

HOUSE OF ASSEMBLY

Thursday, September 5, 1968

The SPEAKER (Hon. T. C. Stott) took the Chair at 2 p.m. and read prayers.

QUESTIONS

STUDENT TEACHERS

The Hon. R. R. LOVEDAY: On August 30 the following statement appeared in the *Advertiser*, attributed to the Minister of Education:

Student teachers have to buy their textbooks and pay for their daily travel to and from teachers colleges, under regulations approved yesterday by the Executive Council. Allowances will be increased slightly to compensate.

In replying to questions on this matter in the House, the Minister said:

Under the previous system students were paid a living allowance, issued with textbooks on loan, and reimbursed the cost of travel in excess of 20c daily . . . and the scheme has been found unworkable.

Everyone in this House, I am sure, and student teachers also thought that the payment of all travelling expenses over 20c had been discontinued and that the payment of \$85 a year to all students would be made in lieu thereof and also in lieu of textbooks, which were formerly issued on loan. However, on examining the regulations in the *Government Gazette* of August 29 I find that this is not so. The new regulation points out that the previous regulations have been deleted and, in regard to travelling expenses, it provides that "in the case of students who do not receive a boarding allowance, an amount equal to the cost in excess of 20c per day of daily travel between their homes and a teachers college by public transport" will be paid. The deleted regulation provides that "an amount equal to the cost in excess of 2s. per day of daily travel between their homes or place of board and a teachers college by public transport and of all approved travel by public transport associated with training at a teachers college" will be paid. Therefore, what has apparently been done in this regulation is to provide that those who receive a boarding allowance will no longer get the travelling allowance. Also, students will not get an allowance for their travel by public transport associated with training at the teachers college (that is, travel between the teachers college and the university and between the various buildings of the teachers college). Presumably, by the regulation, the excess over 20c

a day of the students (other than those who are boarding) travelling from their homes to the college will be paid. Will the Minister of Education explain what will be done about this and say what she thought she approved of when she approved of this change?

The Hon. JOYCE STEELE: I am aware of the facts drawn to my attention and to that of the House by the honourable member. True, the regulation states what the honourable member has said it states. Unfortunately, the instruction for the drawing up of the regulation, which was that this particular clause be deleted, was not followed. The matter has now been rectified and the regulations are in order.

The Hon. R. R. LOVEDAY: Are we now to understand that the regulations appearing in the *Government Gazette* of August 29 are the correct regulations?

The Hon. JOYCE STEELE: The answer is "No". I thought that I had indicated that a mistake had occurred (and mistakes do occur, as most Ministers and members will appreciate). Steps were immediately taken to alter the regulations, and they will now appear in their correct form.

BLANCHETOWN POLICE STATION

The Hon. B. H. TEUSNER: In the Loan Estimates appears an item, "Combined Police Stations and Courthouses, Blanchetown, Ceduna, \$50,000". As the relocated Sturt Highway across the new Blanchetown bridge by-passes the town of Blanchetown, can the Treasurer, in the absence of the Minister of Works, say whether it is intended to erect the new combined police station and courthouse at Blanchetown on the site of the existing police station, or will the building be on a new site adjoining the Sturt Highway?

The Hon. G. G. PEARSON: I will direct the question to the Minister of Works and ask him to inform the honourable member about the matter.

DRUGS

Mr. GILES: My question refers to a report in the *News* of September 4 regarding drugs looking like lollies. This comment was made by Sergeant Del Fricker of Sydney. The Police Offences Act provides for a fine of \$100, or imprisonment for three months, for a person who has deleterious drugs in his possession. The Act also provides for a fine of \$50, or three months' imprisonment, for a person found loitering. Because of the serious effects that drugs can have on a

community, I consider that the penalty for having deleterious drugs on the person is not sufficiently high. Will the Premier consider this matter to see whether a more equitable penalty can be provided for this type of offence?

The Hon. R. S. HALL: I will get a report from the Chief Secretary for the honourable member and bring it down as soon as possible.

TRANSPORTATION STUDY

Mr. HUDSON: Has the Attorney-General a reply to my recent question about the effect on residents of Darlington of the Noarlunga Freeway proposed in the Metropolitan Adelaide Transportation Study Report?

The Hon. ROBIN MILLHOUSE: Some of the residential properties in Ridgcrest Avenue, Darlington, are directly affected by the road proposals as shown in the Metropolitan Adelaide Transportation Study Report. A number of properties, however, including the particular property to which the honourable member refers, will not be directly affected but will be indirectly affected in respect of access and outlook. At this stage, it is intended that only those properties directly affected will be acquired. It is appreciated that the isolation of these properties by the road proposals creates somewhat unusual circumstances, and the matter will be given further close consideration at such time as the proposals are adopted. In any event, it is expected that it will be 15 years before any major works are undertaken in this area.

MEAT INSPECTION

Mr. WARDLE: In recent months it has been necessary for country abattoirs to pay $\frac{1}{2}$ a pound service fee (and I believe that in the case of Port Lincoln a service fee of $\frac{1}{4}$ a pound is charged) to inspect meat coming from country areas into the metropolitan area. Will the Minister of Lands ask the Minister of Agriculture how much has been received from country abattoirs by reason of this inspection fee, and how much it has cost the authority to carry out this inspection?

The Hon. D. N. BROOKMAN: I will get that information.

EGGS

Mr. FREEBAIRN: On Tuesday the Minister of Lands informed me that he had a reply to a question I asked about 10 days ago concerning the reasons for the relative differences in marketing charges of the various Australian egg marketing boards. Will he now give that reply?

The Hon. D. N. BROOKMAN: The Minister of Agriculture informs me that the services rendered by grading agents of the South Australian Egg Board embrace handling, grading, candling, stamping, packaging, packing for delivery, and selling. The agents are also responsible for the keeping of producers' records, preparation of account sales, and remission of payments due to producers. Details of the services rendered by egg boards in other States and/or their agents are not known to the South Australian board.

GAUGE STANDARDIZATION

Mr. McKEE: I refer to an article in this morning's *Advertiser* headed "Rail Link Aid 'Available'" and a statement in it attributed to Mr. Jessop, member for Grey in the Commonwealth Parliament. The article states:

The State Government should not lose time in applying for Commonwealth money for planning a Port Pirie to Adelaide standard gauge rail link, Mr. Jessop, M.H.R., said yesterday. Mr. Jessop said yesterday the Federal Government had agreed to provide \$30,000 for detailed surveys and planning for the Adelaide-Port Pirie link, but as yet no claim had been made on this money.

Yesterday, the Minister of Roads and Transport said that a case had been put to the Commonwealth Government and that he was awaiting a reply. Obviously, from his statement the Minister knows nothing about the money that is apparently to be made available. Is the Premier aware of the sum to be made available and will he comment on the statement?

The Hon. R. S. HALL: I am aware that the honourable member's statement contains an opinion as well as a question. However, I am also aware that the member for Grey in the Commonwealth Parliament has long been supporting improvements in his district, and I am pleased to know that he is also behind the move to provide this facility. For the benefit of the honourable member and the House I will bring down a detailed account of the present state of negotiations in this matter as soon as possible.

LICENSING COURT

Mr. RODDA: I understand that people in my district (I believe about 170 applications are involved throughout the State) are awaiting the pleasure of the Licensing Court on the issue of restaurant and general storekeepers' wine licences. I also understand that these applications are being opposed by the hotel owners' association and that it takes two or three days to hear each contested application.

As the Licensing Court sits about 250 days a year, it will take some time for it to hear these applications. Will the Attorney-General say whether the hearing of these applications can be speeded up by the appointment of a special magistrate or by a similar arrangement that would give the court more flexibility in hearing these cases?

The Hon. ROBIN MILLHOUSE: When the Government came into office it was confronted with a difficult situation, as the work in the Licensing Court had accumulated to a very serious extent: the delays that were occurring were extremely long and most undesirable. The Government took action as speedily as it could by appointing Mr. McLaughlin, Q.C., a special magistrate to sit as a member of the Full Bench of the Licensing Court in an effort to reduce the arrears of work in Full Bench matters. I am glad to say that the arrangement we made is working extremely well and that the backlog is being caught up, although there is still much work in front of the court. There is a great volume of business, and delays are, unfortunately, inevitable. However, if the honourable member will give me details of the cases he has in mind I will see whether anything can be done to expedite them (within the limits of fairness, because each case must take its proper place). At least, I shall be able to find out what is the position and to inform him.

WALLAROO HOUSING

Mr. HUGHES: Has the Minister of Housing a reply to my question of August 27, about low-rental houses in the Wallaroo District?

The Hon. G. G. PEARSON: The General Manager of the Housing Trust reports that the trust does not build "cottage flat" accommodation in country districts but it has acted as the building agency for many local organizations that have been eligible for the Commonwealth subsidy of \$2 for each \$1 provided by the organization. Eight units were recently built by the trust for the Returned Servicemen's League at Wallaroo under this scheme. The trust has not carried out a survey of senior citizen's housing requirements in Wallaroo.

WATER STORAGEES

Mr. McANANEY: In the absence of the Minister of Works, will the Minister of Lands ascertain how much water is held in the reservoir storages in the upper reaches of the Murray River?

The Hon. D. N. BROOKMAN: Yes.

FALLING ROCKS

Mr. GILES: Has the Attorney-General a reply to my question of August 21 regarding liability when rocks fall from properties on to roads?

The Hon. ROBIN MILLHOUSE: This was a question the honourable member asked me about a fortnight ago, Mr. Speaker, and you may remember that you then intervened to ask whether I desired to answer it. I am prepared to give an answer, but it is in nature hypothetical because the member has posed a question without there being any actual facts or circumstances behind it. It is always difficult to answer such a question, and it is somewhat dangerous to do so. The answer I shall give must in all ways be tempered by any particular circumstances that arise.

The SPEAKER: Is the honourable member quoting an opinion of the Crown Solicitor?

The Hon. ROBIN MILLHOUSE: No. I am giving my own opinion.

The SPEAKER: Then the Minister is in order.

The Hon. ROBIN MILLHOUSE: The honourable member asked whether a private owner or a road authority was responsible for rocks falling on to the roadway and causing damage to those using the roadway. If a dangerous situation is created by rocks falling either from private property abutting a roadway or from works undertaken by a road authority, and if the private owner or the road authority becomes aware of what has happened, there is probably liability on that private owner or the road authority for any damage caused. If it is a fall of rock because of natural causes, there is no liability, I think, unless the owner or the road authority knew, or should have known, that a dangerous situation had been created by the fall of rock. I think that is a correct statement of the general principles to be applied but, again, I emphasize that each case must be looked at in the light of its own circumstances.

MOUNT GAMBIER HOUSING

Mr. BURDON: Has the Minister of Housing a reply to the question I asked recently about housing for physically handicapped people?

The Hon. G. G. PEARSON: The General Manager of the Housing Trust reports that the trust has erected a limited number of flats and houses specially equipped for handicapped people at Mitchell Park in the Adelaide metropolitan area. An investigation of the

circumstances mentioned by the honourable member will be made by the trust's area officer at Mount Gambier.

TEROWIE RAIL SERVICE

Mr. ALLEN: Since entering Parliament, I have used the South Australian Railways extensively, and the particular service that I use is quite suitable to me, because I can walk 100 yards to board the service, spend eight and a half hours in the city and return the same day. The return service leaves the city at 6.10 p.m.; on three nights a week the train is the Broken Hill express and on the remaining nights the train travels as far as Terowie. On several occasions I have noticed a few unoccupied reserved seats in the first-class carriage. Last Thursday week (August 22), as I could not find an unreserved first-class seat, I travelled in the second-class carriage. Last Thursday (August 29) I obtained an unreserved seat in the first-class carriage and noticed that seven reserved seats in that carriage were unoccupied. Several people entered this carriage but then went into the second-class carriage. I took particular notice of these seats, and they were unoccupied when the train left Riverton. It is necessary to change trains at Terowie in order to continue to Broken Hill, and I should be surprised if these seats were occupied between Riverton and Terowie. For the Minister's benefit, I point out that the numbers of the seats concerned were as follows—

The SPEAKER: Order! There is too much conversation. I ask members to see that their microphones are switched off.

Mr. ALLEN: The numbers were 1, 2, 3, 4, 25, 31, and 32, and the seats were in car No. 104. Will the Attorney-General ask the Minister of Roads and Transport to ascertain whether these seats were, in fact, reserved and will he also ascertain where the passengers concerned may have boarded the train and where they alighted?

The Hon. ROBIN MILLHOUSE: I will bring these facts to the attention of my colleague and ask him whether he can supply the information required.

HOLDEN HILL INTERSECTION

Mrs. BYRNE: Has the Attorney-General, representing the Minister of Roads and Transport, a reply to the question I recently asked about the intersection of Main North-East and Grand Junction Roads at Holden Hill?

The Hon. ROBIN MILLHOUSE: The roadways around the roundabout at the intersec-

tion of Grand Junction Road and the Main North-East Road have a minimum width of 26ft.; two lanes are thus available for traffic use, permitting unrestricted left turns at the same time as through and right-turn movements. The intersection is expected to be completed early in September, 1968. Wet weather has slowed down the construction of traffic islands and line marking. The drums, bollards, and other equipment used for traffic control and the safety of Highways Department workmen, are being removed as quickly as possible.

GUARD RAILS

Mr. VENNING: Has the Attorney-General, representing the Minister of Roads and Transport, a reply to the question I asked some time ago about railway crossing guard rails?

The Hon. ROBIN MILLHOUSE: The Minister of Roads and Transport has informed me that arrangements have been made to experiment with a less rigid type of wing fencing and cattle grid at seven level crossings. Two installations have been completed, but naturally it will take considerable time before the efficacy of the experimental fencing can be assessed.

SIREX WASP

Mr. FREEBAIRN: Has the Treasurer a reply to the question I asked during the debate on the Loan Estimates about the purpose of the \$58,000 provided for the control of Sirex wood wasp?

The Hon. G. G. PEARSON: The provision of \$58,000 is to cover South Australia's agreed payment to a national fund to which the Commonwealth and all States contribute. The fund is used for the prevention, control or eradication of the Sirex wasp as necessary anywhere in the Commonwealth.

LICENSING ACT

The Hon. B. H. TEUSNER: Section 82 (1) of the Licensing Act provides that a company incorporated under the laws of this State may hold any licence other than a full publican's licence. It seems that in view of this section companies incorporated under the laws of one of the other States of the Commonwealth are prevented from obtaining, for example, a vigneron's licence under this Act, even though they may be carrying on business in South Australia. I understand that some companies incorporated in one of the other States have for many years been carrying on business in this State as winemakers. Will the Attorney-General examine this section with a view to

amending it in order to remove what I consider to be an anomaly, so that the companies concerned may apply to the Licensing Court for a vigneron's licence or any other licence provided for under the Act?

The Hon. ROBIN MILLHOUSE: This matter having been brought to my attention a couple of days ago, I will certainly examine it with a view to making a recommendation to Cabinet. As the honourable member is probably aware, the Government intends to introduce an amending Bill this session and, if appropriate, this matter will be included amongst those contained in the Bill.

CALLINGTON WATER SUPPLY

Mr. WARDLE: The sum of \$1,300,000 has been provided in the Loan Estimates for the Murray Bridge to Onkaparinga main. Can the Minister of Lands, in the absence of the Minister of Works, say whether the Engineering and Water Supply Department intends to connect the township of Callington to reticulated water when the main has progressed that far?

The Hon. D. N. BROOKMAN: In the unavoidable absence of the Minister of Works, I will note the question and pass it on to him.

CROWS

Mr. EDWARDS: Although my question concerns a Commonwealth matter, as it affects people in my area I will ask it here. When I returned home last weekend, I was surprised to find that not only do we have wombats undermining the security we enjoy from our dog fences but we now also have crows taking charge of telephone lines. There are many crows nests, all of which seem to be occupied, in the telephone lines: many families of crows are being reared amongst the telephone wires. I have no doubt that members opposite have noticed, when they have rung my district, the poor telephone reception caused by the conglomeration of materials in the nests.

The SPEAKER: Order! That cannot be allowed in a question.

Mr. EDWARDS: Many of these nests are in the telephone line between Port Augusta, Whyalla and Port Lincoln. Will the Premier take up with the Postmaster-General's Department the matter of having these lines cleared?

The Hon. R. S. HALL: The usual Australian reaction is to "stone the crows". However, I realize such a practice would have repercussions in this case in that the valuable equipment concerned might also be harmed.

I will bring this question to the notice of the appropriate authority.

GOOLWA FERRY

Mr. McANANEY: Will the Attorney-General ask the Minister of Roads and Transport to obtain a report on any progress made towards the establishment of a second ferry at Goolwa for which an urgent need will exist in the summer months?

The Hon. ROBIN MILLHOUSE: I will ask my colleague.

WHEAT

Mr. FREEBAIRN: On the Australian Broadcasting Commission mid-day news service there was a distressing report that marketing problems for the coming wheat harvest could be acute this year. The report went on to say that in the last 10 years the Australian acreage under wheat had doubled and that a recent Australian Wheat Board mission to the East to make forward sales had been largely unsuccessful. Members will know that the prospects for the wheat harvest in South Australia this year are bright. Will the Minister of Lands ask the Minister of Agriculture what the wheat harvest is expected to be and what proportion of it can be stored in the silos belonging to South Australian Co-operative Bulk Handling Limited?

The Hon. D. N. BROOKMAN: I will ask my colleague about the matter. However, I draw the honourable member's attention to a reply I gave yesterday about bulk silo capacities which may have some bearing on his question.

Mr. McANANEY: Will the Minister of Lands ask the Minister of Agriculture to ascertain from the Wheat Board when the final payment from the No. 29 pool for 1965-66 and the third payment from the No. 30 pool for 1966-67 are expected to be made?

The Hon. D. N. BROOKMAN: Yes.

HEATHFIELD HIGH SCHOOL

Mr. EVANS: The Heathfield High School has been open for some years but work on only one stage of the playing fields, involving the tennis and basketball courts and hockey fields, has been completed. Although the playing fields were originally planned to be constructed in two stages, up to the present no work has been carried out on the second stage—the ovals for football and cricket. Will the Minister of Education ascertain when work on the second stage of the playing fields is likely to commence?

The Hon. JOYCE STEELE: On May 24 this year, I informed the honourable member that the Public Buildings Department had been asked to expedite stage 2 of the development programme but that it was not possible to indicate the date of commencement of the work until funds had been approved. Although the position has not altered since then, in response to the honourable member's further question I will call for another report on the matter.

KIMBA WATER SUPPLY

Mr. EDWARDS: A large stretch of good farming country is located to the west and north of Kimba mainly in the Pinkawillinie and western Buckleboo areas, which have no Government tanks to supply them. As it is most difficult to get a dam to hold water in this area, will the Minister of Lands, in the absence of the Minister of Works, ask the Engineering and Water Supply Department to consider supplying water to these areas as soon as the Polda to Kimba main has reached Kimba?

The Hon. D. N. BROOKMAN: Yes.

PERSONAL EXPLANATION: GAWLER

Mr. CLARK (Gawler): I ask leave to make a personal explanation.

Leave granted.

Mr. CLARK: On August 20, 1968, during the debate on the Electoral Districts (Redivision) Bill, I said:

I understand, though I am not sure of this, that discussions have been held with the neighbouring council to the south, and there is a strong possibility that some of the area of that district will be ceded to Gawler.

The House will note that I stressed that I was not sure of this statement, which was made on the basis of information given to me from two normally most reliable sources. It now seems evident that this statement was not correct but based on rumour only. I should like to read the following letter received by me today from the Chairman of the Munno Para council, Mr. E. H. V. Riggs:

At a meeting of the council held on September 2, I was instructed to write to you concerning the matter of the possibility of discussions having taken place between the Gawler corporation and this council on the question of extending the corporation boundaries. *Hansard* reports indicate a statement attributed to you which the council believes may create a wrong impression of the position. The District Council of Munno Para has not received any request for discussion from the Gawler

Corporation, or any other local governing body, nor has it entered into discussions with the corporation on the matter of boundaries.

The council would appreciate your consideration of a correction of the impression given in the *Hansard* report. I trust that the information I have given above is of assistance to you in the further consideration of the Bill, which you were debating at the time.

I have never wittingly made a statement in this House or outside it that I have not believed to be completely correct. I have the highest respect for the work and management of the Munno Para council. My relations with the Chairman (Mr. Riggs), the Clerk of the council (Mr. Hatcher) and the council in general have always been friendly and cordial. I thank Mr. Riggs for his letter and unreservedly correct the remarks that have caused this council concern.

ESTIMATES OF EXPENDITURE

His Excellency the Lieutenant-Governor, by message, recommended the House of Assembly to make appropriation of the several sums for all the purposes set forth in the Estimates of Expenditure by the Government for expenditure during the year ending June 30, 1969.

Referred to Committee of Supply.

THE BUDGET

In Committee of Supply.

The Hon. G. G. PEARSON (Treasurer): The revenue and expenditure proposals of the Government for the year ending June 30, 1969, have been prepared under conditions of considerable financial difficulty, and as a consequence the Budget involves extensive revenue measures without which it would be impossible to provide for the proper maintenance of essential works and services and restore financial equilibrium. At June 30 last the deficit disclosed in the Consolidated Revenue Account was \$8,365,000. This was built up over a three-year period during which expenditures increased without a fully compensating increase in taxation and other revenues. During the period immediately prior to June 30, 1964, surpluses aggregating \$3,844,000 had been built up. During 1964-65 a current deficit of \$2,621,000 left a balance of \$1,223,000 in hand. During 1965-66 there was a current deficit of \$6,834,000 so that Revenue Account was \$5,611,000 overdrawn at June 30, 1966. During 1966-67 a surplus of \$106,000 was recorded but only after debiting to Loan Account a net \$6,902,000 of expenditures which it had been customary to debit to Revenue Account. During 1967-68 a deficit

of \$2,860,000 was recorded but again some \$5,015,000 of expenditure normally charged to revenue was in that year charged against Loan Account. Without these changes in accounting procedures the last three years would have shown deficits on Revenue Account of \$6,834,000, \$6,796,000 and \$7,875,000, or an aggregate of \$21,505,000. Since those three years commenced with \$1,223,000 in hand the net deficit upon the basis of accounting formerly adopted would, at June 30, 1968, have been \$20,282,000 in place of \$8,365,000 as actually shown. The \$11,917,000 difference was actually paid for out of Loan funds. In addition, Loan funds to the extent of a further \$5,658,000 were unspent at June 30, 1968, and these are being held as an offset to the overspending on Revenue Account.

The fact that the net shortage on Revenue and Loan Accounts combined was \$2,707,000 at June 30, 1968, was not in itself a matter of such serious concern. The serious concern arises primarily from the withdrawal of between \$17,000,000 and \$18,000,000 of borrowed moneys away from their normal function of providing for works and developmental expenditures to meet current needs and also from the debt service commitments of nearly \$1,000,000 a year which will persist in the future as a consequence. It is acknowledged that in other States a considerable volume of expenditure of the nature latterly transferred in this State against Loan Account has been customarily charged to Loan. However, the procedure of covering the shortfall of revenue in relation to expanding current requirements for social and public services by making transfers against Loan Account is one that is not capable of repetition. Moreover, the diversion of current Loan funds to cover any further current revenue deficit is indefensible, whether the diversion is for formal funding of a revenue deficit or merely to hold surplus funds on one account as a general offset to a deficit on the other. I have already made it clear in the Government Loan works proposals that such a diversion will not be entertained under present circumstances. Whilst it is not practicable for the Government in its first year both to discontinue the charging of certain grants for capital purposes to Loan and to secure a balanced Revenue Budget, the Government regards a balanced Revenue Budget as its minimum immediate objective.

Having assessed the necessary expenditure requirements of the whole range of Govern-

ment functions and examined them to secure all reasonable economy, and having provided in consultation with my Cabinet colleagues for those standards of social service that the community may properly expect, it became clear that with current revenues and current wage and salary rates there was a gap between anticipated revenues and expenditures for 1968-69 of about \$3,800,000. In making proposals to secure adequate revenues to convert this gap into a nominal surplus the Government had necessarily to bear in mind that the expansion in expenditure requirements in 1969-70 would open a further gap. The measures that the Government now proposes for 1968-69 are estimated to bring in about \$3,820,000 this year and about \$8,300,000 in a full year. They are as follows:

1. A receipts duty of 1c in each \$10 upon the pattern of the measure recently implemented in Victoria, but not extending to wages and salaries. It is expected that this will raise about \$4,800,000 in a full year and \$1,600,000 this financial year.

2. A stamp duty of \$2 upon certificates of compulsory third party motor vehicle insurance designed to assist in public hospital operation, as fees payable in public hospitals for road accident patients cover only a portion of total costs. It is expected that this will raise \$840,000 in a full year and \$500,000 this financial year.

3. A gift duty at rates comparable with those levied in the larger Australian States. It is expected that this may raise \$600,000 in a full year and \$400,000 this financial year. Legislation is proposed that will apply to gifts actually made after the making of this announcement if those gifts together with any other gifts made within an 18-month period, either before or after, should exceed \$4,000. There would, of course, be no duty upon any gift fully effective by today.

4. An extension of the present hire-purchase duty of 1½ per cent to cover other forms of time payment, leasing and like transactions. This is expected to bring in \$600,000 in a full year and \$350,000 in this financial year.

5. An increase in the fee for liquor licences from 5 per cent to 6 per cent which is the rate applicable in most other States. This will raise about \$500,000 further revenue in a full year and \$250,000 this financial year.

6. A contribution to Consolidated Revenue of 45 per cent of the profits made by the State Bank. This will be because the bank is constitutionally free from Commonwealth

income tax, and the contribution is expected to be of about \$370,000.

7. An increase in public hospital charges in line with charges elsewhere which together with proposed charges in appropriate cases in mental hospitals, may increase revenues by \$600,000 in a full year and \$350,000 this year.

There is one further financial measure which the Government proposes to place before Parliament during the current session but which it is expected will not affect the current Budget. The Premier, during the course of the recent election campaign, promised that the Government would entirely remove the winning bets tax when the income to the Government from Totalizator Agency Board operations equalled the return from the winning bets tax. The revenues from the latter tax for the year to the end of March, 1967 (T.A.B. commenced on March 29, 1967) were \$1,007,000, and for the year ended June 30, 1967, were \$1,010,000. For the year ended June 30, 1968, T.A.B. revenues available for the Hospitals Fund were commissions \$647,000, fractions \$134,000, unclaimed dividends \$38,000, and small margins on Broken Hill investments. From these revenues there had to be subtracted \$66,000 as reimbursement to the racing clubs for half their loss following the removal of the winning bets tax from the stake from February 1, 1968. As a consequence, the net receipts were \$754,000, which is considerably below the 1966-67 receipts from the winning bets tax. It is estimated, on the basis of 20 per cent increase in T.A.B. turnover in 1968-69, that the revenues in that year will be about \$786,000 for commissions, about \$167,000 for fractions, about \$76,000 for unclaimed dividends, and about \$1,000 for Broken Hill margins. After subtracting the remaining reimbursement to the racing clubs of \$85,000 as a consequence of their loss of revenues from the winning bets tax, the net receipts on that basis would be about \$945,000, or still short of the pre-T.A.B. revenues of \$1,007,000 from the winning bets tax. For the net receipts from T.A.B. sources to reach \$1,007,000 in 1968-69 would require a T.A.B. turnover almost 30 per cent up on 1967-68, and this would seem to be beyond what could reasonably be anticipated. On the other hand, particularly with the absence of winning bets tax reimbursements in 1969-70, it is to be expected that receipts from T.A.B. will exceed the target in that year. Accordingly, legislation is proposed during the current session authorizing the abandonment of the winning bets tax on a date to be proclaimed, and

on present indications that date can be expected to be June 30, 1969. In that legislation the Government would also propose to secure authority from the same date to bring the levels of the tax on bookmakers' turnover and the stamp duty on betting tickets to the levels generally operating in the Eastern States.

The foregoing revenue measures would, it is estimated, produce a nominal surplus of \$21,000 in the 1968-69 Budget. It is appreciated, of course, that during the currency of the year there will undoubtedly be a number of new industrial awards, not at present covered in the Expenditure Estimate provisions, which will impact upon the Consolidated Revenue Account. Provision is made, as is normal, in the Expenditure Estimates for those rates of salaries and wages current at the time of their preparation, and this means that increases awarded after August 16, 1968, are not specifically covered. The necessary appropriation for any such increases will be secured in the customary fashion by enacting a special clause in the Appropriation Act to cover the extent of expenditure so arising. It is not possible to forecast, even approximately, their probable extent but, as a new teachers' award is pending, as a national wage case is proceeding, and as a number of other applications are being made in both Commonwealth and State jurisdictions, the amount is likely to be significant. Before discussing how these further expenditures may be met I desire to make some comment upon Commonwealth financial provisions for State budgetary purposes.

Members will be aware that in June last the Premiers of all States put to the Prime Minister submissions and proposals for a revision of Commonwealth-State financial relations to divert to the States a greater and more equitable share of the Australian resources for public finance. These submissions were not successful, as the Commonwealth took the stand that a revision must await the conclusion of the present grants arrangements in June, 1970. The South Australian Premier at that time, and subsequently, submitted that from a variety of causes the South Australian reasonable requirements had latterly been less adequately dealt with than had those of other States. He indicated he was prepared, if necessary, to have the Commonwealth Grants Commission arbitrate on the matter pending the 1970 re-assessments. We now understand that the Commonwealth does not feel able to make an immediate increase in the financial assistance to this State or to any other State upon either general or particular grounds, but

that it has not closed the door upon reconsideration of South Australia's position should developments during the course of the two years to June 30, 1970, make such reconsideration appropriate.

The Government considers that the stand of the Commonwealth towards the States generally and towards South Australia in particular has been most unreasonable and inconsiderate. A mass of information and submissions has been placed before the Commonwealth indicating the relative gross inadequacy of the sources of State finance both in volume and in growth potential to meet the ever expanding State responsibilities. This inadequacy is highlighted even more by the extent, flexibility, and growth potential of the Commonwealth's own resources, which are such that the Commonwealth is able to finance its works and functions at standards which are much higher, and increasing at a much more rapid rate, than is possible with State standards. The special problems of the State of South Australia and the retrogression in financial assistance relative to provisions for other States were impressed upon the Commonwealth. The retrogression in Commonwealth assistance to South Australia, particularly in relation to assistance to Western Australia and Queensland, in both general purpose and special purpose financial arrangements, has been very great indeed. We do not for one moment suggest that such assistance should not have been given to those States, but simple equity and real need demand comparable treatment for this State. The Government has no intention of relinquishing or even abating its efforts to secure a more reasonable financial arrangement with the Commonwealth for current purposes, for future purposes, and for some contribution toward those recent deficits which in part can be attributed to inadequate earlier arrangements made by the Commonwealth.

For the year 1968-69 our proposals are for a balanced Budget. There is no other presently acceptable alternative. If, by virtue of significantly increased wage awards, or for any other cause outside our control, there should be a threat of an ultimate deficit for this year, the Government will move immediately to renew its application to the Commonwealth for supplementary finance, and will press this to the stage of a formal application under the Commonwealth Grants Commission Act, if necessary. The Government would also be disposed, if necessary, to submit to Parliament supplementary proposals which would not

only authorize the unavoidable expenditures but would propose ways and means to finance them. What those ways and means may be if the Commonwealth will not assist it is not possible to forecast, but it must be apparent that this State and the States generally cannot indefinitely concede to the Commonwealth a complete monopoly of all forms of income tax if it does not offer adequate alternative resources. This comment applies to the possible subsequent extension of the new receipts duty to wages and salaries as well as to other taxes of a like nature.

I have commented only briefly on the major revenue-raising proposals for this year but I will, of course, spell them out in considerable detail when introducing the necessary legislation. However, at this stage I make the general point that if the community is to have the expanded and improved services that only Governments can provide, then it will continue to be necessary for taxation and other revenue-raising measures to be brought into effect from time to time. There is no escape from the simple principle that if the community continues to make new and increased demands upon the Government, then the Government must make increased demands for financial contributions from the community. As examples of the kinds of essential services which cannot pay their way directly and which must of necessity be covered by general taxation, may I remind members of the following services and their growth in the last 15 years.

The Education Department's running expenses in 1953-54 were \$9,300,000. This year they are expected to reach \$53,300,000, a six-fold increase. The net cost to the Revenue Budget of education, science, art and research, after deducting all fees and other recoveries, was about \$11,700,000, 15 years ago. This year it will be over \$64,000,000. In per capita terms the increase is from \$15 to \$57. The cost in the school year 1967 for running the Education Department, for maintaining schools and for paying debt services on Loan funds invested in school buildings, expressed as cost for each pupil, was about \$180 for primary schools, \$300 for area schools, \$320 for high schools and \$400 for technical schools. In 1953-54 the running expenses of the Hospitals Department were \$5,700,000 whereas this year they are estimated at over \$25,000,000. The net cost to the Revenue Budget of all medical, health and recreation services shows an increase over the 15-year period from \$6,700,000 to more

than \$23,000,000, or from about \$8 to over \$20 a person. In 1967-68 the average costs, including debt services, of keeping a patient for one day in our major hospitals, the Royal Adelaide and the Queen Elizabeth, were about \$24 and \$30 respectively.

For the maintenance of law, order and public safety the increase has been from about \$4 to over \$9 a head. There have been marked increases in the expenditures on other social services, in the fields of mining and agriculture, in the debt services on borrowed funds, and in the essential maintenance and operation of public undertakings, including country water supplies and metropolitan rail services. All of these services are essential to a modern developing community and they will continue to grow, but they cannot pay their way directly and must be supported by general revenues, now and in the future.

THE YEAR 1967-68

The Revenue Budget considered by members 12 months ago expected receipts of \$274,022,000 and proposed payments of \$277,989,000. The expected deficit was thus \$3,967,000. The Budget had been drawn up in the light of a poor seasonal opening, and both revenues and payments took that fact into account. However, the season worsened considerably, and, under the subsequent drought conditions, the Budget result would have been an increased deficit had not the Commonwealth made available a special grant of \$1,727,000 towards offsetting the effects of the drought. The final accounts showed that receipts at \$274,544,000, including the special grant, were \$522,000 above the original estimate, while payments at \$277,404,000 were \$585,000 below the estimate. The actual deficit of \$2,860,000 was accordingly an improvement of \$1,107,000 on the earlier expectation. The excess of \$522,000 above estimate in the items of receipts was made up as follows:

	\$	
Taxation	948,000	above estimate
Public works and services—		
Business undertakings	2,144,000	below estimate
Other charges, recoveries, and fees	79,000	below estimate
Territorial	32,000	above estimate
Commonwealth	1,765,000	above estimate
	<u>522,000</u>	above estimate

Taxation: The major movement in taxation items was in succession duties (\$703,000 above estimate). The total of receipts for

the year (\$8,153,000) was more than 11 per cent above such receipts in 1966-67, a movement quite out of line with other trends in the economy. It seems to have been due mainly to chance factors, that is to say a greater than expected number of higher value successions. For stamp duties the excess of \$493,000 above estimate was received from a wide range of documents, the major item being increased duties on sales of marketable securities. Receipts from liquor taxation (publicans' licences) exceeded the estimate by \$119,000, while revenues from motor vehicle taxation and from betting taxation fell short of the Budget targets by \$154,000 and \$138,000 respectively.

Public undertakings: The decline in railways cash revenues during the year was the main variation in business undertaking receipts. In fact, the shortfall of \$1,829,000 was the largest single movement in the whole of the Budget and the major adverse influence to flow directly from the drought. Not only was the carriage of grain cut most severely but there were also adverse effects on the transport of general merchandise. Earnings from the carriage of ores and concentrates from Broken Hill to Port Pirie were also less than expected. Actually, the full loss of revenues to the undertaking in 1967-68 was about \$2,200,000. Outstanding accounts at June 30, 1968, were \$370,000 less than at June 30, 1967, and cash receipts were accordingly \$370,000 greater than earnings. The receipts of the harbours undertaking are subject to the same seasonal effects as railway receipts, though to a lesser extent, and last year actual receipts fell \$124,000 below estimate, because of reduced throughput of bulk handling plants. Water and sewer rate receipts also fell below estimate, partly because of lower billing for excess water usage and partly because of a temporary increase in accounts billed but not received in cash at the end of the year.

Other departmental receipts: For miscellaneous departmental charges, recoveries and fees, there were several large variations and numerous smaller movements both above and below estimate. The largest single movement was a shortfall of \$600,000 in the contribution from the Hospitals Fund towards the costs of running Government hospitals. After a very promising start and a rapid early growth of public support, the turnover of the State lottery declined to a lower level, and as a result the contribution available towards meeting increased hospital costs was \$680,000 less than had been expected.

This decline reduced the contribution from the Hospitals Fund towards subsidized hospitals by \$80,000 and the contribution taken into Revenue Account towards Government hospitals by \$600,000. The actual payments to subsidized hospitals were not varied on this account, of course, any additional impact being borne by appropriations directly from the Budget. The receipts from fines and fees of the law courts were \$355,000 above estimate, while interest received from bank fixed deposits exceeded the estimate by \$251,000 due to cash holdings on all accounts combined being greater than had earlier been expected.

Commonwealth grants: The increase of \$1,765,000 in Commonwealth grants was due to the receipt of a special grant of \$1,727,000 designed to offset some of the adverse effects of drought on the State Budget and to the fact that the normal annual tax reimbursement grant was \$38,000 greater than the earlier estimate. The Commonwealth Government, recognizing that the drought in Southern and Eastern Australia had severely affected State Budgets, made available a special grant of \$14,000,000 as general revenue assistance for New South Wales, Victoria, Queensland and South Australia. Based on its proportionate share of the tax reimbursement grants, South Australia received \$1,727,000. This grant was quite apart from and additional to the grants made by the Commonwealth specifically for assistance to drought-affected farmers by way of freight concessions, carry on finance, etc. The increase of \$38,000 in the tax reimbursement grant was the net effect of movements in the factors used to calculate the grant. The increase in wages throughout Australia in the period used for the calculation was well above the earlier estimate, but the increase in population in South Australia was well below the earlier estimate. I will comment on these factors in a little more detail in discussing the estimated 1968-69 grant.

For payments, the overall saving of \$585,000 as compared with the appropriation approved by Parliament at the beginning of the year was the net result of a large number of individual variations, some above and some below estimate. Despite the fact that payments in total fell below estimate it was necessary for Parliament to be asked to consider Supplementary Estimates late in the year. This arose because under the appropriation procedures excess expenditures for individual departments may not be offset against savings for other departments. As the amount of

\$1,200,000 available in the Governor's Appropriation Fund was insufficient to cover all expected excesses, Supplementary Estimates were introduced providing for the following:

	\$
Hospitals Department	280,000
Engineering and Water Supply Department	300,000
Agriculture Department	60,000
	<u>640,000</u>

The sum of \$124,000 was provided in addition for purposes not previously authorized. Members may recall that in introducing the Supplementary Estimates I commented in some detail on appropriation requirements.

Public undertakings: The overall saving in payments arose primarily because the expenditures of the Railways Department were \$644,000 less than estimate. This was a direct consequence of the reduced train operation due to the drought. But while payments were reduced by \$644,000, receipts were reduced by \$1,829,000, so that the net adverse cash impact in 1967-68 from factors arising after the framing of the Budget was \$1,185,000. As I have explained, the overall adverse effect was \$370,000 greater than that after allowing for the reduction in outstanding accounts. For the other major business undertakings, the Marine and Harbors Department recorded payments closely in line with estimate, while the Engineering and Water Supply Department recorded an excess of \$489,000. This excess which was due partly to drought conditions with the necessity to redevelop, maintain and operate bores and to carry out urgent and unusual maintenance of mains, was covered largely by Supplementary Estimates. The cost of pumping water through the Mannum-Adelaide main was \$69,000 in excess of the extraordinarily high provision of \$1,550,000 included in the original Estimates. This excess was covered by a special section in the Appropriation Act.

Social services: For the major social service departments there were individual variations above and below estimate. The Hospitals Department required the greatest excess above approved appropriations, and \$280,000 was included in Supplementary Estimates. The final costs of developing and maintaining the essential services of the Royal Adelaide and the Queen Elizabeth Hospitals and other hospitals were \$343,000 above estimate. On the other hand, unexpected savings in expenditure to the extent of \$365,000 were recorded by the Education Department. The saving was

partly in salaries and wages due to staff movements, partly in general expenses of operation, and partly in special payments on retirement or resignation. In relation to the original provision of almost \$50,000,000, the variation was much less than 1 per cent. The Social Welfare Department recorded payments about \$96,000 below estimate, mainly because of the difficulty of finding suitably qualified staff; the Police Department payments were very close to estimate; while the Prisons Department required \$50,000 more than the original provision to accommodate additional numbers of prisoners and to increase activity in trade shops.

Other payments: In December last, a new outbreak of Mediterranean fruit fly occurred at Port Augusta. The unforeseen costs of eradication measures undertaken between December and April amounted to some \$60,000, and special provision was made in Supplementary Estimates. The Revenue Budget was relieved last year, as grants to the Renmark Irrigation Trust towards improvements originally proposed under "Special Acts" were subsequently met from Loan Account. The original provision from Revenue Account was \$237,000. Two other savings in the Special Acts provisions were \$115,000 for interest on the public debt and \$165,000 in the transfer to the Highways Fund. The latter was a direct consequence of the fall below estimate in motor vehicle taxation.

1967-68, receipts from motor vehicle taxation were about \$408,000 in excess of such receipts in 1966-67. There are some indications of an improvement in the rate of registration of vehicles, and the increase this year should be above last year's rate. I have set down an estimate of \$13,300,000 for total receipts, an increase of \$454,000 above 1967-68. Because of the statutory requirement that these taxes be made available for road purposes, a variation in this item has no net impact on the Budget. Revenues from the various stamp duty imposts are expected to reach \$15,545,000, an increase of \$3,053,000 above last year's actual receipts. Of this increase the major part, about \$2,450,000, will flow from the introduction of a new form of receipts duty, the widening of the present hire-purchase tax arrangements, and a levy on third party certificates of insurance. The remainder of the increase, about \$600,000, is expected to result from a gradually increasing volume of business of all kinds.

In the past three years, collections of succession duties have been well above the original estimate twice and well below the estimate once. The size of individual estates is a more important factor in influencing each year's receipts than are levels in values and other trends in the economy that are subject to reasonable measurement. In consequence of this, there is no pattern to be taken as a guide for the future. Clearly, it would be unrealistic to expect a repetition of last year's experience, when receipts exceeded those of the previous year by \$830,000, or more than 11 per cent. After examining movements over a period of years, and having some regard to present economic conditions and to the possible influence of a gift duty, I have estimated total collections at \$8,600,000. To estimate with any confidence the probable return from a new form of taxation such as gift duty is impossible. Far more than with most other forms of tax, the subject matter of a gift duty is likely to be influenced by the tax itself. On the rather inadequate information available, I have set down \$400,000 as the estimate for 1968-69. In a full year the return may be as high as \$600,000. The amending legislation proposed for liquor taxation will be designed to yield additional revenues of \$500,000 in a full year and about \$250,000 this year. On the information now available about turnover in the year to June 30, 1968, the basis for the next licensing year, it seems that increased volume of business will lead to the receipt of

ESTIMATES FOR 1968-69

RECEIPTS

I estimate that in 1968-69 receipts on Revenue Account will amount to \$295,305,000, that is \$20,761,000 more than actual receipts in 1967-68. The Estimates of Revenue give full details of the expected receipts, which may be summarized as follows:

	\$
Taxation	50,105,000
Public works and services— charges, recoveries and fees	130,339,000
Territorial receipts	2,354,000
Commonwealth grants	112,507,000
	\$295,305,000

Taxation: The total of \$50,105,000 anticipated receipts \$4,879,000 in excess of actual receipts last year. Land tax receipts are estimated at \$7,650,000, or \$51,000 less than actual collections last year. The latter were somewhat higher than usual because of the recovery of outstanding accounts from the previous year when billing was delayed. In

a further \$330,000 or so. These two factors are expected to carry the total collections from liquor licences to \$2,800,000.

The return to the Betting Control Board from turnover tax and winning bets tax is expected to reach about \$1,100,000 in 1968-69. The final result will be influenced by two factors, the first being the full year's effect of the removal of the winning bets tax from the stake, and the second being the extent to which betting with bookmakers is affected by off-course betting and by the inroads into race attendances of other leisure pursuits. There is some indication that the decline in on-course betting has been arrested, and it has been assumed at this stage that only the varied winning bets tax arrangements will have a significant effect this year. Those varied arrangements came into force on February 1, 1968. The full year's adverse effect on Revenue Account has been estimated at \$50,000, of which about one-third applied in 1967-68, the remainder to be borne in 1968-69.

Public works and services: The estimate of receipts (\$130,339,000) is for an excess of \$8,967,000 above last year's actual receipts. I expect that increase to come from the following:

	\$
The operation of public undertakings—	
Transfer items which do not affect the Budget result	1,000,000
Normal receipts from services and other contributions	3,974,000
	<hr/>
	4,974,000
Recoveries of interest and sinking fund	1,796,000
Other departmental fees and recoveries	2,197,000
	<hr/>
	\$8,967,000

Public undertakings: For the State's marine and harbour services, I estimate that receipts this year, at \$6,800,000, will be \$364,000 above receipts in 1967-68. The larger part of the increase is expected to arise from greater exports of grain following the present much improved rural season. This will increase both bulk handling receipts and wharfage, but it may be offset to some extent by reduced throughput of phosphate rock at the Osborne bulk handling plant. The forecast increase of \$1,339,000 in cash receipts from fares and freights of the railway services is

expected to take the total of such receipts to \$29,950,000. The earnings from the carriage of freight may be as much as \$2,000,000 above the very low levels of last year. The vastly improved seasonal prospects give hope of high production of rural goods, and the carriage of wheat and barley to the seaboard in the second half of 1968-69 is expected to be the main factor in improved revenues. However, the Revenue Budget is compiled on a cash basis, and we must remember that last year's receipts were boosted by a reduction of outstanding accounts to the extent of about \$370,000. There is a normal lag between service given to large users who pay on monthly accounts and the receipt of the cash, and when earnings are high it is to be expected that outstanding accounts at the end of any month will be somewhat higher. Therefore, it is much more likely that outstanding accounts at the year's end will increase than that a repetition of last year's decrease will occur. Consequently, the increase in cash receipts that I have estimated is less than the forecast growth of traffic.

Receipts from water and sewer rates and charges for excess water are expected to amount to \$24,100,000 this year. The increase of \$1,923,000 would be rather higher than normal, and it is likely to arise from a number of factors. In the first place, the normal annual increase from extended services and new buildings is again expected to be about \$800,000. Secondly, the excess water price has this year been raised to the level of the rebate charge, which was increased three years ago, and this is estimated to yield about \$400,000 additional revenue. The remainder of the increase is estimated to arise from the up-dating of billing for excess water, from the fact that the year's end total of outstanding accounts is not likely to increase as it did last year and may even be reduced, and from the possibility of some increase in water usage during the summer and autumn. The expected receipt of \$1,440,000 from the forestry undertaking is a maintenance of last year's rate of contribution. This is in excess of the surpluses being achieved currently in the situation of temporarily reduced demand for timber, but the longer-term results and prospects justify the maintenance of a steady contribution to Revenue Account. The proposed statutory corporation contribution is \$370,000 from the State Bank, as I have already indicated.

Recoveries of debt services: The total of recoveries of interest and sinking fund is expected to reach about \$25,859,000, an

increase of \$1,796,000 above the recoveries of 1967-68. Each year Loan funds are made available to supplement the other capital funds of semi-governmental bodies such as the Electricity Trust and the Housing Trust. Advances from Loan Account are also made to finance various departmental stores, working and reimbursement accounts, and many other activities such as the forestry undertaking, which is conducted outside the Budget. There is a steady upward movement in the volume of Loan funds so employed and a corresponding steady upward movement in the recovery to the Budget of the debt services involved on those funds. Members may note that the largest individual increase in this group of receipts is estimated for the recovery of interest from the Natural Gas Pipelines Authority. This is accounted for by two factors. The first is the recovery of the interest on the special loan of \$15,000,000 being made available progressively by the Commonwealth, the interest payment to the Commonwealth being appropriated under "Treasurer-Miscellaneous". The second is the recovery of interest on short-term advances from Loan Account, which are at present \$1,000,000 and which are expected to stand at \$2,000,000 at June 30 next.

Other departmental receipts: For other departmental fees and recoveries I estimate a total of about \$29,250,000, which would be an increase of \$2,197,000 above last year's actual receipts. The variation from last year is made up of a large number of increases, mostly small, offset by a few declines in receipts because of special circumstances. Only two groups warrant special comment. Education receipts at \$7,109,000 are expected to increase by \$714,000, about half of the increase being due to greater Commonwealth recoups to match the normal annual increase in State grants for university and advanced education purposes. A sum of \$280,000 of the increase will arise from the decision to treat Commonwealth grants for science laboratories and technical training on a gross basis. Whereas certain expenditures for these purposes by the Education Department and certain grants to the Institute of Technology were previously debited to a trust account, the debits are now being made directly against the Revenue Budget, the Commonwealth contribution being taken to the credit of Revenue Account as appropriate.

For the Hospitals Department the probable increase in receipts is set down at \$940,000.

This would carry the total of such receipts to about \$11,105,000. The variation may best be explained as follows:

	\$	
Contribution from the Hospitals Fund towards the increased costs of Government hospitals	35,000	decrease
Fees and other receipts on account of Whyalla Hospital from October, 1968	400,000	increase
Other factors	575,000	increase
	<u>\$940,000</u>	increase

The Hospitals Fund derives its revenues from the profits of the State lotteries and the commissions and fractions from pools conducted by the Totalizator Agency Board. The funds available for distribution are allocated first towards meeting the increased costs of subsidized hospitals and then towards the costs of Government hospitals. The contribution towards subsidized hospitals is shown as a deduction from the gross amount of grants appropriated under "Chief Secretary-Miscellaneous" and the contribution towards Government hospitals is taken into the Estimates of Revenue, the necessary appropriations for all Government hospitals expenditures being recorded gross as in the past. Actual receipts by the fund during 1967-68 were \$2,548,000, made up of \$1,728,000 from lotteries and \$820,000 from off-course betting. This enabled the fund to make a statutory payment of \$66,000 to racing and trotting clubs towards their loss of revenues as they ceased to share in the winning bets tax and to distribute \$2,470,000, of which \$985,000 was paid as grants and \$1,485,000 was taken to Revenue Account. On present indications it appears that the profits from lotteries in 1968-69 could be about \$100,000 more than last year, and that returns to the fund from off-course betting may increase by some \$200,000, thus giving total receipts of about \$2,850,000. The statutory payment to clubs will be \$85,000, and it is estimated that \$2,765,000, or \$295,000 more than last year, will be available for hospital purposes. The distribution proposed is \$1,315,000 to subsidized hospitals, that is to say, \$330,000 more than so allocated last year, and \$1,450,000 to Government hospitals, \$35,000 less than last year.

The Whyalla Hospital is to become a Government hospital from October, 1968, and appropriations to meet operating expenses are included in the Estimates of Expenditure. The latest information I have to hand is that some short delay is possible in the actual

taking over by the Hospitals Department of the Whyalla Hospital. This may involve some two or three weeks, or even two or three months. The financial arrangements are flexible enough to meet the consequent changes in grants and direct payments. This information was received after the Budget was in the hands of the printer, and I wish to clarify the position should there be a delay at a later stage. The expected revenues from October onwards are taken into the Budget along with other revenues of Government hospitals. The expected increase in other items of hospitals revenues will arise from the proposed increased fees I have already mentioned and from the effect of additional Commonwealth contributions announced in the recent Budget.

Territorial receipts: Territorial receipts at \$2,354,000 are expected to exceed last year's receipts by about \$280,000. The larger part of the increase is estimated from royalties on greater iron ore production.

Commonwealth grants: The taxation reimbursement grant from the Commonwealth is estimated at \$111,100,000, an increase of \$8,362,000 above that of 1967-68. As I have pointed out, the Commonwealth has not been prepared to make any general alteration of the tax reimbursement arrangements, which are due for complete review and re-negotiation before 1970-71, and therefore the only increase available to the States in 1968-69 will be through the operation of the statutory formula. Under that formula the grant to each State in 1967-68 is taken as a base and is to be increased by the percentage increase recorded throughout Australia in the level of average wages over the 12 months to March 31, 1969, by the percentage increase in the population of the individual State concerned in the 12 months to December 31, 1968, and by a third factor, a betterment factor of 1.2 per cent, to allow some small improvement in standards. The estimates included in the Commonwealth Budget papers and adopted for purposes of this Budget assume an Australian wage and salary increase of 5½ per cent and a population increase for South Australia of 1¼ per cent, the same as was calculated for the 12 months to December 31, 1967. It will be apparent to members that there are some difficulties in making forward estimates for these factors and accordingly the estimate of the increase in the grant should be taken only as an approximation. The special grant made in 1967-68 towards offsetting some of the adverse effects of drought is not repeated this year.

In the Estimates of Expenditure provision is included for:

	\$
"Special Acts"—being payments for which appropriation is contained in special legislation	74,322,000
Proposed payments for departments and services for which the financial authority will derive from the Appropriation Bill	220,962,000
	<u>\$295,284,000</u>

Special Acts: Under "Special Acts", proposed payments are estimated to total \$74,322,000 and to exceed last year's payments for approved purposes by \$3,699,000. As in previous years, the largest increase will be in respect of debt services. Interest on the public debt is expected to amount to \$51,987,000, an increase of \$3,052,000, and sinking fund to \$10,101,000, an increase of \$636,000; that is to say, an increase of \$3,688,000 for these two items alone. Debt services, being about 21 per cent of our total expenditure, have a formidable impact on all State Budgets, whereas the Commonwealth Government, able to finance its capital works out of current revenues, has no similar problem. This point has been made strongly by all Premiers at discussions on Commonwealth-State financial relations. The increase of \$3,052,000 for interest will arise almost entirely from payments at current rates on the net increase in the volume of the public debt. Members will recall that in introducing the Loan Estimates I pointed out that South Australia's allocation of new borrowed funds for 1968-69 as determined by the Australian Loan Council would be \$97,340,000, and that, after setting aside \$19,500,000 under the terms of the Commonwealth-State Housing Agreement, \$77,840,000 would be available for allocation through the Loan Estimates. The latter figure is the one to keep in mind in considering the appropriations under "Special Acts". The State sinking fund contributions of \$10,101,000 together with contributions of almost \$2,900,000 by the Commonwealth will be applied by the National Debt Commission to repay earlier debt on behalf of the State and, having regard to these repayments of almost \$13,000,000, the net increase in the public debt in 1968-69 is likely to be about \$65,000,000 compared with \$62,000,000 in 1967-68. While the annual net increase so calculated is the major factor in growing interest payments, there may be marked variations in some years because of the effect of conversions and changes in interest dates. Because of these

factors the increase in interest payments last year was rather higher, being \$3,478,000 in excess of payments in 1966-67. The interest and principal repayments on borrowings under special arrangements such as the Commonwealth-State Housing, the Rail Standardization and the Natural Gas Pipelines Agreements, are appropriated under "Treasurer-Miscellaneous". The net impact on Revenue Account for all debt services after taking account of recoveries listed in the Estimates of Revenue is estimated at \$43,930,000, an increase of some \$3,000,000 above the net impact in 1967-68.

The Government contribution towards superannuation pensions is estimated at \$3,887,000, being an increase of \$410,000, which is a somewhat higher increase than normal. Of this, about \$145,000 is due to the fact that 27 fortnightly payments are to be made this year. The remainder of the increase will arise from the payment of greater numbers of pensions. The present superannuation arrangements are that about 30 per cent of the pension paid is found out of the fund built up by members' contributions, while about 70 per cent is met by the Government. The major decrease in Special Acts provisions is in the transfer to the Highways Fund for roads purposes. The statutory provision in South Australia is that all collections of motor vehicle taxation, after deducting the costs of collection, shall be used for roads expenditures, whereas in some other States sums are diverted to meet the cost of police traffic control services and other expenditures. Our roads expenditures include the administrative expenses of the Highways and Local Government Department and the interest and sinking fund on loans used for roads purposes. These are met directly from appropriations included in the Estimates of Expenditure, while other expenditures such as purchase of materials and plant, payment of wages in the actual construction or maintenance of roads, and grants to councils, are met from the Highways Fund. The net transfer to the Highways Fund is made after deducting the sums required for purposes met directly from the Budget. Gross collections of motor tax are expected to increase by \$454,000 this year, but, because of the very high increase of \$601,000 required for the Highways Department's administrative expenses as well as the increase in costs of collection, the net transfer is expected to be some \$279,000 less than last year.

Social services: For departmental appropriations the largest increases are for social services, particularly medical and health,

education, law and order, social welfare and Aboriginal welfare.

The largest provisions within the medical and health group are for the Hospitals Department, \$25,023,000. This figure includes appropriations of \$697,000 for the Whyalla Hospital, which is to become a Government hospital from the beginning of next month. I remind honourable members that I have already referred to that matter. Apart from those special provisions of \$697,000 there will be available for the general purposes of the department a total of \$24,326,000, an increase of \$1,832,000, or a little more than 8 per cent above last year's expenditures. The major emphasis for the near future will be on the development of the Royal Adelaide Hospital, for which the proposed provisions for 1968-69 are 11½ per cent above those of last year. A new outpatients' and casualty building was opened in 1967-68 enabling much more efficient services to be given to an increasing number of persons not requiring inpatient care. The new buildings planned to be occupied during this financial year are those containing new operating theatres, a new X-ray department, and areas for coronary care, intensive care, and nuclear medicine. Nuclear medicine is the use of radio-active substances for diagnostic purposes. In addition, a complete ward block, a "T" shaped structure to be called the north wing, will be progressively occupied in three phases, beginning in December, 1968. The new north wing will provide sufficient accommodation for patients currently receiving treatment in the older sections of the hospital and, when fully occupied, will increase the total beds available in the hospital to 1,000. The total available prior to the development scheme was about 760. The need for additional beds has been demonstrated by the temporary overcrowding at the hospital over the past several months.

Not only will these new areas provide vastly improved standards of accommodation but the quality of patient care will also be enhanced by the increase in associated service facilities for each ward unit. The area provided for the care of each patient in the new wing is considerably greater than that for patients in the present older, overcrowded sections of the hospital, and maintenance costs will, therefore, be much higher than formerly. Funds have also been provided for additional nursing staff for three reasons: first, to provide sufficient nursing staff to permit reduction of working hours to a 40-hour a week level; secondly, to recruit additional tutorial staff to allow for

the progressive introduction of new nurse training systems; and, thirdly, to enable early recruitment of nursing staff for the proposed Modbury Hospital. A new hospital cannot be staffed with a group of first-year trainee nurses, and action must be taken to recruit progressively for hospital needs of the future. Increasing expenditure will also be incurred in 1968-69 in the development of special areas of patient care, particularly in units for intensive care, coronary care, and organ transplantation. All these recently developed units require complex equipment and facilities and very high staff-patient ratios to undertake procedures in keeping with the continuing progress of modern medicine. Expensive monitoring equipment and other sophisticated machines are virtually useless without highly trained staff available at all times. At the Queen Elizabeth Hospital the provision for increased expenditure is largely related to further extensions in the renal and transplantation unit established some years ago, where the increasing demands for these services require a virtual duplication of the previous facilities. Provision has also been made for continued expansion of the mental health services. The emphasis in recent years has been to provide services in the community such as outpatient clinics, day hospitals, community mental health centres, hostels, and home visiting, in preference to institutional care. Further extensions of these services are planned for 1968-69.

For the Public Health Department the intended provision of \$1,134,000 is \$149,000 or 15 per cent in excess of last year's provisions. It will enable the department to make a large measure of progress in preventive health activities. In particular, provisions are included for expansion in the dental field, including the appointment of additional dentists and additional female dental therapists. "Chief Secretary and Minister of Health-Miscellaneous" includes a section of medical and health payments, primarily grants and subsidies. The total of such payments is estimated at \$7,315,000, an increase of \$349,000. Excluding provisions for Whyalla Hospital, for which grants were included for a full 12 months in 1967-68 but which are designed to cover only three months' operation in 1968-69, the increase would be about \$504,000, or 7½ per cent. As I have explained, \$1,315,000 is planned to be allocated from the Hospitals Fund towards the maintenance requirements of subsidized hospitals, and the net amount to

be provided by appropriations from Revenue Account is accordingly \$6,000,000.

The biggest individual increase in the expenditures from the Budget will again be for the Education Department, for which the proposals totalling \$53,267,000 are an increase of \$4,140,000. Excluding \$200,000 for expenditures on equipment for science and technical training purposes to be covered by Commonwealth funds, purposes which in the past four years have been charged directly to a trust account, the increase is \$3,940,000, or 8 per cent above payments in 1967-68. The third instalment in the five-year programme of equal pay for female teachers is estimated to cost an additional \$400,000. The cost of free textbooks for primary schools is expected to be almost \$550,000, some \$296,000 above last year's outlay but \$36,000 less than in 1966-67, the year in which the scheme was introduced. After taking account of these special requirements, the balance of funds available should enable the department to continue its recent rate of development in staffing and services generally.

As announced in its policy speech, the Government intends to introduce a scheme to assist independent schools. The assistance is to be at the rate of \$10 for each child at primary or secondary school; it will begin in 1969, and it is intended that it be paid directly to the schools. It seems that about 37,500 pupils will be in attendance at independent schools in South Australia in 1969, and the total cost to the Government for the full school year will be about \$375,000. It should be practicable to make payment early in each term and, accordingly, these Estimates include a provision of \$250,000 to cover the estimated requirement for two terms. The appropriation appears under "Minister of Education-Miscellaneous".

Also listed under "Minister of Education-Miscellaneous" are provisions for grants to the University of Adelaide, the Flinders University of South Australia, and the South Australian Institute of Technology towards meeting recurrent expenditures and the costs of approved research projects. The grants, which are \$801,000 in total above last year, are in line with the recommendations of either the Australian Universities Commission or the Commonwealth Advisory Committee on Advanced Education as accepted by the Commonwealth and State Governments and given effect in appropriate Commonwealth legislation for the 1967-69 triennium. The State contributions intended are at levels sufficient to attract

the maximum Commonwealth contributions available under the legislation. As in the past, the grants are appropriated gross; that is to say, they include the amount to be recovered from the Commonwealth. The latter will continue to be paid to the credit of Revenue Account as received.

For the Libraries Department, the appropriation of \$991,000 included in the Estimates comprises \$806,000 for staffing, purchase of books, and other costs of operating the State Library, and \$185,000 as subsidies towards buildings, equipment, books and running expenses of 31 country and suburban libraries run by local government authorities. The increase intended above last year's payments is \$65,000, or almost 9 per cent, for the State Library, and \$32,000, or just over 20 per cent, for subsidized libraries. The Museum Board has an appropriation of \$193,000, an increase of about \$18,000, or 10 per cent, including a provision towards costs of administering the Aboriginal and Historical Relics Preservation Act.

For the services of law and order, the major allocation is to the Police Department of \$9,681,000, which is an increase of \$428,000. Excluding the special provisions for the Police Pensions Fund the increase is \$423,000, or about 5 per cent. In the three years to June, 1968, the active strength of the Police Force increased by 220, from 1,558 to 1,778. This year's provision should enable a further strengthening to the extent of almost 80 men. The annual entry into the force from the regular cadet scheme is 127 and, on recent experience, resignations and retirements are likely to be about 50. The full cadet strength will be maintained by another intake of 127. In addition to the direct strengthening of about 80 men, it is intended to make 26 additional appointments to the Women's Police Auxiliary. This will make possible a staff rearrangement to release further men for active duty. For the Prisons Department, the provision of \$1,859,000 is \$146,000, or about 8½ per cent, above the 1967-68 level. In the three years to June, 1968, the number of prison officers increased by 45, from 236 to 281. The proportionate increase, 19 per cent, was closely in line with the increase in the prison population. The funds provided in these Estimates will enable an additional 20 prison officers to be appointed this year.

The Social Welfare Department has been allocated total funds of \$3,250,000. This includes \$2,730,000 for the running of institutions and for normal services, an increase of

\$222,000, or about 9 per cent. The balance of \$520,000 for the payment of public relief to supplement Commonwealth social service benefits is \$75,000 in excess of payments made for such purposes last year. As members know, the Commonwealth Government agreed last year to share with the States the cost of public relief payments during the first six months in which a wife was deserted or left without income because the husband was in prison. The Commonwealth contributions received were \$25,000, so that the net impact on Revenue Account was \$420,000. Had no variation in rates of relief been contemplated it would have been reasonable to expect a fall in gross payments due to the favourable effects on employment of the improved season and improving economic conditions generally. The net impact on the Budget would have fallen considerably as Commonwealth contributions of about \$100,000 are estimated this year. However, the Government has given very careful consideration to the whole question of relief, and has decided to increase levels of assistance and to improve the scheme to give more help in cases of particular need. As a consequence, the gross payments of relief are planned to be increased by about \$75,000, so that effectively the whole increase in Commonwealth contributions is to be used to supplement the scheme, and the State is to maintain undiminished the provisions from its own resources. In broad terms, it is intended that the additional gross provisions will be used to make higher payments to destitute persons, including deserted wives and wives of prisoners, who are not in receipt of Commonwealth benefits. The increased provisions will be in line with the recently announced increases in Commonwealth benefits. We also intend to assist more liberally in appropriate cases of special hardship. By such means the Government will be meeting its election undertaking for improved public relief benefits.

In Aboriginal welfare, the Aboriginal Affairs Department has for some time placed the main emphasis on education, employment, health and housing. The provisions in the Revenue Budget totalling \$1,728,000 are \$93,000, or about 6 per cent, above the actual payments of last year. In the recent Commonwealth Budget an allocation of \$10,000,000 was set aside for Aboriginal welfare. Of this, \$3,650,000 is to be distributed between the States, and South Australia has now been informed that its allocation, which has regard to the number of Aborigines, will be

\$350,000. The details of the Commonwealth assistance and the conditions on which it will be made available are now being worked out. It is clear that a valuable impetus will be given to the work in education, health, and housing, which the State has already achieved out of its own resources.

Public undertakings: The major appropriations are for the Engineering and Water Supply, Marine and Harbors, and Railways Departments. The Woods and Forests Department conducts its forest utilization and milling operations through a special working account and, therefore, appropriations do not appear in these Estimates. The appropriations for the Engineering and Water Supply Department total \$12,717,000. They include \$311,000 for South Australia's expected contribution towards maintenance costs incurred by the River Murray Commission, \$1,200,000 for electric power for pumping from the Murray River through the two major mains to Adelaide and Whyalla, and \$11,206,000 for the department's general costs of operations and maintenance. The actual payments for power for pumping last year, \$1,619,000 for Mannum-Adelaide and \$585,000 for Morgan-Whyalla, were each a record. Because of the vast improvement in seasonal conditions, the storages serving the metropolitan area are now holding about 95 per cent of their capacity of 36,000,000,000 gallons. Twelve months ago the quantity held was only 12,000,000,000 gallons. Accordingly, it is possible to plan on a considerably reduced pumping programme and the present expectation is that \$600,000 will suffice for power for the Mannum-Adelaide main. For the northern areas the Morgan-Whyalla main is the principal source of supply and not a supplement to storages; therefore, its use does not vary with seasonal conditions as does the Mannum-Adelaide main. To cope with continued development and increasing water usage in the north a slightly increased provision of \$600,000 is set down for power this year.

The appropriations proposed for the Marine and Harbors Department, \$3,785,000, are \$149,000 above last year's payments, and for the Railways Department the provision of \$32,863,000 shows an increase of \$1,017,000. The appropriation for each department has regard to the fact that the improved season will mean additional transport and handling of grain. For the Railways Department some reduction in working expenses is expected to arise from the first stages of rationalization

and withdrawal from poorly patronized services.

Mines Department: In the development of the State's resources the Government is placing special emphasis this year on the operations of the Mines Department. The allocation of \$2,230,000 means an increase of \$281,000 (or almost 15 per cent) above the actual payments of last year. The Government's aim is to achieve the maximum degree of co-operation with private enterprise and the maximum amount of development by having the Mines Department provide the increasing information that private enterprise needs. Accordingly, there is to be an increased effort in geological mapping with the target that all potential metalliferous areas be mapped and the information be published within five years. An increased effort is also planned in the publication of other technical information. In the search for petroleum the department is to have a seismic survey team in the field in the northern areas of the State for 35 weeks this year, compared with only 16 weeks last year. If warranted, deep stratigraphic drilling will be carried out by contract further to test promising areas.

Changes in Estimates: Members may be interested in the provisions for a new department, which has not appeared before in these Estimates. The new Valuation Department has a proposed appropriation of \$542,000, an increase of \$186,000 on payments for comparable purposes last year. The new department has been formed by combining the valuation branches of the Land Tax and Engineering and Water Supply Departments. At the same time, the revenue branch of the Land Tax Department has been combined with the Stamp and Succession Duties Department to form the new State Taxes Department. In the Treasurer's statements dealing with the 1967-68 accounts the actual payments of last year are shown in the form in which appropriations were approved at the beginning of the year for the Land Tax, Stamp and Succession Duties and Engineering and Water Supply Departments. In the 1968-69 Estimates the proposed appropriations are shown only in the new form, the 1967-68 provisions and actual payments being rearranged into the new form so that members may readily make comparisons between the two years. The combining of the valuation staffs in one authority will mean a more effective use of available resources, and the strengthening of staff will enable more accurate and consistent valuations to be

achieved. Arrangements have been made to integrate the present valuation records, to maintain the new record and associated revenue procedures by automatic data processing, and to make the record available for local government purposes. Another rearrangement is the combination of the departments of the Minister of Transport and the Minister of Local Government and Roads into one. The other departments previously shown under the two separate portfolios are now grouped together in one section. The previous Parliamentary Draftsman's Department is now a branch of the Attorney-General's Department.

In framing the 1968-69 Revenue Budget, the Government has been conscious of the expanding requirements of the people for a wide range of community services, and it recognizes that this expansion must continue. The major problem of a Government is to ensure a balanced expansion, having regard to the relative priorities of competing demands, but at the same time to avoid duplication and waste and to match the rate of expansion with what can be afforded within the funds available from taxes and charges at acceptable levels. After providing what the Government considers to be reasonable expansion and taking all practicable steps to achieve economies in expenditure, there has been this year no alternative to the introduction of a number of revenue-raising measures.

In its selection of appropriate revenue measures to secure a balanced Budget, the Government has given attention to a number of considerations. In the first place, it has to avoid those measures, however preferable or desirable, which are barred to the State constitutionally. It has given particular attention to those taxes in which South Australia does not presently impose rates as high as other States generally. It has, so far as possible, preferred those measures involving the least cost and least difficulty administratively. It has had careful regard to the possible social consequences of alternative taxes. It has sought a balanced impact throughout the community and at the same time has attempted to avoid any measure that may act prejudicially to the economic and industrial development of the State. No taxation measures are ever welcome and none is ever painless, but the

broad coverage of the 1968-69 new revenue proposals is such that it is hoped their impact, though unwelcome, will be fair, reasonable and effective.

Before I sit down, I should like to express my thanks to certain people involved in the preparation of this document—first, the Government Printer and his staff, who have worked under heavy pressure in these last 10 to 14 days in order to get the document ready for presentation to Parliament today. This year certain matters prevented the revenue proposals being completed as early as one would have hoped they would be, and this meant added work for the Government Printer. I also pay a tribute to the officials of the Treasury for their loyal and dedicated services. No Treasurer could possibly attempt to frame the Budget proposals without their help. I refer to Mr. Seaman, Mr. Carey, and Mr. Barnes, and also to other officers who have done the typing and the necessary associated work. To all of them I extend my sincere thanks.

I also express my appreciation of the help given me by my Cabinet colleagues in ironing out the various matters that have to be determined before these proposals can be formulated and put into their final shape. I do not forget the heads of the various Government departments for the way in which they have understood and accepted the Government's problems in framing the Budget. After all, the heads of departments are the managers of the various State instrumentalities, and they have a big responsibility not only in framing proposals for their expenditure requirements but also in setting about managing within the allocations provided by the Treasury. I extend my thanks to all these people and have much pleasure in moving the adoption of the first line of the Estimates.

Progress reported; Committee to sit again.

DAIRY CATTLE IMPROVEMENT ACT AMENDMENT BILL

Received from the Legislative Council and read a first time.

ADJOURNMENT

At 4.8 p.m. the House adjourned until Tuesday, September 17, at 2 p.m.