

## HOUSE OF ASSEMBLY

Thursday, September 4, 1969.

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

### QUESTIONS

#### LEGAL ASSISTANCE

Mr. LAWN: Has the Attorney-General further information concerning the matter I raised yesterday about legal aid to a constituent of mine?

The Hon. ROBIN MILLHOUSE: At 1 p.m. today I saw the Vice-President of the Law Society of S.A., who has given me a memorandum concerning this matter, and particularly concerning the question of costs. This followed a communication by my Secretary with the President of the Law Society this morning. The memorandum is as follows:

(1) As a background to this matter, it is important to know that the lady—

I will not use names, apart from the names that the honourable member has already disclosed—

was involved in contested divorce proceedings in the Supreme Court in July-August, 1967. She sought dissolution of her marriage on the ground of cruelty and desertion, and her husband cross-petitioned for a decree on the ground of cruelty. After a trial lasting seven days in court (the transcript of evidence occupying more than 300 pages)—

and that was the transcript the member of the Law Society had to read—

both petitions were dismissed. In many important aspects the judge did not accept the lady's evidence. These proceedings were conducted quite independently of the Law Society, and the lady's costs were paid in full by her husband.

(2) The lady then sought the assistance of the Law Society with respect to an appeal. Mr.—

again, I will not mention the name, but a senior and experienced member of the profession, described here as a "very experienced and senior practitioner"—

was assigned to advise, and his opinion was that an appeal would not succeed. His services were given without cost of any kind to the lady.

(3) Notwithstanding this opinion, the lady insisted that she had grounds for divorce, based in part upon fresh allegations of desertion, and Miss Cleland—

to whom the honourable member referred yesterday—

was assigned to act for her. It will be appreciated at this stage that Miss Cleland had a very difficult task, not only to assimilate all that had transpired in the previous proceedings

but to reformulate the claim. The lady was not at this stage called upon to pay anything by way of costs to Miss Cleland, the assignment being "costs on certificate", that is, such amount, if any, as the Legal Assistance Committee might subsequently certify.

(4) The lady subsequently terminated Miss Cleland's instructions without reference to the society. Miss Cleland thereupon applied for her costs to be certified—

that is, certified by the society—

allowed at \$100 plus \$32.50 out-of-pocket expenses actually disbursed by Miss Cleland on behalf of the lady. The amount of \$100 was less than could have been justified on an ordinary solicitor and client basis.

(5) The lady then informed the society that she could not pay this amount, and she was accordingly asked to complete the usual "means test" form so that the committee could assess her capacity to pay either by instalments or otherwise. In the meantime, the lady had consulted Miss Nelson—

the other solicitor to whom the honourable member referred yesterday—

of her own accord, but, at Miss Nelson's suggestion, the lady was re-assigned to Miss Nelson under the legal assistance scheme.

(6) Before the committee had had an opportunity to consider the lady's claim to relief in the payment of Miss Cleland's fees, Miss Nelson informed the society that the lady had in fact paid Miss Cleland's costs as certified.

(7) Miss Nelson continued to act for the lady, again on a "costs on certificate" basis, involving no immediate payment by the lady. As may be imagined, there were still very many problems involved in prosecuting the lady's claim. Eventually Miss Nelson asked the society to terminate the assignment, upon the ground that the lady persistently refused to accept her advice. This has always been accepted as a proper ground for terminating an assignment under the legal assistance scheme. Miss Nelson's costs were certified at \$100, to be paid at the rate of \$1 a week.

(8) As a result of questions raised in the House, I believe in May this year, a member of the council undertook voluntarily to review the whole case. This involved him in the perusal and consideration of a vast number of documents, and many many hours of work. In a long report to the society, he reached the conclusion that there was a very strong possibility that the new claim based on alleged desertion would also fail. Having regard to the time that must necessarily elapse before a contested case could come to trial, he thought the proper course for the lady to adopt was to wait until early 1971, when a period of five years' separation from her husband would have elapsed, and then to take proceedings upon that ground. He did, however, advise that if in the meantime any question affecting matrimonial property should arise, it would be proper for the society to re-assign the lady for legal assistance on that issue, and that in fact has been done.

(9) To summarize on the question of costs alone, the lady has had a great deal of wholly gratuitous advice and assistance. She in fact

paid the costs certified in favour of Miss Cleland without giving the society an opportunity to consider her request for some relief, and the costs certified in favour of Miss Nelson are payable on extremely reasonable terms. Moreover, when it is realized that the vast amount of work done by the member of the committee in investigating, reporting and advising on the matter would have justified a fee of at least \$150, the total amount of costs as certified in favour of Miss Cleland and Miss Nelson (\$200) is extremely generous to the lady.

As a result of the honourable member's question yesterday and the publicity it received, both Miss Nelson and Miss Cleland came to see me today. They were extremely upset at what had been said in the House, but I hope that the explanation which I have given and which is contained in the report will put that matter right. The cream of the story is that on August 25, only a little under a fortnight ago, the lady called at Miss Cleland's office and asked Miss Cleland whether she would resume acting for her, a request that Miss Cleland declined.

One final point I make is this: I understand that some months ago the member of the council of the Law Society who had to do the work referred to and who gave the report to the society spoke to the honourable member, and at that time undertook to give him any further information that he might require on the matter, but I am told that the honourable member did not get in touch with him and has not got in touch with him again.

Mr. Lawn: I promised to wait until his report was completed, which you gave me yesterday.

The SPEAKER: Order! Honourable members will realize that the honourable Attorney-General's reply was fairly lengthy. I did not interrupt the honourable Attorney-General (and I have interrupted long replies on previous occasions), because I believed that this matter was of great public importance, particularly as I understood most members had received a letter from the Law Society regarding this matter. I believe the reply will have cleared up the matter.

#### OCCUPATIONAL THERAPISTS

Mr. GILES: It appears that in South Australia there is a dire need for occupational therapists, in view of the shortage of qualified people to practise this profession. At present no facilities exist at the South Australian Institute of Technology to train these people to become qualified occupational therapists. To do a course so as to become qualified,

pupils must go to Melbourne and, if they are successful in each year, the course there takes three years. Will the Minister of Education say whether she will consider as a matter of urgency the setting up of teaching facilities so that occupational therapists can be trained and can qualify at the South Australian Institute of Technology?

The Hon. JOYCE STEELE: There not only appears to be a shortage in South Australia: there is a shortage. In fact, there is a complete lack of facilities for the training of occupational therapists. As the honourable member has said, we have had to send cadet occupational therapists either east or west to existing schools to train in order that we might fill some of the essential positions that we need to fill at our public hospitals and institutions. It was with this deficiency in mind that, about the middle of last year, I appointed an expert committee to look into the whole question of paramedical disciplines. This matter has a very long history going back a number of years. When the lack of a training establishment in South Australia for occupational therapists was realized, a small committee, of which I happened to be Chairman and convener, was set up to do a survey on the matter.

A proposal to start a school of occupational therapy was presented to the then Minister of Education (Hon. R. R. Loveday), but no action was taken. However, when I succeeded to the position of Minister of Education (and this matter comes within the responsibilities of the Minister of Education in conjunction with the Minister of Health) I immediately appointed a committee to go into the question not only of occupational therapy but also of the other necessary paramedical disciplines. This committee has been working for some time and a report is to be presented to me very shortly. An interim report has been presented relating to physiotherapy and occupational therapy, because these were the two very vital therapies that it was necessary to investigate. The University of Adelaide will divest itself of the undergraduate course in physiotherapy from the end of this year, and a home had to be found for the Department of Physiotherapy. In the case of occupational therapy, for which there had been no facilities, a new training school had to be set up. I was extremely interested in this and was anxious that it be done as soon as possible. It had been hoped that, with the help of Mental Health Services, which was willing to

make available facilities in the nurses home at the Glenside Psychiatric Hospital, we might be able to start at least a pilot scheme from January 1, 1970. However, after putting this proposition to the Institute of Technology, which would be responsible for conducting such a course, I recently received a report from the institute, stating that to plan this course in time for it to begin in 1970 would be almost impossible. However, I can tell the honourable member and the House that it is confidently hoped that this course will begin on a proper basis and on a full scale as from the beginning of 1971.

#### TOURISM

Mr. CORCORAN: Has the Minister of Immigration and Tourism any comment to make in reply to the question I asked yesterday, when I referred to a report in yesterday's *Advertiser* regarding a three-year plan to encourage tourists to see Australia?

The Hon. D. N. BROOKMAN: The Director of the Tourist Bureau states that the

bureau is a member of the Australian National Travel Association and that he is a member of the honorary Board of Directors of the association. The three-year plan recently announced by A.N.T.A. is in the embryonic stages. Its implementation will depend on greatly increased financial support by industry to A.N.T.A. No decision has been made yet by A.N.T.A. about the regions it is hoped to establish in South Australia or when they will be established.

#### MURRAY TRIBUTARIES

Mr. McANANEY: Has the Treasurer, in the absence of the Minister of Works, a reply to my question about the flow of water in major tributaries of the Murray River?

The Hon. G. G. PEARSON: As I have an extensive table of figures on this matter, I ask leave to have it incorporated in *Hansard* without my reading it.

Leave granted.

#### ANNUAL FLOWS AND DISCHARGES

Year	Water flowing to South Australia acre feet	Darling River at Burtundy acre feet	Murrumbidgee River at Balranald acre feet	Murray River below Wakool Junction acre feet
1959-60	3,565,272	1,046,634	1,367,548	2,332,270
1960-61	9,024,775	127,604	2,753,108	7,971,280
1961-62	2,865,825	532,404	1,841,160	1,578,376
1962-63	4,036,689	1,426,886	1,357,486	2,094,754
1963-64	5,330,058	1,751,734	1,616,500	2,663,442
1964-65	9,830,222	1,199,572	2,581,916	7,701,942
1965-66	1,851,321	181,496	737,100	1,766,580
1966-67	3,110,239	46,796	1,065,900	3,063,614
1967-68	1,278,831	270,038	289,870	1,452,472
1968-69	3,904,051	118,000	742,685	3,514,604
Average for 10 years	4,479,728	670,116	1,435,327	3,413,933

#### WALLAROO SOCIAL WORKER

Mr. HUGHES: The *Advertiser* of September 1 contains a report headed "No Doctor at Wallaroo" and stating:

One Kadina doctor said from the Wallaroo Hospital last night that he and other doctors in the area had been working up to 60 hours a week. There was only one other doctor working at Kadina at present. The others were away for about two weeks. However, he thought the absence of a resident doctor at Wallaroo was not the whole cause of the problem. The town needed a social worker to cope with some of the problems that had been presented to doctors recently.

"Some of the demands that have been made on the doctors should be made on a social worker," he said. "Many of the problems are not medical problems at all. The church bodies try hard to help but are meeting with only mixed or very little success."

As this statement was made by a doctor at the Wallaroo Hospital, I assume that it was made by the acting Medical Superintendent. Will the Premier take this matter up with his colleague and, if the statement was made by the acting Medical Superintendent, will he also take steps to have a social worker appointed to that community?

The Hon. R. S. HALL: I will obtain a report from my colleague.

#### CLARENDON RESERVOIR

Mr. EVANS: I address my question, which refers to the proposed Clarendon reservoir, to the Treasurer in the absence of the Minister of Works. A letter was sent to the District Council of Stirling informing it that certain roads in its area were to be closed under the

Roads Opening and Closing Act, and that the council's approval was being sought to do this. As a result, the council passed the following resolution:

Resolved that council object to the closing of the portion of the Stirling to Mount Bold arterial road situated between sections 220 and 221N, hundred of Noarlunga, in its area and also the closing of the continuation of this road in the area of the District Council of Meadows, and that council make strong representations for this main arterial road to be retained open for public use, or for an alternative route being developed in the vicinity, as provided and shown in the 1962 Metropolitan Development Plan.

In view of the resolution, will the Treasurer ask the Minister of Works to obtain a report on this matter and to do all he can to accede to the council's request?

The Hon. G. G. PEARSON: I will refer the matter to my colleague and ask him to take whatever action he can.

#### AIR POLLUTION

The Hon. C. D. HUTCHENS: Has the Premier a reply to my question of August 26 as to how many meetings the Clean Air Committee has held and when members are likely to be able to consider the draft regulations?

The Hon. R. S. HALL: Since the Clean Air Committee was constituted in 1964, the full committee has met on 21 occasions and has made several visits of inspection to local industries. In addition, a subcommittee formed for the purpose of preparing regulations to control dark smoke has met on a number of occasions. Further subcommittees have been formed to consider regulations to control particulate emissions and pollution from vehicles, but the work of these subcommittees has been delayed following the resignation of the Engineer, Air Pollution, and pending his replacement. Following submissions to various interested organizations for comment, draft regulations to control dark smoke have been approved in Cabinet and several aspects of drafting are at present under discussion with the Crown Solicitor. It is not expected that these will cause any appreciable delay in finalizing the regulations.

#### RAIL EXCURSIONS

Mr. VENNING: Will the Attorney-General ask the Minister of Roads and Transport whether excursion rail fares are available throughout the State in connection with the Royal Show? Will he also ask his colleague to consider making excursion fares available

throughout the State in connection with the football finals during the next few weeks, as country people, who show much interest in the show and in football finals, would probably avail themselves of excursion rail fares?

The Hon. ROBIN MILLHOUSE: I will take these matters up with my colleague.

#### WILPENNA POUND

Mr. CASEY: The Minister of Immigration and Tourism will recall his visit to the Wilpena Chalet some time ago to open extensions to the motel there, and I am sure that he found accommodation in the area more than satisfactory. However, I have first-hand knowledge of the problems (and these have been often mentioned to me) that are caused by the many people visiting this area and wanting to use the toilet and ablutions block. This problem is of concern to the manager of the chalet, because these places are usually used by people who visit the area only for the day, but at various times as many as 5,000 people are in the Wilpena Pound area, and the few toilets and ablutions facilities are not sufficient to cater for the enormous crowds that congregate in the area. Is the Minister aware of these problems in the pound area and, if he is, does he intend to take action to solve them, because they are serious, particularly now with the warmer weather?

The Hon. D. N. BROOKMAN: I am aware of the problems, having visited the area several times and discussed them. The difficulty is that at certain times of the year the toilet and ablutions facilities are grossly over-loaded: this does not occur all the year round, but it always happens around September. To build adequate toilet and ablutions blocks for the great rush of people in September would be an enormous undertaking. The Government does not receive direct revenue from this area, because it goes to the proprietors of the chalet services who run the caravan park. They acknowledge the need to do something and intend to do it. Plans have been drawn up for improving these facilities, but the proprietors have not been able to go ahead immediately with these improvements. It will be appreciated that this company has spent about \$200,000 on the excellent additions to the motel to which the honourable member has referred, and it cannot be expected immediately to bring up to the required standard the caravan park facilities. However, I hope that before long the company will be able to go ahead with this project, because it acknowledges the need, and fully intends to do

so. That is the reason for the present state of affairs, and during the coming spring season some justifiable complaints may be made. The fluctuation of patronage in the Flinders Ranges is fantastic and, as the ranges become more popular with tourists, we can expect heavier demands to be made on these facilities. I think I have set out the problems and the present position as fairly as I can.

#### BORES

Mr. NANKIVELL: My question relates to the logging of bores drilled in the State, particularly in the South-East, and the possibility of having these bores logged so that, when the water resources of the State have been fully investigated, there will be a better knowledge of the basic data of the underlying strata of some of the existing water basins. As I understand that at present private drillers are not obliged to keep logs of the bores that are drilled, will the Premier take up with the Minister of Mines the possibility of making it obligatory on boring contractors who are drilling new bores in areas where research is being undertaken into the water resources of the State, to keep an accurate log of the strata through which their drills pass and the actual depth of water-bearing strata they encounter, so that the information can be collated and used in the study of water resources in South Australia?

The Hon. R. S. HALL: I will get a report from my colleague.

#### GLENELG TREATMENT WORKS

Mr. BROOMHILL: In the absence of the Minister of Works, has the Treasurer a reply to my recent question concerning the pumping of sludge to sea from the Glenelg Sewage Treatment Works and the possibility of water pollution?

The Hon. G. G. PEARSON: The 2½-mile digested sludge outfall was completed in May this year, but sludge has been successfully disposed of in the outfall since June, 1968. As with the experimental pipe which operated for five years, no complaints have been received regarding possible water pollution as a result of this activity. The Glenelg Sewage Treatment Works discharges its high-quality effluent about a quarter of a mile offshore, and tests have shown that the coastal waters are being fully protected from this source also.

#### PENSIONERS' SPECTACLES

Mr. McKEE: Has the Premier a reply from the Chief Secretary to my recent questions

about supplying spectacles to pensioners in Government-subsidized hospitals?

The Hon. R. S. HALL: Following the acceptance in principle by the previous Government, that pensioners be provided with free spectacles at country Government hospitals on the same basis as pensioners attending the Royal Adelaide Hospital, it was proposed that a pilot study of this project should be made at Mount Gambier Hospital. Accordingly, the medical practitioners at Mount Gambier were approached and their co-operation sought in the introduction of this free service to pensioners. Whilst the medical practitioners were unanimous in their approval of the principle of free spectacles for pensioners, none of them felt in a position to undergo training as refractionists. They considered, however, that if the Pensioner Medical Scheme was extended to the specialist field, this would allow the practitioner to refer his own pensioner patients requiring eye investigation to a recognized ophthalmologist who would make such investigations without charge to the patients and be reimbursed by the Commonwealth under the Pensioner Medical Scheme. The suggestion that the Pensioner Medical Scheme be extended to cover specialist services (at specialist rates) has been referred to the Commonwealth by the Australian Medical Association. If this submission meets with Commonwealth approval, it will allow the scheme, as suggested by the medical practitioners at Mount Gambier, to be put into operation.

In the meantime, however, the medical practitioners at Mount Gambier have deferred any decision on whether they would be able to co-operate in any State-assisted scheme to provide free spectacles for pensioners at Mount Gambier until a decision has been made by the Commonwealth regarding the Australian Medical Association's submission. Following receipt of the honourable member's original question, the Medical Superintendent at the Whyalla Hospital was asked to ascertain from the ophthalmologist at Whyalla whether he would be prepared to offer his services in an honorary capacity to enable an eye clinic for pensioners to be established at the Whyalla Hospital. After further inquiries had been made, a letter dated August 29, 1969, has now been received from the Medical Superintendent advising that the ophthalmologist, Dr. Pradhan, would be prepared to offer his services for one session a week initially, and possibly increasing to two if needed later, to enable an eye clinic to be opened. However, there are

certain requirements which Dr. Pradhan has specified as being necessary before a clinic can be established, including the provision of additional space, engagement of trained staff, and procurement of equipment, which will require further detailed investigation before any firm recommendation regarding the scheme can be made.

#### ELECTRICAL CHARGES

Mr. LANGLEY: Has the Treasurer a reply to a question I recently asked about charges for electrical repairs?

The Hon. G. G. PEARSON: I apologize to the honourable member for not replying to this question earlier. Although I had the reply in my bag, I neglected to tell him so, and I am sorry about that. The report states:

In response to a question by the honourable member last session on this subject, I gave a detailed reply on November 5 last year and concluded by saying that the position would be further examined by the Prices Commissioner. The Commissioner has kept this matter under review and he has now forwarded me the following comments:

Generally speaking, the rates charged in South Australia compare favourably with those charged in the Eastern States. For example, an average charge for a comparable service in South Australia is \$6 to \$7 as compared with \$7 to \$11 in Melbourne, \$7 to \$9 Sydney and \$7.25 to \$11.25 Brisbane. There is a move in some quarters for the South Australian rates to be brought in line with the rates interstate. Whilst some rates appear high, it would be difficult to establish whether or not the profits of the service departments of the companies concerned are excessive as a number of companies give free service for their brands of new appliances during the guarantee period, whilst others have various annual service contract schemes operating with members of the public. However, it is not thought that profits of service departments generally are excessive.

#### FOOT AND MOUTH DISEASE

Mr. FERGUSON: I believe that for the year ending June 30, 1969, 408,769 lb. of pig meat was imported into Australia. As it is a recognized fact that foot and mouth disease has been prevalent in countries from which such canned meat is imported, will the Minister of Lands ask the Minister of Agriculture what is the likely overall effect on South Australia's local production of importing pig meat into Australia? Will he also ask his colleague whether there is any possibility of foot and mouth disease entering this State through importing canned meats?

The Hon. D. N. BROOKMAN: I will refer this question to the Minister of Agriculture.

#### TRAVELLING SUBSIDY

Mr. BURDON: My question concerns a child who has to travel between Townsend House and his parents' home in the country. Can the Minister of Education say what travel concessions may be available for this child in connection with train travel and, more particularly in this case, air travel? If no concession is available, will the Minister ask the Government to consider granting a reasonable subsidy periodically to help parents whose children are in a similar situation?

The Hon. JOYCE STEELE: It will be necessary for me to get a report on this matter. I will do this for the honourable member, and bring it down as soon as possible.

#### FIAT COMPANY

Mr. HUDSON: A report in yesterday's *Australian*, referring to the prospective operations of the Fiat company in Australia, states:

Fiat of Australia . . . is seriously considering a move towards the local assembly of trucks . . . Indeed, Fiat has taken active steps to enlarge its tractor and diesel engine operations in Victoria. News came yesterday that the company has bought 12½ acres of land at Moorabbin, Melbourne, for \$500,000 . . . Any speculation that the company is considering local car assembly is unfounded. According to Fiat of Australia's Managing Director, Mr. Angelo Ricca, the company's policy has not changed—and is unlikely to for the time being.

In view of this report, can the Premier say, first, whether or not at any stage, effective negotiations have occurred for the Fiat company's establishing a motor car assembly plant in South Australia; and, secondly, whether or not the Premier has received definite information from the company that any expansion plans it has will involve industrial expansion at Moorabbin and will not involve South Australia?

The Hon. R. S. HALL: The Government is not in the habit of broadcasting the intentions of the private companies with which it is dealing before they make a decision in this regard. However, in this case I have kept the House informed at various times of Fiat's interest in Australia and of its position regarding South Australia. There is nothing that I can add to my last report to the House, wherein I indicated that the State Government had done everything within its province to persuade the Fiat company that South Australia was the best State in Australia in which

to operate in relation to automobile assembly and, later, parts manufacture. I indicated at that time that my department had not only prepared the detailed submission relating to costs of operation and to the advantages of coming here in connection with land and factory buildings for possible lease or purchase (it had prepared all of this material in the form of most attractive brochures): I also indicated, I think, that officers of my department had travelled continuously to other States to visit the Fiat representatives. I have visited the Fiat factory at Turin, and representatives of the company were suitably entertained when they called here. At no time, however, did Fiat announce its intention to come to any specific place in Australia. My visit was made initially as a result of information I received when I was in London on my first trip overseas. I think it can be fairly said that the South Australian Government has followed any interest which the Fiat company has shown but which has never been defined in relation to automobile operations in Australia. The situation rests there, and I am not aware of any communication that may have been received in the last few days. However, although I believe that no additional information on this matter has been forwarded to the South Australian Government, I will contact my department again and get the very latest information in this regard.

#### ELDERLY CITIZENS

Mr. WARDLE: I believe that the elderly citizens club in Tailem Bend has applied for assistance regarding a clubroom. This application would come through the District Council of Meningie, as Tailem Bend is in that council area, albeit an area some of which forms part of the District of Albert, which is well represented by Mr. Nankivell. Will the Treasurer obtain for me a report on the application from the elderly citizens club in Tailem Bend and say whether he thinks the application will be received favourably?

The Hon. G. G. PEARSON: Having seen correspondence on this matter, I know that an application has been received through the council. I hope that the two members concerned can sort out the matter satisfactorily, although I am sure they can. I believe that the project qualifies for subsidy under the terms of the State Government's provisions for subsidies to senior citizens clubs. From memory, I think a favourable reply will be forwarded shortly to the District Council of Meningie.

#### PORT PIRIE SILOS

Mr. McKEE: As a zone director of South Australian Co-operative Bulk Handling Limited, will the member for Rocky River (Mr. Venning) say whether or not the co-operative intends to increase its silo storage at Port Pirie soon?

The SPEAKER: The question raised by the member for Port Pirie draws my attention to Standing Order No. 124, which provides:

At the time of giving notices of motion, questions may be put to Ministers of the Crown relating to public affairs; and to other members, relating to any Bill, motion, or other public matter connected with the business of the House, in which such members may be concerned.

Therefore, as I believe that this question does not come within the terms of Standing Order No. 124, I cannot allow it.

Mr. McKEE: Since you, Sir, have ruled my question to the member for Rocky River out of order, I now direct it to the Minister of Lands, representing the Minister of Agriculture. Will the Minister ask his colleague whether the co-operative intends to increase its silo storage at Port Pirie?

The Hon. D. N. BROOKMAN: I will ask my colleague.

#### VAGRANCY CHARGE

Mr. McANANEY: Has the Attorney-General a reply to my recent question about a young chap who was charged with vagrancy because he was found to be in possession of drugs?

The Hon. ROBIN MILLHOUSE: The Commissioner of Police states that the person referred to in the honourable member's question was arrested on a charge of having insufficient lawful means of support. He was found to be in possession of several packets of herbage which he claimed was marihuana and intended selling in this State. The packets were tested and the herbage recognized as mint tea. He was not at any time charged with an offence relating to the possession of marihuana.

#### HOUSE INSULATION

Mr. CORCORAN: The Minister of Housing will be aware that, when constructing houses in Millicent (and I guess this applies in the rest of the State), the Housing Trust has recently been placing insulwool in the ceilings to provide insulation. However, in houses built earlier in Millicent no insulating material was placed in the ceiling. My attention has been drawn to several houses purchased by the trust from the Engineering and Water Supply

Department. As these are timber frame houses with asbestos outside, evidently insulation is most desirable because of the heat in summer and cold in winter; I understand insulation of this type makes a difference of 15 degrees in summer and winter respectively. Will the Minister investigate the possibility of insulating the houses to which I have referred and, if possible, all Housing Trust houses in Millicent, anyway?

The Hon. G. G. PEARSON: I will certainly refer the honourable member's request to the General Manager of the trust. As the honourable member says, insulwool is effective in insulating against both heat and cold. I know this, for I have installed it in my own modest home, and I also know what it cost me. The cost is the real problem in the case to which the honourable member refers. The question is whether or not purchasers of a house would desire this and would meet the cost, or whether the added cost would so increase the rent of a rental house as to make it rather difficult for tenants to pay their rent. I will get a report.

#### PENOLA HOUSING

Mr. RODDA: Has the Minister of Housing a reply to the question I asked yesterday about the construction programme in respect of 15 houses at Penola?

The Hon. G. G. PEARSON: The Housing Trust informs me that the delay in this contract has been due to difficulty in obtaining a sub-contractor to lay the reinforced concrete foundations. However, as this position now seems to have been resolved, it is hoped that work on the foundations will commence shortly.

#### HAIR LICE

The Hon. C. D. HUTCHENS: Has the Premier a reply to my question of August 20 in which I referred to a letter to the *Advertiser* from a lady who claimed that the problem of hair lice was rife in South Australia, and in which I asked whether the Health Department was taking action to remedy the situation?

The Hon. R. S. HALL: For a number of years the procedure in Government schools has been to send children home if they are found to be infested with head lice. In such cases a notification is given to the parent or guardian stating the condition, and requiring the condition to be remedied. When this is brought to the attention of the parents and their co-operation is obtained, the problem can be resolved effectively. However in a few, though significant, number of cases parents, either

through ignorance or lack of interest, are unwilling to co-operate, thus causing unnecessary discomfort to the children and exposing other children to the risk of infestation.

To provide legal control, the Health Act was amended in 1968 and the new provisions came into effect on May 15, 1969, authorizing a local board of health to take action to disinfect premises known to be vermin-infested and to take action against persons who do not co-operate in eradicating lice. All local boards have been circularized drawing attention to the provisions contained in the amendment and, at the June, 1969, quarterly meeting of health inspectors employed by local authorities, a uniform method of administration was outlined and adopted. Details of action to be taken when instances of head lice are detected, and the methods of treatment, are available from the Public Health Department, local boards of health, and schools.

#### DARLINGTON WATER SUPPLY

Mr. EVANS: During the latter part of last year I received, and now this year, when people are starting to think about the prospects of the coming summer, I have received, several telephone calls about the water supply at Darlington. As a result of my suggestion to the people who telephoned me that they write to me, I have received one letter from Mr. P. G. Korff of 5 Victoria Parade, Darlington. His letter refers to the area in the immediate vicinity of Victoria Parade where there is an indirect water supply. At the best of times people in the area receive a supply of only 24 lb. a square inch pressure, and on days when the temperature is 90 degrees and over the pressure drops back to 12 lb. a square inch. On very hot days there is no water at all, the people having to keep water in tubs and so on so that they can flush their toilets. In the absence of the Minister of Works, can the Treasurer say when the Engineering and Water Supply Department will provide a direct water supply to the area which, although within the metropolitan area, at present has an inadequate supply, and will he have the matter investigated and rectified before the coming summer?

The Hon. G. G. PEARSON: I presume that, when the honourable member refers to an indirect supply, he refers to a supply provided at the cost of owners of the adjacent land, even though rating may apply in certain circumstances. I will have the matter referred to my colleague and get a report on the present position.



### TEA TREE GULLY INTERSECTION

Mrs. BYRNE: Constituents of mine have repeatedly drawn my attention to the fact that the intersection of North-East Road with Hancock and Dillon Roads, Tea Tree Gully, is dangerous and has become increasingly so since the new shopping centre was opened there about seven weeks ago. Will the Attorney-General ask the Minister of Roads and Transport whether the Highways Department intends to improve this intersection so that it will be safer and, if the department does not so intend, will he ask his colleague to consider the matter?

The Hon. ROBIN MILLHOUSE: I will find out.

### WALLAROO HOSPITAL

Mr. HUGHES: On Tuesday last I sought information about the duties of the Medical Superintendent of the Wallaroo Hospital and, although I am not complaining that the reply has not yet been given (I should think the department would have much work to do while the House was sitting), will the Treasurer ask his colleague whether this information can be given to me next week by letter, as the House will not be sitting then?

The Hon. G. G. PEARSON: I will do that.

### WELLAND PREMISES

The Hon. C. D. HUTCHENS: Has the Treasurer, in the temporary absence of the Premier, a reply to my question of August 21 about a difference of opinion between the Woodville council and local residents regarding the use of premises at Welland as a kangaroo meat processing plant?

The Hon. G. G. PEARSON: The Director-General of Public Health reports:

The premises referred to were previously used for manufacturing butchers' smallgoods and bacon. They have been vacant for some years and are now being used to pack boneless kangaroo meat into retail size packages. The proprietor discussed the use of the premises and the alterations and repairs needed with officers of the Woodville council before commencing activities. As the premises and the conduct of the business comply with the provisions of the applicable legislation, no objection can be raised to the conduct of this business.

### CANNERIES

Mr. ARNOLD: On Tuesday last the Leader of the Opposition asked the Attorney-General whether the Government intended to introduce legislation to safeguard fruitgrowers' equities in canneries that were being liquidated.

The United Farmers and Graziers of South Australia Incorporated made similar representations some months ago. I was somewhat concerned at the Attorney's reply on Tuesday that the Government did not intend to take action to safeguard the interests of the growers. Will the Attorney say whether my understanding of his reply is correct and, if it is, will he further consider the matter?

The Hon. ROBIN MILLHOUSE: When replying last Tuesday to the Leader's question, I was speaking from memory and, therefore, I took some risk in giving a straight-out reply. What I said was that the Government did not intend to introduce legislation on the matter this session. Since then, on looking through the docket, I find that in mid-1968 you, Sir, in your capacity as General Secretary of the United Farmers and Graziers, raised with me the matter of amending the Companies Act to put fruitgrowers in a special position in the event of a cannery getting into difficulties. When I and my officers considered this request, we found that there were many legal difficulties in the way of giving effect to it and the reply was that it could not be done in that form. Then you, Sir, as General Secretary of your association, suggested that it might be possible to make some other alteration to the law whereby fruit could be regarded as being on consignment in the canneries until it had been paid for.

However, this again was not an easy matter to work out and the association was invited to discuss the matter with me and my officers. That invitation was renewed two or three months ago when the association again wrote to me on the matter. The Government is still open to suggestions and discussions, but the matter is extremely difficult, as I think you will appreciate, Mr. Speaker, and it may not be possible to arrive at an acceptable solution. The reply that I gave the Leader the other day was literally correct: we do not intend to introduce legislation this session. However, we are willing to discuss the matter with legal representatives of the association or anyone else to see whether it is possible to take action to safeguard the interests of fruitgrowers, and I shall be grateful if those interested get in touch with me about it.

### TEMPORARY SPEED LIMITS

Mr. VIRGO: The Commissioner of Police has power to place on roads where roadworks are in progress signs indicating that a maximum speed limit of 15 m.p.h. is imposed temporarily. My question is prompted by an

incident yesterday that, fortunately, did not lead to an undesirable situation. Such a sign was placed near roadworks that were (and still are) in progress, and I understand that the police booked 12 people for exceeding the speed limit. I also understand that when the senior police officer, exercising his discretion, decided that the warnings were no longer necessary and should be removed, a dispute occurred between the police officer and the men working on the job. Fortunately, the men decided to keep working, although at one stage there had been a possibility that they might "down tools" for their own personal safety. Will the Premier consider providing a means whereby, if any future action by a senior police officer in similar circumstances is at variance with the attitude of the persons concerned, the matter can be determined immediately?

The Hon. R. S. HALL: I will take the matter up with the Minister of Roads and Transport. Although the question seems to contain a fair amount of detail, I do not know whether it is sufficiently cohesive and specific for the Minister to give a reply. If we require further information, we will contact the honourable member and, if we do not, we will try to reply.

#### MAITLAND COURTHOUSE

Mr. FERGUSON: Can the Treasurer, representing the Minister of Works, say whether the new Maitland police station and courthouse, for which provision is made on the Loan Estimates this year, will be built on the present site, or whether they will be built on another site?

The Hon. G. G. PEARSON: I do not know, but I will find out and let the honourable member know.

#### OVERLAND

Mr. VIRGO: On two or three occasions the Attorney-General, representing the Minister of Roads and Transport, has stated in the House that the North Terrace building of the Railways Department is to receive a face lift, and he has also spoken about a face lift for the Overland, about whose late arrival I have received numerous complaints. On checking these complaints, I have found that they are more than justified. Will the Attorney ask his colleague for a report on the number of times the Overland has arrived on time within the last 12 months and the reasons for the late arrival on the many occasions it has arrived late?

The Hon. ROBIN MILLHOUSE: I will seek the information on both points.

#### MURRAY BRIDGE PRIMARY SCHOOL

Mr. WARDLE: Has the Minister of Education a reply to my question of August 27 about a toilet block and new classroom accommodation at the Murray Bridge Primary School?

The Hon. JOYCE STEELE: The Public Buildings Department advises that an estimate of cost of the new toilet block is being prepared and that the work should proceed shortly. The delay on this project (which is regretted) has been due to the fact that standard plans were not suited to the requirements at this school and, therefore, special plans have to be prepared. Work on a new classroom block will not commence this financial year. Consideration will again be given to the matter when the 1970-71 building programme is being prepared.

#### GOVERNMENT VEHICLES

Mr. VENNING: I understand that the present method of disposing of Government vehicles is by tender, whereas the Commonwealth Government sells its surplus equipment at auction. Will the Treasurer, in the absence of the Minister of Works, say whether the auction system would be a better means of disposing of this Government's vehicles?

The Hon. G. G. PEARSON: For many years now it has been the practice of Governments in this State to dispose of vehicles by tender and, so far as I am aware (and my experience goes back a few years), this has been a satisfactory method. I doubt whether the Commonwealth Government disposes of all of its vehicles at auction, although from time to time I see press advertisements for the sale of surplus equipment. The disposal of our Government vehicles has been handled for years by the Supply and Tender Board. I will take this matter up with the Minister and ask for his considered reply.

#### BORDERTOWN AND LAMEROO SCHOOLS

Mr. NANKIVELL: I am interested in the Bordertown Primary School and the Lameroo Area School, both of which are listed under the Works and Planning Section on the Loan Estimates. Can the Minister of Education say what progress has been made in processing plans for these schools for submission to the Public Works Committee?

The Hon. JOYCE STEELE: I have some good news for the member for Albert: only this morning references in respect of both schools were submitted to the committee.

### ESTIMATES OF EXPENDITURE

His Excellency the 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, 1970.

Referred to Committee of Supply.

### THE BUDGET

In Committee of Supply.

The Hon. G. G. PEARSON (Treasurer): In presenting my first Budget of the Consolidated Revenue Account last year I explained that it was prepared under circumstances of considerable difficulty. Notwithstanding that, I reported that the Government regarded a balanced Revenue Budget as its minimum immediate objective. That objective was achieved and actually a minor surplus of \$460,000 was recorded. Chief factors in achieving the objective were the twin programmes of firm control of expenditures and comprehensive new revenue measures. Success was made the more difficult by considerable unavoidable increases in expenditures arising from new wage and salary awards, but on the other hand it was assisted by very good seasonal conditions, a very mild summer, efficient and economical administration, and a most helpful supplement in Commonwealth grants. For the year 1969-70 the previous year's revenue measures will continue to have their effect, and the Government takes the view that it would be unwarranted to make, at this juncture, any further major increases in taxes. In the light of continuing increases in costs as well as expanding requirements, equally firm control of expenditures must be continued. However, even more than last year, I am forced to budget in the face of a serious lack of foreknowledge in extensive sectors of the State's expenditures and revenues.

It is obvious that the State will face increases in wage and salary awards not as yet determined, which may match and even exceed last year's increases awarded after the Budget and amounting to over \$4,000,000. It is likely, too, that partly as a consequence of new awards, the normal tax reimbursement grant

from the Commonwealth will increase beyond the amount presently indicated by the existing level of wages and incomes in the community, but by a much smaller amount. It is possible also, though by no means certain, that the Commonwealth may again late in this financial year agree to further financial assistance as the need becomes increasingly apparent. However, to budget under conditions such as these poses a most difficult problem to a State Treasurer. He is not entitled to ask Parliament for specific appropriations for wages and salaries at rates greater than at present are lawfully determined, but at the same time he must not delude himself or anyone else that they will continue unaltered. He cannot sensibly state his revenues from Commonwealth sources upon a conjecture that the Commonwealth may in six months' time, or even later as happened in the past year, be prevailed upon to recognize the inescapable needs of the State.

In the circumstances I intend to present the 1969-70 Budget in two parts. The first will be the formal and detailed Budget presented in the normal fashion, setting out the expected revenue based upon known circumstances, existing rates of taxes and charges, and such Commonwealth grants as may be expected under present firm arrangements. The expenditures will be detailed as they may be expected to occur with present rates of salaries and wages. The formal Budget having been constructed in this fashion, the result is a prospective deficiency of some \$2,240,000 in a Budget of about \$328,000,000. Then I come to the second part, which is neither formal nor detailed. Unfortunately, it cannot claim to be precise, and members will see it set out upon the earlier pages of the financial papers. Last year additional wage and salary costs arising from awards and determinations notified after the Budget was presented amounted to about \$4,100,000, and in the current year they may be expected to be at least as great and perhaps about \$5,000,000. Assuming the latter figures some compensating increase would naturally occur in the tax reimbursement grant, and this on past experience could be about \$1,800,000.

On such a basis the combined effect of these two factors could be a net increase in deficit of \$3,200,000, making about \$5,440,000 in all. The question then arises how much supplementary grant the Commonwealth may subsequently be prevailed upon to supply. Last year it was \$3,350,000 or about 3 per cent of the tax reimbursement grant

and, as I have already pointed out, last year was a favourable one both seasonally and in economic expansion. It would be logical, and justified, to expect a rather greater supplement this year, and a 4½ per cent supplement may be expected to be adequate to cover the deficit gap, if the figures work out as are now forecast. Such a supplement would be just and reasonable in all the circumstances. Unfortunately, we must proceed without any adequate assurance other than that the Prime Minister will meet the Premiers some time in the new year to review these matters and, in addition, to commence the review of the new arrangements that will apply for a period commencing with the financial year 1970-71. However, at this time, because we have no firm assurance of budgetary assistance grants this year, and because we must not permit another serious depletion of reserves, the Government has felt bound to plan the retention, at least temporarily, of some \$4,000,000 of Loan moneys out of funds presently in hand, as some insurance in the case of later necessity. The Government would have much preferred, so far as physical and material resources could permit, to apply that \$4,000,000 currently to essential building and other works, and particularly to schools and hospitals, if the outlook for the Revenue Budget were clearer. Therefore, if during the course of the year a Commonwealth undertaking or any other factors should indicate a prospective closing of the Revenue deficit gap, the Government will proceed to expand its essential works programme, and it is taking action now to see that planning is pushed ahead to take advantage of the situation should it arise.

All of this difficulty, as I have said, points directly to the necessity for a complete overhaul of Commonwealth-State financial relations to make it possible for the States to plan with assurance, and to put into operation those financial programmes that are vital to the welfare and progress of the Australian people. The forthcoming review with the Commonwealth will be a matter of crucial importance in the whole field of Commonwealth-State financial relations and could have a significant effect in determining the future of the federal system and the survival of the States as sovereign Governments and their ability to fulfil the role envisaged for them when the Federation was founded at the turn of the century. The State Premiers, assisted by their Treasurers and Treasury officers, have prepared and are almost ready to present a very strong case for a re-orientation of the capital

debt structure for the States' direct participation in growth taxes, for relief from extremely heavy obligations under Commonwealth social service and health legislation, and for tertiary education costs of which, in spite of massive Commonwealth grants, the States still carry much more than half. The Government believes that the Commonwealth does recognize the validity of these claims and will give due and proper consideration to them. The conclusion that has emerged most clearly from discussions between Premiers and Treasurers is that a mere continuance of the old tax reimbursement arrangements, even though increased in volume and in flexibility, would be quite inadequate. What is required is a radical and extensive reallocation of resources and responsibilities as between Commonwealth and States if the interests of the Australian people are to be adequately, fairly and responsibly served.

#### THE YEAR 1968-69

The Revenue Budget, which I presented 12 months ago, forecast receipts of \$295,305,000 and proposed payments of \$295,284,000. The expected current result as shown in the Budget papers was accordingly a nominal surplus of \$21,000. However, it was known that new wage and salary awards were bound to become effective during the year, and in fact two major determinations, in a national wage case and in the matter of a teachers' award, were then pending. Parliament was aware that a realistic forecast was for a significant deficit unless the Commonwealth Government could be prevailed upon to make additional grants available or there should be some quite unexpected lift in the State's finances. The adverse impact of additional wage and salary awards is now calculated to have been about \$4,100,000. As the total of actual payments (\$297,895,000) was only \$2,611,000 in excess of the original estimate, it may be seen that the unavoidable extra wage and salary costs were offset by economies and savings in expenditures elsewhere of almost \$1,500,000. Looking at receipts, we see that new and adjusted Commonwealth grants were about \$5,017,000 in excess of the forecast made 12 months ago. Therefore, as the total of actual receipts (\$298,355,000) was only \$3,050,000 above the original estimate, it follows that there was a net shortfall in other revenues of almost \$2,000,000. Of this shortfall in revenues almost half was due to implementation of taxes and charges somewhat later than planned.

The net effect of all the factors I have mentioned in broad terms was to give a small surplus of \$460,000.

Before giving details of the ways in which these and other factors influenced the receipts and payments of individual departments, I refer briefly to the accounting for the Whyalla Hospital. The hospital was to have been vested in the Government in October, 1968, and the estimates of both receipts and payments took that expectation into account. It took longer than expected to resolve all outstanding matters and the vesting was deferred until July, 1969. While this had no appreciable net impact on the Budget, it did mean that appropriation for running expenses directly from the Budget was not required and that receipts expected to go directly to the Budget did not occur, but that grants were necessarily increased beyond the original provision, to the extent that the running expenses exceeded the current receipts of the hospital. As members know, the Government's accounting is done in two parts, one in receipts and the other in expenditures and, therefore, the adjustment on account of the Whyalla Hospital necessarily affected both columns. This explanation points out this fact.

#### RECEIPTS

The excess of \$3,050,000 above estimate in the items of receipts is made up as follows:

	\$	
Taxation . . . . .	32,000	below estimate
Public works and services—		
Business undertakings . . . . .	1,740,000	below estimate
Other charges, recoveries, and fees	278,000	below estimate
Territorial . . . . .	83,000	above estimate
Commonwealth . . . . .	5,017,000	above estimate
	\$3,050,000	above estimate

**Taxation:** The major difference in taxation items was in stamp duties receipts, which eventually fell \$412,000 below estimate. Because of the time required for drafting legislation and carrying out preliminary work, new and increased rates of duty operated about one month later than planned. Gift duty receipts fell \$91,000 short of estimate. The volume and value of liquor turnover on which the estimate for publican's and other licences had been based was somewhat below the earlier estimate, and revenues in 1968-69 were lower for that reason by \$167,000. On the other hand, succession duties receipts exceeded estimate by \$222,000 mainly because of an increase in numbers of higher value successions. Receipts from motor vehicle taxation

exceeded estimate by \$393,000, but this had no effect on the Budget result as such receipts are transferred to the Highways Fund for roads purposes.

**Public undertakings:** The decline in Railways cash revenues from the estimate of 12 months ago was the main variation in business undertaking receipts. The carriage of grain to the seaboard was less than estimated due largely to the slower sales and consequent reduced availability of shipping from South Australian ports. In addition, there was a temporary increase in outstanding accounts at the end of June. Because of these factors, Railways cash receipts fell about \$600,000 below estimate. The delay in shipment of grain affected harbour receipts, which fell \$253,000 below estimate because of the adverse effects on throughput of bulk handling plants as well as on wharfrage. Revenues from water and sewer rates were \$310,000 below the earlier forecast due to reduced usage of water during the mild summer, and consequently billing for excess did not reach the estimated levels. A review of the forestry operations in March last showed a rate of recovery less than expected and, accordingly, further transfers to the credit of Revenue Account were deferred pending a review of the undertaking's 1968-69 accounts. Receipts were \$480,000 below estimate.

**Other departmental receipts:** For miscellaneous departmental charges, recoveries and fees there were many variations both above and below estimate, the net effect being a shortfall of \$278,000. The largest individual variation was in receipts of the Hospitals Department which, at \$10,469,000, were \$636,000 below estimate. Of this, some \$400,000 arose out of the deferment in the vesting of the Whyalla Hospital, and the remainder was substantially due to the later implementation of new scales of patients' fees.

**Commonwealth grants:** The improvement beyond estimate in Commonwealth grants arose from three factors. In the first place, at a conference in March, 1969, the States convinced the Commonwealth Government of the seriousness of the common difficulty of meeting major wage awards and other current Budget problems, and as a result the Commonwealth agreed to make available an additional grant of \$12,000,000 to be shared among the States. South Australia's share of that total was \$1,350,000. In the second place, this State had lodged a detailed submission for further grants to assist in overcoming our long-term and intractable Revenue-Budget problem. The Commonwealth, on

being satisfied that the State was doing all that could reasonably be expected to help itself by exercising economy and by substantial taxation measures, approved a special grant of \$2,000,000 late in the financial year. In the third place, it became apparent quite late in June that the factors used in the calculation of the annual taxation reimbursement grant had varied more than originally expected. In particular, the finally determined increase in the level of average wages throughout Australia in the year to March 31, 1969, disclosed a marked improvement, and as a result the total payment for the year to South Australia was \$1,667,000 above the first estimate. The combined effect of the three factors was to increase Commonwealth general purpose grants by \$5,017,000.

#### PAYMENTS

I have said that payments last year were \$2,611,000 above estimate, that the cost of awards after the framing of the Budget was about \$4,100,000, and that accordingly net savings and economies elsewhere were almost \$1,500,000. The Appropriation Act each year has a special section that gives additional appropriation to cover increased costs due to awards of wage-fixing bodies. That special section was called upon last year to cover the larger part of the cost of two major awards; that is, the total wage determination, which impacted on departments generally, and the teachers' award affecting only the Education Department, and also to cover the cost of a number of smaller determinations. Despite the fact that other payments in total were some \$1,500,000 below the aggregate appropriations approved 12 months ago, it was necessary for Parliament to consider Supplementary Estimates totalling \$1,235,000. This was because the net saving of \$1,500,000 was the result of a large number of variations, some above and some below estimate. Under appropriation procedures excess expenditures for one department may not be offset against savings by another department.

**Special appropriations:** For those items for which appropriation is contained in special legislation there were excesses above estimate aggregating \$1,113,000. Increases of \$693,000 in debt services and \$454,000 in transfers to the Highways Fund were offset to only a minor extent by decreases in superannuation and other provisions. Of the increases in debt services, \$642,000 was for interest and \$51,000 for sinking fund. The former was due primarily to the selection of interest dates

for conversion loans, which meant that the 1968-69 accounts were called on to bear more than had been estimated in respect of some issues. Increased rates of interest were only a relatively small factor in causing increased expense last year but, as I shall explain a little later, will be of great significance this year and in the future. The increased transfer to the Highways Fund followed automatically from an improvement in motor vehicle taxation receipts and had no net effect on the Budget.

**Public undertakings:** For the railways undertaking, the excess of payments above original appropriation was only \$461,000, despite the fact that the cost of awards subsequent to that appropriation amounted to \$1,220,000. The saving in other payments was due partly to reduced train operation resulting from slower grain movement, and partly to the effects of other economies. The Engineering and Water Supply Department was able to contain payments to a total \$540,000 less than the appropriation. This was achieved after meeting an additional cost of about \$154,000 for awards. Reduced demand for water pumping through the two major mains resulted in savings of \$478,000 in power bills. Economies were also achieved in general operation.

**Social services:** After meeting additional costs of more than \$400,000 for new awards, the Hospitals Department recorded payments which in total were \$870,000 within the approved appropriation. Almost \$700,000 of the under-expenditure as shown was due to the deferment of the vesting of Whyalla Hospital in the Government. The other major factor was the difficulty of recruiting qualified staff as quickly as required to give a balanced development of new and expanded services, particularly at the Royal Adelaide Hospital. The total of grants and other payments listed under "Chief Secretary—Miscellaneous" exceeded the earlier appropriations by \$228,000, of which \$26,000 was provided from the Hospitals Fund and \$202,000 remained as a direct cost to the Revenue Budget. The \$228,000 was the net result of increased grants of \$275,000 to Whyalla Hospital, provided in Supplementary Estimates, offset by small savings elsewhere. The services of the Education Department required payments aggregating about \$1,508,000 above the amount originally provided by Parliament. This corresponded quite closely to the additional cost of new awards, which had a relatively heavier impact on the Education Department than on any

other department. While it was possible to meet the cost of awards without calling upon the full amount of special appropriation available, it was found necessary to make provision of \$250,000 in Supplementary Estimates to meet increased costs of materials and services for schools. The appropriations listed under "Minister of Education—Miscellaneous" were exceeded by \$276,000. Of this, \$250,000 was included in Supplementary Estimates to meet the needs of the University of Adelaide and the South Australian Institute of Technology.

Other payments: It was necessary to provide an additional appropriation of \$350,000 in Supplementary Estimates to meet unavoidable commitments in the maintenance, repair and servicing of various Government buildings.

#### ESTIMATES FOR 1969-70

During 1968-69 the economy in this State showed a marked recovery from the sluggish levels of previous years. Seasonal conditions were particularly good and cereal production was at a record level. The Government's vigorous measures to stimulate industrial growth began to have significant effect, confidence was restored, investment moved upward, and demand improved strongly in many sectors. Activity in agricultural and industrial machinery, consumer durables, motor vehicle production, and in some specialist and new industries increased strongly. Sharp recovery in migration intake and local demand took up the surplus of houses, and the building industry is now finding skilled tradesmen in comparatively short supply. Although there are presently some real problems of rising costs and narrow markets for rural produce, the general economic picture for the State as a whole is much brighter than it was a year ago. It seems reasonable, therefore, to estimate receipts of the Budget on a cautiously optimistic level. In saying this I am, of course, aware that most of the gains to Government revenues resulting from a livelier economy accrue to the Commonwealth Treasurer because of his access to most of the growth tax, and that expenditure by the State will more than absorb the gain to State receipts. As receipts and expenditures are estimated separately, I now proceed to consider the former.

#### RECEIPTS

I estimate that in 1969-70 receipts on Revenue Account will amount to \$326,021,000, which would be \$27,666,000 more than actual receipts in 1968-69. The details of receipts, set out fully in the Estimates of Revenue, may be summarized as follows:

	\$
Taxation . . . . .	56,066,000
Public works and services— charges, recoveries and fees..	143,407,000
Territorial receipts . . . . .	3,140,000
Commonwealth grants . . . . .	123,408,000
	\$326,021,000

The Commonwealth grants figure that I have given (\$123,408,000) includes the whole of the moneys coming from the Commonwealth Government under the taxation reimbursement formula and other formulae.

Taxation: The estimate of \$56,066,000 for State taxation is \$5,993,000 above last year's actual receipts. Land tax receipts are estimated at \$7,600,000, which would be about \$44,000 below the total actually collected last year. Improved economic conditions enabled taxpayers to reduce arrears last year, and the amounts awaiting collection at the end of June, 1969, were less than they were 12 months earlier. The new quinquennial land tax assessment now being compiled as required by the Act will not affect accounts rendered to owners until the year 1971-72. Motor vehicle taxation receipts in 1968-69 were about \$846,000 above receipts in the previous year. At this stage it seems reasonable to expect that the rate of growth will approach that of last year. I have set down an estimate of \$14,500,000 which, if achieved, will be \$807,000 above the figure for 1968-69. Because of the statutory requirement that motor vehicle taxes be set aside for roads purposes, movements in this item have no net impact on the Revenue Budget result.

The estimate of \$20,153,000 for stamp duty receipts of all kinds forecasts a major increase of \$5,020,000 above the actual receipts of 1968-69. This increase is expected to flow mainly from the operation for a full 12 months of receipts duty and duty on credit business, both of which came into operation from February 1, 1969. Actually, the yield from the new receipts duty will still be slightly below a full year's effect because of the timing of collections. The larger businesses pay the duty on monthly returns, another group pays quarterly, and smaller businesses and some in special circumstances pay only once a year. The latter group includes the majority of primary producers. In 1969-70 the annual return will cover only the five months from February 1, 1969, to June 30, 1969. The first annual returns covering a full 12-month period will be received in 1970-71 in respect of transactions in 1969-70. At this stage the best estimate which may be made of probable

yields from receipts duty in 1969-70 is about \$5,300,000, compared with about \$1,910,000 in 1968-69. From all forms of credit and rental documents and arrangements I estimate that the return this year will be about \$1,600,000 compared with \$900,000 last year. The probable effect of increased volume and value of business has been taken into account in the overall estimate for stamp duties.

As members know, the most difficult revenue item to estimate is succession duties receipts. Last year's actual receipts of \$8,822,000 were well above the first estimate, and some \$670,000, or more than 8 per cent, above the actual receipts of 1967-68. I think that we cannot reasonably take last year's total as a base on which to estimate for 1969-70, and certainly it would be quite unrealistic to expect a repetition of last year's 8 per cent increase. After looking at the experience of the last five years or so I consider that \$9,000,000 may be a reasonable expectation. This would be an increase of \$178,000 above last year.

For gift duty receipts the estimates put before members 12 months ago were for about \$600,000 in a full year and \$400,000 in 1968-69. As I then explained, it was most difficult to estimate probable revenues because the subject matter of a gift duty is likely to be influenced by the tax itself. Upon review of the rather small amount of information available after a part year's operation of the new duty I am now disposed to abate the full year's estimate to \$550,000.

Last year I estimated receipts from increased liquor licences for a full year at about \$500,000, and half that extent of increased revenues (\$250,000) was received in 1968-69. Accordingly, in 1969-70 we may expect to receive a further \$250,000. Increased turnover will also add to liquor tax receipts, and the total is expected to reach some \$3,000,000, or about \$367,000 above last year.

The receipts of the Betting Control Board from betting taxation are expected to decline to \$485,000. This would be \$614,000 less than the \$1,099,000 paid to the credit of the Budget last year. The elimination of the winning bets tax as from July 1, 1969, would, on last year's volume of betting, reduce revenues by about \$830,000, while the increase in turnover tax would offset that adverse effect by about \$150,000, that is to say, a net impact of \$680,000. After allowing for payment to the Treasury of small sums carried over the year's end by the board, and for a small increase in bookmakers' turnover, the

net adverse cash effect this year is forecast as \$614,000. The increase in stamp duty on betting tickets has been taken into account in the estimate of stamp duties. The revenues from Totalizator Agency Board operations, which will for the future more than offset the elimination of the winning bets tax, will be discussed when I deal with the operations of the Hospitals Fund.

Public works and services: The estimate of \$143,407,000 for receipts from various public works and services is for an increase of \$15,087,000 above the actual receipts of 1968-69. The increase is expected to be derived as follows:

The operation of public undertakings—	\$
Transfer items which do not affect the Budget result ..	3,674,000
Normal receipts from services and other contributions ..	4,405,000
	<hr/>
	8,079,000
Recoveries of interest and sinking fund .. . . . . .	1,979,000
Other departmental fees and recoveries .. . . . . .	5,029,000
	<hr/>
	15,087,000

Public undertakings: For the State's marine and harbour services I estimate that receipts this year, at \$6,600,000, will be about \$53,000 above last year's actual receipts. The eventual result will depend to a very large extent on the shipment of grain as this will affect both wharfage and the revenues of bulk handling installations. It is not possible to estimate with any confidence either the oversea market prospects for grain or the extent to which sales will be drawn from South Australian storages. However, in the light of present storages and the harvest outlook, I consider it is reasonable to look forward to some improvement in grain traffic. Taking this factor into account and also the likelihood of increased oil imports but allowing on the other hand for the non-repetition of some special traffic of last year, the Budget forecast is for increased harbours revenues of \$53,000.

The shipment of grain from ports will also affect the movement of grain by rail from inland storages to the seaboard and therefore the uncertainty about markets and selection of ports must be taken into account in attempting to assess the likely revenues of the railway undertaking. Having regard to this and to some recent improvement in the carriage of merchandise and in interstate freight traffic, I believe there are good prospects for the Railways Department to increase its earnings in 1969-70.



Further, there was a temporary increase in outstanding accounts at the end of June, 1969. This is unlikely to be repeated and there could possibly be some reduction in outstandings at the end of June, 1970. Taking all factors into account, I estimate that cash receipts may reach \$30,500,000, an increase of \$1,150,000 above such receipts in 1968-69. The transfer from General Revenue (appropriated under "Treasurer—Miscellaneous") to the credit of the railways undertaking to reduce the prospective deficit to manageable proportions is this year increased from \$11,000,000 to \$14,000,000. The transfer of \$674,000, in accordance with section 95a of the South Australian Railways Commissioner's Act, comprises \$215,000 in respect of 1967-68 and \$459,000 in respect of 1968-69 certified by the Auditor-General as being the actual costs of implementing an earlier Government's policy instruction for an additional week's leave for railway employees.

Receipts from water and sewer rates and charges for excess water are expected to reach \$26,200,000 in 1969-70, an increase of \$2,410,000 above actual receipts last year. Of this, the major part (some \$1,800,000) is expected to flow from adjustments in rating and charges effective from July 1, 1969. The adjustments include an increase in the sewer rate from 6½ per cent to 6¾ per cent and an increase in the price of water for each 1,000 gallons from 30c to 35c. The latter will apply to both rebate and excess water and is designed not only to raise essential revenues but also to discourage the unnecessary use of water so that pumping costs may be minimized. The normal annual increase from extended services and newly rated properties is expected to be about \$1,200,000. However, in comparing cash receipts, account must be taken of the fact that 1968-69 collections were higher than normal by some \$600,000 on account of services provided but not billed in the previous year. This factor will not be repeated in 1969-70, and there could be a small increase in outstanding accounts at the year-end. Taking all factors into account, water and sewer receipts are expected to be about \$2,410,000 above last year.

An examination of the final accounts of the forestry undertaking for 1968-69 and a consideration of the prospects for better sales of timber this year suggest that it may be practicable to revert in 1969-70 to the level of contributions to Revenue that applied in 1967-68. Accordingly, a recovery of \$1,440,000 is set down for 1969-70 com-

pared with \$960,000 last year. The proposed contribution of \$515,000 from the State Bank of South Australia is the second such contribution. It is calculated as 45 per cent of the profit on the business of the bank in 1968-69 and corresponds to the amount of income tax that would be payable by a non-government enterprise.

Recoveries of debt services: The total of recoveries of interest and sinking fund is expected to reach about \$27,963,000, an increase of \$1,979,000 above such recoveries last year. Further increases in recoveries from the two major semi-governmental activities, the Electricity and Housing Trusts, will flow from the greater investment therein of borrowed funds. As the volume of special Commonwealth loans and State Loan funds advanced to the Natural Gas Pipelines Authority increases, so does the recovery of interest from the authority increase. The recovery this year is likely to reach about \$1,000,000, an increase of \$587,000. A large proportion of this is payable to the Commonwealth, which has provided \$11,000,000 of "bridging" finance.

Other departmental receipts: I estimate that \$33,875,000 will be received from miscellaneous departmental fees, charges for services and other recoveries. This would be \$5,029,000 above the actual receipts of 1968-69. The major increases expected are, for the Education Department, \$1,933,000, and for the Hospitals Department, \$2,545,000. The increase in recoveries for education purposes will arise primarily from higher Commonwealth contributions to match increasing State provisions on account of universities and colleges of advanced education, and from Commonwealth grants towards books and equipment for science laboratories, technical colleges, teachers colleges and secondary school libraries. For the Hospitals Department, the increase is expected from the operation of the Whyalla Hospital as a Government hospital, from patients' fees and Commonwealth benefits at other hospitals, and from the greater contribution available from the Hospitals Fund.

Hospitals Fund: Last year the fund received \$1,157,000 from the operations of the Totalizator Agency Board, \$1,635,000 from the surpluses on the conduct of State lotteries, and \$400,000 from the stamp duty on third party policies, making a total of \$3,192,000. Having regard to the total appropriation available and to the \$1,341,000 required for payment direct to subsidized hospitals, the transfer to Revenue

Account towards the costs of Government hospitals was determined at \$1,422,000. For 1969-70 the expectation is that a substantially larger contribution of \$1,400,000 will be available as a result of greater Totalizator Agency Board business, that about \$1,700,000 will be derived from lotteries, and that the full year's operation of the stamp duty on third party insurance will yield about \$900,000. These totals, if achieved, would provide \$4,000,000 of new funds to be applied towards hospital purposes. It appears that \$1,450,000 will be required to cover the increases in maintenance grants to non-government hospitals and that some \$2,550,000 will accordingly be available for transfer to Revenue Account towards meeting the rapidly growing costs of Government hospitals, to which I shall refer again shortly.

Territorial receipts: Territorial receipts are expected to increase by \$703,000 to a total of \$3,140,000. The larger part of the increase is expected from royalties on minerals, for which the estimate of \$1,665,000 is \$411,000 above last year's receipts. The first contribution of royalties on natural gas at the statutory rate of 10 per cent of recoveries at the well head will be received this year, and I have set down an estimate of \$200,000. Royalties on iron ore are likely to be some \$200,000 above the 1968-69 receipts because of greater tonnages and some higher rates of royalty.

Commonwealth grants: The Commonwealth Government has set out in its budget papers provisions for taxation reimbursement grants, which include an estimated \$123,800,000 for South Australia. This Commonwealth estimate has been included on the assumption that the factors used in the formula to build up each year's grant from that which was paid in the previous year will move proportionately to the same extent as in 1968-69. In particular, the calculation is made on the assumption that the increase of 6.75 per cent which occurred in the level of average wages in the 12 months to March 31, 1969, will be repeated in the 12 months to March 31, 1970. I believe that it is quite possible that such an increase in average wages will occur and the grant may be as high as the Commonwealth Treasurer has estimated. However, as I pointed out in my introductory remarks, it is not practicable for me to budget in figures purporting to be precise for wages and salaries at rates so far not determined by the appropriate tribunals and authorities. As I must budget in the first instance upon the rates of wages and salaries

awarded at this point of time, it is neither logical nor consistent to budget for a Commonwealth grant assuming significantly increased wage costs not yet determined. Having regard to the current levels of wage and salary earnings, I believe the Commonwealth grant would work out at \$122,000,000. If it does finally become \$123,800,000, that extra \$1,800,000 will assuredly fall far short of the increased wage and salary costs to the State Budget of the order of \$5,000,000 or so. As I explained earlier, the Estimates do not at this stage include any amount for supplementary assistance to South Australia, either as a share of a grant to all States or as a grant in recognition of our particular and individual Budget problems.

PAYMENTS

In the Estimates of Expenditure provision is included for:

	\$
"Special Acts", being payments for which appropriation is contained in special legislation . . .	81,655,000
Proposed payments for departments and services for which the financial authority will derive from the Appropriation Bill . . . . .	246,606,000
	\$328,261,000

Special Acts: Proposed payments under appropriation included in special legislation are estimated to total \$81,655,000 this year, an increase of \$6,221,000 above similar payments last year. The largest increase will once again be in debt services. Interest on the public debt at \$57,715,000 is expected to be about \$5,086,000 in excess of last year's payments while sinking fund contributions to be used towards repayment of earlier debt are expected to increase by \$744,000 to \$10,897,000. The increase in the two items will be about \$5,830,000. It cannot be stressed too strongly or said too often that the vast and growing volume of debt services is a major and almost insurmountable obstacle in the way of the States' attempts to expand and improve their services to standards which the community demands. When we note that the Commonwealth Government is able to finance its capital works entirely out of current revenues and at the same time to reduce its indebtedness to the point where it has now actually become a net creditor Government, it is particularly galling to any State Government to see the extent to which its revenues are automatically committed

to meet the prior claim of debt services before any thought can be given to additional allocations for education, health and other essential services.

Members may recall that in introducing the Loan Estimates I pointed out that South Australia's allocation of new borrowings approved by the Australian Loan Council for 1969-70 would be almost \$104,000,000, and that I also expressed concern about recent increases in interest rates. Those upward movements in rates, which were brought into effect as part of the Commonwealth's policy to counter inflationary tendencies in the Australian economy, will have serious effects on State Budgets in accentuating the general problem of meeting debt services. Prior to the adjustment in November, 1968, when income tax rebates on Commonwealth loan interest were abolished, the long-term bond rate was 5.25 per cent. At that time it was adjusted to 5.4 per cent. The rate applicable to the long-term securities in the most recent loan in July became 6 per cent, an increase of .6 per cent over the rate for previous issues. The rates for medium and short-term issues also moved upwards, though to a lesser extent. The effect of increases in rates may be more readily understood if we consider that a  $\frac{1}{2}$  per cent increase on average on only this year's new raisings would cost the State an additional \$500,000 in a full year. However, whilst new borrowings will total almost \$104,000,000 this year, earlier loans falling due for conversion or redemption will total about \$128,000,000, so that the overall effect would be an additional \$1,000,000 or more in a full year. This is the effect of only one year's transactions, and will be repeated year after year as long as the increased rates remain. The higher interest rates on Government loans have, of course, flowed over into related markets and it will therefore cost our semi-governmental bodies more to service the loans which they raise directly from institutions and the public. Further adverse effects will be felt from higher rates on Commonwealth loans to the State for specific purposes. The interest and principal repayments on such special loans 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 expected to be almost \$49,500,000, an increase of some \$5,000,000.

**Social services:** A major problem faced by all State Governments is the requirement of the community for more and better services in

hospital care and preventive health, in education at all levels, in police protection, and in general welfare. As was the case last year, the Government has again given sympathetic consideration to the needs of all social service departments and, within the limits of the funds expected to be available to us, we have gone as far as we are able to authorize improved services to meet the community's needs. Apart from the inescapable obligation for debt services, the biggest individual increases in the whole of the Budget are for the Education and Hospitals Departments respectively.

**Hospitals Department:** The appropriation of \$27,606,000 for the Hospitals Department is \$3,452,000 above actual payments of last year. The Whyalla Hospital was vested in the Government from July 1, 1969, and provisions of \$1,066,000 are accordingly included for its staffing and operation for the full year. The increase available for other hospitals is thus \$2,386,000, or about 10 per cent above last year. Further development during 1969-70 is expected at Royal Adelaide Hospital with the progressive occupation of the new north wing as staff becomes available. The training of nurses for Modbury Hospital will be continued and extended. The Morris Hospital, previously conducted as a tuberculosis unit, will now form part of the Royal Adelaide organization and its services will include the care and treatment of paraplegic patients. The Mental Health Services will be expanded with the opening of the new Strathmont Hospital for the intellectually retarded, a hostel at Marden Hill, and a diagnostic and advisory centre at Hyde Park. Among country developments will be the introduction of a central laundry and linen service at Port Pirie to serve Port Augusta also. It is proposed that the service be later extended to subsidized hospitals in mid-northern areas.

**Other medical and health:** The proposed provision of \$1,269,000 for the Public Health Department is \$152,000 or 13 $\frac{1}{2}$  per cent above last year's expenditures. In determining this allocation the Government has had particular regard to the needs of the school dental services, which are being expanded currently as the first group of female dental therapists have completed their two-year training period and have moved into the clinics to give dental services to schoolchildren in country areas. Of the original intake of 16 trainees in February, 1967, 14 graduated in June, 1969, and are now serving at Whyalla, Port Augusta, Port Pirie, and Peterborough. Clinics are being built at

Renmark and Murray Bridge. The total number of therapists at present under training is 32, including 16 who commenced in 1968 and will move into the schools early in 1970, and 16 first-year trainees.

Included in "Chief Secretary and Minister of Health—Miscellaneous" are the grants and subsidies to non-government hospitals and other institutions providing medical and health services. The total of such appropriations is set down at \$7,592,000. The 1968-69 payments of \$7,541,000 included grants of \$462,000 for the Whyalla Hospital, whereas for 1969-70 the provisions for salaries and running expenses are included in Hospitals Department, the only remaining provision in the miscellaneous lines being \$47,000 to recoup the City of Whyalla Commission an amount equivalent to the debt services on the loans raised and remaining outstanding on account of the hospital. The gross provisions for other non-government hospitals and institutions are about \$467,000, or 6½ per cent above last year. Of the total of \$7,592,000 proposed for all medical and health payments, \$1,450,000 is expected to be met from the Hospitals Fund, leaving a net impact of \$6,142,000 directly on the Revenue Budget.

This year the Government decided to review the basis for contributions required to be made by country local authorities to hospitals. Previous levies on councils varied somewhat widely from something less than 3 per cent of rate revenue in some instances but rising considerably above this figure in many other areas. The Government has agreed that in no case shall the council be levied above 3 per cent. The resultant relief to councils will be offset by increased Government grants, and the cost of this item will be about \$80,000 this year.

Education Department: For the Education Department the proposed allocation of funds for the staffing and running of schools and associated services in 1969-70 is \$60,709,000. This comprises \$59,821,000 of State funds and \$888,000 of Commonwealth grants towards equipment for technical colleges, science laboratories and teachers colleges, and books and equipment for secondary school libraries. The provision of State funds is \$5,189,000, or about 9½ per cent above payments in 1968-69. The record salaries provision of \$48,537,000 is designed to allow for an additional 550 appointments to the teaching, lecturing, specialist, advisory, and guidance staff, and for a student intake of 1,550 into teachers colleges. In an endeavour to ensure

more effective use of the department's most valuable resources, the professional teaching staff, it is proposed that funds be allotted for the employment of ancillary staff equivalent to 246 full-time appointments. Provision is being made for the first time for clerical assistance in primary schools, there is to be an improved scale of clerical, library and laboratory assistants in secondary schools, and additional ancillary staff is to be appointed to teachers colleges, technical colleges and adult education centres.

The salaries appropriation also includes provision for the costs of the fourth of five steps in the granting of equal pay to women teachers and the costs of a new and higher scale of allowances to students in teachers colleges. Each of these became effective on July 1, 1969. The various contingency lines also provide additional funds for changes in policy as well as for expansion. Essential equipment for teaching mathematics in primary schools, previously provided on subsidy, will now be supplied at the Government's expense. From January 1, 1970, the annual boarding allowance will be increased from \$150 to \$180 for students in the first four years of secondary schooling and from \$200 to \$230 in the fifth year. Also from January 1 next the annual book allowance will be increased from \$18 to \$24 for fourth-year secondary students and from \$20 to \$26 for those in fifth year. The Government is conscious of the desire of the community for expanded and improved services in primary and secondary education, and within the limits of the funds available has been able to allocate increasing annual sums to the department. As I have mentioned, the increase for the department this year is second only to the unavoidable increase in debt services. In our current Budget situation it would be possible to provide additional funds beyond what is now proposed only by an unduly restrictive approach to hospital, police and other services, which the community also regards as of high priority.

Independent schools: As announced in its policy speech, the Government introduced a scheme of assistance for independent schools from the beginning of the 1969 school year. The payment of grants at the rate of \$10 for each child was estimated to cost about \$375,000 in a full year. Members will understand that these grants became effective from the beginning of the 1969 school year and have been paid on the basis of enrolments at the school at the beginning of the term.

Therefore, in last year's accounts two terms came to account and the actual payments did not relate strictly to the end of the financial year but included two of the three terms in the 1969 school year. Actual payments in 1968-69 for two terms totalled \$224,000. In July the Government reviewed the situation and, in accordance with its stated election policy to increase the amount in respect of secondary pupils when funds permitted, determined that the sum of \$20 for each child in secondary classes would be granted as from the third term of 1969. The Estimates now before members include under "Minister of Education—Miscellaneous" an appropriation of \$500,000, being \$20 a child for an estimated 13,500 secondary pupils and \$10 a child for an estimated 23,000 primary pupils. As members are aware, the Commonwealth Government proposes to pay grants of \$35 and \$50 a child for primary and secondary pupils respectively from the beginning of 1970, so that the total State and Commonwealth assistance for each child will thereafter be \$45 and \$70.

Tertiary education: The Revenue Budget provides under "Minister of Education—Miscellaneous" for the gross grants (that is to say, State and Commonwealth grants combined) for recurrent and research purposes of the University of Adelaide, the Flinders University of South Australia, and the South Australian Institute of Technology. The Commonwealth grants for these purposes are paid to the credit of Revenue Account as received. Grants to the three institutions are determined for three-year periods following the recommendations of the Australian Universities Commission and the Commonwealth Advisory Committee on Advanced Education. The present triennium ends on December 31 next and the known balances of approved grants for the six months July to December, 1969, are included in the Estimates. For the new triennium to begin on January 1, 1970, the reports and recommendations of the two committees have now been tabled, and the Commonwealth has announced that it is prepared to give financial support to them on the existing basis of sharing equally with the States in the costs of capital projects and of providing about 35 per cent of recurrent costs, leaving some 65 per cent to be met from State grants and fees. We have considered the recommendations and believe them to be reasonable having regard to the needs of tertiary education and to the State funds likely to be available. Accordingly, the Government has

accepted the proposals in principle though we wish, of course, to continue the long-standing arrangement of having annual budgets submitted for approval.

The Estimates include provisions to cover probable requirements in the first half of 1970. That part of the grant to the University of Adelaide which is on account of the Waite Institute is appropriated under "Minister of Agriculture—Miscellaneous". The total of proposed grants to the three institutions in 1969-70 for recurrent, teaching and research purposes is \$14,497,000. The South Australian School of Art, conducted as part of the activities of the Education Department, has been supported as a college of advanced education since the beginning of 1967, and this will continue. The Government submitted to the Commonwealth Advisory Committee that Roseworthy Agricultural College and the Dental Therapists Training School be also accepted under advanced education arrangements in the coming triennium, and it is very pleased that the submission has been accepted by the committee and supported by the Commonwealth.

Other education: The Estimates include provisions to enable further expansion of the educational and cultural activities of the Libraries, Museum and Art Gallery Departments. For libraries, the appropriation of \$1,125,000 is \$112,000, or 11 per cent, above last year's payments. It is made up of \$906,000 for staffing, purchase of books, and other running costs of the State Library, and \$219,000 as subsidies to match the contributions of 22 local government authorities towards buildings, equipment, books and running expenses of 32 country and suburban libraries. The appropriation for the activities of the Museum Department is \$204,000. Last year a special additional provision of \$5,000 was made towards the costs of administering the Aboriginal and Historical Relics Preservation Act. A second contribution of \$5,000 for these purposes is included this year. For the Art Gallery, a considerable increase in appropriation is included this year. The proposed \$158,000, which compares with actual payments of \$101,000 in 1968-69, includes special additional provisions towards purchase of works of art of particular interest to South Australia, and for the purchase of a suitable vehicle and to meet the associated running costs in taking exhibitions of art to country areas.

Law and order: The proposed allocation to the Police Department is \$10,271,000, which is \$557,000, or almost 6 per cent above last year. The Commissioner of Police, in the recruitment campaign to further build up the Police Force, plans to rely almost completely on the cadet system rather than on adult recruitment. This year's provision is designed to permit an increase in cadet strength from 410 to 450. On the basis of a three-year training period and having regard to resignations during training, this total cadet strength is expected to mean an annual graduation of about 120 men to join the active strength of the force. As members are aware from a consideration of the Loan Estimates, capital provisions have been made over a number of years for the improvement of Fort Largs Training Academy to provide accommodation for the training of cadets. The proposed appropriation of \$2,131,000 for the Prisons Department is \$271,000, or 14 per cent, above payments of last year. Provisions are included for the appointment of 13 additional prison officers, four additional probation officers, and an officer to manage prison industries.

Welfare services: For the Social Welfare Department the total allocation of funds is \$3,694,000, which is an increase of \$362,000, or 11 per cent. The provision includes \$3,034,000 for normal departmental services, including the running of homes and institutions, and \$660,000 for the payment of public relief. The departmental allocation includes funds to cover the balance of costs of an internal training course now under way for 16 probation and welfare officers, the salaries of those officers on appointment in 1970, and the commencement of a new course in 1970. Funds are also provided for increased weekly payments to foster parents of children placed out by the department. Following the proposed increase in Commonwealth pensions, the Government has approved an amended scale of public relief provisions that will cost an additional \$70,000 in a full year and about \$50,000 this financial year. Some \$10,000 extra will be recouped this year from the Commonwealth under an arrangement whereby it shares in the cost of certain relief payments. The Aboriginal Affairs Department will again have an increased allocation of State funds and will also receive a greater allocation from the Commonwealth's second annual distribution of grants for Aboriginal welfare. The State provision of \$1,794,000 compares with \$1,688,000 last year, while the Commonwealth offer is expected to provide \$495,000, compared with \$350,000 last

year. The emphasis in welfare work will continue to be on education, employment, housing and health.

Public undertakings: The appropriations for the Engineering and Water Supply Department total \$13,416,000. They include \$370,000 for this State's share of the estimated cost of maintenance incurred by the River Murray Commission, \$1,280,000 for electric power for pumping through the three major mains to Adelaide, Whyalla and the Lower North, and \$11,766,000 for the general costs of operation and maintenance of water and sewer services. Last year the State was most fortunate in incurring a very light pumping bill. Because of the mild summer, actual costs of \$722,000 for electricity for pumping fell well below the estimate of \$1,200,000. This was a most marked variation from the experience of the previous year, when seriously adverse seasonal conditions caused total payments for power to rise to a record high of \$2,200,000. Because of a good carryover of stored water from last year, and reasonable winter intakes, reservoir holdings are now relatively high. The storages serving the metropolitan area are holding about 85 per cent of their capacity of 36,000,000,000 gallons, only a little less than 12 months ago. However, I think we could not reasonably expect a summer so abnormally mild as last year, and accordingly I have included an estimate of \$1,280,000 for the three mains. Pumping through the Swan Reach to Stockwell main will, of course, relieve the previous draw on other systems.

The proposed appropriation for the Railways Department is \$35,417,000, an increase of \$2,092,000 above last year. Of this increase, \$600,000 arises from the inclusion of a special provision for deferred maintenance, \$900,000 to cover the cost of awards—including the carry-over effect from last year—and a little less than \$600,000 for other purposes, including additional train running. It is purely coincidental that the amount of \$600,000 being provided as a first instalment for track maintenance in the Budget is the same as the sum of \$600,000 provided in the Loan Estimates: they are two different figures and in regard to their effect are to be added together. As I explained when presenting the Loan Estimates the report of the committee that investigated the cause of derailments calls for an additional maintenance effort and also for betterment of the permanent way. Therefore, increased annual allocations of each of revenue and Loan funds will be required for several years.

Other departments: Members will be aware that the primary function of the Public Buildings Department is to provide and maintain accommodation for other departments and that this service covers the construction and furnishing of new hospitals, schools, offices and other buildings, all the subsequent maintenance of them and in some cases the payment of rent and rates. A careful review of the state of maintenance of Government buildings indicates that it is necessary to step up the maintenance effort this year to ensure the proper protection of existing assets. Therefore, despite the difficult budgetary situation, we have taken the longer view of what is the most efficient and economic policy and have determined that the allocation to the Public Buildings Department must be increased from \$7,883,000 last year to \$9,056,000. The increase is \$1,173,000, or 15 per cent.

The appropriation for the Highways Department in these Estimates is \$4,537,000, an increase of \$498,000 above the actual payments of last year. This is part only of the activities of the department. For many years it has been the practice to show in the Estimates the details of the administrative and head office expenditure of the department. The actual construction and maintenance costs of road and bridge works are charged directly to the Highways Fund. The Highways Act provides that the net collections of motor vehicle taxation, after deducting certain specified payments including the administrative expenses of the Highways and Motor Vehicles Departments, shall be transferred to the Highways Fund for roads purposes. This net figure is the one which appears in the "Special Acts" section of the Estimates and represents a large part of the State funds available each year for purchase of materials and plant, for payment of wages, and for meeting other costs incurred in actual construction and maintenance. The other major and regular source of State funds is the road maintenance contribution charged on vehicles of eight tons or more carrying capacity. Under the Commonwealth Aid Roads Act, recently renewed for a further five-year period, increasing annual allocations of funds are made available by the Commonwealth for road purposes. In 1968-69 the total volume of new funds becoming available in this State for roads was \$35,767,000, comprising \$15,271,000 of State contributions, \$19,433,000 of Commonwealth grants, and \$1,063,000 of repayments by local government authorities. Actual expenditures during the year (including administration and head office costs) were

\$33,718,000, and the opening balance of \$2,225,000 was thus temporarily built up to \$4,274,000 by June 30, 1969. For 1969-70 it is estimated that new State funds will amount to \$16,100,000, Commonwealth funds to \$21,000,000, and repayments by councils to \$915,000, a total of \$38,015,000. The total programme for roads purposes approved by the Government is \$41,015,000, so that a call of about \$3,000,000 will be made on the balance available at the beginning of the year. The carry-over is expected to be less than two weeks' financial requirement.

Mr. Hudson: Do you expect the cumulative deficit on Revenue Account at the end of the financial year to reach \$10,000,000?

The Hon. G. G. PEARSON: That could be an approximate figure, but I have not set it out.

Mr. Hudson: It has not been mentioned in your statement.

The CHAIRMAN: Order!

The Hon. G. G. PEARSON: If the honourable member cares to add the figures he will get the answer he is seeking.

Mr. Hudson: It is usually added for us.

The Hon. G. G. PEARSON: As I said earlier, there is some satisfaction in being able to present a Budget in more optimistic tone than that brought down last year. The State's much improved economic outlook, compared with that of a year ago, demonstrates clearly that the rather stringent measures the Government felt compelled to take at that time have had markedly beneficial results. It shows that close control of finance does not necessarily mean provision of services that are less than real needs, that responsible financing does engender confidence and encourage investment, and that the steps the Government did take to reorganize the Industrial Development Branch have produced positive results. There has been a marked improvement in industrial activity and employment has recovered to a situation nearly equivalent to the figures we in this State for many years had expected as the norm. The movement in the general economy is still upward, and this trend seems likely to continue. It is disappointing, therefore, that more of the benefit of this improvement is not directly available to assist the Budget situation. That it is not is because, under the present arrangements, the Commonwealth gets most of the direct benefit and the State, indirectly, gets only a small part. As I have said, the States have prepared a strong and

fully-documented case for a substantial readjustment of these matters which will be the basis for discussions to be held during this financial year, and there is a degree of unity and solidarity among States that has not previously existed in battling for their cause. It is my belief that the Commonwealth is aware of the present inequities and will be prepared to give recognition to them.

There are, however, some other clouds on the horizon. The constant and accelerating rises in internal costs of production affect all industries but, whereas those industries which sell all or most of their production to markets within Australia can pass on the increased costs to a home market which has a correspondingly increasing buyer ability to meet them, this is not the case with those who rely very heavily on markets overseas. Clearly, and this fact must be stated and re-stated with emphasis, these rising costs are passed along the line until they come to rest on the export industries, which are caught between them and the prices they can realize for their products on markets that are fiercely competitive and generally falling, and in some cases also narrowing. This situation has a most severe impact on the primary industries. By contrast with most other business concerns, which expect to cover their costs plus full interest on capital funds employed plus a profit margin, primary producers are presently able to expect only a modest return on capital funds

employed, and upon this they must live. For those with heavy capital liabilities the situation is becoming acute. For this reason, the Government is giving serious thought to farmers' problems, particularly in regard to land tax, and action will be taken to amend the Land Tax Act during next year to afford substantial relief for rural land from the cost of the prospective new assessments which are to come into effect from the beginning of the financial year 1971-72.

I again express thanks to all who have the duty of administering the various departments of the State for their careful consideration and control of expenditure and for making wise use of the funds available to them. I am grateful to Ministers and heads of departments for the discussions I have had with them and for their understanding of the difficulties involved in framing the Budget. I thank also the members of the Treasury staff, who have always sought out and made available the information needed in making assessments and judgments, for their invaluable experience and advice and for the long hours of concentrated and loyal service that the immense amount of work in the preparation of this document entails. I have pleasure in moving the adoption of the first line of the Estimates.

Progress reported; Committee to sit again.

#### ADJOURNMENT

At 4.27 p.m. the House adjourned until Tuesday, September 16, at 2 p.m.