

HOUSE OF ASSEMBLY

Thursday, September 3, 1970

The SPEAKER (Hon. R. E. Hurst) took the Chair at 2 p.m. and read prayers.

ASSENT TO BILLS

His Excellency the Governor, by message, intimated his assent to the following Bills:

Eudunda and Morgan Railway (Discontin-
tinuance),
Motor Vehicles Act Amendment,
Referendum (Metropolitan Area Shop
Trading Hours).

BUILDING BILL

His Excellency the Governor, by message, recommended to the House of Assembly the appropriation of such amounts of money as might be required for the purposes mentioned in the Bill.

QUESTION PROCEDURE

The SPEAKER: I thought it might be opportune, and beneficial to all members, to remind them of the provisions relating to questions seeking information. Standing Order 124 provides that, in asking a question, "no argument or opinion shall be offered, nor shall any facts be stated except by leave of the House and so far only as may be necessary to explain such question". I am of the opinion that the maximum use is not being made of Question Time, because of a tendency for questions to be far too long, to contain argument or opinion, or to give information or state facts which are not necessary to explain the question. Also, answers to questions on occasions are unnecessarily prolix. It would be helpful to the Chair if members, at the commencement of a question, could indicate the subject matter of that question so that the Chair could judge whether facts being stated thereafter were necessary to explain the question. The basic object in asking a question is not to give information but to seek information and press for action. The co-operation of honourable members in this matter will conduce to a more effective use being made of Question Time.

QUESTIONS

CENSORSHIP

Mr. MILLHOUSE: My question arises out of the Government's decision with regard to the book *Portnoy's Complaint*. I refer to the article on page 1 of this morning's newspaper reporting the comments of the Commonwealth

Minister for Customs and Excise (Mr. Chipp), and particularly to the following two sentences:

Mr. Chipp told the House of Representatives that the South Australian Attorney-General had taken this action—

that is, the decision that was the subject of some comment yesterday and the day before—only two weeks before a conference between State Chief Secretaries and Commonwealth Ministers on the question of censorship. *Portnoy's Complaint* was to have been discussed at this conference, he said.

From that report, I take it that the Chief Secretary, the colleague of the Attorney-General, is to attend that conference. I am surprised that this information was not disclosed earlier during the controversy. In view of what has happened in the last few days, and particularly in view of the reaction of the Commonwealth Government to the decision made by the South Australian Government, can the Attorney-General say whether the Chief Secretary intends to attend that conference and, if he does and if the book is discussed, as foreshadowed in the newspaper report, can the Attorney say whether the Chief Secretary will take part in the discussions? In view of the unfortunate lack of importance that the Government apparently attaches to uniformity of censorship in Australia, can the Attorney say whether there is any chance that the decision that he announced with regard to this book will be reversed as a result of the discussions at this conference?

The Hon. L. J. KING: True, a conference will be held on September 18 in Canberra between the Commonwealth Minister and the Ministers representing the various States. It is likely that I will be attending, as a representative of the South Australian Government, in place of the Chief Secretary. I am not aware that the book *Portnoy's Complaint* as such is listed for discussion, although I accept the Commonwealth Minister's statement as reported in the press that he intended that that particular book would be discussed. Certainly, listed for discussion are matters relating to literature as well as films and, particularly, the adoption of a Commonwealth-wide basis of X and R classification distinguishing the sort of material about which adults should be free to make their own decision and the sort of material about which there should be some rules regarding persons under the age of 18 years. However, if the matter of *Portnoy's Complaint* is raised, I shall certainly take part in any discussion; I shall take part in any discussions relating to that book and to uniformity in these matters. The Commonwealth

Minister has been in constant touch with me by telephone; I think that he has made three or four telephone calls on this matter. There have been full discussions between the Commonwealth Minister and me regarding the attitudes of our respective Governments, the Commonwealth Minister having expressed himself as being most desirous of meeting me in Canberra to discuss these matters in detail; for my part, I shall be most happy to join in those discussions. Regarding the decision made about *Portnoy's Complaint*, I repeat what I said yesterday during the debate: the discretion that the Statutes confer is a discretion reposed in the Attorney-General, who is required to make up his own mind and to exercise his own discretion. There is simply no possibility of that discretion's being delegated to some other body outside the State. Indeed, I consider that it would be quite inconsistent with the Statute for the Attorney-General to abdicate the discretion that Parliament has conferred on him and to hand that discretion to someone else. Subject to the integrity of the discretion that has to be exercised by the Attorney-General of this State, I shall be pleased to discuss with the Commonwealth Minister and Ministers from the other States any proposals that may produce some uniformity between the States on films and literature and to explore the matter with those Ministers and see what can be done.

GOVERNMENT HOUSE

Mr. CRIMES: Has the Minister of Works a reply to my recent question about Government House renovations?

The Hon. J. D. CORCORAN: There appears to be some misunderstanding regarding renovations to Government House. I wish to make quite clear that this matter was being considered before the appointment of our present Governor. Government House has been in a sad state of disrepair for a long time and it has been essential to carry out major repairs and renovations even to keep the place standing. Furnishings and interior decorations, likewise, were in urgent need of upgrading. I think that the Government would have been quite remiss had it not done something about this, and I am adamant that what is now being done and what it is intended to do are entirely essential. Details of expenditure and estimates on building and associated work for 1968-69, 1969-70 and 1970-71 are as follows:

	Estimate \$	Expenditure \$
Salt damp treatment	—	28,000
Reroofing (contract not yet finalized)	24,700	21,500
Redecoration	—	24,000
Repairs to flooring and structure	—	14,000
Miscellaneous repairs and other work in association with contracted items . .	—	22,500
Site offices and workmen's facilities	—	2,700
Site and civil engineering works	—	2,000
Mechanical and electrical services (not yet completed)	21,200	19,000
Ground floor carpet	11,500	8,475
Furniture and furnishings (not yet completed) . .	15,500	7,120
Porte Cochere (contract not yet finalized)	9,760	7,755
Ballroom carpet (not yet started)	1,100	—
Ceiling insulation and built-in cupboards	—	800
Renovation and refurbishing of staff quarters . .	35,000	—
Repairs to and redecoration of external walls (not yet completed) . .	10,000	1,350
Room air-conditioning . . .	—	1,800
Repairs to Private Secretary's house (not yet approved)	7,000	—
Total expenditure to date	—	\$161,000
Expected total expenditure	\$231,500	

HENDON RAILWAY LINE

Mr. HALL: It has been reported that the Minister of Roads and Transport has a secret plan to close the Hendon railway line and replace it with a freeway. This is a most surprising report in view of the Minister's hatred of freeways and his statements, when legislation dealing with the closure of certain railway lines has been before the House, that he hoped no more railway lines would be closed. Will the Minister reveal whether such a plan does or does not exist?

The Hon. G. T. VIRGO: I should correct one of the Leader's statements. I do not have a hatred of freeways: I have a hatred of the wanton destruction of property, such as was contemplated in the proposals put forward by the Leader when he was Premier. The Leader's question regarding the Hendon line is a tongue-in-cheek one because, as he well knows, the Government of which he was Leader was involved in the negotiations regarding the West Lakes area. I do not know

whether the appropriate Minister of Works or Minister of Roads and Transport confided in the Leader when he was Premier but, if he cares to check with either or both of those gentlemen, he will find that it was submitted that the former Government should close the Hendon line so as to provide an access road, not a freeway, into the new West Lakes area, and that the Government agreed to that proposal.

The Hon. G. R. Broomhill: It kept it secret, apparently.

The Hon. G. T. VIRGO: Yes. Since the Labor Government came to office the negotiations in relation to West Lakes have proceeded satisfactorily. Indeed, I indicated the progress being made when I introduced into the House and successfully had passed through it legislation enabling the Woodville council to borrow up to \$1,000,000 for drainage works in the area.

The Hon. J. D. Corcoran: And the Premier only a week ago announced the letting of a major contract for the whole proposal.

The Hon. G. T. VIRGO: That is correct. Therefore, the Leader's question is a pious one: he knows the answer to it. The Hendon line carries only two passenger trains daily, one at 7 a.m. to serve the workers at Philips, and the other in the evening, neither of which is well patronized. It was submitted to the previous Government (and I have no reason to quarrel with this) that the expense involved in providing such a small amount of service could be put to better use, particularly as the railway land does not stop at the end of the railway line but continues into the West Lakes area.

RAILWAY CROSSINGS

Mr. BURDON: The problem of road safety and the need to protect people against themselves is one that concerns many people and, although I have on numerous occasions during the past few years raised the matter of protection, I again find it necessary to draw the attention of the Minister of Roads and Transport to several road-rail crossings in my district at which I regard the installation of flashing lights to be an absolute necessity. Will the Minister ascertain whether any of these crossings are on this year's priority list for installation and, if they are not, will he take up with the Road Traffic Board the urgent matter of providing flashing lights at several railway crossings in Mount Gambier?

The Hon. G. T. VIRGO: I regret that I have not got with me the information the honourable member seeks. However, I will obtain it for him and supply him with a report.

SOUTH-EAST DRAINAGE

The Hon. D. N. BROOKMAN: Some time ago I raised the problem relating to capital charges, in particular depreciation and allied matters, in relation to the South-East drainage scheme. I understand that the Minister of Works now has a reply.

The Hon. J. D. CORCORAN: I told the honourable member at that time that the matter would be considered on the following Monday by Cabinet. This has been done, and the Minister of Irrigation reports:

As members will be aware complex problems have arisen in the application of the financial provisions of the South-Eastern Drainage Act, 1931-1969. About two years ago my predecessor considered this matter and instituted an inquiry with a view to amending these provisions to provide a more satisfactory method of rating. The committee which was appointed for this purpose and the South-Eastern Drainage Board have given considerable attention to this matter and have placed proposals before the Government for consideration. The Government has considered these proposals and feels that further investigation of certain of these matters is necessary before it can make a decision on the policy which should be pursued. As the South-Eastern Drainage Board must declare a rate almost immediately, it has been decided to proceed along the same lines as have operated during the past two years and the board will declare a rate accordingly. This action is unavoidable as it is obvious that a solution of the problems cannot be arrived at immediately. However I fully expect a solution to be reached soon and action will be taken to submit appropriate amendments to Parliament for consideration. I make this statement so that landholders will be aware of the reasons for continuing with the present rating system and of the intentions of the Government regarding amendments.

LAKE BONNEY

Mr. CURREN: Before I ask my question I should like to wish our Premier all the best for his overseas trip on which he is leaving later this afternoon. During the course of this overseas visit, which is being undertaken on behalf of this State on matters of great importance, he will visit Hong Kong and Japan and, at the request of industrial leaders in South Australia, he will interview many industrialists in those areas. I know that all members on this side wish him a successful trip and a safe return, and I am sure that members opposite will join me in this expression.

I received a letter recently from the Barmera Tourist Development Committee, which states:

We have written to the Minister of Works in reference to Lake Bonney being freshened

as was done last year when it was known there was an extra flow coming down the Murray. Lock 3 was lowered before the high water came down and this resulted in Lake Bonney falling some 14in. When it regained normal level again the result was very pleasing for swimming, ski-ing, etc.

As there is every indication of a greater flow coming down the Murray River in the next few weeks, can the Minister of Works say whether consideration has been given to the request made by the committee at Barmera?

The Hon. J. D. CORCORAN: First, the Premier says he will be happy to give the honourable member's regards to Susie Wong when he is in Hong Kong. In reply to the question, it is expected that flows in South Australia over the next two months will be more than sufficient to achieve a freshening of Lake Bonney, and after false works being used at lock 3 for rehabilitation works are removed, the lock pool level will be lowered by 2ft. It is expected that this can be achieved next week.

EDUCATION SURVEY

Mrs. STEELE: I have read with much interest the report of the nation-wide survey on education needs, that report having been released by the Minister of Education to, I understand, all members. As I read in the ultimate paragraph of the report that the report of this survey had been presented to the Commonwealth Government (I presume to the Minister for Education and Science), can the Minister say when it is expected that further meetings will take place on this matter and will he explain what is the position at present? Can he say how long it is expected that the Commonwealth Government will take to reply generally or to give a reply of any kind in respect of this report?

The Hon. HUGH HUDSON: I understand that the Commonwealth Government has already rejected the claims of the States with respect to assistance on recurrent education expenditure but that it has not as yet made a decision concerning the claims of the States for assistance on capital expenditure to provide school buildings. The conclusion relating to the first part (namely, the rejection of the States' claims regarding recurrent expenditure) is confirmed, first, by the statement of the Prime Minister at the time of the Premiers' Conference, secondly, by the statement of the Minister for Education and Science on a *Four Corners* programme, and, thirdly, by the statement of the Commonwealth Treasurer in his Budget speech, all of which statements were to

the effect that the Prime Minister and the Ministers concerned regarded the change in the formula for tax reimbursement grants as being sufficient to enable the States to make proper provision for recurrent education needs.

Quite apart from the merits of that matter, the recent meeting of Ministers of Education asked, first, for representatives of the Australian Education Council to meet with the Commonwealth Minister to press our claims, and it was proposed that the representatives should be the Minister for Education in New South Wales (Mr. Cutler) the Victorian Minister of Education (Mr. Thompson) and me; and secondly, that we should press through our respective Governments for a conference between the Prime Minister and Premiers on the whole of the survey of education needs. I have been waiting to hear from Mr. Cutler about arrangements that may be made with respect to meeting Mr. Bowen, but, as I understand that Mr. Bowen is overseas, I do not expect that that meeting will be held within the next couple of weeks and, as yet, no overt moves are being made to bring about a formal conference at the Premiers' level to discuss this matter.

Therefore, the whole matter is at a standstill at present. The only expectation I have had all along is that we will get assistance in respect of school buildings. I thought that this would probably be announced when the Commonwealth Budget was introduced, but I expect now that the Commonwealth Government is saving it for the Senate election campaign. However, I am hopeful—

Members interjecting:

The Hon. HUGH HUDSON: If members opposite think that the Commonwealth Government is not going to do anything, well and good, but that is the expectation that I have had, and that is the position as I understand it.

SUBSCRIBER TRUNK DIALLING

Mr. EVANS: It was reported in this morning's newspaper that a certain person had received a large account relating to subscriber trunk dialling charges in connection with the use of the telephone in his business premises. I refer the Premier to a report of the Victorian Public Accounts Committee in 1967, in which the following statement appears:

It is of great concern to your committee that with the introduction of subscriber trunk dialling there is no record of the details of calls made. It is difficult not only in the

Police Department but also in other Government departments to provide the close supervision necessary to prevent abuses of the direct dialling system.

If I make this report available to the Premier (and I make no reflection here on our public servants generally), will he have this matter investigated to see whether we should possibly consider barring subscriber trunk dialling in some of the Government departments in this State?

The Hon. D. A. DUNSTAN: I will examine the matter. From time to time I, and all other Ministers, have had to approve telephone accounts. Although I have not found them to be of a nature that would give me cause to suspect that there had been any abuse of telephone activity by any part of the Public Service for which I am responsible, I will certainly have the matter looked at to see whether we should take action.

DRUGS

Dr. TONKIN: It has been noticed that shops in the city of Adelaide carry displays of articles that have on them slogans such as "Take a trip on L.S.D.," "Pep up with acid," and "Go to pot", and others with full details not only of how to grow cannabis and process it but I think also details (and I am not sure of this) of how to make L.S.D. I understand that these articles are on sale freely. I believe that it can do no good in the community if there is continual reinforcement of a message which perhaps was intended as a joke or something smart originally but which I believe no member can tolerate for any length of time. Therefore, will the Attorney-General inquire into the sale of articles bearing slogans which encourage drug abuse and which would thus appear to be encouraging people to break the law?

The Hon. L. J. KING: I will have inquiries made to establish the facts relating to this matter, as I know nothing of it myself. I will consider it further when the facts have been established.

BOLIVAR EFFLUENT

Mr. FERGUSON: When I asked the Premier a question about Bolivar effluent on Tuesday, I pointed out that at a meeting at Salisbury he had undertaken to get a report from the Public Health Department for the growers in that district. In his reply, the Premier did not say whether he would obtain this report or whether a report could be made available to the growers who attended the meeting. Therefore, can he say whether he will get a report

and whether it can be made available to the people who attended the meeting?

The Hon. D. A. DUNSTAN: The department is obtaining a report on the subjects that I referred to in my reply to the honourable member. When we have that report it will be made available to growers in the district.

MILITARY ROAD

Mr. BECKER: I refer to the announcement by the Minister of Labour and Industry in this week's *Guardian* concerning the section of Military Road between West Beach Road and Anderson Avenue in my district. Can the Minister say whether he knows that the road referred to in the press report is in my district and, if he knows that, why he made this public announcement? Will he give me assurance that in future he will not make public announcements in my district about matters being attended to by me?

The Hon. G. R. BROOMHILL: I point out to the honourable member that I took up this matter before, when this area was in the district I previously represented. Military Road is concerned, so that the Henley and Grange council is also involved in the matter, which was referred to me by the West Beach Ratepayers Association for attention. The association told me that it had also raised the matter with the Minister of Roads and Transport and with the member for Hanson, and I was asked to involve myself in it. I discussed the matter with the Minister of Roads and Transport, who provided me with a copy of a report; I should think that the honourable member was also provided with a copy.

PIANO SALESMAN

Mr. GOLDSWORTHY: On July 29, I asked the Attorney-General a question about the activities of a piano salesman in my district. Again, on August 18, when I asked whether any progress had been made the Attorney said that he would let me know. As I have also spoken to him privately about the matter several times, can he now give a report?

The Hon. L. J. KING: The honourable member having spoken to me yesterday about the matter, with the expedition I customarily show on all matters relating to the honourable member and his district, I can now furnish him with a report. The answer to the honourable member's question is that police inquiries were made into the matter he raised; a person was arrested and charged with offences arising out of it. The police took possession of certain property. I have further particulars relating to the

charges laid and the course of action that has been followed which, however, I do not intend to make public at this stage as proceedings are presently before the court. However, I shall be happy to furnish that information privately to the honourable member if he will approach me later today. I can say that, as officers of the Police Department will be contacting various witnesses in the Barossa Valley soon, they may be able to advise them as to the position regarding their property.

NORTHERN RAIL SERVICES

Mr. VENNING: I refer to rail services in the northern part of the State. Recently people from Caltowie approached me about activities in that town in relation to the rail service. Also, I noticed in the newspaper last Saturday an article headed "Trains to Pass Little Town." This has been brought about by standardization of the rail gauge. I understand that the station has been closed; no-one works there, as it is a mechanically operated station. Unfortunately, in the neighbouring District of Frome a similar situation is likely to occur at the small town of Yongala. In view of this Government's expressed opinion on the Maunsell report and its concern with the effect of that report on the northern areas of the State, can the Minister of Roads and Transport say what action he intends to take to ensure that people who already live in areas in which the standard gauge operates will continue to have a rail service comparable to the service they have had in the past?

The Hon. G. T. VIRGO: I think the best way to handle the problems the honourable member has dug up is to have discussions with the railway authorities to see what service can be provided. However, I remind the honourable member that where stations have been closed down it is mainly as a result of declining patronage by people in the area concerned. If this applies in the case referred to by the honourable member, it would appear that the people in the area have brought about the closure of the station. I will obtain a full report and let the honourable member have it.

ELECTRICITY SURCHARGE

Mr. WARDLE: Has the Minister of Works a reply to my recent question about the electricity surcharge as it affects primary producers?

The Hon. J. D. CORCORAN: The standing charges relate to the provision of electricity mains, and cover portion only of the high costs involved in making electricity available in relatively sparsely settled areas. Although

it would be reasonable to ask for a direct capital contribution towards these high costs, the Electricity Trust has always taken the view that it is preferable to spread the sum involved in annual amounts over a period of years. This period is now limited to 10 years. A review is made each year and, if electricity consumption has exceeded the estimate, the standing charge is reduced. The actual charge for electricity is at tariffs applicable in the metropolitan area of Adelaide, where costs of transmission and distribution are very much lower. Thus, although the standing charge is an annual amount, it is charged in this way for the convenience of consumers who are initially well informed of the situation, and who enter into a formal agreement to pay the amounts over the stipulated periods. At present there are in force almost 10,000 standing charge agreements relating to electricity supply throughout the State. They have all been prepared on common principles, and the trust regrets that it is unable to grant concessions for these charges to particular groups of consumers.

FORCES OVERSEA FUND

The Hon. D. N. BROOKMAN: The Premier, in his reply to me on Tuesday about the Government's contribution to the Australian Forces Oversea Fund, said that he had asked the fund organizers to decide whether they wanted a contribution on a once-for-all basis or on an annual basis. The organizers, in their letter to the Premier of August 4, have said that they just cannot say whether they can answer that question. In view of that, will the Premier tell the organizers of the fund how they should proceed in order to get from the Government the contribution of \$1,000 they are seeking towards their appeal for \$25,000?

The Hon. D. A. DUNSTAN: On Tuesday the honourable member did not read to the House my original reply to the organizers of the fund after they had made their first application and made an inquiry of me.

The Hon. D. N. Brookman: I read the last two letters. That's all I knew about.

The Hon. D. A. DUNSTAN: Yes, the honourable member read two letters but he did not read a letter written before then in which I had invited the fund organizers to make a submission on one basis or the other. True, in their reply to that letter, the organizers had said, "We cannot see into the future, so we do not know." However, it seems from the information they have given the

Government in the letter the honourable member read to the House that surely they are able to say, if Australia continues to have troops in oversea areas (and troops are in areas other than Vietnam), that the fund will continue with an annual appeal. If the organizers intended to have an appeal each year, we would require them to apply on that basis. They have been told that, if they make an appeal every year, clearly the Government's contribution will be assessed on a basis different from that on which they were originally granted an amount for a once-for-all appeal, the total of which was not met. I have asked the organizers to say simply one way or the other, and I consider that they are able to do so.

The Hon. J. D. Corcoran: That's only for our contribution.

The Hon. D. A. DUNSTAN: Yes. The member for Alexandra knows that, in the assessment of these grants from the "Chief Secretary, Miscellaneous" line on the Estimates, we must consider these grants on one basis or the other. If it is a once-for-all appeal, we can make an appropriate contribution. The previous Government made such a contribution, and we do not disagree to that. However, if the appeal is to be a continuing one, the Auditor-General will make an investigation and the Government's contribution to the appeal will be assessed having regard to the overall demands on government for continuing appeals in several areas.

The Hon. D. N. Brookman: If the investigations that followed were favourable, could the organizers expect a contribution before the next Budget?

The Hon. D. A. DUNSTAN: Certainly, the Government would consider that.

Mr. Millhouse: You're not very sympathetic, are you?

The Hon. D. A. DUNSTAN: Come on! At present the organizers of the fund are not willing to face the fact that the original contribution was on a once-for-all basis, and the Auditor-General, upon investigation, is likely to report, if the appeal is now to be on an annual basis, that the amount of the original contribution must be considered in the assessment of the contribution in the present instance. We want to know one way or the other, and we assure the organizers of the fund that they will be treated with sympathy equal to that with which every other applicant to the Government for contributions for proper and charitable purposes is treated, and we consider this appeal to be such.

BERRI POLICE HEADQUARTERS

The SPEAKER laid on the table the final report by the Parliamentary Standing Committee on Public Works, together with minutes of evidence, on Berri Divisional Headquarters and Police Station.

Ordered that report be printed.

WILD DOGS ACT AMENDMENT BILL

Returned from the Legislative Council without amendment.

SUPREME COURT ACT AMENDMENT BILL (VALUATION)

Returned from the Legislative Council without amendment.

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, 1971.

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

That the Speaker do now leave the Chair and the House resolve itself into a Committee of Supply.

In moving this motion, I express to members opposite my appreciation for facilitating the introduction of the Budget at this stage of this afternoon's proceedings.

Motion carried.

THE BUDGET

In Committee of Supply.

The Hon. D. A. DUNSTAN (Premier and Treasurer): I present to the Committee today a Revenue Budget for the financial year 1970-71, which anticipates an aggregate expenditure of \$376,760,000 and a deficit of \$4,896,000. In the absence of an advance special grant of \$5,000,000 recommended by the Commonwealth Grants Commission the deficit would have been \$9,896,000. In this Budget the Government has had as its main aim the expansion of the State's social and other services and the improvement of Government wages towards the levels enjoyed by the larger Eastern States, as far as that is feasible within the limits of funds likely to be available to us, and so far as it is practicable in one year having regard to the available resources of skilled people. As I shall explain in dealing with the proposed payments for major departments and services, provisions are made for a number of improvements which were mentioned specifically in the policy statement given prior to the recent election.

At this stage I would simply point out the following examples of proposed expansion of social services expenditure. The provision for Education Department at \$74,697,000 is almost 15 per cent above actual payments last year. The provision for "Minister of Education—Miscellaneous", which includes grants for tertiary education and independent schools, is \$19,026,000 or almost 23 per cent above last year's payments. The provision for Hospitals Department at \$34,313,000 is 22½ per cent above last year's payments. The provisions for grants and subsidies towards medical and health services, met from "Chief Secretary—Miscellaneous" and from the Hospitals Fund, total \$9,363,000 or 20 per cent above last year's payments.

This Budget must be considered against the background of the discussions which have taken place between the Commonwealth and all the States in the past 12 months on the subject of a proper sharing of Australia's financial resources, and in the light of the decisions which have flowed from those discussions. Honourable members may recall that in June, 1959, a major conference was held as a result of which a new arrangement in respect of taxation reimbursement grants was offered by the Commonwealth Government to the States for a six-year period. In addition, South Australia was offered, and accepted, such an addition to the grant as would remove it from the group of claimant States in receipt of special grants on the recommendation of the Commonwealth Grants Commission. On the expiration of the six-year period in June, 1965, another major conference was held and the Commonwealth offered a somewhat improved system of taxation reimbursement grants for a five-year period. The new arrangement was accepted reluctantly by the States, because they had no real alternative, and it ran for the five-year period, although supplementary assistance proved to be unavoidable in some years. With the approach of the time when a new arrangement would need to be worked out for 1970-71 and beyond, the States combined to compile and put before the Commonwealth a detailed document which made quite clear the magnitude of the financial problems they faced. In particular, the document showed in detail how the States' own efforts in taxation had outstripped the increase in Commonwealth grants as they endeavoured to finance essential services, how their crippling debt service problem had grown while the Commonwealth's had eased, how the Commonwealth had been able to increase expendi-

tures in its own fields far more rapidly than had the States, how the impact of salary and wage awards had the effect of diverting resources away from the States back to the Commonwealth, and how the requirement for State-provided social services had grown tremendously. Here I pay a tribute in this matter to my predecessor as Treasurer.

The document made an unanswerable case for greater taxation reimbursement grants by the Commonwealth and greater access by the States to resources on their own initiative as required. In February, 1970, the Prime Minister told the Premiers in conference that the Commonwealth would not be prepared to return to the States even limited access to income taxation but that four methods of giving greater assistance would be considered. Those four means were an increase in the base grant on which future years' grants would be calculated, an increase in the so-called betterment factor which, together with population and wage increases, is used to calculate the annual escalation of the grant, the taking over by the Commonwealth of responsibility for some part of existing State debt, and the making available in future of part of the States' capital programmes by way of interest-free grant rather than as interest-bearing loan.

Then, following several discussions at officer level, a conference was held in Canberra in June last, at which the Prime Minister spelled out the Commonwealth Government's offer of assistance for State general budgetary purposes in 1970-71 and the four following years. I will deal first with the improvements that affect all States. First, for 1970-71 an amount of \$40,000,000 is to be added to the total grants, which would have been calculated by using the old formula. The \$40,000,000 is to be shared among the States in the same proportions as their shares of the formula grants. This amount represents a net increase of \$25,500,000 but, unlike the special supplements of \$14,500,000 made available in 1969-70, and which it may be considered to replace, the \$40,000,000 will form part of the base grant to be escalated in future years. Secondly, the old "betterment" factor of 1.2 per cent is to be increased to 1.8 per cent for future years, which is a very small increase. Thirdly, until the actual take-over of debt can be arranged by the Commonwealth following amendment of the Financial Agreement, the Commonwealth is to make grants to meet the debt charges on \$200,000,000 of State debt in 1970-71 and an additional \$200,000,000 in each subsequent year. Its immediate effect

will be to relieve the six State Revenue Budgets by about \$11,500,000 this year. Finally, an interest-free capital grant of \$200,000,000 will be made available in 1970-71 and will increase in future years in proportion to the increase in works and housing programmes determined by Loan Council. This is not expected to give any relief to State Revenue Budgets in this, the first year, but will have substantial and increasing effect in subsequent years. Indeed, this is an area of marked improvement. In addition special arrangements were offered for four States. For Queensland, the special additions of \$2,000,000 to the base grant each year, as were made in the past five years, are to be continued and escalated. For New South Wales and Victoria, a new arrangement has been introduced for additional grants equivalent to \$2 a head of population. For Western Australia, an arrangement has been made to replace its previous special grant with an equivalent amount of Loan funds for capital purposes. The fifth State, Tasmania, was protected as a continuing claimant State receiving special grants recommended by the Commonwealth Grants Commission, and subsequently the Commonwealth has agreed to transfer \$10,000,000 of Tasmania's special grant to the general purpose grants arrangement.

Now, before looking at South Australia's particular problems, let us consider where these arrangements leave the States as a whole. There seems to be a tendency in some quarters, including some of the financial press, to believe that arrangements which may give the six States general purpose grants or assistance in 1970-71 some 15 per cent above the total of 1969-70, and then growing at the rate of perhaps 12 per cent to 13 per cent a year, are very liberal, and that the Commonwealth may have great difficulty in financing them. I suggest that this kind of view shows a great lack of understanding of the structure of the respective Budgets of the Commonwealth and the States, of the extent of pressures on State Budgets to finance social and other services, and of the limits that now apply to the States' ability to increase their own revenues. May I illustrate these points by reminding you that the tax reimbursement grants and associated assistance provide only about one-third of the total revenues required by the States for normal day-to-day running. An increase in one-third of the area may appear reasonable in itself but what is the picture when it has to be spread over the whole area, and what are the prospects of increased revenues in that remaining two-thirds of the total area,

which in this case is made up of State taxation and charges for business undertakings and departmental services? The opportunities for the States to increase their own taxes at this stage are limited by the extensive effort they have made in recent years, leaving less room for manoeuvre in existing fields, and by the High Court decision in respect of receipts duty, which makes it so much more difficult to move into new fields because of the risk of constitutional challenge. For business undertakings, the picture is equally difficult. The transport undertakings have a constant battle to hold the business they now have, with competition from the commercial road user and the private motor vehicle. Increases in rates consistent with increased costs will continue to be made from time to time but the certainty remains that some business will be lost and the revenue recovery adversely affected. I remind members that the Commonwealth Budget, financed primarily from taxation, which is subject to neither constitutional challenge nor competition, does not have these problems. The continuing and growing demand for education, health and other services provided by State Governments does not abate because of problems of revenue raising, and I forecast a situation in which most State Governments will face increasingly heavy deficits on Revenue Account.

What of South Australia then? Where does the June conference leave us? I have already made clear my bitter disappointment at what I, and I believe the majority of informed observers, consider to be most unfair treatment. Rather than a reasonable offer of additional assistance such as was made to other States, South Australia was told (and was told with a sneer) that if it was not satisfied it could go back to the Grants Commission. Believing that we had a genuine case for additional assistance, and that our need could be demonstrated and proven in the way the Commission requires before it recommends special grants, the Government determined that an application should be made for an advance grant this year. One may ask how it is that South Australia could record a surplus on its current activities in 1969-70 and yet justify a special grant in 1970-71. Naturally this is a point on which the Grants Commission also needed to satisfy itself. As I will explain in a few minutes when reporting on the finances of 1969-70 there were some unusual factors, including recoveries from outlays in earlier years, very heavy grain movement, and receipt late in the year of increased Commonwealth grants. The main factor, however, is a very simple one. Having regard to

the number of children requiring schooling at Government schools, to the population requiring hospital services, and to other genuine requirements for social services, it can be shown that latterly the South Australian Government has been spending many millions of dollars less than was genuinely necessary to give South Australian citizens standards of services equivalent to those enjoyed by the larger Eastern States. Had those services been given at the standards provided in New South Wales and Victoria, the South Australian accounts would clearly have shown very heavy deficits.

The attempt to improve standards of services and wages this year, coupled with the Commonwealth's refusal to offer any direct supplementary assistance, has made a deficit in 1970-71 quite unavoidable. In the nature of things one could not have expected the Commonwealth Grants Commission, in the first month or so, to make a recommendation for an advance grant other than on a very conservative basis. It has recommended \$5,000,000 as an advance grant pending the time when it can examine in detail the actual financial experience of South Australia in 1970-71 as compared with the experiences of the larger and better-off States. Having made that detailed examination over the six months or so following the publication of audited accounts in September, 1971, the commission would then recommend, nearly two years hence, whether further assistance for South Australia toward 1970-71 was justified. Such further assistance would then be available towards extinguishing any 1970-71 deficit which may have arisen from the inadequacy of the \$5,000,000 advance grant. I believe the State will have a good claim and good prospect of having most if not all of any 1970-71 deficit eventually made good by a belated recommendation, but meanwhile the State will have to finance and carry that deficit. It is expected that there will be available about \$4,150,000 of Loan Fund balances, not at present committed for current works expenditure, toward covering any temporary deficit. With present costs, wage rates, and other Budget commitments that \$4,150,000 may go fairly close toward financing the prospective deficit, but any cost and wage increases during the currency of the year will necessarily widen the gap to be covered.

The Government and Parliament must recognize that if recommendations are to be secured from the Commonwealth Grants Commission to give the State sufficient funds to provide social and other services up to the standards found practicable in the larger States, then we

must be prepared to arrange our own effort in taxes, charges, and administrative efficiency so as to be overall at least equal to the effort in those larger States. Recognizing that the larger States latterly have been running into deficit (and they are large deficits, indeed: \$25,000,000 in Victoria, and an enormous deficit in prospect this year in New South Wales), it follows that if we should wish to avoid deficits entirely, or to contain them within narrower limits than the larger States, then our effort must be rather better than theirs if we aim to give equivalent social service and other standards. There is no suggestion from the commission, nor does it follow from the commission's present procedures, that a claimant State should in all particulars make equal effort with the larger States in all taxes, charges, and administration. Differences are recognized as inevitable and wholly proper, but of course financial assistance could not be expected by a claimant State to make good deficiencies arising from an overall lower effort. There are accordingly several features of this State's present effort to which the Government must give early attention. Our yield of succession duties is, for a variety of reasons, much lower than the yield of estate duties in the larger States. Our yield from the various taxes on gambling is also below that in other States. The impact of railway finances upon the Budget is rather heavier in South Australia than elsewhere. These are three important differences and, of course, there are various other differences. There is every justification for seeking a significant increase in the present impact of succession duties, and the Government has already indicated it is a matter of firm policy that an amending Bill will be brought to Parliament during the current session.

That Bill will at the same time propose more liberal rebates for successions to rural land within the immediate family, as well as more liberal rebates for small successions. With the various levies upon gambling, this Parliament was rather later than in most other States in authorizing both lotteries and off-course totalizators. It has, moreover, decided as a matter of policy to contain advertising and other promotion of gambling rather more firmly than is the case in a number of other States. The Government does not propose to alter this policy, but it is examining other features of the relevant gambling taxes to ensure that the interests of the Government finances are reasonably protected. So far as railways are concerned a review is currently

being made concerned with a variety of aspects of railway operation, charges, finance, and other activities in order to contain and if possible to reduce the heavy loss impinging upon the Budget. It is quite clear that in South Australia, because of the great dependence of our secondary industries upon markets in the Eastern States, and because of the distances involved, we must keep transport costs to a reasonable minimum and must continue to provide transport services to an efficient and effective standard. Whereas the practicable measures to improve railway finances are limited by our industrial and geographical circumstances, we are bound to look also for some alternative measures which may be undertaken in other sectors of our Budget.

Land tax in South Australia is presently rather higher than in most other States. To continue this tax at its existing higher level over most of its coverage is reasonably justified, both because some other of our taxes are lower than elsewhere and also as it is proper to seek thereby some recovery of the developmental losses accruing through country water supplies, irrigation and drainage, and country rail services. The Government, however, does recognize that the rural production situation is now less favourable than earlier, as a result both of seasonal and of market factors. The Government has already called for a review of the valuation of rural properties in the light of the latest developments, as a result of which the 1970-71 revaluations earlier forecast are likely to be reduced on average by about 30 per cent. The revaluation will not be effective in tax levies until the next financial year, but the Government proposes legislation during the current year which will be designed to reduce by a considerable proportion land tax rates as applied to the new valuations on rural properties, particularly as affecting smaller and moderate-size properties. At the same time legislation will be submitted for a surcharge of land tax on metropolitan holdings, in accordance with the election undertakings, which will average about \$2 a year per allotment. This surcharge will raise revenues to help finance public parks and the acquisition of open areas. There will, of course, be the promises of remissions in respect of pensioners and indigent persons. Neither of these land tax proposals will operate until 1971-72.

In its adjustment of current financial effort in relation to Budget the Government proposes to increase the rates of stamp duty in respect of certain insurance business, in

particular life insurance, workmen's compensation and personal accident. This is expected to produce about \$900,000 additional revenue this year. The increased duties will apply automatically also to such business as may be conducted by the Government Insurance Office. It is proposed to increase harbour charges later in the year. The details are yet to be worked out with the expectation of additional revenues of \$300,000 to \$400,000 this year. The Government has also under consideration a number of other measures, but they have not been taken into account in this Budget as firm decisions have not yet been made. Their timing and extent will depend in some measure on the costs and timing of increased wage awards and other commitments encountered during the year. In this current year, whilst our standards of services are catching up with those in other States but still remain below those standards, I believe this State has reasonable prospects of receiving a final grant sufficient to cover its revenue deficit without making a revenue effort fully comparable with those made by the larger States. However, for the future, whilst we will be considerably better off as a claimant State than we would be without a special grant, we must be prepared to make fully comparable efforts in revenues if we wish to enjoy adequate and comparable services.

In constructing this Budget, since it is unavoidable that I estimate wage and salary costs on the basis of present awarded and approved rates, I have followed the procedure of my predecessor in showing the normal tax reimbursement grant on the basis of no further change in the "average wage" factor than has already occurred. I have accordingly shown that grant at \$139,800,000 instead of at \$142,200,000 as in the Commonwealth Budget. This does not suggest that I believe the actual final grant will work out at less than in the Commonwealth Budget. It may well be rather more for it is quite obvious that the recent upward movement in wage rates will continue. As wage rates increase the Budget costs will inevitably increase by a greater extent than the tax reimbursement grant will increase by operation of the agreed formula. Broadly, if wages increase to the extent necessary to raise the grant by \$2,400,000 to \$142,200,000 as estimated by the Commonwealth, I should think that the actual increase in wage costs to the Budget would be at least \$5,000,000, or greater by more than \$2,500,000. The Budget as submitted brings into account wages and salaries at rates authorized at the

middle of last month. It includes the recent arrangement for over-award wages and service pay to daily and weekly-paid employees which will operate for 11 months of the financial year, and will involve about \$4,000,000 in relation to the Revenue Budget. Honourable members will understand that there are other areas from which to finance these increases. The Appropriation Bill to be presented for consideration by Parliament will provide, as is customary, for automatic appropriation of any additional Budget expenditure arising from subsequent award increases in wages and salaries.

A brief comment about seasonal and economic conditions is appropriate at this stage. The season has been a dry one and this has accentuated other rural problems caused by marketing difficulties. The direct effects on the Budget at present do not seem likely to be very great. Metropolitan storages are holding a satisfactory volume of water and pumping costs should not be greatly in excess of last year's. Considerable quantities of grain are held already at country storages, and, even with a poor harvest, there will be sufficient to return good rail and harbour revenues if markets are found. The indirect effects of a poor rural season on the economy generally and on the Budget are more difficult to predict but they are bound to be adverse. Many times have I and members of the Government expressed our concern with the great degree of reliance of the South Australian economy, and thus the whole community, on the health of the motor vehicle and home appliance industries, industries which are so quickly affected in sales, then in output and employment opportunities, as the market climate changes with seasonal factors and as a result of Government levies and action. Accordingly, it was most disappointing to hear of the Commonwealth's action in increasing sales tax in these areas in its recent Budget. As if this was not bad enough news, we were also told of the proposal for an excise on table wines. South Australia produces about 70 per cent of Australia's output of wine and we must therefore bear the brunt of any adverse effect of this impost. As I indicated in presenting the Loan Estimates last month, my Government will stand ready to take whatever action lies within its power to prevent and counter any serious downturn in the South Australian economy.

THE YEAR 1969-70

A deficit of \$2,240,000 was forecast in the Revenue Budget presented to the Committee last September by the Hon. Sir Glen Pearson, who was Treasurer at that time, with payments expected to amount to \$328,261,000 and receipts from all sources estimated at \$326,021,000. These figures included provision for salaries and wages in accordance with rates then applicable and an estimate of Commonwealth grants which might reasonably have been expected in the absence of further awards. However, as was pointed out at the time, it was inevitable that the Government would be faced with new salary and wage awards. From past experience it seemed likely that additional expenditure commitments of as much as \$5,000,000 would have to be met and, although the expected resulting increase in the taxation reimbursement grant of perhaps \$1,800,000 would partially offset these extra expenditures, the net effect would still be an increase in the deficit of \$3,200,000. The realistic forecast was therefore a deficit of almost \$5,500,000 unless the Commonwealth Government could be convinced of the needs of the States for additional revenues. In fact, the adverse effect of new salary and wage awards was far greater than had been anticipated, the eventual impact on the Revenue Budget being about \$8,000,000. The two major increases were a new award for teachers and the increase of 3 per cent of total wages granted by the Commonwealth Arbitration Commission in the National Wage Case. Other determinations raised the rates of pay for the Police Force, for engineers, for nurses and for clerical officers. Owing to the very heavy impact of the extra wage and salary costs, the total of actual payments, \$335,578,000, was \$7,317,000 in excess of the original estimate. Expenditure on all other items in the Budget, some above and some below estimate, was therefore net about \$700,000 less than had been expected.

The total of actual receipts, \$338,498,000, was \$12,477,000 greater than estimated. This large excess was due principally to three factors; first, an increase in Commonwealth grants much greater than had been expected; secondly, the surprisingly heavy shipment of grain from South Australian ports; and thirdly, increased economic activity throughout Australia which was reflected in local business and employment and brought an increase in a wide range of revenues. In addition to this there were two items of which no account at all was taken in the original Estimates.

The Group Laundry had accumulated a surplus in its working account by steadily increasing the efficiency of its operations and the previous Government decided that \$350,000 of this should be repaid to revenue. Furthermore, after the previous Government had disposed of its interest in Cellulose Australia Limited, and had made the appropriate repayment to Loan Account, there remained a surplus of \$176,000 which was transferred to revenue. The net effect of all the factors I have mentioned in broad terms was to give a surplus of \$2,920,000. I shall now explain in somewhat more detail the ways in which these factors affected the receipts and payments of individual departments.

RECEIPTS

The excess above estimate for receipts was made up as follows:

	\$
Taxation	387,000 above estimate
Public works and services—	
Business undertakings	4,849,000 above estimate
Other charges, recoveries and fees	1,958,000 above estimate
Territorial	112,000 below estimate
Commonwealth	5,395,000 above estimate

\$12,477,000 above estimate

Taxation: Stamp duty receipts varied most from the original assessment, finally reaching a level of \$897,000 above estimate. As honourable members will be aware, at present stamp duty receipts are rapidly plummeting. The effect of greater economic activity on all stamp duties was sufficient to more than offset the shortfall in receipts duty caused by uncertainty about its constitutional validity. On the other hand, succession duty receipts fell \$688,000 short of estimate. Revenue from this source is always very difficult to predict because of the wide variations in the size of estates processed from year to year. The short-fall last year was the result of a decline in the number of larger successions.

Public undertakings: One of the main factors contributing towards the large excess of receipts from the operations of the public undertakings was the heavy shipment of grain from South Australian ports. As a consequence of this movement receipts from the carriage of grain by the railways were about \$1,400,000, or more than 40 per cent greater than had been anticipated, and contributed materially towards boosting rail revenues to a figure of \$3,563,000 above the estimate. Final figures for live-stock and general merchandise were also well

in excess of expectations. Harbour receipts were influenced by much the same factors as railway receipts and the large volume of grain handled and shipped resulted in \$644,000 more revenue than had been predicted. The Engineering and Water Supply Department received \$585,000 more than forecast from water and sewer rates because of the increased usage of water in the dry, though comparatively mild, summer.

Other departmental receipts: Miscellaneous departmental fees, recoveries and charges exceeded estimate by \$1,958,000. Within this total the main variation for regular items was in receipts from interest on bank deposits which yielded \$414,000 more than had been anticipated owing to the higher interest rates obtained and the greater volume of funds available for investment from surpluses in Loan, Trust and Deposit Accounts. In addition to this, there were the two special items, that is, laundry recoveries and sale of shares, to which I have already referred and which together added \$526,000 to the year's receipts. Late in the financial year, the Commonwealth Government paid supplementary grants for tertiary education institutions to help them meet the cost of increased academic salaries and this led to grants to South Australia for these institutions being \$311,000 greater than estimated. On the other hand, recoveries of Commonwealth grants for science and other equipment were temporarily delayed and fell \$288,000 below estimate. The remainder of the excess for other departmental receipts was the cumulative effect of a large number of individual variations, the most significant of which were above estimate.

Commonwealth grants: Three factors were involved in the substantial improvement shown in receipts from Commonwealth grants. The first of these was an amount of \$1,340,000, which was South Australia's share of \$12,000,000 made available by the Commonwealth as an additional grant towards overcoming the current Budget problems faced by each of the six State Governments, particularly in respect of the cost of major awards. The second factor was the unexpectedly high level of the taxation reimbursement grant. This grant forms by far the largest part of Commonwealth payments to the States, and in 1969-70 the components which establish the level of the grant rose by more than had been expected. In particular, the level of average wages in the year to March 31, 1970, rose by about 8 per cent, owing not only to

the effect of awards but also to increasing over-time and over-award payments; in addition, the population increase over the year to December 31, 1969, was somewhat greater than that for the previous 12 months. These two elements of the formula combined to raise the final figure to \$125,706,000, some \$3,706,000 greater than earlier estimated. The third factor was a grant of \$350,000 towards meeting interest costs which was not expected to be received until 1970-71. In November, 1968, the Commonwealth Government removed the income tax rebate for interest from Commonwealth securities, and as a consequence the interest rate offered was increased. The States were therefore required to provide greater sums for debt servicing on new loans raised, and to compensate them for this change because of its actions the Commonwealth Government agreed to make a supplementary grant.

PAYMENTS

I have mentioned that the cost of wage awards after the framing of the Budget last year was about \$8,000,000, expenditure elsewhere was about \$700,000 less than anticipated, and the final figure for payments was \$7,317,000 above estimate. In the main Appropriation Act each year there is a special section which enables the Government to meet the cost of awards and determinations without the necessity to seek further appropriation. Some small part of the cost of wage and salary decisions was covered by the original appropriations but by far the greater part was covered by this special provision. Although other payments in total were actually \$700,000 below the appropriation granted for 1969-70, it was necessary for the Government to have recourse to Supplementary Estimates amounting to \$1,320,000. This was because under appropriation procedures excess expenditure by one department may not be offset against savings by another.

Special appropriations: Expenditure on items for which appropriation is contained in special legislation was \$62,000 greater than had been forecast. An extra \$402,000 was needed to meet interest payments on the public debt which were in excess of the amount estimated because of the very heavy subscriptions to the short-term securities of the September loan for which two interest payments were required in 1969-70. As an offset to this there was a saving of \$100,000 in sinking fund contributions owing solely to the fact that the eventual requirement was less than advised by the National Debt Commission at the begin-

ning of the year. Members will note that although collections from motor vehicle registrations were much as estimated, the transfer to the Highways Fund was \$193,000 less than anticipated. The explanation for this lies in the increased costs of salaries for officers of the Highways Department which, along with certain administrative costs, are offset against registration fees before the transfer to the fund is made.

Public undertakings: The Railways Department was able to hold expenditure to a figure only \$384,000 above estimate despite being faced with award costs of about \$779,000 over and above those included in the appropriation, and with increased train running. The saving was achieved partly by economies of operation and partly because of difficulty in filling positions in a tighter labour market. There was a saving of \$247,000 by the Marine and Harbours Department. This was due to the fact that, for a significant part of the year, departmental equipment was involved in work the cost of which is not charged to revenue, and to a shortage of labour for wharf and jetty repair work. The cost of pumping water through the pipelines was contained to a figure a little below estimate, but overall expenditure by the Engineering and Water Supply Department was \$67,000 in excess of appropriation. As new awards cost the department \$286,000 in 1969-70, a firm control of expenditures was necessary to keep the over-spending to that relatively low figure.

Social services: As a major teachers' award was handed down after the Estimates were prepared last year, it is only to be expected that expenditure by the Education Department should have exceeded the appropriation. The amount of the excess was \$4,421,000, of which nearly \$4,000,000 was the result of higher salary levels consequent on the new award and the national wage case. Most of the balance was needed to finance increased costs of materials and equipment for secondary and technical schools. Supplementary Estimates introduced into Parliament in April last included \$770,000 for "Minister of Education—Miscellaneous" and this is very close to the amount by which original appropriations under that heading were exceeded. Of the amount granted by way of supplementary appropriation \$550,000 was required for grants to the two universities to enable them to pay higher salaries to their academic staff retrospectively to January 1, 1970, in accordance with the recommendations of Mr. Justice Eggleston. A further \$125,000 was required

as a supplementary grant to the Institute of Technology to enable payment of higher academic salaries, increased proportionately to university salaries, from January 1, 1970. As I mentioned earlier, when dealing with receipts, the Commonwealth share of these extra costs was received late in the financial year. The Hospitals Department was faced with awards which added \$840,000 to the salaries and wages bill after the Estimates were introduced last year, and in addition had to meet increased contingency costs for the normal operation and maintenance of hospitals which were running at levels higher than expected. On the other hand, there were savings due principally to difficulties in recruiting staff, and total over-expenditure as compared with the original estimate was accordingly held to \$414,000. A new police award and the increase granted in the national wage case raised expenditure by the Police Department to a figure \$497,000 above estimate. The full cost to the department of awards was \$710,000 but savings in other areas partially offset their impact.

Other payments: In the appropriation for "Treasurer—Miscellaneous" expenses in connection with the raising of public loans were \$188,000 less than estimated owing mainly to the fact that Commonwealth loans were issued at par value, and the States were therefore not required to bear the cost of discounts. Loans may be issued at a small discount so that the effective yield to investors is somewhat greater than the nominal interest rate offered. In these circumstances part of the cost of the effective yield is met from the line under "Treasurer—Miscellaneous". When the loans are issued at par however, as in 1969-70, the effective yield is the same as the nominal rate of interest and the full cost of this yield is charged to the interest line under the special appropriations section of the Estimates. Members will recall that the previous Government did not accept the proposals for certain freeways as set out in the Metropolitan Adelaide Transportation Study, but nevertheless continued its policy of land acquisition along the M.A.T.S. routes based on hardship considerations. The Highways Act does not authorize expenditure on the acquisition of property in cases of hardship in areas where a road may be approved at some future time, and so settlements of this nature had to be met temporarily from a special line under "Minister of Roads—Miscellaneous". Almost entirely as a result of this the original provision for that section of the Estimates was exceeded by

\$184,000. The Highways Act is to be amended to give the Commissioner of Highways the necessary extra powers and at the same time to provide for the recovery from the Highways Fund of any amounts spent from revenue for this purpose. The Highways Department exceeded appropriation by \$164,000 mainly as a consequence of awards brought down after the framing of the Budget.

ESTIMATES FOR 1970-71

RECEIPTS

It is estimated that in 1970-71 receipts on Revenue Account will increase to \$371,864,000, which would be \$33,366,000 above the amount received in 1969-70. Classified into major categories the estimates are as follows:

	\$
Taxation	61,663,000
Public works and services—	
charges, recoveries and fees	159,133,000
Territorial	3,365,000
Commonwealth grants	147,703,000
	<hr/> \$371,864,000

Taxation: The estimate of \$61,663,000 for State taxation is \$5,210,000 in excess of last year's receipts. Land tax at an estimated figure of \$7,540,000 is \$55,000 below the sum collected last year. Within a quinquennial assessment period the receipts from land tax may vary as land holdings are subdivided or aggregated, as the extent of exempt land may change, and as changes occur in the volume of tax deferred. Recent experience has been for a small decline from a combination of these factors. I have made an estimate of \$15,350,000 for receipts from motor vehicle taxation. The rate of growth in revenue from this source has been consistent in each of the last two years, and at this stage it seems reasonable to expect much the same sort of increase in 1970-71. My estimate is about \$853,000, or 6 per cent, above actual receipts last year. Movements in this item have no net impact on the Revenue Budget, as the Government is required by law to transfer all motor vehicle taxes, after the deduction of certain administrative expenses, to the Highways Fund to be used in the construction and maintenance of roads and ancillary works.

The estimate of \$21,150,000 for stamp duty payable on various documents is \$2,538,000 in excess of the amount brought to revenue during the previous 12 months. In that period total duty paid was \$18,846,000, of which \$5,200,000 was for receipts duty and \$13,646,000 for duty on all other documents. A sum of \$234,000 was held in a suspense account to assist in meeting the cost of refunds

of receipts duty for which the Government is certain to become liable, and the balance of \$18,612,000 was credited to revenue. It is estimated that as a result of the uncertainty surrounding the question of receipts duty, a further \$700,000 of duty payable last year was withheld by taxpayers pending clarification. For 1970-71 it has been assumed that revenue from duty on documents other than receipts will increase by about 4 per cent to \$14,100,000. It has also been assumed that the Commonwealth Government will pass legislation to validate retrospectively the duty on receipts, but it must be remembered that, in the event this is not practicable, the Commonwealth has undertaken to make grants to the States of the amounts they would have received from the duty had it been operative from November 18, 1969. If we take last year's experience as a guide the Government may expect to receive in one form or another about \$5,200,000 on account of the same sort of transactions as those on which duty was paid, a further \$700,000 on account of the same sort of transactions as those on which taxpayers withheld duty, and a further \$350,000 from the effect of the duty for a full 12 months on people paying by way of annual return. In addition to this, it seems reasonable to anticipate growth of about 4 per cent in the volume and value of receipts which would give rise to increased revenue of \$250,000. Finally, because the Commonwealth legislation is to be retrospective, the Government may expect to receive about \$700,000 on account of the dutiable transactions on which tax was not paid last year. The estimated revenue from receipts duty is thus \$7,200,000 which, taken together with duty on other documents, gives a total for gross receipts from stamp duty of \$21,300,000. However, something approaching \$400,000 now held by the Government is subject to refund in respect of certain transactions before November 18, 1969. As there is at present only \$234,000 available in the suspense account to meet these refunds, \$150,000 has been deducted from the anticipated gross receipts for 1970-71 to cover the balance. This leaves a total of \$21,150,000 available to credit to Revenue Account.

The Government proposes to review the stamp duties charged in respect of insurance business, in particular for life insurance, workmen's compensation and personal accident cover. This should yield about \$900,000 additional revenues this year, and together with increased business should take total receipts to about \$3,050,000. In the past five years

there have been three occasions on which succession duties have substantially exceeded estimate and two occasions on which they have fallen substantially short of estimate. It is consequently a most difficult task to arrive at a figure for 1970-71. Nevertheless, I think that apart from any increase arising from an amendment to the Act we can reasonably anticipate duty well in excess of what was received last year and on this basis I have set down a figure of \$8,700,000, which represents an increase of \$388,000. In addition, it is expected that the proposed amendment to the Act will produce revenues of perhaps \$150,000 over the last month or two of the financial year, making \$8,850,000 in all. Honourable members will realize that obtaining succession duty is not a short-term business and that succession duty normally is not paid until a considerable time after death, particularly in the case of larger estates. Therefore, rates applied this year will not immediately obtain additional revenue for the State. When gift duty was first introduced two years ago the estimate for a full year was about \$600,000. Upon review of the rather limited information available from a part year's operation this was subsequently abated to \$550,000, but now that there is somewhat broader experience to draw on it appears as if the first estimate was not far from the mark. I think the State may expect to receive about \$625,000 this year.

The effect of increasing liquor turnover in the last couple of years has been such as to add about 7 per cent per annum to receipts from liquor tax. A continuation of this trend would yield approximately \$3,300,000 from this source in 1970-71, an increase of \$210,000. The actual receipts of the Betting Control Board from betting taxation in 1969-70 contained a non-recurring item of \$37,000 for winning bets tax from race meetings held in June, 1969, while the balance was commission on bets made with bookmakers. In the absence of any increase in the volume of betting with bookmakers it would therefore be reasonable to expect that receipts this year would fall by some \$37,000. However, in view of the very large increase in bookmakers' turnover which occurred last year, it would, I think, be unduly pessimistic to assume no additional revenue at all, and while I do not expect last year's growth to be repeated, it seems reasonable to look for an increase of about 2 per cent. The revenue yielded by the anticipated higher turnover would be \$505,000, and this is the sum I have estimated.

Public works and services: An increase of \$8,919,000 to \$159,133,000 is expected from public works and services in 1970-71. The changes are estimated to be as follows:

	\$
The operation of public undertakings—	
Normal receipts from services, etc.	3,897,000
Transfer items which do not affect the Budget	—174,000
	<hr/> 3,723,000
Recoveries of interest and sinking fund	1,656,000
Other departmental fees and recoveries	3,540,000
	<hr/> \$8,919,000

Public undertakings: I estimate that receipts from the marine and harbour services this year will be about \$156,000 more than in 1969-70, but once again the final outcome will depend largely on the shipment of grain from South Australian ports, which in turn is dependent upon overseas market prospects. It is not possible to predict with any accuracy either the extent to which Australian grain will be sold on the international market or the extent to which the grain that is sold will be drawn from storages in this State, but in view of the unexpectedly heavy shipments from South Australian ports last year it would not be prudent to budget for a further increase. Although the harvest outlook at this stage is far from promising, there are still large quantities of grain in storage, and for this reason I do not expect that wharfage or revenue from the bulk handling installations will fall away to any large extent. The Government intends to increase the rates charged for use of harbour facilities, and this may bring in an additional \$300,000 or so later in the year. Having regard to these factors, I have set down an estimate of \$7,400,000 for harbour revenues.

Much the same considerations must be taken into account when estimating probable receipts from the railway undertaking. Here again, it is unlikely that the carriage of grain will be as heavy as last year, but as there are still large quantities in storage there is no reason to anticipate any large drop in revenue from grain traffic. Whatever decrease does occur may be offset by an increase in receipts from the carriage of merchandise and livestock. The introduction of a revised freight rate for Broken Hill concentrates taking account of increased costs is expected to produce some \$400,000 of extra revenue, despite a probable small decline from last year's figure in the tonnage carried. There was a reduction in

outstanding accounts of about \$500,000 at the end of June last which is most unlikely to be repeated at the end of June, 1971. Having regard to all these factors, I believe that any fall in the collections of the Railways Department will be minor and I, therefore, expect that receipts will reach about \$34,000,000 in 1970-71.

The estimate for receipts from water and sewer rates and excess water charges is \$30,500,000, an increase of \$3,715,000 over actual receipts last year. This increase can be conveniently broken down into three components. The first of these is a reduction in outstanding accounts which it is expected will contribute \$315,000 in 1970-71. The second is the normal annual increase from new buildings, extended services, and properties which have been rated for the first time, and it is expected that this factor will add about \$1,400,000 to the revenue of the Engineering and Water Supply Department this year. The third is the effect of the new assessments which were carried out last year and which will be used for the first time to calculate water and sewer rates in the present financial year. The estimated increase in revenue as a result of this change is about \$2,000,000. Together these three factors make up the increase of \$3,715,000 expected for the department. This increase in revenue will be little more than sufficient to offset increases in costs. The proposed contribution of \$556,000 from the State Bank of South Australia is calculated as 45 per cent of the bank's 1969-70 profit. The rate of 45 per cent is laid down in the State Bank Act and corresponds to the income tax rate payable by a private enterprise prior to the recent amendment by the Commonwealth.

Recoveries of debt services: The major increases in recoveries of debt services will be from the large semi-governmental authorities, the Electricity and Housing Trusts, the Natural Gas Pipelines Authority, and the State Bank. This year for the first time there is also a payment of interest by the Development Finance Corporation Limited on amounts outstanding for land transferred for the West Lakes Development Scheme. In total the recoveries of interest and sinking fund are estimated to increase by \$1,656,000 to \$30,040,000.

Other departmental receipts: I expect an increase of \$3,540,000 in miscellaneous departmental fees and charges, which would bring the total receipts from these activities to \$38,952,000. Included in this year's figure is

a non-recurring item of \$478,000 for recoveries from the Highways Fund of amounts already spent or expected to be spent over the next few weeks in the acquisition of land affected by proposals for freeways which had either not yet been formally approved or which had been deferred. As soon as the Highways Act can be amended to permit the Commissioner to make such purchases directly from the Highways Fund, and to provide for the recovery therefrom of amounts already spent from revenue, the transfer will be made. Other large increases expected are \$1,888,000 for the Education Department and \$562,000 for the Hospitals Department. Most of the additional funds available from education activities will be from greater Commonwealth contributions to match the increasing State provisions for tertiary education, and greater Commonwealth unmatched grants towards equipment for science laboratories and other specified purposes. Increased revenues from patients' fees and Commonwealth benefits are the main factors influencing the receipts of the Hospitals Department.

Hospitals Fund: In 1969-70 the fund received \$4,264,000, the main sources being \$1,391,000 from the Totalizator Agency Board, \$1,930,000 from the Lotteries Commission, and \$937,000 from stamp duty on third party insurance policies. Subsidized hospitals received from the fund \$1,471,000 and the payment to Revenue Account towards the costs of Government hospitals was \$2,529,000. The balance in the fund at June 30, 1970, was \$658,000, compared with an opening balance of \$394,000. Totalizator Agency Board turnover is expected to rise from \$25,500,000 to about \$31,000,000 in the current year, thereby lifting its contribution to the Hospitals Fund to about \$1,680,000, while a reduction from 1 per cent to $\frac{1}{2}$ per cent in the proportion of turnover which the board is permitted, after September 1, 1970, to retain to cover establishment expenses should yield a further \$190,000. Surpluses from the conduct of State lotteries should provide about \$2,000,000, and stamp duty on third party policies about \$990,000. The total receipts of the order of \$4,850,000 together with \$300,000 of the balance in hand will be allocated \$2,600,000 to cover increased maintenance grants to non-government hospitals and \$2,550,000 to Revenue Account towards meeting the costs of Government hospitals.

Territorial: I expect an increase of \$337,000 in territorial receipts to take the total to \$3,365,000. A marked increase is expected from royalties on minerals, for which the esti-

mate of \$2,000,000 exceeds last year's actual receipts by \$443,000. The first contribution of royalties on natural gas was not received last year as expected but has now been credited to 1970-71 revenues. A reasonable estimate for the full year seems to be about \$150,000. Iron ore royalties payable by Broken Hill Pty. Co. Ltd. should be in excess of 1969-70 receipts, as the company is expected to mine greater tonnages and rates of royalty have been increased somewhat.

Commonwealth grants: In its Budget introduced in the House of Representatives on August 18 last the Commonwealth Government forecast provisions for a taxation reimbursement grant to South Australia of \$142,200,000. This estimate assumes that the population increase in this State will be the same this year as last and that average wages throughout Australia will rise by $6\frac{1}{2}$ per cent. It takes into account a "betterment factor" of 1.2 per cent and South Australia's share of an extra \$40,000,000 made available to the States to be distributed in the same proportions as their new 1970-71 formula grants. Rather than simply adopt the Commonwealth estimate, however, I have tried to be consistent with the procedures used in preparing the Estimates of Expenditure. As it is not practicable to budget for these purposes on rates of salaries and wages other than those awarded at this point of time, it would not be logical to include in the Estimates of Revenue a Commonwealth grant which contemplates wage rates higher than those at present determined by the appropriate tribunals. Accordingly, I have recalculated the grant on the criterion that wages and salaries remain at their present levels. The figure so obtained is \$139,800,000 and, while I believe there is every possibility that this amount will be exceeded, I have adopted it in order to ensure that the estimates of receipts and payments are calculated on the same basis. Whatever grant is received over and above this figure as a result of salary and wage increases will be quite inadequate to cover the cost to the State Budget of the increases themselves.

A special grant of \$5,000,000 is expected from the Commonwealth as a result of South Australia's recent submission to the Grants Commission and a grant of \$1,496,000 will also be received pursuant to the Commonwealth's decision eventually to take over part of the State debt. The amount of \$350,000 received last year by way of debt service reimbursement was, as I explained earlier, the result of an entirely separate arrangement arising out of the decision to remove the income

tax rebate for interest on Commonwealth securities, and, accordingly, will not recur this year or in future years.

PAYMENTS

In the Estimates of Expenditure provision is included for:

	\$
"Special Acts", being payments for which appropriation is contained in special legislation	88,383,000
Proposed payments for departments and services for which the financial authority will derive from the Appropriation Act	288,377,000
	<u>\$376,760,000</u>

Form of Estimates: Before dealing with the details of these proposed payments, I would point out to honourable members several changes in the presentation of the Estimates of Expenditure. The most important is the expansion of Appendix II, which sets out details of grants and subsidies in respect of medical and health services. Previously the section under "Chief Secretary—Miscellaneous" included much of the detailed information about such payments, with Appendix II giving supplementary information on payments from the Hospitals Fund. In this year's presentation all the relevant detailed information about medical and health services has been brought together in Appendix II and only the total appropriation required from Revenue Account is shown under "Chief Secretary—Miscellaneous" I believe that honourable members will find the expanded form of Appendix II more useful in considering the total of all forms of grants and subsidies given to individual hospitals, institutions and health services. The previous Appendix III setting out information about the finances of the Group Laundry and Central Linen Service is not given this year, the recent and prospective finances being set out later in this statement in the section dealing with the Hospitals Department.

The previous Social Welfare and Aboriginal Affairs Departments have been amalgamated and the proposals of the new combined department are shown in these Estimates, together with a revised section of payments under the "Miscellaneous" vote. So that honourable members may more readily make comparisons between the actual results of 1969-70 and the estimates for 1970-71, last year's figures have been re-arranged in the new form. The two departments shown last year as Local Courts and Adelaide Magistrates Court have been brought together in the new Local and District

Criminal Courts Department. Other changes of responsibility which affect the presentation include the transfer of the Government Motor Garage from the Premier's Department to the Minister of Roads and Transport and Minister of Local Government Department, and the transfer of the registration of births, deaths and marriages from the Public Actuary Department to the Registrar-General's Department, which also includes the activities of the previous Registrar-General of Deeds Department. The Estimates have been footnoted as appropriate to assist honourable members to follow these and other minor changes following re-arrangement of Ministerial responsibilities.

Special Acts: For appropriation included in special legislation proposed payments this year are estimated to total \$88,383,000, an increase of \$6,666,000 above similar payments last year.

Debt services: As in recent years the increase in debt services will be one of the major impacts on the Revenue Budget. Interest on the public debt at \$63,133,000 is expected to be \$5,016,000 above actual payments made in 1969-70, while sinking fund payments at \$11,901,000 are estimated to show an increase of \$1,104,000. The increase expected in these two items alone is thus \$6,120,000 or about 9 per cent. Sharp upward movements in interest rates in the past 14 months which have led to such large increases in commitments have been a cause of great concern to all State Governments. Before the adjustment in rates 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 the bond rate was adjusted to 5.4 per cent. Then in July, 1969, as part of the Commonwealth's policy to counter inflationary tendencies in the Australian economy, the rate for long-term securities moved upwards to 6 per cent, with somewhat lesser movements in medium- and short-term issues. In the loan in May last, as the emphasis on monetary policy to control economic activity continued, the Commonwealth offered a rate of 7 per cent on long-term securities, a full 1 per cent increase. This year the States' accounts will feel the full effect of the movement in interest rates in July, 1969, and a great part of the effect of the further movement in May, 1970. There will be further effects to carry over into 1971-72. The new arrangement for the Commonwealth Government to advance some of our capital funds as grants instead of loans is not expected to reduce the commitment for

interest this year, but it will have a considerable favourable effect next year. This is because the grant portion will effectively take the place of the special loan (or advances made against it), which the Commonwealth Government has previously raised late in June from its internal resources and on which interest is not payable until the following year.

Social services: I have indicated that my Government's desire and plan is to increase the extent and standard of our social services so that they may more nearly approach the levels provided by the larger States of New South Wales and Victoria. The increased provisions I shall now explain go some way, though not as far as we would like, towards achieving that plan.

Education Department: For the Education Department the proposed allocation for the staffing and running of schools, teachers colleges and associated services in 1970-71 is \$74,697,000. This is made up of \$73,550,000 to be financed out of State funds and \$1,147,000 to be recovered from 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 \$9,036,000 above comparable payments in 1969-70. After allowing about \$2,865,000 to cover the carry-over cost of the teachers' salaries determination and other awards given last year, to cover the fifth and last step in the movement of women teachers to full male rates, and to meet the cost of the recent Government decision on service pay and over-award payments, there remains an increase of some \$6,171,000 to finance general expansion and improvement of the department's services.

The provision of an extra \$2 a year in the book allowance for students in secondary schools will cost about \$170,000, taking the total cost this financial year to about \$1,770,000. From the beginning of 1971 the allowance will be \$18 in the first, second and third years, \$26 in the fourth year, and \$28 in the fifth year. This will be the first of three annual steps to increase allowances in accordance with the undertaking given in the policy statement before the recent election. The amount of \$637,000 allocated to meet the cost of free textbooks for students in primary schools is the greatest provision since the introduction of the scheme in 1967. The book arrangements for both secondary and primary students apply to departmental and independent schools. The introduction of a system of annual grants to schools to assist with main-

tenance of schoolgrounds, which in the past has been the sole responsibility of school councils and committees, is estimated to cost \$85,000. The Government's policy which aims to provide the best possible education for country students has made necessary the allocation of a record amount of \$1,720,000 to cover the cost of transport for country schoolchildren.

The increased provision for salaries and wages is, of course, the major factor in the very large increase proposed for the Education Department. It is designed to permit the appointment of additional teachers, lecturers, administration and ancillary staff, to enrol additional teachers college students for 1971, and to allow the implementation of minimum three-year courses of training. The increased numbers of teaching and other staff are required to cope with increased enrolments, to improve pupil-teacher ratios, to appoint Aboriginal teacher aides to schools enrolling a high proportion of Aboriginal children, to appoint teacher aides on an experimental basis to both primary and secondary schools where large numbers of migrant children are enrolled, to handle further certificate courses transferred from South Australian Institute of Technology, to strengthen the psychology branch with more guidance officers, and to strengthen the research and planning office.

Independent schools: At the beginning of the 1969 school year a scheme of assistance for independent schools was introduced, the Government contribution being at the rate of \$10 for each child in both primary and secondary schools. As from the third term of 1969 the payment in respect of secondary schools was increased by \$10 to the sum of \$20 a child. The total of actual payments in 1969-70 under these arrangements, \$493,000, was appropriated in the miscellaneous group of grants and other provisions under the vote for the Minister of Education. In its election policy statement the Government said that it would hold an investigation into the needs of non-government schools and in cases of proven need would offer additional assistance. We now intend that an additional amount of \$250,000 be made available in 1971 to assist independent primary schools and we have appointed a committee of people, well informed in the matter of education generally and of the problems of independent schools in particular, to investigate the needs of schools and to recommend how the further grants should be distributed. On the assumption that about two-thirds of the additional sum will be required this financial year the total

provisions for grants to independent schools has been increased to \$650,000.

Tertiary education: Grants towards recurrent and research purposes of the three major tertiary institutions in this State, that is, the University of Adelaide, the Flinders University of South Australia and the South Australian Institute of Technology, are set out in the Estimates of Expenditure. Provisions for grants to all three institutions are included under "Minister of Education—Miscellaneous", and in addition a provision towards the Waite Agricultural Research Institute, a section of the University of Adelaide, is shown under "Minister of Agriculture—Miscellaneous". The proposed gross provisions, that is to say, the amounts of State and Commonwealth contributions combined, and the increases above last year's payments are as follows:

	Proposed Appropriation \$	Increase above 1969-70 \$
University of Adelaide (including Waite Institute)	11,380,000	1,847,000
Flinders University of South Australia	4,120,000	956,000
South Australian Institute of Technology	3,060,000	588,000

The grants for the universities are determined for three-year periods following a report and recommendation by the Australian Universities Commission and consultation between the Commonwealth and State Governments, while the grant for the Institute of Technology is determined following a report by the Commonwealth Advisory Committee on Advanced Education. The South Australian School of Art, conducted as part of the activities of the Education Department, has been a College of Advanced Education subject to Commonwealth financial support since 1967. As a result of submissions by the State Government, supported by the committee and accepted by the Commonwealth, Roseworthy Agricultural College and the Dental Therapists Training School (conducted within the Public Health Department), have become Colleges of Advanced Education from the beginning of 1970. The proposed grants this year under "Minister of Education—Miscellaneous" include provisions for the payment for a full year of higher academic salaries recommended for universities from January 1, 1970, by Mr. Justice Eggleston, accepted by both Commonwealth and State Governments and also applied proportionately to academic salaries of the Institute

of Technology. The recommendations of Mr. Justice Sweeney in respect of academic salaries in Colleges of Advanced Education will have a further effect on the grants to the Institute of Technology. The details of how the Sweeney Report will be implemented have not yet been finally determined but the proposed grant includes a round sum allowance towards the probable cost.

Hospitals Department: Hospitals Department expenditure is expected to increase by 22½ per cent in 1970-71 to a total of \$34,313,000. One of the major problems faced by the hospitals administration is that of making the most effective use of qualified nursing personnel while at the same time maintaining the highest possible standards of nurse training. The extension of formal training required for acceptance as a registered nurse, together with the adoption of the concept of lectures and tutorials during working hours, has resulted in each nurse spending less time in the ward. In order to minimize the effects of this the Government is giving high priority to the development of training schools to provide 12-month courses for girls who do not wish to undergo the full three years' instruction necessary for qualification as a registered nurse. These enrolled nurses, as they are called, can then be used to supplement the numbers of student nurses in the wards. Furthermore, in order to make the fullest possible use of the time nurses spend in the wards, the Government has approved the employment at the Royal Adelaide Hospital of ward assistants who will be responsible for the clerical aspects of the admission, transfer and discharge of patients which are at present carried out by the nursing staff. It is proposed that this service be extended to other hospitals as availability of finance permits.

Group Laundry: The estimates for each of the hospitals included in the appropriation of \$34,313,000 for the Hospitals Department contain provisions for payments to the Group Laundry and Central Linen Service. A number of non-governmental hospitals and institutions also makes use of the services provided by the laundry and the subsidies they receive include an element to help them meet the charges set by that institution. In the past it has been the custom to show in an appendix to the Estimates of Expenditure the cash result of the laundry for the immediate past year and the estimated cash result for the year in progress, but it is proposed to discontinue this practice now that the laundry is a well-established undertaking and to treat it in the

same way as other activities which operate through special accounts. Although no special mention is made of these bodies in the Budget Papers, the results of their activities are set out in full in the Auditor-General's Report. The laundry commenced operations in 1965-66 with a charge of 10c a pound of linen processed and by the end of 1967-68, with increasing throughput and efficiency, had accumulated a substantial surplus. The charge was then reduced to 9c a pound but with continued efficient management a further surplus was achieved. Accordingly in 1969-70 the charge was reduced to 8½c but with the cost of higher awards to be met the laundry experienced a small deficit on the year's operations of \$38,000. Late in the year \$350,000 of the accumulated surplus of previous years was transferred back to revenue. The Government has decided to restore the charge of 9c a pound to cover higher costs and aims to achieve a balance on this year's accounts.

Other medical and health: The total of \$1,630,000 proposed for the Public Health Department is \$307,000 or 23 per cent greater than actual expenditure last year. A large part of this increase will be incurred by the School Health Services when a further group of 16 dental therapists complete their training and take up duty in the clinics early in 1971. The department at present employs 28 people in this capacity. Additional staff and equipment will be provided to assist in the investigation of methods of controlling air pollution, and the programme of educating the public into the consequences of drug abuse will be expanded with financial assistance from the Commonwealth. A State-wide immunization campaign will be undertaken to protect women against rubella. The increased emphasis on hospital and health services provided directly by the Government is being accompanied this year by greatly increased support of subsidized hospitals and health services run by community groups. Appendix II to the Estimates of Expenditure sets out individual proposals estimated to require grants and subsidies totalling \$9,363,000, which is an increase of \$1,563,000, or 20 per cent, above comparable payments last year. This year's proposal is to make payments of \$2,600,000 from the Hospitals Fund and \$6,763,000 from Revenue Account under vote for "Chief Secretary—Miscellaneous".

Law and order: An increase of 14 per cent or \$1,503,000 in expenditure by the Police Department is planned for this year. About 150 cadets will complete the three-year

training course this financial year and transfer to the force as probationary constables.

Provision has been included in the Estimates for the recruitment of additional trainees up to the establishment of 450. The allocation of \$2,198,000 for the Prisons Department is \$166,000 more than was spent last year, and will enable the department to proceed with the planned replacement of obsolete machinery and equipment. Several prison industries now supply goods and services to Government departments while at the same time providing inmates with valuable training in modern production techniques. A sum of \$1,037,000 is proposed for the new Local and District Criminal Courts Department this year as compared with actual expenditures of \$910,000 last year. A further sum of \$89,000 has been provided under the Special Act section of the Estimates for the salaries of the Senior Judge and the five judges who will preside over the new courts.

Welfare services: For the new Social Welfare and Aboriginal Affairs Department the proposed allocation is \$5,947,000, an increase of \$545,000 or 10 per cent. Included in that total are funds for the continuation of the internal training course for welfare and probation officers and to commence implementation of the recommendations put forward by the Social Welfare Advisory Council for the treatment of juvenile offenders. The provision also includes \$804,000 for the payment of public relief of which an estimated \$205,000 will be recouped from the Commonwealth. The Commonwealth's third allocation of grants for Aboriginal welfare is expected to provide \$660,000 as compared with \$535,000 last year, and these funds, along with the State allocation, will be used to improve the conditions of employment, housing, education and health of the Aboriginal people. Further progress is planned in a project which is being carried out in co-operation with the Public Health Department and which is designed to train Aboriginal hygiene supervisors who can be employed to educate families in home hygiene. Provision has also been made for the payment of higher wages to Aborigines employed on reserves.

Public undertakings: I have estimated a figure of \$15,345,000 for expenditure by the Engineering and Water Supply Department. This provision includes an amount of \$630,000 for South Australia's share of the estimated cost of maintenance incurred by the River Murray Commission which is more than double the actual expenditure last year. A great deal of work is to be carried out in the

New South Wales section of the river this year and so the total cost to be shared between the participating Governments is expected to rise sharply. Later this month the fluoridation of the metropolitan water supply will commence when eight chemical control dosing stations begin operation. Appropriation for this purpose has been included in the general costs of operation and maintenance of the metropolitan waterworks. The capacity of the storages serving the metropolitan area has been increased from 36,000,000,000 gallons to 41,400,000,000 gallons with the completion of the Kangaroo Creek dam and, following the recent good rains, metropolitan reservoir holdings are presently much about the level reached during last spring. However because of the low autumn and early winter intakes, pumping through the Mannum-Adelaide pipeline has been greater during the past three months than for the corresponding period of last year. Accordingly a rather higher appropriation of \$750,000 has been included for such water pumping in these Estimates. Whether this will be in excess of ultimate requirements or deficient will depend largely upon the extent of spring rains in the catchment areas.

The allocation of \$4,163,000 to the Marine and Harbors Department is \$521,000 above actual expenditure last year. A larger maintenance programme is planned this year and it is expected that a greater proportion of the department's activity will be charged to revenue. An increase of \$2,265,000 in the provision for the Railways Department is proposed this year. Of that total \$1,500,000 is required for service pay and over-award payments and a further \$600,000 is required for the carryover effect of awards brought down last year. The balance of \$165,000 available to finance increases in other activities and costs will be supplemented by drawing on the amount of \$555,000 set aside last year in a special account to finance a strengthened programme of maintenance and rehabilitation. For a number of years up to and including 1967-68 the Municipal Tramways Trust received grants from revenue towards working expenses but in each of the last two years the trust has been able to meet all costs from its own resources. However the Government has decided that M.T.T. employees should also receive the benefit of the recent over-award and service pay increases which were granted to departmental employees, and this decision, together with the new Commonwealth award for bus and tram drivers and con-

ductors, has made it necessary to re-introduce the grant to the trust. A provision for a grant of \$450,000 to cover the prospective annual loss has been made under the vote for "Treasurer—Miscellaneous" for this purpose.

Other departments—Highways Department: For the Highways Department the provision this year in these Estimates for administrative and head office expenditure is \$5,358,000, an increase of \$657,000 above payments made last year. 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 and debt services, shall be transferred to the Highways Fund for roads purposes. The net figure so calculated is the one which appears in the Special Acts section of the Estimates. This is one of two major and regular sources of State funds available each year for purchase of materials and plant, for payment of wages, and for meeting other costs of construction and maintenance of roads. The other source is the road maintenance contribution charged on vehicles of eight tons or more carrying capacity. In addition, provisions may be made from time to time in the Loan Estimates for advances to the Highways Fund for special purposes. Also, the Commonwealth is making increasing annual contributions for road purposes under a five-year arrangement operative from July 1, 1969. Accordingly, to understand the programme of finance for road works it is necessary to consider the whole picture of the roads special funds rather than the limited area of head office and administrative expenditure detailed in these Estimates.

In 1969-70 the total volume of new funds becoming available for roads purposes was \$39,412,000 comprising \$17,410,000 of State contributions, \$21,000,000 of Commonwealth grants, and \$1,002,000 of repayments by local government authorities. The State contributions included an advance of \$1,000,000 from Loan Account towards the costs of acquisition of land. Total payments for construction and maintenance of roads (including administration and head office costs), grants and advances to councils, debt charges, purchase of stores and equipment, were \$41,998,000. The opening balance of \$4,274,000 was thus run down to \$1,688,000 by June 30, 1970. For 1970-71, it is estimated that State funds, including a further advance of \$1,000,000 from Loan Account, will amount to \$18,250,000, Commonwealth funds to \$23,500,000, and repayments by councils to

\$850,000, a total of \$42,600,000. The programme for roads purposes approved by the Government, excluding any special work which may be required for the proposed Kangaroo Island ferry project, totals \$41,323,000. Overall, it seems probable that the opening balance of funds of \$1,688,000 will be maintained at June 30 next and possibly increased a little.

Land acquisition—special provisions: Last year Parliament approved a special provision in the Supplementary Estimates so that funds would be available, in cases of hardship, for settlement of land and property acquisitions along possible freeway routes. Pending an amendment to the Highways Act to authorize such settlements from the Highways Fund, a provision of \$300,000 is included in the 1970-71 Estimates for the purpose. The Estimates of Receipts allow for the recovery of this

\$300,000 and of the \$178,000 actually expended for this purpose last year.

In closing, I thank members for the kindly way they have listened to this decidedly lengthy Budget speech, and I also express my sincere thanks (and I am sure the thanks of other members) to Mr. Seaman and his Treasury officers for the great service they have performed in preparing the Budget Estimates for Parliament.

Progress reported; Committee to sit again.

AUSTRALIA AND NEW ZEALAND BANKING GROUP BILL

Returned from the Legislative Council without amendment.

ADJOURNMENT

At 4.19 p.m. the House adjourned until Tuesday, September 15, at 2 p.m.