There is no intention of introducing guidelines?

**The Hon. D. O. Tonkin:** I would not presume to bring in guidelines; nor, I hope, would anyone else, because the Ombudsman has his Act, which is quite specific.

**The CHAIRMAN:** We come now to the Publicity Section.

**Mr BANNON:** Why has the Publicity Section been merged with the State Development Office?

**The Hon. D. O. Tonkin:** The answer should be quite obvious to anyone. It is a question of promoting the State. In the days when there were 28 people in the Publicity and Design Section, I must admit that I am not aware of the full range of duties for which those people were utilised. Certainly, now that we have reduced that section to a workable size we see their fundamental job (and I must say that they do it very well, indeed) as that of promoting the State. They have produced a very fine publication *The South Australian Book*. They are involved in the production of pamphlets, particularly the one on South Australia in Italian, which has been used at the Milano Trade Fair.

**Mr BANNON:** That was a direct translation of the previous Government's publication.

**The Hon. D. O. Tonkin:** Yes, indeed.

**Mr BANNON:** A very fine job.

**The CHAIRMAN:** Order! The Premier is answering the question.

**The Hon. D. O. Tonkin:** Most of the people who are still employed were employed by the previous Government.

**Mr BANNON:** The translators?

**The Hon. D. O. Tonkin:** I am not sure why the Leader is so touchy about this matter. I am perfectly willing to give, and indeed did give, due deference to the very fine work done by those officers, regardless of which Government they were employed by. I think the Leader is being petty in the extreme.

They have also been involved in the production of the trade trains, and their services as consultants and advisers have been used, and will be used again, for instance, in the Barossa Promotion Week, as it was in Melbourne and will be in Sydney in the relatively near future. They also advise members of Government departments about advertising, and so on. I think that that is their appropriate position, because they are there basically to promote the State and not to promote Governments.

**Mr BANNON:** I should have thought that the Publicity Section has a much wider role than simply industrial development, servicing and advising various departments, and so on. Why cannot it be shown as a separate group? Is this because of some ideological resistance to identifying what the Government is spending on publicity in an attempt to bury it in other sections of the Budget?

**The Hon. D. O. Tonkin:** No. I think it is pretty obvious to most people that State development means developing the whole State and every area in it.

**Mr GLAZBROOK:** How much publicity is directed to encouraging people as well as businesses to this State? Also, would you regard this as an adjunct to that publicity undertaken by the Department of Tourism, therefore giving added impetus?

**The Hon. D. O. Tonkin:** There are specific areas where publicity is required, and tourism is an important one of those areas. This in no way detracts from that. The approach adopted by the publicity section at this stage of State development is to promote the State itself and its general attractions. If it can promote the resource devel-

opment potential, for instance, together with industrial potential, obviously it will promote tourism potential, because tourism is, as most people understand, a very important industry to the State's economy. By boosting tourism we can increase employment and money coming into the State. That is very much a resource that should be developed.

**Mr TRAINER:** I would like some clarification on something that the Premier said two or three questions ago when he seemed to imply that he undertook to pull apart the publicity and design section that he inherited from the previous Government without really knowing what that section was really doing.

**The Hon. D. O. Tonkin:** No.

**Mr BANNON:** I remind the Committee of the Premier's long-standing criticism, while in Opposition, of the Premier's Department Policy Division and its functions. He was extremely critical of it and its role. It was superfluous and unnecessary. There are many statements on record that were made by the Premier while in Opposition. Very soon after accession to Government (in fact, within a few days), it was reported that the new Liberal Government would dismantle the Policy Division of the Premier's Department, abolish the positions, and so on, and that was done. Since that time, we have seen a re-establishment of this policy function shared to a certain extent amongst the Research Branch and State Development Office. I would like to concentrate on the Research Branch and its functions. On page 34 of volume 1 of the yellow book, it is detailed as follows:

The Premier and Cabinet needs an independent review of proposals, policy advice and monitoring of implementation of undertakings made by the Government. The Premier needs resources for providing briefings, comments on submissions and project work.

I suggest that that is a fair description of the role taken by the former Policy Division, although obviously not in quite precisely the same form. Who are the officers in the Research Branch; what are their qualifications; and why is there such a large increase in salaries over the budgeted 1980-81 level, that is, \$135 000 compared to \$96 000?

**The Hon. D. O. Tonkin:** In answer to the last question of fact (I will deal with the earlier matters later), that increase comes about as a carry-over of award increases from 1980-81, some \$3 000, plus the national wage increase and arrears of \$7 000 paid in 1981-82. I think honourable members will be aware from the proceedings of the Committee last year that provision has now been made for full-year salaries for two deregulation officers. That involves \$13 000 for a senior research officer and an amount of \$19 000. So, the deregulation unit is now responsible for the increase as shown. As for the remainder, and the comments made about the Policy Division, I make the point that there were 17 members of that division in 1979 and there are now 7.5 equivalents.

**Mr BANNON:** It is 25 equivalent, but we will come to that in a moment.

**The CHAIRMAN:** Order! The item under discussion is the Research Branch.

**Mr BANNON:** I refer to projects that the Research Branch has undertaken and I pursue the point of their role. The Premier, in Opposition, claimed that it was quite improper for the Premier's Department to have the means of independent assessment of things that could more properly be done in other departments. I ask why the review of the Secondhand Motor Vehicles Act, the domestic air fares inquiry, together with the Wales State Rescue Helicopter projects and the review of the student-driver education scheme were not done by the Department of Transport. Also, why was the youth performing arts proposal not done by the Department for the Arts, and why was the devel-

opment strategies paper not prepared by the Department of Trade and Industry or the State Development Division? How does the Premier envisage this Research Branch working, and is it an overlord of the State Government policy initiative?

**The Hon. D. O. Tonkin:** I do not think that it is, in the same way that a previous department was considered to be by the Government of the day. The projects that are undertaken (and that is a representative list) are simply matters referred to it by Cabinet, in the main. I remind honourable members that the department is now called the Department of the Premier and Cabinet and it has been accustomed to refer various matters to the Research Branch, usually small aspects of the overall papers that have been brought forward by departments. That is simply the way it works.

**Mr BANNON:** With respect to programme performance budgeting, considerable Government resources and finance have been directed to this exercise, which arises for discussion under the Treasury line, which is more appropriate. However, I note that this is one of the projects undertaken by the Research Branch of the Department of the Premier and Cabinet. I ask, what precisely does the Research Branch do in respect of this? What was its role, and is this an example of further resources being devoted to this area?

**The Hon. D. O. Tonkin:** Members of the Research Branch have taken an interest in programme performance budgeting and have spent a considerable amount of time with Treasury officers in helping to develop the programme. It is just a question of properly accounting for their time and putting down as far as possible an indication of the sorts of project on which they have been spending their time.

**Mr BANNON:** Regarding the State Development Office, last year we attempted to explore in some detail the precise function of the office *vis-a-vis* the Department of Trade and Industry. I think it is fair to say that members emerged from the Premier's explanations not very much clearer as to the division or distinction between those two groups. I also remind the Committee that I made the point very firmly that, if there is some uncertainty about who has responsibility for what, one gets the very bad situation in public administration whereby either things are not done because each group believes the other is doing them, or alternatively, and far more destructively, each group covers much the same ground and in fact works against the other.

I do not think the Premier's explanations last year clarified this very much at all. He could have taken refuge (and he did so on a couple of occasions) in the fact that the State Development Office in his department was in a fairly embryonic stage and that its precise staff complement and workings had not been fully established at that stage. We are now 12 months further down the track, and we turn to these policy documents in the yellow books to see whether we can get some guidance.

On pages 12 to 16 various functions of the State Development Office are listed. Bearing in mind the Premier's remarks about the publicity function, namely, that publicity means publicity about everything that occurs in the State, it is found that that is one of the briefs of the State development function and his office. In these pages we see a very broad range of needs being addressed. 'The co-ordination of economic development across all industry sectors' is the general programme sector under which this office operates. There is a series of broad objectives dealing with development projects, with assessing trends, expanding markets, assessing potential resources, and industrial development projects which are interesting, especially in respect of mining and energy manufacturing. I am not sure where the Minerals and Energy Department fits into this. So, there are those pages of aims, indicating an extremely comprehensive function.

If we turn to the documents provided in book 4, details of the Department of Trade and Industry functions are given on pages 46 to 48. It can be seen that needs have been addressed to the generation of adequate number range and geographic distribution of job opportunities, which depend on the industrial and commercial sectors of the economy, and the comment is made that the Government should ensure that policies generally create a climate in which these sectors may operate. Its broad objectives are to encourage industrial trade and commercial development, to develop specific policy measures, and to encourage investment, structural change, and regional development. Specific targets are set out, most of which, particularly those dealing with economic growth, seem to be areas covered very clearly by the State Development Office.

Admittedly, at some points in book 4 reference is made to those things being done in conjunction with, or with reference to, the State Development Office. However, I suggest that nowhere is there a clear breakdown of a definition as to why it is necessary to have one office and one department under two separate Ministers, covering in many ways exactly the same territory. I would like the Premier, who now has 12 months further experience of this, not only to describe how the process works, but also to suggest to us whether this has caused any problems or conflicts between the two branches of Government.

**The Hon. D. O. Tonkin:** No, it has not caused any conflict. There is no evidence of either duplication or ignoring a problem. The Leader is indulging in the same wide-ranging criticism that he did last year, basically on a matter of philosophy, because he does not particularly care for the private enterprise approach that the State Development Office apparently has.

**Mr BANNON:** On the contrary, I would like to see it well served and knowing where it is to go.

**The Hon. D. O. Tonkin:** If he believes the officers of the department are in any way failing in their duty, I would like him to be more specific. The proof, of course, is in the functioning of the arrangements that have been set down. They are doing a first-class job. I cannot see much point in replying to the Leader's ill-informed criticism.

**Mr BANNON:** Let me simply say that a number of persons in the private sector have said to me that they are quite confused as to who they should approach in relation to discussing industrial development in this State. To which Minister should they be talking? Do they go to see Mr Tiddy, or do they go to see Mr Rowe? What precisely must they do in getting the Government to take up seriously some of the things in which they might be interested? There is definite confusion among the business community, and, if the Premier does not know that, I suggest that he check the matter out. I ask him to be specific: what is the role of the State Development Office as distinct from that of the Department of Trade and Industry? Can we have some examples of the functions that each perform, and how they are different?

**The Hon. D. O. Tonkin:** The Leader claims that there is confusion in the minds of the business community. That is patently untrue and ridiculous. There is not. It does not matter particularly where a first approach is made, whether it is made to the Department of Trade and Industry, the Department of Mines and Energy, the Woods and Forests Department, or the State Development Office. Any one of those offices will immediately put the person involved, depending on the project, in touch with the appropriate authorities. I could refer the Leader to the long and detailed discussion that he initiated last year during the Estimates Committees. I could refer him to the yellow book which apparently he has read in part.

There is no difficulty. The State Development Branch looks basically at general propositions and developments. When the first contact is made, depending on the need of the person involved, if it is someone from the local scene they very frequently go directly to the department involved. If it is someone from interstate or overseas there are some countries where relationships are held only on a Government-to-Government basis and through the head of Government. Those people go directly to the Premier's office, as that is exactly where contacts are made in their experience. In spite of the confusion in the Leader's mind, the important thing is that the mechanism works, and works very well indeed, for the benefit of South Australia.

**Mr BANNON:** Could I ask a question on one specific matter which has caused some confusion. Which Minister, and which department are responsible for the development of the technology park?

**The Hon. D. O. Tonkin:** The technology park has been very much a co-ordinated effort. The Minister involved, the Minister of Industrial Affairs, will have direct control of it, because it is a facility which will be used for specific projects. State development has been very closely involved in all of the matters which have led up to its development, but it is quite obviously a matter of the provision of those facilities by that particular department.

**Mr BANNON:** I do not wish to monopolise discussion on this, but I have a number of questions on State Development. In the 1980-81 specific targets and objectives, page 12 of volume 1, reference is made to the preparation of the corporate plan for the economic development of the State. Has that plan been completed? Will it be released? If not, why not? Will the Premier at least outline to us what is in it if he does not intend to release it?

**The Hon. D. O. Tonkin:** Yes. Yes. Not applicable, and not at this stage.

**Mr BANNON:** So we are not to know what the Government's plans for the development of the State are?

**The Hon. D. O. Tonkin:** You are not going to know about them at this stage, no.

**Mr BANNON:** Nor is anyone else in the South Australian community?

**The Hon. D. O. Tonkin:** I clearly answered the question and said 'Yes' to the Leader's question. Perhaps he has forgotten what it was.

**Mr BANNON:** I refer to the State Development Council, an advisory group of business men that was called IDAC under the previous Government. It is a group of business men drawn from the private sector to advise the Government on general development strategies. In a speech recently to the Chamber of Commerce, the Premier said:

I must emphasise in referring to the future that my remarks are based on the strategies of that entirely pragmatic body, the State Development Council. This group comprising six of the State's top business men, academics and public servants advises me on development policy guidelines and on the investigation of initiatives to promote economic activity. So, having got that qualification out of the way, I can promise you that the projections I'm about to disclose are based on professional assessment, and not on political dreams.

The Premier went on to remark about jobs that might be created, and so on. Has that body conducted or had conducted on its behalf a survey on jobs and investment in South Australia? Is the Premier going to release the results of that survey and the advice of this entirely pragmatic body on the economic development of the State?

**The Hon. D. O. Tonkin:** I think I have already answered that question in another form. The Leader is perhaps not fully cognisant that the corporate plan for the economic development of the State has been prepared in conjunction with the Department of Economic Development, if you like,

the State Development Department, and the State Development Council. The report will be released in good time.

**Mr BANNON:** That is the same thing.

**The Hon. D. O. Tonkin:** I am grateful to the Leader because it does give me an opportunity to place on record my very great appreciation of the work that has been done by the members of the State Development Council. They really have worked very, very hard indeed and had numerous discussions about the document which it is hoped to present publicly in the relatively near future. The members have given time, and valuable time at that, for the benefit of South Australia purely and simply because they want to see this State move ahead and continue to prosper. I must say that I am most grateful for their concern, dedication and skill, and the amount of time that they have found it possible to put in to this whole exercise.

**Mr BANNON:** It is encouraging that many of those who were on the previous Government's equivalent body did seek to continue under the body established by the current Government. I imagine that the contribution they make is as valuable to this Government as it was to the previous one, although perhaps not listened to quite so closely.

**The Hon. D. O. Tonkin:** They are all unanimous in saying not only that they are listened to but also that their advice is heeded.

**Mr BANNON:** I refer to the manpower provided in the State Development Office Research Branch, positions identified in volume 1, of the big yellow book on page 14, of which there is a table. These are full-time equivalents. There is in fact 15.5 under development, and six more proposed under research in 1980-81. One has to extract the numbers from the book. In 1981-82 it is proposed to be 24.8. How does that compare with the former Policy Division of the Government which had these general functions?

**The Hon. D. O. Tonkin:** I will have to ask the Leader to point to the matter involved.

**Mr BANNON:** My reference is to page 14. I am afraid that the reference is not precise enough. It is taken from the employment columns.

**The Hon. D. O. Tonkin:** I do not see any reference to 24.8.

**Mr BANNON:** Perhaps I can take that up again after the break. I will check that reference. I would like to pursue that question of the amount of manpower resources devoted to it.

**The CHAIRMAN:** The Committee has to continue with its deliberations. I can come back to it. We come now to the Women's Advisory Unit.

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

**Mr BANNON:** Just before the adjournment I referred to some staffing figures which I had not been able to identify precisely. I found them on page 14 of the large yellow book under 'Strategic planning and policy formulation for economic development'. All of the jobs, with the exception of .2 allocated to Government awards to citizens of South Australia, are under the economic development component, the total of which is 18.8. On page 16, in the 'Employment' column, we see 'Research, monitoring and co-ordination, implementation of policies, policy advice', the figure 6 being given as the average full-time equivalent employment. That was where I was getting the figure of 24.8 as the total for those two areas, which I am lumping together as the policy advice component of the Premier's Department.

The Premier has asserted there is definitely no conflict between the functions of the Trade and Industry Department and the State Development Office and that the State Development Office has that overall role of policy advice and development of the State generally. His research divi-

sion is looking specifically at not only references of problems but also at a general monitoring and co-ordination as well. Put those two together and we have what I would call a policy division. Its aims and objectives seem to suggest a policy division that is almost identical to that which existed under the previous Government and which was denounced so heartily by the Premier when in Opposition.

My purpose in drawing attention to the total manpower involved in those functions was to ask the Premier why he asserted in Opposition that the Premier's policy function was overblown and that far too many resources were devoted to it, when he in Government is employing probably six or seven more persons to do what is essentially the same task, and more than that, has a separate Department of Trade and Industry, as opposed to the economic development function of the previous Government.

**The Hon. D. O. Tonkin:** The Leader really is indulging in some feats of legerdemain. He lumps together policy, publicity, and State Development and says that he thinks we have more people engaged on those activities which he promotes and equates to the State Development function than had the former Government.

The old Policy Department level was 17 and the new, what the Leader would call, Policy Department is 7.5. The Publicity Branch was 27 and the new, what the Leader would call, Publicity Branch is 5.5. I am quite prepared to accept that State Development did not exist, so I will not add anything to that figure. That makes a total, under the old scheme, of the functions he outlined of 44 people, and under the new scheme, if we add the nine people in State Development of 22, it is precisely half. I cannot for the life of me see the point he is making. In the number that he has put forward of 24.8 he has included officers who are properly equated under the Agent-General's Office. In State Development, of those nine, several officers have been transferred from Trade and Industry.

Whatever the Leader says, if we take the figure I have of 22 or the figure which he has produced of 24.8, it is still just about 50 per cent of the total of 44 in the old Policy and Publicity Divisions. I am at a loss to understand what point he is making.

**Mr BANNON:** I have pointed out how the Premier has attempted to subsume the publicity expenditure of the Government under State Development to some extent, but that is not the whole story. Obviously, individual departments have, as well, publicity components, part of which would be accounted for in the old Publicity and Design section whereby the previous Government identified a Government publicity service and gave it a budget and manpower accordingly.

The Premier has not alluded to the fact that there have also been large payments to consultants to do publicity work outside direct Government employment. The Premier suggested that in the figure of 24.8 that I gave for the Department of Premier and Cabinet there is a large component for publicity. I dispute that. I would suggest they have gone to various departments. Page 37 of the yellow book indicates expenditure on co-ordination of publicity for Government agencies was \$794 000 in excess of that budgeted for last year, and this year it is proposed to be about half of that (\$416 000) with .6 of an employee. Yet all the functions relating to co-ordination of publicity for Government agencies are listed apparently under that heading. I cannot believe that the function is being carried out in precisely that way but, even if one deletes that and says that it is a publicity component of the research and development function, there are still considerably more than the previous Government had.

**The Hon. D. O. Tonkin:** I cannot see how 44 can equate with 22 or even 24.8. In the Publicity Division, the Leader

suggests staff have been transferred to other departments. Some people certainly have been transferred to other departments in the initial stages but there has been no increase in activity and no increase in staffing. He also says that large sums of money have been paid to consultants. That was exactly the situation in the past. We had a question, as I recall, on the employment of consultants and, indeed, it was a large sum of money which was paid every year to consultants and it has been paid at approximately the same level by succeeding Governments in succeeding years. The Leader has brought forward no evidence at all to support the rather odd statement that he has made.

**Mr BANNON:** It really comes back to the Premier's assertion that he has cut back the size of his department. Allowing for the fact that certain functions have been transferred (the magistrates, the Appeals Tribunal and Parliamentary Counsel) out of the Premier's Department, can he provide figures on the size of his department, and can he sustain his claim that the Premier's Department under the Tonkin Liberal Administration is smaller than under the previous Administration? I would like him to produce those figures.

**The Hon. D. O. Tonkin:** The Leader has just produced them in trying to prove that we have a bigger size (24.8) and he has listed them. I repeat that the Policy and Publicity Divisions have been halved. I would much rather hear some detailed allegations of the Leader as to where he suggests it is bigger, because it is not.

**Mr BANNON:** As the Premier has reminded us, we are attempting to seek information from him. It is a bit like his defence of the Budget, which is not to say how well his Budget will serve this State, but to ask us what we would do instead. I am asking him questions, and he is here to be examined by the Committee.

I suggested that duplication of function between State development and trade and industry is not only confusing, but costly and inefficient. State development, and research itself, is also costly. Most of those employed are on fairly high salary rates. I do not believe that the Premier satisfactorily answered questions relating to the sharp increase in salaries in the past financial year, compared to that budgeted, something like 50 per cent, which is far more than one would allow for awards and inflation. It relates to the gradings at which people have been appointed in these areas. I am not arguing that that may not be justified. If one requires specific skills in policy advice, obviously high-level appointments are called for, but it is symptomatic of the Premier's hypocrisy when he denounced that policy whilst in Opposition. I want him on the record, in Government, so that he does not fling back the same old accusations when he is in Opposition again. I would like the Premier specifically to detail for us the persons, classifications and functions of those 24.8 positions shown under State development and research, which is the only way that we can properly analyse it.

**The Hon. D. O. Tonkin:** I will certainly get the details for the Leader. He is determined to equate the numbers in the department with the numbers under a previous Administration: that is obviously the political point he is trying to make.

**Mr BANNON:** I am putting the arguments which show the wild inaccuracies—

**The Hon. D. O. Tonkin:** And not very well.

**The CHAIRMAN:** Order! I suggest to the Leader that he do not reflect. His comments, in my view, were unnecessary and should be withdrawn.

**Mr BANNON:** I withdraw the comments and ask the Premier to answer the question factually, and not to put in asides that provoke reactions.

**The CHAIRMAN:** I point out to the Leader that the method of answering questions is purely at the discretion of the Minister before the Committee.

**The Hon. D. O. Tonkin:** The Leader is determined to make comparisons between the size of the Premier's Department staff under a previous Administration and the size of the Department of the Premier and Cabinet now. I am happy to get the details for him. As I remember, it was certainly in excess of 150. I refer the Leader to page 16 and point out that it is down to 101.5. Even allowing for all the transfers of magistrates, appeals tribunals and Parliamentary Counsel which are about to take place, we still cannot get away from the basic figures, which the Leader seems determined to ignore: the old policy group had 17 members, the new has 7.5; the publicity branch had 27, and the new has 5.5.

Since he is determined to bring in all the other people he listed under 24.8, I maintain that that is much less than 44, just in those two instances. I do not know what he is getting at. We have cut back very successfully, and there is no duplication. There is no lack of any investigation because of split responsibilities. The Leader must accept that the arrangement is working particularly well, and far better than he likes it to work, because it is being successful for South Australia.

**Mr RANDALL:** Referring to 'Equal opportunity for women', which comes under the Women's Advisory Unit, I see in the table on page 9 a programmed expenditure of \$256 000. When one adds salaries, operating costs, and so on, from the Estimates, one does not get \$256 000. Where can the component of \$56 000 be found in the Estimates? When one adds the Women's Advisory Unit salaries for clerical staff (\$188 700, at page 17 of the Estimates) to the figure on page 19 (operating expenses, minor equipment and sundries, \$11 800) one gets roughly \$200 000. Some other information may show the extra \$56 000.

**The Hon. D. O. Tonkin:** I think this is covered in 'Miscellaneous'; under the heading, 'Working Women's Centre', we see \$37 000; Status of Women Committee, \$300; National Council for Women, \$2 200; Ethnic Women's Advisory Unit radio project \$3 350, which are all grants in the old form.

**Mr RANDALL:** My second question relates to the sub-programme involving information services for women (page 9): I presume that refers specifically to the Women's Information Switchboard. When we look at the chart at the bottom of the page, it talks about information services specifically for women and lists six personnel: can we assume that they are tied to the Women's Information Switchboard?

**The Hon. D. O. Tonkin:** Yes; there is a co-ordinator, and the others are full-time members of the answering service. It would be difficult to provide such an excellent service without volunteer assistance. They do a tremendous amount of work. The Women's Information Switchboard has probably more support from general organisations in the community than have other voluntary organisations or services that the Government sponsors, and that is a great credit to it.

**Mr RANDALL:** Can we see a further breakdown of costs associated with such a programme, including rental and phone costs, and so on?

**The Hon. D. O. Tonkin:** This particularly concerns us; it is proper that a pro rata amount be set aside for each department to allow for costs of rental, telephones, power, and other things which cannot be exactly quantified by each department. At this stage, we are still taking an inspired figure out of the air. The difficulty that always arises with programme performance budgeting techniques is that, having prepared the programme and looked at the

aims and implementation, etc., it is possible, if we are not careful, to go too far down the line and make it so unwieldy and detailed that it is impossible to judge. Obviously, it has to be taken down the line to detail within each department or programme. Hopefully that will be done by individual departments.

It would not be physically impossible, but it would not be easy to provide all of that detailed information in the yellow book. I believe that honourable members will agree that the yellow book has been a pretty big document this year and, hopefully, with some refinements, we may get it down to a smaller size next year, but a more meaningful document as well.

**Mr TRAINER:** Could the Premier explain why the allocation for the State Development Office, operating expenses, minor equipment and sundries, was overspent by about 33 per cent last year?

**The Hon. D. O. Tonkin:** Basically, there was a good deal of expense in relation to advertising in overseas media. This was offset by savings in other general operating expenses. In 1981-82, we revised our view on advertising in overseas media. It is generally considered that better things can be done with the same funds. All of that came about largely because of the development stage of the State Development Office over the past 12 months. It must be recognised that we have learned a certain amount from the operations of that office in the past 12 months. Other States put a great deal of weight on having supplements in, for instance, Japanese newspapers. Sometimes there have been supplements in the United Kingdom newspapers. Certainly, we have advertised in both Japanese and United Kingdom newspapers.

For example, CHOAGM has created a good deal of interest and one of the daily national papers wanted to have an advertising supplement in honour of CHOAGM devoted to the promotion of various States of Australia. Basically, it was aimed at the visiting heads of Government and the people they brought with them. We know that some States have advertised and have taken space in that supplement, which is quite expensive. By the same token, having assessed the value that we got out of advertisements, particularly in Japan, we have decided that there is probably much more to be gained by not advertising in the supplement in regard to CHOAGM, which will have circulation mainly in Australia. We believe that we will do better to put that money towards a Barossa promotion in Sydney, for instance. It is a matter of allocating priorities to the expenditure that we have. The real reason for the increase from \$58 000 to \$77 000 has been because the department was growing during the past 12 months and its activities were also growing.

**Mr TRAINER:** Will the Premier also advise how the \$92 000 for State promotion expenses in 1981-82 will be allocated to the major projects?

**The Hon. D. O. Tonkin:** Basically, what was done previously is detailed under the Publicity Section. The total operating expenses on State promotion include the photo library and promotional literature, including the book. A sum of \$92 000 has been allocated for this year, compared with \$96 000 in 1980-81. It is largely a question of producing the material that we need and keeping the photo library up to date. I believe that all honourable members would appreciate that the photographs that have been built up over a number of years in the Publicity Section have been really superb, but they need to be updated from time to time. Some of the expense goes towards building up that library.

**Mr TRAINER:** What publications and functions will be financed from the \$163 000, which seems to be larger than

any equivalent amount that was allocated to the Publicity Section in the preceding Budget?

**The Hon. D. O. Tonkin:** A large part of that sum is for the reprint of the book that was prepared before. That has been—

**Mr TRAINER:** The sum of \$163 000 seems to be a very large amount.

**The Hon. D. O. Tonkin:** A sum of \$79 000 is for the reprint of the book, including a Japanese edition. That was one of the offsets that we saw from advertising in the Japanese press. Honourable members may not be aware that a Mrs Iida visited South Australia recently. She was described in the Japanese press as the high priestess of French cooking and culture. She was looked after by the State Development Office and the Department of Tourism. Obviously, she came at her own expense, but we made it possible for her to visit the Barossa Valley and see some of the things that we do. As a result of that, we decided to print a Japanese edition, and the book is receiving very favourable publicity in Japan. Mrs Iida, on her national television programme and in her writing, has given South Australia far more publicity than we could ever have afforded to pay for. We are receiving a steady demand for copies of the Japanese edition.

Obviously, it is too early to say what the spin-off will be, but I am sure that it is money far better spent than just taking an advertisement on a once-a-year basis in a Japanese newspaper. Intrastate advertising amounts to \$10 000 and there are interstate promotions, including the Barossa week in Sydney and Melbourne, and the Northern Territory trade development week and such functions, carried out in conjunction with private enterprise, costing \$35 000. The literature for those promotions cost \$15 000.

**Mr TRAINER:** Some of those items would have appeared under 'Miscellaneous' last year?

**The Hon. D. O. Tonkin:** Yes, some came under 'Miscellaneous' last year. It is very much a question of promoting the State and putting forward our best foot.

**Mr McRAE:** Why was there an excess of \$10 000 in actual payments under administration expenses, minor equipment and sundries?

**The Hon. D. O. Tonkin:** The basic figure in relation to that was the \$8 000 increase in telex costs.

That can be broken down into the increased rates which are now charged, and there has been a marked increase in the volume of traffic in inter-Government relations in the past 12 months. There has been a great deal of activity in the health scheme and the housing scheme in particular, and that traffic has gone through this office. The country Cabinet meeting was not in the original Budget and that cost nearly \$4 500.

**Mr McRAE:** Why was there an over-spending of \$22 600 on the line 'Overseas visits of Premier'?

**The Hon. D. O. Tonkin:** The basic increase was caused by the visit taken at relatively short notice to America and Japan as a result of the Redcliff inquiry. An amount of \$14 000-plus was spent on that. That visit was not scheduled or budgeted for. Nevertheless, it has led to some valuable contacts, I believe. In fact, I received only this morning a letter from a senior executive of the Dow Chemical Company saying that they are still moving along in their consideration and study of the petro-chemical project and hope to be on time with a decision, one way or the other, within 12 months. The other expenditure for the overseas visit was the Resources Symposium in the United Kingdom and attendance at the Milan Trade Fair. That totalled \$48 000 including, of course, a press secretary and two officers. To anticipate the honourable member's next question, the sum put aside this year has not been earmarked as yet. We have learned now that it may be necessary to make visits overseas

at relatively short notice if it is in the State's interests. At present, no firm plans have been drawn up for any such visit.

**Mr McRAE:** Is there any tangible benefit to the State to which the Premier can point coming from the expenditure of that \$62 643, apart from keeping alive the consideration by Dow of a petrochemical plant?

**The Hon. D. O. Tonkin:** There have been a number of developments and a number which are still in the pipeline. One of the things covered, as well as the visit to Dow Chemical, was the discussions that I had with Uniroyal Incorporated in New York and with Bridgestone in Japan. That meeting played a significant role in keeping the Uniroyal, now Bridgestone, plant open and operating in Australia. That is something that I think the Leader and his Department are aware of. That is one of the major benefits to the State that has resulted. There are a number of other projects which are nearing fruition now and which will be announced at the appropriate time.

The Resources Symposium has been of great value to us, and we are still processing inquiries from it. The important thing is to make certain that South Australia is recognised and put back on the map. I think it would be appropriate to remind all members that there was an article in *Newsweek* at about the time that we went to North America and Japan last year which went into great detail about the resource potential of Australia as a whole. However, I do not think one item was shown on the map of South Australia. That situation has now changed.

**Mr TRAINER:** I would be interested in any cost benefit analysis that the Premier could give on the spot to show any tangible benefits that we have had from the \$30 000 spent on the Resource Development Symposium.

**The Hon. D. O. Tonkin:** I cannot give any precise cost benefit figure. Ultimately, I think those figures will become available, but I doubt whether we will be able to get down to them at any time other than in the Estimates. I am positive that we will be able to come out with some cost benefit analysis of this over a two or three-year period.

**The ACTING CHAIRMAN (Mr Olsen):** There being no further questions, I declare the examination of the vote completed.

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Premier, Minister of State Development and Minister of Ethnic Affairs, Miscellaneous, \$1 469 000

**Acting Chairman:**  
Mr J. W. Olsen

**Members:**

Mr J. C. Bannon  
Mr R. E. Glazbrook  
Mr J. Mathwin  
Mr T. M. McRae  
Mr R. J. Randall  
Mr J. P. Trainer  
The Hon. J. D. Wright

**Witness:**

The Hon. D. O. Tonkin, Premier, Treasurer, Minister of State Development, and Minister of Ethnic Affairs.

**Departmental Advisers:**

Mr W. M. Scriven, Director-General, Department of Premier and Cabinet.

Mr E. Kageler, Chief Administrative Officer, Department of Premier and Cabinet.

**Mr RANDALL:** The State Disaster Planning Control and Relief programme involves—

A need to provide upgraded facilities for an Emergency Operations Centre so as to provide a permanent base for disaster operations, which is capable of withstanding earthquake and fallout after nuclear attack.

Further:

Communication links between the available services—

I take that as emergency services—

are not yet satisfactory and stocks of emergency materials at strategic locations around the State are not yet organised for lack of funds.

Targets in the 1981-82 programme include the establishment of a permanent operations centre and improved communication links between relevant emergency services. I was recently a member of a Select Committee examining the functions of the South Australian Fire Brigade, and one area we looked at involved communications. Concern was expressed by that committee that there needed to be an upgrading of communications for all emergency services. One wonders where we can get the necessary co-ordination, perhaps either through the Premier's Department or the Chief Secretary's Department, to make sure that these emergency services are improved so that we get good communications for emergency services in South Australia.

**The Hon. D. O. Tonkin:** I will try to deal with the entire problem, not just the communications issue, because it is a particularly important one. First, I point out that disasters occurring in this State are co-ordinated and dealt with in very proper ways by the Government, which takes all the necessary steps to overcome them, as this Government has done since 1979. Cabinet has considered trying to build up a system of interchangeable and interlocking communications systems to apply not only to the police, fire brigade and State emergency services but also to Country Fire Services, Engineering and Water Supply Department, Electricity Trust and all of those bodies which, inevitably, must be activated in the event of a disaster. It is not as easy as it may sound, because some departments have already recently committed themselves to new equipment, or have bought it, while other departments have outdated equipment which needs to be replaced.

**Mr TRAINER:** You might not have their telephone number, in some cases.

**The Hon. D. O. Tonkin:** The Department of Meteorology, we find, is not really helpful, because it tells us only about the storm and damage after it has happened. We have to rationalise that and put it together, I quite agree, as part of an integrated network.

The problem arises as to exactly where that should be controlled from. The Government, having as its aim the minimising of duplication of unnecessary expense and a commitment to efficiency, is now looking, as I believe other people in the community are looking, at the building of a new Fire Brigade headquarters, which is around the corner, the building of a Country Fire Service headquarters, which we now have, and a police operations room, which is a very efficient one in the existing Police Department building. Also, inevitably a question arises, namely, whether it is really necessary to have a separate State disaster centre when we have all these other control and operation rooms already existing.

Also, if we are to use one of them which one do we use, or should we transfer them all into one centre? Should we construct a fall-out resistant operations room, at considerable expense I might say, and is that justified in the circumstances? If we do, what are we going to do with the C.F.S. and their control? Do we let them go on using the facilities that they have? I am not suggesting one course or the other at present, other than to say that it is an extremely

difficult decision to come to terms with, and we are still examining the matter very carefully in order to do the best job we can for the State both in terms of the service we provide, which I hope will not be needed very often, and of the money that we spend.

I might say also that we feel we can take a little extra time on this because we know that the State disaster service can be co-ordinated quite well through the police operations room at present. The Government has contingency plans, as honourable members may well know, for setting up quite an extension to the police operations room for disaster control. Also, if we have to, we can use the Country Fire Service. However, obviously there needs to be a great deal of co-operation and integration to avoid a possible duplication not only of capital works but also of specific ongoing commitment.

I make the point that even the advice that we get from experts is not tremendously helpful. There is a body of opinion that says that an emergency operations room should be located in the basement of a large city building, on the basis, as I understand it, that there will be so much concrete over the top that the basement will be very secure and thus likely that the operations room would be safe.

**Mr TRAINER:** It would be ideal for floods.

**The Hon. D. O. Tonkin:** I am not expert enough to comment one way or the other, but the fact is that there is another body of opinion that says that we should keep away from the city, from basements of big buildings and that we should build something with about 6 ft of concrete somewhere out on the periphery. The Government is still going through the matter and taking further advice. The matter is on the way.

**Mr RANDALL:** I want to clarify the fact that there is a committee which is working on the matter fairly solidly and which has input from all Government departments.

**The Hon. D. O. Tonkin:** Yes.

**Mr BANNON:** I refer to miscellaneous lines generally. While one accepts that a number of items cannot be anticipated, particularly natural disasters, such as the Italian Earthquake Relief Appeal, the Lord Mayor's Bush Fire Appeal, and so on, in the course of a year, if one looks through this section of the Budget one finds very many items on which I would have thought a Government could reasonably anticipate having to spend money, but which, nonetheless, were not provided for in the last Budget.

A rough calculation would indicate that something of the nature of a \$250 000 to \$300 000 or more is expended, depending on how one would categorise expenditures. I am talking of things such as participation in various trade promotion activities, the Barossa Week, the Darwin Expo, the Milan Trade Fair, and the Northern Territory Trade Fair, some of which involve considerable expenditure by the State Government under this heading. There is the category of official gifts, the category of State flags, also the Iron Triangle study, and so on. How realistically has the Premier anticipated the demands that might be made on the Government in these areas over the coming year, and why was it that a number of these events, which surely were contemplated at the time of the drawing of last year's Budget, were not included in the budgetary line?

**The Hon. D. O. Tonkin:** The simple answer, of course, is that it was not sure that they were not contemplated at the time that the last year's Budget was drawn up.

**Mr BANNON:** Perhaps the Premier could specify them.

**The Hon. D. O. Tonkin:** No, I will not take the Committee's time to do that nit-picking exercise. I will later provide the Leader of the Opposition with the details that he wants. The point is that there will always be (and that is exactly why they are classified under 'miscellaneous') matters which will come forward and which must be dealt

with forthwith. That is exactly what has happened. The Leader put his finger right on the spot when he said that the Italian Earthquake, disaster relief, bush fires, and so on, were not contemplated. Neither was the issue of the State flags contemplated at the time, but I am quite sure that the Leader would agree that the circulation of the State flag to schools and other State bodies is a first-class initiative, and that the Leader would not want to detract at all from that.

There are enough in stock to keep on with that programme, and therefore, that item does not appear again this year. However, I have no doubt that there will be other items that will appear at the end of this year concerning matters which were found necessary and, indeed, most desirable. At this stage there is no way in which we can plan for them if we do not know what they are. Equally, there is no way in which I will be inhibited from undertaking worthwhile initiatives simply because we have not put a line in the Budget.

**Mr BANNON:** My point was that perhaps there could have been some better planning in some of these areas. I refer specifically to the Iron Triangle study. An amount of \$400 000 has been allocated, and I understand that that is being matched by a contribution from the Commonwealth Government, so that considerably more money will be spent on that. I am interested to know just precisely what that commitment is. What are the preliminary employment prospects for the region that have emerged from this study, and can the Premier bring us up to date on the progress of it?

**The Hon. D. O. Tonkin:** The sum involved is \$1 000 000, half of which will be met by the Commonwealth and half by the State. Nearly \$96 000 was expended by the State last year, and \$400 000 is the balance of our contribution, leaving just a little to find. We have already received from the Commonwealth Government, as the Leader has undoubtedly seen, \$200 000 in payment towards that, and the Commonwealth will be making its further contribution as it is appropriate to do so. The study itself is probably 90 per cent of the way down the line. I am unable to say more definitely than that, as some work is still to be done on it. However, it has encompassed a great deal of the forward planning for the Iron Triangle area. When the report is released, I will certainly undertake that the Leader of the Opposition has a copy as soon as possible.

**Mr BANNON:** It seems strange that, if it is 90 per cent completed, the vast bulk of money to be spent on it is to be spent in this year's Budget. Could the Premier be a little more specific? What steps did the study take to assemble data on which to make recommendations, and will the Premier release the preliminary estimates, particularly of the employment prospects of projects in the Iron Triangle area?

**The Hon. D. O. Tonkin:** I have already said that I will make sure that the Leader gets a copy of the report when it is brought in. All the matters he has raised will be set out there. With regard to the point that the Leader makes about the amount on this year's Estimates, the work that has been going on since 1 July will attract a good part of that sum. Some \$500 000 has been set aside for the total cost of the study, and the original commitment of \$100 000 was put up in 1980-81. In 1981-82, \$400 000 was put up, and the Commonwealth will be putting up its share.

I think that I inadvertently misled the Committee. I think I said \$1 000 000. I am sorry; it should be \$500 000, and a quarter from each party. The point I was trying to make was that the \$400 000 there is offset by the \$200 000 from the Commonwealth in receipts.

**Mr OLSEN:** I notice in the Miscellaneous line that last year we expended \$50 000 to the 'It's our State, mate' campaign as part of the contribution towards the total

campaign last year, but that there has been no allocation this year. Do I draw the conclusion that the Government is not going to participate in the funding of the campaign, working on the premise that the campaign will continue over the next 12 months?

**The Hon. D. O. Tonkin:** It has not been specifically requested of the Government at this stage, but obviously, as one of the parties to the 'It's our State, mate' campaign, we have particular interest in it. I am happy to report that it is being well supported by people out in the community and by companies in particular. Although there is no allocation there, we will just watch the situation very carefully. If there is any need to add to our support we will do so.

**Mr BANNON:** I refer to the item, 'Victoria Square Promotions Committee', to which an amount of \$2 500 was made available last year. In the face of the Moore's fiasco, and the outrage of the traders in the Victoria Square trading and market area, because of the destruction of their shopping component as a result of that misguided project, the Government did provide some money to assist this particular committee. As no further allocation is to be made, do I take it that the Committee has completed its task, or if not, that the Government has decided that this is no longer worth supporting and that it has salvaged its conscience as far as destruction of trading in the Central Market area is concerned?

**The Hon. D. O. Tonkin:** The Leader is very ridiculous. Can I just use this opportunity to reassure the Committee that contrary to the very heavily slanted and untrue reports which I have heard pushed around, the Victoria Square law courts project is proceeding on budget and pretty well on time. There has been some loss of time because of the exceptionally wet weather and heavy rain that we had. But, time has been made up quite well. The latest reports are that it is doing very well indeed. I think the Leader should go and have a little look at what is happening some time. If he walks past he will see evidence of extremely good progress. It is not a fiasco. It is in fact going to prove to be one of the best decisions ever made by the Government of this State. It will provide law courts of which we can be very proud indeed and at a cost which will be much less than that of comparable new buildings on other sites.

Regarding the Victoria Square Promotions Committee, the grant of \$2 500 was made to the Victoria Square Traders Committee to be used as it wished in promoting its own area, in conducting studies or whatever it wished to do. We are very anxious indeed that their precinct development plan should go ahead. I may say, that as part of the Moore's development and as part of the Hilton Hotel development, another project which is moving along very satisfactorily, the development of Page Street, is something which concerns the Government. At the present time we are looking at making a further contribution to the upgrading of Page Street to make sure that it is a suitable and attractive approach to the market area.

**The Hon. J. D. WRIGHT:** My question to the Premier is under the line 'Production of films by South Australian Film Corporation'. I notice that last year there was a \$700 000 allocation. By very good budgeting evidently they spent exactly that amount. But, this year there seems to be a very large reduction to \$350 000. Is that as proposed by the film unit itself, or has the Government decided that there needed to be a cutback in that area?

**The Hon. D. O. Tonkin:** The allocation is, of course, as the Deputy Leader has seen, exactly half what it has been in past years or what it was last year. It is a decision, of course, which has been taken by the Government as a matter of policy. The Film Corporation, which I think everyone supports wholeheartedly, has for quite a long time been dependent on a fixed amount of money coming from

the Government for the production of Government films. The procedure which has been adopted in the past is that departments are approached and asked what films they want produced to take up their allocation.

The Government believes that that is not an entirely satisfactory state of affairs and that departments should have a real need for the films that they commission. In other words, rather than be told that there is money available and therefore they had better think up a film or two, they are told that, if they need films, it will be considered in the general budget. The sum of \$350 000 which has been allocated represents a cut of 50 per cent. It has been made quite deliberately at this stage to give some indication that the Film Corporation cannot totally depend on South Australian Government agencies for its basic income. I believe that the Film Corporation is of sufficient calibre to go on with the very successful path it has taken until now and to go on to be far more self sufficient than it is. I do not agree that it should be sold, as has been suggested elsewhere.

**Mr BANNON:** Not elsewhere: on your side of the House, by one of your members.

**The CHAIRMAN:** Order!

**The Hon. D. O. Tonkin:** It was not expressed on our side of the House. It was expressed in the press.

**Mr BANNON:** It was expressed by—

**The CHAIRMAN:** Order! There will be one question at a time. The Premier is answering the question. The Leader will have ample opportunity to ask further questions.

**The Hon. D. O. Tonkin:** I do not mind the Leader's nit-picking. Generally speaking, the sum that has been set aside will be reviewed as time goes on, depending on what sort of approaches are made for films. The Government departments or agencies' applications for films will be taken into account, and assessed. At present that is the sum available. I do not know what the final expenditure might be.

**The Hon. J. D. WRIGHT:** The Premier made an allegation about statements being made elsewhere. I would like to know to whom was he directing those, and whether it is a fact that the member for Hanson is on record as suggesting such.

**The Hon. D. O. Tonkin:** I thought that this was a fact finding exercise on the administration of departments. Obviously the Deputy Leader knows as much about that aspect of it as I do.

**Mr BANNON:** Mr Chairman—

**The CHAIRMAN:** Order! The Deputy Leader is entitled to another call if he desires.

**The Hon. J. D. WRIGHT:** The Premier talked about the self sufficiency of the unit itself. Is he able to give me (I do not expect a complete answer on this because he probably would not have it) some idea of the return for work done, sold and leased by the film unit as a return on the actual films it has made? Also, does the cut in allocation mean any reduction in staff?

**The Hon. D. O. Tonkin:** I think that the matters are more properly dealt with in detail by the Minister of Arts. Let me say first of all that the cut in the amounts of money will not affect the corporation itself. That is the important thing. It will have a minimal effect on the corporation staff, because the corporation, of course, lets film out to the private sector. That is the difference. What was the second part of the question?

**The Hon. J. D. WRIGHT:** The second part was the return.

**The Hon. D. O. Tonkin:** Can I suggest that the honourable member look at the report of the South Australian Film Corporation? Two aspects must be considered. The first is the financial return. The other, and in my view the more important, is the enormous benefit that comes to

South Australia from seeing the South Australian Film Corporation's involvement in products such as *Breaker Morant* and *Gallipoli*. They are absolutely superb, and I think that every South Australian is proud when they see those things coming forward.

**Mr BANNON:** Did the Film Corporation make *Gallipoli*?

**The Hon. D. O. Tonkin:** It was involved in *Gallipoli*, as the honourable member would know. It was also involved in *Breaker Morant*. I must say that the use of the coastline near Port Lincoln and the Adelaide Railway Station hall was most imaginative and really well done. The amount of money to Government departments for the production of features is at the present time being halved. We are really saying that there is a move away from a guaranteed number of features being produced each year to a demand system, whereby departments which can show that they need films and features will be able to apply. The applications will be treated on their merits.

**Mr RANDALL:** I think the point the Premier has just made needs clarification. The Minister of Arts has in his Budget lines an expenditure of \$413 500 and also a new line of \$1 032 000 for a State film and video library, which is a significant expenditure in that area. One does not want to see that go but to see it used effectively and efficiently, and I think that has been happening. Why does this line have to be in the Premier's Department when the Minister of Arts is handling that area, and is there a difference between feature films and the role of the South Australian Film Corporation?

**The Hon. D. O. Tonkin:** Yes, obviously the production out of this line has nothing to do with the production of feature films. It is entirely set for the production of small advisory and documentary films for the use of Government departments. That is the fundamental difference. The Minister of Arts has far more influence over the funds which he has available and on which I cannot comment. It is in this line because the production of documentary films for Government departments and agencies is to a large extent governed by the advice of the Government Film Committee. That committee has been in the Premier's Department for a number of years, in fact since the South Australian Film Corporation came into being.

The reason for its being still in this line is partly historical and also partly because, as the Department of the Premier and Cabinet, it is considered to be a Cabinet function when a department wants some film brought into being; obviously it must compete with other requests from other departments, and the Government Film Committee makes that assessment and makes recommendations to the Premier, who takes them to Cabinet. That is the reason for its being in this line.

**Mr BANNON:** Which department or division of Government is responsible for co-ordinating and mounting Government participation in various expos and trade fairs? Is it the State Department Development Office, the Department of Trade and Industry, or the Department of Tourism? What evaluation process is there following participation in such activities to ensure that the money spent has been worth while?

**The Hon. D. O. Tonkin:** If I may use Barossa Week in Sydney as an example, that was co-ordinated between State Development, the Chamber of Commerce and various interested bodies such as Australian National (promoting its railway link), T.A.A., and various Barossa Valley wineries. So, the total cost has not been on the Government: it has been contributed to by a large number of different organisations. The overall cost of Barossa Week in Sydney was about \$60 000 and the overall cost of the promotion about \$200 000. The cost to the Government in relation to Barossa Valley Week in Sydney is likely to be \$35 000.

The whole point is that the value of contributions from outside bodies far exceeds that, and that is where we benefit. The benefit does not flow straight back to Government: it flows to the bodies that take part in the display. Promotional materials such as badges, T-shirts, stickers, and wall posters are left behind and the goodwill that the State gets is enormous. If we want to quantify it, we would have to go to the individual wineries in the Barossa Valley and Australian National to see what effect it had had on them. I am sure that they would be able to point to some material benefit.

The big measure of the success of these things is that other outside bodies are prepared to co-operate and participate in them. If it were not a value to them to do so, I am quite sure that on commercial decisions they would not bother. In the long term, with every up-turn in trade and manufacture, inevitably the State gets some advantage in terms of direct revenue and also in terms of goodwill and a great deal of indirect income.

**Mr BANNON:** The Premier has not really answered the question. I understand certainly that to ascertain the benefits to the people who participated you would have to go to them, and I am sure that they would be able to indicate whether or not they felt there were benefits. My question really was: does the Government go to them; who does it; and what sort of reports are formulated?

**The Hon. D. O. Tonkin:** I think I made that clear. It is co-ordinated by State Development, and it involves all departments such as the Department of Trade and Industry when there is a resources—

**Mr BANNON:** I am talking about the follow-up process.

**The Hon. D. O. Tonkin:** It is obvious, as with the Barossa Week in Sydney, that when any of these functions are repeated they are repeated with full detailed knowledge of the results of the previous year.

**Mr RANDALL:** I wish to ask a question about the Working Women's Centre which appears under the Department of the Premier and Cabinet on pages 8 and 9. My question really relates to the fact that it will now be out of the grants area and, therefore, will not come under the control of the Director of the Premier's Department in relation to accountability and questioning.

**The Hon. D. O. Tonkin:** It is still in that area. Who is responsible for seeing that this grant of money is administered correctly?

**The Hon. D. O. Tonkin:** The Working Women's Centre is closely monitored by the Women's Adviser. Its incorporation into a programme simply points up the value of the programme performance papers. It is now taken as a separate entity and placed in its correct position as part of an overall plan. When the papers become integrated, that is exactly as it will appear, and there will not be the same need to put it under 'Miscellaneous' as there is now.

**Mr TRAINER:** How many films were authorised for production by the South Australian Film Corporation for Government departments last year, and how many have been authorised for the coming year? Which of the major departments have requested films for both periods? If the Premier cannot provide the information straight away, could he given an undertaking to provide it later?

**The Hon. D. O. Tonkin:** I am happy to do that.

**Mr TRAINER:** Does the \$4 514 relating to official gifts include the official ties, such as those worn by at least four members of the Committee? If so, how many ties were produced and distributed, and at what cost, to dignitaries, senior officers of the Public Service, and the members of Parliament?

**The Hon. D. O. Tonkin:** We can get the figures. That does not include the ties, which are constantly being given

to State visitors. It is always a matter of judgment as to whether we give a tie or cuff-links to our official visitors.

**Mr BANNON:** What about ladies?

**The Hon. D. O. Tonkin:** We have a slight problem, as an honourable member in another place has pointed out from time to time.

**Mr TRAINER:** Do you still have only the teaspoon alternative for women?

**The Hon. D. O. Tonkin:** Yes, but there is a brooch in the course of production, similar to the cuff-link but mounted on a suitable pin. The main cost on this line was \$3 000 for His Royal Highness Prince Charles' wedding gift which, as members know, was a South Australian crafted coffee table and a selection of South Australian wines.

**Mr TRAINER:** The Auditor-General's Report points out that the Royal charity command performance was held in the Festival Theatre in April 1981 costing \$86 920. Payments were \$153 000, revenue from television rights sponsors and programme sales amounted to \$66 000, leaving a deficit of about \$87 000, which was met from consolidated revenue; \$60 000 from ticket sales was paid to two charitable organisations. How did the State manage to incur such a large obligation of \$87 000? Might it not have been cheaper to grant \$60 000 to the two charities concerned and save the State the amount involved?

**The Hon. D. O. Tonkin:** I take the honourable member's point which, basically, is a very good one in hindsight. Unfortunately, it was not possible to anticipate that. The most unfortunate thing about it was that the sale of television rights, which had been negotiated in a preliminary way before the arrangements were made, did not eventuate. We did not get the North American television rights that it was expected we would get, and this made all the difference in the sum lost.

**Mr TRAINER:** Was this a chicken and egg situation? The television rights did not eventuate because the international stars were not obtained, and *vice versa*?

**The Hon. D. O. Tonkin:** It all came back to the organisation of the charity performance, which I thought was a very good one. Some of the international stars were originally proposed in conjunction with television channels which were interested in the performing rights. It was very much a chicken and egg situation. When they dropped out, the television rights dropped out also. By then, however, it was far too late to do anything about it.

**Mr TRAINER:** Would you approach future performances differently?

**The Hon. D. O. Tonkin:** I think we would; we learnt a great deal from it, but we have no plans to undertake such an exercise in the near future.

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

Public Service Board, \$4 075 000

**Chairman:**  
Mr G. M. Gunn

**Members:**  
Mr J. C. Bannon  
Mr R. E. Glazbrook  
Mr J. Mathwin  
Mr T. M. McRae  
Mr J. W. Olsen  
Mr R. J. Randall  
Mr J. P. Trainer  
The Hon. J. D. Wright

#### **Witness:**

The Hon. D. O. Tonkin, Premier, Treasurer, Minister of State Development, and Minister of Ethnic Affairs.

#### **Departmental Advisers:**

Mr D. J. Mercer, Chairman, Public Service Board.

Mr H. R. Bachmann, Director-General, Department of Industrial Affairs

Mr D. E. Mitchell, Assistant Commissioner, Public Service Board.

Mr J. J. Betts, Director, Executive Services Division, Public Service Board.

**The Hon. J. D. WRIGHT:** I notice that two stars appear for 1980-81 under the line 'Vocational training of disabled persons', which indicates that an amount was previously allocated in this regard somewhere else. I am informed that it appears on page 26. Will the Premier explain what the amount represents? It does not appear that any of the sum allocated was spent. Why was the sum not spent? How much was spent? From the Budget papers it appears that nothing was spent, and in this Year of the Disabled Person, it concerns me that no effort was made to do something.

**The Hon. D. O. Tonkin:** The Deputy Leader is quite correct. The sum was not expended last year: it will be expended in the forthcoming portion of this year. There are still six months left of the International Year of the Disabled Person. A sum of \$43 000 has been allocated, which will provide for the appointment of eight trainees for six months. The programme will continue next financial year. Funds will be sought next financial year for the same purpose. Unfortunately, this issue took longer to develop than was expected. The desire to help outstripped the practical ability to help.

**The Hon. J. D. WRIGHT:** It appears from the minute that the actual amount was approved in April, so there should have been time to develop the scheme. Is the only reason that the Premier can put forward that there was not time? Surely if approval was given in April, there must have been some plans at that stage.

**The Hon. D. O. Tonkin:** I point out that there are only two months from April to June, and that was the situation. Part of the difficulty was in determining exactly what facilities would be made available, what equipment was necessary, and what could be purchased without duplication. It was decided to ascertain what facilities were already available to avoid duplication. That took time to progress. I repeat that the programme is going forward now. It will go forward and it will be continued.

**The Hon. J. D. WRIGHT:** Is the sum now allocated similar to the sum that was originally allocated, so that there will be no loss, and the total amount of money will be spent? Was the money spent for any other purpose?

**The Hon. D. O. Tonkin:** No, the money has been earmarked for that purpose following approval. It will be spent and, indeed, additional sums will be required to keep the programme going.

**Mr OLSEN:** The sum allocated this year for the officer exchange scheme is significantly less than were the actual payments for 1980-81. What is the reason for that, and what is the purpose of the exchange scheme?

**The Hon. D. O. Tonkin:** The Chairman of the Public Service Board would like to answer that question.

**Mr Mercer:** There are three exchange programmes under that heading. The first is an arrangement whereby an officer from the Public Service of South Australia works in the United States with a Washington management consultant firm, Cresap, McCormack and Paget. That person works for 12 months with the firm. Any fees that he earns in his employment with the firm are returned to this State as a

contribution. We pay the salary of the person working for the organisation. The purpose is to prevent conflict of interest in the event of that firm doing work in Australia where we would have an obligation to it of a monetary kind.

The second programme is an expenditure for a person who spent a year with the Prime Minister's Department in Canberra as part of the Government's policy of encouraging exchange of people between Governments. Our officer in that particular programme went from the Public Service Board to the Prime Minister's Department in Canberra and worked there for 12 months. That person has completed his turn there and returned. It is not intended to replace that person this year, which means that we do not need to spend that portion of the funds this year. Whether we continue with the American experience is currently being negotiated and has not yet been finalised.

**Mr BANNON:** I refer to the organisation of the Public Service Board: I take it that the chart on page 26 is the structure of the Public Service Board and arrangement of departments within it. There are three Commissioners, whose responsibilities are detailed. These positions are appointed as follows; the Chairman, two Commissioners at level two, three Assistant Commissioners at level three and then a line of Directors and Regional Co-ordinators at level four. Are those gradings determined on the size, importance and function of a particular area? How is the policy of management structure determined?

**Mr Mercer:** That particular organisation has now changed because two Assistant Commissioners have recently been promoted away from the board. That particular organisation chart is not now current, although it was on 1 July this year. In relation to the situation that prevailed at that time, the Chairman and two Commissioners are distinct and separate from Public Service appointments. They discharge certain statutory obligations distinct and different from those discharged by the Directors in each of those functions shown on the horizontal line. The Directors are more akin to a normal Public Service senior management appointment and are directly responsible for the operation of the activities listed under each one of those Director titles.

Since 1 July two directorates have been merged: the Consulting and Client Services directorate on the extreme left-hand side has been merged with the Operational Review directorate appearing second from the right-hand side of the page. An opportunity arose to combine those two divisions, and that opportunity was taken. As to whether they discharge different levels of responsibility, the classification level for each Director is EO2, except for the Director of Executive Services, who is EO1. Regional Co-ordinators are also lower. The Director of Consulting and Client Services is, in conjunction with the Operational Review directorate, a more senior one. The Department of Services is a senior one and so is Industrial Relations. They are all EO2; the remainder are EO1. Their relationship with members of the board and/or Assistant Commissioners depends upon the skill and nature of the person discharging that particular vocation.

For example, Mr Bachmann is directly related to Industrial Relations as a division because he has particular skill, aptitude and knowledge. The same applies to the two Commissioners, who relate to the various divisions in the same way. You can say that there are three Commissioners and three Assistant Commissioners, and as a group of six they relate to each of their operating Directors in their day-to-day operation.

**Mr BANNON:** Has the merger just referred to resulted in a change of responsibility at the Chairman and Commissioners level, and, if so, what?

**Mr Mercer:** Yes, it has. The new arrangement is that I now directly relate to the Industrial Relations Division. One of the Commissioners relates directly to the combined directorate of Consulting and Client Services and Operational Review, and also Executive Services; that happens to be Commissioner Corbett. Commissioner Beasley looks after the regions and equal opportunity, which is not shown on the chart but which has come through as a separate small identity.

When we reorganised the groups, we took the divisions and aligned them against the four programmes that we have in the programme budgeting document. Now our organisation fits in parallel and is consistent with programme performance.

**Mr BANNON:** I find some degree of satisfaction when looking through those documents in that, while the programme is framed in terms of general objectives, there is really no specific information on programmes that the P.S.B. is running in terms of its charter of making the Public Service more efficient, and so on. Some of the specific targets or objectives involve administrative arrangements, which no doubt are understandable and accomplished, but I would like some elaboration in specific terms on just how the board goes about its charter in terms of efficiency—one of the key terms used by the Government.

**The Hon. D. O. Tonkin:** I think the Leader has been looking at page 12, relating to 1981-82—'Specific targets/objectives'.

**Mr BANNON:** It is further developed there.

**The Hon. D. O. Tonkin:** It is further developed and refined on succeeding pages, which I think is the important part. Programme objectives are quite easily set out on page 13. In general terms the Public Service Board (and I am referring only to the operations of the board itself, not to its very key role that it plays in determining and advising on the efficiency of other departments) applies much the same standards to its own operations as it does to other departments. Every time there is a vacancy which comes forward either as a result of a promotion or a retirement, a great deal of very careful consideration is given to the need to fill that position and to determining whether or not a more efficient result can be achieved by reallocating resources that are already within the department. I do not know whether the Chairman of the board has any more to add to that.

**Mr Mercer:** May I ask the Leader to which programme of the four programmes he is referring?

**Mr BANNON:** I am referring to the board's evaluation of its own performance in the same way as it evaluates the performance of other departments.

**Mr Mercer:** We have an internal audit person who does internal auditing of the department once a year, and he has just finished an internal audit at the moment. Many of the programmes he has raised by way of internal and self-criticism we have arranged to be implemented. The board has a management review system (hopefully, and helpfully through a computer printout which we have produced once a month) which sets down a number of criteria of internal performances of the department, such as manpower levels and expenditure patterns, so that we can monitor closely how effectively our resources are being used against the various programmes we are asked to discharge. It is fine-tuned enough to indicate to us where expenditure is likely to be disproportionately ahead of what it should be or if manpower levels are beyond or below what they should be in our anticipated forecast.

In terms of our own internal activities, beyond that, we have plenty of criticism coming to us from our client departments, which are very free and willing to indicate to us what they perceive our shortcomings to be. That is done

through a series of co-ordinated activities which sit in the Departmental Services Division, where there are four departmental co-ordinators. In other words, we take the Public Service and divide it into four and each of those group co-ordinators relates to a family of departments. They meet collectively with management services of departments in what is called a mini forum, which gives feedback to us about the effect of our programmes on departments and their effect on us.

Further, the board, of six people (three Commissioners and three Assistant Commissioners) divides all the Public Service departments and statutory authorities into families or groups, and they relate directly to the permanent heads of those organisations and have a liaison, feedback and an information process concerning levels of performance, effectiveness and how they are measuring up. As part of that process, I am quite often required to go (and I am very pleased to do it) to speak before the senior management people in a department, such as the Engineering and Water Supply or Community Welfare, and they make no bones about our examination of our services nor we of them. That continual or collectivised process is the way we go about things.

**The Hon. D. O. Tonkin:** As far as the department itself and its performance is concerned, it must doubly justify to me and Cabinet any request that it makes for additional staff or appointments, because of the key role that it plays and the example it sets. It is also necessary that the Department of the Public Service Board appear before the Budget Review Committee and justify its own activities in exactly the same way that any other department does.

**Mr BANNON:** It is certainly true, as the Premier has remarked earlier in these proceedings, that Governments have recourse to outside consultants on a whole range of matters, and I think it is perfectly proper and quite productive that it has. On the other hand, it has also been a declared policy of this Government that wherever possible functions that can be carried out by the private sector shall be contracted out to that sector, and some criticism has been raised, not only by the Opposition, about the possible cost of such procedures and about the fact that this often ignores skilled consultancy services that are already at the Government's disposal, within the Government. In other words, one of the functions of the Public Service Board, and one of the reasons for having such a body, is that the board has on its staff skilled people who are able to provide full-scale consulting services, and that has traditionally been done by the board.

On occasions it may require supplementation or it may not always be appropriate—I am not arguing that. However, I am suggesting that the emphasis placed on using outside consultants and contracting to them by this Government may have resulted in the board's services not being fully utilised or perhaps more wastefully having been duplicated. What has been the impact of that policy on the board? To what extent are consulting functions formerly carried out by the board now required to be carried out by outside privately-contracted consultants?

**The Hon. D. O. Tonkin:** I suspect that the Leader thinks that if he repeats something that is inaccurate often enough it will stick and become accepted as the truth. Certainly, we emphasise the importance of the use of outside consultants, and so did former Governments. I repeat what I said this morning: when it comes to the point and the sum totals are added, it is a question of several millions being used to employ outside consultants, and such a situation has applied with successive Governments over successive years. Nevertheless, the Government has used the Public Service Board for consultancy services and reviews. I refer the Leader to programme description on page 31, which states:

Programme Objectives 1981-82. Reviews: The board will assist in implementing recommendations from reviews already undertaken, including Public Buildings Department re-organisation; for a continued membership of the Steering Committee; provision of an officer on the review team. Department of Correctional Services: consultant's recommendations being considered by the Government. Laboratory services: firm proposals on a consultant's report to Cabinet; Cabinet has asked the board to further investigate the organisation of the forensic science services. Tourism: the main involvement in the selection of key personnel. New assignments included education and further education departments, rationalisation of support functions, where the rationalisation of support functions can be achieved. State Information Centre: an examination of its role and organisation and location.

Things of this sort are a very full programme for the consulting services and the advisory services of the Public Service Board. I think the Chairman will agree with me that the Public Service Board certainly does not pretend to be wise in all things or to have skilled knowledge in all things. Where that is so, obviously outside consultancies will be used and, indeed, welcomed by the Public Service Board. That is basically what has been done now. I point out that payments to consultants for this year, if we look at the Budget analysis by the Treasury line, is down from \$71 617 actual expenditure (\$58 000 voted) to \$30 000 proposed this year. This again is simply because of the changing nature of the inquiries that are proposed to be carried out.

**Mr BANNON:** Is the Premier saying that this amount of \$30 000, or, indeed, the \$70 000 spent last year, represents the total of consultancies in which the Public Service Board will be involved?

**The Hon. D. O. Tonkin:** As I understand, yes: that is, outside consultants.

**Mr BANNON:** Involved in what: in exercises within the Public Service Board or in other departments in conjunction with it?

**The Hon. D. O. Tonkin:** Obviously, in other departments involving the Public Service Board's role in overseeing the entire operation—laboratories review, ethnic survey, equal opportunity consultancy, anti-discrimination legislation, corporate planning, executive development programme, which is obviously directly for the Public Service Board, but which will benefit other departments, programme performance budgeting training course, occupational psychology, and so on—all matters which immediately affect the Public Service Board, in its ability to pass on to other operating departments of the Government the benefits of the consultancy.

**Mr GLAZBROOK:** I refer to the money spent in advertising vacant positions in the press. In how many individual papers and in how many States do we advertise?

**The Hon. D. O. Tonkin:** That will vary. I have had occasion recently to comment on the expenditure on some advertisements from, I think, client departments basically, on the size and the scope of the advertising used. Under present circumstances, I think it is probably rather more lavish than one would consider appropriate. I think one of the officers may be able to give us slightly more positive information on that.

**Mr Mitchell:** The board's policy is usually to advertise in the *Saturday Advertiser*. If it is a situation where we believe we may well have to go Australia-wide, it is then the policy of the Public Service Board also to advertise positions in the *Weekend Australian*. In some instances, where we feel that the person might come from a particular State because of the nature of the industry or the activity, we will use that particular paper. For example, if we were looking for mining engineers or geologists we might well be tempted to use the *Western Australian*.

In fact, the Department of Mines and Energy, in its search for geologists in particular, has been one area where we have had relatively high expenditure in advertising

vacant positions. In that case we utilised our local papers, the national paper (in the sense of the *Australian*) the Eastern States newspapers (the *Sydney Morning Herald* in New South Wales), and the *Western Australian*. We have advertised positions in a number of interstate papers, in addition to those alluded to in the Department of Mines and Energy, in relation to positions in the Department of Trade and Industry, the Department of Tourism and the Department of Environment and Planning.

**Mr BANNON:** I would like to pursue this question of consultancies. For instance, the Premier points out that a major initiative conducted was a review by the Public Service Board of the Department of Tourism. In the Department of Tourism, I think we will find an amount for consultancies. I refer to the commission report and the Tonge consultancy report. The Premier would have us believe that that has nothing to do with anything that the Public Service Board might do. His reading out of those consultancy reviews strengthens the very point I am making, where I am seeking information. To what extent is the board responsible for conducting these sorts of review and to what extent does the Government devolve that sort of responsibility on to outside consultants?

**The Hon. D. O. Tonkin:** It is very much a question of consulting with the Public Service Board and determining the—

**Mr BANNON:** And consulting the Public Service Board?

**The Hon. D. O. Tonkin:** I do not mind if the Leader wants to add a little levity to the occasion. That is up to him. I think the Leader has perhaps misunderstood to some extent. I have read out the numbers, the reviews and the specific programme objectives set for 1981, on page 56, volume 2.

**Mr BANNON:** I have that in front of me. I say it illustrates the very point I am making about duplication in the absence of any detailed information from the Premier.

**The Hon. D. O. Tonkin:** The whole point is that, having got the outside consultants' report, that is quite correct: tourism was an outside consultant's report, and I read that out. The fact is that the Public Service Board has been involved in what has been a key part of that report, namely, the selection of key personnel and the administration and implementation of recommendations that have been made there. That is a function which could quite conceivably have been passed on to private consultants as an extension of the preparation of their report. In this case it was not. It has been taken on by the Public Service Board, which is eminently proper.

**Mr BANNON:** It is listed as a major initiative or achievement of the board. It refers just to reviews being conducted. As I say, the tourism one indicates that it is a little hard to work out where the board's role in this review begins and ends. The Premier is not supplying us with information on this.

**The Hon. D. O. Tonkin:** I cannot quite see what the Leader is on about. As I said earlier, the Public Service Board does not pretend to have expertise in every department. This department needed a specific expert in tourism and in tourism promotion. That expert has been found and the report has been produced, and now the Public Service Board is getting on with the job of implementing some of the details.

**Mr BANNON:** I refer to the four 1981-82 specific target objectives. The second target is to develop, with departments, staffing plans to achieve a better match between programme structures, financial allocations and manpower deployment. The fourth target is 'to develop staff through appropriate training, including middle level management, and provide specific skills training in programme analysis techniques and financial management'. If one then looks at

the money to be expended and more importantly the manpower to be deployed on those programmes, one finds a significant reduction in the staff development and in-training functions of the board, from 19 average full-time equivalents last financial year to 13 this financial year. Even in the programme support services there is a reduction of two. This is in the context that the Public Service generally is being required to provide much more information than it has provided in the past. That requirement means not only that resources are tied up in it, but also that certain skills and expertise are needed. It can even have an effect on the morale, which is alluded to in the summary of the Public Service Board's functions. Yet here we have a case where the numbers involved in it are being reduced. I guess that this is a policy matter, so can the Premier explain what is involved?

**The Hon. D. O. Tonkin:** It is not a policy matter: it is very much an administrative matter within the overall limits placed by the Government on containing the numbers generally. I will ask one of the officers to take it further. In the staff development and training sub-programme to which the Leader specifically refers there is only an equivalent reduction of three people, and it comes simply to allowing for the completion of the interpreter training scheme and a smaller trainee complement on the management accounts training scheme. Obviously, further details can be made available.

**Mr Mitchell:** As in a number of these matters, we should bear in mind that most Government departments nowadays have their own management services functions with their own staff development officers. It is, in fact, current board policy that the actual on-the-ground staff development and training take place within the individual agencies and departments. To that end the board's current emphasis is in terms of concentrating its own activities in the areas of executive development, equal opportunity training and some of the more specific training needs such as financial consulting and some training needs related to the analysis of programmes and Government activities. It is somewhat difficult to isolate those training and development activities in discrete numbers so that the numbers to which we are alluding here do not necessarily include some of the more specific areas of training dedicated more, for instance, to financial training. We must bear in mind the current number of management services functions in other Government departments.

**Mr BANNON:** I judge from that that any reduction in the board's central staff development and training function and management services function is being matched by an increase in numbers or allocations to departments. Is that the situation?

**The Hon. D. O. Tonkin:** I do not think that that is the situation at all. In the overall picture the numbers in each department are also being reduced. I think it has been made quite clear to the Leader that there is now much more sophisticated internal management training in each department and internal audit that certainly provides those responsibilities out in the client departments.

**Mr BANNON:** Has there been a reduction in demand for such services within the Public Service?

**The Hon. D. O. Tonkin:** No.

**Mr BANNON:** Has there been an increase in the demand for such services?

**The Hon. D. O. Tonkin:** The general answer is that there is always a change in the level of demand but on average it has not changed.

**Mr BANNON:** I should have thought that as a new procedure most departmental officers would be unfamiliar with the p.p.b. and that, as a procedure, it would require a great deal more information. Therefore, the board would

have particular responsibilities for training and other assistance to departments to cope with this. Is the Premier suggesting that that has all been achieved within the current allocation? No problems have been created within departments by that?

**The Hon. D. O. Tonkin:** One of the specific target objectives referred to on page 56 is to facilitate p.p.b. through appropriate training for senior managers. I am sure the Leader knows as well as anyone else that the p.p.b. exercise has been undertaken by a large number of people, some of whom have come from the Public Service Board and some from other departments.

**Mr BANNON:** In relation to this I would like to quote from the Public Service Board's Annual Report for 1979-80. The Chairman said:

Much of the recent public discussion about reductions in the Public Service has tended to concentrate on the associated savings in cost, leaving aside discussion of the essential qualities of integrity and objectivity which must be preserved in order to maintain good administration.

He went on to talk about the honesty of the Public Service being an invaluable quality, and he said:

The vital quality of integrity in public administration must be nurtured and maintained, particularly during the current transition period; otherwise all the recent efforts to improve effectiveness and economy of operation in the Public Service could easily be undone.

He then went on to talk about the problems of leaking and so on within the Public Service. I pose the question: what steps is the Government taking to ensure that in its pursuit of cost savings it is paying attention adequately to the other qualities, integrity, objectivity, work load, and resources of the Public Service in the task that it is required to do?

**The Hon. D. O. Tonkin:** Since the Leader has quoted the Chairman and since I rely on the Chairman for all those functions to which the Leader has referred I would be delighted to ask the Chairman to respond.

**Mr Mercer:** The reference that the Leader has made to the annual report was the situation as the board saw it about 18 months ago. Another annual report has been finished and is currently with the editorial people preparing it for printing. That report will make a further comment in this general arena. The general trend of examination of Public Service activities by a process such as this one and by Parliamentary committees, by the Auditor-General, by the Public Service Board itself, and by newspapers in general public comment tends, in the opinion of the board 18 months ago, to have concentrated on the cost consequences to the exclusion of the wider factor raised in that overview statement.

The question is what is being done to address the other issue. The board is endeavouring to do that, it is statutory responsibility. A lot of measures are being taken to achieve that, and I am the last person to say whether it is successful or otherwise. Programme performance budgeting is one positive way of addressing that issue. However, it is early days and it will need to be carefully developed and maintained in successive years. Analytical capability is bringing integrity and quality, but questions of integrity often occur in personal areas, and I cannot therefore relate individual cases. However, where the board or I have raised them, the response has always been constructive and positive. Never has the board truly felt that, where integrity was being abused, Government Ministers have not responded. They may have been unhappy about some aspects, but have always met the need, as the board sees it. I cannot provide very much more than I have in answer to the other points that the Leader raised.

**The Hon. D. O. Tonkin:** The challenges placed before members of the Public Service, particularly permanent heads and section heads, by the present Government in more tightly controlling numbers and efficiency have been

met superbly well. I place on record my thanks to Public Service Board members and staff, and to all departments. Under very difficult conditions and challenges that we have thrown out, particularly in the past few months when the Budget Review Committee properly examined financial and manpower allocations, they responded superbly.

Echoing the Chairman's words, programme performance budgeting and development of those techniques have given far more scope to Public Service members, and particularly managers, in getting on with the job. The board has responded to that challenge very well indeed. I totally agree with the Leader that there is a great need to maintain support for the integrity, ability and dedication of members of the Public Service. The board is doing extraordinarily well in what everyone accepts are very trying and difficult conditions.

**Mr BANNON:** Does the Premier admit that the trying and difficult conditions are a large part of his own making and policies?

**The Hon. D. O. Tonkin:** No, that is ridiculous.

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

Treasury, \$5 235 000

**Chairman:**

Mr G. M. Gunn

**Members:**

Mr J. C. Bannon

Mr R. E. Glazbrook

Mr J. Mathwin

Mr T. M. McRae

Mr J. W. Olsen

Mr R. J. Randall

Mr J. P. Trainer

The Hon. J. D. Wright

**Witness:**

The Hon. D. O. Tonkin, Premier, Treasurer, Minister of State Development and Minister of Ethnic Affairs.

**Departmental Advisers:**

Mr R. D. Barnes, Under Treasurer, Treasury Department.

Mr T. A. Sheridan, Deputy Under Treasurer, Treasury Department.

Mr J. R. Wright, Acting Accountant, Treasury Department.

**Mr BANNON:** Under this line we are considering the various functions of the Treasury and some of the things that are happening in relation to it. I wish to refer to the resources within the Treasury that have been devoted to the p.p.b. exercise. How many permanent public servants have been delegated to this exercise?

**The Hon. D. O. Tonkin:** I take this opportunity to express my thanks to the people who have been in the programme performance budgeting team. Generally speaking, they have worked under extremely difficult conditions to prepare the papers which, although not perfect, are certainly a great improvement on the line budgeting papers and documents that we had until the past two years. Twelve or 13 people have been in the programme performance budgeting team. Many of them have been seconded from the Public Service Board or from other departments, and some have come from the Treasury. The team will be turning over, inasmuch as it is desired to give people a basic training in the

programme performance budgeting exercise and then move them back to their own departments to give other people in the department the benefit of their skills.

This has been a major exercise. It is impossible to say to what extent efficiencies have occurred or to quantify them, but I am quite positive that the reports that have come back so far indicate that the departments and the Treasury have identified areas where savings can be made and efficiencies can be achieved. This can be done simply by drawing attention to hidden costs and procedures which have been in operation for a considerable time but which have now been modified. Mr Sheridan may like to comment further.

**Mr Sheridan:** Thirteen people were involved in the exercise, five from the Treasury permanent staff, and the balance from a variety of departments in the Public Service. We looked for particular expertise to help us in this rather difficult task. With the level that has been obtained in the programme performance budgeting exercise, we will be looking to shift some emphasis towards the Treasury accounting system with a view to providing information directly into the programme performance budgeting material. I stress that that will take some little time, measured in a few years rather than in terms of one year.

**Mr BANNON:** Has a cost effectiveness exercise been carried out? Is the Premier prepared to say what savings have been effected for the expenditure and the personnel involved?

**The Hon. D. O. Tonkin:** As the Deputy Under Treasurer has stated, it is far too early to arrive at any firm cost benefit analysis or figure. Indeed, the benefits of this programme will not be properly quantified for probably another two or three years. Certainly, the scheme has already encouraged a tremendous amount of increased awareness of the hidden costs that people, to a large extent, have hitherto taken for granted. Any operating department that occupies Government-owned office space has taken no account until now the rental costs and the various hidden costs. They have been brought out in programme performance budgeting form, as has the cost of telephones. Something to which I allude frequently is the cost of maintaining Ayers House. One could ask what is the cost benefit of adopting programme performance budgeting in regard to Ayers House? We will not dispose of Ayers House or treat it differently, but it is important that the taxpayers and the members of the Public Service know exactly how much it costs the State to maintain Ayers House.

That is really the key to the whole programme performance budgeting scheme. There is no doubt that, as in major companies, where balance-sheets are presented, and just as in government, where balance-sheets are presented, after three or four years of operation when the scheme has settled down, it will be possible to quantify quite positively the savings that can be attributed to programme performance budgeting. That will not happen in the first two years. It may not happen in the next two years, but we should be close to the mark by then.

**Mr BANNON:** Last year, \$203 668 was spent on payments to consultants. A further \$82 000 has been allocated for this year. No provision was made for consultancies in this area in the last Budget. Why was that the case? Why did it prove necessary not only to obtain consultancy but also to expend such a large sum in establishing a system that I believe officers within the Treasury and Public Service Board could well have implemented?

**The Hon. D. O. Tonkin:** I have no doubt that there are officers on the Public Service Board and in Treasury who are quite capable of understanding and implementing programme performance budgeting. I know for a fact that that is so. However, it has been necessary to make arrangements

for consultancy services to make sure that not only Treasury and the Public Service Board start off on the right foot, and with the same programme in an integrated form, but that other departmental heads, managers, internal auditors and accountants all understand what the system is, too. The money has been spent largely on development of specific processes in programme performance budgeting and in imparting the techniques used, and the rationale for those techniques to all sections of the Public Service.

The amount to be spent in the forthcoming year's Budget is much less. That, of course, is because the bulk of the work has been done. We have reached that stage where the overall programmes have been defined. Each department will be going into the sub-programme level, and we are now looking very much at the Government's accounting system. It is noteworthy that officers of Treasury and the Public Service Board (particularly those of Treasury) are in a position to look at Government accounting systems, and far less reliance is placed on outside consultants.

**Mr BANNON:** Could the Premier be more precise about the contribution made by the consultants—the \$203 000 worth of advice to the Government? What precisely was the consultant able to do, granting that with a new system a consultant may have been necessary to lay down guidelines or initiate that system? This seems to go well beyond that. I would like the Premier to detail the role of the consultant.

**The Hon. D. O. Tonkin:** I am happy to let the Leader have precise details of the programme implemented. It would take too long to go into now and I do not have exact details with me, which I am sure is what he wants. It has been a major undertaking. I refer the Leader to an article in the journal of the Institute of Public Administration which describes the first year this project was taken up. That may give him some indication of the magnitude of the task that we as a Government undertook and asked Treasury to undertake. Again, it has been necessary to 'educate' a whole series of people in the Public Service on exactly what the benefits of programme performance budgeting are and, therefore, how the scheme itself will lead to those benefits. Obviously, it has not been something that people have been accustomed to. They have been accustomed to the old line budgeting system and have needed every help and assistance that they can get. In this regard, we have been pleased to supply that assistance with the help of consultants who are well versed and, indeed, world experts in instituting such programmes.

**Mr TRAINER:** Can the Premier say how many consultancy firms were involved in this project, who they were and how many people were employed through those firms on programme performance budgeting?

**The Hon. D. O. Tonkin:** I cannot give the exact details of how many people were involved in preparing the programmes. P.A. Consultants was used both for the programme performance budgeting and for the Treasury's accounting system. Mr Geckler was the principal consultant involved. Of course, he called upon the resources of the firm in large measure for all that he did. That development of a programme involved far more than just one or two front runners who dealt with us here. I can get those details for the honourable member.

**The Hon. J. D. WRIGHT:** I notice a big reduction in the amount paid to consultants this year from last year. This year the amount allocated to consultants is \$82 000. Is it anticipated that that amount will be sufficient to cover requirements in the current Budget year?

**The Hon. D. O. Tonkin:** Yes.

**The Hon. J. D. WRIGHT:** Will that be the last allocation to consultants, or will it be necessary to continue making such allocations? Surely there must be a stage where public

servants, who are very capable in this State, will be able to take over from the consultants. What is the planning for retention of consultants?

**The Hon. D. O. Tonkin:** I think the Deputy Leader has already covered that ground by referring to the difference in the sums involved between last financial year and this year. Obviously, the whole scheme is becoming far more self-sufficient and, hopefully, it will become totally self-sufficient.

**The Hon. J. D. Wright:** When?

**The Hon. D. O. Tonkin:** I can see that in another two or three years, with the integration of the two forms of budgeting documents, and so on, that it could well be self-sufficient. However, I am not in a position to say that there will or will not be a need for consultants in those years.

**The Hon. J. D. Wright:** So it can be expected that for at least the next two years there will be a further allocation for consultants?

**The Hon. D. O. Tonkin:** I am not able to say; I can only speak in respect of the coming year.

**Mr BANNON:** Which are the four pilot agencies involved in this programme?

**The Hon. D. O. Tonkin:** The Premier's Department, Community Welfare Department, Woods and Forests Department and the Services and Supply Department. The Engineering and Water Supply Department already had its corporate plan in operation.

**Mr BANNON:** I note that under the target objective for 1980-81. Referring to 1981-82, page 86 states:

... continue to investigate with 'pilot' agencies possible approaches and issues involved in objective setting and monitoring programme performance, and provide guidance on such matters to other agencies;

Does the reference to pilot agencies mean the same form, or is there an expanding programme?

**The Hon. D. O. Tonkin:** Obviously, it will involve the four departments that have already been taken over, but there will now be a steady move toward taking the system into other agencies and departments.

**Mr BANNON:** At what stage does the pilot phase finish in those departments?

**The Hon. D. O. Tonkin:** I think we can say that it is a question of adding to the pilot departments until they are all pilot departments for the next 12 months or possibly two years. In other words it is just a term. We could equally call them the 'subject departments'.

**Mr TRAINER:** On what criteria were those four departments selected?

**The Hon. D. O. Tonkin:** Basically on the size of their corporate structure—they are big enough to be worth putting into the programme, but they are not so big that one loses sight of what is happening. Obviously one needs to work on a relatively smaller unit in the beginning and then spread into the bigger units as progress is made. All of them have a fairly restricted function as opposed to other bigger concerns such as the Woods and Forests Department where activities are rather more diverse.

**Mr BANNON:** Last year we were promised performance indicators. Have they been formulated, and will they be published?

**The Hon. D. O. Tonkin:** There has been difficulty with performance indicators for the reason I have already outlined; we were rather too optimistic. Once we get our performance indicators, which to some extent will come from the internal audit that we are putting into departments now, obviously the results that we achieve with the departments—those performance indicators—will take a little more time to define. It is still planned to do that, and obviously it is a fundamental part of the whole business.

**Mr BANNON:** Taking up the point of the cost of this programme, on page 87, under 'Comments', it is noted that several officers of the p.p.b. team are paid by other departments or statutory authorities. That is obviously in addition to the \$392 000 suggested. The annual cost, which is not included in the reported cost, is approximately \$112 000. Does annual cost refer to this coming year, or is there an ongoing annual cost of such a programme?

**The Hon. D. O. Tonkin:** As I understand it that has been the cost in developing the team activity at this stage. However, those people will go back to their departments or to other departments, and obviously the departments will get the benefit of their advice.

**Mr BANNON:** The cost of the programme for 1980-81 was \$386 000. Does that include the consultant's fees of \$203 668?

**The Hon. D. O. Tonkin:** No, it does not include that fee. That includes the implementation expenses of additional departments and the continuation of the performance indicator programme for those existing pilot departments.

**Mr BANNON:** On that basis there was \$386 000, plus \$203 000, plus \$112 000 as the stipulated cost.

**The Hon. D. O. Tonkin:** I want to make a correction: the consultancy fee is included in the figure of \$386 000.

**Mr BANNON:** That is the all inclusive figure except for \$112 000?

**The Hon. D. O. Tonkin:** That is right.

**Mr BANNON:** That means that in 1981-82 the figure of \$203 000 paid to the consultant is taken out—not the whole amount because \$80 000 is earmarked for that purpose, so, \$120 000 is removed, which leaves a total of \$266 000, yet the figure shown is \$392 000. Why is there such a drastic increase in the amount to be paid from departmental sources in an ongoing programme?

**The Hon. D. O. Tonkin:** Because we will be looking at more departments. The whole programme is going to spread out. The costs are being allocated to this programme in particular.

**Mr BANNON:** That cost excludes the officers in other departments, according to these notes. There is only one staff increase, but that does not explain the \$200 000 or so increase in costs.

**The Hon. D. O. Tonkin:** There will be a development not only of the programme performance budgeting system into other departments, but there will be more emphasis placed on Government accounting, Treasury accounting services, and obviously that expenditure will be incurred in the other new pilot departments, and the additional person mentioned refers to one additional person in Treasury, not in any other department.

**Mr BANNON:** It is hard to get to the base of what the actual cost of this programme is. There are several officers in other departments, but that is already allowed for in the note. Of course, if one is talking about the development of accounting systems, there is already a separate amount of \$255 000—a very substantial increase on 1980-81. It seems, for instance, that in terms of resources of Government expenditure an enormous increase is taking place, not only in Budget systems development but in accounting systems development. The two are separate, and I am simply concentrating on the Budget system itself.

**The Hon. D. O. Tonkin:** With regard to the Budget and accounting systems development, there certainly is an increase. The accounting systems development was begun before the Government came to office and has been developed since that time. It is a vital part of the whole programme of better Treasury accountability and programme performance budgeting. It goes hand in hand: we started programme performance budgeting after we started the Government accounting system, which members will recall

was presented to the House in the form of a blue book some time ago.

**Mr BANNON:** We are getting away from the actual cost of p.p.b. development. From the Premier's explanation, I am still not clear on how there is an increase in the amount, despite the removal of some \$120 000 of consulting fees from the amount that is to be paid.

**The Hon. D. O. Tonkin:** Perhaps the Deputy Under Treasurer can help the Leader.

**Mr Sheridan:** When one takes the consultants account out of the 1980-81 figure of \$386 000, the rest of the amount relates to Public Service people, and because there were people coming into the Treasury during the course of the year the cost for their salaries represents only part year, whereas for 1981-82 with the ones that are staying behind it is a full-year cost, coupled with the fact that, as the Premier has said, there will be added emphasis put on the Treasury accounting system in 1981-82.

**Mr BANNON:** I would suggest that that is covered under a separate amount which is also showing a considerable increase. I refer to the line above—\$255 000. I am simply trying to see them as separate components.

**Mr Sheridan:** The information is that there was only a part-year cost for the \$386 000. It might help the Leader if I obtain a break-down of this figure.

**The Hon. D. O. Tonkin:** I am happy to provide a break-down for the Leader.

**Mr BANNON:** We are being asked here to vote money for the Public Actuary's salary and for the maintenance of his office. In this context it is a pity that the Actuary is not here to answer specific questions. I should be interested to know what proportion of the Actuary's time is involved in, and when we can expect some result on the question of, no-fault insurance.

**The Hon. D. O. Tonkin:** That matter has been given considerable attention by the Actuary. It is also the subject of investigation by the Minister of Transport, and the Attorney-General and I will be happy to get a progress report for the Leader.

**Mr BANNON:** An important point relating to no-fault insurance, relates to the role that the S.G.I.C. would play in any scheme. Is it the Government's intention that no-fault insurance be administered by the Actuary or by a department created within the Treasury or by a separate statutory body?

**The Hon. D. O. Tonkin:** That is a matter for Government decision.

**Mr BANNON:** It has not been decided yet? I realise it is a matter for Government decision. I am suggesting that at the moment there has been much speculation about this matter, speculation soundly based on comments made by the Premier himself last year concerning the role that the S.G.I.C. would play in connection with the administration of a no-fault insurance scheme.

Obviously the removal of the liquidity and funds that the third party scheme provides to the S.G.I.C. would have considerable implications for its operation and indeed probably for its viability. Whilst this long drawn-out exercise goes on, we have had no specific indication from the Government as to its intentions in this area. I am not asking to have the precise details of the no-fault insurance scheme, although that is long overdue. I am asking in administrative terms, whether it will be administered by the S.G.I.C. or by some other instrumentality.

**The Hon. D. O. Tonkin:** I am not able to say. The speculation the Leader is referring to has been most extravagant and unusual, and has emanated entirely from the Opposition benches.

**Mr BANNON:** I suggest that speculation in fact derives directly from the Government's own documents and the

unwillingness, as has been indicated today, for the Premier to lay it to rest. If he is not prepared to say one way or the other, when will he do so? When will he end this speculation.

**The CHAIRMAN:** In inviting the Premier to respond, I point out that the debate is starting to reach general terms. We are relating to a specific line. The manner in which the Premier answers questions is entirely up to him.

**The Hon. D. O. Tonkin:** I was going to ask to which line the Leader is referring, but the answer to the question is, 'In due course;', in due season, if that is better.

**Mr BANNON:** Perhaps we could leave the State Superannuation Office until the Under-Treasurer is able to be with us, as the Premier indicated at the beginning. I would like to ask some questions now on State taxation.

**The CHAIRMAN:** Are there any further questions on the Public Actuary's Office? There being no further questions we now move to State Superannuation Office.

**Mr BANNON:** The Premier indicated at the commencement of today that the Under-Treasurer was not able to be present at the moment, because he is detained. As a trustee of the Superannuation Fund, it may be more appropriate to leave questions on that until he is able to be with us.

**The CHAIRMAN:** We can return to that line when the Under-Treasurer arrives. We will go to the State Taxation Office.

**Mr BANNON:** This raises the whole matter of taxation. It is covered on pages 76-77 of the yellow book. Let me deal first with the question of pay-roll tax and pay-roll tax collection. Why was the general exemption not increased in this Budget? Why was it frozen at last year's level? I recall that traditionally pay-roll tax has been adjusted in line with the rates prevailing in Victoria, either keeping them directly in line with those rates or adjusted in retrospect, as has been the practice of the current Government in the last two Budgets it has formed. This year's Budget was absolutely silent about any alteration to the exemption level. That means that the South Australian exemption stands at \$84 000, which is well below that of Victoria, now \$125 000. Of course, there is a sliding scale. This means that many small businesses will pay tax for the first time this year. There will be a total increase in the collection of pay-roll tax by the workings of inflation rather than by increased economic activity. Businesses with pay-rolls of up to about \$250 000 will pay more tax in South Australia than in Victoria. What analysis was made by the State Taxation Office as to the incidence of the failure to alter the exemption level? What estimates were given to him? What calculations were made in helping the Government to arrive at its decision not to do anything for the relief of small business through pay-roll tax?

**The Hon. D. O. Tonkin:** The Leader is inaccurate again. There has been no decision not to do anything. The Leader perhaps forgets that pay-roll tax exemptions traditionally in the past have applied from 1 January of the following year. It is, as everyone knows, an extraordinarily difficult financial time. The whole question of pay-roll tax exemptions and their levels will be addressed later this year when there is more indication of the financial situation of the State, and when we can see to what extent we can make changes to the exemption level. A decision will not be made until further indication of the State's finances can be obtained later in this calendar year.

**Mr BANNON:** The Premier is therefore foreshadowing a special Bill, perhaps, to bring our tax exemption into line with Victoria?

**The Hon. D. O. Tonkin:** The Leader will surely know that a Bill is necessary anyway.

**Mr BANNON:** How much of the 14.7 per cent rise in pay-roll tax collections estimated in the Budget is to come

from extra employment, and how much simply from the operation of inflation?

**The Hon. D. O. Tonkin:** The calculation has been based on an increase this year of about 4 000 people in employment.

**Mr BANNON:** On the question of tax generally, I refer to page 76 of the document, book one of the Premier's Estimates, and under the specific targets/objectives of the 1980-81 we see that the Taxation Office was suggesting amendments to the Stamp Duty Act in relation to tax avoidance thorough trusts. What incidence of tax avoidance has there been? Did the amendments that were passed in the course of that financial year achieve the impact of closing the loopholes?

**The Hon. D. O. Tonkin:** I do not think there is any doubt that it has closed the loophole. As to the value of that loophole, I will be pleased to get an up-to-date report from the Commissioner of State Taxation.

**Mr BANNON:** It has been said that, following the passing of that legislation, further loopholes have in fact been opened up by the usual devious means. Can the Premier indicate whether there is any evidence of substantial avoidance at present, and, if so, what steps are being taken to overcome this?

**The Hon. D. O. Tonkin:** It has not been reported to me in specific terms. There will always be further loopholes, whatever we bring in. There always seems to be somebody who finds a way around it. The situation is being very carefully monitored. If necessary, a Bill will be introduced into the House. If the Leader looks at the 1981-82 specific targets he will see that there is a major review of the stamp duties legislation taking place. A Bill will be presented to the House. It will incorporate any amendments necessary to close up any further loopholes.

**Mr BANNON:** I refer the Premier to page 77, in relation to manpower employment levels. It has been noted that, for 1980-81, 122 was the proposed level; in fact, the outcome was 130, eight more positions than had been budgeted for. There has been a substantial reduction from that proposed for 1981-82. That suggests that some special extra staff were needed for some specific purpose. Is that so or, if not, how does the Premier explain it?

**The Hon. D. O. Tonkin:** Explain the proposed rundown?

**Mr BANNON:** Yes.

**The Hon. D. O. Tonkin:** That is very simple, because the State Taxation Office activities are running down with the abolition of succession and gift duties and the reduced amount of land tax. The increase in 1980-81 was attributable mainly to delays in finding suitable positions for officers who had in fact become redundant in the State Taxation Succession Duties Branch. As it happened, they were employed elsewhere in the Treasury at that time but they were still responsible to that branch and were paid by that branch. The 1981-82 provision takes the full year effect of the staff redeployment in 1980-81, and a further reduction of about five officers is expected during the year.

**Mr BANNON:** For most of last year, the department was carrying excess staff, was it?

**The Hon. D. O. Tonkin:** Following the run-down in the activities of the succession and gift duties, yes.

**Mr BANNON:** Why was not that planned for by the Government?

**The Hon. D. O. Tonkin:** What a ridiculous question. I think the Leader would know that we have no-retrenchment policy to which we are adhering. It is necessary because of that to honour that, and that we do keep people in their positions and attached to their respective base departments, even though they can be redeployed and found work elsewhere. That is exactly what has happened, and that is what

we have done. We have simply honoured an election promise.

**Mr BANNON:** Last year one of the tasks undertaken by the department was to develop and implement the administrative mechanism for the land tax concession on the principal place of residence. What problems were experienced and how have they been overcome?

**The Hon. D. O. Tonkin:** If the Leader would like a full run-down, I suppose we can get him a detailed document on the sort of problems that crop up from time to time. They range from a lack of understanding of what the situation meant to individuals. In the early stages we had a number of inquiries (this really relates to last year and not this year) from people all of which, because of the need to assess a house as being likely to be a permanent place of residence, it was not possible to check individually to begin with. Assessments were sent out when they should not have been sent out, and they had to be chased up and adjustments made. The staff of the office did a first-class job in dealing with those inquiries. There were also other inquiries as to the possible part use of premises. The other one was the question of aggregation: whether a property should be aggregated when one property was held in joint names and another in the name of just one person. I think all of those things have been addressed and sorted out pretty well. If the Leader wants details, I will be happy to find them for him.

**Mr BANNON:** Is the Premier giving an assurance that those problems have now been overcome?

**The Hon. D. O. Tonkin:** They are certainly being sorted out. Again, let me pay a tribute to the officers who made this scheme work very well indeed. There have been remarkably few difficulties, and what difficulties there have been I think have been sorted out. As the Deputy Under-Treasurer points out, this is one of the areas in which the surplus officers from the Succession Duties Division have been very gainfully employed.

**Mr BANNON:** In fact, the Premier is now saying that these persons were not surplus to requirements but they were performing quite a useful function during the year?

**The Hon. D. O. Tonkin:** That is one way of putting it. If it makes the Leader feel better, that is up to him. Nevertheless, at one time he would recognise a once-off situation which they have been able to overcome very well, but it does not change the general direction.

**Mr BANNON:** One of the tasks undertaken by the office last year was to conduct a detailed exercise on State fees and charges, and the results of that are all too evident. I think at the latest count we have identified 72 increases in State charges, involving the whole range of fees, registrations, licences, and charges which have, as the Premier's Budget document indicates—

**The Hon. D. O. Tonkin:** I take a point of order. The review of State charges was not conducted by the State Taxation Office; it was conducted by individual departments in relation to the charges that they make. Some 600 State charges of various kinds levied by various departments are not considered by the State Taxation Office.

**The CHAIRMAN:** I suggest to the Leader that he ought to relate his remarks to the line that the Committee is discussing. The Chair has endeavoured to be most liberal in its interpretation of the criteria under which we operate. I do not want to have to start preventing people from seeking information, but I do ask the Leader to relate his remarks to this particular line.

**Mr BANNON:** I am certainly working to the lines. This whole exercise is being conducted from the Estimates of Payments and the supplementary material provided. I think it was well established last year that both these documents are at issue, and this affords us an opportunity to question

**The Hon. D. O. Tonkin:** These general documents are a subject of policy and a discussion at the second reading and reports at the Committee stage. We are talking about the administration of the department, and the State Taxation Office does not come into the question of increased fees.

**The CHAIRMAN:** I ask the Leader to proceed with his question. The Chair will be listening carefully and, if necessary, I will prevent the Leader from continuing, if I consider that he is not in accordance with this line.

**Mr BANNON:** That is quite proper, Mr Chairman. I hope it is you and not the member for Rocky River, who is out of the Chair at the moment but who seems to be intent on advising you.

**The CHAIRMAN:** I hope the Leader is not reflecting upon the Acting Chairman.

**Mr BANNON:** When he is Acting Chairman, certainly not. When he is not, I suggest that his place is in his seat asking questions. The document refers to a specific target or objective of this office for which we are being asked to vote money, and that is why I think it is appropriate for me to question it. It was said last year that the department (perhaps it was not the Taxation Office specifically, although that is the only group of employees I can find under the programme chart) conducted a detailed exercise on State fees and charges. The Premier says that that was not done, and that it was done by each individual department. I am a little at a loss to see who did this and who recommended increases such as those that are being imposed on the people of South Australia.

**The Hon. D. O. Tonkin:** It is quite simple. The Treasury people obviously have done the calculations and the exercise on returns to the State. They have no part in setting State fees, other than on an advisory basis when called upon to determine the same.

**Mr BANNON:** What do the words 'detailed exercise on State fees and charges' mean?

**The Hon. D. O. Tonkin:** I thought the Leader was well aware of this. He has been making enough noise about it in the last little while. All departments have been asked to make a review of their fees and charges, and that is exactly what has happened. The Treasury has been available to calculate, advise and co-ordinate, if necessary, to see whether there are any duplications. I do not think there is anything particularly peculiar about that.

**Mr BANNON:** I see that for 1981-82 the function is to update the 1980-81 review of taxes and charges; 70-odd increases are to be updated. What precisely will that exercise involve, and does this foreshadow further considerable increases in the level of State charges in the coming year?

**The Hon. D. O. Tonkin:** I do not think I can give any opinion on that matter, as the matter has not been considered. It is a general principle that, as long as we have massive wage increases and indeed any wage increase, inevitably charges will have to rise. When services provided by people who are on salaries and wages rise, it is necessary that the Government takes account of the increased wages and makes allowances for them in the charges that it makes for the services.

**Mr BANNON:** So, the Premier is foreshadowing further increases throughout this coming year?

**The Hon. D. O. Tonkin:** The Leader is taking it upon himself to foreshadow salary increases in this forthcoming year.

**Mr BANNON:** Is the Premier suggesting that such increases in charges that take place will be related to salary increases?

**The Hon. D. O. Tonkin:** It has been made very clear that, where costs of providing services increase, charges will have to go up in proportion to that increase.

**Mr BANNON:** That is inconsistent with what the Government did last year. In most cases the increase applied to State charges was in excess of the cost of living or wage settlements. Could the Premier clarify what is his Government's policy in regard to charges?

**The Hon. D. O. Tonkin:** The Leader would know full well that many of the charges have not been changed for donkeys years, and that it is about time they were. Previous Governments have been quite dilatory in keeping up to date with these matters, whether for electoral gain, or for what reason, I am not prepared to comment. However, there is no question that it was time for a major review of charges. I do my immediate predecessor credit by saying that considerable attention had been given by his Administration to increasing charges to bring them into line with the present.

**Mr OLSEN:** In the review of charges, where it is shown that the cost of administration of a particular tax or charge is not of significant advantage to the State financially, is it the Government's intention to review dropping those charges out of the system altogether?

**The Hon. D. O. Tonkin:** Basically, that view tends to favour our philosophy and the deregulation programme, but it is at present difficult to see specific instances. It has been said that boating registration fees could be examined to see whether or not their administration cost is covered by fees charged, remembering that the boating legislation and registration is also designed as a safety and policing measure. It would be necessary to do a detailed assessment of that situation. An informal study was done, in which it was found that licence fees income did not much exceed administration costs. Nevertheless, the question of water safety must be addressed firmly.

**Mr BANNON:** Listed under specific target objectives for 1981-82 is that the Treasury will examine inspection activities and their impact on revenue. Would the Premier clarify what is meant by that?

**The Hon. D. O. Tonkin:** Basically, this comes back to the Leader's earlier question about avoidance of loopholes in stamp duty and other legislation. It amounts to an examination of the current inspectorial system to see whether it needs any modification, or whether results can be achieved through legislation.

**Mr BANNON:** The inspection activities referred to are those of the State Taxation Office in its job, not other departments.

**The Hon. D. O. Tonkin:** That is right.

**Mr BANNON:** When we were discussing pay-roll tax matters, I do not think the Premier gave us the precise information, as requested. How many more businesses will be paying pay-roll tax as a result of there being no change to the exemption level, and how many people do they employ?

**The Hon. D. O. Tonkin:** I have already undertaken to try to get details for the Leader. But, since the change is not due until 1 January, anyway, it will not make any difference.

**Mr BANNON:** No change has been provided. That is the very point of complaint. But, in deciding that and including matters such as that in the Budget, why did the Premier not have that sort of information at his fingertips?

**The Hon. D. O. Tonkin:** I know the Leader wants to beat this up.

**Mr BANNON:** I would like the details, not beat it up.

**The Hon. D. O. Tonkin:** I refer the Leader to the answer I gave earlier, to which he perhaps was not listening. What exemption will exist for pay-roll tax in the forthcoming year, taking effect from 1 January, as usual, will be further considered when we examine the State's finances towards the end of this financial year. But I am not in a position to

give him any further information than that at present. The Leader will have to wait and see, just as I will.

**Mr BANNON:** The Premier, in this year's Budget, has budgeted for a deficit, on top of a deficit carried over from last year. He has made very gloomy prognostications about the amount of revenue that he expects to get. His whole Budget is cast in such a way as to suggest that no further or possible increase is to be expected, either in his revenue or decreases in his expenditure. On the contrary, even if one examines his various estimates, and comments on them, the Premier is not anticipating increased economic activity in the new year. All the indicators published since the Budget in the past two months indicate that those gloomy prognostications are correct: there is no sign of a general or overall recovery in the South Australian economy. In the light of that and the parlous state of his revenue, how does the Premier propose to introduce a Bill to provide these tax remissions when he did not work them into basic Budget calculations? Is he really keeping small business dangling on the hook by saying that some measure may be introduced later this year?

**The Hon. D. O. Tonkin:** I suggest that the Leader look at the round sum allowances and address himself to the far more useful exercise of trying to bring about a little moderation and sense into the level of wage demands being made by various people. It will depend entirely on how the State Budget is going at the end of this calendar year as to what action we will take. It will depend largely on wage increases: whether they are moderate and proper, or whether they are exorbitant and totally out of court.

**Mr BANNON:** They will be in court, whatever happens.

**The Hon. D. O. Tonkin:** I cannot be more specific than that, and I think it is language that everyone can understand.

**Mr BANNON:** Are we then to treat this Budget as being some sort of preliminary document, subject to revision within the next couple of months?

**The Hon. D. O. Tonkin:** I cannot really think of a sensible answer to a silly question.

**The Hon. J. D. WRIGHT:** The Premier alleged that if wage increases were not orderly and were outside the Arbitration Court, other matters might have to be considered. In what circumstances would the Government find itself facing wage increases not awarded by the Conciliation and Arbitration Commission?

**The Hon. D. O. Tonkin:** That is not a proposition, as the Deputy Leader knows full well. Of course, they will be awarded in that way, but he also knows that, particularly in the past 12 months, very high wage increases have been awarded, not only through the indexation system but also through work value studies. While it is not for me to criticise Industrial Court decisions—

**The Hon. J. D. WRIGHT:** That is in fact what you are doing.

**The CHAIRMAN:** Order! The Deputy Leader must let the Premier answer.

**The Hon. D. O. Tonkin:** Very few people in the community would regard the increases as being moderate.

**Mr BANNON:** There seems to be some inconsistency in what the Premier says. Pay-roll tax is collected on the basis of employers' pay-rolls. In other words, the more the Industrial Court or the Industrial Commission awards to employees, the higher the tax collected under the pay-roll tax provisions. In fact, the Premier is saying that, if these awards are made to the work force, thus resulting in higher pay-roll tax payments by employers, he will make no change in his budgetary provision for them. On the other hand, if there is no higher collection of pay-roll tax, the Premier will make no remissions. I point out that we are two years behind Victoria. I ask the Premier to address his mind to

the fact that pay-roll tax is levied on the wages paid to workers. If the commission awards higher wages, the Premier's receipts will be higher.

**The Hon. D. O. Tonkin:** I am sure that that attitude will be of very little comfort to employers.

**Mr BANNON:** That is right. They will need relief more in that case.

**The Hon. D. O. Tonkin:** I repeat what I have said before, and I will repeat it as often as the Leader likes. We will make what provision we can when we know whether or not we can afford it. We cannot make provision of money that does not exist. If the Leader thinks it through just a little, he will recognise the folly of what he is putting forward.

**Mr BANNON:** I do not know where the folly is. What I put forward is that, if the burden on employers increases in the way in which the Premier suggests, he is saying that no relief can be afforded. It is only if nothing changes over the course of this Budget's time that employers can find some relief. I find that inconsistent, and I do not believe that the Premier has addressed himself to the inconsistencies.

**The Hon. D. O. Tonkin:** That is not what I said. I will say it once more: we will make whatever changes are possible, depending on the outcome of the Budget at the end of this financial year. I will not go any further, because I simply do not know what the outcome will be. It is not possible accurately to forecast.

**Mr BANNON:** The estimate of extra tax collection, plus the extra amounts raised by increased charges, totalled about \$38 000 000, which includes \$15 100 000 for tax and \$23 200 000 for charges. Against that we must set the tax savings that the Premier speaks of in terms of his remission, which is about \$30 000 000. Was it the Premier's intention that he would take back more than in fact he gave at the time of his last election, or is it true to say that the Premier implied to people that the general burden of their taxation would be reduced? If the Premier has not reduced the general burden of the taxation, why has he not done so?

**The Hon. D. O. Tonkin:** I am bound to point out that we are getting into the area of policy—not that it matters particularly much as far as I am concerned, because I am delighted to be able to repeat yet again in this Chamber, and even in this circumstance, that the Government is very proud of having honoured its election promise to abolish succession and gift duties, to abolish land tax on the principal place of residence, and to make stamp duty concessions and various pay-roll tax concessions. Our promises were quite specific, and we have honoured them. I know that the Leader would prefer that we had not honoured them but, unfortunately for him, we have honoured them.

**Mr OLSEN:** The Financial Statement refers, at page 10 of Appendix 8, to a number of small collection items, such as affidavits or declarations, involving \$574, bill of lading, \$30, and banks note tax \$130. Those areas are bringing in less than \$1 000 to the State Treasury. Is there a statutory requirement that they must be maintained, or is there a mechanism by which we can alleviate the necessity of collecting funds in those areas?

**The Hon. D. O. Tonkin:** Those items are on the Statute Book, so they are required. Obviously, the honourable member is suggesting that, if they bring in very little money, perhaps we would do well to abolish them. That can be considered at an appropriate time.

**Mr TRAINER:** What are the bills of lading that bring in \$30 in revenue? How much expenditure is involved in collecting that \$30?

**The Hon. D. O. Tonkin:** I am sure that the Deputy Under Treasurer is far more qualified than I am to report on technical matters such as this.

**Mr Sheridan:** I believe that the Premier has misplaced trust on this occasion. I am not quite conversant with the exact requirements under the Stamp Duties Act for bills of lading, but I could ascertain that information.

**Mr TRAINER:** Similarly, what is the bank note tax that brings in \$130, as mentioned by the member for Rocky River and as mentioned in this place previously? How much expenditure was involved in bringing in that sum?

**The Hon. D. O. Tonkin:** I will be delighted to obtain a full report for the honourable member. I recall that this matter has something to do with the old bank notes issued, I think, by the Bank of Adelaide.

**Mr McRAE:** There was a stage when there were notes in the statement of public debt that referred to such things as borrowings from Mauritius in the year 1880. The Premier might recall that. I do not see them on this occasion. Has there been an attempt to pay off such things?

**The Hon. D. O. Tonkin:** They have been paid up. Unfortunately, in so doing, we have lost a small link with the past, but I must say that I prefer not to have that link and not to have the debt.

**Mr BANNON:** I notice that there is a proposed increase of one in the employment level under subprogramme title Commonwealth funds. In an area of real cuts in Commonwealth grants, why has there been this increase?

**The Hon. D. O. Tonkin:** I will obtain a precise answer for the Leader. As far as I am aware, this relates to the additional work load following the relativities agreement and the further submission to the Grants Commission.

**Mr BANNON:** The Commonwealth Budget forecasts 16.3 per cent rise in total taxes in 1981-82. Obviously, that applies in 1982-83. As we receive a fixed share of total Commonwealth funds, the States will receive that 16.3 per cent increase, if it occurs? Will the Premier indicate whether Treasury forecasts line up with those Commonwealth Budget forecasts and, if so, what extra benefit can we expect?

**The Hon. D. O. Tonkin:** That will be taken into account. Obviously, one cannot say what the State's share will be until the sum becomes more clearly defined. Of course, it is taken into account, but the trouble is, and what has become very apparent in the past two years, is that the basis on which the sums are distributed to the States has varied.

That is an enormous difficulty that we have faced. As honourable members will recall, there was a short-fall in round figures of some \$30 000 000 when the tax-sharing entitlement was determined at the first Premier's Conference in June of last year. Unfortunately, there is not much we can do about it, other than complain bitterly. I have already indicated that I will be summarising all of these matters in a separate paper to be placed before the House. I hope, at that stage, that we will be able to be closer in approximating the sums that will come. Whatever the increase is, it will be more than necessary, first, for the expected rate of inflation and increased costs and, secondly, because it is threatened by the relativities review itself. All these matters are such that we cannot afford in any way to relax our very tight financial control at present.

**Mr BANNON:** Pursuing that a little further, the States are sharing in total Commonwealth taxes. In fact, the projected rise in income tax collections is 18.9 per cent, which is somewhat higher than that for total tax collections. Will the Premier's paper be dealing with the question of our attitude to what share of Commonwealth funds we should have?

**The Hon. D. O. Tonkin:** Our attitude has been clearly stated, but our paper will encompass that, too.

**Mr GLAZBROOK:** Turning to State Taxation Office collections, I notice that the Auditor-General's report shows

that a considerable amount of money did not come in from pay-roll tax because of liquidations. Also, under the business franchise heading, I notice that an amount of \$309 000 outstanding since June 1979 had not been recovered. Do we allow in the Budget for amounts that are not likely to come in?

**Mr Barnes:** They would be allowed for in a general way. At the end of every year there would be amounts outstanding, and the normal assumption would be that about the same amount would be outstanding at the end of each year. Specific allowance would have been made in the old days in succession duties where individual amounts were very large. However, in the normal course, for other taxation, unless there was a very large outstanding amount which was known to be due to come in, specific allowance would not be made. There would be an assumption that about the same level of outstandings would apply at the end of each year.

**Mr GLAZBROOK:** Do we have a carry forward figure in relation to these debts, or do we reach a stage when we write them off?

**Mr Barnes:** We certainly reach a stage when they are written off. From time to time there are half a dozen, or perhaps 10, pay-roll tax outstanding amounts which the commission has taken every step to recover. It has gone to Crown Law and the matter has been followed up, but normally, if the people have gone into bankruptcy, or if there was some other reason such as that, and the money was deemed irrecoverable, they would be taken to the Treasury for approval to write off. There would be very few other than a bankruptcy, though.

**Mr GLAZBROOK:** One would assume, then, that, in the case of the Riverland cannery, which has been running at a loss and where the Government has been picking up the deficit, the Government also picks up and pays the pay-roll tax, also, or is an allowance made?

**The Hon. D. O. Tonkin:** The Riverland cannery is a rather complicated issue. To use that as an example, the cannery is largely in debt to the State Bank. Certainly, the Government has commitments there, but receivers are, and have been, appointed by the bank. That is a matter of bankruptcy.

**Mr GLAZBROOK:** The pay-roll tax that would normally be recovered from a company such as that would be accounted for in the deficits. It is not being picked up?

**The Hon. D. O. Tonkin:** While the receiver is there operating the fund, pay-roll tax must still be paid.

**Mr BANNON:** Under the heading 'Refunds and remissions', in the contingency section of the State Taxation Office, considerably more actual payments (\$466 000) were made, than the budgeted \$35 000. What is the explanation for that?

**The Hon. D. O. Tonkin:** I think the Leader will recall a commitment apparently given by a former Government to Horwood Bagshaw, which, although it was difficult to find a great deal of derogatory evidence, nevertheless was considered to be a commitment that should be honoured by this Government. I think that the amount was something like \$396 000. Also, in that matter, \$40 000 was required for a refund of a licence fee payable by the South Australian Gas Company in relation to sales at Whyalla and Mount Gambier. The arrangement, which is a long-standing one, is that a refund will be made where Sagasco can show its operations at those two centres incurred losses prior to the decentralisation programme. In fact, they incurred losses and the refund was made.

**Mr BANNON:** On the question of the Horwood Bagshaw remission, I am not clear on the mechanics. The State Taxation Office was, in effect, charging Horwood Bagshaw tax. Were notices not being delivered to them? In what way

can it appear in one year as a charge against the revenue by way of remission? What happened to the back payments that were not made?

**The Hon. D. O. Tonkin:** That is the whole point: the total is there, but the back payments were not collected, because the company was under the impression that it was not required to lodge returns. It was not until some investigation in a routine fashion came up that the outstanding commitment was discovered. It was then, of course, that the former guarantee, or whatever it was, came up. There is no way that we can just write that off; it has got to go through the books.

**Mr BANNON:** So its appearance in that way is a one-off exercise to clear the books of the liability that was picked up.

**The Hon. D. O. Tonkin:** That is right.

**Mr BANNON:** What about the proposed amount for 1981-82: is that an excess of caution due to last year's experience, or is something anticipated?

**The Hon. D. O. Tonkin:** I sincerely hope that we are not going to be caught up with another exercise like that.

**Mr BANNON:** Who knows what promises the Premier is making?

**The Hon. D. O. Tonkin:** I will be around for a long time to honour the promises that I make. It provides for refunds and remissions of land tax, and so on, and that is about the unusual level at which we budget.

**Mr BANNON:** That is surprising, in view of the \$35 000 proposed in 1980-81. It does not suggest a usual level at all.

**The Hon. D. O. Tonkin:** The Under Treasurer freely admits that he advised me very cautiously indeed, perhaps with an excess of caution, bearing in mind what did happen. I hope that we do not have to expend that total sum.

**The CHAIRMAN:** As there are no further questions on State taxation, we will now return to the State Superannuation Office, which was put aside until the arrival of the Under-Treasurer.

**Mr BANNON:** I have a general question before getting on to the State Superannuation Office.

**The CHAIRMAN:** I will allow one other question.

**Mr BANNON:** My question relates to the publication of the monthly financial statements and the discrepancy to which some publicity has been accorded and about which I issued a statement yesterday.

**Mr BANNON:** I understand that the response of the Treasury has been that the monthly statements and the particular amounts set against them can be seen only as preliminary and not precise, and that what is more important is the total figure. I think that should be clarified because a lot of the weight and a lot of the analysis is based on the monthly financial statements prepared and issued by the Premier. Could that \$6 000 000 discrepancy be clarified?

**The Hon. D. O. Tonkin:** Yes, it certainly can. I will take some pleasure in doing it, because I have the greatest regard for the officers who prepare that statement for Treasury officials generally. I very much resent the remarks made publicly and given wide prominence by the Opposition concerning this matter. I thought it was quite disgraceful. The whole matter is basically to promote an inaccuracy and it misrepresents a situation in order to make political capital. I will ask the Under Treasurer to give the details of why such a move was made. Again, I say that I resent the stupidly irresponsible statements issued by the Leader of the Opposition.

*Mr Bannon interjecting:*

**The CHAIRMAN:** Order! The Under Treasurer is going to answer and I will not tolerate any interjections.

**Mr Barnes:** The monthly statement is presented in functional terms. If one looks at the payments side, to which the Leader of the Opposition has referred, one sees broad groupings, such as education, science, art and research. That is not a direct appropriation; it is not a translation of one figure from the appropriation but, it is the amalgamation of a number of figures, and that situation applies also to some of the other lines expressed in functional terms. Those figures that appear in the monthly financial statement also include the spread of some expenditures by the Public Buildings Department. For example, that department incurs expenditure on behalf of the education group, on behalf of the correctional services group, and on behalf of a whole range of administrative departments.

When the monthly financial statement is prepared, Treasury obtains from the Public Buildings Department a spread of the costs that it has incurred and they are allocated against these functional lines in a monthly financial statement. Late in 1980-81 the Public Buildings Department reviewed the manner in which it had been allocating expenditure and came to the view that a great deal of expenditure that had previously been put in a sink, as it were, had been allocated and some left as an unallocated amount under general administration. The department came to the view that it was more appropriate to do some more detailed work and allocate those amounts to functions, and in fact it found about \$6 000 000 that had been left in this sink of general administration, which in its view belonged more properly to the group comprising education, science, art and research. That adjustment was made in the June statement. I should put on record the fact that the Treasury was remiss in not putting a footnote on the June statement, because there was an obvious step between the figures of May and June of \$6 000 000 which justified explanation. The June figures were more accurate after this adjustment was made. However, a footnote should have been added to the June statement to explain that different allocation of Public Buildings Department expenditure.

**Mr BANNON:** I appreciate the explanation given by the Under Treasurer. I rather resent the comments made by the Premier. I certainly have no intention of interjecting when an officer is speaking, but I think if the Premier is accusing members of the Opposition of irresponsibility, and so on, he is being provocative and he knows it, and can expect some sort of interjection. I certainly reject any irresponsibility in this matter. In fact, much, in beat-up terms, could have been made of the discrepancy if we had chosen to be irresponsible. In fact, we were given only one figure and one side of the matter. The Opposition did its own careful checking through the documents, and our press statement made quite clear that it was apparent that some sort of transfer had occurred between allocations. There was no explanation of that, and as the Under Treasurer has quite rightly pointed out it was not noted on the accounts, which is the normal practice when something like this occurs.

I think that the Premier, in the political arena on matters such as this, must be prepared to stand up and take responsibility and not accuse the Opposition of criticising officers; we are criticising him in his responsibility for the accounts of this State. There has been too much buck-passing by this Government on a whole range of matters. This matter is a typical example, and I match the Premier's resentment when he makes allegations of that sort. I thank the Under Treasurer for clarifying the position and the nature of those accounts, as that information is useful for the Committee.

**The Hon. D. O. Tonkin:** I make the point that one phone call could have established the facts, if the Leader of the Opposition had bothered.

**Mr BANNON:** Perhaps phone calls could establish some of the information being sought in these proceedings, but the paranoid attitude of the present Government makes some of those phone calls difficult to make without compromising officers of the Government.

**The CHAIRMAN:** Order! The Chair is endeavouring to keep these proceedings on a low key, so that information sought can be obtained, and I do not think that hurling insults will achieve a great deal. I suggest to the Leader that he not continue in that vein, and that he ask his questions without making those insulting remarks.

**Mr BANNON:** I refer to the State Superannuation Office allocation. In this context, I would ask when the latest report of the Superannuation Board is to be presented.

**The Hon. D. O. Tonkin:** I am sorry that I cannot remember when the last one was tabled, and therefore I do not know when the next one is due. I think it will not be for some time.

**Mr Barnes:** Valuations, as required, have been tabled up to date. I presume the Leader is referring to the annual report put out by the Superannuation Board. I am sorry I do not have the answer to that, but we can find out.

**Mr BANNON:** One of the Superannuations Fund's very large investments currently involves the law courts project in Moore's building, which the Premier assures us is on target and on budget. What total amount of interest does the Government expect to pay to the Superannuation Fund on that project over the 40 years duration of the investment?

**The Hon. D. O. Tonkin:** I cannot give exact details, but I can obtain a detailed report from the Superannuation Investment Trust.

**Mr BANNON:** Of course, there are other building investment projects involving the fund. In view of the fact that interest rates have increased quite sharply over the last 12 months (they may not have peaked) and the fact that agreements such as that concerning Moore's building have involved a long-term fixed interest rate position, is the fund still confident that this is a sound investment in which it is fully protected?

**Mr Barnes:** There are two investments which the Superannuation Investment Trust has made recently and in which the interest rate has been expressed in an unusual way: it has been expressed as a real rate of interest. Each one of these has been for a long period. Moore's building is one. A more recent one, which has been the subject of a press announcement by the Premier and Treasurer, is an arrangement with the South Australian Housing Trust. I must add here that I am no longer a trustee of the Superannuation Investment Trust. At these hearings last year I was; I am not now, but I know something of the approach adopted by the trust. The interest rate in the case of Moore's building and of this new arrangement with the Housing Trust is expressed in real terms; that is, instead of being expressed as, say, 16 per cent or 17 per cent, which could be related to a semi-government rate (for example, the Electricity Trust issuing a 10-year private debenture today would pay 16 per cent—that is, the maximum allowable rate), the Superannuation Investment Trust has come to these two arrangements, not at rates expressed in that way which remain fixed over the period of the arrangements, but to give a real rate of return which is expressed as a real rate of 5 per cent. With the Moore's building it would be somewhere close to that; I think it is 5 per cent. That means the amount of money which 5 per cent represents on the investment of the trust in dollars will increase over time, so that from what would appear to be a low rate at the beginning—5 per cent of the investment in dollars—that amount in dollars will increase to maintain the real rate of interest to the Superannuation Investment Trust.

The trustees believe that that kind of approach has two advantages, one to the lender (the trust) and one to the borrower. The trust has long-term obligations, and it is more interested in getting a known real rate of return for a very long term than to get, say, 16 per cent on a semi-government loan today, although in its portfolio it has a mixture of both. There may be certain advantages to the borrower in that kind of loan because it is in effect a low-start loan. It would be of particular interest, say, to the South Australian Housing Trust because the amount of interest the trust would have to pay in the early years would be relatively low, and it would increase over the years as rentals increase in the normal course with inflation. In short, the two loans are expressed in an unusual way, unusual in Australian financial circles, that is, as a real rate of interest.

**Mr TRAINER:** I notice that there is an increase of 53 per cent from \$62 000 voted last year to \$95 000 voted this year for administration expenses. What is the reason for such a substantial jump?

**The Hon. D. O. Tonkin:** The main part of that is due to the costs of printing for P.P.B. papers. It is a particularly significant sum. It is a measure of the importance which the Government places upon presenting such papers to Parliament.

**Mr TRAINER:** What would the actual printing costs be as part of that?

**The Hon. D. O. Tonkin:** Roughly \$33 000.

**Mr TRAINER:** Another substantial increase involves the purchase of office machines and equipment: \$1 000 was voted last year, \$16 000 for this year. That is a 1 500 per cent increase. What particular equipment is involved there?

**The Hon. D. O. Tonkin:** There is a fairly big programme for purchase replacement of office equipment coming up this year, together with the purchase of a word processor largely for P.P.B. work but also Government accounting. The word processor would be half of the difference roughly, that is, about \$15 000.

**Mr TRAINER:** I notice officer exchange schemes have dropped 50 per cent from \$21 230 spent last year to \$9 000: is there any significance in that?

**The Hon. D. O. Tonkin:** Only that costs that are incurred are those associated with sending an officer to Canada for a year under the officer exchange scheme.

**Mr TRAINER:** There were more involved the previous year?

**The Hon. D. O. Tonkin:** No, I think that is a residual sum.

**Mr Barnes:** It was higher last year because the air fares, etc, came in at the beginning. This is merely the carry-over.

**The Hon. J. D. WRIGHT:** My question to the Premier is under the line 'Automatic data processing, operation, maintenance and development of systems'. I notice an allocation voted last year of \$158 000; in fact, the spending by that department was \$257 436, which is roughly an increase of some 50 per cent. Has the Premier an explanation for that?

**The Hon. D. O. Tonkin:** Yes, there is a relatively simple one, but it does not make the sum any the less. There has been a greater than expected use of the common accounting reporting system. This system is one designed to provide a financial and management accounting package for the small to medium-size departments. The system, which has now been adopted by 17 departments, has proved to be very popular indeed. The increased benefits of better management and more efficient management are showing through. Obviously, the system is very popular. That is where the increased expenditure comes.

**Mr BANNON:** Are there consequent savings within departments by using this system? Can they be tabulated?

**The Hon. D. O. Tonkin:** Once again there is no doubt that there will be savings in the long term, but until we have had the full year, possibly two years of running, it will be impossible to quantify them exactly. The system would not have been adopted unless there were savings and increases in efficiency associated with them.

**Mr BANNON:** What system is being used? Whose machines are involved?

**The Hon. D. O. Tonkin:** The system that is being used is a programme which is being fed into that which is costing.

**Mr RANDALL:** Will the Premier outline the Government's policy on the purchase of motor vehicles?

**The Hon. D. O. Tonkin:** There has been a change in that policy. I think it is relatively well known now that cars that were replaced every two years or every 40,000 km are now being replaced at 2½ years or 55,000 km.

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

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

Treasurer, Miscellaneous, \$45 698 000

**Chairman:**  
Mr G. M. Gunn

**Members:**

Mr J. C. Bannon  
Mr R. A. Glazbrook  
Mr T. H. Hemmings  
Mr J. Mathwin  
Mr J. W. Olsen  
Mr R. J. Randall  
Mr J. P. Trainer  
The Hon. J. D. Wright

**Witness:**

The Hon. D. O. Tonkin, Premier, Treasurer, Minister of State Development, and Minister of Ethnic Affairs.

**Departmental Advisers:**

Mr R. D. Barnes, Under Treasurer, Treasury Department.

Mr T. A. Sheridan, Deputy Under Treasurer, Treasury Department.

Mr J. R. Wright, Acting Accountant, Treasury Department.

**Mr BANNON:** Under the contribution to the Commonwealth, \$16 700 000 was paid last financial year, and \$17 300 000 is proposed this financial year in relation to the Housing Agreement. What is the Commonwealth payment to the States under the Housing Agreement?

**The Hon. D. O. Tonkin:** The sum involved is the annual instalment of principal and interest which is necessary to repay funds received under the Housing Agreement. Those agreements are made between the Commonwealth and the State and made available to the Housing Trust, and the full amount is then taken from the trust. The amount outstanding at 30 June was \$326 500 000.

**Mr BANNON:** Would the Premier distinguish the interest component from the principal repayment?

**The Hon. D. O. Tonkin:** I do not have that immediately available. We could get a break-down for the Leader.

**Mr BANNON:** Could the Premier tell me what this year's annual grant from the Commonwealth was?

**The Hon. D. O. Tonkin:** It was \$37 300 000 last year. This year it is anticipated we will get \$34 700 000, which

is a considerable reduction. The proposed amount is half of that.

**Mr BANNON:** In other words, that means we are paying to the Commonwealth 50 per cent of what they are paying us in this next financial year?

**The Hon. D. O. Tonkin:** Just about that, on a cash basis.

**Mr BANNON:** As the Commonwealth payments reduce, at what point is it anticipated that our repayments under the Housing Agreement will equal or exceed Commonwealth payments?

**The Hon. D. O. Tonkin:** It is quite possible that that stage could be arrived at but I do not think anyone does know exactly how they will reduce. It would require that proverbial crystal ball. I just cannot give any positive idea.

**Mr GLAZBROOK:** Does the insurance of cash, motor vehicles, etc., and transfer Government insurance funds for the payment of claims in respect of Government buildings, etc., cover vandalism and damage to school buildings and, if it does, do we know approximately how much would be apportioned to that particular item?

**The Hon. D. O. Tonkin:** I cannot give you exact figures at this stage. The line provides for a number of things—insurance of cash in hand and in transit, loss of cash held in Government departments and in transit between banks and offices, furniture removed for Government employees, which provides transit cover for household furniture, effects of Government employees shifted to suit departmental requirements, when that does occur, motor vehicles used for Government purposes (all Government motor vehicles are insured against third party liability), premiums for special purposes, policies with insurance companies for special purposes, air travel of Ministers and members of Parliament, and, finally, Government buildings against fire.

The State carries its own risk on Government buildings through the Government insurance fund, which is basically a deposit account and which is drawn on as necessary. The expenditure in 1980-81 was below estimate because it was decided that the practice of carrying a reserve of about \$300 000 in the Government insurance fund for fire damage on buildings was no longer practical and would not be continued.

**Mr GLAZBROOK:** At the end of the explanatory notes in volume 1, Programme Estimates, at page 45, we see, 'Miscellaneous line items not yet included'. I may be out of order but I seek your ruling, Mr Chairman. There is an item there, South Australian Superannuation Fund, Government contribution, which is \$37 500 000. How many people in the Public Service who are entitled to be in the Superannuation Fund would those contributions cover? I understood that there is probably only about one-third of the people who were entitled to be in this scheme actually in it.

**Mr Barnes:** It is true that, the South Australian fund being a voluntary fund, only a relatively small proportion of people eligible to join the fund do in fact join it. I do not have the figures with me now but as a general statement most public servants join the fund and most teachers join the fund, but a lot of daily-paid people eligible to join the fund choose not to. I am reminded by Mr Sheridan that nursing staff eligible to join the fund do not join it in any great proportion.

**Mr GLAZBROOK:** Therefore, if there was suddenly an influx of people who wished to join the scheme, who were eligible to join the scheme, it would certainly create some difficulty in its budgeting?

**Mr Barnes:** It would increase the cost in future years, but the cost of the budget emerges only when people go on superannuation, because in South Australia it is not a funded scheme, but in future years, if more people among

those eligible to join chose to join, then some time in the future there would be additional costs.

**Mr GLAZBROOK:** Still dealing with page 45, could you indicate which items are not yet included in the balance sheet that we have?

**Mr Sheridan:** If the honourable member is referring to the \$7 300 000, it is made up of three items shown in the upper part of the page. The \$300 000 for the statutory reserve fund has not been allocated to any particular programme in the programme papers, nor has the \$3 000 000 (the payments under guarantees pursuant to the Industries Development Act). There is a further \$4 000 000, which relates to interest on bonds, bills and stocks, which at the time the programme papers were prepared were based on the calculations we had made as to our liability under that line, which we had set at \$180 000 000.

Subsequently, the Commonwealth Budget came out, which fixed their estimate of the figure at \$184 000 000. Whilst \$184 000 000 has been included in the traditional line estimates, I guess through perhaps a lack of communication the additional \$4 000 000 was not picked up and included in the programme papers. So, the three of those announced combined give the \$7 300 000 to which the member was referring.

**Mr HEMMINGS:** The Premier, in answer to the Leader's question as to how much we would be receiving from the Commonwealth in relation to grants for welfare housing, said that the figure was \$34 700 000, but I think the correct figure was \$34 714 000. Would the Premier confirm that that figure includes Department of Aboriginal Affairs money of \$2 367 000, so the actual allocation to the State was \$32 347 000?

**The Hon. D. O. Tonkin:** Yes, that is correct.

**Mr BANNON:** My question relates to the urban and regional and development agreements, Adelaide water treatment scheme. I ask the Premier how far behind the original schedule of the former Government is this scheme running? Have there been any further recent deferments of the original time table?

**The Hon. D. O. Tonkin:** I think, in fact, that it is running ahead of the scheme that was proposed by the former Government. I do not intend to rake over the old matter as to why there was no allocation for the northern filtration plant when we can to office. That is old ground. It is running well according to schedule, as I understand it.

**Mr BANNON:** Is the Commonwealth still making payments to the State under this scheme?

**The Hon. D. O. Tonkin:** No, not at present. It is not making any payment in relation to the northern scheme. It is making payment with the others, but the point I wanted to make was that the State will be making a special application in the forthcoming year to the Commonwealth in respect of the northern filtration plant.

**Mr BANNON:** When and to whom is that application to be made?

**The Hon. D. O. Tonkin:** It will be made in the forthcoming year to the Commonwealth Government.

**Mr BANNON:** So it will not appear in this year's Budget?

**The Hon. D. O. Tonkin:** No.

**Mr GLAZBROOK:** I return again to special Act payments. One of the items that was not included was for payments under guarantee pursuant to the Industries Development Act. Could you clarify what that covers?

**The Hon. D. O. Tonkin:** I am not quite sure to what the honourable member is referring.

**Mr GLAZBROOK:** Page 45 of the programme estimates.

**The Hon. D. O. Tonkin:** On special Acts?

**Mr GLAZBROOK:** Yes, it was one of the parts that was not included.

**The CHAIRMAN:** I perhaps suggest to the member that he may be somewhat out of order. Could he show the Committee the line on page 25, the estimates of payments?

**Mr GLAZBROOK:** This is the point about which I asked clarification before. I refer to the notes accompanying that on page 45 in the programme estimates.

**The CHAIRMAN:** These notes are for guidance. The details that the Chair has are on page 25. We are dealing with Treasury, Miscellaneous, and the actual breakdown is contained at page 25 of the Estimates of Payments.

**Mr GLAZBROOK:** There is a payment there of \$3 000 000. Where is that payment referred to in the lines? I was making the point that it has not yet been included. It refers to the \$7 300 000, of which that \$3 000 000 is part.

**The CHAIRMAN:** The honourable member can ask, but the Chair is yet to determine to which page the honourable member is referring.

**Mr GLAZBROOK:** Page 45, volume 1.

**The Hon. D. O. Tonkin:** The Under Treasurer might be able to clarify the situation.

**The CHAIRMAN:** I will allow the Under Treasurer to clarify the matter.

**Mr Barnes:** The \$3 000 000 appears in special Acts in the printed estimates, and it also appears on page 45 of the programme papers. The notation at the bottom of the page is of certain payments that have not been included in the programmes appearing under 'Treasurer' just prior to page 45 in the programme papers. That \$3 000 000 has not been allocated to a particular programme.

**Mr HEMMINGS:** I refer to the line relating to contributions to the Commonwealth pursuant to housing agreements between State and Commonwealth Governments. Now that we have established, in effect, that there has been a \$5 000 000 loss to the State from the Federal Government, could the Premier outline to the Committee what representations have been made to the Federal Government? It was stated in a press release from the Minister of Housing that payments to the Commonwealth Government should be deferred so that we could, in effect, build more welfare housing projects in this State.

**The Hon. D. O. Tonkin:** I do not think approaches have been made more strongly before. I think the Minister has had detailed discussions with his Federal counterpart and, indeed, has been joined in those discussions by other Housing Ministers from other States, notably Victoria. I understand that the honourable member has suggested that we do not pay the Commonwealth.

**Mr HEMMINGS:** Just for clarification, the Minister for Housing said, I think three weeks ago, that, as a result of the reduction in money coming into the State, the Premier would be consulting with Mr Fraser with a view to having the payments deferred for at least one year. That was in the press. Has the Premier consulted Mr Fraser, and what is the answer?

**The Hon. D. O. Tonkin:** As yet, no. It is a matter that will come up in an appropriate meeting with the Prime Minister that will be held within the next month; it will be one of a number of meetings. I suggest that further details could be obtained from the Minister of Housing.

**Mr HEMMINGS:** Just pursuing that point, in the press release the Minister of Housing said that the Premier, and he was quite clear on the fact that it would be the Premier who would be consulting with Mr Fraser—

**The Hon. D. O. Tonkin:** I have already made that clear.

**Mr HEMMINGS:**—with a view to having our payments to the Commonwealth deferred for at least one year so that we could spend more money on welfare housing. I again ask the Premier whether he has consulted Mr Fraser.

**The CHAIRMAN:** Repetition is out of order.

**The Hon. D. O. Tonkin:** I have already answered that question.

**Mr HEMMINGS:** When will the meeting be held?

**The Hon. D. O. Tonkin:** I have answered that question.

**Mr BANNON:** Under the Adelaide water treatment scheme we are paying \$2 300 000 this year. At page 20 of his financial statement, the Premier refers to the Barossa filtration scheme. However, there is no reference to any work being done or even commenced on the southern suburbs water filtration. Can the Premier say whether there are any plans in that area?

**The Hon. D. O. Tonkin:** I suggest that the question be directed to the Minister of Water Resources.

**Mr BANNON:** The Premier is not aware of anything—

**The Hon. D. O. Tonkin:** I am not able to give precise details, and I would rather the question was answered properly.

**Mr BANNON:** Regarding the contribution to ETSA for subsidies in country areas, is the Government changing the basis on which the subsidy is calculated?

**The Hon. D. O. Tonkin:** There has been no change in the basis. There has been some change in the scale that has been applied, because of the use of diesel fuel, but there has been no change in the basis.

**Mr TRAINER:** Does the fact that there is an increase in the amount voted to the trust for subsidies in country areas (from \$2 250 000 to \$3 000 000, an increase of about 30 per cent) mean that the Premier anticipates that there will be that large an increase in electricity usage in the country, or does he plan an increase in tariff on a scale approaching 30 per cent?

**The Hon. D. O. Tonkin:** I do not believe that either of those reasons is correct. I refer the honourable member to the present prices of diesel fuel and the expected increases in cost. From memory (and I cannot recall the last time it came on in regard to a country subsidy, although I think it was in Ceduna), there is a constant although a small number of applications for new services and new takeovers on that basis. An allowance must be made for those new schemes.

**Mr BANNON:** Is the Premier saying that the 30 per cent increase does not represent an anticipated 30 per cent increase in tariff, but it represents the connection to new services and the consumption of diesel fuel?

**The Hon. D. O. Tonkin:** Yes, the increase is mainly on account of the increase in the price of diesel fuel.

**The CHAIRMAN:** Perhaps the Chair can assist. There is a proposition to extend the electricity in the west and, if that takes place, there will be an anticipated loss of at least \$65 000.

**The Hon. D. O. Tonkin:** I am obliged to the Chair.

**Mr BANNON:** The Premier, in justifying the wide range of unprecedented charge increases in the past year or so, has often referred to the user-pays principle on which his Government operates. Does the Premier intend to apply user pays to the supply of electricity to country areas and, if so, over what time table; and, if not, why not?

**The Hon. D. O. Tonkin:** The Leader of the Opposition really is a persistent trier. The charge increases are not unprecedented. I know that the words come automatically now, but they are not unprecedented increases. The little bit of research that seems to be done now indicates that there was a range of increases in charges some years ago (not in the time of the Liberal Government) that was far more impressive than are the increases that we have brought in. I hope to have those figures soon.

Quite apart from that, the Leader is once again trying it on. He knows perfectly well the policy of the former Government and of Governments before that. It was a policy that was adopted by Sir Thomas Playford in the

days of development, at a time when the Electricity Trust was first formed. Country electricity suppliers are subsidised to the extent that is necessary to enable them to keep their tariffs within 10 per cent of the rates charged within the metropolitan area. That policy has been upheld for many years in South Australia. I see no reason why the present Government should break that nexus and, indeed, we do not intend to do so.

**Mr BANNON:** So, the Premier is telling us that the user-pays principle will not operate in this instance, and that there are exceptions to his philosophy.

**The Hon. D. O. Tonkin:** I thought I made it quite clear.

**Mr TRAINER:** On what criteria are exceptions made to the user-pays principle?

**The Hon. D. O. Tonkin:** Accepted practice.

**Mr TRAINER:** Purely on the precedent set by previous Governments?

**The Hon. D. O. Tonkin:** In this instance, because we strongly believe that country people deserve to have the benefits that are enjoyed by city people, and this is one way to supply them without extreme cost. If the honourable member and his Party disagree with that, I would be pleased if they would put their disagreement on record.

**Mr BANNON:** A number of statutory authorities and the repayments are listed under the debts servicing area. I imagine that both interest and principal repayments on debts are involved. Will the Premier indicate in general terms what proportion is principal and what proportion represents an interest payment to the Commonwealth?

**The Hon. D. O. Tonkin:** If the Leader agrees, I will deal with the debt service headings seriatim, which may assist him to make up his own mind. I cannot give exact figures on interest and accrued interest and principal in some cases. Regarding the Adelaide Festival Centre Trust, the amount provided for interest and principal repayments on semi-governmental borrowings by the trust. The amount outstanding at 30 June 1981 was \$16 100 000, and \$500 000 was borrowed in 1980-81. A sum of \$500 000 is proposed in 1981-82. Those amounts will help to finance the convention centre, alterations to the plaza and the purchase of certain equipment. Regarding Black Hill Native Flora Park Trust and interest and principal repayments on semi-government borrowings, the amount outstanding is \$1 900 000. No new borrowings are intended in 1981-82, and past borrowings have been used for the development of Thornden Park and Black Hill.

Regarding the Botanic Gardens, the outstanding amount of semi-government borrowings as at 30 June was \$1 300 000. No new borrowings are proposed for 1981-82, and past borrowings have been used for improvements to the Botanic Gardens. In the Cleland Conservation Park Trust, the amount outstanding is \$1 600 000. There is no proposal for new borrowings in 1981-82, and past borrowings have been used to develop the park. For the Coast Protection Board, the amount outstanding is \$5 400 000. There will be no new borrowings in 1981-82, and past borrowings have been used for purchase of land, protective works, and so on. The History Trust was a very important Government initiative. The amount outstanding at 30 June 1981 was \$2 900 000. It is not proposed to borrow any new money in 1981-82, but I remind honourable members that the History Trust of South Australia, which was proclaimed earlier this year, has taken over the management of the very successful Constitutional Museum Trust, and has widened its scope. Obviously, the money is being used in the development of the Constitutional Museum.

In the case of the Eyre Peninsula Regional Cultural Centre Trust, the amount outstanding was \$1 900 000. No new borrowings are intended in 1981-82, but the trust is investigating proposals to build projects at Whyalla and

Port Lincoln and the establishment of a multi-skill regional touring theatre group. Regarding the General Reserves Trust, \$1 600 000 was outstanding, no new borrowings are intended, and parks and reserves have been taken. Regarding the Libraries Board, \$1 600 000 is outstanding, \$125 000 was borrowed in 1980-81, and a sum of \$600 000 is proposed in 1981-82. Past borrowings have been used mainly for purchase and redevelopment of the property at Norwood.

For the Northern Regional Cultural Centre Trust, the amount outstanding is \$4 300 000, \$1 200 000 of which was borrowed in 1980-81 and \$1 200 000 proposed in 1981-82, the limit under the Loan Council gentleman's agreement. In 1980-81 works commenced on the construction of the cultural centre at Port Pirie. Crown land for the building site has been dedicated for cultural centre purposes, and a nearby property purchased for a car park. I refer also to the Outback Areas Community Development Trust, interest and principal repayments on the initial \$1 000 000; this is a semi-governmental borrowing by the trust for establishment purposes and debt servicing on all subsequent borrowings has been met by the trust. For the South Australian Heritage Trust, the amount outstanding is \$800 000. A further amount will be borrowed, but subject to further consideration by the Government of funding arrangements. The grants and loans for the preservation of buildings, and so on, have been applied for that purpose.

For the South-East Regional Centre Cultural Trust, an amount of \$4 600 000 is outstanding; \$1 200 000 was borrowed in 1980-81, and there are no new borrowings in 1981-82. Obviously, past borrowings have been used to construct the cultural centre in Mount Gambier as part of a most successful civic centre that was opened by Prince Charles earlier this year. Obviously, again, the Corporation of the City of Mount Gambier has been closely involved in that project. The State Opera has interest and principal of \$2 700 000 outstanding. It has no new borrowings. Past borrowings were mainly for building costs. The Whyalla Hospital has reimbursements to the City of Whyalla of debt charges on loans raised by the corporation for the Whyalla Hospital, which is now a Government hospital. I think that covers pretty effectively the list of debt services.

**Mr BANNON:** I thank the Premier for that comprehensive information, which I found very useful. I also found it quite disturbing. It means, on the figures given, that, except in two cases, with one further possibility, there will be no new borrowings in this financial year. Bearing in mind the parlous state, particularly of our building and construction industry (and a lot of these projects go beyond that), is the Premier suggesting that there is no call for further funds in this area and that no new borrowings are being sought because these bodies have not requested or have no need for further funds?

**The Hon. D. O. Tonkin:** I think that, if the Leader has to go through the list, he would find that there is no point in borrowing additional money, for example, for the Mount Gambier Cultural Centre when it is completed. I think many of these projects come into that category. In relation to the point that the Leader has made regarding additional construction being needed, the Government is of the view that it is necessary to put all the money it can possibly find into housing at this stage. That is precisely what is being done. Obviously, the projects under way will be proceeded with. There is no suggestion that they will be held up in any way by the programme as outlined.

**Mr BANNON:** Is it a fact that borrowings for these various bodies can be made outside the Loan Council and can, therefore, represent a net increment in the State's Loan borrowing capacity without affecting its entitlement in areas such as housing? Also, could the Premier explain

why, in effect, in a time of economic recession in this State, he is not seeking to utilise all those funds that could be made available for some important projects?

**The Hon. D. O. Tonkin:** I think once again that the Leader loses sight of the fact that there is no point in borrowing money where it is not needed. A curious attitude used to be shown by one of his predecessors in a former Cabinet who seemed to believe that, if you could borrow money outside the Loan Council by creeping underneath the gentleman's agreement, for some reason this was special money that did not have to be repaid. That was an interesting attitude, but it did lead to a startling increase in gross size of the total public debt as it appreciated to Government and Government agencies. It was not a very healthy situation.

**Mr MATHWIN:** Following on the Leader's concern about financial borrowing, and in relation to the reimbursement to the State Bank of South Australia and its arrangements with the Riverland Fruit Products Co-operative Limited, including the services of an interest-free loan, I ask what action is being taken to make sure that no repeat of that rather shocking situation ever occurs again.

**The Hon. D. O. Tonkin:** I think the answer to that is quite simply that from here on in assistance to projects of this kind should be made very much on a commercially sound basis and not just simply on political grounds. It is very much the Government's view that in future, while every attempt will be made to help in times of need, particularly when a community facility is involved, that help will be given in a practical, sensible and commercially viable way.

The tragedy about the Riverland Fruit Products Co-operative Limited was that a decision was made to rescue an ailing, and, indeed, almost bankrupt co-operative project by throwing a great deal more money into it, expanding the range of its activities into general production, at a time when it would have been far more sensible to restructure the cannery to enable it to cope properly with its ordinary fruit-canning functions. The largely expanded operation seemed on the surface to be a desirable thing. I think in the long term that that expansion and the way in which it was achieved probably caused greater hardship. That is just a general comment. I think it does mean that whatever assistance is given (and the Government is very conscious of the need to keep the cannery going in the Riverland) it has to be done in such a way that it can continue to go on viably and not get so deeply into debt as the receivers have now found it is.

**Mr BANNON:** Returning to the statutory bodies with loan-raising powers, the Premier suggested that these bodies should not spend money if there is no need for it to be spent and that we should recognise that under the statutory authority programme the money must be repaid. I agree with him completely, very strongly indeed, on both of those points. However, a number of areas are listed where, clearly, very useful work could be done. Let us take, for instance, the Cleland Conservation Park Trust. According to the Premier, no new borrowings are anticipated for that trust. However, the Government has in its hands a comprehensive, detailed development strategy for Cleland Park costing between \$3 000 000 to \$5 000 000 over a period of time; this is a phased and integrated development in one of the premier tourist attractions in this State.

A minimal part of that development has taken place. In fact, I believe that one of the functions being performed by His Royal Highness Prince Phillip at the week-end will be to open the aviary that has been constructed. It is quite clear that that is simply a stage of an integrated development, an on-going programme that could be of enormous benefit to the State. The Premier is saying to us that,

despite the difficult economic circumstances of the State and the need for programmes of this kind, which in turn would be income generating as an attraction, he is not prepared to devote any money to it. I ask him specifically whether this means that the Cleland Conservation Park scheme will be stopped at this stage and that no further work will be done.

**The Hon. D. O. Tonkin:** I would suggest that the Leader take the opportunity of inquiring from the Minister of Environment and Planning as to what is proposed. If the Leader were to look at page 123 of the Budget documents he would find the proposed payments under the line 'Development of national parks and reserves, namely \$990 000, and the proposed expenditure under the line 'Minor improvements at parks and reserves, of \$1 850 000. This does not in any way mean that there will be any stopping.

I emphasise again that when money is borrowed it must be repaid and serviced. For every dollar borrowed by a statutory authority or a Government department it is a charge on the Revenue Account to find the money necessary to service the public debt. The public debt was allowed to accumulate at a very much accelerated rate for a period of some years. That rate has been cut back now.

I make the point that everyone would like to drive, say, a Jaguar or whatever one fancies, and, if there is money available, one can have it. However, if not, one must do with one's Mini Minor, Laser or whatever it is. At present, we cannot afford to make the sort of commitment that the Leader is suggesting. Is the Leader really suggesting that someone who finds himself in heavy overdraft, which is basically the situation we are in, should go out to some other lending institution outside his normal banking arrangements and go further into debt, just for the sake of maintaining further works? A matter of common sense is involved in it; works will continue on, and the Leader can ask the Minister of Environment and Planning about this matter.

**Mr BANNON:** Is the Premier further suggesting that the Coast Protection Board does not have in hand any worthwhile projects that could be set in motion in the current economic recession by the borrowing of money? I am not suggesting that the Coast Protection Board does not have an ongoing programme. Of course, it has, and it must have. However, no borrowings are being made. Apparently it is considered that it is unnecessary to provide it with any more money other than that which it currently has at its disposal.

**The Hon. D. O. Tonkin:** I suggest again (and this might save the Leader of the Opposition some obvious concern) that he refer to the same place in the Budget documents under the vote for the Minister of Environment and Planning.

**Mr BANNON:** The Premier is quite satisfied that he is providing sufficient loan money?

**The Hon. D. O. Tonkin:** I would love to be able to provide much, much more if we had it.

**Mr BANNON:** I refer to the line for 'Contribution to the Electricity Trust of South Australia, for subsidies in country areas'. I have just checked the ETSA annual report tabled in this House. At page 20 the contribution made for the year ended June 1981 is listed as \$2 503 000. However, the actual payment shown in the Budget is \$2 387 387. There is a discrepancy there of about \$100 000. Can that be explained?

**The Hon. D. O. Tonkin:** Basically, it is on a reimbursement basis. I think Treasury pays the Electricity Trust on a quarterly basis. By the same token, there are one or two other matters there, too. Now that the Leader has brought the matter up, I might point out that the sum in 1980-81 was \$80 000 for Andamooka, for instance, but for the full

year 1981-82 the amount will be \$225 000. The difference is because the subsidy applied for only part of the year (I cannot remember when it went through), but the figure of \$225 000 will be for the full year coming up. There are a number of these instances; Elliston is another example, where a payment of \$28 000 was made for the balance of the year, but there will be a payment of \$295 000 for the full year. That is the reason for the major increases in those figures.

**Mr HEMMINGS:** Earlier, the Premier read out the details of claims concerning debt services. When he came to the South Australian Heritage Trust the Premier was rather hesitant to tell the Committee why such a large increase is proposed for 1981-82. I would not expect the Premier to give this Committee information when he may be making an announcement during the next couple of weeks concerning the matter, but we are dealing with a rather considerable increase. Can the Premier give us more information about the proposed amount of \$240 000 in this area, as opposed to the voted sum of \$154 000 last year and the actual payment of \$81 657?

**The Hon. D. O. Tonkin:** I did not actually notice any hesitancy.

**Mr HEMMINGS:** You did hesitate.

**The CHAIRMAN:** Order!

**The Hon. D. O. Tonkin:** I am still not quite sure what is worrying the honourable member. An amount of \$154 000 was voted, and we are now looking at a proposed expenditure of \$240 000. I cannot quite see the gravamen of the honourable member's concern.

**Mr HEMMINGS:** Will the Premier read again to the Committee the information that he had before him when he dealt with the South Australian Heritage Trust, and then perhaps I can reassess whether he was hesitant?

**The CHAIRMAN:** Order! Repetition is out of order.

**Mr HEMMINGS:** I am not asking for repetition. If I recall, the Premier, when he dealt with the South Australian Heritage Trust, said that he could not give much information at this stage. That is basically what he said. If I find after the Premier has read it again that I was wrong again, I will withdraw from that line of questioning.

**The Hon. D. O. Tonkin:** I cannot very easily read it out again exactly, but I can give the figures again.

**Mr HEMMINGS:** Well, you had it there.

**The CHAIRMAN:** Order! Does the Premier wish to reply?

**The Hon. D. O. Tonkin:** I do not mind at all. I make the point that the further amendment does not necessarily mean that that amount will be \$800 000, as the honourable member seems to have assumed: that does not follow at all. The whole point is that I cannot give a positive indication of whether or not the amount of \$240 000 proposed will be needed. It will depend on the decision as to the borrowing this year, which decision will be made by Cabinet.

**Mr HEMMINGS:** Possibly a decision will be made this year concerning the South Australian Heritage Trust and which could imperil the sum of \$240 000. Can the Premier give the Committee an indication of where the possible sum will come from? That is all I am asking. The Premier seems to be playing the matter fairly close to his chest.

**The Hon. D. O. Tonkin:** I would suggest that the Minister of Environment and Planning be asked at the appropriate time, but I doubt whether he will be able to say very much more than that the matter is under review at present.

**Mr BANNON:** Can the Premier indicate what the current interest rate at which any of these authorities would be borrowing?

**Mr Barnes:** At the semi-government rate. Most of those would be private borrowings. If they are for 10 years, the rate would currently be 16 per cent. Some of them would

be for shorter periods, but it should not be very much less than 16 per cent for current borrowings.

**Mr BANNON:** Is there any difficulty in obtaining funds at those rates at present?

**Mr Barnes:** Relative to the bigger Eastern States, South Australia has a relatively small borrowing programme for semi-government bodies, and we are able to find lenders for the total local programme. There are difficulties from time to time, but it is possible to find lenders for the whole programme.

**The Hon. D. O. Tonkin:** Sometimes it is a little bit slower than at other times, depending on the availability of funds.

**Mr BANNON:** I refer to the line 'Conversion and Public Loans'. I must confess to ignorance as to what this is.

**The Hon. D. O. Tonkin:** Basically, South Australia must bear a proportion of the costs of brokerage and advertising for floating Commonwealth loans. The Leader would know that the Commonwealth loans are the basis for allocations to the States and, therefore, we have a responsibility to provide a certain proportion of the expenses.

**Mr BANNON:** What proportion?

**The Hon. D. O. Tonkin:** I cannot say. In 1980-81, the borrowing programme has been financed from proceeds of Commonwealth Government bonds being issued at a discount. So we have more or less made the money which is required to meet the costs. But the cost of writing up the proceeds of bonds allocated to South Australia to face value ultimately will be charged to that line. We assume that the same level of discounting will apply in this forthcoming year as applied last year.

**Mr BANNON:** Why the discrepancy between the vote and the actual payment?

**Mr Barnes:** The bonds issued by the Commonwealth on behalf of the States are issued to return a certain yield to investors. That yield can be obtained directly through the rate of interest, that is, bonds issued at par at, let us say, an interest rate currently of 15 per cent. The same yield can be obtained by issuing the bonds at a discount, but at a couponed rate, at a face value of, let us say, 14.8 per cent or 14.7 per cent. It is a combination of the discount and the interest rate which gives the yield to the investor. The market sometimes responds better to the situation in which it can purchase a bond with a face value of \$100—purchase it for, say, \$98 at an interest rate, a couponed rate, of 14.8 per cent rather than at par, at an interest rate, a couponed rate, of 15 per cent. The eventual cost to the State may be the same, but it may come through in different ways, part as interest which appears under special Acts and part as discount which appears on this line. The main difference, of course, is that the discount is a once-only thing: it occurs at the beginning of the loan and hits this line in a fairly large sum. It is largely a judgment by the Commonwealth of the kind of security the market is looking for at the time.

**Mr HEMMINGS:** If I can revert to the contribution to the Commonwealth in relation to the Housing Agreement between the State and Commonwealth Governments, I am sure it worries the Premier and in fact all members of this Committee that the sum we are repaying this year is in excess of 50 per cent of the grants coming in from the Commonwealth Government for welfare housing. Regarding the meeting which the Premier is going to have with the Prime Minister on the deferment of payment, would it be pertinent to ask the Premier what his strategy is going to be in relation to trying to arrest the large number of people who are seeking rental accommodation through the South Australian Housing Trust, if the Prime Minister refuses to defer that payment of \$17 300 000?

**The Hon. D. O. Tonkin:** I am certainly not going to discuss my strategy that I might use with the Prime Min-

ister, which is what I thought the honourable member was going to ask me originally. As the honourable member will know, Cabinet has within the last month approved two schemes, one for the Superannuation Investment Trust for the Housing Trust to provide rental accommodation for \$10 000 000, and another involved the S.G.I.C. and a sum of \$5 000 000 for each of the next two years. We have decided that there is no option but for the Government to go out and seek funds from sources other than the Commonwealth. That is exactly what we are doing. The Under Treasurer has explained very carefully exactly how those schemes work. In the circumstances I think it is the least we can do. From time to time there will be other moves made in that same category.

**Mr HEMMINGS:** Surely the Premier would concede that, even with this additional money coming from the S.G.I.C. and the Superannuation Fund, the most it is going to do is arrest or stem the actual numbers of people seeking additional accommodation through the South Australian Housing Trust. Whilst I congratulate the S.G.I.C. and the Superannuation Fund on investing money in welfare housing, that does not really answer my question to the Premier. The way that the public of South Australia saw it in the press, that a deferment of the sum owing to the Federal Government was, as I say, in excess of 50 per cent of what we were receiving, would not really alleviate the situation in the public housing sector. Again, I ask the Premier, if, as a result of his meeting with the Prime Minister, the Prime Minister refuses to defer payment, what additional strategy will the Premier take in trying to halt the increasing demand for public housing.

**The Hon. D. O. Tonkin:** The honourable member is not correct in saying that those sums will not be enough to catch up or break even. They will be enough to keep us on target with housing and, indeed, put us ahead of target at the present time. Other sums will become available, as I say, from other sources, which I certainly do not intend to go into now.

**Mr BANNON:** Will the Premier say what were the trust fund balances at the beginning and end of 1980-81, that is, the figure as at the end of June 1980 and the end of June 1981 on which the interest is to be paid?

**The Hon. D. O. Tonkin:** I refer the Leader to page 474 of the report of the Auditor-General where the information is detailed.

**Mr BANNON:** Could the Premier indicate the level of reserves held by the Government and its investments generally, and could he comment on the statement that our reserves have been run down over the last two years, particularly the last 12 months?

**The Hon. D. O. Tonkin:** I have heard such statements.

**Mr BANNON:** From me.

**The Hon. D. O. Tonkin:** Mostly from the Leader. I find that I can place very little reliance on them.

**Mr BANNON:** I would like some facts.

**The CHAIRMAN:** Order!

**The Hon. D. O. Tonkin:** We have a number of funds, trusts and statutory authorities with large sums of money. I just would draw to the Leader's attention, for instance, the sums which are currently held by the State Transport Authority in preparation for the busway project, sums which were augmented quite considerably at the end of the year before last when, indeed, we finished the year, as I point out to the Leader again, with a healthy surplus of \$37 000 000, and funds were put aside at that stage straight into housing. ETSa has major reserves which, of course, it will need every cent of to deal with the northern power station. There are other funds. The reserves have not been run down. On the contrary, they have been maintained in

preparation for their urgent use in infrastructure projects, housing projects, transport, electricity and others.

**Mr BANNON:** The Premier is saying that the reserves are at the same level as they were in 1979?

**The Hon. D. O. Tonkin:** I cannot give any specific figures. I would say it is very likely that the reserves are greater than they were—

**Mr BANNON:** Are you taking inflation into account?

**The Hon. D. O. Tonkin:** No. I think it is very likely that the reserves are greater than they were in 1979, largely as a result of the large sums that were transferred following our record surplus at the end of that financial year.

**Mr HEMMINGS:** For the Superannuation Tribunal fees and costs \$10 000 is allocated this year as opposed to \$200 last year, and no actual payments were made. Would the Premier give us some information on that?

**The Hon. D. O. Tonkin:** The increased costs relate to a particularly complicated appeal being heard at present.

**Mr BANNON:** Regarding the payment to the Corporation of the City of Adelaide for the Victoria Square hotel, it is interesting to see that this project is going ahead and the Premier has made much of it, despite his earlier throwing of cold water on such a project, to the greatest extent possible when in Opposition. The amount of \$500 000 is listed. Could the Premier say what precisely that covers, and does that represent the full extent of the Government's subsidy for the hotel?

**The Hon. D. O. Tonkin:** I should not succumb to temptation but I point out that I was very scathing about the 19 (I think that was the number) announcements made about the international hotel by the previous Administration without anything happening. I take considerable pleasure from the fact that after we had been in office for about four months we were able to make sure that an agreement to move ahead with that project was signed, and we were able to get it off the ground. I do take a great deal of pride and pleasure in that. As to details of the payment of \$500 000, perhaps the Leader has forgotten that it was contained in the Victoria Square International Hotel Act, 1980, on which I think he spoke in this House.

**Mr BANNON:** Does that represent the full extent of the subsidy?

**The Hon. D. O. Tonkin:** I refer the Leader to the Act.

**Mr BANNON:** There has been no change since that Act was passed in the light of further development of the project?

**The Hon. D. O. Tonkin:** I think the project is developing very well indeed.

**Mr BANNON:** There is absolutely no further call for any additional Government assistance?

**The Hon. D. O. Tonkin:** I think there has been some query recently about clarification as to whether or not water rates and sewerage rates were payable during construction, but that matter has been clarified.

**Mr BANNON:** Again, on the question of the Government's reserves, I have had a look at the Auditor-General's Report. Page 9 refers to cash at bank and investments held by the Government, and an amount is shown there of \$193 000 000 in 1980. In June 1981 it was \$150 000 000 in round terms. Could we have an explanation as to why that amount has reduced and the significance of it?

**Mr Barnes:** There is a note about trust accounts and deposit and suspense accounts, a whole miscellaneous assortment of small amounts kept at Treasury. The main part of the explanation lies there, that those accounts were run down over that period. The reduction in cash at bank and investments is from about \$193 000 000 to about \$150 000 000. Just a few lines below that, the aggregate of trust accounts and deposit accounts has run down from about \$194 000 000 to about \$158 000 000. If one wanted

to follow through which accounts have run down, they appear individually in a table at the back of the Auditor-General's Report.

**Mr BANNON:** Can the Premier tell us whether there is any evidence of avoidance of pay-roll tax, loopholes or problems with the Act as it stands?

**The Hon. D. O. Tonkin:** I have had remarkably few examples reported to me. I think the pay-roll tax situation is more than adequately covered. It does not compare with the stamp duty situation, which is where most of the problems arise.

**Mr BANNON:** There is no evasion?

**The Hon. D. O. Tonkin:** As I say, remarkably few cases have been reported.

**Mr BANNON:** Are the arrangements with Henry Jones for the sale of the Frozen Food Factory and the terms on which that sale has been negotiated related to arrangements made with the same company in the case of Riverland Fruit Products?

**The Hon. D. O. Tonkin:** No.

**Mr BANNON:** The Premier is saying unequivocally that there has been no relationship between either the negotiations or the terms of either situation.

**The CHAIRMAN:** I will allow this question as long as the Leader links up his remarks as closely as possible to Riverland Fruit Products.

**Mr BANNON:** It is linked to the sum of money which the Government is providing by way of interest-free loan to keep the Riverland Co-operative afloat at the moment while its future is being negotiated. It is on the market, and in the latest offer for sale certain what one might call restrictive terms that were implied in the previous agreement with Henry Jones, in relation to marketing in particular, have been waived.

This coincided almost to the day with the announcement of the sale of the Frozen Food Factory on give-away terms. I was asking the Premier whether he was saying unequivocally that there was no connection between Riverland Fruit Products, the Frozen Food Factory, Henry Jones and the Government.

**The Hon. D. O. Tonkin:** I would say 'No'.

**Mr BANNON:** Is the amount shown regarding Monarto the final payment to be made in relation to that project? There is no amount proposed for the further year?

**The Hon. D. O. Tonkin:** The arrangements were completed in August last year, and the total payment to the Commonwealth was \$5 100 000. I think we have done remarkably well to get off the hook as cheaply as we have.

Works and Services—State Bank of South Australia,  
\$7 200 000.

**Mr BANNON:** Will the Premier detail the nature of the advances to the State Bank? What does this money involve?

**The Hon. D. O. Tonkin:** Obviously, the bank is involved in housing, but it also offers traditional banking services, and \$2 120 000 was made available in 1980-81 to assist the bank to provide working funds for customers. The provision was increased by \$3 000 000 during the year to relieve pressure on the bank's finances, which had been heavily committed because of the pressure of additional funds for Riverland Fruit Products Co-operative Limited. The \$4 400 000 proposed in 1981-1982 includes a further \$2 000 000 specifically for that purpose.

**Mr BANNON:** How does that relate to the amount that we considered under a previous line in regard to the servicing of the interest-free loan?

**The Hon. D. O. Tonkin:** This is a capital sum: the sum we referred to previously was recurrent expenditure, general revenue, to be used to pay for the debt charges on the loan. In other words, it is not loans funds.

**Mr BANNON:** That is not terribly clear.

**The Hon. D. O. Tonkin:** It seems perfectly clear to me. We have been considering a revenue budget. The amount that we considered previously covered the interest repayments that otherwise would have been payable by Riverland Fruit Products Investments. On the other hand, this is capital funds that we are giving to the State Bank to increase its liquidity and the reservoir of funds available for lending. It is the difference between capital and recurrent expenditure.

**Mr BANNON:** The implication is that the bank has a liquidity problem, which surprises me.

**The Hon. D. O. Tonkin:** The bank would have had a liquidity problem if all of its funds were expended and directed towards propping up one project. The fact that the Riverland Fruit Products Investments Limited is in difficulties and has required significant input of capital from the bank's funds means that we have to top it up to make those funds available for other clients and for normal activities.

**Mr Sheridan:** The two amounts come in two parcels. The \$500 000 referred to earlier is in respect of money that Riverland Fruit Products Investments, which is a wholly-owned subsidiary of the South Australian Development Corporation, raised from the State Bank to finance the capital development at Riverland Fruit Products, taken on the general products lines from Henry Jones. When that company went in receivership, the question arose of financing those loans and the repayments of the interest. The Government stepped in, because Riverland Fruit Products was unable to pay the interest to Riverland Fruit Products Investments, and made the payments.

The bank capital is in connection with the money, aside from that, that the State Bank has tied up largely in working capital in operating Riverland Fruit Products, with its expanded base, in terms of stocks and debts. That has locked in a lot of money from the State Bank, which is putting some pressure on its liquidity. The moneys that have been appropriated both last year through the Loan Account and again in 1981-82 are to help overcome that liquidity problem.

**Mr HEMMINGS:** Regarding the advances to the State Bank under banking functions, will the Premier say whether any of that money is destined for low-interest housing loans?

**The Hon. D. O. Tonkin:** That is not the general function. The low-interest concessional housing is not provided from those advances.

**Mr HEMMINGS:** Will the Premier say where we would find allocation to the State Bank for low-interest home loans?

**The Hon. D. O. Tonkin:** That is provided under Treasury, advances for housing.

**Mr HEMMINGS:** Is it payable through the State Bank?

**Mr Barnes:** Both of those funds find their way to the State Bank via the advances for housing account. The appropriation is under Treasury Department as advances for housing. It goes into the advances for housing account, and from there it goes either to the State Bank or the Housing Trust.

**Mr HEMMINGS:** Regarding student hostels, \$10 000 was voted in 1980-81. There were no actual payments, and there is no allocation for 1981-82. Why is that the case?

**Mr Barnes:** There is not a call in regard to student hostels every year. In some years when there has been a call, a nominal amount, say, \$10 000, is placed on the Estates. When that amount is not called, and when there is no application, the question crops up of whether to put on a nominal amount or assume there will be no application.

That is what happened in 1981-82. In 1980-81 a nominal amount of \$10 000 was provided. It was not called up, and this year the judgment was made to not put anything there.

It would not, of course, rule out the possibility of the bank meeting an application if one was made.

**The Hon. D. O. Tonkin:** It has to be done on application.

**Mr TRAINER:** Who would have to apply for it: individual students or student-housing organisations?

**Mr Barnes:** My recollection is that applications have been made in the past by individual schools which have wished to build or provide some kind of accommodation for students. It would not be for individual students.

**The Hon. D. O. Tonkin:** It would be recognised education bodies. I think that, mostly, they have been church schools.

**Mr TRAINER:** How well publicised is the availability of these funds? If it is not publicised, there would be a reasonable explanation why there were no applications.

**The Hon. D. O. Tonkin:** That I cannot say, but the honourable member has a point.

**Mr HEMMINGS:** Under 'Agency functions, advances to settlers', the sum of \$145 000 is proposed this year. Having a little bit of knowledge on this matter of advances to settlers, because I am a long-serving member of the Land Settlement Committee, it seems to me that the Government is taking a gamble in this particular area, because from my experience there seems to be an increase in the number of requests for loans by settlers in this area. Although there was a substantial increase in 1980-81, as voted, we see that the sum being reduced by something like \$14 000. Can the Premier explain to the Committee why that sum has been reduced this financial year?

**The Hon. D. O. Tonkin:** It is likely to go up and down from year to year. There is not the wave of requests for advances in that way that there was in the immediate post-war period, for instance. The advances are made on a first mortgage security for permanent improvements. In other words, particularly the erection of buildings. It is on a first mortgage basis, and I do not think the demand exists. We must be guided by the State Bank, which receives these applications and is closely in touch with the demand situation.

**Mr HEMMINGS:** I am partially convinced by that answer. However, not having the 1979-80 figures in front of me, on recollection it seems that there has been a gradual increase over the past two or three years.

**The Hon. D. O. Tonkin:** In line with inflation, perhaps.

**Mr HEMMINGS:** Yes, but if we are talking about inflation, the reduction of \$14 000 proposed for this advance clearly shows a dramatic drop, if we talk about an inflation rate of between 10 per cent and 11½ per cent.

**The Hon. D. O. Tonkin:** I am sure that if the State Bank was concerned about this matter it would have asked for more.

**The Hon. J. D. WRIGHT:** Can you go beyond that \$145 000 now?

**The Hon. D. O. Tonkin:** Obviously, now that the Budget has been settled it would be difficult to do that. Again, it would depend entirely on the availability of funds. The State Bank would be able to make allowances.

**Mr HEMMINGS:** That worries me, because the Land Settlement Committee has always considered advances to settlers on merit rather than on availability of funds. If the Premier is saying that the State Bank has suggested that there is going to be a marked drop this year, as I say, working on an inflation rate of between 10 per cent and 11½ per cent, it is quite a considerable drop. Does that mean that there are people requesting loans who will not receive them, not just because of the merit requirement but because there is no availability? I should have thought (the Premier is smiling so I do not know whether he is going to deliver a broadside to me) that, when we are dealing with requests from settlers through the State Bank and the Parliamentary Land Settlement Committee, we would base

the answer on merit and on whether the people are able to repay that loan. I should have thought that that is what the Land Settlement Committee and this line are all about.

**The Hon. D. O. Tonkin:** I must say that, rather than delivering a broadside to the honourable member, I must say that I am pleased to know that he is so experienced on the Land Settlement Committee. Obviously he is bearing to this Estimates Committee the wealth of knowledge that he has gained from consideration of what must be innumerable cases before the Land Settlement Committee. I will undertake to pass his comments on to the Chairman of the State Bank.

Appendix 9 on page 11 I think is worth looking at, because it shows the variation that has occurred. There has been quite a marked variation on occasion. In 1971-72 the amount was \$83 000. It rose to \$168 000 in 1976-77 and dropped to \$22 000 in 1977-78, so there have been considerable variations over the years.

**Mr TRAINER:** I am interested in the line referring to loans for fencing and water piping. In what circumstances are loans provided to people in this State for fencing and water piping? If it is such an important line in the Budget, why was only 40 per cent of that spent last year?

**The Hon. D. O. Tonkin:** I refer the honourable member to the Loans for Fencing and Water Piping Act, while it still exists.

**Mr TRAINER:** Would the Premier be so kind as to explain that further?

**The Hon. D. O. Tonkin:** I suggest that the honourable member go to the Statutes and read the Act. It is perfectly well set out there.

**Mr TRAINER:** I understood that the Premier would have the facts at his fingertips and would enlighten me without my having to do so.

**The Hon. D. O. Tonkin:** I cannot give the exact details, but I am sure that the honourable member will find them in the Act.

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

Works and Services—Treasury Department, \$6 800 000.

**Mr HEMMINGS:** There is a proposed sum of \$3 500 000 for advances for housing, as opposed to \$18 500 000 voted last year and actual payments of \$15 000 000. Will the Premier explain this?

**The Hon. D. O. Tonkin:** The figures speak for themselves. The sum voted for 1980-81 was \$18 500 000, of which \$15 000 000 was spent, leaving a balance of \$3 500 000. As the account is worked on a three-year to five-year basis, it is a question of the funds being spent over that period.

**Mr HEMMINGS:** Can the Premier give us some indication of what the figure voted will be when the three-year period is up and when that sum is exhausted?

**The Hon. D. O. Tonkin:** I think the Under Treasurer can give us a brief outline of the method used.

**Mr Barnes:** It is the Government's intention to keep the programme of the State Bank for loans for housing, which is currently running at 55 approvals a week, and the programme of the Housing Trust, on a fairly even keel, and, if possible, slightly increasing. Those amounts from the Loan Account, which appear to fluctuate, do not mean sharp ups or downs in the housing programme. They are only part of the funds that go to the Housing Trust and the State Bank. The other major sources of funds which go to those two institutions are funds from the Commonwealth under the Commonwealth-State Housing Agreement, which was referred to a little while ago. As members know and have commented, those annual allocations have been decreasing.

There are really four sources of funds: one is the Loan Account; the second is money received under the Commonwealth-State Housing Agreement; the third is the internally-generated funds of the State Bank and the Housing Trust, which primarily in the State Bank come from the returns to the bank from interest and principal repayments on loans that it has made; and the fourth major and growing source of funds for these two institutions the Premier and the Treasurer referred to earlier, namely, funds from outside the Budget system, funds which include things like the Superannuation Investment Trust, which invests in rental housing to keep the programme up.

In short, the combination of those four sources of funds is doing two things at the moment: it is keeping the State Bank lending at the rate of 55 approvals a week going and it is enabling a small increase in the Housing Trust programme to meet the demand for rental housing which was mentioned earlier. These sums from Loan Account need to be looked at as part of a picture comprising four main elements, namely, the Loan Account, the Commonwealth-State Housing Agreement, internal funds of the two institutions, and funds attracted from new sources such as the Superannuation Investment Trust, S.G.I.C., and perhaps other superannuation funds if the scheme of indexed loans at real rates of interest can be sold successfully.

**Mr HEMMINGS:** I want to pursue the question in the light of what the Under Treasurer has said. I think I would be correct in saying that 46 per cent of public housing funding comes from the State at present and that that could possibly lead up to 67 per cent over the next two years. What assurance can the Treasurer give us that this initial sum of \$18 500 000 (we are now dealing with \$3 500 000) will be increased when the time with which we are dealing expires? Is that clear?

**The Hon. D. O. Tonkin:** I think so. You are asking when the \$18 500 000 will be expended in total—

**Mr HEMMINGS:** Yes.

**The Hon. D. O. Tonkin:**—and what steps will be taken to keep it going? The Under Treasurer has answered that without being specific about giving us a specific idea of when that will come to an end. He has outlined various methods by which the sum will be kept up. Lump sums are put in over a period, and, just because only \$3 500 000 is showing there now, it does not mean (and indeed an assurance is given) that the lending programme of the State Bank will fall away. It will not; it will be maintained and sums will be put in again there from various sources which the Under Treasurer has just outlined.

**Mr HEMMINGS:** Will it be maintained at the figure of \$18 500 000?

**The Hon. D. O. Tonkin:** It may not be that figure; it will be maintained at a number of 55 approvals per week.

**Mr Barnes:** If the Government finds that it cannot make available sums of the order of \$15 000 000 or \$18 500 000 from Loan Account because as a policy decision it determines that it needs to spend its Loan funds elsewhere, we believe that it will be practicable, as the Premier has said, still to keep up those housing programmes, but it will mean finding more funds in new ways outside the Budget, from the Superannuation Investment Trust, the S.G.I.C., A.M.P. or the B.H.P. Superannuation Trust. I do not like quoting names to give any weight to that, but it involves finding funds from new sources which would find it attractive to put indexed loans into these areas.

**The Hon. D. O. Tonkin:** I think the important thing is that, whereas money has until now basically been found from within the Budget (of course, this has been helped largely from the funds coming from the Commonwealth), now that the Commonwealth is cutting back, to keep up the same rate of lending we must go outside to find funds.

However, those funds do not appear in the Budget documents, and that is probably the problem that the honourable member finds when looking at that \$3 500 000 proposed for this year.

**Mr HEMMINGS:** I accept what the Premier and the Under Treasurer have said, but, bearing in mind that all the indicators say that the demand for this kind of loan through the State Bank is going to increase drastically as the years go by, because of the problems of high interest rates and everything else associated with it, is the Premier saying that the figure of \$18 500 000 will remain the same, but that Government will be seeking to obtain additional funds only from areas that the Under Treasurer described to the Committee? Does the Premier realise the importance of the function of the State Bank in this area? If he does, he should be saying that, when the \$3 500 000 is expended, a far greater sum will be voted for the next period.

**The Hon. D. O. Tonkin:** I am afraid that honourable member has not quite caught on.

**Mr HEMMINGS:** I have caught on, that is the trouble.

**The Hon. D. O. Tonkin:** It does not sound like it. It does not really matter particularly much whether the amount voted for 1980-81 was \$18 500 000 or whether it was any other sum. The point I am making is that the sum now coming from the Loan Account will be less and less and the sum appearing in the Budget will be less and less, because more and more funds will be raised from outside budgetary sources. This means that the Government will take advantage of what moneys are available in various organisations such as other investment trusts that the Under Treasurer has mentioned. That means that the money will therefore keep flowing in, regardless of the sums in the Budget, at a rate necessary to maintain 55 approvals per week, which is the target that has been set by the State Bank, and as a Government we are determined to maintain that rate. However, it is quite possible and feasible that no sum would appear in the Budget but those funds would still be coming in from those outside sources to finance the State Bank's approval for advances for housing up to those 55 approvals a week.

However, it does not necessarily have to show anything in the Budget. The interest rate, depending on the arrangements made, may cost a little more. It depends on the arrangements made in respect of each. As the Under Treasurer pointed out earlier, it is a new scheme that is being used expressed as a real rate of interest over a period. In the long term the cost to the Government is probably not very much greater, probably less in fact, the Under Treasurer tells me. What we are doing is getting funds from outside the budgetary area and using that instead of the money which we have used before and which has been cut back by the Commonwealth. All we have done is cut housing funds, advances for housing, and soon, by the Commonwealth and making our own arrangements outside to make sure that the State Bank is able to continue on with its 55 approvals a week and that people are not disadvantaged.

**Mr HEMMINGS:** Is the policy of the Government through the State Bank just to maintain the 55 approvals per week, or does the Government intend in future possibly to raise or give the State Bank the facilities to raise the number of approvals? Fifty-five approvals may sound very good, but it is not keeping up with the demand. The figures tell us this. The number of people seeking low-interest term mortgages is increasing every year. We have considerable lessening of money from the Federal Government, which we all deplore, and the fact that they are using other avenues to allow the State Bank to keep up those 55 approvals per week, is the Premier satisfied that the present

policy of 55 approvals per week is satisfactory? That is basically what I am asking the Premier.

If the Premier says that that is satisfactory, let it go down in the record. If the Premier is not satisfied with that and would like to increase it to, say, 60 or 65 per week, could he please give us some indication of how he proposes to achieve it? It is a very serious subject, that there are that many people who are being denied the chance to purchase a home of their own. I treat that seriously, and I am sure the Premier does, even though the honourable member for Glenelg may not.

**The Hon. D. O. Tonkin:** I think the honourable member for Napier has not been sitting in the Committee all day. I am very pleased indeed, I may say, with the proceedings of the Committee. I think they have gone very well. Can I just say to the member for Napier that of course it is a very serious matter. I am very pleased indeed that the State Bank has been able to increase its rate of approvals from about 50 per week up to 55 per week over the last year or so. Certainly, if we can find the funds to increase the target to higher than that I would be more than pleased. But, again it depends on the availability of funds. Really, I suppose we are trying a pilot scheme at this stage. If it receives response, the support which we believe it will, it will be of great benefit to the State because, as the Under Treasurer has pointed out, it will cost us slightly less and still provide a reasonable input and return for potential investors. It is quite possible that we can put it up from the 55 per week. I do not know by how many. That remains to be seen on the availability of funds. I hope that the honourable member is being unduly pessimistic on interest rates. Without making any further comments about them, I just make the point that the news from the United States in the past 48 hours has been slightly heartening, and we can only hope that that is reflected in interest rates generally.

**Mr BANNON:** I refer to the line 'Transfer to Revenue Account'. It shows there that a \$16 000 000 transfer planned for 1980-81 in fact grew to \$37 300 000. According to the Premier on 2 June in the Appropriation Bill debate, it was possible to transfer the extra amount because of, as he termed it, savings on Loan Account. In *Hansard*, page 3695, the Premier said:

It now seems likely that savings of some \$20 000 000 may emerge on payments from the Loan Account. The main elements of the expected savings are about \$5 500 000 for waterworks and sewers, \$8 000 000 for State Transport Authority, \$2 300 000 for other Government buildings, \$2 200 000 for harbor works and \$1 500 000 for Woods and Forests. There will be some other minor variations, both above and below budget.

A bit later he went on to say:

As a result of that saving of about \$20 000 000 it now seems likely that a surplus—

and I am putting those words in inverted commas—

of as much as \$35 000 000 could be achieved on the 1980-81 operations of the Loan Account (before providing for any transfer to Revenue Account).

What were these savings? Which projects were deferred? Which were abandoned? Can we have some specifics from the Premier in those areas?

**The Hon. D. O. Tonkin:** No. The matter was fully debated at the second reading stage. Ample opportunity will exist at the appropriate stage of the Committee proceedings. I refer the Leader both to the financial statement tabled at the time the Bill was introduced and to individual departments and Ministers.

**Mr BANNON:** It is futile for the Premier to refer it to us because those precise details were not included in the debate. Where do we go to seek this information?

**The Hon. D. O. Tonkin:** I suggest that the Leader talk to each individual Minister and ask for the information as it comes.

**Mr BANNON:** Why does the Premier not have information on it? After all, it is his section of the Budget and his financial dealing that sees calculations of a \$16 000 000 transfer turned into \$37 000 000 on supposed savings. Does he just sit back and is told that the Ministers volunteered to cancel or defer projects? That is not the way things work. We all know that. Has not the Treasurer some control and some information from the department on this matter?

**The Hon. D. O. Tonkin:** I think the Leader is nit-picking again. The matter has been fully covered in the financial statement and fully canvassed in the second reading debate.

**Mr BANNON:** With respect, the matter has not been covered because the information has not been provided. We would have expected in the production of those yellow books some details on this. There is none. I think the Premier, who has outlined the amount of what he terms as savings, owes it to this Parliament to say where those savings have been made so we can see precisely what projects have been deferred or abandoned.

**The Hon. D. O. Tonkin:** That information is available from individual Ministers.

**Mr BANNON:** I appreciate the Premier's offer, and I will certainly follow it up with the individual Ministers and get the details. I would have thought that the Premier, as Treasurer, who must have been advised of the alterations to the programme, could have supplied us with a consolidated table. Is he just being petty-minded in making me go to the trouble of going to each and every Minister, or is he saying he just does not have that information?

**The Hon. D. O. Tonkin:** It is not appropriate for this Committee.

**Mr BANNON:** I think it is appropriate for the Treasurer to supply the information, and I would ask for your ruling on that, Mr Chairman. There is a line which refers to a transfer to Revenue Account, and I am asking for the details of that transfer, what was involved in making that very large sum of money available for such transfer. Is the Premier saying he is not in possession of that information?

**The CHAIRMAN:** The Chair has reminded the Committee on a previous occasion that the manner in which a Minister answers questions put to him is entirely in the hands of the Minister. He is not obliged to answer a question if he does not so desire.

**Mr BANNON:** If the Premier says that it is not appropriate for the Committee, then that is his decision. It is nothing to do with you, as Chairman.

**The CHAIRMAN:** It is nothing to do with me, as Chairman; it is entirely in the hands of the Premier or any Minister who comes before this or the other Committee.

**Mr BANNON:** I understood this Committee was assembled to consider the lines in this Budget. Here we have a specific line and a specific question on it. The Premier says it is not appropriate for it to be dealt with in this Committee. I am asking for a ruling and you say the Premier can tell us that. Is that the way the system operates?

**The CHAIRMAN:** The Committee is assembled to consider various lines of expenditure. Questions are raised by members. The manner in which a Minister responds to those questions is entirely a matter for that Minister.

**Mr BANNON:** All I can say is that it makes a farce of these proceedings, if a Minister is not only prepared to make the sort of reply the Premier has just given but is sustained in being allowed to make it. Really one wonders why we are bothering.

**The CHAIRMAN:** I point out to the Leader of the Opposition that the proceedings adopted by this Committee

are the same as those of the Committee of the Whole of the House or where all Ministers answer questions at Question Time. No Minister is obliged by the Standing Orders to answer questions, either during the debate of the Committee of the Whole or at Question Time. It is entirely a matter for individual Ministers to determine.

**Mr BANNON:** Thank you. I accept the Premier's offer to obtain that information from his Ministers. The Premier said later in the same speech in relation to transfers:

We cannot afford to continue to finance our current operations from capital funds indefinitely. To continue to do so for a long period would be detrimental to the economy, particularly to the building and construction industry and to employment. It would jeopardise major development projects envisaged for the northern part of our State, projects which will have significant benefits for South Australia and the nation as a whole.

I quite agree. It is very significant that, in three Budgets, two have involved a massive transfer along these lines. The Premier does not seem to take to heart very much. I can imagine the absolute lather into which he would have whipped himself if anything approaching this sort of denial of the Loan programme had occurred under previous Governments. The transfers apparently are going to continue although, because of the new combined nature of the accounts, it is not so apparent.

For instance, there is no sum stipulated under the line we are examining at the moment for 1981-82, yet we know, for the Premier in his Financial Statement has disclosed, that there is a predicted diversion of \$44 000 000 of capital funds to support revenue this year. I would refer the Committee and the Premier to the reaction, not of the Opposition, but of the industries that are being affected by this action of the Government. The Federation of Construction Contractors and the Master Builders Association refer to the fact that they are bearing the brunt of Government cut-backs, and in parenthesis I point out that these are major employment generating industries, generating employment in this State, not imported, not moving in and moving out. They actually spend their money here and indeed consume a lot of other ancillary products in the course of that.

The engineering and construction industry is bearing the brunt of Government cut-backs. Many members of those associations have expressed the view that the industry is experiencing a severe downturn. Again in parenthesis, it does not require the members to express that view, we have just got to look at the figures.

At present the ratio of work prospects for the public and private sector is approximately 80-20. Consequently the industry is dependent on work opportunities from the Government. With this further reduction in capital works expenditure the situation appears grim, with little prospect of improvement in the short term, and it is likely that contractors will have difficulty in maintaining employment levels.

Has the Government investigated the effect of these transfers in two successive years on the building and construction industry and, if so, what were the results of those investigations?

**The Hon. D. O. Tonkin:** That was an interesting repetition of a second reading response, and once again it contains the same inaccuracies as the first response to the second reading explanation contained. Yes, I refer the honourable Leader to the Financial Statement which was tabled in this House when the Appropriation Bill was brought in, and I suggest that he should read it rather more carefully than he has, and a little less selectively. If we look at the specific effect on the housing and construction industry which he professes to be so concerned about, and if we take into account, as has already been said in this House in quite detailed fashion in the second reading response—

**Mr BANNON:** It has been pitiful.

**The Hon. D. O. Tonkin:** Perhaps the Leader does not want to hear it, but he is going to hear it whether he likes it or not.

**Mr BANNON:** I listened to your second reading reply to the Budget debate. That is what I was saying was pitiful. I hope you will improve on what you are saying now.

**The Hon. D. O. Tonkin:** He is quite wrong, as usual, and I give the figures for interest, because I think the construction industry, having been whipped up into a lather by the activities of the Opposition, has now come to recognise that the statements that were made by the Opposition were false and misleading. The comparison of expenditure on capital works in 1980-81 and 1981-82 respectively, if we take the total Loan programme, is: State Loan programme, \$196 900 000; large semi-government, \$56 800 000; reserves nil. Estimated payments in 1981-82 are: State, \$186 100 000; large semi-government, \$56 800 000. That comes to \$253 700 000 in 1980-81 and \$242 900 000 for 1981-82. This is what the Leader is getting himself worked up about. What he deliberately omits is Highways, \$65 500 000 in 1980-81, \$67 400 000 in 1981-82; State Transport Authority \$10 200 000 in 1980-81 and \$24 600 000 in 1981-82. Is there any comment on the real reduction? ETSA, \$66 800 000; this year, \$109 700 000; the Pipelines Authority, \$1 100 000 to \$1 700 000; Housing Trust, \$52 400 000 to \$63 100 000; Teacher Housing Authority, \$1 300 000 to \$2 500 000; Woods and Forests, \$5 600 000 to \$8 300 000; Superannuation Investment Trust, \$12 600 000 to \$15 900 000; in total \$469 200 000, compared with \$536 100 000 in total this year, which is an increase in money terms of 14.3 per cent. I would have thought that that is quite a reasonable expectation of an increase in capital works and that those details have been pased on. I know the Leader does not like it, but he will have to lump it.

The other matter relates to housing. I have already detailed the steps being taken to make sure that State Bank approvals are maintained at 55 and that the Housing Trust maintains its activity not only at previous rates but at accelerated rates. The sums provided this year so far will ensure that the target for the Housing Trust will be not only be maintained but exceeded in this financial year, so the whole case that the Leader has been putting forward in this respect is nothing but a load of codswallop, and the sooner he realises it and gets off on another tack, the better.

**Mr BANNON:** I will ignore the tail-end abuse, because it is not really worth commenting upon. In the *Advertiser* on 16 September the Premier referred to these large transfers from the Loan Account, and said:

I certainly would not be transferring large sums of money into deficit budgeting—and I don't anticipate I will have to do that forever. But the point is that until we get our royalty incomes and our self-generating revenue taxes coming in from an expanded economy then we have just got to do that to make the books balance.

That is an honest admission of failure of current policies and of the prodigal way in which he ran down the revenue-raising potential of Government, amongst other things. When will the revenue income equal the amounts that are now being transferred? What is the Premier's estimate in that regard?

**The Hon. D. O. Tonkin:** I refer the honourable member to identical detailed questions that were asked in the House and to the answers that were given.

**Mr BANNON:** What specific information has the Premier on projections for future royalties on which he bases such a statement?

**The Hon. D. O. Tonkin:** I suggest that the Leader wait until the Roxby Downs Indenture Bill comes into the House later this year, when all will be revealed.

**Mr BANNON:** When does the Premier expect royalties from Roxby Downs to be part of it?

**The Hon. D. O. Tonkin:** I think we can safely leave that until consideration of the Indenture Bill.

**Mr BANNON:** Is Roxby Downs the only source of—

**The CHAIRMAN:** I suggest that the honourable member is straying widely from the question.

**Mr BANNON:** No, Sir. We are dealing with the transfer to Revenue Account. The Premier has said that it will not go on forever because we will get revenue from royalties. South Australians and the Parliament are entitled to know when this will occur.

**The Hon. D. O. Tonkin:** Yes, I quite agree, and I am very happy to say that, if the Opposition persists in its rather dubious attitude (although I do not know whether it has exactly determined an attitude on Roxby Downs), it will take considerably longer and the State and everyone in it will be a lot worse off.

**Mr BANNON:** The Premier's stock response is being repeated *ad nauseam* now. Even in talking about Roxby Downs, he does not say when or how much. Will he tell us that?

**Mr OLSEN:** On a point of order, it appears that the line of questioning is becoming extremely repetitious, and I ask for a ruling in regard to questions of that nature.

**The CHAIRMAN:** Repetition is out of order. I suggest that the Leader in his questioning should be seeking new information. The Chairman has endeavoured to be most tolerant in regard to the manner in which questions have been asked. I therefore seek the co-operation of the Leader not to repeat his questions.

**Mr BANNON:** I am sorry, Mr Chairman: I repeated the last question because the Premier's answer seemed to indicate that he had not heard or understood my previous question. In response to my question about the time table, the Premier proceeded to offer some sort of comment on the Opposition's attitude. Be that as it may, I do not believe it is worth pursuing this subject, because the Premier simply does not have an answer to these questions, and I do not wish to waste the Committee's time.

**Mr HEMMINGS:** Regarding advances for housing, recognising the Premier's concern in maintaining 55 applications a week for housing through the State Bank, I ask the Premier to tell the Committee how many applications are presently with the State Bank for low-interest mortgages and what is the current waiting time for those mortgages to be processed?

**The Hon. D. O. Tonkin:** I will be delighted to obtain that information in regard to the numbers and the waiting list.

**Mr HEMMINGS:** Can the Premier supply that information now?

**The Hon. D. O. Tonkin:** No. I prefer to be precise.

**Mr HEMMINGS:** Will the Premier give some indication of how the recent decision by the State Bank to cut its income limits for cheap loans will affect the number of people already on the waiting list? I know that the Premier stated in the House that those people who are presently on the waiting list will not be affected. However, I am concerned that the Premier said that the change is being made most reluctantly but it is necessary to protect the interests of the families in more needy circumstances. Again, I concur in those comments.

I do not ask for this information now, because obviously the Premier cannot give it to me, but could he get some indication from the State Bank of how the new income limits will affect the numbers making application for low interest loans?

**The Hon. D. O. Tonkin:** It will depend largely on the number of applicants who come forward with combined incomes, as opposed to those people who have lower incomes

or combined incomes and children. That is something we would all agree with; it would be nice to accommodate everyone, but those people who have relatively high incomes and no children I think have a chance of getting finance from elsewhere, whereas people in more needy circumstances have not. I will certainly get that information for the honourable member.

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

**ADJOURNMENT**

At 9.57 p.m. the Committee adjourned until Wednesday 7 October at 11 a.m.