

HOUSE OF ASSEMBLY

Wednesday, June 21, 1967.

The SPEAKER (Hon. L. G. Riehes) took the Chair at 2 p.m. and read prayers.

QUESTIONS

APPLES.

Mr. HALL: Reports in newspapers state that several refrigerated vessels with cargoes of apples and, I think, pears are marooned in the Suez Canal *en route* to the United Kingdom market. Does the Minister of Agriculture know what effect this delay will have on sales of South Australian fruit, what quantity is affected, and what loss may be incurred by South Australian growers?

The Hon. G. A. BYWATERS: I shall obtain a full report for the Leader but I have considered this matter with the apple and pear growers organization in South Australia through the Government Produce Department, which is the department responsible for shipping this fruit. I have been informed by the manager of the department that the apples were at buyers' risk and would be covered by insurance, but that fact does not help to solve the problem. I have been informed that every available representation has been made for something to be done about this matter, but the Leader will appreciate the difficulties caused by the blocking of the canal. I assure him that every interest has been shown in the matter, and that I shall obtain the statistics for which he has asked.

ADELAIDE WATER SUPPLY.

Mr. BROOMHILL: I have been disturbed to notice recently that press and television reports have criticized the quality of Adelaide drinking water. Channel 9 telecast an interview with a doctor who suggested that the method of treating the Adelaide water supply would not kill the harmful bacteria in the water. Is the Minister of Works aware of these reports, and if he is, has he information for the public?

The Hon. C. D. HUTCHENS: I somewhat expected a question of this nature, because a television station that is not responsible to the State will embark on anything by way of advertising the State without considering the effect it may have.

Mr. Millhouse: That is a hard thing to say.

The Hon. C. D. HUTCHENS: It may be, but it is true, and the honourable member knows it. The station will embark on panic

types of propaganda in order to give the wrong impression, and I am inclined to say that it will employ a "quack" in order to gain publicity at any expense to the State.

Mr. Millhouse: Are you talking about Channel 9?

The Hon. C. D. HUTCHENS: Yes.

The SPEAKER: Order! There should be no debate during answers to questions.

The Hon. C. D. HUTCHENS: Anticipating the question, I called for a report from the Director and Engineer-in-Chief, who has given an assurance that there is no question of the safety of Adelaide's water supply and that his department is vitally aware of its responsibility in distributing a water which is perfectly safe for drinking and is suitable for domestic use. The very high standard achieved in our reticulation system is the result of a close watch and control of the catchment areas from which our water supplies are derived; the natural treatment achieved in our storages; and, most important, the continuous sterilization of our water supplies by modern automatic chlorinating stations.

The modern departmental water laboratories at Bolivar (the most up to date in Australia) continuously monitor the water supplies of South Australia to ensure that these standards are maintained. All drinking water supplies of any size in South Australia are examined regularly for bacteriological quality and for turbidity, colour, taste and odour. Microscopic examinations are also made regularly on all surface supplies. In the metropolitan area, samples for bacteriological examination are collected twice weekly, with repeats, if necessary, from a group of selected city and suburban taps. There can be no suggestion, therefore, that Adelaide's water supply is unsafe for consumption.

WIRRABARA FOREST SCHOOL.

Mr. HEASLIP: On May 3 last I wrote a letter to the Minister of Education concerning complaints I had received from the Wirrabara Forest School and pointing out that difficulty was being experienced in relation to having a septic tank toilet system installed. I was informed that the school applied for the system in 1963; approval was given early in 1964; and a bore was sunk and water obtained in 1965. Since then no further action has been taken. I received on May 4 an acknowledgment of my letter to the Minister. Further, on May 12 I received a copy of a letter from the Local Board of Health of the District Council of Port Germein in which it was

pointed out that the toilets at the school were offensive and not satisfactory, that the matter had been brought to the attention of the Public Buildings Department and that it had been recommended that a new modern toilet system be installed at the school in the interests of public health. The letter also stated:

However, no action seems to have been taken by that department and my board requests that this letter be forwarded to the authorities responsible for such matters . . .

Although the Wirrabara Forest School is only small, the health of its children, in my opinion, is just as important as that of any other children in South Australia. Therefore, as I still have not received an answer to my letter, can the Minister of Education say why I have had to wait almost two months for one?

The Hon. R. R. LOVEDAY: I shall be pleased to take up the matter and have it treated as urgent. I should like to point out to the honourable member, however, that by his own recitation of the events the school had to wait for some years under the previous Government for any action to be taken.

PORT PIRIE BERTH.

Mr. McKEE: Some time ago the Minister of Marine kindly informed me by letter that the Public Works Committee had completed its investigation into an oil tanker berth at Port Pirie and that the committee had recommended the project. As the Minister knows, work on the wharf of the Broken Hill Associated Smelters will soon be completed. At the completion of this work, will the Minister consider commencing work on the oil tanker berth so that the labour force engaged on work on the wharf (most members of which reside at Port Pirie) can be retained?

The Hon. C. D. HUTCHENS: I could give some details but, rather than say something that is not strictly correct, I shall call for a report on the matter and inform the honourable member of the outcome. I assure him that my department is anxious to continue work when the present work is completed so that full employment can be found for those now engaged in work on the wharf.

COUNCIL FRANCHISE.

Mr. QUIRKE: There are flutterings in the dovecotes of the provincial press of South Australia occasioned by the complete absence of any explanatory advertising of the cards that were sent out seeking enrolments to the Legislative Council. In the country, the press is suggesting that perhaps the Government

thought it inadvisable to advertise this matter in the provincial press. However, as there must be a reason why people in country areas have been denied the publicity afforded people in the metropolitan area, can the Premier say what it is?

The Hon. D. A. DUNSTAN: When the proposal for publishing explanatory advertisements relating to the Legislative Council enrolment campaign was first submitted, it was contended by the advertising agents involved that adequate coverage could be obtained through the daily press. However, the member for Gawler, the Minister of Lands, and other members approached me about the matter, as did members of the provincial press. After discussing the matter with members of the provincial press, I told the advertising agents that it seemed apparent that we would not get adequate coverage merely from advertisements in the daily press. A schedule of country newspapers was prepared, the aim being to see that we got coverage throughout the State. Not all country newspapers were involved because, where more than one country newspaper was circulating, only one of the newspapers concerned received the advertisement. However, some contracts for advertisements on this campaign have been let to the country press.

MOUNT GAMBIER SCHOOLS.

Mr. BURDON: During the last four years, I have made representations about the rebuilding of a high school at Mount Gambier. Recently representations have also been made for an additional primary school in the Mount Gambier district. As I understand that, following these representations, the Minister of Education has prepared some reports on the two schools, can he give the reports now?

The Hon. R. R. LOVEDAY: Working drawings are currently being prepared for the Mount Gambier High School and the McDonald Park Primary School. It is expected that these drawings, together with the necessary specifications and bills of quantities, will be completed in time for tenders to be called at the end of September next for the McDonald Park Primary School and in mid-October for the Mount Gambier High School.

SOUTH-EAST LAND.

Mr. RODDA: I understand that more than 200 applications have been received for surplus lands thrown open in the hundreds of Conmurra and Townsend in the South-East. However, notwithstanding the contents of advertisements about the availability of this land, the

applicants have now been told that they will have to pay a deposit of 30 per cent and that the department made an error at the outset. Confusion has arisen and the applicants are having serious difficulty in re-arranging their finances to enable their applications for this land to be considered. Can the Minister of Lands say why this situation has come about and why it was not known at the outset that the rule about payment of a deposit would apply, as it now seems that some of those who applied in good faith will be precluded from participating in the allocation of this satisfactory grazing land?

The Hon. J. D. CORCORAN: As the honourable member would be aware, we disposed of this land on behalf of the Commonwealth Government, which laid down the conditions. Because the procedure adopted was not the usual procedure used in the disposing of land, a genuine oversight occurred on the part of the Land Board. This mistake is regretted. There were 85 applications, involving about 265 tenders, and the board realized the error after tenders had closed. It was decided that the board would write to the applicants, pointing out that the error had been made, in order to give them an opportunity to re-assess their position regarding tendering. As the honourable member has said, embarrassment could occur as a result of this error. It is no good trying to hide the matter: a genuine mistake has been made and I can only say that it is regretted.

Mr. Quirke: On what basis will the land be sold?

The Hon. J. D. CORCORAN: It will be sold on a freehold basis and I hope that those who tendered originally will be able to so re-arrange their finances as to be able to tender again.

ROSEWORTHY SCHOOL.

Mrs. BYRNE: The Roseworthy Primary School Committee was notified on March 31, by correspondence from the Education Department, that funds had been provided for improving the grounds of the school by paving one area and placing a cover of quarry rubble on another area. Will the Minister of Education ascertain when this work will commence?

The Hon. R. R. LOVEDAY: Yes.

MURRIE ROYAL COMMISSION.

Mr. MILLHOUSE: I was staggered by the answer given by the Minister of Education yesterday to my question regarding the sittings of the Murrie Royal Commission. In the course of his reply the Minister said:

However, I think, from what I have learned, that it is unlikely he—

that is, Mr. Justice Walters— will be able to resume the inquiry before Christmas.

Christmas is more than six months away and I am staggered, not only because the Minister's statement shows, unfortunately, that His Honour's health is not as good as we all hoped it would be, but also because the inquiry is to be held up for a long period and probably cannot be completed within 12 months of the time when the incidents occurred. The terms of reference given to the Commission are very wide and go further than the actual incident: they involve matters of principle on which everyone in this State, and especially the teaching profession, is most anxious that there should be some pronouncement. It seems, therefore, very unfortunate that there should be such a long delay as would appear inevitable from the Minister's reply. Will the Premier say whether the Government has considered these aspects of the matter; whether it is possible for any action to be taken to have the inquiry, and therefore the findings that will be presented in due course, speeded up; and, if it is, whether any action is proposed?

The Hon. D. A. DUNSTAN: The Government has certainly considered this matter. Indeed, it is being considered currently, but I cannot say that any specific decision has been taken. As soon as one has been taken, I or my colleague will be able to announce it. Obviously, there are unsatisfactory features about replacing Mr. Justice Walters on this Commission, and only time will indicate the precise medical course ahead of him. The Government has told His Honour that it does not want him to think he should hurry back to get on with this job: the prime concern of us all is that he should get himself well as soon as possible. I think all members would agree with that. His illness has created some difficulties that the Government is considering, and I expect my colleague will be able to make an announcement in due course.

LIBRARIES.

Mr. LANGLEY: The new State Library, which was opened recently, is a great credit to, and shows the progress of, this State, and it will be very helpful to many people. Sections of this new library, one of which is the free lending section, are open on Sunday afternoons. Many free lending libraries are situated in the city and country, and I have been approached by constituents who wish these libraries to be open on Sundays. Will the

Minister of Education consider permitting free lending libraries to open on Sundays, the same as the State Library does, so that people who are unable to obtain books during the week may obtain them?

The Hon. R. R. LOVEDAY: I shall have the matter examined to see whether the honourable member's suggestion is practicable.

JUSTICES OF THE PEACE.

Mr. McANANEY: I have made several recommendations for persons in my district to be appointed justices of the peace and I have written several letters, one of which has been acknowledged. Can the Premier say when the recommendations will be considered and my quota brought up to date?

The Hon. D. A. DUNSTAN: I was under the impression that I had dealt with the honourable member's applications, but I will check this. If he will speak to me tomorrow afternoon and if there are any outstanding applications, I am sure that they can be dealt with immediately.

WARREN RESERVOIR.

The Hon. B. H. TEUSNER: Has the Minister of Works a reply to a question I asked yesterday about the storage of the Warren reservoir?

The Hon. C. D. HUTCHENS: I regret that yesterday I did not have figures but, as promised, I have them now. The capacity of the Warren reservoir is 1,401,000,000 gallons. The storage at this time last year was 254,700,000 gallons and the present storage is 388,100,000 gallons.

HACKNEY BRIDGE.

Mr. COUMBE: Will the Minister of Lands ask the Minister of Roads when the Hackney bridge is likely to be completed? Further, will he remind his colleague that I have persistently asked this question in this place over the last 12 months? I was told at one stage that faulty welding was causing the delay. At no time has the Minister indicated that funds are unavailable. Will the Minister of Lands ascertain whether funds are available?

The Hon. J. D. CORCORAN: Yes.

VERMIN.

Mr. NANKIVELL: Will the Minister of Lands give an assurance that the vermin legislation, which, I believe, is being redrafted (and it is hoped it will be submitted to the House this session), will be introduced this session, in view of the fact that many councils are anxious that certain proposed aspects of the

legislation (principally, the legality of councils' conducting vermin control campaigns to lay poison trails along a road) should be made law? The Act states no poison trail shall be laid within 100 yards of a road, although many landholders do this, but, in order to make sure that these campaigns (which have been effectively conducted in the past) are even more effectively conducted, this legislation is necessary.

The Hon. J. D. CORCORAN: I shall be happy to give that assurance provided I get an assurance from members opposite that they will not delay our legislative programme. One of the amendments to be brought before the House this session concerns the poisoning of roadsides and I know that councils are anxious to see that this provision is included in the Act. Also, there are other matters associated with the Bill that will be made known in due course. I take this opportunity of saying how pleased I am with the progress made by this section of my department. I believe the control of rabbits, which is administered by the Vermin Advisory Committee, is one of the best extension services we have in this State. Up to the present, unfortunately, not all councils have been convinced that it is necessary to adopt this scheme, therefore we recently held in the South-East a field day which I consider was most successful. I hope, as a result, that more councils will adopt the scheme, which would be of great benefit to landholders in their council areas. I shall be happy to do what I can to have the legislation amended this session, and I think I can say with confidence that this will be done.

SALISBURY SEWERAGE.

Mr. CLARK: Recently the Chairman of the Salisbury Downs Progress Association wrote to me concerning sewerage in that area. He said that he understood development of roads and drainage in that area was being held up awaiting the installation of sewerage. From a general health point of view sewerage is most desirable. I know the Minister of Works will be pleased to hear the following sentence from the Chairman's letter:

The difficulties facing the department are very much appreciated by this association and the residents of Salisbury Downs generally, but it is felt that if some start could be made on sewerage services within the area then development would proceed to the satisfaction of all concerned.

Will the Minister call for a report on the possibility of sewerage in this area?

The Hon. C. D. HUTCHENS: I am delighted to hear that some people appreciate

the difficulty of the department in supplying sewerage services to all places at the same time. Many places have requested such a service but, in this case, I shall call for a report and inform the honourable member when I have it.

MOUNT GAMBIER BUILDINGS.

Mr. BURDON: As I have made representations for several years concerning the new courthouse and public buildings at Mount Gambier, has the Minister of Works a report on these two matters?

The Hon. C. D. HUTCHENS: The Director of the Public Buildings Department has forwarded the following report:

Courthouse: sketch plans and an estimate of cost have been prepared for the erection of a new courthouse building in Bay Road, Mount Gambier. Discussions are being undertaken with respective heads of departments to establish priorities for works to be considered for the 1967-68 Loan works programme. It is intended to discuss the priorities for court projects with the court authorities soon. At this stage it is not possible to indicate with accuracy when the proposed new Mount Gambier courthouse may proceed, as the date of commencement will depend on the priority given to the work.

In view of the tentative Loan funds allocation already advised by the Treasury, it does not seem that sufficient funds could be made available for an early start to be made on the project during 1967-68. However, dependent upon the priority allotted, final design work could proceed with a view to considering the calling of tenders late in the 1967-68 financial year should funds become available at that time.

Government office block: investigations are being carried out into the accommodation requirements of the Government departments at Mount Gambier. In view of the heavy commitment of Loan funds for 1967-68 under the provision for "Other Government Buildings" on large works already in progress, and in view of the urgent priority of other projects in this category, it is unlikely that funds will be available during 1967-68 for this project to proceed.

CERAMICS INDUSTRY.

Mr. McKEE: Has the Premier a report on the negotiations about the proposed ceramics industry at Port Pirie?

The Hon. D. A. DUNSTAN: The honourable member told me this morning that he would ask a question concerning this plant. I have ascertained that an application has been received from Australian Ceramics Industries Limited to purchase the old uranium chemical treatment plant at Port Pirie on extended terms, and also to obtain a guarantee from the

Treasurer to enable the company to raise funds to manufacture ceramic tiles at Port Pirie. The company intends to use, in the main, raw materials from clay deposits near Port Pirie.

The application has been referred to the Industries Development Committee for inquiry and report. The committee has met twice and has taken evidence from witnesses from the company, the Mines Department, the Australian Mineral Development Laboratories, and the company's bankers. The committee has arranged to visit Amdel laboratories tomorrow to inspect some pilot work that has been done in connection with the manufacture of tiles from the raw materials concerned. In summary, the Industries Development Committee is currently dealing with the application, and is expected to submit a report to me soon.

LEAVE OF ABSENCE: Mr. HUDSON.

Mr. BROOMHILL moved:

That two months' leave of absence be granted to the honourable member for Glenelg (Mr. H. R. Hudson) on account of absence overseas.

Motion carried.

ADDRESS IN REPLY.

The Hon. D. A. DUNSTAN (Premier and Treasurer) brought up the following report of the committee appointed to prepare the draft Address in Reply to the Speech of His Excellency the Governor's Deputy:

1. We, the members of the House of Assembly, express our thanks for the Speech with which Your Excellency was pleased to open Parliament.

2. We assure Your Excellency that we will give our best attention to all matters placed before us.

3. We earnestly join in Your Excellency's prayer for the Divine blessing on the proceedings of the session.

FLOODWATERS DRAINAGE SCHEME.

The SPEAKER laid on the table report No. 2 of the Parliamentary Standing Committee on Public Works, together with minutes of evidence, on the Fulham Gardens and Henley Beach Floodwaters Drainage Scheme.

Ordered that report be printed.

SESSIONAL COMMITTEES.

The Legislative Council notified its appointment of Sessional Committees.

SUPPLEMENTARY ESTIMATES.

In Committee of Supply.

(Continued from June 20. Page 28.)

Grand total, \$1,360,000.

Mr. HALL (Leader of the Opposition): The Treasurer said yesterday that the Government's achievement was indeed a remarkable one. However, the document now before us is nothing but a remarkable achievement as a concoction of distortions. The Treasurer came into the debate yesterday like a tornado and finished up like nothing more than a twister. I think he knows that he cannot get members of the Committee to believe much of what he said. He may, of course, have more confidence with the public, because the public is paying for publicity officers to distribute certain statements in the right place at the right time. If the Treasurer thinks he does have any confidence with us, I can assure him his belief is ill founded, because beneath his avalanche of words and abuse we find much inaccuracy and, as I say, much distortion.

Obviously, if the Treasurer is to run the affairs of South Australia in the manner in which he set out in his first few days of office, he must attempt to destroy the standards that apply to good government in this country. Indeed, he has deliberately set out to destroy the standards and efficiency achieved by the previous Treasurer (Sir Thomas Playford) as well as his integrity. So many of the Treasurer's recently reported utterances have been in criticism of the achievements, the standards and the integrity of Sir Thomas Playford. The Treasurer has said things that are simply not correct; he has inaccurately referred to particular financial measures. The Treasurer said the Government was seriously over-committed when it came into office and that Sir Thomas Playford had "run down the cash balances of the State by spending capital funds moneys and funds carried over from earlier years to pay for current State services". That, of course, is utter nonsense, and the Premier knows it.

It might be good enough for his publicity officer to offer the people of South Australia but it certainly is not good enough for this Committee. It ill behoves the Premier and Treasurer, who has been in office for only a few days, to cast slurs on a man who has withstood the test of time, namely, 27 years in office. I have here a statement of the past Liberal Treasurer's activities over 27 years in office which the newcomer to the office casts so easily aside and tries to denigrate. What

more futile effort could we witness than this newcomer abusing such a record. The document shows that from 1940 to 1964, under the Sir Thomas Playford Administration, there were 11 surpluses, 12 deficits, and two balanced budgets.

Mr. Jennings: And one long gerrymander!

Mr. HALL: The total surpluses during that time amounted to \$14,606,000; the total deficits were \$13,086,000; and the balance was \$1,520,000. Those figures, taken over 27 years, do not include the figures for the end of the last year in which Sir Thomas Playford was Treasurer. We know, from the figures that this Government has put before us, that the last year of Sir Thomas Playford's Government ended in a credit balance in both the Loan and Budget Accounts. We know also that the abuse has been falsely heaped on Sir Thomas Playford. He did not run down the cash balances of the State; indeed, he left those balances in a most healthy position.

What was the state of the trust funds when the present Government came into office? Were they run down? That is a fair question for the Treasurer to answer. Was there a deficit in the Loan and Budget Accounts at the conclusion of Sir Thomas Playford's term of office? In each case the present Treasurer must answer "No", because he can place no other construction on the figures before him. Why does the Treasurer say on television and through the press something that is patently false? The only reason for that is that he attempts to pull down at any cost the reputation of a person with whom, in the eyes of the South Australian public, he could never compete. What does the Treasurer do instead of trying to compete? He tries to destroy what Sir Thomas Playford achieved. However, he will need much more common sense and luck than is evident at present if he wishes to succeed. When the present Government came into office the trust funds at June 30, 1965, stood at \$28,000,000. After one year in office, the Government itself said the trust funds had dropped from \$27,300,000 to \$18,000,000 (that is, the trust funds held in deposits at the Commonwealth Bank). That is the true story and not the one put up by the Treasurer.

We have been told that we can afford to spend \$9,000,000 of our trust funds, because Victoria has spent \$20,000,000. That was a rather interesting comparison; we are apparently to ignore the relevant positions of the two States in regard to population and business affairs, etc. On a population basis, the

comparison between the two States would represent 27 to 20. On the Victorian comparison used by the Treasurer he would fail, because the comparison is not a good one for South Australia. In fact, we have spent more in proportion than Victoria has spent.

The Hon. D. A. Dunstan: Do you want us to put on the same charges as Victoria did?

Mr. HALL: I intend that this State's affairs should be handled in the proper manner and that the situation should not be distorted.

Members interjecting:

Mr. HALL: Members may laugh at the patently false statements made by the Premier and Treasurer on television and in this Chamber, but where will it get them?

Mr. Burdon: It won't get you very far.

Mr. HALL: It is indeed a poor start in leadership and new management if those tactics are to be adopted in the first day of sitting. Reference was also made to money in connection with Radium Hill. Apparently, the Treasurer is ignorant of how the Radium Hill project was implemented and how the sums used were repaid.

Mr. Burdon: We are really going to be enlightened.

Mr. HALL: I am sure that, on studying these figures, the Treasurer will realize that his statements are wide of the mark. Of the moneys expended to set up the project, \$13,725,000 came from the Loan Fund and \$1,535,000 from Consolidated Revenue. These sums were repaid from the sales of uranium to the United States of America Atomic Energy Commission. The Auditor-General's 1962 report showed that at that time sufficient funds were available to meet the balance of the Loan expenditure not repaid and \$496,000 of the sum spent from Consolidated Revenue on preliminary investigation work. That left \$1,038,000 in balance of expenditure from Consolidated Revenue. As the project was wound up, this money was put back into Consolidated Revenue. In the year to which the Treasurer referred (the year before the Government came into office), \$1,368,000 was paid into Consolidated Revenue Account. This was quite legitimate and it was a proper business payment; it was paying back to Consolidated Revenue the funds that had been taken out in previous years to establish the Radium Hill project, which the Treasurer is pleased to talk about today in relation to the use of the Port Pirie treatment works by a private industry manufacturing ceramic tiles.

That is the story behind Radium Hill. The expenditure was quite small in relation to the

annual increases in the State Budget Account, which was increased in 1965-66 by \$14,600,000 and in 1966-67 by \$18,886,000. The sum of \$1,368,000 was a small proportion of the annual increase in the State's Budget and in no way could it be held that this created a rate of expenditure that loaded this Government, in some mysterious manner, with payments it could not maintain. The fact is that the Government had every facility available to it to find out its commitments before the last State elections were held. It made its promises in the face of what it knew. When it came to office, it found that its promises were expensive to keep, and it has now turned on the previous Government, claiming that it did not know the position at that time. The claim that Sir Thomas Playford ran down the State's cash balance is simply untrue: the State's finances stood in credit, after 27 years of management, when this Government came to office.

The latest announcement of the Treasurer is to the effect that \$7,000,000 has been taken from the Loan Account and applied to previous expenditures that were met from revenue. The result of this policy can be seen in an answer given to the member for Mount Gambier this afternoon. He was told that there were insufficient funds in the Loan Account to provide the town he represents with a courthouse. This position has arisen because the Treasurer has used the capital funds of the State to pay the running expenses. Works such as the Tailem Bend to Keith main, the development of the Greater Port Adelaide Plan, a magnificent conception of development for the metropolitan area of Adelaide, and various projects in members' districts await Government Loan funds; yet we find that those funds are being used to meet expenditures previously met from the State's Budget.

The Hon. D. A. Dunstan: Yes, but they are not running expenses.

Mr. HALL: They were met previously from the State's Budget; these are extra sums on Loan Account that did not exist before. This means that the public works programme in the State has been reduced by \$7,000,000 in one year. The obvious consequence is that the State will suffer a setback in its development and will not have the facilities it should have, and would have, had the previous financial arrangement been continued. At the same time, the Treasurer is conducting a programme as though he has plenty of money. Today's press states that extra annual leave is to be granted. Goodness knows what the cost of that will be,

but apparently it does not matter as long as the Government can run to its capital fund. The Government is relieving its Budget Account by taking a little more capital. The Government's attitude is that we will have all Christmases and the New Year can go hang.

The Hon. D. A. Dunstan: Do I take it from that that you are opposing the granting of leave to public servants?

Mr. HALL: What we require from the Treasurer is an honest explanation of the State's programme; we do not want a denigration of a man who stands high in the esteem of South Australians. The Treasurer admitted that the charging of all capital grants to Revenue Account would increase deficits. What he has done is in the face of receiving a somewhat favourable grant from the Commonwealth this year, in addition to the normal taxation reimbursement figure. In fact, South Australia received a favourable reimbursement figure when compared with the Eastern States. South Australia received \$81.3 a head of population in 1965-66, compared with New South Wales, \$60.2, Victoria, \$59.2, and Queensland, \$70.1. In 1965-66, South Australia received 13.71 per cent of the Loan moneys available, compared with New South Wales, 31.8 per cent, Victoria, 25 per cent, and Queensland, 12 per cent. With the State's favourable allocation of tax reimbursement and Loan funds and with an added grant in this financial year, the Treasurer has seen fit to rob the State's Loan Account of \$7,000,000, and yet he has the gall to say that the balancing of the Budget is a remarkable achievement.

Mr. Coumbe: It is a manipulation.

Mr. HALL: I consider it to be a remarkable example of manipulation. His Excellency's Speech stated that this had been done by carrying over into next year two or three large payments that would have been expected to be met this financial year from Loan Account. The Budget is being balanced by not paying this year's debts. The Treasurer has not said how much is involved, although I understand the two sums are substantial. I should like to know how much we are not paying this year so that the Government can talk to the public about balancing its Budget. The sum involved would be helpful in this debate: it would be most revealing. We should know what sum is being put over into the year of an election that has not been paid this year. To prate to the people about a balanced Budget simply because we have taken from the Loan Fund amounts that we owed is to show a type of management that has not been adopted in this State

for many years. I thoroughly agree with the Treasurer's statement that we are entering an era of the kind that South Australia has never known! I think all on this side hope that it will never occur again.

Mr. Nankivell: Did he say "era" or "eerie"?

Mr. HALL: That would be a good word to apply to this mismanagement. If the other Treasurers at the Loan Council find that South Australia is able to do without this money for its Government works programme for this year, I think our Loan allocation will be curtailed. If the usual formula is applied, the Treasurer will find that he has debased South Australia's opportunity of receiving the same proportion of available Loan funds as it previously received. The other States will point to the Treasurer's approval of the taking from Loan funds of \$7,000,000.

We read in the speech that the Treasurer is to ask the Commonwealth to make more funds available to South Australia and at the same time to reduce Commonwealth taxation. Is he serious when he says that at the Premiers' Conference he will say to the Commonwealth, "Reduce your taxation but give us more tax. My loan programme shows that I do not need all the Loan funds. I can use them for revenue"? That is utter rubbish. If it is supposed to be Socialism, it is a poor apology for it. If the Treasurer continues to take matters in isolation, South Australia will become isolated as a result of these queer financial ideas. He is adopting a naive or hypocritical attitude by going to the Commonwealth with such a story. This is a demonstration of the lack of leadership and managerial ability in South Australia that will take a long time to get over. I agree with his statement that we are entering an era of a kind that South Australia has never before known!

The Hon. Sir THOMAS PLAYFORD (Gumeracha): I should not have spoken at this stage had it not been for some of the statements that the Treasurer has been pleased to make here and on television recently. My concern about the Budget is not a personal one. I have no feeling at all about whether the Treasurer criticizes my Administration, as I said yesterday. I gave to the State an honourable Administration that benefited the State and the people. I leave it to the people to make their own assessment, which I am happy to receive without comment.

The first thing we have to do to straighten out the financial position of this State is to find out what is the present problem. The Treasurer has said, in effect, that over the years my Government ran down the Loan and Revenue resources of the State and that we committed the State to expenditures of Loan funds of, I think, \$9,000,000 and \$11,000,000, and consequently embarrassed the State financially. He said we had conducted the Revenue Budget recklessly and, consequently, that we had run down the resources of the State.

His second line of defence of his Government was that the wicked Commonwealth Government had not given him as much money as he desired to carry out programmes that he would like to carry out. At any time a Government has Loan commitments that will carry over into the next year or, in some cases, for three or four years. It is inevitable that contracts are let in one year for works such as water mains, public hospitals, a gas pipeline or a harbour and that substantial payments are made in succeeding years. Every Government, in accordance with financial practice, has entered into contracts that cannot be completed in the year in which the work is commenced, as the former Treasurer knows. When the Minister of Education authorizes the building of a school, first payment of \$20,000 or \$50,000 may be made in the year in which the authorization is given, but subsequent payments are made as the work proceeds. Apparently, the Treasurer did not know that, because he suddenly discovered that there was a carry-over of Loan commitments from year to year.

Unfortunately, there seems to have been some muddled thinking in connection with the preparation of the document that the Treasurer has placed before members. It almost seems that one set of people wrote the first part and that another set wrote the second part. In the first part, we hear about over-commitment of Loan funds seriously embarrassing the Government but in the second part we are told that the Government has so much Loan funds available to it that it is able to transfer Loan funds for Budget purposes. I suggest as kindly advice to the Treasurer that in future he enable Treasury officers to prepare financial statements instead of his trying to inject into them politics that do not rightly fit into them. He cannot have it both ways. If he is embarrassed because of commitments how can he make available about \$7,000,000 (I do not

think he has made up his mind on the exact figure, but it is a large sum)?

Everyone knows that under the Public Finance Act every Budget is dealt with on a yearly basis. No carry-over is permitted. All the moneys received in one year must be dealt with, and every commitment must be provided for, in that year. The Treasurer's statement about the State's finances being run down is completely untrue, as he knew when he made it.

Mr. Millhouse: He knows now, at any rate.

The Hon. Sir THOMAS PLAYFORD: He knew when he made the statement. That is not the way in which the financial statements of this State should be dealt with. The former Treasurer's Financial Statement for the year 1965-66 was for a Budget introduced soon after his Government took office. An election had intervened in the previous financial year so that the year was completed with a different Treasurer in charge of the Budget. As a result of this, the Budget was a Liberal Budget for seven months and a Labor Budget for five months. The official document for 1965-66 shows the following:

The year 1964-65 has again been one of record receipts and payments. There was a deficit on Consolidated Revenue of £1,311,000 in lieu of an estimated deficit of £2,492,000. That deficit, when deducted from the surplus available at June 30, 1964, reduced the accumulated surplus to £611,000 at June 30, 1965.

There was a surplus in the Budget on June 30, so the Treasury position was not run down. The document continued:

Receipts on Consolidated Revenue were £111,091,000 as against estimates of £110,076,000, and payments, £112,402,000, as against estimates of £112,568,000. Loan payments of £36,820,000 were £280,000 above the estimates. Repayments were estimated at £5,350,000 but exceeded that figure by £193,000. The overall financial position at June 30 was a surplus in the Consolidated Revenue Account of £611,000 and a shortage in the Loan Account of £30,000.

These figures were given not by me but by the Hon. Frank Walsh, who was then Treasurer, so it is completely untrue to say that the cash balances of the State were run down. There was upon deposit (let the Treasurer deny this) with the Commonwealth Reserve Bank the sum of \$38,000,000 when the Labor Government took office. I have a statement to this effect signed by the Under Treasurer before I left the office. This sum was interest-bearing and was adjusted so that amounts became due on a monthly basis and could be renewed or taken up as desired.

Whence did the money to finance the deficits come? It came from that very money, as the Treasurer well knows. The finances of this State were not run down. For nearly 27 years they were carried on in a manner that received the commendation of the Commonwealth Grants Commission, which stated publicly from time to time that the financial control in this State was the best in the Commonwealth. That body is not a local body appointed by the State Government: it is a Commonwealth Commission. Indeed, at one stage it was appointed by a Commonwealth Labor Government. The statements made by the Treasurer were untrue, as he knew when he made them.

The last official document of the Labor Party as an Opposition was the policy speech made by Mr. Walsh. On almost every page of that document was a criticism not that we were over-spending but that we were under-spending—that the amount spent on hospital beds was less than that in other States, that other expenditures were less and that Labor would increase all these expenditures if elected. Also, that statement was made in the knowledge of the policy speech that I had made on behalf of my Party. The then Treasurer started by saying that all the things I had promised were electoral bait and that the Labor Party would do those things anyhow and would do all the other things in addition. Those words are good words, and I think that probably the present Premier and Treasurer helped to write them, for the literary style sounds very much like his own; in fact, I could almost see him "fixing it up". The then Treasurer said:

I want to make it quite clear that the promises that were made by Sir Thomas Playford last night as election bait are mostly administrative decisions and will be honoured by the Labor Party.

Later on he goes on to the question of where his Party is going to get the money, and he says that the money will come—

The Hon. B. H. Teusner: Out of the Trust accounts.

The Hon. Sir THOMAS PLAYFORD: No, he did not say that at that stage: that came subsequently. At that stage the ideas of, I think, the member for Glenelg (Mr. Hudson) came prominently into the matter. The member for Glenelg had a theory that the revenues of the State would increase automatically by 10 per cent.

Mr. Coumbe: A growth rate.

The Hon. Sir THOMAS PLAYFORD: Yes.

Therefore, the suggestion was that there would be no fuss about it. A couple of other minor matters, one being the amalgamation of two banks, were mentioned.

Mr. Millhouse: We hear little about that now.

The Hon. Sir THOMAS PLAYFORD: Another idea was that the local authorities would have to bank with it. Apart from those remarks, there was not one criticism that the previous Government was over-spending: the criticism was that it was under-spending in every line. We were given comparative figures of what was being done in Victoria. I notice that we get Victoria lately, too, so evidently Victoria is also raiding the Trust funds! We get comparisons there with the other States. There was no suggestion at all then that we were doing anything but spending too little. Suddenly we find that the position has changed and that the wicked Liberal Government did not leave in the Treasury sufficient funds to finance for three years the extravagance of the present Treasurer.

Mr. Casey: That is your interpretation.

The Hon. Sir THOMAS PLAYFORD: I have never heard of there being an obligation on one Government to store money in the way ants store up sugar for the winter for the next Government to come along and eat it. The Treasurer will have an election policy speech to make soon, and he will carefully assess how much he can afford and he will put on the table everything that he has to make it up.

Mr. Coumbe: And a bit more.

The Hon. Sir THOMAS PLAYFORD: I doubt whether he will be able to make it up. However, that is another matter. At the time of the last policy speech I set out having a fairly wide knowledge of what money could be made available for a full programme over three years, but of course on top of that the Labor Party suggested a new programme besides ours. All of our programme was accepted *carte blanche*, but on top of that we get a couple of hospitals and a few other items which we have not seen but which are on the drawing board, we hope. We will hear more about them, I should think, next March, with a bit of luck.

Mr. Coumbe: Again.

The Hon. Sir THOMAS PLAYFORD: Yes. That is the position that the Treasurer has to accept. I say frankly that the new Liberal Government that will come in as a result of an election will be embarrassed with many of the commitments that he is making today.

I am certain that one of the problems of another Government will be to digest (I suppose that would be the word) many of the things that are being entered into today, because frankly, whether we like it or not, we live in an Australian economy. I intend to say a few words about that in the context of some of the other transactions that have been set out in this financial statement the Treasurer has given us. It is impossible for us to have a standard other than the Australian standard, for if our standard is higher than that we will run into trouble. The other States are not going to tax themselves to provide amenities in South Australia which they do not have themselves, and I do not think that logically we can blame them. I see that the Treasurer is leaving the Chamber, and perhaps that is the best thing he can do.

Mr. Millhouse: He will listen in the tranquillity of his room, no doubt.

The Hon. Sir THOMAS PLAYFORD: The Australian economy will guard and will fix the level of our expenditure. I say to the Minister of Education that in my opinion he will be able to fairly and squarely provide the same amounts for education on a population basis or perhaps a little better than is provided in the other States, but the moment he tries to spend above that he will find that the revenues provided by the Commonwealth in the way of tax reimbursement will not cover the additional expenditure, and if they do not do so we will have to get it by additional taxation of our own.

The Hon. D. N. Brookman: They are not greatly interested, are they?

The Hon. Sir THOMAS PLAYFORD: I think one or two members opposite are listening, so probably my remarks are worth while.

Mr. Shannon: You have taken the wind right out of most of them.

The Hon. Sir THOMAS PLAYFORD: I wish to say a few words about the transfer of \$2,500,000 from the Loan Account to the Revenue Account. Let me be quite fair in this matter. From the point of view of the immediate financial position of this State, if I were the Under Treasurer and confronted with the penalty of having either a Revenue deficit or a Loan deficit I would undoubtedly recommend to the Treasurer that it would be preferable to have a Loan deficit. I believe it would be proper for the Treasurer to regularize the transfer from Loan Account to Revenue Account by a supplementary Budget, because of the implications that exist. In my research into this type of transaction the

only transfer I could find was a sum of \$154,000 that was transferred in 1948 to the School of Mines and to the university, but that sum is within the Government's appropriation amount by Governor's warrant. I am not sure whether it was provided for by legislation. However, a sum of \$2,500,000 is not within the Governor's warrant.

I suggest to the Treasurer that it would be wise for the matter to be dealt with by legislation rather than by administrative act. I presume that the Under Treasurer is relying (in his recommendation to the Government) on words contained in the Appropriation Act early this year, but the Treasurer clearly stated that they applied to payments that were then contemplated, and could not apply to these payments that are contemplated now.

It is important to this Parliament that moneys spent by the Government (whether Liberal or Labor) should be spent in accordance with the will of Parliament. Loan moneys that should have been used for a certain purpose are now being diverted to be used for another purpose. I presume from what the Treasurer said that it is intended to transfer the moneys by an administrative act.

Moneys available to the Treasurer each month are made available under a Governor's warrant. The Treasurer can disburse money only in accordance with the Governor's warrant which must be signed for each month of the year. I have no doubt that some moneys have been disbursed by the Governor's warrant as revenue expenditure, and I know of no way in which a Governor's warrant can be retracted or altered. I make this statement with a general knowledge of the conduct of the Treasury but, for this year, 12 Governor's warrants have been signed to make the monthly disbursements to the various departments. I would be amazed if some expenditures of amounts that are intended to be transferred from Loan Account to Revenue Account have not already been approved under a disbursement warrant of the Governor. If that is the case, it would be wise to tidy the matter up in the interests of good financial control by Parliament.

I remember when the Premier and Treasurer of another State, not far from South Australia, would decide in June, at the end of the financial year, whether he would have a surplus or a deficit. If he decided that, politically, it was good to have a surplus, he would put more of his revenue items into the Loan Account, and proclaim that he was a good Treasurer with a surplus. On the other hand, if he decided it was good policy to have a deficit, he would

transfer much of his revenue expenditure into the Loan Account. Once, I met his Under Treasurer in August and asked him how he had gone with last year's Budget. He said: "To tell the truth, Tom, I don't know, because the Treasurer has not decided which way it is to go." It is not a good thing when the Treasury has to pencil in figures awaiting the final decision of the Treasurer how they will be juggled.

It would be proper, advisable, and in the best interests of financial control of this Parliament if this matter were tidied up. When the Budget was introduced these items were to be paid for out of the Budget. The Treasurer does not deny that but, in his statement, he said that it was intended to transfer the amounts. I do not know of any authority (except a slim one) allowing the transfer of such a large sum. If it were under \$200,000 the Governor's warrant would possibly cover it. I do not know of any authority that will cover it at present. More than that, it would be much more satisfactory from the Loan Council's point of view to have this matter tidied up. Everyone knows that the amount of money provided to the State by the Loan Council depends ultimately upon a formula worked out on the net Loan expenditure of the State for the previous five years. That does not include deficit budgeting. On a previous occasion we in South Australia benefited because one State was going heavily into deficit, as a consequence of which we pushed up our quota of Loan funds. It would be a good thing to have this properly ratified by Parliament. Even then, it could be challenged, because after all it appears to me to be genuinely a revenue deficit patched up by using some funds made available from another source.

Having said that, if I were Under Treasurer I would recommend that this matter be brought to Parliament and not be dealt with administratively, which is not proper. Financially, there is some advantage in doing it like that rather than in another way, but it should be tidied up properly. This matter requires much more attention. Another aspect that cannot be escaped is that it would be a good thing for the Government to try to live within the revenues available to it. With the last two Budgets the State's expenditure has increased by about 8 per cent or 9 per cent each year, but of course the gross national product of the State has increased by about 4 per cent, so the Government is making a heavier demand upon the taxpayer

than was made two years ago, because the rate of Government expenditure is increasing much more steeply than the production of the State permits.

I look at His Excellency's Speech with much concern because I see there no evidence of any realism in the Treasurer's thinking on financial matters. He has not yet grasped the fact that we have to live within our income or incur steep penalties for not doing so. The transfer of \$7,000,000 from Loan Account to Revenue Account undermines any argument the Treasurer will have next week when asking for more Loan funds. How can he go to the Commonwealth and say, "You are giving us insufficient Loan funds" when the Commonwealth can turn around and easily say to him, "Well, as far as the Loan Account is concerned, you never spent the money on loan that we gave you; \$7,000,000 of it was not spent"? I overlook the rather significant statement in His Excellency's Speech and the Treasurer's statement that two large amounts are being held over until next year. I do not know what is involved there. I hope we are not reduced to the position where the Government is telling contractors not to forward their accounts because they cannot be met. I hope that is not the position.

The Hon. D. A. Dunstan: That is not the position.

Mr. Millhouse: You can give us an assurance on that?

The Hon. D. A. Dunstan: I can give you an absolute assurance.

The Hon. Sir THOMAS PLAYFORD: I hope the two amounts and the reason why they are not being paid in the proper year will be disclosed. Next week the Treasurer will be faced with the position that he will not have spent his Loan money on Loan Works; he will have spent it on works which in this State have been carried as Budget items. In other words, he has used his Loan funds to support the Budget—certainly by not declaring a deficit. Probably under the Financial Agreement it would be necessary to declare a deficit but I shall not discuss that now as it is an argument that could last a long time. Undoubtedly, however, it undermines the claim that South Australia would want to make next week, that we are not at present receiving sufficient Loan funds for the projects necessary for the development of this State. We cannot claim that when we are using the money for other purposes. Moneys that are or should be used for development purposes have been used for social budgeting purposes.

Mr. Shannon: Paying the salaries of the Public Service.

The Hon. Sir THOMAS PLAYFORD: I repeat that the statement made by the Treasurer about the reasons for the financial difficulties of the State cannot be sustained. It is not in accordance with fact. Under the laws of this State, the State's finances must be dealt with by Budget from year to year. I remember the time, as the member for Onkaparinga will remember it, when the Treasurer brought in his Budget at the beginning of the year and introduced his taxation proposals to cover it in the same year.

Mr. Shannon: That is correct.

The Hon. Sir THOMAS PLAYFORD: The Budget is for one year, and one year only. The trouble is that the Treasurer does not realize that the Commonwealth will give South Australia a fair share of the distribution of revenues but will not give South Australia revenues to put South Australia in a better social position than the other States. The Treasurer would not want that for South Australia. He would object strenuously if the Commonwealth started to tax South Australia to give special benefits to Victoria. It must be realized that the State Government should administer the State's finances in a normal, proper, businesslike manner and should not incur expenditures that it has not the funds to meet. When the Treasurer observes that rule, he will then find that many of the difficulties that he is at present ascribing to others are not difficulties that others have imposed upon him but are difficulties that he has imposed upon himself.

As regards the claim that the Commonwealth is treating this State shabbily, it is true that the Commonwealth has never had the defence establishments in this State that there are in some of the other States. Indeed, present defence strategy would not permit that. However, we have received compensations, and we are still receiving them. We receive a higher *per capita* grant than the Eastern States receive. At present, when talking about the building being undertaken in South Australia, we completely forget what the Commonwealth Government is doing in regard to rail standardization; we completely forget what it has promised to do about the pipeline; and we also forget what it has undertaken to do in relation to the Chowilla dam. We merely single out one little item on which we base a general argument that cannot be sustained. Personally, I have had plenty of arguments with the

Commonwealth, and if I were staying in this Parliament I would probably have more in the future, but that does not alter the fact that the distribution of moneys takes place publicly with all the Premiers present. It is rather significant that after the present Treasurer's predecessor returned from his first meeting of the Loan Council and the Premiers' Conference he publicly stated that he had been fairly treated.

Mr. Millhouse: And was satisfied!

The Hon. Sir THOMAS PLAYFORD: Yes. I shall reserve some critical comment on individual items when we reach the lines themselves.

The Hon. G. G. PEARSON (Flinders): The contribution made by the member for Gumeracha to this debate is always listened to with much interest and it is one from which we can substantially profit. It could well be written into a text book of public administration because, quite apart from the criticisms the honourable member has deemed necessary to offer to the present Treasurer, his remarks contain much information on matters of real importance in regard to public finance which ought to be understood by every member of the Committee. Indeed, a great section of the public would profit if people cared to study his remarks. The speech comes from an authoritative source because, as everybody appreciates, Sir Thomas has had the longest experience of any person as Treasurer of the State. Yet his statement today is in sharp contrast to the one made yesterday to the mid-day press prior to being made to this Committee in regard to the position in which the State's finances are alleged to stand.

The statement made yesterday by the Treasurer was intended to be (and was, indeed) a major financial statement. It was not expected at this time; it was the kind of statement that might have been made at Budget time. But the Treasurer deliberately chose on the first day that he faced Parliament as Treasurer to make what he intended to be a major statement designed for considerable public impact. I have no doubt that it achieved just that. I noted particularly the headlines, hoardings and the early edition of yesterday's afternoon press. They were headlines intended to strike the public eye. The Treasurer knows full well (indeed, he is a master at this sort of propaganda) that headlines make the first (and, therefore, probably the most lasting) impact, and that the majority of people do not read the rest of the article.

The release to the press yesterday, heading the statement by the Treasurer that he had balanced his Budget, is probably the greatest example of propaganda that the Treasurer has ever yet attempted. It exceeded all his previous efforts (and there has been a long succession of them), and for sheer audacity it rivals some of the expert types of propaganda of war-time days. In fact, the headline is not true; the Treasurer knows it is not true, because he has admitted as much in subsequent statements. However, he is a master at the attractive and sensational headlines, even if he is telling the truth a little lower down in small print, which is what he did on this occasion. The Treasurer's headline statements remind me somewhat of the mini-skirts: they are designed to attract attention without revealing much of the subject. The Treasurer has not balanced his Budget; indeed, he has not balanced it by \$7,000,000. On a normal accounting basis, and excluding the fortuitous and abnormal items and items he has deliberately transferred (about which much has been said), he is \$7,000,000 short of balancing his Budget.

Yesterday the Treasurer said that Sir Thomas Playford "had made no forward planning on capital works in South Australia in the light of the likely amount which could be provided from Loan moneys in the future". That, I think, Sir Thomas has answered more effectively than I can answer today. For the last seven years of the Playford Government's term of office I was the biggest spender of any of his Ministers, in respect of Loan moneys in particular. The departments I had the honour to administer were the departments chiefly concerned with Loan expenditure. The present Minister of Works knows as well as I that he is responsible for expenditure of probably \$80,000,000 each year of the State's money. He knows, too, that the activities of his departments depend almost entirely on the availability of moneys from the Loan programme. He knows that it is the usual practice (at least it was in my day) at regular intervals for the Minister to call in the head of a department and discuss at length and in detail the trend of expenditure in the department. He knows that in framing the programme for years ahead he must consult with the heads of his departments, in order to take into account not only the works currently in progress but works that extend into the next financial year and in many cases the year after that. Before the Minister can agree to commit himself to Cabinet in respect of undertakings on new works he must satisfy himself that he can finance them.

The Hon. C. D. Hutchens: We have a plan extending to five years.

The Hon. G. G. PEARSON: The word "plan" is, of course, something that the public understands, but I think people have become a little fed up with it because they have heard of a five-year plan in so many respects. Nevertheless, the point I make is correct that the Minister does consult with heads of departments to discuss the present and the future. This is exactly what I did, and I believe it would have been done by the Minister who succeeded me. However, he still has to live within the total allocation that Cabinet will give him, and this is where I sympathize with him, because I know the problems he is up against: they are highlighted in this document. I make this point, not to bring out this aspect of it, but to indicate that the Treasurer in making this statement knows that it was not correct, because he knows that each of the departments concerned would have made provision for expenditures for the years in which they were incurred in respect to the whole programme of works.

When I left office (I want to say this with the force of whatever reputation I built up) the works programme in the Engineering and Water Supply Department and the Harbors Board Department was entirely covered by expectations of allocations from Loan funds which were not abnormal but perfectly normal. Referring to Sir Thomas Playford, the Treasurer said:

In 1964-65, for instance, on Government buildings other than schools he had committed the Government to spend at least \$5,000,000 on major contracts. The contracts were let by his Government.

Let us look at the Auditor-General's Report on the Public Buildings Department for that year: I find that, for the year ended June, 1965, the department actually spent \$10,200,000 on buildings other than schools. Where does he get this figure of \$5,000,000 and, if it is correct, how did it embarrass him, because he actually spent more than twice that? Taking the next year, he said:

Those same contracts required over \$8,000,000 in Loan moneys in 1965-66.

Let us look at what was spent in 1965-66 under these headings: instead of it being \$3,000,000, the Hon. Frank Walsh actually spent \$11,300,000 on buildings other than schools. He actually spent \$3,000,000 more than the figure that the Treasurer is complaining about! If he had \$11,000,000

available in 1965-66 and he is called upon to provide \$11,000,000 in this financial year, what is he growling about? The Treasurer, referring to Sir Thomas Playford, went on to say:

He well knew that there would be no expansion in Loan funds sufficient to cope with the expenditure for which he had let contracts before we took office.

There is no foundation for that statement because the fact is that we did in previous years spend an equivalent amount. If the same pattern is followed, it must therefore have been available in 1966-67. So it is nonsense for the Treasurer to say that he is embarrassed by decisions of the outgoing Government. That is not true: I think I have demonstrated this.

Having had a burst at Sir Thomas Playford, which, apart from its impact on television audiences, missed its mark as far as Sir Thomas Playford was concerned, the Treasurer went on to lay blame at the feet of the Commonwealth Government. He said:

Moreover, the Commonwealth has seen to it that the States have had to meet full interest payments upon all their borrowings, even those borrowed directly from the Commonwealth and on which the Commonwealth has no interest commitment, whilst concurrently the Commonwealth's interest commitments have continued to fall.

I agree with the first part of that statement; it has always concerned me, particularly when I was Minister of Works, that the things being constructed were financed with moneys borrowed through the Loan Council on which there were fixed interest and repayment conditions; the Commonwealth contributed, but their burden fell mainly upon the States. Therefore, the State is obliged to finance with borrowed money its developmental works, whereas the Commonwealth (as the income-taxing authority) derives the first benefit from increased production so made possible. If there is to be readjustment of the financial relationships between the Commonwealth and the States, I think we could well look at this aspect, but this is no excuse for the action that the Treasurer has now taken. Every State, regardless of its financial position or political flavour, has to live with this provision, and therefore our position is the same as every other State, and we are under no greater disability in this respect than was Sir Thomas Playford from the inception of the Financial Agreement to the time he ceased to be Treasurer. There is, therefore, no real substance in this criticism and it certainly does not justify the action that the Treasurer has now taken.

Undoubtedly the impression created in people's minds by the banner headlines was "Dunstan has achieved the impossible". Nothing is further from the truth, and I believe that the Treasurer is now beginning to realize that it would have been better if he had not made this statement. The Treasurer said (in small print) later in the statement:

Therefore, at the beginning of 1966-67 the Government decided that, as an alternative to budgeting for a surplus on Loan Account. A surplus in the Loan Account! I find it hard to believe that the Treasurer could so glibly talk about a surplus in the Loan Account when every day that this House sits somebody asks the Minister of Works when a certain job will be done, and the Minister has to say, "Because of the shortage of funds, we cannot do it this year or next year". The people of Kimba were not terribly happy when the Minister of Works had to apologize to them; his apology was printed in the *Streaky Bay Sentinel*. He had said, in all good faith, that their pipeline would be started within a certain time, and now it cannot be done because of the shortage of money. I am sorry for the Minister but, if he subscribes to the policy of his Treasurer and allows him to get away with it, the Minister must take some of the blame. The Treasurer went on glibly about this surplus in the Loan Account. Referring to the Government, he said:

It would, so long as it was necessary, charge to Loan Account such proportion of building grants for tertiary education purposes and for hospitals as would absorb any potential surplus which otherwise would be available for offsetting deficits on Revenue Account.

I cannot find words which are Parliamentary and which accurately describe my feelings about this matter. I say this because I had much to do with the expenditure of Loan moneys and with the strenuous efforts we made, as a Government, to try to meet the needs of people in developing areas. Whether they were on the far West Coast or whether they wanted sewerage at Glenelg or Salisbury, we tried to help them. No member can say that the previous Government did not stretch its resources at every point to provide the things needed by people in growing areas. I believe we achieved a standard of services in housing areas that has not been achieved by any other capital city in Australia. We did not do this by robbing Loan Account in order to balance the Budget. However, that is what has been done for two years now.

In the first full year of the Government's term of office the Engineering and Water Supply Department net Loan expenditure

dropped from \$26,000,000 to \$24,000,000. That was a reduction of only \$2,000,000 but heaven knows what it will be this year. In fact, I have put a question on notice in order to ascertain this information, which I believe the Minister will provide for me.

Mr. Quirke: There is \$2,500,000 of which you know.

The Hon. G. G. PEARSON: I do not know whether the department has absorbed that. However, I have heard it rumoured that the department is paying many people in the Public Service not in its particular employ.

The Hon. C. D. Hutchens: I'm glad you said that was a rumour.

The Hon. G. G. PEARSON: From that, I take it that the rumour is not correct; I am glad to hear that, because such a practice would be highly improper. In his speech, the Treasurer also said:

In the light of the improvement in Loan Account now expected, it is intended to charge to that account this additional sum of about \$2,500,000 which was appropriated originally in the Revenue Budget for grants towards non-Government hospital buildings.

That sum of \$2,500,000 is in addition to the previous claim on the Loan Account made by the Government earlier in the year, and indicates to me that the Minister of Works has been obliged to cut his programme to a point where he has a surplus so that the Treasurer can, at this time, get his fingers on it and transfer it to the Budget Account. Obviously this has been the Government's policy, and the Minister has been obliged to carry it out. The Treasurer said that the Government had been careful during the year to see that it did not run down its cash balances. Of course, this has been achieved by the Minister of Works calling a halt on some of his schemes and slowing down others so that he could be the banker for other departments and so that the Treasurer would be enabled to have some cash balances in hand to meet the situation that has now arisen. I believe this policy is improper and will mean that the State will go backwards; its results will be seen in several ways.

As the legality or otherwise of this procedure has been fully canvassed by the member for Gumeracha, I see no reason why I should attempt to repeat any of his points. It interests me that the Treasurer obviously has some doubts about this matter, because in his speech he makes some apologies and other references regarding the legality of the transaction. He said:

There is no question of the legality of charging such grants to Loan Account.

Unless his conscience was pricking him, why would he raise the matter? He continued:

The practice has been followed by all other States for many years and the details have been set out in their published accounts.

That may be correct regarding tertiary education buildings, but no other State of which I know has a system, such as we have, of hospital subsidies to local hospital boards. Therefore, how could other States adopt this policy? Here again, the Treasurer has attempted to mislead us, although his statement is partly true. He is so adept at making such statements. He also said:

Although the Crown does not hold title to the assets created by the spending of the grants, the community gets an asset just as valuable as a school or a Government hospital and forming fully as necessary a part of the State's services.

Of course, the Crown does not hold title when it subsidizes in hard cash the building of a hospital at Tumbay Bay, Cummins or somewhere else. This title is held in the name of the local hospital board, which is the corporate body. Therefore, the Government is handing out money and paying interest on it (I presume it will not ask the hospital board to pay the interest). We will thus alienate public moneys for all time to some other outside body and, as the Treasurer has correctly said, the Crown will not hold the title to the assets created. In justification, he said that the community would get an asset just as valuable as a school or a Government hospital and forming fully as necessary a part of the State's services. I do not disagree strenuously with the Treasurer on this point but, unless he has some doubt as to the legality of this procedure, why does he raise the matter? I now come to the part of his speech that interests me most. The Treasurer said:

The Government will keep the situation under review, and, should it be practicable to increase revenues to a level which will permit the charging of additional capital grants to Revenue Account without running into deficit, grants will be so charged to the maximum possible extent.

In other words, what he said in the rest of his speech added up to this: if he ever has a surplus in his Revenue Account he will pay many of these things from revenue, but if he is short in the Revenue Account he will rob the Loan Account. How can there be any solid and reliable way of comparing the results of financial years or the performances of one Treasurer or Government with another Treasurer or Government when the balance of a substantial sum (\$7,000,000 in this case) is

charged to the Loan Account in one year and to the Revenue Account in another year? This is irregular, erratic and confusing finance that will do nothing but create confusion at the Treasury and amongst the people dependent on the Government for grants; what is worst of all, the public will be confused about the real results of the Government's efforts. The Treasurer has already complained that he has to find interest on this borrowed money. Of course he does.

Mr. Quirke: And he does not get any revenue from it.

The Hon. G. G. PEARSON: That is a pertinent point. He does not get any revenue from it. If we spend money on a legitimate developmental work such as a pipeline, a harbour or something of that nature, we can expect to get in the State's Revenue Account some earnings to help us pay the interest. I do not regard a country hospital as being an unworthy object of our expenditure; on the contrary, it is very deserving of our expenditure, but not of our borrowed money.

When I am asked for a description, as sometimes a member is asked at a public meeting or a lecture, of the difference between our Loan and Revenue Accounts, I always say that the purpose of the Loan Account is for developmental works that will return something practical to the Government. Broadly, this is a reasonable description of the works in the Loan programme. In this case we are going to pay the interest but we will get no return to the State's Budget. Therefore, I believe that the expenditure of Loan money in this way is improper. The serious impact on the Loan Council sittings each year has already been canvassed today. That is patent to those who have listened to the two previous speakers. If the Treasurer thinks he can make to the public the kind of statement he made to the House yesterday and go to the Loan Council meeting next week without having some serious embarrassment put in his path as a result of what he has said in this State before leaving, then he is mistaken.

I am sure the Treasurers of the other States and, indeed, the Commonwealth Treasury, will take due note of what he has proposed to do and is proposing to do in South Australia, and the Treasurer will find himself confronted by this when he goes to the Loan Council. If he is so confronted and does not get all he expects to get (undoubtedly he will not) I predict that he will blame the Commonwealth or someone else for the failure of his efforts.

He knows full well that he has dug up his own pitch on which he has to play next week by this kind of arrangement, which has been made to tickle the ears of the public of South Australia. I am sorry that the Treasurer, on giving his first major financial statement, has seen fit to make a statement which is untrue and designed deliberately to mislead, which can only do damage to the State in its negotiations for further finances, and which will redound for all time to detract from his reputation in the eyes of the people of South Australia. From the facts produced, from the Treasurer's own statement and from the facts given by Opposition members, it is obvious that the Treasurer's announcement yesterday of a balanced Budget is false and is based on a lack of financial knowledge on the part of the public. It is a calculated policy of running into deficit in the Budget and of making use of Loan funds to meet it, and it is of dubious legality in practice. It is a matter entailing serious consequences for future Loan allocations and, in effect, is a tragic sabotage of the State's development in the Government field.

I remind the Committee that it is upon Government development that so much of our industrial and rural development depends. A slowing down in the Government's development programme has contributed in no small way to the things we were talking about yesterday—a slowing down of industry, a downturn in employment, the lack of demand for housing and all the things that follow as a natural corollary of the slowing down of the Government's programme. How can people in the country maintain their stock, on which so much of our wool and meat revenue depends, unless they have a water supply, particularly at times like the present, and how can the industries of this State expand when they cannot get the necessary services supplied to them and to their employees' households when they need to create more employment? This is a tragic sabotage of the State's development programme. Furthermore, it is a complete reversal of the policy so strenuously and persistently pursued by the Liberal and Country League Government, which was so singularly successful in developing the State. Worst of all, it tends to undermine public and personal confidence in statements made by public men generally who are entrusted by the people with the administration of the affairs of the State.

Yesterday, when the Treasurer was speaking in reply to a debate, there were comments such as these from members opposite: "Round one

to the Treasurer"; "Round two to the Treasurer"; and so on. It is not just who wins this, that or the other round that matters; what really matters to the contestant is who the referee declares the winner at the end of the contest. In this case, I believe that the referee will exercise his judgment accordingly.

Mr. MILLHOUSE (Mitcham): It has been said often enough, one would have thought, for even this Government and the previous Labor Government to have learned that Government is finance and finance is Government. Unfortunately, the previous Government led by the Hon. Frank Walsh did not learn it and, apparently, the present Government now led by the new Premier and Treasurer has not learned that lesson and does not propose to try to learn it. On this side of the Committee the record speaks for itself, and there is no doubt that the Liberal Government knew only too well that this was true. The fact that the previous Liberal Government was in office for a very long time is proof that this was so. I have a shrewd suspicion (I mention this for the benefit of the member for Edwardstown and the member for Port Pirie) that the people of this State have now realized afresh that the Government led by Sir Thomas Playford knew it.

My wife's uncle, who is a member of the Federal Parliament and a one time Minister in State and Commonwealth Governments, has often said to me that it is the fate of non-Labor Governments always to inherit from their Labor predecessors a financial mess; to work like fury to get the finances of whatever the community may be—either State or Commonwealth—back into order; and then to turn over the Treasury benches to another Labor Government, which will repeat the former mess. This has been said to me many times in many years and has already come true in South Australia, because this State, as has often been said, has got into a financial mess in two years under a Labor Government. It is all very well for the plutocrat from Frome to laugh in a hollow way about this. He knows better than most members on this side—

Mr. Casey: That you are wrong.

Mr. MILLHOUSE: He is an ex-member of the Liberal and Country League. We train them fairly well in the L.C.L.

The CHAIRMAN: Order!

Mr. MILLHOUSE: It is a pity that he has not been given a better opportunity in the Party to which he now belongs to put that

training into effect. If he listens now he will be better trained.

Mr. Broomhill: He has the confidence of the people of Frome, which is more than you can say about your constituents.

Mr. MILLHOUSE: We are looking forward to testing that at the next election. We have an extremely good candidate for Frome whom we are looking forward to welcoming here. I could say the same thing to the member for West Torrens and to many other honourable members. This afternoon I have listened to speeches by the Leader of the Opposition, the former Premier (Hon. Sir Thomas Playford) and the former Minister of Works (Hon. G. G. Pearson) who have given to this Committee and to the people of South Australia a very different picture from that given yesterday by the Treasurer. I accept unreservedly what those three speakers said about the finances of this State.

Mr. Hughes: You wouldn't dare to do otherwise.

Mr. MILLHOUSE: There is no question of daring about it. Luckily, on our side of politics, one can accept what is said by honourable members. It is a pity that the same cannot be said for members on the other side, particularly the Treasurer. It is perturbing that South Australians should have been fed the inaccuracies that they were fed yesterday and that they should be told that everything in the garden will be rosy. The Treasurer admits that things are not and have not been rosy but he says that everything will be all right in future and that the people have only to be patient and wait for the announcements that he will make. I wish that the outgoing member for Wallaroo (Mr. Hughes) would listen to what I am saying. He values accuracy and reliability in public statements.

Mr. Hughes: That is true.

Mr. MILLHOUSE: I have already complained about the inaccurate picture which was given to this Committee by the Treasurer yesterday and which has been analysed by the three Opposition speakers who preceded me. I complain most strongly that the Premier and Treasurer has used public funds to employ a public relations officer and now a press secretary to get across to the people of South Australia the inaccuracies that he propounded in the Committee yesterday and repeated on television last night. I understand that the public relations officer is a permanent public servant and now Cabinet has appointed a temporary public servant as press

secretary. That prevents anybody else in the Public Service from applying for the position.

He has these two officers to put over to the people his personal line and to make sure that what he says, whether it is accurate or not, gets into the press. This is a serious matter. The Treasurer ought to know that the most priceless asset that any person in public life has is his reputation for reliability and accuracy of speech. I think it has been amply demonstrated this afternoon by the three speakers from this side that this is something that the Treasurer is in danger of losing. I do not say this lightly and I deplore it from every aspect: from the personal aspect because I have known him for more than 20 years and from the public aspect because he and I are members of the same Parliament.

It has been noticeable that three speakers this afternoon (certainly, the members for Gumeracha and Flinders said it several times) have said that what the Treasurer said yesterday was not true. There was no protest from honourable members opposite to back up their Treasurer in what he had said and there was no protest from the honourable gentleman when he was in the Chamber. No member opposite has defended what the Treasurer (their newly elected Leader, even if only just) said in this place. This is significant. I hope that, now that I have drawn attention to the lack of support that he has had and to the fact that some at least of the things that were said by honourable members on this side were heeded by some members opposite, some of the other occupants of the front bench will support what their Leader has said about the State's finances.

I know that the Treasurer is in a difficult position. I hope that the people of South Australia will remember between now and the next election and afterwards what they know now: that Socialism and prosperity just do not mix. One does not have to look outside Australia to see that that is true. We have in the present Treasurer a convinced, articulate and intelligent man who is a Socialist, and this makes him all the more dangerous.

Let us look at some examples of Socialism and prosperity not mixing. What happened in the Commonwealth sphere in the years immediately after the Second World War? We had a Government led by the late Right Hon. J. B. Chifley, who was Prime Minister and Treasurer, and a Socialist. Was Australia a prosperous country under this rule? Of course it was not. Are members opposite trying to say that Australia was

prosperous in the late 1940's? Do they remember petrol rationing and that sort of thing? This is a prime example of the fact that prosperity and Socialism do not mix, because of course it was the late right honourable gentleman who tried to nationalize the banks, which is one of the major steps towards a Socialist economy.

Let us look at some of the other States of Australia and see how they have got on. Let us remember that until about 10 years ago there was a very long period of Labor rule in Queensland, and that State stagnated for about 20 years under successive Labor Governments. Since then, however, it has shown that it has the greatest potential of any State. Let us look at our western neighbour, Western Australia. That State, too, had a long run of Labor Governments, and it was a stagnant State during that time. The Liberals have now been in office there for a considerable period, and during the whole of that time the State has continued to go forward at an accelerating rate.

Mr. Coumbe: It is the boom State.

Mr. MILLHOUSE: Yes. I think I described it yesterday as the glamour State. These things cannot be denied because they are facts. I do not think any honourable member opposite would say that these things are not true, or that Western Australia is not booming at the present time. Let us, on the other hand, look at little Tasmania. That State has been ruled by a Labor Government for well over 30 years.

Mr. Jennings: Without a gerrymander.

Mr. MILLHOUSE: It is, of course, a very right-wing Labor Government. I cannot understand why its members have not been expelled, for they believe in knighthoods, State Governors from overseas, and so on. Nevertheless, they are Labor. Let us see how that State has gone. Unfortunately, Tasmania has continued to slumber under the Labor Government: it has made virtually no progress at all. Surely the examples I have given, of the Commonwealth sphere in the late 1940's, of Queensland and Western Australia, and of Tasmania on the other hand, and above all of what has happened here in South Australia in the last two years; show that what I have said is quite true: that Socialism and prosperity do not and never will mix, because of one fundamental fact.

The Hon. B. H. Teusner: What about Great Britain?

Mr. MILLHOUSE: That is another example. We could go on developing the point *ad infinitum*, but I think enough examples have been

given now to show that this is so. There is one fundamental reason why it is so, and that is (and it was never more relevant than it is in South Australia at the present time) that the basis of our economy in Australia is still, thank goodness (and I say that deliberately), private industry and private enterprise. A Socialist, a convinced Socialist such as we have now at the head of the Government, is hostile to private enterprise. The very aim of Socialism is to pull down private enterprise and to convert it into State enterprise, and no honourable member opposite would deny that. I am sure that you, Mr. Chairman, would not deny it yourself, because that is what you believe in. Members opposite are Socialists, and they are the enemies of private enterprise. How on earth can the enemies of private enterprise work with and lead private enterprise towards prosperity? Sir, this cannot be done. What is the real problem in South Australia at the present time? There is a lack of confidence in this State in business and commerce.

Mr. Hughes: There was a lack of confidence in 1965, too.

Mr. MILLHOUSE: The lack of confidence I referred to is the root cause of our troubles. How can one expect a Labor Government, which is a Socialist Government, to build up confidence in this State, confidence which has to be engendered in private industry and private commerce, when the sworn intention of such a Government is to do what it can to harm it? This is a fundamental contradiction, and this is why we never get prosperity and Socialism together. I do not propose to go through all that has been said.

Mr. Ryan: Hear, hear!

Mr. MILLHOUSE: Well, it has been said sufficiently this afternoon as well as could be said by the Leader of the Opposition and by the honourable members for Gumeracha and Flinders. However, there are one or two other small points I should like to make. The first is that the Treasurer is a long-time debater and a very skilful one. I have known him since school days; he was a senior boy when I first went to Saints, and I may say (I do not know whether advisedly or not) that in many ways I took the present Treasurer, who was then a senior schoolboy and I was a very young one, as my model in debating and so on. He is a very skilful debater, and from that point of view I am prepared to congratulate him on the speech he made yesterday. He or somebody or some people had obviously put in a lot of work on that speech.

The Hon. D. N. Brookman: It was the co-ordinating committee.

Mr. MILLHOUSE: That committee fell down a bit. A great deal of work had been done on the two or more parts of the speech. It was really far more appropriate for a Budget speech than for a speech introducing Supplementary Estimates.

The Hon. Sir Thomas Playford: It was a defensive speech.

Mr. MILLHOUSE: Yes, more like an apologia for what had happened in the previous two years under the present Treasurer's predecessor in this State. Much work has been done on the one side, but we have had only 24 hours in which to reply to it, but this has been no difficult task because it contains, as has been pointed out already, a number of contradictions. In fact, it bristles with contradictions. The Leader of the Opposition and the members for Gumeracha and Flinders have already referred to one glaring contradiction. One cannot complain about the lack of Loan funds and go to the Commonwealth Government or to the Loan Council and ask for more when one is using the money on something else. I have always imagined that one way of keeping up employment in a State when it was sagging a bit was to get on with Government capital works, paid for out of Loan funds. This is what the previous Government did, and it is one way of creating employment. However, a Treasurer cannot do that if he is using his Loan funds for revenue purposes, if he is spending it to pay his way, because he cannot use the money twice. That is precisely what the present Treasurer is saying has been done and should be done. He complains on the one hand of the unemployment figures in this State and blames the Commonwealth Government for them. On the other hand, he handicaps his Government in taking any action itself by using the money for other purposes.

Mr. Chairman, that is one contradiction that has already been dealt with. There is another contradiction which I am not sure has been mentioned. The present Treasurer blames the Commonwealth Government for our troubles in South Australia and propounds as the only remedy the lifting of sales tax. It is easy for him to say to the Commonwealth that it can give away part of its taxation to help us, but this is a completely irresponsible suggestion, because no consideration has been given to its effect on the Commonwealth or the other States.

The Hon. Sir Thomas Playford: Or on the importation of cars.

Mr. MILLHOUSE: It is easy to say that as glibly as the Treasurer said it, but it is another thing to think it through and to see whether it is practical. The Treasurer does not want to do this: he does not want anyone else to do it.

Mr. Shannon: How do you think any financial wizard would view the statement of accounts such as we have?

Mr. MILLHOUSE: He would view it as financial juggling, if not trickery.

Mr. Shannon: I think we would have to have the investigating squad in.

Mr. MILLHOUSE: Very likely. On the one hand the Treasurer blames the Commonwealth Government for the trouble, and suggests a facile remedy that he does not want anyone to analyse. On the other hand, he admitted that the Commonwealth had helped alleviate the situation in South Australia. He did not emphasize this: it was just a passing reference that he toned down. He said that we had been faced with increased expenditure particularly in wage and salary rates, and then said:

The unfavourable effects of the foregoing factors have been partly offset by increased Commonwealth grants negotiated at a conference of Commonwealth and State Ministers in February last.

He did not say anything more about that.

The Hon. Sir Thomas Playford: We did not hear the amount.

Mr. MILLHOUSE: No, it was just a passing reference to Commonwealth assistance in this matter. He is going next week to try to get more money. He could be fair, even though he is not accurate in what he says, and should give credit where credit is due instead of magnifying one side and minimizing the other.

Mr. Quirke: It is difficult to be fair and accurate.

Mr. MILLHOUSE: Yes. One last point I wish to make.

Mr. Jennings: It will be your first.

Mr. MILLHOUSE: By interjection, the member for Onkaparinga referred to the way in which accounts in this State have been altered with transfers from Revenue to Loan Account to make the books balance. I should like the Treasurer (and his colleague on the front bench could pass on the suggestion, if he is not listening in the tranquillity of his room) to bring to the Committee the figures as they would be if the transfers were not made, that is, if the transfers that were made last year were taken away. The present Treasurer has followed his predecessor and has changed the

rules of the game so that he can win. He is saying that he has balanced the Budget, but he has juggled the books to do so. If this kind of thing goes on, the people of South Australia will be unable to place any faith in what is said by the present Treasurer. The most priceless asset that any man in public life can have is that he can be relied upon and that his word can be relied upon, and that what he says is accurate and is accepted by the people of any community as accurate and fair.

Mr. Shannon: And not intended to mislead.

Mr. MILLHOUSE: Of course. If the present Treasurer goes on like this he will be in grave danger of losing that reputation for good. I hope he does not, because it will be a great pity for the public life of this State if he does. I congratulate the speakers on this side who have put into proper perspective the financial ills of this State, and I hope something will be done quickly by this Government to remedy the position. If it does not do it, something will have to be done by the next Government to put things right.

Mr. McANANEY (Stirling): I congratulate the previous speakers who have spoken in great detail, but so many points can be raised where things are not as they have been stated, that I should speak about a few more. After listening to the Treasurer's statement yesterday I examined the State's accounts for many years past. During the past 25 years, a wise financial management has enabled the State to run at a surplus and in a sound financial position. From 1926 to 1934, when we had a Labor Government for most of the period, a serious cash deficiency occurred. A deficit in that period was funded at over \$10,000,000, which cost the State \$500,000 in interest and \$250,000 in the Redemption Fund. After 30 years, the deficiency incurred during that period is still costing about \$750,000. The Treasurer said there was a fallback of \$4,000,000 in finances in the year before the Labor Government took office.

During the four years that I have been in Parliament that year was probably the most difficult one for the Treasurer, but the last two years have been comparatively easy because of the assistance received from the Commonwealth Government. Tax reimbursements have increased in the last two years, but before the Labor Government came to power moneys received from the Commonwealth Government showed little increase compared with the previous year. There had been a special grant the year before and the slightly additional

tax reimbursements balanced that out, so that the then Treasurer had a difficult year, particularly as benefits from additional taxes were not available for the full year. However, they were available to the Labor Government in its first year of office. In the two years that the Labor Party has been in Government, the economy has slowed down and in some cases State taxation has increased.

Yesterday, the Treasurer said that an additional \$9,000,000 was to be made available to this State from an oversea investment by Chrysler Australia Limited. That is a good thing, and we hope to see more of it. The motor car industry in this State will benefit, and will be able to export more cars. The Labor Government claims this investment as one of its achievements. Last year, in the districts of the Minister of Agriculture and the Minister of Lands, the Labor Party distributed a pamphlet stating that oversea investments were a bad thing for Australia and should be eliminated. Now, however, the Labor Party claims it is a good thing for the State. The Opposition believes that it is, because there must be additional capital for expansion in industry if South Australia is to progress. For four years before the Labor Party came to office there was an annual increase in employment in South Australia of an average of 11,000 persons. During the last two years this has declined to an average of 6,500. I do not know the figures for the last three months, but from February 1 to May 1 the number of electors in this State declined by 2,000. It is serious when we are losing population and at the same time our unemployment figures are increasing.

The new Treasurer said that he carried out orthodox Government financing in the first year of office, when the Government budgeted for a deficit, but, when we analyse what actually took place in its first year of office, we find that in November and December it increased taxes to a great extent and drained off from private spending a substantial sum of money. In January it had a surplus of \$5,000,000 drawn from the spending of the general public at that time. We see from an analysis of the unemployment figures in South Australia that it was during this period that the first serious unemployment occurred. It was only towards the end of the year that the Government found it was running into a deficit, by which time the economy had already run down.

The Treasurer hit at the Commonwealth Government because it had not stimulated industry in the other States so that the motor

car industry and its ancillary industries could expand here; then he criticized the Commonwealth Government because it spent much money in Queensland, a State hard hit by drought, as was New South Wales. Because those two States were under a great handicap, millions of dollars were poured into them by the Commonwealth Government to stimulate business activity there, and good employment figures were maintained. Only about 1 per cent of the population was unemployed—and one cannot get much below that, because that 1 per cent is generally comprised of unemployable people, people who cannot be employed even when there are more vacancies than there are unemployed persons. So the Commonwealth Government this year budgeted for a deficit of some \$500,000,000, and the money poured into the two States I have mentioned kept them going.

During these last two months or so motor car sales have increased to a higher figure than two years ago. Probably more people in South Australia are employed in the motor car industry at present than there were when this Government took office. I remember the present Treasurer when he was Attorney-General under the previous Treasurer getting up in his place and abusing us for juggling accounts when we were in Government, but now he is indulging in some very doubtful practices in this regard, which is to be greatly deplored. It is unfortunate that the Treasurer in his first statement has seen fit to tackle a man like Sir Thomas Playford, who has such a tremendous record in this State. It is to be hoped that we do not have any more of that, because as politicians we do not want to bring Parliament into public disgrace by statements like these uttered in the last two days.

The Hon. D. A. DUNSTAN (Premier and Treasurer): Members on the Government side have listened to the lengthy outpourings of members opposite, resulting from their dismay at the Government's exposure of the exact situation with which this Government was confronted. We have sat here and listened to the attitude of members opposite as expressed in their speeches, suggesting that what was said in my statement to the Committee yesterday in introducing these Supplementary Estimates was untrue and known to be untrue. I say to them flatly that I know that every word of what I said yesterday was and is true. Members opposite have said, "Why has this suddenly been exposed after two years?" I am not saying something that is new; I am not producing my own figures. Every one of the

figures produced was prepared not by the Treasurer but by the Under Treasurer of this State. They were checked by the Under Treasurer. In fact, when he came to check something that I myself had written into a draft, the figures he put in appeared very much worse for the previous Government than the ones I had originally cited. Let me turn the attention of honourable members to the Financial Statement of my predecessor nearly two years ago, when he said this:

Without any intention of unreasonable criticism of the financial operations under the previous Government or of withholding the credit due in proper circumstances, I am bound to give some attention to the past year's operations, if only because the current problems could not otherwise be seen and dealt with in their proper perspective. The past year opened with a surplus of £1,922,000 on Consolidated Revenue Account plus a surplus of £680,000 available from the Uranium Production Account, which was in fact subsequently transferred to Revenue Account. The previous Government budgeted to use these balances of £2,602,000 during the course of 1964-65 and to run into deficit to the extent of £570,000. In other words it proposed a current over-spending of £3,172,000. In point of fact, for reasons and in ways which I shall explain later, there was an improvement of £1,181,000, and instead of the year finishing with a net deficit of £570,000 it finished with a balance of £611,000 in hand. Balances were run down during the year by almost £2,000,000. The situation from which this Government has had to face its first full year is one in which the Consolidated Revenue Account had been running in deficit at the rate of £2,000,000 a year—

\$4,000,000 is the figure I quoted—

and with £611,000 only in reserve. Indeed, the situation could have been more than £1,000,000 worse if the 1964-65 Budget estimates had not been bettered.

This is what was said quite clearly about figures provided by the Under Treasurer, who is not an appointee of this Government. He is a man appointed under the previous Government, and his integrity and ability are unchallenged throughout Australia.

The Hon. R. R. Loveday: They said that the other day.

The Hon. D. A. DUNSTAN: Yes, but now they say that the figures he supplied me with are untrue. When they say that, they are not attacking me. When they say that the figures produced by the Under Treasurer are untrue, and deliberately untrue, they are making an attack upon the Treasury officers of this State. These figures are theirs.

Mr. Millhouse: Rubbish!

The CHAIRMAN: Order! I ask honourable members to observe the Standing Orders. I

have allowed them a fair amount of latitude this afternoon and a lot of criticism of the present Treasurer. He should now be allowed to reply.

The Hon. D. A. DUNSTAN: There was no inaccuracy in the figures I presented to this Parliament. I made it perfectly clear that what had happened during this year was what had happened in previous trading years under the previous Government. I think that the figures I have just read to the Committee from the Treasurer's statement of two years ago make it clear that the Budget estimates of the Playford Government were not met—that is, within its own trading pattern. A certain number of accounts have not come due for debit this year which we originally expected would come due. In these circumstances, there is a saving on the Loan lines, not that the work has not been done; it has been done, but for one reason or another in some cases (there were some disputes about railway contracts, for instance) they will not come to debit before June 30.

Mr. Millhouse: How much does it amount to?

The Hon. D. A. DUNSTAN: The Under Treasurer says that at this stage of the proceedings he is unable to estimate it accurately.

Mr. Millhouse: Do you know whether it will be hundreds of thousands, or millions?

The Hon. D. A. DUNSTAN: It will be a considerable sum. As a result of questions that honourable members have asked, I asked the Under Treasurer to give me a run-down on particular contracts, but he said that at this stage he could not. If the honourable member only looks at the sum we have to pay out monthly on contracts in this State, he will realize that it is impossible, with sufficient accuracy, to forecast in cases of this kind. Nevertheless, there will be substantial sums to be met out of next year's Loan Fund. Actually, the Loan Fund is a little easier next year than it has been in the last two years, because we have got over some of the hump of the tight Loan programme we were forced into by the actions of the previous Government.

The previous Minister of Works challenged the figures that I quoted to this Committee: again, they were figures provided to me by the Public Buildings Department and the Treasury. They were entirely accurate, and I have a schedule of them concerning the specific works on which contracts were let. I ask leave to have the schedule incorporated in *Hansard* without my reading it.

Leave granted.

MAJOR WORKS.

	Date commenced.	Total cost.	1964-65.	1965-66.	Estimated. 1966-67.
		\$	\$	\$	\$
Hospital Buildings—					
Royal Adelaide Hospital Re-development	20/12/63	23,800,000	2,200,000	4,800,000	5,000,000
Group Laundry—Islington	11/5/64	2,044,000	1,400,000	570,000	70,000
Dental Hospital—Completion..	21/7/65	3,022,000	150,000	325,000	1,000,000
		28,866,000	3,750,000	5,695,000	6,070,000
Police and Courthouse Buildings—					
Fort Largs Police Training Academy	5/8/65	1,000,000	20,000	260,000	700,000
Other Government Buildings—					
Victoria Square, Office Block....	16/9/64	6,392,000	580,000	900,000	3,000,000
Public Library—New Building.	3/11/64	3,088,000	380,000	1,220,000	1,200,000
Magill—Senior Boys' Reformatory	26/3/64	1,276,000	450,000	410,000	280,000
Botanic Gardens, Herbarium...	29/9/64	252,000	100,000	150,000	—
Pt. Lincoln—New Gaol Stage I..	5/2/65	282,000	40,000	195,000	40,000
		11,290,000	1,550,000	2,875,000	4,520,000
Grand Total		41,156,000	5,320,000	8,830,000	11,290,000

The Hon. D. A. DUNSTAN: No unusual action has been taken by this Government in bringing about a situation where it is able to bring its Budget into balance, except that we have been very careful. We have had to be very careful in the circumstances with which the Government was faced; it was proper that we should be, and we have taken the proper action. Members opposite have loosed off a tirade against this Government on the basis that it is now charging to Loan Account items which every other State charges to Loan Account. What do they propose in the alternative?

Mr. McKee: They wouldn't have a clue!

The Hon. D. A. DUNSTAN: The only alternative is to leave the Revenue Budget in deficit and fund it out of Loan moneys.

Mr. Millhouse: Why did the previous Government not have to do this?

The Hon. D. A. DUNSTAN: The previous Liberal Government had not suffered from the kind of things about which every State Premier (Sir Henry Bolte, Mr. Askin, Mr. Nicklin, and Mr. Reece) has complained in the last two years. We have had to find an extra \$14,000,000 in revenue without any increase in State charges. I do not know whether the honourable member intends that we should do what the previous Government did, namely, increase State taxes and charges in order to meet these amounts. If he is not prepared to say that, what does he think we should have

done? Does he intend that we should cut the State's services? Where does he propose that we will take the money out? Whom does he propose we dismiss?

Mr. Millhouse: It is a funny thing that—

The Hon. D. A. DUNSTAN: The honourable member has had his opportunity to speak, and I suggest that I be allowed to reply. Members opposite are reluctant to allow me to reply.

Mr. Coumbe: You asked a question.

The Hon. D. A. DUNSTAN: Where is it (and honourable members will perhaps tell me during the debate on the lines) that members opposite propose to make sufficient cuts in State services, or where do they propose to increase State charges to meet the \$14,000,000? What do they intend to do?

Mr. McAnaney: What are you referring to?

The Hon. D. A. DUNSTAN: I refer to the extra moneys that we had to find in regard to wages and awards since we took office over the last two years. We do not recoup anything like the whole sum from the Commonwealth Government. We are still left with a substantial difference between the payments out and the sums we receive in subventions from the Commonwealth Government. On the last increase in the basic wage and in the State living wage, as we will apply it here, we shall be short by about \$1,360,000 after the Commonwealth has given us some subvention. That is the sort of pattern with which we are faced.

Where the total cost is \$3,000,000 the sum the State will have to find will be between \$1,250,000 and \$1,350,000.

Mr. Heaslip: And another lot when you give a further week's holiday to Government employees.

The Hon. D. A. DUNSTAN: If the honourable member is opposed to that, I am sure he will be able to tell the people of South Australia that he is opposed to improvements for the State public servants in South Australia and employees of the Government. If honourable members believe that we should not have run a deficit Budget, they must say either that we should have cut State services or that we should have imposed taxes and charges of the kind imposed by Sir Henry Bolte in the neighbouring State. The kind of estate duty which Sir Henry Bolte has put on in Victoria makes the South Australian Labor Government look like Father Christmas! In regard to the other charges, what do honourable members opposite believe we should do? When they speak on the lines will they say whether they believe South Australia should have imposed (as the Liberal Government in our neighbouring State has imposed) a 3 per cent impost on all gas and electricity consumers in the State?

Mr. Ryan: The member for Torrens would be happy!

The Hon. D. A. DUNSTAN: Do they propose a 1½ per cent impost on a wide range of sales, such as happened in Victoria, which amounts almost to a sales tax?

Mr. Coumbe: They voted Bolte back again recently.

The Hon. D. A. DUNSTAN: If members opposite are putting that forward, what do they say we should have done to bring our Revenue Budget into balance? They must say something but at the moment we have heard nothing from the Opposition. I am inviting members opposite to reply at the usual time. It is utterly irresponsible for an Opposition to come here and contest figures that are incontestable, to get up and say all the time that the figures are lies (in the hope that the public will believe them) and, as a basis of their political activities, say that this State is in a mess.

Mr. McKee: The *Advertiser* will assist them, of course.

The Hon. D. A. DUNSTAN: Members opposite are endeavouring to create a lack of confidence in the South Australian economy and industrial expansion, and they are desperately knocking the State for their own purposes.

Members interjecting:

The CHAIRMAN: Order!

The Hon. D. A. DUNSTAN: If members opposite do not believe that we should have cut State services or increased State taxes, they must admit that we had to run a deficit Budget. Indeed, there was no alternative. If we were to run a deficit Budget, we needed to be in the same position as that of the other States, if it was necessary to ensure that we were running our cash balances down too severely—that is, that we should budget in the same way as the other States budget. The Commonwealth takes care that we do so by eliminating from its consideration of our Revenue Estimates those things that we are now charging to Loan.

As it came to the end of this financial year we were in the position that the Loan Account had sums in it that we could have funded to account for our deficit and run into penal sinking fund charges, or we could have done what we have, in fact, done: that is to do what the other States and the Commonwealth do—charge them to Loan.

Mr. Millhouse: The Playford Government did not have to do it.

The Hon. D. A. DUNSTAN: The Playford Government did not do it: that is true. The Playford Government proceeded to use up some cash balances it had and to get State services running at a recurring cost for which it knew there were no recurring revenues at existing rates of charges and taxes. When the Playford Government went out of office it boasted about it: "They won't be able to do anything: they haven't any money."

Mr. Millhouse: Who said that?

The Hon. D. A. DUNSTAN: My predecessor as Attorney-General said it, for one.

Mr. Millhouse: I would like to have your reference.

The Hon. D. A. DUNSTAN: I shall give it to you afterwards. We did not have money at existing rates of State taxes and charges to maintain the services of this State; this was made clear by the previous Treasurer of the Labor Government, and I have simply repeated the situation that was then outlined. What members opposite do not like, however, is that on this occasion it has not remained simply as part of the Treasurer's Financial Statement, but publicity has been given to it, and the fact that publicity has been given to the Government's pronouncements is a very sore point with members opposite because they are used to the Labor Party in South Australia not being able to get its message across. One

can see the outraged reaction when we are able to tell the people of South Australia the facts concerning these matters.

The member for Gumeracha has raised the question of the legality of our proceeding to charge the amounts in the way outlined in my statement. With very great respect, I disagree with him. It is unnecessary for me to introduce a supplementary Budget and I do not intend to do so. The legality of the operation we have undertaken, which I have clearly outlined to members, has been checked and we are satisfied that we have proper authority to carry it out.

Mr. Millhouse: Have you had an opinion from the Crown Solicitor?

The Hon. D. A. DUNSTAN: No, but the matter has been checked with the Auditor-General, so we have every reason to congratulate ourselves that the current situation is good, despite the real disabilities I outlined. I do not suggest for one moment that the finances of any State are other than such as cause the State Treasurers headaches. Indeed, I have received from other State Treasurers lengthy submissions which have made it clear in specific terms that the present state of Commonwealth-State financial relations cannot go on, because the States do not now have the means of raising the revenues necessary for the proper conduct of their services.

Mr. Nankivell: Why not give up uniform taxation?

The Hon. D. A. DUNSTAN: It is not practicable to give up uniform taxation, but there are other things that can be done with the concurrence of the Commonwealth and by agreement between the States, and these must be discussed in detail at the coming conference.

Mr. Millhouse: How much did the previous Government get from the Commonwealth in February?

The Hon. D. A. DUNSTAN: I do not remember offhand.

Mr. Millhouse: Surely this is a matter of some importance.

The Hon. D. A. DUNSTAN: It was announced at the time. The honourable member has had it at its fingertips as well as I. I shall not give it off the cuff; I do not have it in front of me. The honourable member always says that I should have put something in my speech when I have not got it there, and when I have got it there he says that I am long winded. The honourable member is never satisfied about anything. He is in a

permanent state of dissatisfaction, and I suggest that he see somebody other than me about it.

CHIEF SECRETARY AND MINISTER OF HEALTH.
Hospitals Department, \$500,000.

Mr. HALL: How much extra revenue does the Government expect to receive from the recently increased hospital charges?

The Hon. D. A. DUNSTAN: I cannot tell the honourable member offhand how much we expect to receive on this score, but I shall get the figure and let him know. The amounts by which we increased hospital charges in South Australia were less than increases in neighbouring States. We endeavoured to keep our hospital charges as low as possible. Indeed, we delayed an increase in hospital charges longer than was the case elsewhere in Australia in order to try to get by without an increase, but the expenses of running the hospitals were such that this was not possible. The figures, detailed previously, are as follows: general patients in public wards, \$9 a day; maternity, \$9.50 a day; general, in intermediate wards, \$12.50 a day; maternity, \$13 a day; general patients in private wards, \$16 a day; and maternity, \$16.50 a day. In the public wards this is substantially less than in other parts of the Commonwealth.

Mr. MILLHOUSE: Pursuing this point, I think it was in December, 1966, that the Treasurer's predecessor said that the Government would rather go further into debt than increase hospital charges, but on April fools' day the charges were, in fact, increased. Can the Treasurer say what occurred between the two dates to so dramatically change the opinion of the Government and to force it to make the increases?

The Hon. D. A. DUNSTAN: An investigation was held into the way in which revenues were coming to hand and about outgoings on State services. It was found that we had gone further into debt and that this was not something that we could continue to carry. There were some short-falls in Government revenues in other directions that made it imperative, for the sake of sound financing, that we should have some further recoup to Government funds.

Mr. COUMBE: I should like a further explanation of the extra payments for Group Laundry and Central Linen Service, as the laundry has now been operating for more than 12 months. As it has been suggested to me that the laundry is now operating at a profit, can the Treasurer say whether that is so and tell me why these extra sums are required at this stage?

The Hon. D. A. DUNSTAN: I am informed that requirements increased and it was simply found from experience that this expenditure was necessary. I have not been informed that the laundry is operating at a profit. I am informed by the Under Treasurer and the department concerned that the extra money is necessary because the sum had been underestimated previously.

The Hon. Sir THOMAS PLAYFORD: It appears to me that the group laundry, without oversight, is simply passing on its charges, and the Treasurer should instigate an examination of this matter. This provision represents an increase of 25 per cent. Last year I was told that the laundry was in its initial stage and that adjustments, because of increased turnover, would be made. Has the increase been brought about by an adjustment in laundry charges or by lack of control over the laundry service? Perhaps full information on this matter can be provided when the next Budget is introduced.

Line passed.

MINISTER OF EDUCATION AND MINISTER OF
ABORIGINAL AFFAIRS.

Education Department, \$270,000.

Mr. HALL: What is the reason for the increased contract rates paid to school bus operators?

The Hon. R. R. LOVEDAY (Minister of Education): Because of wage movements, adjustments have to be made in relation to bus contracts. Adjustments are made from time to time as wage alterations occur, and this accounts for part of this allocation.

Mr. MILLHOUSE: Why is reference made to Education Week? There has been none this year.

The Hon. R. R. LOVEDAY: This used to be a separate line but, on the advice of the Treasury, it was grouped with other items. As a matter of routine, the officers of the department included these items *en bloc*. The fact that there is no Education Week this year no doubt gave rise to the honourable member's question. I am informed by the Treasury that the same circumstances apply to the reference to the official opening of schools. This occurs each year but, whereas it used to be a separate line, the Treasury thought this was unnecessary and that it should be grouped with other items. Therefore, the staff included it with the other items.

Mr. MILLHOUSE: I think the reference to Education Week should be cut out rather than grouped with other items.

The Hon. R. R. LOVEDAY: Strictly speaking, that item should not be included this year. However, I point out that officers naturally include items that are normally grouped as a line. That is not to say that every year there is an Education Week; the staff is merely following Treasury advice in using this as a descriptive line.

Mr. MILLHOUSE: There should not be a line if there is not going to be an Education Week, because no money is going to be spent on it. The Government has been cheeseparing in its attitude towards schools and especially towards those people who put in a tremendous amount of voluntary effort in schools. There are the difficulties over subsidies, the fact that school windows are no longer to be cleaned and, since Parliament last met, the question of the amount of water to be used on school ovals. All these things have obviously been designed to cut down on the moneys paid by the department to schools, but they place a heavier burden on parents. Another instance of cheeseparing is the maintenance of equipment, such as projectors, etc. I understand that, in the good old days under the previous Government, a subsidy was paid on the maintenance of school equipment, or it was undertaken wholly by the department. Can the Minister say what are the precise terms of the change? I have heard from one or two school committees in my district that in future the department is not prepared to contribute to the cost of this item. Can the Minister explain this, and say whether he is still satisfied that the school windows do not need to be cleaned, and whether the arrangements he has made to cut down on water bills are satisfactory?

The Hon. R. R. LOVEDAY: I have not made any suggestion regarding the maintenance of equipment, but I shall ascertain the details of this so that the honourable member may feel satisfied with my answer. There is much imagination in the honourable member's question. I have not found that the education of students has suffered one whit as a result of school windows not being cleaned. In the course of visiting about 60 schools, I did not hear a single complaint about windows not being cleaned. I am sure that will disappoint the honourable member, but this can be borne out by the Deputy Director-General of Education, who accompanied me on my visits. Regarding subsidies, when I visited those schools people expressed great satisfaction with the Government's policy on education, particularly with the additional subsidies we had been making available to them. In fact, Mr.

King (President of the South Australian Public Schools Committees Association), in a television interview, said that our subsidy scheme was the best in Australia. If anybody had any criticism to make, I am sure Mr. King would have made it, as he is most interested in seeing that we do the best for our schools, and I do not blame him for keeping right on the ball in these matters.

Regarding water at schools, the honourable member will remember that there was one school which, I think, was using up to the equivalent of 5ft. of water on its oval. A committee has been set up to establish reasonable quantities of water to be used. On that committee is an expert from the Agriculture Department. Surely the honourable member should be pleased, in the interests of water conservation in South Australia (about which he is so vocal from time to time), that we are taking appropriate measures to see that water is properly used and that there will be no detriment caused to the ovals and no charge on the parents. He is going too far in this regard.

Mr. McANANEY: I have heard complaints that certain school librarians did not have time in which to make reasonable purchases as a result of the money allocated to them.

The Hon. R. R. LOVEDAY: With the introduction of the new scheme, there was less time for people to consider what purchases they would make. We received inquiries on this but, when it was pointed out that we had to know before the end of the year what schools would not use their full allocation and that we intended to reallocate those amounts not used by the schools in their original allocation, the virtue of this arrangement was understood. Since then, I have not received further complaints. It is realized that, if money is not used by a school, it should be reallocated to a school that needs more, because we do not carry over anything on the line: it must be spent in the year in which it is allocated on the Estimates. If the honourable member inquires, he will find that people are well satisfied with the arrangements and that the money goes where it is most needed.

Mr. QUIRKE: One teachers training college has sent out a circular to the parents of its students asking them to donate \$1 a year for amenities necessary for the school. The reason the college gave was that its subsidies had been reduced, and that it therefore could not provide the amenities needed by the students.

The Hon. R. R. LOVEDAY: This matter was raised only yesterday, and I had not seen the circular until then. It was put out by

someone associated with the students' organization. I have not the circular with me and I stand to be corrected on that point. I have caused an inquiry to be made about the truth or otherwise of this statement, but the payment of subsidies to students in teachers colleges has nothing to do with subsidies made available to schools. When I ascertain the substance of the matter, I shall let the honourable member know.

Mr. QUIRKE: Can the Minister say what is the policy of his department in relation to the installation of electrical items in schools, particularly small one-teacher schools? I wrote him about the refusal to provide electricity for a small school in the North of the State, although there was a transformer opposite and electricity was provided to a hall alongside the school. I do not think a transformer would be needed to supply the school, but that is a matter for an expert to determine. The cost of providing electricity for the school would be so negligible that I think power should be supplied.

The Hon. R. R. LOVEDAY: I shall examine the matter of cost in this matter. Engines or generators have to be provided at some small schools. I am sympathetic to the request.

Line passed.

MINISTER OF AGRICULTURE AND MINISTER OF FORESTS.

Agriculture Department, \$110,000—passed.

MINISTER OF TRANSPORT.

Railways Department, \$380,000.

Mr. McANANEY: I know that some train services have been cut out and that, probably, the amount of traffic has declined, and I should like to know the reason for the further provision of about 14 per cent of the amount provided in 1966 for the Transportation and Traffic Branch.

The Hon. D. A. DUNSTAN: I cannot give any reason for the increase other than that the amount provided covers the amount incurred. It is difficult to assign specific reasons in relation to lines as general as this. We cannot forecast the amount that will be involved in the settlement of claims for compensation for loss and damage. I know of nothing specific that has caused the increase: I am merely told that a general increase did take place.

Mr. MILLHOUSE: Regarding the item dealing with bedding, utensils and furniture for migrant employees, can the Treasurer say whether the department is still bringing out and fostering migrants?

The Hon. D. A. DUNSTAN: As far as I am aware, we still have migrant employees.

Mr. MILLHOUSE: I shall not press the matter. I do not think the Treasurer knows much more than that about it. The other matter I desire to ask about is the Royal Commission on State Transport Services. The Commission has been sitting for a long time and, as far as I am aware, the taking of evidence is far from complete, let alone the bringing in of a report. This matter is of great importance and it engendered controversy during the first session of this Parliament. Is the Royal Commission likely to be able to report to His Excellency before the next election?

The CHAIRMAN: There is nothing that I can see in the line that refers to the Royal Commission.

Mr. MILLHOUSE: There is provision for reimbursement of travelling expenses. The Railways Department has been represented before the Royal Commission.

The CHAIRMAN: Order! I am advising the honourable member that the Royal Commission is not included in this item. The honourable member will be out of order if he pursues the question further.

Mr. MILLHOUSE: That is a pity, because it was a genuine search for knowledge. If I cannot get it now, I shall ask for it tomorrow, I suppose.

Line passed.

MINISTER OF SOCIAL WELFARE.

Department of Social Welfare, \$100,000.

Mr. QUIRKE: On some occasions payments by an absconding husband who is living in another State do not reach the department in sufficient time to enable it to make payment to the wife on the one set day of the week, which may be a Friday, for example. In these cases the payments are not made until the next week. That system is of no use to a woman with a family. Will the Treasurer ascertain whether some action can be taken?

The Hon. D. A. DUNSTAN: The accounting procedures of the Department of Social Welfare are the subject of investigation by the Social Welfare Advisory Council. We have had a preliminary investigation. When I was Minister in charge of the department, I examined the position to see whether we could get the accounts out more quickly. However, thousands of accounts go out each week and the cheques have to be cleared before the

accounts are sent. It is difficult to get the cheques cleared in less time unless we substantially increase the accounting staff. At present, such an increase is not possible because of the state of the finances.

Mr. Quirke: You will appreciate that it is difficult for a wife to wait.

The Hon. D. A. DUNSTAN: I appreciate that, and we are trying to tie relief payments in with this so that we can get relief to anyone awaiting a payment.

Mr. MILLHOUSE: The proportion that the supplementary provision bears to the amount provided in 1966 is much higher in the case of this line than in other cases. The amount originally provided was less than \$300,000 and the further provision now required is \$100,000, more than one-quarter of the original provision.

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

Mr. MILLHOUSE: I gathered from the Treasurer's ejaculation at six o'clock that he wanted the Committee to rise before dinner tonight. If that is so, I apologize to him, but I did not know. He was speaking at two minutes to six, and he could have reported progress or moved for the sitting to be extended after the normal time. Also, he announced through the newspaper that we were sitting tonight. As I say, I apologize to him if I have unwittingly taken the conduct of the affairs of this Chamber out of his hands.

The point I was discussing when the bells rang was the very great percentage increase requested under this heading for further provision for State public relief. The original amount was \$293,000, and we are now asked for a further \$100,000, which is rather more than one-third of the original total and is a far greater percentage increase than that of any of the other lines. I see in the speech with which the honourable gentleman explained the Supplementary Estimates that this was due to a rather higher level of unemployment in South Australia than was expected. This of itself merely goes to underline the complaints that have been made by members of the Opposition about the current state of unemployment and the economy generally in South Australia. I desire to ask the Treasurer, or perhaps his successor in office as the Minister of Social Welfare, on what the original estimate was based, because quite obviously it was based on faulty premises, as it has turned out.

The second thing I want to ask one or other of the honourable gentlemen, whoever may have handled the particular matter, is at what rate relief is paid currently in this State.

The Hon. D. A. DUNSTAN: The original estimate was based on the amounts that had been paid in the last two years. The same amount was simply put on the lines again. This was to some extent affected by two of the Government's policies: the first was that there was some relaxation in the means test and the second was that the original estimate had been worked out on that on the advice of the Under Treasurer, who anticipated an increase in Commonwealth benefits and a corresponding decrease in State public relief. That assessment was based upon the policy of the previous Government, which had always decreased State public relief with any increase in Commonwealth benefits. However, this Government refused to reduce the amount of existing relief when the increase in Commonwealth benefits occurred.

Mr. Millhouse: Didn't you know when the estimate was drawn up that you were going to do this?

The Hon. D. A. DUNSTAN: At that stage we took advice on what would be a reasonable overall amount. The Under Treasurer wanted us to take this into account, but precisely what the Commonwealth was going to do in the area we did not know. When the increase came from the Commonwealth we did not decrease our public relief payments. The second thing that affected the situation was that the Government went out of its way to publicize the fact that people who had dependent children and who were in difficulties because of the inadequacy of the level of Commonwealth social services could get some subventions from the State through public relief. Consequently, we received a much higher rate of application for public relief than had been the case under the previous Government, when the unemployment level reached 3.25 per cent.

Mr. Heaslip: What do you mean by "previous Government"?

The Hon. D. A. DUNSTAN: Under the Playford Government, in June 1961 the level of unemployment in South Australia was 3.25 per cent of the work force.

Mr. Heaslip: That was six years ago.

The CHAIRMAN: Order!

The Hon. D. A. DUNSTAN: I thought that that would be within the living memory of most gentlemen of the Opposition; I am sure that some of them could go back much longer. I referred to the period within the life of the Playford Government in recent times when the level of unemployment in this State caused everyone grave concern. It was nearly twice the level of the present rate.

Mr. Jennings: People could not get relief if they had a television set.

The Hon. D. A. DUNSTAN: Yes. In those days the means test was much harsher than under this Government. All these things influenced the fact that we needed a greater subvention for public relief. Meanwhile, the Social Welfare Advisory Council has been investigating the public relief scale. Public relief is paid on about four different tables. A figure is struck that is considered to be an amount that would allow a family to live on a decidedly modest level. The difference between all cash income of any kind and that figure is then paid. The figure differs according to the number of people in the family and according to whether people receive Commonwealth benefits. We will maintain the tables that existed under the previous Government until a report from the advisory council is delivered to the Minister of Social Welfare. The council has been investigating this matter for a considerable period, and I hope that it will soon make an interim report to my colleague.

Mr. HEASLIP: That explanation does not indicate to me how the amount is calculated. Why cannot the present Government obtain a more accurate estimate based on what has happened during the last two years, instead of covering the last six years?

The Hon. D. A. DUNSTAN: The estimate was based on the last two years, not on the amount paid under the Playford Government. Under the Playford Government the amount estimated for payment of public relief was often considerably wide of the ultimate payments.

Mr. McANANEY: If I understood the Treasurer correctly, he said there was a scale of charges and then deductions were made from that according to the income that a family had; yet I understood him to say that money from the Commonwealth Government was not deducted. Why would the two incomes be discriminated against?

The Hon. D. A. DUNSTAN: I am sorry; I do not follow that.

The CHAIRMAN: Order! While the member for Stirling is speaking members on both sides should be quiet. It is not fair to the honourable member who is asking the question or to the Treasurer when replying. I ask members to refrain from interjecting.

Mr. McANANEY: I will put my question in another way. Did the Treasurer say that a scale of charges was fixed and any cash

income that a family had was deducted from the payments that that family received from the Government?

The Hon. D. A. DUNSTAN: No; I did not say that. What I said was that a family income standard is fixed in the table. Then the department takes into account the family's cash income from all sources; and that is totalled.

Mr. McAnaney: Including the Commonwealth Government payments?

The Hon. D. A. DUNSTAN: Yes, and child endowment. Any cash income to the family, no matter from which source, is added up and the amount of money that the department pays is the difference between the total cash income of the family and the allowable income standard in the table. A differential is made according to rent payment, in that a family cannot get the full amount of relief payments unless its rental is \$6 a week. If it is less than \$6 a week, the amount by which it is less is deducted from the amount of the relief payment.

Mr. McAnaney: The Treasurer said that in the payment of the State allowance he did not take into account the extra benefits received from the Commonwealth Government. Now he says that in the overall assessment he does take it into account.

The Hon. D. A. DUNSTAN: We do take into account any payment made by the Commonwealth but, when the Commonwealth Government increased its payments, we did not then decrease the payments made to anybody receiving State public relief; we simply allowed the top figure on the table to go up for those people. In other words, we did not make the deduction that would have occurred under that principle and did occur under the previous Government. So, if the family income standard was \$28 a week and the family was getting from all sources, including Commonwealth benefits, \$20 a week and it got an extra \$1, we did not take that \$1 off its public relief payments.

Mr. McAnaney: Then you discriminate against some families.

The Hon. D. A. DUNSTAN: If the honourable member examines the public relief table, he will see that there is in fact discrimination between the various types of family, despite the fact that they have similar outgoings. That was fixed on an arbitrary basis by the previous Government. We have not altered the allowable income tables, pending a comprehensive review of the system by the

Social Welfare Advisory Council, which has now been working on it for over 18 months.

The Hon. G. G. PEARSON: When he was explaining just now to the member for Mitcham (Mr. Millhouse) why a large sum was required under this line, I understood the Treasurer to say that when the Budget was compiled last September the Under Treasurer had suggested that there might be an increase in Commonwealth benefits which could mean a lesser requirement on the part of the State department. Therefore, at that time the Treasurer intended that the State department should benefit by an increase from the Commonwealth Government. If he were budgeting for a small sum, and the Under Treasurer had informed him there might be an increase, the previous Treasurer made out his Budget last September in the expectation of a Commonwealth increase. As that would save the State department some money, it was the Treasurer's intention that there would be a reduction in the State social service payment if the Commonwealth increased its payment.

Afterwards, when the Commonwealth did increase the contribution, this Government decided it would not take advantage of that fact and therefore continued its previous level of payments. Therefore, although I am not arguing about it, the real reason for the increase is that the Government has changed its mind and its policy during the current year.

The Hon. D. A. DUNSTAN: The Government did not change its mind or its policy, because no policy decision was taken at the time the Estimates were drawn up. At that stage we did not know what form the Commonwealth activity would take in this area. When the Commonwealth change came, we would not by then have had the report of the Social Welfare Advisory Council that would have altered the whole basis of public relief. On the recommendation of the Under Treasurer, a sum was fixed which he thought appropriate in the circumstances. When the Commonwealth decision came, we decided it then fell specifically for a policy decision. There was no report from the Social Welfare Advisory Council, and we decided there would be no alteration in the payments we had been making. We would not make anybody on public relief worse off than they had been before, in effect, from State sources. However, this change has only accounted for a part of the \$100,000.

The Hon. G. G. Pearson: How much?

The Hon. D. A. DUNSTAN: That is difficult to say. We have no precise figures on that score. It is difficult to say, for instance, how many people will be in gaol and have their wives seeking public relief; how many people will come on to the public relief requirement for one reason or another; what will be the pattern for maintenance payments; or to what extent we shall have to support people out of public relief payments as against the maintenance recoveries. It is difficult to forecast that because the fluctuations can be quite considerable and, of course, that happens in numbers of areas. For instance, this year the intake in succession duties was larger than we had expected; we could not forecast the pattern of deaths or the size of the estates involved. That is fortuitous and it is inevitable that a line of this kind (as happened under the Playford Government) can be a little wide of the mark in the estimate.

Line passed.

APPROPRIATION BILL (No. 1).

The Supplementary Estimates were adopted by the House and an Appropriation Bill for \$1,360,000 was founded in Committee of Ways and Means, introduced by the Hon. D. A. Dunstan, and read a first time.

The Hon. D. A. DUNSTAN (Premier and Treasurer): I move:

That this Bill be now read a second time.

It is based upon the Supplementary Estimates which have been dealt with by members. Clause 2 authorizes the issue of a further \$1,360,000 from the general revenue. Clause 3 appropriates that sum and sets out the amount to be provided under each department or activity. Clause 4 provides that the Treasurer shall have available to spend only such amounts as are authorized by a warrant from His Excellency the Governor, and that the receipts of the payees shall be accepted as evidence that the payments have been duly made.

Clause 5 gives power to issue money out of Loan funds, other public funds or bank overdraft, if the moneys received from the Commonwealth Government and the general revenue of the State are insufficient to meet the payments authorized by this Bill. Clause 6 gives authority to make payments in respect of a period prior to the first day of July, 1966. Clause 7 provides that amounts appropriated by this Bill are in addition to other amounts properly appropriated. Except for the amount of appropriation sought, and the period

covered, this Bill is the same in all respects as the supplementary Appropriation Bill passed by the House 12 months ago. I commend the Bill for consideration of members.

Mr. HALL (Leader of the Opposition): As this Bill is in conformity with the Supplementary Estimates with which we have just dealt, I support it.

Bill read a second time.

In Committee:

Clauses 1 to 4 passed.

Clause 5—“Power to issue money other than revenue or money received from the Commonwealth.”

The Hon. Sir THOMAS PLAYFORD: Is the purpose of this clause to enable the Government to make the switch from the Loan Account to the Revenue Account?

The Hon. D. A. DUNSTAN: As I take it, this is not to give specific authorization for charging to Loan Account instead of to Revenue Account. In fact, the existing appropriation is sufficient to do this. This is to provide that, if the moneys available in Loan and Revenue are insufficient (that is, if we are in some small measure in deficit in either account), we can issue moneys as against those small deficits. It may be that by June 30 we could be slightly in deficit in Loan Account or in Revenue Account. That is not entirely clear and cannot be clear until June 30 arrives. The clause clearly states, “moneys may be used to make good the deficiency out of Loan funds or other public funds or out of moneys raised by way of bank overdraft.” In other words, this is authority to pay the moneys that would be in debt.

The Hon. Sir THOMAS PLAYFORD: Does that mean that the Government may take other moneys from the Loan funds for the purpose of the Supplementary Estimates? It states quite clearly that moneys may be issued to make good the deficiency out of Loan funds or other public funds. Is it considered likely that there will be other diversions from the Loan funds in connection with the purposes set out in clause 3, which represents the Supplementary Estimates?

The Hon. D. A. DUNSTAN: No, it is not. This is the standard clause. It has been in the Appropriation Acts we have passed. If the honourable member looks at the 1963 volume, he will see this clause is there. It is a safeguard to ensure an authority for taking from the moneys we have available the necessary covering of any small deficit that may occur.

Mr. MILLHOUSE: It seems that this clause was one used by the last but one Labor Government in the early 1930's and that it has not been used since. Although it was used by neither the Butler Government nor the Playford Government, it has not been taken out of the legislation. I cannot agree with the Treasurer's interpretation of this clause: it is not limited, of course, to small amounts. It refers to the contingency of moneys paid to the State by the Commonwealth being insufficient: it does not say they are only small amounts. This gives authority to do what the Government intends to do this year, and what it did last year, and it also gives authority (and this sends chills up my spine) to go down the street and borrow money from a private bank on overdraft if it wishes.

Members interjecting:

The CHAIRMAN: Order! Order!

Mr. MILLHOUSE: I cannot agree with the Treasurer when he tries to give a restrictive—

The CHAIRMAN: When I call for order, I mean all members: I do not exempt any.

Mr. MILLHOUSE: I cannot agree with the Treasurer's restrictive interpretation of this. There is no doubt in my mind that it will enable the Government to do what the member for Gumeracha has suggested.

Mr. HEASLIP: I have my doubts about this clause, too. If what the Treasurer told us this afternoon was correct (that the Govern-

ment has power to use Loan money to balance Revenue Account), why is this clause necessary?

The Hon. D. A. DUNSTAN: I suggest seriously to the honourable member that he read the clause, which states:

If the moneys paid to the State by the Commonwealth of Australia and the General Revenue of the State are insufficient to make the payments authorized by section 3 of this Act moneys may be issued to make good the deficiency out of Loan funds or other public funds or out of moneys raised by way of bank overdraft.

So that, if we have a deficit, then we may raise moneys from the other sources available.

Mr. Heaslip: Can you not do that now?

The Hon. D. A. DUNSTAN: Yes, we can do this now, but in every Appropriation Bill this has been a required safeguard: it is part of the normal form of Appropriation Bill that, if there is any deficiency, we have authority to draw from the cash funds available to us to meet it.

Clause passed.

Remaining clauses (6 and 7) and title passed.

Bill read a third time and passed.

SUPPLY BILL (No. 1).

Returned from the Legislative Council without amendment.

ADJOURNMENT.

At 8.6 p.m. the House adjourned until Thursday, June 22, at 2 p.m.