

## HOUSE OF ASSEMBLY

Thursday, October 6, 1977

The House met at 11 a.m. pursuant to proclamation issued by His Excellency the Governor (Mr. Keith Seaman).

The Clerk (Mr. A. F. R. Dodd) read the proclamation summoning Parliament.

### OPENING OF PARLIAMENT

At 11.4 a.m., in compliance with summons, the House proceeded to the Legislative Council, where a Commission was read appointing the Honourable John Jefferson Bray (Chief Justice) to be a Commissioner for the opening of Parliament.

### SWEARING IN OF MEMBERS

The House being again in its own Chamber, at 11.11 a.m. His Honour Mr. Justice Bray attended and produced a Commission from His Excellency the Governor appointing him to be a Commissioner to administer to members of the House of Assembly the Oath of Allegiance or the Affirmation in lieu thereof required by the Constitution Act. The Commission was read by the Clerk, who then produced writs for the election of 47 members for the House of Assembly.

The Oath of Allegiance required by law (or the Affirmation) was administered to and subscribed by all members.

The Commissioner retired.

### ELECTION OF SPEAKER

**The Hon. D. A. DUNSTAN (Premier and Treasurer):** I remind the House that it is now necessary to proceed to the election of Speaker. I move:

That Mr. G. R. Langley do take the Chair of this House as Speaker.

**The Hon. J. D. CORCORAN (Deputy Premier)** seconded the motion.

There being no other nomination, Mr. Langley was declared elected.

Mr. Langley was escorted to the dais by the mover and seconder of the motion.

**The SPEAKER (Hon. G. R. Langley):** Standing on the upper step in traditional manner, I gratefully acknowledge the high honour conferred on me by the House in electing me to preside over the deliberations of this House. I go to the Chair in the full knowledge that the House will do its best work with the co-operation of all members, with the majority getting the decision and the rights of the minority respected. Together we will seek to conduct the business of the House in accordance with the traditions of Parliament.

**The Hon. D. A. DUNSTAN (Premier and Treasurer):** On behalf of the House I congratulate you, Sir, on your appointment as Speaker of this House. The Speakership of this House bears with it a great tradition of maintaining the rights of members of this House, the rights of members to speak on behalf of those people who have elected them as their agents and representatives in the conduct of the Legislature of this State. From our knowledge of you, Sir, over the years you have been in this House and of the years of service that you have given to the people of South

Australia, I am sure that you will maintain that high office and tradition. It is with much confidence and pleasure that I, on behalf of the members of this House, congratulate you on the attainment of this high office.

**Mr. TONKIN (Leader of the Opposition):** Mr. Speaker, on behalf of the Opposition, I should like to convey to you congratulations on your appointment to this high office. Soon we shall accompany you to Government House, where we will stand behind you as a body, regardless of Party, whilst you lay claim by tradition to the undoubted rights and privileges conferred on members of Parliament. We will do that gladly. You may be assured of the support of the Opposition in this House, and I am quite certain, too, that you will uphold the long tradition that pertains to the Westminster system and to the high position of Speaker. We have, in South Australia, been fortunate in having a long tradition of Speakers of the highest calibre. I give you our good wishes and hope that you will continue in that vein. From now on, Mr. Speaker, you will be able to interject in the proceedings of the House within the provisions of Standing Orders.

**Mr. MILLHOUSE (Mitcham):** I join with the Premier and the Leader of the Opposition in offering congratulations to you, Sir, on your appointment as Speaker, an appointment which, in the past few weeks, has not been unexpected. Personally, I believe that we are pleased about your appointment. Of course, from my position here, I emphasise and rely on your sense of fair play, which you have shown not only in this place but also during the whole of your life, because those of us who are in a minority in this place depend particularly on the fairness and the sense of fair play of the Speaker. I say with sincerity that I have every confidence that you, Sir, will always exhibit that sense of fairness. Therefore, I am pleased indeed to support what has been said.

**The SPEAKER:** I sincerely thank honourable members for their kind remarks and congratulations. It will always be my endeavour to maintain the Standing Orders and practice of the House and to assist members in their Parliamentary work. In my cricketing days I sometimes did not agree with the umpire's decision, but I learnt to accept those decisions and I hope that, on occasions when the Speaker's decision goes against a member, he will also agree to accept that decision with a good grace.

*[Sitting suspended from 11.37 a.m. to 12.10 p.m.]*

**The SPEAKER:** It is now my intention to proceed to Government House and present myself as Speaker to His Excellency the Governor, and I invite members to accompany me.

At 12.11 p.m., attended by a deputation of members, the Speaker proceeded to Government House.

*On the House reassembling at 12.29 p.m.:*

**The SPEAKER:** Accompanied by a deputation of members I proceeded to Government House for the purpose of presenting myself to His Excellency the Governor and informed His Excellency that, in pursuance of the powers conferred on the House by section 34 of the Constitution Act, the House of Assembly had this day proceeded to the election of Speaker and had done me the honour of election to that high office. In compliance with the other provisions of the same section, I presented myself to His Excellency as the Speaker and, in the name and on behalf of the House, laid claim to members' undoubted rights and privileges, and prayed that the most favourable construction might be put on all their proceedings; whereupon His Excellency was pleased to reply as follows:

I congratulate the members of the House of Assembly on their choice of a Speaker. I readily assure you, Mr. Speaker, of my confirmation of all the Constitutional rights and

privileges of the House of Assembly, the proceedings of which will always receive my most favourable consideration.  
[Sitting suspended from 12.31 to 2.15 p.m.]

### SUMMONS TO COUNCIL CHAMBER

A summons was received from His Excellency the Governor desiring the attendance of the House in the Legislative Council Chamber, whither the Speaker and honourable members proceeded.

The House having returned to its own Chamber, the Speaker resumed the Chair at 2.33 p.m. and read prayers.

### COMMISSION OF OATHS

**The SPEAKER:** I have to report that I have received from the Governor a commission under the hand of His Excellency and the public seal of the State empowering me to administer the Oath of Allegiance or receive the Affirmation necessary to be taken by members of the House of Assembly.

### CHAIRMAN OF COMMITTEES

**The Hon. D. A. DUNSTAN (Premier and Treasurer)** moved:

That Mr. G. F. Keneally be Chairman of Committees of the whole House during the present Parliament.  
Motion carried.

### GOVERNOR'S SPEECH

**The SPEAKER:** I have to report that, in compliance with the summons from His Excellency the Governor, the House attended in the Legislative Council Chamber, where His Excellency was pleased to make a Speech to both Houses of Parliament, of which I have obtained a copy, which I now lay on the table.

Ordered to be printed.

### SITTINGS AND BUSINESS

**The Hon. D. A. DUNSTAN (Premier and Treasurer)** moved:

That Standing Orders be and remain so far suspended as to enable Government business to be considered as required and have precedence over other business except questions before the Address in Reply is adopted.

**Mr. TONKIN (Leader of the Opposition):** This rather unusual course of action has been taken, I assume, because of the circumstances which had surrounded the recent election, the apparent haste with which it was called in spite of the long preparation, and the fact that we had in that previous session still not completed the Address-in-Reply debate. The Opposition recognises that, in these circumstances, we have Supply in this State only until the end of this month, and that therefore it is of some urgency that we deal with the Budget particularly.

But I want it clearly understood by members of the Government and members of this House that this departure from the normal tradition and procedure of the House will be agreed to by the Opposition (certainly, it will not be opposed) only in these rather extraordinary circumstances, and that the Government should not take it

for granted that the Opposition will, in all circumstances and at other times, agree to suspension for this purpose.

The Address-in-Reply debate is the traditional way in which individual and private members of Parliament can express their views to this House and to the people of South Australia. It is not a privilege that one normally gives up lightly.

Motion carried.

### PUBLIC PURPOSES LOAN BILL

His Excellency the Governor, by message, recommended to the House of Assembly the appropriation of such amounts of the revenue and other moneys of the State as were required for all the purposes set out in the Loan Estimates for the financial year, 1977-78, and the Public Purposes Loan Bill, 1977.

**The Hon. D. A. DUNSTAN (Premier and Treasurer)** obtained leave and introduced a Bill for an Act to authorise the Treasurer to borrow and expend money for public purposes, and to enact other provisions incidental thereto. Read a first time.

**The Hon. D. A. DUNSTAN:** I move:

*That this Bill be now read a second time.*

In so doing I would remind members that on August 16, 1977, the day before Parliament was prorogued, I introduced such a Bill and the accompanying Loan Estimates. During the intervening period, the Government has seen little reason to change either the strategy or the content of its Loan programme for 1977-78. Assumptions made in respect to Commonwealth support for various programmes have proved to be reasonably in line with the recently announced Commonwealth Budget, although I should perhaps make some comment in respect to schools, urban public transport and housing.

As to the school building programme, the Loan Estimates anticipated a Commonwealth contribution of \$14 500 000. The Commonwealth Budget estimate is almost \$16 000 000 for South Australia but only \$13 700 000 of this amount is available for Government schools. However, the Government's school building programme could expect to attract some of the allowance of \$2 000 000 provided in the Commonwealth Budget for cost escalation in all areas of education capital works in South Australia.

In regard to urban public transport, the Loan Estimates were framed in the expectation that Commonwealth support might not be forthcoming in 1977-78. However, the Commonwealth Budget includes an estimate of \$3 500 000 which, in the main, will be subject to negotiation in respect to cost escalation and acceptance of approved projects. It is unlikely to have a significant effect on the planned works in the 1977-78 financial year. To the extent that we are able to make a case for all or part of the \$3 500 000, it is likely to increase the cash balance of the State Transport Authority at June 30 next and to ease the considerable problems of 1978-79.

For housing, the Commonwealth has provided \$58 500 000 for 1977-78, and this amount has been allocated as to the Housing Trust, \$34 800 000, and the State Bank, \$23 700 000. The total amount provided for 1977-78 is only \$2 100 000 or 3.7 per cent above the amount provided in 1976-77 which itself was the same money amount as for 1975-76 and 1974-75. The small increase will have no effect on allocations from Loan Account and little effect in relieving the problems of the housing industry or of people on low incomes seeking houses or housing finance.

I seek leave to have the remainder of the second reading

explanation inserted in *Hansard* without my reading it.  
Leave granted.

#### EXPLANATION OF REMAINDER OF BILL

I will explain the proposals in the Loan Estimates which accompany the Bill and which set out in more detail the appropriations listed in the first schedule to the Bill. The expenditure proposals in the schedule aggregate \$259 000 000 for 1977-78, compared with just over \$261 000 000 in 1976-77. The latter figure is reduced to \$257 000 000, if expenditure on non-metropolitan railways is excluded in order to give comparability. That is, at a time of high inflation and rising costs in the construction industry, the State Government finds itself faced with the situation of having to develop a capital works programme which is, in real terms, less than the preceding year. The Loan funds made available to the State by the Federal Government have been kept at such an unrealistically low level that South Australia, in common with the other five States, will not be able even to meet its previous levels of building expenditure.

The Government has been able to keep the figure at \$259 000 000 only by once again taking money from the Revenue Account to boost the Loan Account. Last financial year, \$15 000 000 was appropriated in this manner, and in the forthcoming year \$12 000 000 will be allocated. Taken in conjunction with past measures and other steps yet to be announced, that transfer will in effect, eliminate the reserves which South Australia was able to build up following the sale of the non-metropolitan railways to the Commonwealth. The considerable sums which the Government was able to put aside from that arrangement will be completely used to lessen the impact on this State of the most ill-conceived and ill-directed economic policies Australia has seen since the great depression. The view seems to be accepted in some quarters in South Australia that, because we have managed the Treasury well, we have and will have surpluses which are available to fund additional programmes. Let me disabuse everyone of that wrong belief. To maintain existing services and to keep up as much of a building programme as I now outline will take all our resources and will leave the cupboard bare. The reserves are being used to keep the State building programme up and through this to provide contracts and work for the private building industry. The money is also being used to fund unemployment relief programmes to give South Australians jobs at a time when the Federal Government seems intent on throwing as many people out of work as possible. The reserves have also made it possible for the State Government markedly to reduce taxation and thus play a constructive role in reducing inflation. As honourable members would be aware, in the past 20 months the Government has abolished the petrol tax, abolished rural land tax, reduced the incidence of metropolitan land tax, abolished succession duties between spouses, given generous concessions in succession duties to rural landholders and other inheritors and has reduced stamp duties. Those tax reductions have shown that the State Government, to the limit of its ability, has done its part in helping bring inflation under control.

Unfortunately, the Federal Government's economic policies have not been similarly practical or sensible. Indeed, we now have a Federal Government which is completely isolated from the mainstream of economic thinking and which seems determined to reduce the standards of living for all Australians in the forlorn hope that somehow this will bring about national recovery and

prosperity. A major aspect of the policies being pursued by the Prime Minister and the Treasurer is the steady contraction of funds to the States. As I mentioned a few moments ago, this year South Australia will not be able to spend any more on capital works than the year before, and this comes about directly as a result of the Federal Government's determination to cut funds to the States both directly through the Loan Council and indirectly through abandonment of the Federal Government's financial responsibility for a range of programmes.

As an example which is pertinent to this works programme, the funds available for hospital development throughout Australia were cut by more than half for this year, from \$108 000 000 to \$50 000 000. South Australia was singled out, once again, for an especially bad deal, with our allocation being cut from \$13 000 000 to \$5 000 000. The Government has been forced to defer the construction of the Para Districts Hospital, a decision entirely imposed on it by the Federal Government's arbitrary and unreasonable cutbacks. This decision was taken most reluctantly after a very careful examination of the overall capital works programmes.

There is a disgracefully long list of similar actions, ranging from the cynical destruction of complete programmes, such as the Australian Assistance Plan and the Area Improvement Programme, through to repeated refusals to tell the States what funds we will get in the future for certain projects. In the case of Adelaide's water filtration scheme this long-term, high budget plan is subject to constant uncertainty because we cannot get a simple answer from the Federal Government as to its future funding intentions. The extent of the disaffection with the Federal Government's programmes can be gauged by the recent meeting of the State Premiers in Melbourne. All six Premiers—Liberal, Labor, and Country Party—specifically rejected the policies being pursued by Canberra and called for an immediate mild stimulation of the economy to get the country moving again. That unanimous conclusion came about simply because all of the Premiers put their political views to one side and were worried only about the well-being of the States. All the State Treasurers are extremely disturbed at the prospective situation facing their State finances. It is apparent that, while the Federal Government continues its policies, all the States will be forced to plan for lower levels of real effort. Loan Estimates such as this document and the forthcoming Revenue Budget will be severely limited by Federal Government decisions taken apparently quite without concern as to their effects on the well-being of the States.

In respect to the Loan Estimates, it has been long-standing practice, when introducing them, to comment on the position of the Revenue Account. That practice developed because until recently a judgment needed to be exercised each year as to the extent to which Loan funds needed to be reserved in order to finance a prospective short-fall of the Government's Revenue Account operations. However, in the past two financial years the situation has been reversed, with Revenue Account being used to support the Loan Account operations. We find ourselves in that position again in 1977-78.

Against the background of that changing trend, steps have been taken in the 1976-77 accounts to identify more clearly the Government's net reserves held on Revenue and Loan Accounts. At June 30, 1977, those net reserves stood at \$18 400 000, and were recorded as being held on Revenue Account.

By way of brief explanation, Revenue Account commenced the 1976-77 financial year with an accumulated surplus of \$27 600 000.

The year's operations showed a small deficit of \$100 000 after providing \$17 000 000 to augment development and exploration activities in the Cooper Basin gasfields, \$15 000 000 for capital works, and \$7 000 000 for unemployment relief works. I will give a more detailed explanation of the 1976-77 Revenue Account activities when I introduce the Revenue Budget. As a result of the year's operations, the accumulated surplus on Revenue Account was reduced to \$27 500 000 at June 30, 1977.

As to Loan Account, the 1976-77 accounts opened with an accumulated deficit of \$8 900 000. The operations for the year, to which I shall refer in more detail in a moment, showed a deficit of \$200 000. As a result the accumulated deficit on Loan Account increased to \$9 100 000 at June 30, 1977. At June 30, 1977, a bookkeeping transfer was effected to eliminate the accumulated Loan Account deficit of \$9 100 000 and so to reduce the reserves on Revenue Account to a net amount of \$18 400 000. As I have already said, these reserves will be entirely exhausted at the end of this financial year, in order to maintain both the Loan and Revenue Budgets.

I turn now to the details of Loan Account. In August last, I reported to the House that the allocation of new moneys determined by the Australian Loan Council was about \$178 000 000, that repayments and recoveries of expenditure becoming available for respending in 1976-77 were expected to amount to about \$69 000 000, that borrowing to cover discounts would be about \$600 000, and that a capital expenditure programme of almost \$262 600 000 was proposed. With the aid of a special allocation of \$15 000 000 from Revenue Account, it was planned to achieve a balanced result on the year's activities. In the event, new capital funds were as estimated; repayments, borrowings to cover discounts and payments were all below estimate; and a small deficit of about \$200 000 was incurred on the year's activities.

In respect to repayments and recoveries and borrowings to cover discounts, whereas the original combined estimate for 1976-77 was \$69 600 000, the actual receipts were \$67 900 000. This net decrease of \$1 700 000 was the end result of a number of variations above and below estimate. The major single variation was in respect to an amount of \$9 000 000 that was expected to be received from the Australian National Railways Commission to finance payments expected to be made by the State Transport Authority on behalf of the commission for non-metropolitan rail activities. In the event, only \$2 200 000 was required to finance those payments. The resultant decrease was largely offset by increased recoveries from waterworks and sewers for house connections, sale of plant, etc. (\$1 300 000), contributions from the Australian Universities Commission towards the Flinders Medical Centre (\$2 000 000), receipts from the Schools Commission (\$1 700 000), and repayments of loans under the Loans to Producers Scheme (\$600 000).

As to payments, the original estimate for 1976-77 was almost \$262 600 000, but actual payments amounted to just over \$261 100 000. The net decrease of \$1 500 000 was the result of a number of variations above and below estimate. The major single variation was a special allocation of \$9 000 000 to the State Bank to meet problems arising from a decline in mortgage repayments that are used for relending to prospective home purchasers and also to finance a recently announced Government initiative to provide some stimulus to the home-building industry. That increase was offset by a number of decreased payments including waterworks and sewers (\$1 500 000), Monarto Development Commission (\$1 400 000), Woods and Forests (\$900 000) and, of course, the payments in respect to the Australian National

Railways Commission to which I have referred.

As a result of all these factors, the accumulated deficit on Loan Account at June 30, 1976, of \$8 900 000 was run down by a further \$200 000 to an accumulated deficit at June 30, 1977, of \$9 100 000. That accumulated deficit has now been eliminated by the bookkeeping transfer from Revenue Account, as I have explained.

At the meeting of the Australian Loan Council in July, 1977, the Commonwealth Government agreed to support a total programme of \$1 434 000 000 for State works and services. South Australia's share of this programme is almost \$186 900 000, of which \$124 600 000 is to become available by way of loan subject to repayment and to interest and \$62 300 000 by way of capital grant. In addition to the new funds of \$186 900 000, the Government expects to receive various repayments and recoveries of about \$59 500 000. Certain discounts and premiums on loan issues and redemptions, which form part of our loan programme and are expected to amount to some \$600 000, will not have to be paid in cash by us as further loans will be arranged through Loan Council to cover them. Therefore, the Government expects to have a total of about \$247 000 000 becoming available during the year.

If one has regard to the facts that the total of payments on Loan Account in 1976-77, excluding non-metropolitan railways, was over \$257 000 000, that there remains an urgent need for further hospital buildings, for public transport facilities, for water and sewer facilities and a host of other capital works, that unemployment has reached its worst level since the tragic years of the depression and is showing no signs of abating, that the home-building industry is in desperate straits then it becomes obvious that planning by this Government of a capital programme limited to the new funds expected to become available, that is, \$247 000 000, would be disastrous.

As was the case last year, this dismal picture is the direct result of two actions on the part of the Commonwealth Government: first, the decision to cut back further on specific purpose loans and grants and, second, the decision once again to support an increase of only 5 per cent in general Loan Council programmes despite increases in cost levels of the order of 12 per cent to 13 per cent a year. At the meeting of Loan Council all Premiers, no matter of what political persuasion, made strong submissions about the need for a more realistic and humane approach by the Commonwealth to the capital works area but their submissions were rejected out of hand. Premiers were unanimous in their concern about the employment situation and the social and economic consequences which would flow from the Commonwealth's actions.

Once again the Prime Minister made much of the new tax-sharing arrangements and was quick to point out that payments to the States under those arrangements in 1977-78 were expected to be some 17 per cent higher than the actual payments made in 1976-77. Of course, he had little to say about specific purpose loans and grants other than to announce that the Children's Services Programme, the Australian School Dental Scheme, and the Hospitals Development Programme would be substantially reduced and that the National Sewerage Programme would be completely abandoned. Further, I have been advised that the water treatment programme has been reduced substantially and there is every indication that further support may not be provided after 1978-79 despite the fact that one of the projects for which the Commonwealth had declared its support will not be completed.

The Prime Minister implied that the broad overall increase in funds to the States for 1977-78 from all sources (that is to say, tax sharing, Loan Council general purpose

funds, specific purpose loans and grants and semi-government borrowing) is likely to be of the order of 10 per cent to 11 per cent above the overall funds available from those sources in 1976-77. As that estimate includes special allocations made to New South Wales, Queensland and Western Australia, it is evident that the increase for South Australia, Victoria and Tasmania will be somewhat less and in our case, possibly as low as 9 per cent. That kind of increase would not be sufficient to cover the rises in wages and prices which will be effective in 1977-78. Inevitably it means lesser capital programmes in real terms. It means that we will not be able to carry on with our water treatment programme at a desirable level; it means that we cannot proceed with the construction of the urgently needed Para Districts Hospital that was scheduled for commencement this financial year; and it means that we have had to revise, drastically, our programmes for other essential works and services. All of those revised and unsatisfactory measures are a direct result of the Commonwealth Government's actions.

In respect to housing the Commonwealth's attitude is unclear as yet. It is difficult to believe that funds for 1977-78 would be held to the 1976-77 money level which was, itself, only the same money amount as in 1975-76 and 1974-75. The home-building industry in this State faces serious problems. The Government has been quick to recognise them and we are providing additional funds and other assistance to stimulate the industry. However, the greatest need for action lies with the Commonwealth and to curb public expenditure in this area so that, once again, less work would be done in real terms would accentuate the problem, add to unemployment and contribute to further economic downturn. I will refer to housing again in a minute.

The further curbing of public expenditure appears to be the specific unrelenting policy of the Commonwealth. The South Australian Government considers that it must act to cushion the adverse effects as far as it can, and, in particular, to minimise the effects in human terms if it can. We believe that the most effective approach in present circumstances is to look once again for some support from Revenue Account in 1977-78 in much the same way as was achieved in 1976-77.

At the moment my assessment is that, given a firm control of expenditures through Revenue Account in 1977-78 and the use of our net reserves of \$18 400 000, it should be possible to transfer up to \$12 000 000 to assist in financing essential capital works. At this stage we could not contemplate going beyond that level, as to do so would increase the chance of our having to introduce new and increased taxing measures. That is a course of action which the Government is not prepared to follow at the moment.

Accordingly, the Loan Budget for 1977-78 envisages support of \$12 000 000 from Revenue Account and proposes total payments of \$259 000 000. This would give a balance on the year's operations. The relevant figures and a comparison with the transactions of 1976-77 are set out on page 4 of the Loan Estimates. I should add that, even now, we have not received firm advice on the levels of specific purpose loans and grants in some areas. There are still some uncertainties and risks and the Government will keep these areas under close review.

Of the total semi-government programme of \$1 164 000 000, South Australia's share is \$53 100 000. Within that total the allocations proposed for the individual borrowers are \$29 600 000 to the Electricity Trust, \$15 500 000 to the Housing Trust, and \$3 000 000 to the Meat Corporation; \$5 000 000 has been allocated to meet the needs of the larger local government bodies. In 1976-77 the maximum limit to which individual statutory

and local government bodies could borrow, without that borrowing counting against the State's semi-government allocation, was \$800 000. For 1977-78, Loan Council has approved an increase in the individual limit to \$1 000 000 on the condition that this limit will not be reviewed before 1979-80. This increase will be very useful to a number of authorities.

I point out again that for both the larger and smaller semi-government authorities it is a borrowing programme which has been approved. The raising of the funds depends on the liquidity of the institutional lenders and on the willingness of other lenders to advance moneys at the interest rates determined by the Loan Council from time to time. Nevertheless, we have succeeded in raising the full programme in other years, and I am hopeful that we will continue to receive the support from lenders to enable us to raise the total sums approved. The Government is grateful for their support.

I turn now to the details of the State's capital programme.

**Housing**—Funds made available under the Commonwealth-State Housing Agreement are advanced to the State at concessional rates of interest of 4½ per cent in respect of advances to the State Bank and 4 per cent in respect of advances to the Housing Trust. In each case the Housing Agreement provides for the funds to be used for welfare housing. This means that the approval of a loan is granted or the allocation of a house is made primarily to an applicant who falls within the limit of a defined means test on income. The rate of interest charged by the State Bank on loans to persons who comply with the means test is 5¼ per cent. The bank makes advances also to persons who do not comply with this primary means test but who comply with a secondary and somewhat less stringent test. The interest rate to these persons is 6¼ per cent. The maximum loan available to applicants within each of these categories is \$18 000.

For Housing Trust activities the Housing Agreement lays emphasis on the construction of rental housing, and restricts to 30 per cent the proportion of family dwellings which may be built for sale out of the welfare housing funds. Even in these cases the sales may be made only to persons who meet the means test specified for eligibility for a rental home. In presenting Loan Estimates to Parliament last year, I indicated that the Commonwealth's allocation for welfare housing was again the same money amount for the third successive year, and I pointed to the serious problems which would be created if the Commonwealth continued to pursue that restricted lending programme. You may recall that South Australia's share of the welfare housing allocation was \$56 360 000, of which \$22 800 000 was allocated to the State Bank and \$33 560 000 to the Housing Trust. I referred to the considerable waiting time for a State Bank loan, in excess of two years, and for a trust rental home, in excess of three years.

I have spoken on a number of occasions about the disastrous consequences which the Commonwealth Government's economic policy of reduced public spending and high interest rates is having on industry, employment and the economic health of the community generally. Its effect is singularly apparent in the home-building area where high interest rates are imposing an unduly harsh burden on home purchasers, particularly those purchasing their first home. As we all know only too well, the Commonwealth has refused to deviate from its economic policy and as a consequence the housing industry faces serious problems with a large backlog of unsold homes. In June last, in recognition of those problems, the South Australian Government implemented a \$35 000 000

package to stimulate the home-building industry and, as part of that package, provided an extra \$3 000 000 to the State Bank for housing loans and authorised a six-month stamp duty remission on purchases of new homes. The State Government Insurance Commission and the Savings Bank of South Australia also provided significant increased assistance.

I believe that this initiative is already having a favourable effect on the industry and it is my sincere hope that the Commonwealth will now take action to improve the economic climate generally by reducing interest rates and adopting a less restrictive approach to public spending. As part of its welfare housing operation, the State Bank has available to it mortgage repayments from which to finance further lending to prospective home purchasers, and for some years these mortgage repayments have included substantial voluntary repayments. However, recent months have shown a marked and continuing decline in these voluntary repayments and, to offset the adverse effects, the Government made a further special advance to the bank of \$6 000 000 in 1976-77 so that the weekly loan approvals could be maintained at the existing level. That advance took the total special assistance in 1976-77 to the bank for housing loans to \$9 000 000.

During 1976-77, the State bank advanced \$28 000 000 to 1 539 applicants who complied with the primary means test and qualified for a loan at the lowest concessional interest rate. The bank also advanced \$20 600 000 to 1 190 applicants who complied with the secondary means test and qualified for loans at the higher concessional rate. As to the programme of the Housing Trust, dwellings completed during 1976-77 totalled 2 144, while 1 957 dwellings were under construction at June 30, 1977. The extent to which the physical effort in the welfare housing area can be increased in 1977-78 will be dependent upon the amount which the Commonwealth Government is prepared to allocate to this programme. As yet its intentions are unknown.

The six State Premiers, concerned at this indecision, at their meeting in Melbourne called for an immediate increase of at least 20 per cent in funds available for welfare housing for the 1977-78 year. Having regard to the state of the home-building industry, such a course is both necessary and economically responsible. I would find it difficult to believe that the Commonwealth would contemplate holding funds for 1977-78 to the same money amount as for 1976-77 (which is effectively the 1974-75 level), given the present state of the economy, the problems of the home-building industry and the needs of people on relatively low incomes. In this State the waiting time for a State Bank loan or a trust rental home is now in excess of three years. For the moment the trust programme provides for the completion of substantially the same number of houses in 1977-78 as in 1976-77, and support provided to the State Bank will ensure that at least the 1976-77 number of approvals will be maintained. Finally I would mention that the trust builds houses for people who do not meet the means test and it constructs industrial and commercial buildings. In carrying out these activities, the trust will have available in 1977-78 some \$17 000 000 of circulating funds and \$15 500 000 of semi-government borrowing.

**Loans to Producers, \$1 300 000**—Advances by the State Bank under the Loans to Producers Act in 1976-77 totalled about \$4 129 000. About \$1 641 000 was made available to fishing enterprises, \$1 718 000 to wineries and distilleries, \$460 000 to canneries, and \$310 000 to cold stores and packing houses. Of the total amount advanced, \$2 316 000 came from State Loan funds, while the remainder was

financed from semi-government borrowings and the bank's internal sources. An allocation, of \$1 300 000 is proposed for 1977-78. This allocation, augmented by semi-government borrowings of up to \$1 000 000 and by internal funds, will enable the bank to meet commitments which at June 30, 1977, totalled almost \$3 300 000, and will allow it to assist producer co-operatives in financing further capital replacement and expansion programmes.

**Advances to State Bank, \$9 000 000**—In 1976-77, a total of \$11 800 000 was advanced to the State Bank, comprising \$2 800 000 of normal support for the bank's housing finance services and traditional banking activities and a special allocation from Loan Account of \$9 000 000 to provide further support to the housing programme. That special allocation was required to meet problems arising from a decline in mortgage repayments, which are used for relending to prospective home purchasers, and also to provide some stimulus to the home-building industry, which is experiencing the effect of inadequate Commonwealth allocations of welfare housing funds. A further advance of \$9 000 000 is proposed for 1977-78. These funds will be used mainly for housing loans where applicants fall outside the means test under the Housing Agreement, and partly for the provision of working funds to the bank's customers, including those in wine and fruit processing industries. It will also assist the bank to finance a small equity holding in Beneficial Finance Corporation Limited.

**Stormwater Drainage, \$2 120 000**—Dollar-for-dollar subsidies to assist councils in the disposal of floodwaters amounted to \$1 692 000 in 1976-77. Payments were made to 19 councils and two drainage construction authorities. There are still a large number of projects under construction. They include the Torrens Road scheme and schemes in the Klemzig, Payneham, Bowden, Murray Bridge and Whyalla areas. There is still an extensive need for adequate drainage, and it is proposed to make \$2 120 000 available in 1977-78 to subsidise local government expenditure on works. Councils will have semi-government borrowings available to them in order to meet their share of the cost of approved schemes.

**Lands Department—Buildings, Plant, etc., \$1 430 000**—A total of \$1 304 000 was expended in 1976-77 on buildings, plant and equipment for the Lands Department. It is proposed to make \$1 430 000 available in 1977-78. That amount provides for the purchase of mapping equipment and electronic equipment for the land ownership and tenure system.

**Irrigation and Reclamation of Swamp Lands, \$4 900 000**—In 1976-77, Loan expenditure on rehabilitation of pumping and water distribution facilities in irrigated areas was \$3 601 000. Laying of mains has been completed in the Waikerie area, and progress is now being made on the Berri scheme. However, recently completed works in the Chaffey area have been affected by a succession of high river levels and some modifications to design have become necessary. The proposed allocation of \$4 900 000 in 1977-78 will enable the continuation of works in progress and allow attention to be given to urgent drainage problems.

**Renmark Irrigation Trust, \$800 000**—A total of \$784 000 was advanced to the Renmark Irrigation Trust last year by way of grants and repayable loans towards rehabilitation of the irrigation system in the trust's area. Installation of irrigation pipe mains, drainage caissons and domestic water supplies continued during 1976-77, and work is expected to be completed in 1979. It is proposed to allocate a further \$800 000 for this purpose in 1977-78.

**Afforestation and Timber Milling, \$8 000 000**—Loan expenditure by the State forestry undertaking in 1976-77

amounted to \$6 643 000. During the year the Woods and Forests Department completed the construction of two high-temperature kilns at the Mount Gambier State mill and purchased a sawmill in the Adelaide Hills under a joint venture arrangement with Softwood Holdings Limited. Several other improvement projects were commenced and will be continued in the current year so that the sawmills can work at a high level of technical and operating efficiency. Almost 600 hectares of land was purchased in 1976-77 for afforestation purposes. Establishment of the 1977 forest plantation comprising almost 1 300 hectares is now in progress and just over 1 350 hectares is being prepared for planting in 1978. The proposed allocation of \$8 000 000 will enable the department to maintain its forestry works and continue a major programme to improve the efficiency and profitability of the Mount Gambier State mill.

**Harbors Accommodation, \$9 530 000**—Loan expenditure on harbor facilities and equipment in 1976-77 amounted to \$8 705 000. The containership berth at Outer Harbor and one section of the bulk loading facility at Port Lincoln were commissioned during the year. Progress is being made on a swinging basin and the deepening of approaches at Outer Harbor as well as the rehabilitation of berths at Port Adelaide. It is proposed to allocate \$9 530 000 for the continuation of these works in 1977-78.

**Fishing Havens, \$1 300 000**—In 1976-77, Loan expenditure on fishing havens amounted to \$1 272 000. Work continued on the construction of a breakwater at Port MacDonnell to provide protection for the foreshore and the fishing fleet, as well as the construction of a fishing boat harbor at North Arm in the Port Adelaide River. An allocation of \$1 300 000 is proposed to complete these works in 1977-78.

**Waterworks and Sewers, \$69 860 000**—A total of \$64 336 000 was expended on waterworks and sewerage services in 1976-77. Included in that amount were specific grants and loans from the Commonwealth Government of \$9 558 000 towards the Adelaide water treatment scheme and \$1 000 000 towards sewerage projects. Twenty-four major projects were completed during the year. They included the replacement of the prestressed concrete section of the Morgan-Whyalla pipeline, Lock-Kimba water supply, four metropolitan water supply projects, six country water supply schemes, major sewerage works at Blackwood-Belair, Christies Beach and Noarlunga, Port Pirie, and Victor Harbor, and smaller sewerage installations and extensions in seven other areas. Progress was also made during the year on 40 other major projects some of which I shall mention in a moment.

The provision of waterworks and sewerage services continues to receive high priority. To finance the continuation of a major programme of essential works to meet the present and prospective needs of the State, we had contemplated the allocation of \$61 900 000 from State Loan funds in 1977-78, in the expectation of receiving Commonwealth grants and loans of \$9 000 000 for water treatment. That expectation recognised only those specific water treatment projects for which the Commonwealth had declared its support. The Commonwealth has now advised that only \$10 300 000 will be available for water treatment projects in South Australia over the next two financial years. This falls far short of the required amount and there are indications that further support may not be provided. It is anticipated that only \$5 600 000 of the \$10 300 000 will become available in 1977-78. By recasting our overall programme of present and future Government works, an aggregate amount of \$69 860 000 of State and Commonwealth funds has been allocated for 1977-78 to continue the department's essential works and maintain

employment opportunities.

**Metropolitan Waterworks, \$19 432 000**—A provision of \$7 300 000 has been made for continuing work on the construction of water treatment and filtration plants in the metropolitan area in 1977-78. A further \$3 761 000 has been allocated to enable construction of the Little Para Dam to continue.

**Country Waterworks, \$14 385 000**—Some of the major country water supply projects included in the 1977-78 plan are: Arthurton Summit storage \$1 098 000, Baroota \$786 000, North Side Hill \$2 513 000, North Yelta-Moonta tank \$420 000 and Paskeville, Kadina and Wallaroo \$729 000.

**Metropolitan Sewerage, \$17 050 000**—A sum of \$3 076 000 has been allocated for construction of the Southern and Onkaparinga trunk sewer which forms part of the trunk sewer system in the Christies Beach and Noarlunga area. It will serve Land Commission and Housing Trust development towards Hackham. A sum of \$1 135 000 will be made available for the Christies Creek trunk sewer which will serve some existing subdivisions and areas proposed to be developed by the Land Commission and private developers. A further \$1 145 000 is proposed to be allocated for the north-eastern suburbs trunk sewer reconstruction to eliminate flooding and overflows of sewage into the Torrens River.

**Country Sewers, \$6 333 000**—The sum of \$1 788 000 has been allocated to works on the Port Augusta East sewerage scheme. This project will reduce water pollution by preventing drainage of effluent into the gulf near the township. A further \$972 000 has been provided for the continuation of Port Pirie sewerage works.

**River Murray Weirs, Dams, Locks, etc., \$8 285 000**—During 1976-77, South Australia made a contribution of \$8 626 000 towards capital works carried out under the River Murray Waters Agreement. Of that amount, \$6 751 000 was provided from State Loan funds and \$1 875 000 by way of a loan to the State from the Commonwealth Government. That loan brought the Commonwealth's financial assistance to the State for the Dartmouth Dam project to its previously approved level of \$8 800 000. The Commonwealth has indicated that it will not go beyond that level. The State will have to provide \$8 000 000 from its own funds in 1977-78, so that this important project may proceed. The State is also providing \$285 000 for other capital works undertaken under the agreement bringing its total allocation for 1977-78 to \$8 285 000.

**Government Buildings, Land and Services, \$113 755 000.**

**Hospital Buildings, \$28 200 000**—In 1976-77, an amount of \$29 720 000 was spent from State Loan funds on Government hospital buildings and facilities. Included in that amount was \$13 000 000 received from the Commonwealth Government under the Hospitals Development Programme. Works completed during 1976-77 included a geriatric block and physiotherapy and occupational therapy facilities at Port Augusta Hospital, extensions to the diagnostic radiology department of the Mount Gambier Hospital, and installation of computer facilities at the Flinders Medical Centre. The provision of hospital facilities is still a matter of high priority with a growing and urgent demand emerging in the northern sector of the metropolitan area. To finance the continuation of a total Government and non-government hospital works programme designed to meet the present and prospective needs of the State, we had contemplated an allocation of funds aggregating \$43 600 000 in 1977-78. This was in the expectation of receiving \$14 300 000 from the Commonwealth under the Hospitals Development Programme.

The Commonwealth has now advised that only \$5 100 000 will be available to South Australia in 1977-78 under that programme. The short-fall of \$9 200 000, a major setback to our expectations, has made necessary a recasting and reduction in our total hospital works programme, so that in this Bill and in the Loan Estimates only \$38 600 000 is provided of which \$28 200 000 has been allocated to Government hospitals and \$10 400 000 to non-government hospitals and institutions. The urgently required Para Districts Hospital has now had to be deferred as a direct result of the Commonwealth's action. The proposed allocation of \$28 200 000 for 1977-78 provides for commitments on existing works in progress and for a large number of minor works. It also makes an allowance for the commencement of some new works. Some of the major proposals for 1977-78 are as follows:

**Flinders Medical Centre**—The sum of \$6 650 000 is required to complete Phases I to III of this project by the end of 1977, and \$2 350 000 has been provided for work to commence on Phase IV of the project which includes provision of a day hospital for psychiatric and psychogeriatric patients, the completion of a second clinical demonstration theatre, the provision of accommodation for a future cardiac surgery unit, and provision of additional residential blocks. These works will increase the number of patient beds at the centre to a total of 708.

**Glenside Hospital**—The sum of \$5 766 000 has been allocated to Glenside Hospital for the continuation of work on sub-acute wards, maximum care wards, psychogeriatric wards, frozen food facilities and the administration building.

**Modbury Hospital**—A total of \$3 707 000 is proposed for further development of the Modbury Hospital comprising the construction of a three-storey education block to provide nurse training facilities, the construction of a psychiatric admission block to provide accommodation for 40 in-patients and facilities for 30 out-patients and the completion of two 32-bed wards in the existing main building.

**Royal Adelaide Hospital**—The sum of \$1 856 000 is required for further alterations and additions to the Royal Adelaide Hospital, including redevelopment of the Northfield Wards.

**Frozen Food Factory**—A sum of \$1 716 000 has been provided to enable the frozen food factory at Dudley Park to be completed in 1977.

**Queen Elizabeth Hospital**—The sum of \$950 000 will be expended on additions to the Queen Elizabeth Hospital including the expansion of emergency service facilities.

**Port Pirie Hospital**—The sum of \$1 213 000 has been allocated to the Port Pirie Hospital mainly for the geriatric ward block which is expected to be completed in December this year.

**Primary and Secondary Schools, \$43 800 000**—A total of \$40 481 000 was spent in 1976-77 on primary and secondary school buildings and facilities of which \$13 018 000 was provided by the Commonwealth Government. Details of expenditure are as follows:

The completion of 48 major projects with a total cost of \$31 340 000 .....	\$ 18 502 000
Work in progress on 37 major projects with an estimated total value of \$33 701 000 ..	8 359 000
Purchase of land and property .....	1 259 000
Minor works and buildings, final payments on contracts .....	9 146 000
Emergency classrooms .....	330 000
Furniture .....	2 542 000
Preliminary investigations and design .....	343 000
	<hr/>
	\$40 481 000

The proposed allocation of \$43 800 000 is expected to include an amount of \$14 500 000 from the Commonwealth Government. These funds are intended to be applied to work as follows:

	\$
The continuation of work on 37 major projects estimated to cost \$33 701 000 ...	18 663 000
The commencement of 63 major projects estimated to cost \$24 271 000 .....	13 881 000
Purchase of land and property .....	1 500 000
Minor works and buildings, final payments on contracts .....	7 456 000
Emergency classrooms .....	250 000
Furniture .....	1 200 000
Preliminary investigations and design .....	850 000
	<hr/>
	\$43 800 000

**Further Education, \$12 100 000**—A total of \$10 180 000 was spent on further education projects in 1976-77 of which \$2 143 000 was provided by the Commonwealth Government. The payments were made as follows:

	\$
The completion of seven major projects with a total value of \$14 796 000 .....	4 743 000
Work in progress on four major projects estimated to cost \$13 217 000 .....	2 983 000
Land and property .....	650 000
Minor works and final payments on completed contracts .....	1 393 000
Furniture and equipment .....	250 000
Preliminary investigations and design .....	161 000
	<hr/>
	\$10 180 000

The allocation of \$12 100 000 proposed for 1977-78 includes an expected contribution from the Commonwealth Government of about \$3 900 000. The expenditure of these funds has been planned as follows:

	\$
The continuation of work on four projects estimated to cost \$13 217 000 .....	7 437 000
The commencement of six major projects estimated to cost \$11 816 000 .....	1 758 000
Land and property .....	530 000
Minor works and final payments on completed contracts .....	2 125 000
Furniture and equipment .....	200 000
Preliminary investigations and design .....	50 000
	<hr/>
	\$12 100 000

**Other Government Buildings, \$29 655 000**—Expenditure from Loan Account in 1976-77 totalled \$27 497 000. Major works completed during the year included the Education Centre, the first stage of upgrading Parliament House and the establishment of dental clinics at 15 schools.

A sum of \$29 655 000 is proposed to be allocated for various Government building in 1977-78. Some of the larger provisions are as follows:

**Forensic Science Building**—The sum of \$3 159 000 is required to complete this project.

**Marine and Harbors**—An amount of \$3 160 000 has been provided for work to continue on the office building at Port Adelaide.

**Parliament House**—The sum of \$1 414 000 has been allocated for further renovations and upgrading of Parliament House.



**Country Fire Services Headquarters**—An amount of \$881 000 is planned to be expended on a two-storey building at Keswick to accommodate the headquarters of the Country Fire Services.

**Dental Clinics**—The sum of \$1 113 000 is proposed for 15 new dental clinics to be established this financial year. An amount of \$817 000 was made available by the Commonwealth Government for capital expenditure on dental clinics and training facilities for dental therapists in 1976-77. The Commonwealth has now indicated that its contribution towards capital costs under the School Dental Scheme will be reduced from 90 per cent to 75 per cent and consequently their support in 1977-78 is expected to be about \$650 000.

**Parks Community Centre**—Work has commenced on the construction of a multi-purpose community centre at Angle Park which includes school, child care, health and recreational facilities. An amount of \$7 222 000 is proposed for this project in 1977-78. It is reflected in allocations proposed for primary and secondary schools, community health and other Government buildings. The proposed allocation includes the Commonwealth's contribution to this project of \$3 196 000.

**National Reserves, \$1 250 000**—An amount of \$1 250 000 was spent on national reserves in 1976-77. During 1976-77, work proceeded on the reconstruction of the Belair golf course and water and sewerage facilities at Belair Recreation Park, the development of facilities at Wilpena Pound and the construction of a visitor centre at Cleland Conservation Park. A parcel of land, comprising 756 hectares, was purchased at Dry Creek. An allocation of \$1 250 000 is proposed for 1977-78.

**Electricity Trust of South Australia, Nil**—In 1976-77, the capital expenditure of the trust totalled about \$39 000 000 of which \$6 000 000 was advanced from Loan Account and \$12 500 000 was raised under the semi-government borrowing programme. A capital works programme of \$58 840 000 has been planned for 1977-78 of which \$29 610 000 is to be financed from the semi-government borrowing programme and the balance of \$29 230 000 is to be financed from the trust's internal funds. Because of the tight situation created by the Commonwealth Government's limited support for new capital funds, it is not possible to make any State Loan funds available to the trust during 1977-78. The second power generating unit a Torrens Island power station has now commenced commercial operations and the 1977-78 programme provides for a further \$22 860 000 to be spent on that power station. The 1977-78 programme also provides for the installation of gas turbines and associated plant at the Snuggery power station, and development of the Leigh Creek coalfield including relocation of the township.

**State Transport Authority, \$4 790 000**—In 1976-77, the capital expenditure by the authority totalled \$13 300 000. Of that amount, \$7 400 000 was advanced from State Loan funds, \$4 300 000 by the Commonwealth Government under the States Grants (Urban Public Transport) Act, and \$1 600 000 was made available from the internal sources of the authority. During 1976-77, the Bus and Tram Division commissioned 11 of its proposed new fleet of 310 Volvo buses and opened a new bus depot at Morphetville Park. The Rail Division continued its programme of civil works including work on the Christie Downs rail system and commenced a programme of resignalling the Adelaide railway yards and the improvement of rolling stock. An allocation of \$4 790 000 is proposed in 1977-78 to provide for the continuation of these major works. The authority will supplement these funds from its own internal sources and from the smaller semi-government borrowing programme to carry out a

total programme of about \$23 000 000. The authority is also currently acting as agent for the Australian National Railways Commission in respect to the non-metropolitan railway system pending declaration of the transfer date. In 1976-77, the authority spent \$4 100 000 on behalf of the commission, and this was included fully in Loan Account payments and partly in repayments, being affected by adjustments for the previous year. An amount of \$6 500 000 is expected to be spent in 1977-78 and, with the declared date expected to be fairly soon, it is proposed to handle the commission's transactions outside the Loan Account this year.

**Non-Government Hospital and Institution Buildings, \$10 400 000**—Almost \$12 337 000 of State Loan funds was contributed in 1976-77 towards capital programmes of non-government hospitals and institutions including \$4 485 000 to the Adelaide Children's Hospital and \$6 661 000 to the Home for Incurables. A number of smaller projects at some 18 hospitals and institutions were completed during the year. The proposed allocation of \$10 400 000 will assist 33 institutions in financing their capital works programmes in 1977-78. It includes further grants of \$3 458 000 to the Adelaide Children's Hospital, \$2 100 000 to the Home for Incurables and \$780 000 towards the St. John Ambulance headquarters building.

**Community Health and Associated Projects, \$800 000**—A total of \$919 000 was expended in 1976-77 on buildings, equipment, vehicles and furniture for community health centres. Of this amount \$609 000 was provided by the Commonwealth Government. Projects completed during the year included interim accommodation for health services in the Christies and Noarlunga area, renovations and alterations to the existing buildings at Whyalla and Clovelly Park, and the provision of solid construction buildings at Port Lincoln, Tumby Bay and Lock. The proposed allocation for 1977-78 is \$800 000. The Commonwealth contribution, expected to be of the order of \$400 000 is included therein.

**South Australian Land Commission, Nil**—Actual expenditure in 1976-77 amounted to \$17 700 000, of which \$1 900 000 was advanced from State Loan funds, \$5 800 000 from Commonwealth funds, and \$4 100 000 was obtained from semi-government borrowings. The remainder was financed from the commission's internal funds, including recoveries from sales of developed land. Of that total expenditure, \$7 000 000 was for the purchase of land in urban areas, and \$9 900 000 for the development of land. The commission's programme for 1977-78 envisages expenditure of the order of \$24 900 000, of which \$16 300 000 is proposed for land development and \$6 300 000 for land acquisition. It is expected that the Commonwealth Government will meet its minimum obligation of \$6 000 000 under the agreement and, if that is so, the commission should be able to meet the remainder of its programme from its internal sources. Consequently, no allocation of State Loan funds is proposed for 1977-78. The commission will be able to borrow up to \$1 000 000 under the smallest semi-government programme.

**South Australian Teacher Housing Authority, \$900 000**—In 1976-77, the authority spent \$1 700 000 to provide suitable accommodation for married teachers in country areas. An account of \$1 218 000 was advanced from State Loan funds, and \$800 000 was borrowed under the smaller semi-government borrowing programme. It is proposed to make \$900 000 available in 1977-78 to enable the authority to continue its programme which the authority may supplement from the smaller semi-government borrowing programme.

**Transport Research and Development, \$1 100 000**—An amount of \$977 000 was spent in 1976-77 on research and development, of which \$380 000 was received from the Commonwealth under the Transport (Planning and Research) Act. The main research projects undertaken during the year included a major planning study of the public transport options for the north-eastern suburbs, the metropolitan Adelaide data base study, and an investigation of the role of electric vehicles in urban transport. An allocation of \$1 100 000 is proposed for 1977-78.

**Effluent Drainage, \$1 600 000**—In 1976-77, an amount of \$1 450 000 was paid to local authorities by way of subsidies towards the construction of effluent drainage schemes. A total of 13 authorities received assistance with the Corporation of Kadina and the District Councils of Crystal Brook, Port Elliot and Goolwa, and Barossa receiving the major support. It is proposed to make \$1 600 000 available for subsidies in 1977-78.

**Department of Services and Supply, \$2 040 000**—A total of \$1 747 000 was expended by the department during 1976-77 as follows:

	\$
Automatic Data Processing Division .....	900 000
Printing Division .....	500 000
State Supply Division .....	347 000
	\$1 747 000

The proposed allocation of \$2 040 000 for 1977-78 provides for the purchase of phototypesetting equipment for the Printing Division and some capital works at the Port Lincoln meatworks. The completion of these works was part of the approved arrangement to transfer them to the South Australian Meat Corporation.

**Education Department—School Buses, \$1 800 000**—An amount of \$1 579 000 was expended on the purchase of school buses in 1976-77. Seventy-one buses were purchased, of which 57 have been put into service in country areas. The proposed allocation for 1977-78 is \$1 800 000.

**Tourism, Recreation and Sport, \$1 200 000**—A total of \$1 811 000 was spent in 1976-77 on the development of tourist, recreational and sporting facilities throughout the State. Of that amount, \$1 049 000 was made available from State Loan funds and \$762 000 was received from the Commonwealth. Major projects completed during the year included the Elizabeth Leisure Centre, the Kadina and Districts Recreation Centre and a surf life-saving headquarters at West Lakes. Work is proceeding on the St. Vincent's Recreation Centre at Christies Beach and the Marino Quarry Recreation Centre. An allocation of \$1 200 000 is proposed for 1977-78 for the continuation of these and other works.

**Mr. TONKIN** secured the adjournment of the debate.

## Appendix I

## Primary and Secondary Schools

## Major Works Completed in 1976-77

Locality	Total Cost \$	Type of Construction
Primary and Junior Primary Schools—		
New Schools—		
Bellevue Heights Primary—Stage I	855 000	Demac
Direk Primary—Stage I	988 000	Brick
Flagstaff Hill Primary—Stage I	1 145 000	Brick
Highbury Junior Primary	614 000	Brick
Lonsdale Heights Primary	1 421 000	Brick
Modbury South Junior Primary	630 000	Brick
Modbury West Junior Primary	576 000	Brick
Major Additions and Upgrading—		
Augusta Park Primary	300 000	Samcon
Black Forest Primary	167 000	Brick
Camden Primary	656 000	Demac
Hindmarsh Primary—Library Resource Centre	61 000	Brick
Magill Junior Primary	822 000	Brick
Millicent North Primary	223 000	Samcon
Nuriootpa Primary	1 244 000	Brick
Paringa Park Primary—Stage I	716 000	Brick
Salisbury North Primary	1 130 000	Brick
Strathalbyn Primary	368 000	Demac
Woodside Primary—Upgrading	79 000	Brick
High Schools—		
New Schools—		
Modbury Heights High	4 535 000	Brick
Morphett Vale East High	4 108 000	Brick
Parafield Gardens High	4 344 000	Brick
Major Additions and Upgrading—		
Augusta Park High	116 000	Demac
Brighton High—Music Suite	70 000	Brick
Dover High—Stage II	308 000	Brick
Glossop High—Metalwork Building	188 000	Brick
Kadina High	843 000	Brick
Le Fevre High—Stage II	116 000	Brick
Mannum High—Resource Centre	105 000	Demac
Salisbury East High	616 000	Brick
Stuart High	155 000	Demac
Taperoo High—Art/Craft	58 000	Demac
Urrbrae High—Resource Centre	130 000	Demac
Vermont High—Canteen	51 000	Brick
Area Schools—		
New Schools—		
Karcultaby Area	1 659 000	Samcon
Major Additions and Upgrading—		
Kingston Area—Resource Centre	152 000	Demac
Pinnaroo Area—Home Economics	110 000	Demac
Special Schools—		
Ashford House	87 000	Brick
Barton Terrace Special Education Facilities	58 000	Brick
Kings Park Special Education Facilities	105 000	Brick
General—		
Christies Beach High—Overpass	50 000	—
Henley High—Parking Area	43 000	—
Mawson High—Civil Works	45 000	—
Para Vista High—Surface Drainage and Dewatering	61 000	—
Port Noarlunga Primary—Civil Works	70 000	—
Seacliff Primary—Upgrading of Grounds	100 000	—
Subsidised Works—		
Findon High—Multi-purpose Hall	286 000	Brick
Other Projects—		
Wattle Park Teachers Centre—Stages I and II	285 000	Brick
Western Regional Centre (Whyalla)	491 000	Brick

Appendix I—continued  
**Primary and Secondary Schools—continued**  
*Major Works in Progress at June 30, 1977*

Locality	Total Cost \$	Type of Construction
<b>Primary and Junior Primary Schools—</b>		
<b>New Schools—</b>		
Hackham East Junior Primary .....	427 000	Demac
Kidman Park Junior Primary .....	750 000	Brick
Morphett Vale South Primary—Stage I .....	1 089 000	Demac
Morphett Vale West Primary .....	1 058 000	Demac
Paradise Primary .....	1 532 000	Brick
Redwood Park Primary—Stage I .....	1 400 000	Brick
<b>Major Additions and Upgrading—</b>		
Coromandel Valley Primary .....	1 180 000	Demac
Croydon Junior Primary—Stage II .....	535 000	Brick
Fairview Park Primary—Stage II .....	257 000	Demac
Frazer Park Primary—Stages II and III .....	371 000	Demac
Port Noarlunga South Primary—Stage II .....	360 000	Brick
Rose Park Junior Primary .....	234 000	Brick
Salisbury Downs Primary—Stage II .....	520 000	Brick
Stirling East Primary .....	397 000	Demac
Woodville Primary—Stage I .....	688 000	Brick
<b>High Schools—</b>		
<b>New Schools—</b>		
The Parks Community Centre (education component only) . . .	8 320 000	Brick
<b>Major Additions and Upgrading—</b>		
Banksia Park High .....	301 000	Demac
Burra Community School .....	3 000 000	Brick
Gawler High—Major Additions .....	970 000	Brick
Gawler High—Art/Craft .....	208 000	Demac
Kapunda High—Home Economics .....	104 000	Demac
Marryatville High .....	2 400 000	Brick
Mawson High—Stage II .....	648 000	Brick
Modbury High .....	937 000	Brick
Nailsworth High—Stages I and II .....	2 047 000	Brick
Port Pirie High—Stage II .....	1 100 000	Brick
Salisbury East High—Art/Craft .....	214 000	Demac
Woodville High—Home Economics .....	171 000	Demac
<b>Area Schools—</b>		
<b>Major Additions—</b>		
Oakbank Area—Resource Centre .....	134 000	Demac
<b>Special Schools—</b>		
Whyalla .....	492 000	Demac
<b>General—</b>		
Kidman Park High—Playing Fields .....	83 000	—
Para Vista High—Cold Water Reticulation and Hot Water Supply	83 000	—
<b>Subsidised Projects—</b>		
Campbelltown High—Activity Centre .....	696 000	Brick
Enfield High—Activity Centre .....	596 000	Brick
Stradbroke Primary—Activities Area .....	138 000	Brick
<b>Other Projects—</b>		
Central Western Regional Education Office .....	106 000	—
Lower Murray Regional Education Office .....	155 000	—

*Major Projects to be Commenced During 1977-78*

**Primary and Junior Primary Schools—**

**New Schools—**

Blair Park South Primary .....	1 484 000	Demac
North Haven Primary .....	1 600 000	Brick
Reynella East Primary .....	1 700 000	Brick
West Lakes Shore Primary .....	1 600 000	Brick

## Appendix I—continued

## Primary and Secondary Schools—continued

## Major Projects to be Commenced During 1977-78—continued

Locality	Total Cost \$	Type of Construction
<b>Major Additions and Upgrading—</b>		
Banksia Park Primary .....	395 000	Demac
Bankia Park Junior Primary .....	269 000	Demac
Bellevue Heights Primary—Stage II .....	364 000	Demac
Blair Athol Primary .....	193 000	Demac
Braeview Primary—Stage II .....	415 000	Brick
Campbelltown Junior Primary .....	900 000	Brick
Crafers Primary .....	220 000	Cement Block
Darlington Primary .....	455 000	Brick
Dernancourt Primary .....	425 000	Brick
Direk Primary—Stage II .....	349 000	Brick
Flagstaff Hill Primary—Stage II .....	366 000	Brick
Hackham East Primary .....	348 000	Demac
Hawthorndene Primary .....	236 000	Demac
Highbury Primary .....	190 000	Demac
Kapunda Primary .....	100 000	Demac
Lobethal Primary .....	495 000	Brick
Marryatville Primary .....	461 000	Demac
Minlaton Primary .....	100 000	Demac
Mitchell Park Primary .....	410 000	Brick
Moorook Primary .....	255 000	Demac
Morphett Vale East Primary .....	318 000	Demac
Mount Gambier North Primary .....	405 000	Brick
Nailsworth Primary .....	430 000	Brick
Parkside Primary .....	187 000	Demac
Plympton Primary .....	450 000	Brick
Renmark Primary .....	230 000	Demac
Seaview Downs Primary .....	414 000	Demac
Solomontown Primary .....	107 000	Demac
Stradbroke Primary .....	440 000	Brick
Tantanoola Primary .....	141 000	Demac
Thorndon Park Primary .....	430 000	Brick
Walkerville Primary .....	201 000	Demac
Woodside Primary .....	231 000	Demac
Victor Harbor Primary .....	495 000	Demac
<b>High Schools—</b>		
<b>Major Additions and Upgrading—</b>		
Balaklava High .....	179 000	Demac
Elizabeth West High .....	475 000	Brick
Enfield High .....	495 000	Brick
Eyre High .....	173 000	Demac
Fremont High .....	140 000	Brick
Glenunga High .....	234 000	Brick
Jamestown High .....	118 000	Demac
Modbury High .....	90 000	Brick
Playford High .....	460 000	Brick
Salisbury North High .....	470 000	Brick
Strathalbyn High .....	109 000	Demac
Strathmont High .....	250 000	—
<b>Area Schools—</b>		
<b>Major Additions and Upgrading—</b>		
Karoonda Area .....	144 000	Demac
Kingscote Area .....	1 600 000	Demac
Maitland Area .....	195 000	Demac
<b>Special Schools—</b>		
Christies Beach .....	100 000	Brick
Hectorville Primary—Special Education Facilities .....	29 000	Timber
Kensington .....	500 000	Brick
Kilburn Primary—Special Education Facilities .....	37 000	Timber
Mitchell Park Primary—Special Education Facilities .....	45 000	Timber
Modbury Primary—Special Education Facilities .....	45 000	Timber

## Appendix I—continued

## Primary and Secondary Schools—continued

## Major Works to be Commenced During 1977-78

Locality	Total Cost \$	Type of Construction
Subsidised Works—		
Glenunga High—Multi-purpose Hall . . . . .	350 000	Brick
General—		
Morphett Vale South Primary—Underpass . . . . .	54 000	—
Payneham Primary—Contribution to Sports Hall . . . . .	70 000	—
St. Vincent's Recreation Centre—Education Contribution . . . . .	100 000	—

## Major Projects for which Planning and Design is Proposed During 1977-78

Primary and Junior Primary Schools—	Salisbury West Primary
Aberfoyle Park Primary	Sheidow Park Primary
Aldgate Primary	Smithfield North Primary
Barmera Primary	Stirling North Primary
Belair Primary	Two Wells Primary
Birdwood Primary	Willunga Primary
Crafers Primary	Yetto Primary
East Adelaide Primary	Area Schools—
Gumeracha Primary	Ceduna Area
Hackham West Primary	Kangaroo Inn Area—Multi-purpose Hall
Hallet Cove East Primary	Kingston Area
Happy Valley Primary	Meningie Area
Hawthorndene Primary	Pinnaroo Area
Leigh Creek Primary	Port Broughton Area
Meadows Primary	High Schools—
Noarlunga Primary	Elizabeth High—Multi-purpose Hall
Pedare Primary	Heathfield High
Pennington Junior Primary	Marden High—Resource Centre
Plympton Primary	Millicent High—Multi-purpose Hall
Port Augusta North-West Primary	Renmark High
Richmond Primary	Reynella East High
St. Agnes West Primary	Surrey Downs High
Salisbury Heights Primary	Thebarton Community Centre

## Appendix II

## Further Education Buildings

Locality	Total Cost \$	Type of Construction
Major Works Completed in 1976-77		
New Buildings—		
Regency Park Community College—Phase IA . . . . .	14 028 000	Precast Concrete Panels
Major Additions—		
Croydon Park College of Further Education—General Studies . . . . .	146 000	Demac
Elizabeth Community College—General Studies . . . . .	107 000	Demac
Marleston College of Further Education—School of Wool . . . . .	293 000	Demac
School of Business Studies—Centrepoint . . . . .	81 000	—
General—		
Elizabeth Community College—Car Park . . . . .	55 000	—
Port Augusta College of Further Education—Car Park . . . . .	86 000	—

## Major Works in Progress at June 30, 1977

New Buildings—		
Regency Park Community College—Administration/Resource Centre . . . . .	3 831 000	Precast Concrete Panels
Major Additions—		
Croydon Park College of Further Education—Extensions to School of Automotive Engineering . . . . .	1 101 000	Brick
Elizabeth Community College—Extensions . . . . .	285 000	Brick
Whyalla College of Further Education—Stage II . . . . .	8 000 000	Concrete Block

## Major Works to be Commenced During 1977-78

New Buildings—		
Regency Park Community College—Classroom Block and Mechanical Engineering . . . . .	9 500 000	Precast Concrete Panels
Major Additions—		
City West College of Further Education—Alterations . . . . .	413 000	—
Kensington Park Community College—Alterations . . . . .	128 000	—
Riverland College of Further Education—Theatre . . . . .	1 425 000	Brick
Regency Park Civil Works . . . . .	256 000	—
Kensington Park Community College—Car Park . . . . .	94 000	—

## Major Projects for which Planning and Design is Proposed During 1977-78

Elizabeth Community College—Learning Resource Centre
Gilles Plains Community College—Stage I
Noarlunga Community College
Tea Tree Gully College of Further Education

## APPENDIX III

## STATEMENT OF APPROPRIATION AUTHORITIES FOR ACTUAL PAYMENTS FROM THE LOAN ACCOUNT 1976-77

Loan Undertaking	Appropriation Authorities							
	Pursuant to the Public Purposes Loan Act, 1976				Pursuant to Section 32b, Public Finance Act	Total Appropriation Authorities	Actual Payments	
	Schedule to the Act	Variations Made Pursuant to Section 6 (3) of the Act		Total Appropriation Authorities as Varied				
		Increase	Decrease					
	\$	\$	\$	\$	\$	\$		
State Bank	Advances for Homes	20 000	—	1 000	19 000	—	19 000	14 805
	Loans to Producers	2 950 000	—	634 000	2 316 000	—	2 316 000	2 316 000
	Advances to Settlers	80 000	100 000	—	180 000	—	180 000	168 864
	Loans for Fencing and Water Piping	10 000	—	5 000	5 000	—	5 000	4 283
	Advances to State Bank	2 800 000	830 000	—	3 630 000	—	3 630 000	2 800 000
	Student Hostels	40 000	—	40 000	—	—	—	—
Highways	South-Western Suburbs Drainage	20 000	—	—	20 000	43 000	63 000	37 436
	Stormwater Drainage	1 450 000	350 000	—	1 800 000	—	1 800 000	1 692 494
Lands, Irrigation and Drainage	Lands Department—Buildings, Plant, etc.	1 510 000	—	—	1 510 000	200 000	1 710 000	1 304 149
	Irrigation and Reclamation of Swamp Lands	3 650 000	—	—	3 650 000	—	3 650 000	3 600 561
	South-Eastern Drainage	80 000	—	—	80 000	—	80 000	78 075
	Renmark Irrigation Trust	600 000	183 900	—	783 900	—	783 900	783 900
Woods and Forests	Afforestation and Timber Milling	7 550 000	—	—	7 550 000	—	7 550 000	6 643 214
Marine and Harbors	Harbors Accommodation	8 350 000	801 000	—	9 151 000	—	9 151 000	8 705 253
	Fishing Havens	1 200 000	95 000	—	1 295 000	—	1 295 000	1 271 827
Engineering and Water Supply	Waterworks and Sewers	65 800 000	—	—	65 800 000	—	65 800 000	64 336 411
	River Murray Weirs, Dams, Locks, etc.	7 070 000	—	—	7 070 000	—	7 070 000	6 750 809
Public Buildings	Government Buildings, Land and Services—							
	Hospital Buildings and Services	33 000 000	—	3 000 000	30 000 000	—	30 000 000	29 719 879
	Primary and Secondary Schools	40 500 000	—	—	40 500 000	—	40 500 000	40 481 438
	Further Education	10 400 000	—	218 250	10 181 750	—	10 181 750	10 180 331
	Other Government Buildings	27 500 000	—	—	27 500 000	—	27 500 000	27 496 804
Environment	National Reserves	1 250 000	—	—	1 250 000	—	1 250 000	1 250 000
Other Capital Advances and Provisions	Advances for Housing	—	—	—	—	13 000 000	13 000 000	9 000 000
	Electricity Trust of South Australia	6 000 000	—	—	6 000 000	—	6 000 000	6 000 000
	State Transport Authority—							
	Bus and Tram Division	1 000 000	—	—	1 000 000	—	1 000 000	1 000 000
	Rail Division	15 800 000	—	1 696 900	14 103 100	—	14 103 100	10 507 837
	South Australian Industries Assistance Corporation	500 000	—	—	500 000	—	500 000	500 000
	Non-government Hospital and Institution Buildings	9 500 000	3 000 000	—	12 500 000	—	12 500 000	12 336 614
	Community Health and Associated Projects	990 000	—	—	990 000	—	990 000	918 842
	Monarto Development Commission	1 400 000	—	—	1 400 000	—	1 400 000	—
	South Australian Land Commission	1 900 000	—	—	1 900 000	—	1 900 000	1 900 000
	South Australian Teacher Housing Authority	1 000 000	218 250	—	1 218 250	—	1 218 250	1 218 250
Miscellaneous	Expenses and Discounts of Floating Conversion and Public Loans	705 000	—	—	705 000	—	705 000	303 421
	Department of Transport—							
	Transport—Research and Development	960 000	17 000	—	977 000	—	977 000	977 000
	Local Government—							
	Effluent Drainage	1 450 000	—	—	1 450 000	—	1 450 000	1 450 000
	Public Parks	300 000	—	—	300 000	—	300 000	300 000
	Mines Department—Buildings, Plant, etc.	400 000	—	—	400 000	—	400 000	399 881
	Department of Services and Supply—							
	Printing Division—Plant, Machinery, Stores, etc.	500 000	—	—	500 000	—	500 000	499 999
	Supply Division—Buildings, Plant, Stores, etc.	500 000	—	—	500 000	—	500 000	346 544
	Data Processing Division—Data Processing Equipment	900 000	—	—	900 000	—	900 000	900 000
	Education Department—School Buses	1 600 000	—	—	1 600 000	—	1 600 000	1 579 145
	Department of Agriculture and Fisheries—Boats and Facilities, etc.	300 000	—	—	300 000	30 000	330 000	301 573
	Department of Tourism, Recreation and Sport—							
	Recreational and Sporting Facilities, etc.	1 050 000	—	—	1 050 000	—	1 050 000	1 049 517
	Total	262 585 000	5 595 150	5 595 150	262 585 000	13 273 000	275 858 000	261 125 156*

\*Includes \$182 446 discount on loan raisings

### APPROPRIATION BILL (No. 2)

His Excellency the Governor, by message, recommended the House of Assembly to make appropriation of such amounts of the general revenue of the State as were required for all the purposes set forth in the Estimates of Expenditure for the financial year 1977-78 and the Appropriation Bill (No. 2).

**The Hon. D. A. DUNSTAN (Premier and Treasurer)** obtained leave and introduced a Bill for an Act for the appropriation of revenue of the State for the financial year ending June 30, 1978, and for other purposes. Read a first time.

**The Hon. D. A. DUNSTAN:** I move:

*That this Bill be now read a second time.*

In doing so, I present the Government's Revenue Budget proposals for 1977-78 which provide for the use of all the Government's available resources in order to meet a forecast deficit on the year's operations of \$18 400 000. The need for this can be explained only in the context of national economic policy. This Budget is being brought down against a backdrop of a steadily deteriorating national economy with markedly increasing unemployment and no reduction in inflation. These tragic results have been the consequence of the most antiquated economic thinking applied in Australia since the grim days of the depression. Over the past two years unemployment is up by 85 000. All of this has been done in the name of controlling inflation, but inflation in fact has not come down.

In 1975, inflation was being steadily wound down, with prospects of single-figure inflation ahead. More importantly, a very solid economic recovery was in progress. The Fraser Government inherited a strongly growing economy in which real non-farm output grew at an annual rate of more than 7 per cent in the first six months of 1976. That is the sort of production recovery that is required to make substantial inroads into unemployment and about the sort of level that would be appropriate at the moment.

The Fraser Government's policies of cuts in the public sector and monetary restrictions, however, first put into effect in January, 1976, given a further twist in May of that year and in the tragically misguided 1976 Budget, soon began to have their depressing effect on the economy. Since September, 1976, it has been downhill almost all the way. The promising recovery of early 1976 has been completely cut off and put into reverse. Real output fell in the December quarter of 1976 and again in the March quarter of 1977 and barely showed any growth at all in the most recent June quarter. We need an output growth of around 4 per cent a year merely to hold the unemployment total steady. The growth in the labour force and job losses due to technical change absorb output expansion of this size in a normal year. Thus, in order to get unemployment down appreciably, we need to be looking for growth rates of around 7 per cent to 8 per cent. Given the depressed base from which we start, this target is well within our grasp at the moment and, indeed, has occurred in numerous past Australian recoveries. Australia was well on target until the Prime Minister switched the policy levers and the recovery was abruptly cut off.

Even more depressing, however, than what has occurred in the past are the Federal Government's own forecasts for the future. The 1977 Commonwealth Budget, particularly statement No. 2 written by the Commonwealth Treasury, contains some of the most depressing economic material that it has ever been my misfortune to read. In the year ahead, the Commonwealth Treasury is forecasting an increase rather than a decrease in

unemployment, only a minor increase in output and no fall of any consequence in the inflation rate. They see the same 5.4 per cent unemployment level at the end of this financial year as occurred in June, 1977, but with a "further easing (in the implicit seasonally adjusted sense) to around the end of 1977, followed by a moderate downturn over the course of 1978". That is the Commonwealth Treasurer's statement. Normal seasonal trends will take that 5.4 per cent figure over the 400 000 mark by next January and the predicted further slip in the underlying labour market trend makes it easy to believe reports that both the Commonwealth Treasury and the Department of Employment and Industrial Relations have been predicting 7 per cent or more (over 425 000) unemployed at the seasonal peak early next year. And, given the Treasury's poor track record in the past, it would not come as a major surprise on present policies to see being realised the forecasts of longstanding Liberal economic advisors like Professor Warren Hogan of as much as 8 per cent or nearly 500 000 unemployed early next year.

Such mass unemployment is not only a tragic waste of resources; it is also blighting the prospects of a whole generation of Australians, and is sowing a crop of major social welfare problems. It is now well accepted that there are links between unemployment on the one hand and crime, suicide and decreased mental health on the other. It is a policy with massive costs presently and in the future. It is false economy even in terms of the narrow book-keeping minds that now seem to dominate Canberra's thinking. All of this has been put up in the name of controlling inflation. But nothing has been achieved. Since the time the Liberal Government came to power, opportunity after opportunity to achieve a steady reduction in inflation has been wantonly squandered—by the Medibank changes, by devaluation and now by the petrol price increases.

As I have already indicated, inflation had been wound down in 1975 from an annual rate of over 17 per cent to 12.1 per cent by September, 1975. We could have expected, in view of the exceptionally good compliance the trade union movement has accorded wage indexation, a further deceleration in 1976 and 1977. Instead, as the Arbitration Commission has repeatedly and bitterly complained, the Federal Government has not played its part in assisting wage indexation's contribution to lower the rate of price increases.

It is worth stating clearly what the Federal Treasury inflation forecast is for the coming year. While it does not give an explicit forecast, it is not difficult to deduce what it must be. The Budget statements indicate that award wage growth is put at 10.5 per cent. Since, as an integral part of its forecasting exercise, the Commonwealth Treasury assumes partial wage indexation, it must be forecasting price increases in excess of this rate. These two facts, therefore, imply an inflation prediction of around about 12 per cent. That implies no improvement at all on the inflation rate achieved as long ago as September, 1975. And indeed, it is agreed by almost everybody that in the short term things will get worse before they get better. What a devastating indictment this combination of increasing unemployment and inflation is for those people who justified breaking almost every Constitutional rule in the book two years ago with the claim that they could manage the economy.

In fact, of course, we know now that their methods of economic management are based on no more than some old-time religion that the Prime Minister learnt down on the farm at Nareen.

*Members interjecting:*

**The SPEAKER:** Order! It is awkward for the Chair to hear what the honourable Treasurer is saying.



**Mr. Gunn:** Well, he doesn't know.

**The SPEAKER:** Order! The honourable member for Eyre is out of order. I hope the interjections will not continue.

**Mr. Goldsworthy:** What comedian wrote this?

**The SPEAKER:** Order! The honourable Deputy Leader of the Opposition is out of order.

**The Hon. D. A. DUNSTAN:** The Prime Minister's policies are based upon two pieces of pure ideological prejudice which not even monetarists of the Friedmanite persuasion consider appropriate to the Australian economy in its present difficulties.

First, he has attempted to move Australia in a direction quite opposite to that of almost every other country. He has tried to cut the real level of public spending at a time of our biggest post-war slump. His policy has not been simply to restrain the real growth of the public sector, such as has been attempted by some other countries. He has actually attempted to cut back in real terms the level of the public sector and, against the strenuous objection of every Premier, Labor, Liberal and National Country Party alike, he has attempted to make the States the instrument of his own misguided economic policies. Only when the people of South Australia voted in the recent elections, directly on this issue, did Mr. Fraser finally get the message that the people of Australia do not want this sort of nonsense. Less than 24 hours after South Australians had delivered their verdict the Prime Minister announced that he was not going to cut Government spending any more. It remains to be seen whether he fulfils his word. He does not exactly have an Australia-wide reputation for fulfilling his promises. Nevertheless, an acknowledgment of the damage that cuts in Government spending have inflicted on the Australian economy is welcome and represents the most constructive change in his attitude to date.

The other main obsession of the Prime Minister is with reducing the rate of growth in the money supply. He attributes to M3 monetary growth figures powers which are nothing short of magical. In his medieval, magical mystery tour, reductions in the money supply somehow cut the inflation rate, lift confidence in consumers and businessmen alike, and thereby float the economy off the rocks. In fact, nothing like this has happened at all.

*Members interjecting:*

**The SPEAKER:** Order! I hope that this interjecting will cease. One or two Opposition honourable members are trying to take the floor away from the honourable Treasurer while he is speaking, and I do not intend to allow interjections to continue any longer.

**The Hon. D. A. DUNSTAN:** The money supply growth has been reduced, but the only things that have fallen have been output and confidence—not the rate of price increases. The central contradiction in this year's Commonwealth Budget is the glaring gap between the Commonwealth Treasury's forecast of current price output growth in the year ahead and the Government's new money supply target. I do not believe that the two figures are mutually consistent. As I have already said, the inflation forecast is around about 12 per cent. Moreover, real output growth from June to June is placed optimistically by the Commonwealth Treasury at 4 per cent. That means a projected growth in the money value of non-farm output (prices plus output growth) of around 16 per cent, but the money supply which is being advanced to finance this increased output bill will grow, we are told, by only 8 per cent to 10 per cent.

Taking the midpoint of this M3 target, there is a gap of some seven percentage points between these two figures. The gap is huge. If there is one thing that most economists have gained from Milton Friedman's work, it is an

appreciation of the dangers of stunting output recovery by providing an inadequate money supply. I commend to the Opposition the reading of the Prime Minister's guru on this subject. Friedman's researches, along with those of Anna Jacobson Schwartz, illustrated the importance which reductions in the money supply had in exacerbating the United States slump between 1929 and 1932. Nearer to home, we were all taught a pretty sharp lesson by the magnitude of the unemployment which was precipitated by the credit squeeze of late 1973 and the first half of 1974. And we have had yet another lesson in the past 12 months. A year ago we were told by Canberra to expect about the same combination of inflation and output growth that is now being served up with projected money supply growth of 10 per cent to 12 per cent. Inflation came out very much as predicted at unchanged levels, and the money supply target was fulfilled. But the crunch came with the output forecast. We only got 1 per cent growth in real non-farm output last year, not the 4 per cent and more that had been confidently predicted by the Federal Treasurer 12 months ago.

**Mr. Allison:** And a 43 per cent growth in wages, too.

**The SPEAKER:** Order!

**The Hon. D. A. DUNSTAN:** I hope that the honourable member listens for awhile before making foolish interjections.

Unless Canberra's policies are reversed quickly, not only in relation to the public sector, but also in regard to appropriate monetary policies, we will learn the same dismal lesson again in the next 12 months. The projected M3 target of 8 per cent to 10 per cent is simply inadequate to finance the sort of recovery that the Australian economy and Australians generally need. With such a tight squeeze on the money supply, it will remain extremely difficult for Australians to borrow on mortgage from financial institutions, and in consequence the housing industry will remain depressed throughout the country.

Credit restrictions show up in yet another way. Many firms with solid performance in the past and good prospects for the future will occasionally strike liquidity problems. They will need to borrow to get them through a sticky patch. In normal times, banks and other financial institutions are capable of helping these firms and thereby assuring continued employment. But with the banks strapped for cash under the strain of the Federal Government's restrictive monetary policy, they are no longer able to assist all the worthwhile firms who come to them for help. The consequence is bankruptcy, output loss and workers thrown on the scrapheap. In South Australia we have tried to offset the monetary squeeze by helping as many of these worthwhile firms as we could. Each time we have done so, we have been criticised by members opposite. Each time they would rather have seen these worthwhile firms go bankrupt and South Australians thrown on the scrapheap. We will not follow that callous policy. To the limits of our ability we will again assist worthwhile firms to maintain and expand their activities in the State.

The Budget which I present to you today is based upon an economic philosophy quite opposite to that followed by the Federal Government presently. South Australians have shown that they do not want the sort of damage inflicted upon them that Mr. Fraser's policies have produced. We have advocated a mild, controlled stimulus to the Australian economy and, in this Budget, we have done our best to play our part here in South Australia. We have maintained the real value of public services. We have provided money to keep up construction levels. We will continue to assist industry through the South Australian Industries Assistance Corporation. And we have provided

additional moneys for the State unemployment relief scheme—the most significant job creation programme in Australia, which might explain why members opposite want to do away with it.

To maintain this stimulus to the South Australian economy in opposition to the contractionary influences coming from Canberra, we have had to use all the remaining reserves built up following the sale of the non-metropolitan railways. What an invaluable agreement that has now turned out to be. The moneys so won have insulated South Australia from the worst ravages of the Australian recession during these past two years. For the first time in post-war history, in an economic downturn South Australia has had much lower-than-average unemployment. We used to be the first and the hardest hit of any State in the country. No longer is this so and, with the aid of the railways money, we will be able to alleviate Canberra's policy for at least another year, and by then the message of all State Premiers may have gotten through to the Prime Minister.

It is also worth reflecting at this point on the confused meanderings of members opposite. They have consistently said that the State should never have gained the benefit of the railways money, but when the surplus was built up they wanted to dissipate it in all sorts of ways. Though they thought the money was ill-gotten, they had no moral compunction about squandering it. Their Leader organised protest marches to give away the money he said we should never have had. Instead, we carefully put that money away to guard against a rainy day. How difficult our position would be now if we had followed the advice of members opposite.

**Mr. Mathwin:** You tried to buy—

**The SPEAKER:** Order! The honourable member for Glenelg is out of order.

**The 1977-78 Revenue Budget:**

**The Hon. D. A. DUNSTAN:** The forecast of an \$18 400 000 deficit is after making provision for two special allocations totalling \$34 000 000. Aggregate receipts and aggregate payments are expected to be about \$1 171 000 000 and \$1 189 400 000 respectively, and they both reflect certain changes in the presentation of the State accounts to which I will refer later. The forecast of payments comprises detailed provisions for normal running expenses of \$1 107 400 000 at salary and wage rates as at June 30, 1977, and, at price levels with an allowance for inflation, a round sum allowance of \$43 000 000 for the possible cost of new salary and wage rate approvals which may become effective during the course of the year, a round sum allowance of \$5 000 000 for the possible cost of further increases during the year in prices of supplies and services, and the special allocations of \$34 000 000.

The necessary detailed appropriations for the bulk of future wage awards will be arranged under a special provision which is included in the main Appropriation Bill each year. In respect to supplies and services, where departments can demonstrate that cost increases are greater than the allowances included in their detailed appropriations, extra funds will be made available from the round sum of \$5 000 000. There is no special provision in the Appropriation Bill to cover this procedure, so that it will be necessary to call on the authority of the Governor's Appropriation Fund and eventually of Supplementary Estimates. The latter procedure will be necessary also for a small part of the cost of wage increases. The special allocations of \$34 000 000 are for two major provisions, one of \$12 000 000 to support the 1977-78 operations of the Loan Account and one of \$22 000 000 to provide for the continuation and some expansion of the State

unemployment relief scheme. I shall return to both of these matters in a moment.

**The 1977-78 Loan Budget:** As to the Loan Budget, I have reintroduced the Public Purposes Loan Bill and the Loan estimates for 1977-78 to the House. Those estimates show that proposals for the State's capital programme envisage the use of all new borrowings and all recoveries expected to become available during the year. However, the availability of new funds through general Loan programmes supported by the Commonwealth Government is well below the level required to meet expected cost increases. Further, the Commonwealth is holding specific purpose funds to a very low level and in some cases is withdrawing its support entirely. Thus, it has become necessary once again to make a call on Revenue Account in order to maintain the essential level of public works and support for the building and construction industry, while at the same time providing for a balance on the 1977-78 operations on the Loan Account. Accordingly, an amount of \$12 000 000 is to be appropriated from Revenue Account in 1977-78 for capital purposes.

**Combined Accounts—Revenue and Loan:** Therefore, on its two accounts combined the Government is planning a deficit to the extent of \$18 400 000 on its 1977-78 operations and is proposing to finance that deficit by using all the available reserves held on those combined accounts at June 30, 1977. It is appropriate at this stage for me to comment briefly on the Revenue and Loan Account positions at June 30, 1977. Through a combination of sound financial management and the continuing benefits from the railway transfer agreement we were able to commence the 1976-77 financial year with an accumulated surplus of \$27 600 000 on Revenue Account.

The Revenue Budget for 1976-77, as introduced to Parliament on September 7, 1976, forecast a balanced result for the year. That Budget took into account a possible increase of 13 per cent in the level of average wages which had regard to the assessments made by the Commonwealth Government when notifying their estimated level of payments to the States under the personal income tax sharing arrangements. It also took into account that increased salary and wage rates could be expected to be accompanied by higher prices for supplies and services. Accordingly, after taking into account the provisions built into departmental estimates of payments to cover the effect of salary and wage awards and price increases, it was estimated that round sum allowances of \$43 000 000 and \$11 000 000 would give reasonable protection against further salary and wage rate increases and price increases respectively. In addition to the round sum allowances, the Budget also provided for two special allocations, one of \$15 000 000 to support the 1976-77 operations on Loan Account and one of \$12 000 000 to augment development and exploration activities in the Cooper Basin.

During the course of the financial year, I asked Parliament to consider two sets of Supplementary Estimates. The first was to appropriate an amount of \$4 000 000 to enable the State unemployment relief scheme to continue until June 30, 1977. The second was to cover expenditures already met from the Governor's Appropriation Fund and also to appropriate two further amounts, one of \$3 000 000 towards the unemployment relief programme for 1977-78 and the other of \$5 000 000 to finance accelerated exploration in the Cooper Basin. The Government expected that, with some receipts running at a slightly higher level than originally estimated and with tight control over its expenditures, it could fund those initiatives and still achieve a balanced result on the 1976-77 operations. In the event, a small deficit of about \$100 000 was recorded on the years operations which

reduced the accumulated surplus on Revenue Account to \$27 500 000 at June 30, 1977. There were of course, a number of variations from estimate in both receipts and payments for 1976-77 and these are documented fully in Attachment I to the printed Financial Statement.

Of course, these were forecast and clear to the House, and I am astonished to have seen that, during recent events, the Leader of the Opposition seemed to suggest to the people of South Australia that somehow or other we got an \$8 000 000 bonanza out of it all. The accounts of the State show perfectly clearly that we got nothing of the kind, and the unders and overs in the estimates of receipts and expenditures were fully accounted for in matters which had already been placed before the House and on which members opposite, including the Leader of the Opposition, had voted.

As to Loan Account, the 1976-77 accounts opened with an accumulated deficit of \$8 900 000. The operations for 1976-77 showed a small deficit of about \$200 000, and a detailed explanation of those operations is set out in the Loan Estimates which I have reintroduced to the House. As a result, the accumulated deficit on Loan Account increased to \$9 100 000 at June 30, 1977. At June 30, 1977, a bookkeeping transfer was effected to eliminate the accumulated Loan Account deficit of \$9 100 000 and so reduce the recorded balance on Revenue Account to a net amount of \$18 400 000. That is the extent of our reserves available to supplement the 1977-78 operations—\$18 400 000.

**Personal Income Tax Sharing:** Members will recall that last financial year saw the introduction of an arrangement between the Commonwealth and the States for the sharing of personal income tax collections, an arrangement which the Commonwealth Government claimed would provide about \$89 000 000 more for the States in 1976-77 than would be yielded by a continuation of the previous financial assistance grants formula. Indeed, the Commonwealth used that claim to justify its actions in reducing specific purpose and Loan Council funds to a level which was well below the expected level of inflation. When we protested about its withdrawal from the Australian Assistance Plan, it said that we had the money available in this extra revenue to pick it up.

When I gave members a detailed account of those arrangements last year, I drew attention to a number of matters which made me apprehensive about the scheme. I made quite clear that, whilst the New Federalism gave the impression of the States and the Commonwealth working together in some form of national revenue sharing partnership, I regarded the benefits ascribed to it as largely illusory. Nothing has occurred since then to cause me to retract or to modify that view. The facts now speak for themselves. They show quite clearly the following:

- (a) In 1976-77 all States, with the exception of Queensland, were back to the equivalent of the old formula arrangement and, indeed, their grants would have been below the formula level had they not had the foresight to insist on guaranteed payments equivalent to the formula amounts. This was because the national economy performed badly and one of the direct results was a shortfall in wages paid and in personal income tax collections, so we did not get any of the \$89 000 000.
- (b) The system has introduced an undesirable element into State budgeting and planning which now sees all States having to make a repayment in 1977-78 because the Commonwealth Government over-estimated its collections from personal income tax in 1976-77. In

South Australia's case, the repayment amounts to about \$745 000, which it will deduct from this year's income tax amounts paid to this State.

- (c) In order to try to overcome the scheme's deficiencies, the Prime Minister has now found it necessary to propose a change in its basis so that entitlements of the States to tax sharing would be based on the personal income tax collections of the previous financial year. Provided the Prime Minister honours the details of the offer which he made on July 1, this arrangement would be acceptable to South Australia. I have already indicated so. This proposal is associated with the offer of a firm amount in 1977-78.

From a State point of view, it is difficult to find one single advantage which tax sharing has over the previous formula arrangements. Rather than being a partnership, it seems to be nothing more than part of a device under which the Commonwealth manipulates its control over funds to be made available to the States. Experience of last year and again this year has shown that, if the tax sharing calculations give the appearance of being favourable to the States, then the Commonwealth proceeds to reduce its specific purpose funds and support of Loan Council programmes in order to offset the potential gain.

It has even less to offer when one considers that Stage II of the tax sharing arrangement proposes to vest powers in the States to impose an income tax surcharge or to grant a rebate. This action which the Commonwealth can take with or without the States' co-operation, holds little joy for State Governments. Its purpose is patently obvious—it will provide the Commonwealth with the excuse to withdraw further from areas of Commonwealth responsibility and to leave responsibility to the States, using their new taxing powers. This will contribute to a further down-grading of the public sector with consequent ill effects for the private sector and employment.

**Mr. Goldsworthy:** Why?

**The Hon. D. A. DUNSTAN:** Because the private sector is supported by the public sector, and if the honourable member does not know it he should go back to his economic desk and learn it. In 1977-78, South Australia's estimated share of the firm amount of \$4 336 100 000 offered by the Prime Minister will be about \$507 700 000. After allowing for the repayment to which I have referred, the estimated share will be reduced to about \$507 000 000. Attachment II sets out in some detail the course of events and the main features of the income tax sharing arrangements.

**Cooper Basin:** Whilst no allocation is proposed from the Revenue Budget in 1977-78 for Cooper Basin activities, I believe it would be appropriate to give members a brief report on the project as it is one of the major initiatives undertaken by the Government in recent years. Members will recall that \$17 000 000 was appropriated in 1976-77 to enable the South Australian Government, through the Pipelines Authority, to obtain the Commonwealth Government's equity interest in the Cooper Basin and to increase the level of exploration which needs to be undertaken in order to assess the extent of the reserves of gas and to permit planning of their future use. We have now made a firm offer for the Commonwealth's interest, and this is being considered. The matter is expected to be resolved in the next few weeks. At the moment, the future of the Cooper Basin gas fields is probably the single most important factor in the economic development and industrial security of this State and the Government

accepts that further allocations of funds will be necessary from time to time for the exploration and development of this valuable State resource. I will inform Parliament as the necessity arises for those allocations.

**Unemployment Relief:** We all know that unemployment in Australia today is at its highest level since the tragic years of the depression and is showing no signs of abating. It has become a massive problem which not only denies people work opportunities and work experience but also creates significant social problems. Whilst the Commonwealth Government's economic policies continue to ignore this problem, and indeed to exacerbate it, the South Australian Government has taken practical and positive steps to reduce the plight of its people, particularly its young people, by providing considerable funds for the operation of a State unemployment relief scheme. Since 1975, when the Commonwealth abandoned its Regional Employment Development Scheme, the State has provided \$22 000 000 to finance unemployment relief projects. We propose to provide a further \$22 000 000 in 1977-78, taking the total to \$44 000 000. The scheme has proved to be most effective. Indeed, the Commonwealth Minister for Employment and Industrial Relations recently expressed interest in the scheme and requested detailed information concerning its operation. I am pleased to say that we were able to report to him that:

- (a) approximately 8 000 people have been employed under the scheme to date with an average employment period of 21 weeks;
- (b) of 3 650 people employed during the seven month period to August, 1977, about 1 000 have found permanent employment with their sponsors or other employers;
- (c) about 1 500 people are currently employed and all recruitment is arranged through the Commonwealth Employment Service; and
- (d) administration costs have been kept to a minimum and, in fact, they represent less than 0.4 per cent of funds employed.

Further, the scheme is not just one of making jobs: it is providing a host of facilities and services which are of real value to the community. Nor is it confined to construction works. Jobs are being provided in the clerical and administrative area, in social and community work and for many people with professional qualifications. I believe these facts demonstrate the effectiveness of the Government's action in this area and, hopefully, they may satisfy those negative critics who continually decry the scheme as a waste of taxpayers' money.

**Drought Relief:** Once again, unfortunately, I must refer to the serious seasonal conditions which South Australia is experiencing. While there have been some useful rains in recent weeks, I have been advised that there are still many areas of the State in desperate straits, particularly the West Coast and the Murray Mallee areas, which are suffering their third consecutive drought year. The Government expresses its sincere sympathy to all the rural community affected and, as a practical token of our concern, we have included in the Budget almost \$12 000 000 for a drought relief programme. We have set up a drought consultative committee comprising representatives of rural industry groups and statutory authorities as well as Government departments and a departmental working party has also been established within the Agriculture and Fisheries Department specifically to deal with drought relief measures. We expect to recover all but \$1 500 000 of those funds from the Commonwealth Government under the natural disasters programme.

**State Taxation:** The extent to which the Government needs to increase, or is able to reduce, its taxation

measures is influenced by a number of financial factors of which the most significant is the budgetary policy of the Commonwealth Government. The increase in the aggregate of Commonwealth payments to South Australia between 1975-76 and 1977-78 is about 20 per cent. An annual increase of about 10 per cent is well below the rate of inflation and in that two years we have lost in real terms something like 7 per cent principally as a result of Commonwealth cuts in allocations for hospitals, transport, water filtration and a host of other community services.

The Commonwealth cost-cutting blade has even extended to an area covered by a specific and binding agreement—the sharing of net hospital operating costs. The Commonwealth Budget provides \$5 000 000 less than the obligatory half share of the estimated minimum level of costs which is regarded by the South Australian Health Commission as unavoidable to maintain effective hospital services in this State. I have written to the Prime Minister and objected strongly at the arbitrary decision which his Government has taken in isolation and without reference to those responsible for the delivery of hospital services in this State. I have sought assurances that the Commonwealth's proper responsibility will be met. While the letter I have now received from the Prime Minister accepts that certain cost increases are beyond the control of the State, and says that proper regard to this consideration will be had in reviews of Budgets, the outcome in terms of Commonwealth financial support remains to be seen, and some difficult negotiating may yet be ahead of us.

Unfortunately, the climate which has now been created by the Commonwealth Government and which will see the dissipation of all our reserves, has made it difficult for the Government to continue the programme of taxation relief which it has followed over the past two financial years. During that period, we have seen the abolition of the petrol franchise tax, rural land tax and succession duty on property passing to a surviving spouse, a reduction in stamp duties on conveyances, an increase in the exemption levels for pay-roll tax and other relief in succession duties and land tax. Also, in this period, we have given a wide range of incentives to industries wishing to establish or expand their operations in South Australia.

Despite the present difficulties, the Government will introduce legislation during this session to further increase exemption levels under the Pay-roll Tax Act with effect from January 1, 1978. As I have announced previously, the basic exemption level will be increased from \$48 000 to \$60 000, tapering back to \$27 000 at a pay-roll level of \$109 500. I noticed that the Leader of the Opposition applauded the changes which had been introduced in the Budget in Tasmania. I point out to him, however, that if he examined them closely they would have led to our getting an increase in pay-roll tax, not a reduction. The concessions made in the South Australian Budget are more generous than are those in Tasmania. With respect to land tax, it is the Government's intention to ensure that higher valuations of property do not place an undue burden on property owners. By reducing the taxation scale, it is planned to contain receipts from land tax at about \$20 500 000 in 1977-78. This would give a rate of increase over the previous year less than the general rate of inflation.

**Effective use of Resources:** Before turning to the more detailed explanations of the Budget, I would like to comment briefly on the benefits to be obtained from the long term planning of our financial resources, from improved financial management and from reviews of policies and operations. As members know from my previous reports on this matter, the Government has been planning its capital works on a three-year rolling

programme for a number of years. Forward planning has been of considerable benefit in achieving the effective use of our resources and, further, has helped us to cushion the adverse effects of recent budgetary decisions taken by the Commonwealth Government. Last year I informed the House that we intended to develop a two-year forward planning programme for Revenue Account with the intention of extending it to a three-year programme as soon as possible. I warned members of the complexities of this exercise and, as anticipated, more work needs to be done before meaningful results can be achieved. Treasury officers are working with departments on this matter with a view to having more reliable information in April next about 1978-79 and future years.

On the matter of the review of the Government accounting systems to facilitate the development by Treasury and departments of budgets and financial management systems which place greater emphasis on individual responsibility and accountability, further progress has been made. I expect a proposal to be put to the Government shortly on the matter. It is my intention to refer it to the Public Accounts Committee for consideration.

I should also mention that recently I have asked all departments to examine critically their existing activities and to identify those areas where economies might be achieved. This review should consider whether any activities might be reduced or eliminated because they have become of lower priority in terms of the Government's current policies and whether any operations might be carried out more efficiently and with less staff and/or other resources. I have asked the Public Service Board, the Treasury and the Premier's Department to co-operate with departments in this exercise. May I stress the word "co-operate".

Long-term financial stability has been, and will continue to be, one of the major aims of this Government's policies. We see the firm control of expenditures within the limits approved, the improvement of our financial planning and budgeting, the achievement of economies wherever practicable and the flexibility to cope with changing circumstances as essential elements in the achievement of our objectives. This is particularly so in the present difficult economic climate.

May I mention briefly a further variation in departmental responsibilities which follows from a change in Ministerial portfolios and which was decided after the Budget papers were finalised. Accordingly, it does not appear in Attachment III. The functions of the Museum and of the Botanic Garden are being transferred from the Environment Department to the Education Department. That does not appear in the Budget, but it will necessarily transpire. Before asking leave to have the remainder of the explanation of the Bill inserted in *Hansard* without my reading it, may I again pay a tribute to the Treasury officers of South Australia and their work in the preparation of this Budget.

**Mr. Goldsworthy:** I bet they didn't write that stuff at the start, that rubbish you churned out.

**The SPEAKER:** Order! The honourable Deputy Leader is out of order.

**The Hon. D. A. DUNSTAN:** Mr. Barnes and his officers are the most highly thought of Treasury officers in Australia. We are the envy of the other States in having these officers working for us, and I pay a tribute to them on behalf of all members of Parliament, including the cavilling ones.

**Mr. Goldsworthy:** They didn't write that garbage at the start, did they?

**The SPEAKER:** Order!

**Mr. Goldsworthy:** He won't come clean on that.

**The SPEAKER:** Order! The honourable Deputy Leader of the Opposition is out of order.

**Mr. Goldsworthy:** Well, he's given—

**The SPEAKER:** Order! I warn the honourable Deputy Leader of the Opposition. The honourable Premier.

**The Hon. D. A. DUNSTAN:** I also pay a tribute to Dr. Hughes, who, too, is the envy of not only other State Governments but the Federal Government. The Federal Treasurer and the Prime Minister have expressed a great regard for Dr. Hughes and said how lucky we are to have him as my Executive Assistant on economic matters. I thoroughly accord with that view. We are very fortunate to have him. He works very closely with Treasury officers, who also, as a matter of fact, have paid a very considerable tribute to him and to his work for me.

**Mr. Goldsworthy:** Did he write it?

**The Hon. D. A. DUNSTAN:** I am the author of the Treasury document. I am the author of my speeches. If the honourable member bothers to get hold of, as I am sure he can, the transcript of Premiers' Conferences he will find that what I had to say on this occasion differs very little either in content or verbiage from what I have said on those occasions. I seek leave to have the remainder of the explanation inserted in *Hansard* without my reading it.

Leave granted.

## REMAINDER OF EXPLANATION

### RECEIPTS

Before commenting in some detail on individual items of receipts for 1977-78, I would like to make a general point about comparisons between years. It must be expected that there will be some increase in revenues from State taxes and charges from year to year as the values on which they are based increase. This process does not represent an expansion of the public sector at the expense of the private sector unless the rate of increase of taxation revenues outstrips the growth in money terms of the economy. In fact, members will recall that one of the major complaints of State Premiers in the 1960's and early 1970's was that the natural growth in State taxation revenues was not sufficient to enable them to carry out their Constitutional responsibilities. Over time the severity of State taxation may increase either by deliberate Government action to raise rates or by the effects of a progressive tax scale during a period of rising money values. The mere fact that total State revenues from taxes and charges rise, however, is not an indication that the severity of State taxation has increased.

**Taxation:** The normal increases in property valuations would have produced revenues of about \$23 100 000 from land tax in 1977-78, compared with collections of \$18 700 000 in 1976-77. The Government has taken the view that there should be no significant increase in the amount which taxpayers are required to contribute and accordingly proposes to alter the scale of duty to produce receipts of only about \$20 500 000 this year. The very low rate imposed in the initial tax range will remain but rates of duty in all other ranges will be reduced. This is the third successive year in which the Government has acted to relieve the worst effects of valuation increases on liability for land tax.

As a means of providing assistance to the housing industry, the Government last year brought in a system of stamp duty remissions in respect of the purchase of newly-

constructed dwellings which had not previously been occupied. The scheme is to continue until December 23, 1977, and is expected to cost the Government about \$1 800 000 this year. Since remissions of duty are involved (and not exemptions from duty) the scheme has no impact on gross collections from stamp duty. It is effected by means of an appropriation under the State Taxation Office. Stamp duties from all sources are expected to increase from \$78 700 000 last year to about \$85 600 000 in 1977-78.

Members will recall that last year the Government abolished succession duty between spouses with effect from July 1, 1976. This important concession had some effect on revenues in that year but 1977-78 is the first year in which the full effects will be felt. Accordingly receipts are expected to increase by a relatively small amount—from \$18 900 000 to about \$20 000 000. I have already announced that legislation will be introduced during this Parliamentary session to increase the maximum pay-roll tax exemption level for small firms by 25 per cent to \$60 000 and to provide for that exemption to taper down to \$27 000 (presently \$24 000) at a pay-roll level of \$109 500. For pay-rolls above this figure the exemption will remain at \$27 000. These amendments will have effect from January 1, 1978, and are expected to cost about \$1 600 000 in a full year and about \$700 000 in 1977-78. Receipts for the year are expected to be about \$153 000 000 compared with \$137 600 000 in 1976-77. Receipts from liquor licences are expected to increase from \$8 600 000 to \$10 800 000. In 1977-78, licence fees will be based on sales made partly in each of the 1975-76 and 1976-77 financial years and will reflect increases in consumption and in prices in those years.

**Public Undertakings:** Despite increases in wharfage charges, conservancy dues, pilotage and tonnage rates, the operating result of the Marine and Harbors Department continued to deteriorate in 1976-77. In operating harbor facilities it is necessary for the Government to tread a fine line between overburdening the users of the facilities on the one hand and oversubsidising them from revenue contributed by the general taxpayer on the other. It has been decided to review charges from time to time in line with increasing cost levels and to increase charges imposed by the department by about 15 per cent on average with effect from November 1. In 1977-78, revenues are expected to rise from rather less than \$12 800 000 to about \$14 900 000.

The Government has already announced that the price of water will rise from 16c a kilolitre to 19c a kilolitre in 1977-78. This is the main reason for the anticipated increase of \$10 700 000 in revenue from water and sewer rates. However, there will also be the normal increase in the number of services provided, and it is expected that there will be some reduction in the significant volume of outstanding accounts which had accumulated by June 30, 1977.

**Departmental Fees and Recoveries:** The immediate consequences of the 1976 drought were not as disastrous as was at first feared but the effects of consecutive bad seasons and, in particular, the present very poor seasonal conditions have presented many of the State's primary producers with major problems. The Government has provided \$11 700 000 for drought relief and, of this, \$10 200 000 is expected to be recovered from the Commonwealth. It is shown as a credit under the Agriculture and Fisheries Department. Under an arrangement reached between the Commonwealth and the State, a percentage of the cost of operating the Maintenance Branch of the Community Welfare Department will be recovered from the Commonwealth. That

proportion will be based on the work done by the branch on maintenance applications and enforcement of maintenance orders as a result of the Commonwealth Family Law Act. An amount of \$400 000 is expected this financial year.

Commonwealth support for primary and secondary education is not expected to keep pace with the rate of inflation this year. Nevertheless, receipts are estimated at \$25 000 000 as compared with about \$23 900 000 in 1976-77. The sum made available in the Commonwealth Budget this year for the childhood services programme in South Australia is a little higher than the amount paid in 1976-77. However, the actual receipts for last year arose in part from sums held in trust by the State from advances in previous years. The amount available for crediting to Revenue Account in 1977-78 from this source is now much smaller and, therefore, receipts are expected to decline from almost \$7 000 000 to \$6 200 000.

Changes in the method of accounting for the provision of health services will be outlined in a few moments. The effect of the changes for receipts will be that sums formerly credited to Revenue by the Hospitals Department and the Public Health Department will in future be credited direct to the South Australian Health Commission.

In 1974-75, the State Government paid \$1 500 000 into a trust account as its contribution towards a joint Commonwealth-State scheme to assist beef producers. This scheme has now been absorbed into the rural adjustment programme and the balance in the trust account, \$1 100 000, will be returned to Revenue. It is shown as a credit under Lands Department.

As part of the arrangements with the Commonwealth for the sharing of hospital operating costs, the Hospitals Department (or the Health Commission) must pay Public Buildings Department for services supplied by that department. In 1976-77, the June monthly payment was not made on time and thus there will be 13 payments in 1977-78. This is a substantial reason for the expected increase in receipts by the Public Buildings Department from \$6 300 000 to \$9 600 000.

The Automatic Data Processing Centre will operate under revised accounting procedures this year and I will explain them more fully in a few moments. Surpluses achieved by the centre will continue to be credited to Revenue, however, and \$656 000 is expected from this source in 1977-78.

Receipts from motor vehicle registration fees are expected to rise from \$38 400 000 to \$40 000 000. On the other hand receipts from drivers' licence fees are estimated to decline from \$7 400 000 to under \$3 900 000 now that the initial effect of the introduction of three-year licences has made its impact.

Steady growth in revenue from the turnover tax on Totalizator Agency Board operations and from the surplus on Lotteries Commission operations should enable the Government to increase the contribution to Revenue from the Hospitals Fund by \$2 500 000 to \$15 000 000.

**Territorial:** It is anticipated that receipts from mineral royalties this year will increase from under \$2 900 000 to just over \$3 500 000. Royalties from the production of iron ore are expected to decline somewhat but it is estimated that this will be more than offset by a substantial increase in revenues from the production of natural gas.

**Commonwealth Government:** In Attachment II, I have outlined the development of Commonwealth-State financial relations up to and including the Premiers' Conference of July 1. Since then it has been agreed that the States will receive, in 1977-78, \$4 336 100 000 less \$19 600 000 overpaid by the Commonwealth in 1976-77. For South Australia the net entitlement, after repayment of about

\$745 000, is expected to be \$507 000 000. Although the total to be shared amongst the States will not vary with receipts from personal income tax this year, there is still scope for State shares to change as the rates of population growth in the different States vary. This should not have a significant impact in any one year, however.

In 1975-76 and 1976-77 the combined operations of the metropolitan and non-metropolitan railways systems were shown in the Revenue Budget. This year, because it is anticipated that the two systems will begin to operate as separate entities, only the metropolitan operations are shown. The recovery from the Commonwealth of the non-metropolitan deficit therefore relates only to the previous periods. It is anticipated that \$3 200 000 still owing to the State in respect of the 1975-76 year will be paid in 1977-78 and that a final settlement of about \$500 000 in respect of 1976-77 will also be received.

### PAYMENTS

Before dealing with allocations for 1977-78 for individual departments, it may be helpful if I outline briefly certain changes which have occurred in the presentation of the State accounts this year. Apart from the normal reallocation of functions which occurs from time to time, there are three separate changes which affect the scope of the Revenue Budget and I will deal with each separately. There are advantages in financial management to be gained from procedures under which departments charge other departments for services rendered. In this way managers in client departments are better informed of the true cost of their actions and can be held accountable for their performance. Similarly, managers of supplying departments can be set targets in matching costs and revenues against which their performance can be assessed. As a result more efficient resource allocation decisions are likely to be made. This process can be facilitated if service or commercial-type departments conduct their financial transactions through a deposit account with only the net effect appearing in the Revenue Budget. Therefore, it has been decided to transfer the operations of the Automatic Data Processing Centre from the Revenue Budget to a deposit account and to require the centre to operate on a commercial basis.

Since the transfer of the non-metropolitan railways to the Commonwealth, the Government has followed a practice of showing both metropolitan and non-metropolitan operations in the Budget and providing for a recovery of the deficit on non-metropolitan operations from the Commonwealth. It is hoped that arrangements will be completed shortly for the two systems to operate independently and, in anticipation of this, the Government has decided to remove the activities of the non-metropolitan system from the Revenue Budget. Finally, members will be aware that responsibility for the activities of the Hospitals Department, the Public Health Department and a large number of subsidised institutions is being transferred to the South Australian Health Commission. There will be a transitional phase, which will last at least to June 30, 1978, during which the Health Commission and the departments will be operating side by side and during which, in the normal course, there would be no authority for revenues received by the departments to be credited to any account other than general revenue. To overcome this problem and to enable the accounts for 1977-78 to be presented in somewhat the same form as they will be presented in the future, a new clause (clause 8) has been included in the Appropriation Bill. This clause authorises the Treasurer to credit moneys received in

respect of health services to a deposit account in much the same way as revenue received in the future by the Health Commission will be credited.

Consistent with this, the expenditure figures shown under the Minister of Health represent only net expenditure of the departments and the subsidised institutions. These amounts also will be paid into a deposit account and the transactions of the various bodies will be handled through that account. Once the transfer to the Health Commission is completed, of course, the problem will not arise, since the commission will have power to retain receipts and operate through separate accounts. Assistance from the Government will be paid into those accounts and payments will be made from those accounts.

I turn now to the detailed appropriations.

**Special Acts:** The Government contribution to the South Australian Superannuation Fund is expected to increase from \$14 600 000 to \$17 500 000. This is a reflection partly of cost of living increases for existing pensioners and partly of the impact of new retirements. In 1976-77, the Highways Fund received a non-recurring benefit from the introduction of three-year drivers' licences and the net proceeds of motor vehicle taxation transferred from Revenue rose from \$12 000 000 to \$22 200 000. This year there will be no special factors operating and net collections will return to more normal levels. The amount transferred is expected to decline to \$16 400 000.

As part of its industries assistance programme the Government guaranteed a bank loan of \$700 000 to O'Neill Wetsuits (Australia) Proprietary Limited, and I have previously given members a full statement of the events which led to this company being placed in liquidation. The Government has now paid out its liability under the guarantee. It is anticipated that this amount will be recovered to Revenue Account in 1978-79 as the receiver has reported that, at this stage, it appears that there will be sufficient moneys available to pay the secured creditors and ultimately for some distribution to be made to the unsecured creditors.

### Development of the State.

**Economic Development:** The Economic Development Department was established during 1976-77 to develop strategies for the co-ordinated economic development of the State. In 1977-78, assistance to local industry will be expanded, particularly in relation to its involvement in Malaysia, Algeria and Libya. A number of studies will be undertaken, including a detailed examination of the South-East, while efforts will continue to help Whyalla overcome the problems caused by the decline of the shipbuilding industry. The Government will continue to encourage industries to decentralise and, in addition to pay-roll tax rebates, will assist with relocation expenses where firms propose to establish operations in certain designated country areas.

In recognition of the particular problems facing the Riverland fruitgrowing industry the Government on the recommendation of the South Australian Industries Assistance Corporation has established a Riverland Development Fund. An amount of \$350 000, corresponding to pay-roll tax contributed between October 1, 1976, and June 30, 1977, by firms connected with the fruitgrowing industry in the area, will be transferred to the fund and be available to assist the industry to rationalise and improve the efficiency of its operations. The scheme will operate in a similar manner in future years and will be administered by the corporation.

**Agriculture:** Expenditure by the Agriculture and Fisheries Department is expected to increase from \$11 900 000 to \$14 800 000 while expenditure under miscellaneous appropriations should rise from a little over

\$600 000 to \$16 400 000. Much of this extra expenditure involves the transfer of responsibility for certain functions from Lands Department, notably in relation to drought relief, pest plants and vertebrate pests. In addition, the payment to the South Australian Meat Corporation for losses incurred by the Port Lincoln abattoir will be debited to this section.

The department is entering a phased programme of regionalisation with the establishment of its first region in the South-East in 1976-77 and a further region planned for the Riverland in 1977-78. This should enable the department to be more responsive to the needs of the rural community and result in a more direct and effective service. In the last year we have experienced an invasion by two exotic aphids which threaten our lucerne and medic pastures, the base of our farming industry. The Government provided emergency assistance and is committed to a control programme to protect our agricultural industries from these pests.

In 1977-78, the new fisheries research vessel will carry out an extensive research and survey programme. New investigations into the abalone fishery, blue crab stocks and the by-catch of prawn trawlers will commence while research into the culture and farming of yabbies and oysters will be greatly expanded. A special task force is studying the scale fishery of Spencer Gulf.

Consecutive bad seasons and, in particular the present very poor seasonal conditions have presented many of the State's primary producers with severe problems. The Government has, therefore, provided \$11 700 000 for drought relief. Under the normal arrangements with the Commonwealth expenditure on natural disasters in excess of \$1 500 000 in any year is recouped to the State.

As part of the arrangements for the transfer of the Port Lincoln Abattoir to the South Australian Meat Corporation, the Government agreed to meet the losses incurred in continuing the Port Lincoln operation. A sum of \$2 400 000 has been provided to cover operating losses in 1976-77 and 1977-78 and liabilities assumed by the Corporation in taking over staff.

The State will continue to play its part in the important national programme for the eradication of bovine brucellosis and tuberculosis in the cattle industry. Previously this programme has been handled through a trust account, but to comply with accepted accounting procedures, it is now proposed from July 1, 1977, to show total receipts and total payments in the Revenue Budget. \$1 800 000 has been provided for this programme in 1977-78 of which \$1 300 000 is expected to be recouped from the Commonwealth. Compensation to cattle owners for the slaughter of affected stock is paid from the Cattle Compensation Fund.

**Mining:** Expenditure by the Mines Department is expected to increase from \$6 800 000 to \$7 600 000. A major new policy initiative is the creation within the department of an Energy Branch. Initially this will involve the appointment of a multi-disciplinary team of five officers who will conduct studies into the development and management of energy resources. The team will also monitor relevant current research and initiate and co-ordinate programmes for research and development in the areas of transportation, fuel chemistry and technology, engineering, nuclear physics and chemical engineering. A provision of \$250 000 for energy research is included in miscellaneous appropriations.

Government support of exploration in the Cooper Basin will involve the secondment of five departmental officers to form the nucleus of a project group to provide planning, oversight and interpretation of the programme. The programme of underground water resource assessment

currently being undertaken in liaison with the Engineering and Water Supply Department will be extended to include work on the rehabilitation and control of flowing bores in the Great Artesian Basin.

#### **Public Undertakings.**

**Engineering and Water Supply:** Members will be aware that the broad policy of the Government is to set a price for water such that revenue received in the metropolitan area is sufficient to cover costs. This leaves the deficit incurred on country operations as a charge against general revenue. While the increase from a 16c a kilolitre to 19c a kilolitre was a comparatively large one, the alternative of a smaller increase or no increase at all would merely have hidden the true cost of supplying water by leaving part of it as a charge against general revenue.

The provisions for electricity for pumping are high again this year due to low levels of intake into reservoirs during the winter months. A total of \$6 000 000 is being sought for this purpose. The cost of chemicals for the chlorination of the water supply will also be shown separately this year, and a total of just over \$900 000 is being sought.

Since July 1, 1977, the department has been responsible for support services for the South-Eastern Drainage Board and the drainage operations at Eight Mile Creek. Provision has been made in miscellaneous appropriations to cover working losses incurred in these two areas.

#### **Community Services.**

**Education:** In my statement to the House last year, I made reference to the concern expressed by the Schools Commission at the guidelines given by the Commonwealth Government. Since then, of course, even the modest rate of growth of 2 per cent allowed for in the guidelines has been abandoned and the aspirations of those involved in education have had to be reconciled with the decision of the Commonwealth Government to restrain public expenditure. In these circumstances, of course, there is little scope for major improvements in education standards. Nevertheless, it is planned that there will be a small increase in non-contact (or lesson preparation) time for primary school teachers and some further improvements in ancillary staff allocations, both to increase the total assistance available to teachers and to adjust inequalities caused by changes in enrolments. Additional primary schools will be able to cater for continuous entry at the fifth birthday and ethnic communities will receive increases in assistance for conducting classes for children's studies in their own languages. A computer-based library catalogue system for school libraries will commence operations, thereby allowing librarians more time to provide a service to children.

Regional administration will be extended to cover the State, although this will represent only the beginning of a programme of decentralisation of authority which will occur over a number of years. Finally, secondary book allowances will be increased from \$38 to \$40 and schools will receive some increases in funds for supplying books and materials to children of low-income families. Total expenditure by the Education Department is expected to increase from \$262 500 000 to \$286 000 000.

**Further Education:** In my Budget speech last year, I expressed doubts about whether the present system of funding education was providing sufficient numbers of skilled tradespeople. The Further Education Department is still under increasing pressure from industry and commerce both for initial training and for retraining. It is gratifying, therefore, that technical and further education received more generous treatment from the Commonwealth Government than did other areas of education. Nevertheless, it remains a fact that very much the greater proportion of funds for further education comes from the



State's general revenues. As long as the Commonwealth Government is pursuing a broad policy of restraint of public sector spending, it is difficult to see any significant expansion of activity in this important area.

Expenditure by the Further Education Department is expected to increase from \$33 300 000 to \$36 700 000. The department operates in four main areas—

- (1) courses for apprentices, technicians and a wide range of middle level occupations,
- (2) courses providing retraining and updating of skills and knowledge required in industry and commerce,
- (3) courses for students with inadequate education for higher level studies or for the labour market,
- (4) courses for personal development.

The available funds will be directed towards meeting demand in these areas in as effective and balanced a way as possible.

**Libraries:** For several months the Library and Information Services Planning Committee, headed by the Chairman of the Libraries Board, has been studying library services in South Australia. The committee has recommended a programme which will provide a diversity of library and information services in areas where people will be able to use them freely and conveniently. In particular, extensive use will be made of mobile libraries which will be able to cover a range of areas and a range of needs very efficiently. Where permanent facilities are to be provided, the emphasis will be on attractive, innovative shop front libraries which will meet most of the community's resource needs. In order to step up the improvement of library services, the amount allocated to the Libraries Department will be increased from less than \$4 700 000 to almost \$6 300 000.

The Library and Information Services Planning Committee will report at the end of this year on comprehensive State plans for future library services, including the needs of country areas. A special study will be undertaken to identify the needs and preferences of particular groups in the community who are disadvantaged in seeking library and information services. In particular, ethnic communities have special needs in library services and the study will look at those problems in conjunction with other Government initiatives in interpreting and translating services.

**Health:** The changes which are proposed for the administration of health services in South Australia will be known to all members. In brief, the South Australian Health Commission will assume overall responsibility for activities carried out by the Hospitals Department, Public Health Department and a large number of subsidised hospitals and institutions. Within a broad policy framework laid down by the commission, each institution will have substantially the responsibility of managing its own affairs. Net expenditure on health by the State is expected to increase from \$133 700 000 to \$144 600 000 in 1977-78. Receipts from State sources, principally in the form of patients' fees, are expected to increase from about \$21 100 000 to just under \$29 400 000 and Commonwealth contributions from \$97 400 000 to just under \$112 300 000. Total expenditure from all sources, therefore, is estimated to increase from about \$252 200 000 to almost \$286 400 000.

During the year, extra beds will become available at the Queen Elizabeth Hospital and the Ru Rua Nursing Home. There will, of course, be a consequent increase in operating costs. The commissioning of extra beds at the Flinders Medical Centre has progressively increased bed capacity from 200 in July, 1976 to 320 in June, 1977. The

construction of Stage III is due for completion in the latter half of 1977-78 and the progressive occupation of additional beds will commence shortly afterwards. It is expected that the Pines Hostel will open for mental health activities in September, 1977, with the admission of 16 patients. Patient numbers will increase progressively to 32 during the year.

Regionalisation of the work of the School Health Branch of the Public Health Department has continued with the establishment of a northern regional office at Salisbury. It is intended that specialist services such as deafness guidance and diagnostic and clinical services will also be attached to this office in the future. A western clinic will be established at Woodville during the latter part of 1977 and an eastern regional office is also planned.

The work performed by Aboriginal health workers is forming a more effective bridge between the community's health services and Aborigines. In particular, they are playing a significant part in combating the socio-medical problems of the Aboriginal community. Increased training of Aboriginal health workers is planned.

A State-wide cancer registry has been established. This will continue on a wider scale, the work previously undertaken by the Anti-Cancer Foundation of the University of Adelaide.

Of the non-government institutions, the Home for Incurables will receive the largest increase in support. Completion of the current building programme at the home during the year will raise the total number of beds available from 400 to 816 and this will require much greater Government support for operating costs. The grant is expected to rise from \$2 600 000 to \$4 000 000. For the other institutions, it is anticipated that the carry-over effect of the October, 1976, increase in patients' fees and the introduction of out-patients' fees from July 1, 1977, will offset increasing costs. This assessment may need to be reviewed during the course of the year, however.

**Welfare:** Expenditure by the Community Welfare Department is expected to increase from \$23 300 000 to \$26 400 000, while miscellaneous appropriations are estimated to rise from \$6 900 000 to \$8 900 000. Part of this latter increase represents a transfer of functions from the Hospitals Department.

Special allocations have been made to assist non-government children's homes and foster-parents. Homes catering for older children will now be eligible for Government assistance while foster-care subsidies will be increased quarterly in accordance with a formula which takes into account movements in average weekly earnings. Provision has been made for the operation of the new State concession card scheme which gives entitlement to State Government concessions to certain disadvantaged persons who are not entitled to a Commonwealth pensioner health benefit card. Financial criteria for the issue of the State card are the same as are applied by the Commonwealth in relation to pensioner health benefit cards.

Following the withdrawal of Commonwealth support for the Australian Assistance Plan, the State Government has provided \$250 000 for continued funding of organisations in the Western Adelaide region. Allowance has also been made for the employment of up to 22 community development officers to work with Community Councils for Social Development throughout the State. An amount of \$112 000 has been set aside for the commencement of a pick-up and overnight accommodation service for homeless persons and for people affected by alcohol or drugs.

**Unemployment Relief:** In the last two years large sums

have been allocated to unemployment relief programmes in an effort to alleviate some of the effects of the current depressed economic situation. As an indication of the importance which the Government attaches to the problems of the unemployed, a further \$22 200 000, will be set aside this year. I have already given some details of this programme.

**Other Activities.**

**Environment:** The Environment Department is expected to spend \$7 500 000 in 1977-78, compared with \$5 500 000 in 1976-77. For some time now the department has been studying the various alternative methods of carrying out a land use survey which would give information about the ways in which the landscape is changing and so enable predictions to be made and corrective action to be taken. As a result of that work, the department is satisfied that the use of imagery from satellites offers the best prospects and attention will be given this year to practical problems associated with the application of this technique in South Australia. The technique is in use in Canada and the United States of America and has application to the agricultural industry.

Members will recall that the Noise Control Act was passed in the last session of Parliament. A new branch is being established within the department to administer that legislation. The department will also have responsibility for administering the Beverage Container Act.

Development of the Black Hill native flora park will commence in 1977-78 and nursery and ranger staff will be appointed. Work is scheduled to take place over a three-year period but it is anticipated that nursery facilities and some walking trails and picnic areas will be completed this year. The Mount Lofty Botanic Garden is expected to open in November, 1977, and should prove to be an important tourist attraction. It comprises 85 hectares and will be the third botanic garden in the State.

The Coast Protection Division has now assumed responsibility for the maintenance of recreational jetties and a full programme will be carried out in 1977-78. A sum of \$330 000 has been allocated for this purpose.

**Housing and Urban Affairs:** The creation of the Housing and Urban Affairs Department is the first step in the Government's plan to bring together all the policy aspects of housing and urban planning. It is intended that the new department will co-ordinate housing policy, urban planning and development and evaluate proposals in these areas so that development is carried out in the most efficient way and with the greatest possible social equity.

**Ethnic Affairs:** An Ethnic Affairs Branch has been set up within the Premier's Department. Apart from work associated with the expansion of interpreter-translator services and ensuring that ethnic minorities have full access to community services, the new branch will attempt to determine areas of concentration of migrants by nationality within the State. Work is also expected to begin on a directory which will contain information relevant to migrants.

**Women's Affairs:** Officers of the Women's Adviser Unit and the Labour and Industry Department are currently engaged in a statistical survey of the South Australian workforce. This survey will be used as the background for a number of publications designed to show where women are concentrated in the workforce and the problems they face in getting satisfying jobs. These publications will be in the form of detailed research papers and broader information documents. It is also hoped to publish a Directory of Women's Resources in South Australia before the end of 1977.

Information on part-time employment opportunities in South Australia is very sparse. Work is in progress to

remedy this situation and it is anticipated that before the end of the year two pamphlets will be published, one covering part-time employment opportunities and the other outlining the advantages of using part-time employees.

**Industrial Democracy:** During the current financial year the unit will expand its already extensive work within public service departments and statutory authorities. However, with the changing attitudes amongst both employers and trade unions in the private sector it is anticipated that greater demands will be made for the unit's help in developing private sector initiatives. The increased demand for information has necessitated an expansion of research work undertaken by the unit. The industrial democracy newsletter will continue and a series of research papers is being prepared based upon South Australian case studies. A representative of industry and a representative of the trade union movement will study developments in Europe and report to the International Conference on Industrial Democracy to be held in Adelaide from May 29 to June 2, 1978. A number of prominent speakers from overseas and interstate will also be addressing the conference.

**The Arts:** As mentioned in my policy speech before the recent election, the main thrust of our arts policy in the next three years will be to develop more activity in the community arts area. The first regional cultural centre trust has been established at Mount Gambier, and discussions are under way for the establishment of two more. These bodies will receive operating grants from the Government and will have interest and repayment obligations arising from their borrowings met from the State Budget. In addition, grants will be available for the upgrading of community performing and recreational facilities in areas not served by regional cultural centres. A sum of \$115 000 has been set aside for this latter purpose in 1977-78.

The following brief summary compares payments in 1976-77 with allocations in 1977-78 for the major areas of assistance to the arts:

	1976-77	1977-78
	\$	\$
Adelaide Festival Centre Trust . . .	1 350 000	2 095 000
Grants and Provisions for the Arts . . . . .	1 101 477	1 715 800
Jam Factory Workshops . . . . .	570 000	585 000
South Australian Theatre Company . . . . .	646 931	850 000
State Opera . . . . .	291 000	505 000
	<hr/>	<hr/>
	3 959 408	5 750 800

**ATTACHMENT I**

**THE YEAR 1976-77**

On September 7, 1976, I presented to the House a Revenue Budget which forecast receipts and payments each of \$1 171 000 000. Included in the payments figure were amounts of \$43 000 000 to cover the cost of further wage and salary awards and \$11 000 000 to cover the cost of further price increases. In October, Cabinet approved a further allocation of \$4 000 000 to the State unemployment relief scheme and Supplementary Estimates were introduced in November to give authority for this expenditure. At that time the Government reported to the House that both receipts and payments were running slightly ahead of budget and that the decision to give

further support to the unemployment relief scheme could result in a small deficit on the year's operations. Further Supplementary Estimates were presented on March 31, 1977. I commented then that, even with the considerable extra expenditure authorised, the final Revenue Budget result was expected to be close to a balance as initially forecast.

In the final event, the result for 1976-77 was a deficit of \$101 000. However, a further \$9 100 000 was transferred from revenue reserves to wipe out accumulated deficits on Loan Account and for appropriation purposes it was necessary to record this as a charge in the Revenue Account. Accordingly, the total of payments against Revenue Account is recorded as having exceeded revenue receipts by \$9 200 000. Payments for the year aggregated \$1 183 200 000. This was \$12 200 000 more than estimated, but \$9 100 000 of the excess can be attributed directly to the Government's decision to eliminate the accumulated deficit on Loan Account. The balance of \$3 100 000 was the net result of a number of factors, some of which served to raise the deficit and some of which served to reduce it.

The cost of new wage and salary awards, for instance, was \$46 000 000, only \$3 000 000 more than the allowance included in the Budget at the beginning of the year. The cost of increased wage rates incurred by departments amounted to \$37 500 000 while those affecting supported areas, principally the State Transport Authority and health bodies, amounted to \$8 500 000. Included in these figures is an amount of \$2 300 000 incurred as a result of decisions which raised wages and salaries but fell outside the scope of section 3 of the Appropriation Act.

The decision by the Government to accelerate the exploration of the Cooper Basin in order to determine the extent of gas reserves there was announced when Supplementary Estimates were presented on March 31, 1977. That decision involved expenditure of \$5 000 000. Expenditure on unemployment relief was increased by Supplementary Estimates brought down both in November and March. In total, a further \$7 000 000 was allocated for this purpose. The effect of wage and salary increases, gas exploration and unemployment relief was, therefore, to raise expenditure to a level \$15 000 000 greater than estimated. Offsetting this was a saving of \$11 000 000 on natural disaster relief. The Government was in fact required to spend only \$468 000 of the sum of \$11 500 000 provided for this purpose.

The net result of these factors was to raise expenditure to a level \$4 000 000 above estimate. As mentioned above, actual expenditure exceeded estimate by only \$3 100 000. In all other areas of operation, therefore, the Government achieved a saving of \$900 000. During the year, there were a number of new initiatives to be financed and the expected price increases to be met. However, by dint of careful budgetary control the Government was able to absorb these extra costs without exceeding the original appropriation authority. Receipts for the year were \$1 174 000 000 as compared with an estimate of \$1 171 000 000. Proceeds from State taxation exceeded estimate by \$7 900 000, principally as a result of stamp duties, which yielded \$5 000 000 more than estimated, and pay-roll tax, which produced \$1 600 000 more than expected.

Revenue from business undertakings was more than \$1 700 000 above estimate. Receipts by the Engineering and Water Supply Department accounted for the greater part of this, being \$1 200 000 greater than the figure included in the Budget. Recoveries of debt services were greater than anticipated to the extent of \$5 400 000. The most significant factor here was earnings from investment

of surplus funds which produced \$3 600 000 more than originally estimated.

As is usually the case, there were within the classification of other departmental fees and recoveries many instances where receipts exceeded estimate and many where they fell short. The net result was an excess of \$541 000. Territorial receipts exceeded estimate by \$417 000 due to greater than expected returns from mineral royalties. The one major area of shortfall was in general purpose funds from the Commonwealth Government. South Australia received under the tax-sharing arrangements \$433 200 000, which was \$5 100 000 less than expected. In addition, the recovery from the Commonwealth in respect of the operating deficit on the non-metropolitan railways was \$7 800 000 below the estimate included in the Budget. These were the major factors influencing the Revenue Budget outcome in 1976-77. In the paragraphs which follow, I have set out in rather more detail the reasons for these and other departures from estimate.

### RECEIPTS

**Taxation:** Receipts from stamp duties of all kinds were almost \$5 000 000 above estimate. The principal variations were in the areas of conveyances, motor vehicle registrations, annual licences and credit and rental business. One particularly large transaction, which produced well over \$1 000 000 in duty, was responsible for most of the extra revenue from duty on conveyances but in the other areas it would appear that the value of business being transacted was rather greater than estimated. Duty in all these areas is charged on an *ad valorem* basis and any increase in the sums of money involved is reflected in stamp duty collections.

Revenue from succession duties fell \$595 000 short of estimate. It will be recalled that last year the Government abolished succession duties between spouses with effect from July 1, 1976. Because of the time lag between a person's death, the preparation of a succession duties return, the issuing of an assessment and the payment of duty, it was not expected that the measure would have much impact until 1977-78. However, the indications are that the effects of the change began to flow through during the second half of 1976-77, with the result that receipts from succession duties fell below estimate.

The increase in average weekly earnings for the twelve-month period was close to the figure allowed for at the beginning of the year. Since receipts from pay-roll tax exceeded estimate by about \$1 600 000 the indications are that the growth in the number employed, at least in those areas which are liable for pay-roll tax, was somewhat greater than expected.

Some time ago, H. C. Sleight Limited challenged the legality of the Government's petrol franchise tax in the High Court. During the year, the court ruled in favour of the Government, with the result that H. C. Sleight and several smaller operators were required to pay taxes which had been withheld pending the outcome of the challenge. Approximately \$400 000 was received on this account in 1976-77.

Receipts from the tobacco franchise tax totalled \$7 300 000, compared with an estimate of \$6 800 000. This represents an increase of more than 20 per cent over actual receipts in 1975-76, reflecting the effect of higher prices paid for tobacco products and a higher growth rate than the Government had expected in view of the publicity given to the potential dangers of cigarette smoking.

Fees paid for builders' licences and permits reached

almost \$600 000. The original estimate of \$236 000 was based on a continuation of the existing licensing system, but towards the end of the year the Government began to phase in a system of three-year licences. This increased receipts.

A marked increase in the turnover of very small lotteries was responsible for revenue from lottery licences exceeding estimate by \$175 000.

**Public Undertakings:** Rates received from irrigation areas were just over \$2 000 000 compared with an estimate of \$1 700 000 made at the beginning of the year. During the course of the year, the Lands Department reduced the volume of outstanding accounts and this was responsible for much of the extra revenue.

Receipts of the Marine and Harbors Department fell more than \$548 000 short of estimate. This resulted mainly from a downturn in general cargo trade and some reduction in bulk-handling of grain.

The Produce Department received \$580 000 more than anticipated. There were two main reasons for this, one being a delay in the transfer of responsibility for the Port Lincoln works to the South Australian Meat Corporation and the other being a rather greater throughput than had been expected.

The number of new connections made by the Engineering and Water Supply Department exceeded the estimate for the year and there was, in addition, greater usage of water by existing consumers. Both these factors served to provide a boost for receipts. An increase in the volume of outstanding accounts partially offset this, however, and the net effect was an excess of almost \$1 200 000.

**Recoveries of Debt Services:** Recoveries of interest on loans to producers made by the State Bank were \$465 000 more than estimated. As old loans are renewed they are converted to interest rates more in keeping with current market rates. The likely effect of this was understated somewhat in preparing the estimate for 1976-77. Members may recall that during 1975-76, the Government amended the Public Finance Act to give itself the power to invest with approved dealers in the short-term money market. At the beginning of 1976-77, future movements in short-term interest rates were very difficult to predict and it was decided to adopt a fairly conservative basis for the purposes of estimating likely receipts. In fact, short-term interest rates remained high and this together with the experience gained from the 1975-76 operations were the main reasons for revenues from this source exceeding estimate by about \$3 600 000.

**Departmental Fees and Recoveries:** Commonwealth grants for primary and secondary education exceeded estimate by \$332 000 and grants for further education exceeded estimate by almost \$500 000. In both cases the State was able to gain a little more by way of supplementation for cost increases than had been included in the original estimates. Grants towards the childhood services programme, on the other hand, were \$711 000 below estimate due to the refusal of the Commonwealth Government to share the cost of a number of new initiatives put forward by the Childhood Services Council.

During the year, it was decided to credit recoups for services of officers of the Further Education Department to a separate Treasury line instead of including them with similar recoups by the Education Department. Actual receipts of \$923 000 exceeded the estimate included originally in the Education Department line by almost \$300 000, principally as a result of the introduction of more self-supporting courses. Receipts on the Education Department line were also well in excess of estimate due to the introduction of charges by the department for

accounting and other services provided for the Further Education Department. A corresponding increase occurred in expenditure by the Further Education Department so that there was no net impact on the Budget.

Recoveries by the Hospitals Department under the cost-sharing arrangements with the Commonwealth Government were \$4 400 000 higher than the figure originally included in the Budget. Costs incurred by the department were higher than expected and recoveries increased proportionately. Receipts from patients' fees were \$847 000 greater than anticipated. The estimate was of necessity somewhat tentative because of the changes which were occurring at the time in the Medibank arrangements and the effect which those changes could have on patient preference for private and public accommodation.

Payments by the Commonwealth under the domiciliary care scheme, the paramedical services scheme and the community health programme were more than \$1 300 000 below the total estimated at the beginning of the year. Expansion of services in these areas did not proceed as rapidly as had been hoped and receipts were lower accordingly. The Commonwealth Government Tuberculosis Scheme was concluded on December 31, 1976. The amount of maintenance expenditure for which reimbursement could still be claimed was underestimated somewhat, and actual receipts were almost \$200 000 greater than anticipated. Sundry receipts by the department approached \$1 700 000 as compared with an estimate of only \$1 000 000. The effects of a greater level of operation at the Flinders Medical Centre were understated as was the extent of recoveries from non-Government hospitals for services provided by doctors employed at Government hospitals.

Members will recall that provision was made last year for expenditure of \$11 500 000 for drought relief and for recovery of \$8 500 000 of this from the Commonwealth. Fortunately, there was a late improvement in the season and Commonwealth support was not required. As part of the arrangements for the sharing of hospital operating costs, the Commonwealth insisted that maintenance work carried out by Public Buildings Department would have to be paid for by the Hospitals Department if Commonwealth funds were to be attracted. The Hospitals Department had not paid its June account by the end of the financial year and this was the principal reason for receipts by the Public Buildings Department falling short of estimate by \$1 100 000.

The original estimate of \$2 300 000 for recoveries from the Commonwealth of costs incurred on certain public health programmes was based on figures submitted to the Commonwealth well before the end of 1975-76. The school dental programme was revised early in 1976-77 and a number of further proposals accepted for subsidy. As a result, receipts exceeded estimate by \$723 000. The Automatic Data Processing Centre recovers the cost of its activities from other Government departments. During 1976-77, charges were increased and there was an unexpectedly high demand for the centre's services. Recoveries were, therefore, \$783 000 higher than anticipated. The number of motor vehicle registrations was somewhat greater than expected and, as a consequence, receipts from the fees charged for such registrations were \$836 000 above estimate.

**Territorial:** There were several reasons for receipts from mineral royalties exceeding estimate by \$463 000. Delays had occurred in previous years in the assessment of zinc and copper production, but much of this backlog was overcome during 1976-77 with the result that revenues from these areas were greater than expected. A good salt

harvest and higher production of natural gas were responsible for the remainder of the excess.

**Commonwealth Government:** A full explanation of the shortfall in South Australia's entitlement under the income tax sharing arrangements is given in Attachment II. Briefly, receipts from personal income tax were lower than the Commonwealth had expected so that the total to be shared between the States was below estimate. In addition, the results of the 1976 census and post-enumeration surveys produced changes in the percentage shares of the various States, principally to the advantage of Queensland. The amount of \$433 200 000 paid to South Australia was \$5 100 000 less than anticipated. It finally emerged, however, that the State was entitled to no more than it would have received under the old formula grant arrangements and an overpayment of about \$745 000 will have to be offset against revenues in 1977-78.

The figure of \$38 500 000 included in the Estimates last year for the recovery of the loss on the non-metropolitan railways comprised \$35 000 000 in respect of 1976-77 operations and \$3 500 000 in respect of 1975-76. Subsequently, agreement was reached at officer level that the balance of the 1975-76 loss to be reimbursed was \$3 200 000 but this sum had not been received by the end of the financial year. Actual receipts of \$30 700 000, therefore, related to operations in 1976-77. It became apparent towards the end of the year that the deficit was likely to be well below the original estimate and the two parties agreed that no advance would be made in June in order to avoid, as far as possible, the necessity for the State to make repayments in 1977-78. The shortfall of \$7 800 000 was therefore made up of \$3 500 000 on account of 1975-76 and \$4 300 000 on account of 1976-77.

### PAYMENTS

In the following paragraphs explanations are given for the major variations from estimate in Government expenditure. It should be borne in mind in considering these figures that the Government has adopted the practice of providing for wage and salary increases in a lump sum rather than against individual appropriations. Variations attributable to award costs are, therefore, to be expected.

**Special Acts:** The Government contribution towards pensions of former public servants and their dependants fell \$700 000 short of estimate. The liability in respect of people who retired during the year proved to be somewhat lower than anticipated. The amount transferred to the Highways Fund is, of course, the difference between collections from motor vehicle taxation and the costs of operating the Highways Department and the Motor Registration Division of the Transport Department. Receipts from motor vehicle taxation were greater than expected but costs of collection and the costs incurred by the department were also above estimate. The result was that the sum transferred to the Highways Fund was \$930 000 below estimate. At the beginning of each year an estimate must be made of the likely dates on which interest payments will be required for new borrowings raised by the Commonwealth during the year. An assessment must also be made of likely interest rates. In 1976-77 interest rates proved to be marginally higher than anticipated and the dates for the payment of interest somewhat less favourable. As a consequence, interest on the public debt exceeded estimate by \$1 700 000.

**Premier:** For purposes of comparing estimated and actual costs in 1976-77 it is most convenient to consider the Premier's Department and the Economic Development

Department as one. In total, expenditure by these two departments exceeded estimate by more than \$441 000. Wage awards accounted for \$219 000 of this and the balance was the result of increased staff numbers, higher than expected administration costs and a decision to finance all Government publicity work through the Publicity and Design Services Branch.

**Chief Secretary:** Expenditure by the Police Department was about \$2 200 000 above estimate but wage awards of \$2 400 000 more than accounted for this. Extra expenditure on technical and other equipment was offset by savings in costs of administration. Payments by the Correctional Services Department exceeded estimate by \$524 000 due entirely to the effects of wage awards. For the Services and Supply Department the Budget presented to the House at the beginning of the year included provision for the operations of the Port Lincoln abattoir until December 31, 1976, at which time it was anticipated that responsibility would be transferred to the South Australian Meat Corporation. In fact, the Services and Supply Department operated the works until March, 1977, and as a result incurred costs well in excess of estimate. Award costs of \$503 000 also helped to boost expenditure by the department to a figure approximately \$1 100 000 beyond the original provision.

**Treasurer:** At the beginning of the year it was hoped that a new Adelaide to Crystal Brook rail standardisation agreement would be in force by June 30, and so no provision was made for debt charges under the old agreement. When the new agreement did not eventuate it was necessary to continue with the repayments required by existing legislation, at a cost of about \$188 000.

During the year the Government decided to raise the rate of interest paid to semi-government and other bodies which lodge moneys in trust accounts at the Treasury. The rate paid is now only a little below the average rate earned by the Government from its investment programme. The extra cost to the Government was \$296 000.

Early in 1976, an advance of \$825 000 was made jointly by the Commonwealth and State Governments to Riverland Fruit Products Co-operative Limited to assist with the resolution of marketing problems. It became apparent that difficulties would not be overcome in the short term and the State Government therefore agreed to convert part of its loan into a grant. The cost in 1976-77 was \$309 000.

The greater part of the overspending of \$9 800 000 in the "Treasurer—Miscellaneous" section of the Budget was due to the Government's decision to eliminate the \$9 100 000 deficit on Loan Account. This has been explained elsewhere.

**Minister of Lands:** Award costs accounted for almost the entire \$838 000 by which Lands Department expenditure exceeded estimate. The costs of operating the Irrigation Branch were higher than expected because of the dry season, but this was offset by savings in general administration and in payments to local authorities. A saving of \$10 900 000 was achieved in the "Minister of Lands—Miscellaneous" section when the drought which affected most of the State's agricultural zone proved to be less severe than had been feared.

**Minister of Works:** The costs of operating the Engineering and Water Supply Department exceeded estimate by more than \$3 900 000. Apart from award costs of \$1 900 000, extra charges of almost \$1 100 000 were incurred in pumping water, chlorination costs were higher than expected and costs of operating and maintaining pumping equipment rose.

Expenditure by the Public Building Department exceeded estimate by \$3 200 000, of which \$2 300 000 was

in the salaries and wages area. Award costs were responsible for more than \$1 100 000 of this. The balance was the result of additional terminal leave payments, greater involvement by design staff in Revenue rather than Loan Budget projects and failure to provide in the original estimates for a pay day which fell on June 29. Increased contingency costs were due mainly to increases in renegotiated lease and cleaning contracts and the transfer from Loan Account of preliminary investigation costs in respect of projects which are unlikely to proceed.

In the "Miscellaneous" section, the decision not to proceed with the Chandler Hill water treatment works resulted in preliminary expenses of about \$300 000 being transferred to Revenue Account.

**Minister of Education:** Education Department expenditure exceeded estimate by almost \$19 000 000. The cost of wage and salary awards was about \$14 500 000 and additional sums were also required to provide for a higher level of staffing. There was a marked drop in the rate of resignations and retirements in 1976-77 and this, coupled with the Government's decision to employ as teachers all students graduating from teaching colleges, added further to costs. Higher prices for materials, supplies and services were responsible for the greater part of the over-expenditure on contingencies.

Expenditure by the Further Education Department was in the vicinity of \$33 300 000 compared with an estimate of \$29 500 000. Of the excess, almost \$800 000 was the result of an accounting change whereby the department is now required to reimburse the Education Department for services rendered, while a further \$1 900 000 was the cost of wage and salary awards. The balance of the increase arose from a decision to carry out certain new initiatives not provided for in the original Budget including the employment of additional lecturing and support staff to meet a higher intake of apprentices. The shortfall of \$1 300 000 in the "Miscellaneous" section can be explained entirely by reference to the childhood services programme where a number of new projects were not proceeded with, principally because Commonwealth funding was not forthcoming.

**Minister of Labour and Industry:** In December, 1976, the Government appropriated \$4 000 000 to enable its unemployment relief programme to continue and then in April, 1977, appropriated a further \$3 000 000 for this purpose. This and an advance of \$100 000 to enable the Long Service Leave (Building Industry) Fund to commence operations accounted for excess expenditure of \$7 100 000 against the "Minister of Labour and Industry—Miscellaneous" vote.

**Minister of Agriculture:** Expenditure by the Agriculture and Fisheries Department exceeded estimate by \$945 000, of which \$460 000 was the result of wage and salary awards. Costs incurred in overcoming fruit fly outbreaks at Cowandilla, Edwardstown and Vale Park accounted for most of the remainder. In the "Miscellaneous" section, some \$203 000 extra expenditure was incurred in spraying plague locusts.

**Minister of Marine:** The Marine and Harbors Department outlaid somewhat less than \$9 900 000 in 1976-77 as compared with an estimate of \$9 200 000. Wage and salary awards cost \$389 000 and much of the remainder of the excess was incurred in carrying out maintenance dredging of the Port Pirie channel. Acting on advice from the department, the Government took advantage of the presence in South Australian waters of a dredge particularly suitable for the task and instructed that the work proceed a few months ahead of schedule. Certain preliminary investigation costs were written off against the "Miscellaneous" section during the year at a cost to

Revenue of about \$100 000.

**Minister of Transport:** The cost of wage and salary awards to the Transport Department was \$319 000. The Motor Registration Division of the department was also faced with an increase in charges for the use of A.D.P. services and this was the main reason, apart from award costs, for expenditure exceeding estimate by about \$476 000.

Expenditure by the Highways Department was \$16 500 000, almost \$1 300 000 above estimate. Wage and salary awards accounted for \$803 000 of this and the balance was due to the fact that costs incurred by the department were distributed between the Revenue Account and the Highways Fund in a manner somewhat different from that anticipated at the beginning of the year.

A saving of almost \$1 500 000 was achieved against the "Minister of Transport—Miscellaneous" vote, despite the fact that the State Transport Authority had to meet wage and salary award costs of more than \$4 700 000. The receipts of the Rail Division were approximately \$5 700 000 above estimate. Thus, despite the heavy impact of wage and salary awards, the division was able to achieve a saving of over \$1 000 000 against its original appropriation. The benefit of the great bulk of extra earnings, however, went to the Commonwealth Government since they were achieved principally by the non-metropolitan sector in the carriage of general merchandise, superphosphate and livestock. Members will recall that the recovery from the Commonwealth towards the non-metropolitan deficit was well below estimate.

**Minister of Community Welfare:** The Community Welfare Department spent \$23 300 000 in 1976-77 compared with an estimate of \$22 600 000. Wage and salary awards of \$924 000 more than accounted for this over-expenditure. In the "Miscellaneous" section the amount required for rebates to pensioners in respect of water and sewer rates was underestimated by about \$283 000. An amount of \$230 000 was made available to the South Australian Housing Trust to cover losses incurred in the administration and maintenance of housing for Aborigines because the Commonwealth Government declined to meet these costs.

**Minister of Health:** Costs incurred by the Hospitals Department were \$10 600 000 greater than anticipated. Wage and salary awards accounted for almost \$8 000 000 of this and extra costs also resulted from the employment of additional nursing staff, particularly at the Flinders Medical Centre. Operating costs rose as a consequence of reductions of arrears for pathology charges owing to the Institute of Medical and Veterinary Science and increased charges for medical and surgical supplies, drugs, maintenance, fuel, light, power and rent. The cost of wage and salary awards to the Public Health Department was \$559 000 and exceeded the total of excess expenditure by the department. There were savings in staff appointments and in the purchase of vehicles and equipment. Assistance to non-Government hospitals, institutions and other bodies exceeded estimate by \$3 600 000. Wage and salary awards cost these bodies a little under \$3 800 000.

**Minister of Mines:** Expenditure by the Mines Department exceeded estimate by \$356 000 but, after account is taken of the transfer of certain sections to the Housing and Urban Affairs Department, the true over-expenditure was in the region of \$500 000. Wage and salary awards were responsible for \$236 000 of this. During the year, drilling activities for which costs are recharged to other parties fell short of expectations and to keep drilling crews fully occupied the Government allocated extra funds for the following purposes:

- (1) drilling for water in the South-East and the Barossa Valley;
- (2) drilling for minerals in the Bute region; and
- (3) testing clay-sand deposits in the Southern Vales and Golden Grove areas.

Much of the State's planning for power generation and industrial development depends on the definition of the Cooper Basin gas reserves. Late in the year, a sum of \$5 000 000 was transferred to the Pipelines Authority of South Australia to finance accelerated exploration activities in the Basin. This led to over-expenditure of \$5 000 000 against "Minister of Mines—Miscellaneous" appropriations.

## ATTACHMENT II

### The New Federalism

In an attachment to my Budget speech last year, I gave a detailed account of the discussions between the Prime Minister and the Premiers which led to the introduction of the new tax-sharing arrangements. At that time, it was estimated that in 1977-78 the new system would provide the States with about \$89 000 000 more than would have been payable under the Financial Assistance Grant formula, and, in South Australia's case, about \$9 800 000 more. In the event, personal income tax collections by the Commonwealth were well below estimate and produced an entitlement for the States which, in total, was below the amount they would have received had the financial assistance grant formula continued. Only for Queensland did the final tax-sharing entitlement exceed the "notional" formula grant. For the other five States the formula guarantee came into effect and the tax-sharing arrangements were largely irrelevant.

**Tax-Sharing Entitlements:** Until the Premiers' Conference of July 1, 1977, all States except Tasmania believed they would be receiving something more than would have been produced by the formula. South Australia was actually paid a total of \$433 200 000 in 1976-77. However, at that conference we were informed that our entitlement was somewhat less than this and that, in fact, the formula guarantee would come into force. For South Australia, the formula would have yielded a figure of \$432 500 000 in 1976-77 and we are, therefore, obliged to repay the Commonwealth in 1977-78 an amount of about \$745 000.

The reason for the difference between estimated and actual entitlement is straightforward—personal income tax collections fell short of expectations. To understand why Queensland should find itself in a position different from that of the other States, however, it is necessary to appreciate that the scheme is designed to preserve *per capita* relativities between the entitlements of the various States. That is to say, as the populations of some States increase more rapidly than those of other States, there will be a gradual shift in the relative entitlements of the States in favour of those with the rapidly growing populations. Their percentage shares will increase. In this sense, the new arrangements have merely picked up one of the features of the financial assistance grant formula—the population factor. With the formula, the link between population increases and the grants to the States was direct. As populations rose, so did the grants and those whose populations rose most rapidly received the greatest increases. Most importantly, the grants of those States whose populations increased less rapidly were not affected by the fact that the grants to other States were increasing at a greater rate.

Under the tax-sharing arrangement, the direct link

between population increases and the size of the pool of funds available to the States has disappeared. Although population increases would normally be accompanied by increases in the workforce and so by increases in collections from personal income tax, the relationship is more tenuous. In times of rising unemployment, of course, population increases may have little or no impact on tax collections. In these circumstances a disproportionate increase in the populations of some States leads to an increase in the percentage shares of those States within a given total of funds. A reallocation of entitlements takes place and within that total the other States must accept lesser proportions in order that those with the rapidly growing populations can benefit.

Turning to the events of 1976-77, the first indication of a variation from estimate came in March when we were advised that there were tentative indications that personal income tax collections might be slightly above estimate. For South Australia it was suggested that the entitlement might be \$439 100 000 rather than the \$438 300 000 included in the Budget. Shortly afterwards, however, we were advised that revised population estimates flowing from the 1976 census and post-censal surveys had resulted in marked reallocations within the total expected to be available to the States and that South Australia's share might be only \$437 200 000.

At the beginning of the financial year, the shares of the respective States were estimated on the basis of population figures available at that time. When the results of the census and the surveys which followed, became available, it became apparent that population figures generally had been understated and that the understatement had been particularly severe in Queensland. Once this had been adjusted for, the percentage shares of all States except Queensland declined, while Queensland's share rose considerably. Western Australia was very little affected but Tasmania suffered a very big loss.

In June, it became apparent that collections of personal income tax would not reach estimate and the final advance to South Australia was sufficient only to bring the total for the year to \$433 200 000. When final figures became available early in 1977-78, they were lower even than the June estimate, and it emerged that the entitlements of all States except Queensland were below the amounts they would have received from the continuation of the Financial Assistance Grant formula. South Australia's entitlement was calculated as \$428 800 000. Under the terms of the arrangements agreed to by the Commonwealth and the States, this meant that South Australia reverted to its formula entitlement of \$432 500 000 in 1976-77 and, therefore, will be obliged to accept a deduction of about \$745 000 from its entitlement as otherwise calculated in 1977-78. As a matter of interest, it may be recalled that the formula guarantee was not part of the original tax-sharing proposals but was inserted at the insistence of the Premiers.

**Issues of Principle:** At the time of my last Budget speech, there were three issues of principle upon which the Commonwealth and the States had not been able to agree and which were to be the subject of a further report from officers. They were as follows:

- (a) the best way to minimise the effects on State Budgets of fluctuations in personal income tax receipts;
- (b) the appropriate form of pre-Budget consultation between Governments; and
- (c) the composition of, and terms of reference for, the body to conduct the review of relativities between the States.

At the Premiers' Conference of April, 1977, it was

agreed that, under certain circumstances, the Chairman of the Loan Council would be authorised to arrange with the Reserve Bank for the issue, on behalf of a State, of Treasury bills to fund a Budget deficit caused by a shortfall in receipts from personal income taxation. These Treasury bills must be repaid no later than June 30, in the financial year following, and the State must, if it is able, lodge equivalent deposits with the Reserve Bank until the bills are redeemed. This is an extension of the previous arrangements which confined the use of Treasury bill finance by a State to lags in revenue within a financial year.

No agreement could be reached, however, on the matter of pre-Budget consultation. The Commonwealth has requested the States to advise well in advance of any decision to impose an income tax surcharge. The States have replied that, in order to decide whether or not to impose a surcharge, they need to know what their entitlements are likely to be under the income tax-sharing arrangements. The Commonwealth has insisted that it cannot make such information available without risking a breach of Budget security and therefore must confine its advice to the estimated entitlements of the States at tax rates pertaining prior to the Commonwealth Budget. The States have pointed out that, under these circumstances, their Budgets would be less accurate or would be delayed until well into the financial year. Neither could agreement be reached on the matter of the review body or its terms of reference. The Commonwealth had been pressing for the Grants Commission to carry out the review and for the terms of reference to be confined strictly to financial equalisation principles. The States, on the other hand, were somewhat divided on the issue with New South Wales and Victoria not inclined to argue too strongly with the Commonwealth but, with the four smaller States opposed unanimously to the Grants Commission as the review body and in general to the proposed terms of reference.

After the Premiers' Conference of April, 1977, and without further reference to the States, the Commonwealth introduced legislation which gave the review task to the Grants Commission and set guidelines with a strong bias towards financial equalisation. Together with several other Premiers, I protested vigorously at this procedure and, fortunately, the Commonwealth was persuaded not to proceed with the legislation. At the July Conference the Prime Minister suggested a review body comprising three members of the Grants Commission, one person nominated by New South Wales and Victoria and two persons nominated by the other States. This has been accepted by all parties although with considerable reluctance by some. Amendments proposed by the States to the terms of reference set out in the legislation are being considered by Treasury officers.

At one time or another, all of the four smaller States have appeared before the Grants Commission as claimants and all are anxious to ensure that their ability to present a case for a special grant is not in any way jeopardised by additional functions which the Commission may acquire. While not entirely happy with the compromise reached at the July Premiers' Conference, they regard it as an improvement on a situation in which the Grants Commission itself would recommend relativities and then sit in judgment upon its own recommendations if any State should apply for a special grant.

**Population Changes:** Following the release in March of the effects of revised population estimates on the shares of each State in the total personal income tax pool, it was agreed at the April Premiers' Conference to refer the matter to officers for a report. Without going into all the

intricacies of the issue, the representatives of all States except Queensland argued that their States had been disadvantaged by the method of dealing with population changes and in a manner not foreseen when the tax-sharing legislation was introduced. To continue the approach which had been followed under the Financial Assistance Grants arrangements, the legislation should have spelt out the principles governing the division of funds between the States rather than establishing population weighting factors which cannot be changed except by amending legislation. These officers suggested that the sum estimated to be available to all States be divided as if the population weighting factors had been determined in accordance with the revised population figures. This would have produced a result much closer to that envisaged at the beginning of the financial year. Since Queensland had received far less than its just entitlement from the financial assistance grant formula for the previous five years by virtue of the underenumeration of its population, and since total Commonwealth payments to the States had been understated also, it was suggested that the Commonwealth make a special allocation which would be added both to the total available to the States and to Queensland's share. This special allocation would restore Queensland's entitlement to the level which emerged after the March, 1977, revision.

The representatives of the Commonwealth and Queensland argued that the tax-sharing legislation had been framed in accordance with officers' understanding of the wishes of Governments at the time and it was not until the revised population figures became available that any objection was raised. Queensland representatives further argued that the method adopted was the most equitable way of adjusting for errors between censuses in estimates of population. At the July Conference, no decision was taken on the matter. The population weighting factors, therefore, remain as they were and Queensland retains its significantly increased share of the total available to the States. In effect, the issue was overtaken somewhat by a proposal put to the conference by the Prime Minister and remains to be resolved.

**The New Proposal:** As mentioned earlier, it was not until the Premiers' Conference of July 1, 1977, that the States became aware that all but Queensland would be entitled to receive no more than the formula guarantee in respect of 1976-77. When announcing this to the Premiers, the Prime Minister referred to the uncertainty which is engendered by an arrangement which relates the entitlements of the States to the current year's collections from personal income tax. Although the estimate for 1976-77 was closer to final collections than had been the case for some years and State entitlements were therefore not substantially below the original estimate, it was clearly an unsatisfactory situation when the States did not know precisely the funds to which they were entitled until some weeks into the following financial year. To overcome this problem, the Prime Minister indicated that the Commonwealth Government would be prepared to support a proposal for State entitlements to be related to personal income tax collections of the previous year.

More specifically, he suggested that officers be asked to examine a proposal that the sum of \$4 336 100 000 (less repayments in respect of 1976-77) be made available to the States in 1977-78. This was the estimate at that time of likely State entitlements in 1977-78 from tax sharing based on current year's collections. For 1978-79 the figure of \$4 336 100 000 would be related to actual collections from personal income tax in 1976-77 (excluding the Medibank levy) and a new percentage struck. This figure (39.9 per cent) would then be related to personal income tax



collections in 1977-78 to determine the total for all States. Thereafter, total State entitlements would be determined by increasing the amount received in the previous year by the increase in receipts from personal income tax in the previous year. Estimates of individual State entitlements could then be made with some certainty very early in the financial year. As a further benefit, the conflict between the Commonwealth and the States over pre-Budget consultation would be resolved since the States would not need to know Commonwealth estimates of collections for the ensuing twelve months.

In my Budget speech last year, I made plain that I regarded the benefits ascribed to the New Federalism as largely illusory. While giving the appearance of bringing the States into some form of national revenue-sharing partnership with the Commonwealth, the policy would still enable the Commonwealth Government to exercise full control over the funds to be made available to the States. This, of course, is precisely what has happened in both 1976-77 and 1977-78. The Commonwealth has calculated the amount to which the States are entitled under the tax-sharing arrangements and has simply tailored its loan programme, semi-governmental programme and specific purpose funds to produce the desired overall result. From the State viewpoint, tax sharing has not one single advantage over the formula grant approach. If the result is favourable to the States, specific purpose funds and Loan Council programmes are reduced accordingly. If the result is unfavourable, the States must argue for more funds.

I agreed, reluctantly, to accept tax sharing, based on the current year's collections, because in April, 1976, when the decision had to be made, the indications were that it would produce substantially more funds for the States than the formula. The decision to introduce full tax indexation altered that position almost immediately and subsequent events have demonstrated that the arrangements are anything but a bonanza for the States. Now I would argue that if we must have tax sharing let us at least try to alleviate its worst features. If we must be tied to Commonwealth income tax decisions, let us at least have some warning of their effects on our entitlements so that we can take appropriate action within our own Budgets to counter-balance any loss of revenue. I consider that the scheme put forward by the Prime Minister in July is superior to the arrangements as they operated in 1976-77. Provided that the Commonwealth offer stands as put forward in July, it would be acceptable to South Australia. I should point out that the precise manner in which the proposed new scheme is to operate is to be the subject of a report by Commonwealth and State Treasury officers.

**The Surcharge:** At the Premiers' Conference of April, 1977, heads of Government considered a report from officers on technical issues associated with the introduction of Stage II of the New Federalism—the power of the States to impose an income tax surcharge or grant a rebate. The officers had reached a stage where they required further guidelines for the development of the necessary legislation. I expressed the view that officers should continue to work towards the preparation of that legislation. In doing so, however, I made it clear that I was under no illusions about the Commonwealth's motives in this regard. Far from a desire "to ensure that the States will have substantially the financial capacity to meet their responsibilities" (to quote the Federalism policy), I suggested that the real aim was to provide the Commonwealth with an excuse to withdraw from areas of Commonwealth responsibility and to argue that the States should use their new taxing powers if they wished these activities to continue. In this way the burden of public sector restraint would be passed from the Commonwealth

to the States and the latter would be obliged either to impose still heavier taxes or to connive at the emasculation of the public sector. I still consider this to be the Commonwealth Government's aim.

Since the Commonwealth can make taxing powers available to the States with or without State co-operation, there seems little point in trying to be obstructive. I wish to make it plain, however, that I do not share the desire of the Commonwealth Government to see the public sector decline. Draft legislation for the introduction of State taxing powers was circulated to the States in June and discussed briefly at the July conference. Since then I have written to the Prime Minister suggesting certain changes which I think would improve the legislation. It will now be the subject of further discussions between officers.

### ATTACHMENT III

#### Amalgamation of Departments, Etc.

Set out below is a schedule of the amalgamations of departments and regrouping of divisions which have taken place in the last 12 months. These changes are reflected in the Estimates of Revenue and the Estimates of Expenditure.

1. The creation of a new Housing and Urban Affairs Department including the State Planning Authority, the State Planning Office and the Land Price Control Division of the Department for the Environment.
2. The creation of a South Australian Health Commission including the Hospitals Department and the Public Health Department.
3. The creation of an Economic Development Department including the Trade and Development Division and the Economic Intelligence Unit of the Premier's Department.
4. The transfer of the Rural Industries Assistance Branch from the Lands Department to the Agriculture and Fisheries Department.
5. The transfer of the South-Eastern Drainage Board and War Service Land Settlement (Eight Mile Creek) from the Lands Department to "Minister of Works—Miscellaneous".
6. The transfer of vermin control from the Lands Department to the Vertebrate Pests Control Authority under "Minister of Agriculture, Forests and Fisheries—Miscellaneous".
7. The transfer of natural disasters relief from "Minister of Lands, Repatriation and Irrigation—Miscellaneous" to "Minister of Agriculture, Forests and Fisheries—Miscellaneous".
8. The transfer of the Port Lincoln freezing works from the Supply Department to the South Australian Meat Corporation.

**Mr. TONKIN** (Leader of the Opposition): Under this suspension of Standing Orders I do, I understand, have the privilege of following for just a few words, which I will do. Mr. Speaker, I certainly echo the Premier's remarks about the Treasury officers. We have very fine Treasury officers indeed in this State. I think everyone in this House would agree that they do a fantastic job, considering what they have to put up with.

**Mr. Goldsworthy:** Look at the handicap they work under.

**The SPEAKER:** Order! I have warned the honourable Deputy Leader of the Opposition. If he intends to flout the Chair, action will be taken.

**Mr. TONKIN:** I cannot echo completely the Premier's praise of his Economic Assistant, as I think he called him.

The Budget is a most important document. It is, in fact, the Government's blueprint for the forthcoming 12 months. It is an opportunity for the Opposition to examine not only the blueprint for the coming 12 months but also the Government's performance in the 12 preceding months, and together with the Auditor-General's report, which I sincerely trust will be tabled this afternoon, we will be able to examine the Government's performance and see how it matches up with its projected performance for the next 12 months.

Because it is such an important document, there is a heavy responsibility on the Government, and the Treasurer in particular, to maintain that document in secrecy and to make sure that it is not released to members of the public until it has been tabled in this House and printed. That is a principle that applies regardless of what Parliament it is and what Government there is. This is a fundamental principle of the Westminster system of Government.

The premature leaking out of information from a Budget document is totally improper. Fortunately, it rarely occurs. But, Mr. Speaker, it has occurred on occasion and it has on occasion brought the resignation of the Treasurer involved. This morning a press conference was called by the Treasurer at which the Estimates of Revenue, the financial statement of the Premier and Treasurer, and a press release, and Sir, a copy of His Excellency's Speech opening Parliament, were distributed to the press, without embargo. The press statement has no embargo written on it. I know this, Sir, because I was asked to comment on the contents of those documents after the press conference. When I walked around to the lift next to the conference room, I found a bundle of those documents, including His Excellency's Speech, lying on the floor inside the door.

That is not the security one expects for documents as important as those relating to the State Budget. Mind you, having heard the Treasurer's diatribe this afternoon, which was a total load of claptrap, I guess the Government believed that it was not necessary to keep the Budget under wraps. Apart from being a list of excuses and a campaign for a Federal A.L.P. leadership challenge, all I can say is that it is still the Treasurer's responsibility to maintain security and secrecy.

**The Hon. G. T. Virgo:** You watch the blokes—

**The SPEAKER:** Order! The honourable Minister of Transport is out of order.

**Mr. TONKIN:** The Treasurer has a responsibility to Parliament and the people of this State, and it is totally improper to release those documents ahead of time. Whether or not it is a breach of privilege, I do not know. It does not really matter much whether or not it is a breach of privilege, although matters of Parliamentary privilege are important. However this is a clear example of the arrogance and cynicism that this Government is now displaying towards Parliament and the people of South Australia. This Government regards Parliament as a nuisance and, obviously, it therefore regards the people who elect members to Parliament as nuisances, too.

On the first day of this Parliament this Government has already fallen down and failed totally in its responsibility to the people of South Australia. It has treated normal Parliamentary and Government procedure with arrogance and cynicism, and it is certainly not a very propitious start for the Government. All I can say is that I, for one, am disappointed indeed, although perhaps not completely surprised about that. I will deal later with the political point-scoring and the out-dated Keynesian theories that the Premier still obviously holds as his Bible. Accordingly, I seek leave to continue my remarks.

Leave granted; debate adjourned.

**The Hon. D. A. DUNSTAN (Premier and Treasurer):** I seek leave to make a personal explanation.

Leave granted.

**The Hon. D. A. DUNSTAN:** The Leader of the Opposition has just seen fit to make a personal attack on me as Treasurer of the State on the basis that I have acted improperly as Treasurer by releasing to the press (all statements to the press were under embargo) the material contained in the Budget speech before it was delivered in this House. There is nothing improper in what was done.

**Mr. Tonkin:** Is it proper to find it lying on the floor in the corridor?

**The Hon. D. A. DUNSTAN:** I do not know how the Leader managed to get hold of that; I am not privy to the searching activities of members opposite. Regarding the release of Budget papers, it is quite clear, in the history of British Parliaments, that they should not be released where they could allow anyone, by getting prior knowledge of the budget, to make a profit. The Federal Budget papers are released to the press before they are delivered in Parliament but, as the Federal Budget papers include information about income tax, company taxation rates, bond rates and the like, and as they would allow people, by getting even a small prior knowledge of the Budget, to make a speculative profit by dealing on the exchange, members of the press, who are given prior notice, are locked up until 8 o'clock. There is not the slightest point in doing that in South Australia, because there is nothing in the State Budget that allows people to make any such speculative profit or return.

The Leader says that some discourtesy to Parliament is involved—there is none whatever. The Budget papers were delivered properly in this House, and the knowledge that was given to the press was embargoed until such time as they had been delivered. That was quite specific, and I have the assurance of my Press Secretary that that embargo was made to everyone.

**Mr. Millhouse:** What about the Governor's Speech?

**The Hon. D. A. DUNSTAN:** It is normal for us to talk to the press, under embargo, about the contents of the Governor's Speech; in fact, that has been done widely by previous Governments. There is absolutely nothing in what the Leader has said this afternoon.

#### LAND TAX ACT AMENDMENT 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.

**The Hon. D. A. DUNSTAN (Premier and Treasurer)** obtained leave and introduced a Bill for an Act to amend the Land Tax Act, 1936-1976. Read a first time.

**The Hon. D. A. DUNSTAN:** I move:

*That this Bill be now read a second time.*

The primary object of this Bill is to reduce the existing levels of land tax. The Bill is to be retrospective so as to ensure that these reductions will apply to the present financial year.

In 1975 and 1976 the rates of tax were reviewed in view of the movement in the levels of land values resulting from operation of the equalisation scheme established by the Act, and from the revaluations made by the Valuer-General. These reductions in rates were additional to the exemption from tax granted in respect of land used for primary production.

The taxable values of land for the 1977-78 financial year show a continuance of the upward trend previously

existing. However this trend has not been uniform throughout the State and increases in the equalisation factors for the metropolitan area range from 5 p.c. to 30 p.c. Within areas revalued by the Valuer-General there have also, in some cases, been some sharp increases in taxable values.

The new tax scale proposed in the Bill effects reductions in each range, except the lowest (which comprises property with an unimproved value of up to \$10 000) in which the low rate of 1 c per \$10 remains unchanged. The maximum rate of 27 c per \$10 applying previously to taxable values in excess of \$150 000 has been reduced to 24 c per \$10 for taxable values in excess of \$170 000. These reductions will give significant relief where increases in taxable values attract higher rates of tax because of the progressive tax scale. However, some marked increases in tax may be expected in areas where there has been considerable upward movement in land values. On the other hand, there will be some reduction of tax on holdings valued in excess of \$10 000 where the land has not appreciated significantly in value during the past year.

The reduction in revenue resulting from the new scale is expected to be about \$2 600 000. The receipts from land tax are expected to be about \$20 500 000 during 1977-78 compared with revenue of \$23 100 000 which would result from an application of the present scale.

The Bill also proposes other minor changes to the Act. It is proposed to bring certain of its provisions up to date following changes in other legislation. It is also proposed to exempt from tax organisations such as Aboriginal Hostels Limited, which provide hostels and other facilities for the welfare or benefit of Aboriginal people.

When introducing the Bill last year to exempt land used for primary production from land tax I stated that "land tax will not be payable on declared rural land in future years although the differential tax outstanding in respect of past years will become payable if land ceases to be 'declared rural land' under the existing provisions of the Act". Out of an abundance of caution, amendments are made to section 12c to ensure that, although the land may have become exempt from tax from the commencement of the 1976-77 financial year as land used for primary production, differential tax in respect of previous years will continue to be payable until the expiration of the five-year period prescribed by section 12c.

It is also proposed that the existing provision of the principal Act dealing with conveyances with intent to evade land tax be replaced by a provision similar to that appearing in some other taxing legislation. Recently, some companies and individuals who deal or speculate in land have adopted the practice of transferring small fractional interests in land for the purpose of avoiding the aggregation provisions of the Act. They thus effect a significant reduction in the total amount of land tax payable by them. The Crown Solicitor has advised that the existing provisions of the principal Act are not altogether adequate to deal with this method of tax avoidance.

The Bill enables taxpayers to appeal against decisions of the Commissioner in relation to this new provision and also in cases in which there may be some dispute whether land is or is not used for primary production. As the remainder of the explanation deals with the clauses, I seek leave to have it inserted in *Hansard* without my reading it.

Leave granted.

#### Explanation of Clauses

Clause 1 is formal. Clause 2 makes the new Act retrospective to the commencement of the present

financial year. This will ensure that the reduced land tax scale will apply for the present financial year. Clause 3 makes a number of drafting amendments and provides for the exemption of land used for the benefit of Aboriginal people. Clause 4 enacts the new scale of land tax. Clause 5 ensures that differential tax in respect of a period prior to the 1976-77 financial year will, subject to the provisions of section 12c, continue to be recoverable on sale of the land or cessation of its use for the purpose of primary production. Clause 6 provides that the Commissioner may disregard transactions entered into with a view to avoiding land tax. Clause 7 establishes a right of appeal to the Treasurer in respect of decisions of the Commissioner under the previous clause and in respect of decisions whether land is or is not land used for primary production.

Mr. TONKIN secured the adjournment of the debate.

#### PETITION: HOSPITAL LEVY

Mr. RODDA presented a petition signed by 210 ratepayers of South Australia, praying that the House would urge the Government to discontinue the 3 per cent levy on local government authorities for hospital purposes. Petition received.

#### PETITION: CHILD PORNOGRAPHY

Dr. EASTICK presented a petition signed by 39 residents of South Australia, praying that the House would urge the Government to introduce, without delay, stringent laws with appropriate penalties which would protect children from abuse by pornographers, and take action to prohibit the sale of all pornographic films, books and other material which included children.

Petition received.

#### PETITION: PROCLAMATION DAY HOLIDAY

Mr. DEAN BROWN presented a petition signed by 16 049 residents of South Australia, praying that the House would request the Government to reconsider its decision and declare December 27, 1977, as the public holiday for Proclamation Day.

Petition received.

#### PETITION: UNIONISM

Mr. GUNN presented a petition signed by 82 residents of South Australia, praying that the House would urge the Government to abandon any legislation which would deprive employees of the right to choose whether or not they wished to join a trade union or to provide for compulsory unionism.

Petition received.

#### PETITION: IRON BARON ROAD

Mr. GUNN presented a petition signed by 163 electors, residents and people commuting from Whyalla, praying that the House would urge the Government to provide funds to upgrade the road from Iron Baron to the Lincoln Highway to an acceptable standard.

Petition received.

**PETITIONS: SUCCESSION DUTIES**

Mr. HARRISON presented a petition signed by 23 residents of South Australia, praying that the House would urge the Government to amend the Succession Duties Act so that the present discriminatory position of blood relations was removed and that blood relationships sharing a family property enjoyed at least the same benefits as those available to *de facto* relationships.

The Hon. J. D. CORCORAN presented a similar petition signed by 32 residents of South Australia. Petitions received.

**PETITION: CLEARWAYS**

Mr. TONKIN presented a petition signed by 150 residents of South Australia, praying that the House would oppose any extension to the clearways on Goodwood and Unley Roads until such time as more off-street parking was provided.

Petition received.

**AUDITOR-GENERAL'S REPORT**

The SPEAKER laid on the table the Auditor-General's Report for the financial year ended June 30, 1977.

Ordered that report be printed.

**STATE BANK REPORT**

The SPEAKER laid on the table the report and accounts of the State Bank for 1976-77.

Ordered that report be printed.

**GOVERNMENT OFFICE BUILDING**

The SPEAKER laid on the table the interim report by the Parliamentary Standing Committee on Public Works on Government Office Building (Wakefield Street).

Ordered that report be printed.

**PUBLIC WORKS COMMITTEE REPORTS**

The SPEAKER laid on the table the following reports by the Parliamentary Standing Committee on Public Works, together with minutes of evidence:

East Adelaide Primary School Replacement (Interim Report),

Government Office Building (Wakefield Street) (Final Report),

Hackham West Primary School (Interim Report),

Walleroo Hospital (Geriatric and Rehabilitation Unit) (Final Report),

Whyalla Hospital Redevelopment (Phase I) (Final Report).

Ordered that reports be printed.

**QUESTIONS****INDUSTRIAL DISPUTE**

Mr. TONKIN: I direct a question to the Premier on a subject which is most serious to all South Australians. How many workers in South Australia does the Premier

expect will be affected by the Victorian power dispute, and will he publicly express his full support for the action of the Victorian Government and condemn the attempts of certain trade union officials to destroy wage indexation and the present industrial and arbitration system in Australia? Today's newspaper reports indicate that 4 000 workers from the Chrysler organisation are to be stood down tonight and will not be re-employed until several days after the power dispute in Victoria has been settled. A thousand more from General Motors-Holden's are under threat of similar action directly as a result of the dispute, and many other jobs are at risk. In view of the serious and damaging effect the dispute is having on South Australia, will the Premier make his concern known to the public and to the trade union leaders involved?

The Hon. D. A DUNSTAN: I shall certainly express my concern at the existence of a dispute. The fact is that Victoria has a woeful record in relation to industrial disputes. While at times there are cases where the trade union movement is not entirely blameless in the creation of disputes, it is also the case that the Victorian Government has taken an attitude which ill behoves a Government in the settlement of disputes. We can see the attitude of the Victorian Government very clearly in a matter affecting workers in this State. Over a period of two years, the Electricity Trust of South Australia has negotiated a provision in relation to its workers concerning which they have gone before the Arbitration Commission. That related to a change in hours with an increase in productivity. It was a properly negotiated measure, and the Victorian Government, through its instrumentality, has appeared to object to it and has held it up. That is the problem one faces in Victoria. Whatever might be said about the advisability of a dispute of this kind being in the hands of a trades hall council disputes committee rather than in the hands of a particular group of unions, nevertheless it is clear that in the Victorian dispute there has been consistent delays imposed upon the judging of the merits of this case by the State Electricity Commission of Victoria. If the Victorian Government had followed the course and precedent set by the South Australian Government in the sensible settling of disputes, instead of getting itself into the absurd confrontation in which it is now facing not only the people of Victoria but the rest of Australia, I do not believe the situation in Victoria would have occurred. It is about time a bit of good sense occurred in Victoria. If the Leader proposes for South Australia the sort of thing the Victorian Government has produced in industrial disputes, woe betide South Australia and the disastrous results to our people from the kind of confrontation which seems to be the absolute policy of the Victorian Government and its instrumentalities.

**LAND AGENTS**

Mr. GROTH: Will the Attorney-General investigate the actions of Casserly and Mitchell, land agents, of Salisbury, and, if necessary, revoke their licence? One of my constituents paid to this firm of land agents \$2 500 deposit on a house in September of this year which, by contract, was to have been refundable if the terms of the contract were not met. Because the constituent was unemployed, the Commonwealth Bank refused a loan. These despicable characters who call themselves land agents are refusing to refund the deposit. This has caused the constituent to engage a solicitor at further cost, to try to get some justice.

*Members interjecting:*

The Hon. PETER DUNCAN: I will most certainly investigate this matter. I think it is quite unfortunate that members opposite obviously treat the concern of the

constituents of the member for Salisbury with such light-hearted contempt.

*Members interjecting:*

**The Hon. PETER DUNCAN:** The attitude they are taking this afternoon clearly indicates that that is the sort of approach they would take.

*Members interjecting:*

**The SPEAKER:** Order! Once again, there are far too many interjections. In this House previously honourable members have complained about Question Time, but the trouble is brought about on many occasions by the members themselves.

**The Hon. PETER DUNCAN:** This is typical of the attitude of the Opposition to the concerns of ordinary people. Although I do not know of the individual case concerned, I will have the matter investigated. I presume the honourable member is referring to the firm of Casserly and Mitchell which has offices in Elizabeth. In the past, in looking to the interests of my constituents, I have found this to be a very reputable firm that could be relied on. I want to make that clear to the House. In saying that I will investigate the matter, I am not in any way reflecting on this firm at this stage, because in the past I have found it to be a proper and reputable firm. I will have the matter investigated, and I will most certainly bring down a report to the House, either clearing the name of the firm or, alternatively, bringing down a report to the contrary.

#### MAGISTRATE'S TRANSFER

**Mr. GOLDSWORTHY:** Does the Attorney-General still persist in his assertion that, in our court system, there is one law for the rich and one for the poor, as he alleges is evidenced by the judgment of Mr. Wilson, S.M., in relation to Medibank fraud charges, and does the Attorney intend to take any action to deal with the unsatisfactory situation that now exists in relation to Mr. Wilson, whose integrity as a magistrate has been brought into question?

On September 12 on the A.B.C. the Attorney-General made a statement in which he said that he felt sentences imposed on three doctors for misuse of Medibank money had been too light, that these penalties were not satisfactory, and that the penalty that should have been applied, in his view, should have been significantly greater. Mr. Duncan agreed with the proposition that there seemed to be one law for the rich and another for the poor.

On September 20 it seemed that the matter would be resolved in the Supreme Court.

Mr. Wilson made the following statement:

Clearly Mr. Duncan is a person who, by virtue of each of his offices, has a direct interest in this prosecution; and if the report to which I have referred is accurate, he has indicated unmistakably that the magistrate by whom it is being heard—namely myself—is one who, in his opinion, is biased and who, in violation of his judicial oath, does not do right to all manner of people after the laws and usages of this State, without fear or favor, affection or ill-will.

The magistrate continued at some length to explain the unsatisfactory situation in which he found himself in relation to cases involving the Attorney-General. On September 21, the Attorney-General was quoted as refusing to apologise to Mr. Wilson, and Mr. Wilson was transferred by the Premier's Department, I understand to the Local Court. Since then other magistrates have held a special meeting to discuss the unsatisfactory situation, and Mr. Wilson has again refused to hear cases involving the Attorney-General. An *Advertiser* editorial refers to the

Attorney-General's unworthy slur on Mr. Wilson, and I quote briefly from it, as follows:

The fact remains, however, that Mr. Duncan could, and perhaps should, have sought the approval of the Chief Justice if he believed that Mr. Wilson had violated his judicial oath.

That would have been a means of putting his own judgment of Mr. Wilson to the test. If he was not prepared to do that he should have removed the slur he put on the magistrate.

What action does the Attorney-General intend to take to deal with this matter, which has resulted in a completely unsatisfactory situation?

**The Hon. PETER DUNCAN:** The first thing I want to say about this matter is that any future action to be taken concerning Magistrate D. F. Wilson is a matter for the Premier and the Premier's Department. The suggestion made by the honourable member that I, in any way, have been involved in the transfer of Mr. Wilson or, for that matter, in any of the other matters that have arisen out of the statement I made, is not correct.

**Mr. Millhouse:** You started the incident off, though.

**The Hon. PETER DUNCAN:** I will refer to the incident, if the honourable member will give me the opportunity. What I want to say about the comments I made (and I believe the honourable member correctly quoted the passage which caused some concern to Mr. Wilson) is that a lady on that talk-back programme asked me to agree with the proposition that there seemed to her to be one law for the rich and one law for the poor. I said to her that you could say that that appears to be the situation. That was following my comments that the honourable member read out previously.

The point I draw from this saga, as it is now becoming, is that, as Attorney-General for this State, I am the senior law officer, and I have responsibility to all people in South Australia to ensure that the laws are upheld, that justice is done, and that justice is seen to be done. Therefore, I believe that I have a responsibility to speak out in this State on legal matters when I have reason to believe that all is not as it should be. It would be completely improper and inappropriate for me to comment on any matter before the court, and I did not do that in this case, notwithstanding the fact that on a couple of occasions the *Advertiser*, either through its letters to the Editor or otherwise, has seen fit to imply or say that that has happened. It did not happen.

In this matter I was severely concerned about the decision that had been made, and I made clear on the radio talk-back programme, as I have said previously, that I believe that, when one examined penalties, there was some cause for concern when one considered those being applied across the board in particular instances. Of course there are many cases to which one could refer. However, as I said when I made these comments, it is a very dangerous practice for individuals who are not present in the court and who are not fully conversant with all facts and circumstances of the particular matter to comment on the sentences of the courts. However, in this case I had had the opportunity to read the transcripts of the decisions made in the cases of the three Medibank doctors: not only had I had the chance to read the comments made on sentence or on penalty, but also I had the opportunity to read the comments made by the magistrate when determining the question of guilt or innocence.

**Mr. Millhouse:** The point is that you said there was one law for the rich and one for the poor.

**The SPEAKER:** Order! The honourable member for Mitcham is out of order.

**The Hon. PETER DUNCAN:** I agreed with that proposition, and I said that it appeared that that was the case.

**Mr. Millhouse:** In this case.

**The Hon. PETER DUNCAN:** I did not say it specifically in relation to this case.

**Mr. Millhouse:** Did you mean it, though?

**The SPEAKER:** Order! The time of Question Time is being taken up by too many interjections. I ask the honourable Attorney-General not to reply to interjections.

**The Hon. PETER DUNCAN:** The member for Kavel has referred to the *Advertiser* editorial. All I can say about that is that, if one looks back to the *Advertiser* editorials in relation to various matters concerning my portfolio in the past, one could say that they had not been very sympathetic, to say the least, or even accurate, either. One has only to refer back to the matter relating to Judge Wilson to see how wrong and unjust the *Advertiser* was in its comments when he made allegations against the Premier and me that he subsequently withdrew. Those allegations led to the *Advertiser's* making a similar type of criticism in its editorial to that which it made in this instance. It seems that the *Advertiser* has a poor track record in that matter.

**Mr. Millhouse:** There's nothing wrong with the *Advertiser*.

**The SPEAKER:** Order!

**The Hon. PETER DUNCAN:** The honourable member quoted from the *Advertiser* editorial, and that is the point to which I was replying.

**Mr. Millhouse:** You said there was one law for the rich and one for the poor.

**The Hon. PETER DUNCAN:** Mr. Speaker, I am not getting the chance to reply because of the constant interjections of the honourable member.

#### LONE FATHERS

**Mrs. BYRNE:** Can the Minister of Community Welfare say whether the Federal Government has given any indication that it will respond favourably to the present campaign in Canberra by lone fathers for recognition of their claims for the same kind of income support as the Commonwealth pays to lone mothers? I am aware that the South Australian Government makes financial assistance available to lone fathers, and that some other States do the same. However, I wonder whether this action on the part of State Governments simply allows the Federal Government to continue to evade its responsibilities and perpetuate this discrimination against lone fathers.

**The Hon. R. G. PAYNE:** True, in the two years since the Federal Government has been elected it has a good track record, let us say, for evading responsibilities generally, responsibilities that belong to that Government. However, the South Australian Government accepted the responsibility to assist lone fathers with the full knowledge that the Commonwealth might maintain its discriminatory attitude. We acted because we believed that the need existed, and I believe that we have been proved right, because 92 lone fathers have now been granted financial assistance by the department since July 1 this year. The most important aspect of this response is sometimes ignored. Between them, the 92 fathers have a total of about 210 children, and the support being supplied means a better standard of care is being provided for these children. I should like to tell the House about recent actions by the Social Security Department in Adelaide in respect to financial assistance to lone fathers, no doubt under instructions from Canberra.

Before the South Australian Government introduced financial assistance for lone fathers this year the

Commonwealth occasionally made a special benefit available to lone fathers. It did not do that very often, but it did accept eligibility with respect to some cases. Probably not more than a dozen were involved, and they were usually lone fathers with fairly young children. I do not want to criticise that, which at least was some sort of gesture on the part of the Commonwealth in recognising its responsibility in that area.

We should note that the amount paid under special benefit was less than that paid by the Commonwealth to lone mothers. It seems surprising for the Commonwealth to be discriminatory when, after all, presumably it is the family situation that is involved, and, whether it is the father or the mother who will receive the benefit and assistance to look after the children, surely the amount ought to be the same. When the South Australian Government introduced its benefit we were prepared to assist those receiving special benefits also, and we were prepared to make up the difference which the Commonwealth was too lousy to give them: "lousy" is the right word to use. We were doing this in a number of cases. When the Social Security Department learned that this was happening, it discontinued the payment of special benefits to those persons concerned and suggested that they contact my department regarding their future entitlement. In answer to the honourable member's question, I am not optimistic that the Commonwealth Government will do the right thing. Because of its record of doing the wrong thing, I think I would have to be very optimistic to expect it suddenly to do the right thing. On September 22, I wrote to the Commonwealth Minister concerned setting out arguments about this matter, but I have not yet received a reply.

#### POLICE APPEAL

**Mr. EVANS:** Will the Attorney-General say whether he was responsible for a direction to Mr. J. M. A. Cramond, a solicitor with the Legal Services Department, not to oppose an application for the adjournment of a police appeal against a decision of Mr. J. W. Lewis, Special Magistrate, sitting at Ceduna on July 14, as reported in the *Advertiser* on October 4? If he was not, who was responsible and what were the reasons for such a direction being given?

**The Hon. PETER DUNCAN:** Mr. Speaker, I wish to take a point of order. This matter is one directly before the court and, as such, is *sub judice*: therefore, the question is out of order.

**The SPEAKER:** Can the honourable member for Fisher give an assurance that that is not the case?

**Mr. EVANS:** I give an assurance that the question I have asked about the direction is not before the court. The question I am asking is: was a direction given to Mr. Cramond, by whom was it given, and what were the reasons for that direction? I do not believe that it is before the court. In fact, I am sure that is not before the court. I do not believe there is a point of order.

**The Hon. D. A. DUNSTAN:** Mr. Speaker, I rise on the same point of order. Any direction given by a law officer of the Crown, or suggested to have been given by a law officer of the Crown or other part of the Crown Law office, is part of legal proceedings. The legal proceedings are continuing. Therefore, this matter is quite clearly *sub judice*.

**The SPEAKER:** I uphold the Premier's point of order. The honourable member for Henley Beach.

### LAND COMMISSION ALLOTMENTS

**The Hon. G. R. BROOMHILL:** Can the Minister for Planning inform me of the period during which people who purchase Land Commission allotments can hold that land without being required to construct a house on it? The question relates to the pleasing announcement made by the Premier during the past day or two that the State Government Insurance Commission is able to provide about \$1 000 000 at reduced interest rates for people wanting to buy Land Commission allotments. Many people have approached me over the years and drawn attention to the difficulties about purchasing land with a requirement to build a house on it within, I think, two years originally. There is some difficulty for people who may like to take advantage of buying the land because of the reduced cost factor associated with State Government Land Commission land generally, but they are not able to build within the specified period of time. Can the Minister tell me whether he has found this to be a problem and whether anything is contemplated that may be useful in such cases?

**The Hon. HUGH HUDSON:** The original attitude taken by the Land Commission was to adopt policies which would ensure that particular areas that were released would be built on within as short a time as possible in order that there would be the maximum utilisation of the various public services that had been provided. It should be clear, I think, to every honourable member that, where public services are left under-utilised, be they sewerage schemes, water supplies or schools, the cost of the under-utilisation has to be borne by the rest of the community. With that in mind, the original restriction of the Land Commission on individual purchases of land was that a house would have to be built within two years. A few months ago that policy was modified and the time required for the building of a house by an individual (not a builder) was extended to four years.

In the policy announced by the Premier yesterday, he said that the State Government Insurance Commission was making funds available for people who buy Land Commission land and that those funds would be available on a seven-year basis. Obviously, however, the policy of the commission that the land must be built on within four years will have to be kept in mind by individual purchasers of land before they take advantage of the insurance commission's proposition.

We are keeping a close watch on the overall position with respect to Land Commission land. It is a question of obtaining a suitable balance against the conflicting objectives of trying to do the best one can for the individual and trying to ensure that the overall development of new areas does not take place over such a long period that extra costs are imposed on the remainder of the community.

### SOUTH AUSTRALIAN INDUSTRY

**Mr. DEAN BROWN:** Can the Premier say what major new programmes and policies the Government will now adopt to improve dramatically the financial viability of South Australian industry? In addition, is he aware that 142 South Australian companies have collapsed financially during the last 12 months?

**Mr. Abbott:** Name them.

**Mr. DEAN BROWN:** One can go to the Companies Office and get the 142 company names, as I have done. During the election campaign the Premier boasted that 98

new manufacturing establishments had started in South Australia in the past two years. Such boasting is ridiculous when it is revealed that 142 companies in South Australia have been forced into receivership, liquidation on court order, or voluntary liquidation due to pressure from creditors. That relates to the one year, 1976-77. This compares dismally with an average of only 78 companies going into receivership or forced liquidation in the previous three years.

An initial examination of the Budget just released by the Premier, the Governor's Speech, and the policies released by the Government during the election campaign revealed that the Government is devoid of any new ideas to assist the deteriorating financial position of South Australian industry.

**THE SPEAKER:** Order! Will the honourable member resume his seat? The honourable member is now commenting. I have given him a fair go with his question. He asked two questions for a start, and I want the honourable member to stop commenting.

**Mr. DEAN BROWN:** Thank you, Sir. I shall relate to the House certain other statistics to show that South Australia is in the worst position of any State in Australia. In the past 12 months (from August, 1976, to August, 1977) South Australia has had an increase in unemployment that is more than double the increase of the next highest State—55 per cent. The next highest State had an increase of only 22 per cent.

**THE SPEAKER:** Order! If the honourable member continues in that vein I will call on the Premier to reply. I wish the honourable member would stop commenting, which he is doing again.

**Mr. DEAN BROWN:** Thank you, Sir. I shall restrain myself and deal only with statistics. I believe I can relate to the House statistics in an explanation of the question. Employment in manufacturing industries in South Australia has fallen by 5 per cent for the last year for which figures are available. That figure is the second highest increase for any State in Australia. The only other State with a higher drop in employment is New South Wales. I make the point to the Premier that there is no point in simply blaming Fraser; the trouble lies here in South Australia.

**THE SPEAKER:** Order! For the third time I have to tell the honourable member that he must cease commenting. "Blaming Fraser" has nothing to do with the question. The honourable member said that he would stick strictly to statistics. He started off on statistics and moved away from them. I hope that the honourable member will stick to statistics and not comment.

**Mr. DEAN BROWN:** The statistics stand by themselves. The State is in a bad position, and that is why I ask the question of the Premier.

**The Hon. D. A. DUNSTAN:** The honourable member knows perfectly well that the Government's policies for assistance to industry have been outlined in detail. Those policies exceed any policies for the other States in Australia. The honourable member seeks constantly to bad mouth South Australia to try to show that South Australia is in a dreadful situation, when he well knows that it is not.

**Mr. Dean Brown:** You take no criticism whatever.

**The Hon. D. A. DUNSTAN:** I do not take criticisms of South Australia's position as being helpful to this State; at least, not the kind of criticism that the honourable member deals with constantly. Nothing that is favourable to this State ever gets a favourable comment from the honourable member, and he is trying constantly to manufacture his fictional statements about the situation of employment in South Australia. I point out to the

honourable member that this State is the most industrialised in Australia. In terms of Australian markets, it is decentralised. It is heavily concentrated in the manufacturing of consumer durables for the domestic market. In every previous economic downturn in the history of Australia, this State has had the longest lasting and the worst increase in unemployment of any State. Under this Government this time, that is not so: we have consistently done better than the Australian average. The honourable member is carrying on in the way he is doing now even when this State's unemployment rate is the lowest in Australia.

**Mr. Dean Brown:** Liar!

**The Hon. D. A. DUNSTAN:** I object. The honourable member called me a "liar" across the floor of the House. I demand a withdrawal of that statement.

**The SPEAKER:** I ask that the honourable member for Davenport withdraw that statement.

**Mr. DEAN BROWN:** I withdraw the statement "liar", but I believe that the facts prove that what the Premier has just said—

**The SPEAKER:** Order! I ask the honourable member to withdraw.

**Mr. DEAN BROWN:** I have withdrawn the statement "liar".

#### UNEMPLOYMENT BENEFITS

**Mr. ABBOTT:** Has the Minister of Community Welfare received any answer or clarification from the Minister for Social Security (Senator Guilfoyle) on the method of paying unemployment benefits? The statement in the Federal Budget that payment of unemployment benefits would be made in arrears is not only a matter of grave concern to the South Australian community, to this Government and to the trade union movement but it is also a humiliating attack on those people who, unfortunately and inevitably, will be faced with unemployment unless the Fraser Administration alters its economic policies. I would appreciate hearing from the Minister whether he has received any reply on this clouded and absurd move.

**Mr. DEAN BROWN:** I rise on a point of order, Mr. Speaker. The honourable member cannot comment like that when I am stopped from making similar comment. If there is to be justice, that justice should apply to both sides of the Chamber.

**The SPEAKER:** Order! The Chair will decide the matter and will always be fair. I can assure the honourable member that, because of interjections, I could hardly hear what the honourable member for Spence was saying. I assure the honourable member that I will be fair to both sides of the House.

**The Hon. R. G. PAYNE:** I do not have a reply. I wrote to the Minister on the same day that I wrote about lone fathers. I pointed out the inhumanity that would be involved if that intended method of payment of unemployed benefits was adopted. I make clear that it is only an intended method and that it has not yet happened. I hope to heaven that it does not happen. I know that other people wish that, too. If it did occur, the effect on families would be absolutely dreadful. In essence, it is intended that, at the end of October, that method of payment of unemployment benefits will be changed so that in a period of five consecutive weeks an unemployed breadwinner will receive one week's unemployment benefit. I need not dwell on that any longer, because everyone here would realise what effect that would have on an unemployed person without a family, let alone on a

person with a family.

It is difficult to conceive that a Government would ever proceed with it, even though it was announced that it was being considered. If it were applied, however, the resultant demand on the State's finances (because obviously these people would come to the State Community Welfare Department to seek financial assistance) would amount, it has been assessed on a preliminary basis by my officers, to \$2 000 000. That amount would have to be found by the State and there would be no recompense by the Commonwealth Government. Reference was made earlier to the Commonwealth's evading its responsibility. No greater example could be found than the example I have just given. I do not always refrain from making a political point, but I certainly do not want to make one here: I want to make that clear. I do not believe that the Commonwealth or the Minister concerned would be so heartless. I hope that Senator Guilfoyle will have enough influence in Federal Cabinet to bring home to Cabinet that a step of that nature would be absolutely scandalous. I trust that she will be able to persuade Federal Cabinet not to proceed in this way.

#### OPEN PLAN UNITS

**Mr. ALLISON:** Can the Minister of Education say whether there has been a change in the Government's general policy regarding the building of open plan units, especially in primary schools? I ask the question because it has been declared Liberal Party policy for several months to reduce the scale of open plan units in schools. During that period the Minister at least twice was critical of that policy. However, at the same time the Public Works Committee, dealing with primary schools at West Lakes Shore and North Haven and at least two other schools the plans of which have been tabled, expressed a desire to change the structure of primary school planning. Amongst the reasons given were that the changes were requested by the client department and that they were a reaction to the current educational philosophy.

Amongst the reasons given were those that have been promulgated from this side of the House, which I will reiterate. They are a reduction in the number of classes in an open unit from between six and nine to four, on the premise that teachers now work mainly in pairs, threes or fours. Among other reasons are that capital costs would be reduced, simpler heating and cooling arrangements would result, and running costs were likely to be lower than with larger teaching units, because of the improved natural lighting and ventilation. In addition, there would be a short-term flexibility and a long-term adaptability by judicious use of partitions in the smaller rooms. Is this now a general change of plan on the Government's part, and will structural changes be necessary in existing schools?

**The Hon. D. J. HOPGOOD:** There has been no change in policy, nor is it intended that there be such a change. True, if one goes back a few years, a decision was taken to keep to the smaller units in the flexible space arrangement in schools, rather than going to something like a nine-teacher situation. I think it was discovered that what tended to happen in that situation was that teachers grouped themselves naturally into one group of five and one group of four. There is no intention on the department's part to go back to anything like the old egg-crate design, which is still a feature of most of the schools in the State. I am convinced that what we have now is a very flexible design which enables a variety of teaching styles, ranging from the very traditional type of teaching



style to something more experimental, to occur. It is a mistake on the part of people to assume that, because the architecture is different, it necessarily follows that the style of teaching must be different. Undoubtedly, the open plan classroom is something rather closer to the type of office or factory situation in which these young people will work when they leave school and, as such, it is more realistic and more economical than is the old egg-crate design.

I invite the honourable member and other members to consider the waste space in schools represented by corridors, which may be used only once every hour at change of lessons. I also believe that the youngsters in the open space design become more used to dealing with people who move in and out of the classroom without disruption to their lessons. I find that, when I go around schools, if I go into a traditional classroom, I have to disrupt what is going on; it is in the nature of what is happening there. People have to stand and say "Good morning" to you, whereas when I move through an open space situation they would not know I was there. That seems to be a marvellous advance. The children simply continue on their way doing the set tasks.

I point out, without trying to be too unkind to the honourable member, that I was in his district soon after he issued, on behalf of his Party, his Party's policy statement in relation to open plan schools, and certainly there was a great deal of adverse comment by people in the education community down there. They suggested that he go out and look at the type of unit at the Grant High School and the way in which that is utilised. Possibly he has seen the type A unit at that school. If he has, I am surprised that his Party's policy is as it is.

#### STATE TRANSPORT AUTHORITY

**Mr. CHAPMAN:** Why does the Minister of Transport continually break the law by refusing to table in the House the State Transport Authority's annual reports as he is required to do under section 18 of the State Transport Authority Act, 1974? Section 18 of the Act is in two parts, the first of which requires that the authority, as soon as practicable after June 30 in each year, submit to the Minister a report on its activities. The other part of section 18 calls on the Minister to cause a copy of every report made in accordance with the previous subsection to be laid on the table of the House within 14 days of his receipt thereof. The Act referred to was proclaimed on April 18, 1974, and, accordingly, some justification may be seen for not producing a report after June 30, 1974.

My information reveals no reason whatsoever why the Minister should consistently ignore the requirements of that Act in the subsequent years of 1975, 1976 and, for that matter, 1977. I am reliably informed that several quarterly reports by the Rail Division's General Manager have been tabled since 1974. However, those reports are neither consecutive nor has any of them been printed. Furthermore, there does not appear to be any report relating to the Bus and Tram Division since the report of the Municipal Tramways Trust, as it then was, for June 30, 1975, but there has been no report from the Minister responsible for the overseeing body, namely, the State Transport Authority.

**The Hon. G. T. VIRGO:** I think that the honourable member has allayed all the fears that the Leader foreshadowed publicly about my getting a bit of a rough spin from the new shadow Minister and that I had had it too easy from the member for Gouger. Obviously, it is not going to get any harder. The honourable member answered his own question when he read the section of the

Act that provides that I am responsible for presenting reports within 14 days of receiving them. I would have thought that even the honourable member's intelligence would extend to the point of knowing that I could not present them until I had received them. He asked when I was going to stop breaking the law (I think that that was the term he used). I suggest that he may care to consider his own conscience, because for a long time he was breaking the law by using in Adelaide a vehicle on a Kangaroo Island concession.

#### MARITIME MUSEUM

**Mr. WHITTEN:** Will the Minister of Education consider the possibility of establishing a maritime museum at Port Adelaide? I am prompted to ask my question for several reasons, one being my local knowledge of Port Adelaide and the necessity for a museum. Secondly, a report in today's *Advertiser* states:

The Museums Association of Australia yesterday called on the Federal Government to establish a museums commission.

The commission would be responsible for co-ordinating the development of Australian museums.

The report concludes:

Until the funding of museums was co-ordinated on a national basis the nation's museums would be unable to discharge their role of safeguarding and displaying the national heritage effectively.

Port Adelaide contains several items of historical value, such as the steam tug *Fearless*, which is near Flinders Wharf and which is looking for a place to live out its life in museum condition, and the last steam tug, the *Yelta*. It will soon be necessary to house these two tugs somewhere where they may be preserved, so that South Australians will know what was of such benefit to Port Adelaide.

Another reason is that the Education Department uses the port a great deal for the education of children in museum facilities. Next week, 80 children will be looking at the *Fearless* and the *Yelta* and various other features of the port. The relics owned by the Historical Society and the maritime authorities are stored all over the port. This is costing a great deal of money, and they are not being usefully displayed. Can the Minister provide more information in this regard?

**The Hon. D. J. HOPGOOD:** I must congratulate the honourable member for his swiftness off the mark in testing me on this newer part of my responsibilities. I am attracted to the idea, and I shall take up the matter with the Museum Board. Having taught for three years at a school at the port, I am well aware of the interest that local people would have in these matters. In passing, I commend the comment of the Museum Association, to which the honourable member referred. There is a sense in which museums around Australia seem, like Topsy, to have just "grewed". Perhaps there needs to be a good deal of planning at the national level as to the relative stress which should be placed from capital city to capital city or from provincial town to provincial town on, first, natural history museums, secondly, technological museums and, thirdly, historical museums. For example, it may be quite wasteful of resources to build up a large technological museum in one capital city and to repeat the procedure in another. On the other hand, it may well be that we can look at one State as paying particular attention to, say, historical collections and another State continuing to build on the basically natural history museum that it probably has, as this tends to be the base of the major museums around the country. So much for future policy. I shall take up the matter with the Museum Board, but there may be

some merit in considering the possibility of whatever might evolve at the port as being not necessarily under the jurisdiction of the board, but possibly under the control of some form of local authority which, in time, may have its position protected by Statute. These matters can be considered once the whole matter has been thoroughly researched by my new set of officers.

### MAGISTRATE'S TRANSFER

**Mr. MILLHOUSE:** Will the Premier say why Mr. D. F. Wilson was transferred from the Adelaide Magistrates Court to the Local Court of Adelaide and whether he is to remain there indefinitely or go back to the Magistrates Court, where he served for so long? This question, of course, is supplementary to the question asked of the Attorney-General by the member for Kavel. During the course of his reply to the member for Kavel, and I think probably prompted by interjections, the Attorney said that the transfer of Mr. Wilson was a matter for the Premier, because magistrates are under the jurisdiction of the Premier. That is an absurd situation, but I am obliged to accept the Attorney's invitation and to direct the question to the Premier in the circumstances. The whole of this unhappy matter, which the Attorney described as becoming a saga, arose out of comments the Attorney made on a radio talk-back programme in circumstances in which it would be easy for anyone, by a slip of the tongue, to say something which was ill-considered and which easily could be taken back afterwards without any loss of face whatever. If the Attorney had been sensible, rather than let this thing build up as it has, that is the course he would have taken in the first place. Whether he meant to say that there was one law for the rich and one for the poor in Mr. Wilson's court or in our courts generally (either one thing or the other), that was the impression that came over from his answer. That is a very serious thing to say about the courts in this State or about one court in particular. I acknowledge that Mr. Wilson sometimes (and I have had experience of this because I, too, have been the chief law officer of the Crown, to use the present Attorney's description of himself) can be difficult; there is no doubt about that. He can take offence very easily.

**The SPEAKER:** Order! I hope the honourable member will not continue to comment. He is commenting now.

**Mr. MILLHOUSE:** I think I have sufficiently made that point, Sir. What followed then, of course, was the apparent summary transfer of Mr. Wilson from his senior position in the Adelaide Magistrates Court, where he had been for many years, to an inferior position across the road in the Local Court of Adelaide. The irresistible inference is that the transfer occurred because he stood up to the Attorney and took offence at what the Attorney has said, either about his court or about the judicial system.

**Mr. Goldsworthy:** Do you think that he's been demoted?

**Mr. MILLHOUSE:** It is obvious that this is the effect if not the intention of the move. There has been a good deal of public disquiet (and this is the final point in my explanation) about summary transfer of a magistrate as well respected as is Mr. Wilson from one jurisdiction to another because of an apparent collision with the Government of the day. That is the principle behind it, and that is what is causing much disquiet. I ask this question to give the Premier, because he is the senior member of the Government and because technically this is his jurisdiction, an opportunity to clear up the matter, because the Attorney did nothing to clear it up in his reply to the member for Kavel a few minutes ago.

**The Hon. D. A. DUNSTAN:** I do not intend to make a statement to the House today about this matter; I intend to make one on Tuesday. The reason that I do not intend to make one today is that I have written to Mr. Wilson today in certain terms and wish him to have an opportunity to reply to me before I make a statement.

**Mr. Millhouse:** Does it contain a threat of any description?

**The Hon. D. A. DUNSTAN:** No, it does not contain any threat at all. The honourable member's suggestion that Mr. Wilson was transferred because of a clash with the Attorney-General is quite baseless.

**Mr. Millhouse:** It looks obvious.

**The Hon. D. A. DUNSTAN:** I am sorry. The honourable member draws inferences which are quite without basis. He apparently has not looked at Mr. Wilson's original appointment. Mr. Wilson was appointed to both the Local Court and the Adelaide Magistrates Court at the time of his original appointment. It was entirely a matter for the Permanent Head of his department (and in fact there was no Ministerial direction in this matter at all) to act to ensure that Mr. Wilson was in a position to carry out—

**Mr. Millhouse:** It was just a coincidence that it happened at this time?

**The Hon. D. A. DUNSTAN:** I am not saying that it was a coincidence at all. The honourable member had better stop trying to put words into my mouth. I have not said anything of the kind. I said it was a matter which the Permanent Head properly undertook at the time; he had good reason to do so. I shall be making a statement on this matter on Tuesday next week.

### CRISIS CARE

**Mr. OLSON:** Will the Minister of Community Welfare provide a progress report on the work of his department's crisis care service? I have had a number of good reports from constituents about the work of this service. However, I am aware that its role is limited to the greater metropolitan area. Will the Minister say whether consideration is being given to extending this service to major population centres outside of Adelaide?

**The Hon. R. G. PAYNE:** The member for Price and the member for Semaphore have both had a continuing interest in this area of welfare. As the member for Semaphore was kind enough to inform me that he would like some statistics and general information about the service, I was able to have them ready for him. The figures on the unit's activities in the past financial year indicate that a very real need is being met. During the year, the unit's 18 crisis care workers dealt with almost 1 750 cases, of which almost 1 660 involved visits to clients.

In two-thirds of these cases, no delay occurred in answering the call for assistance and, in fact, in more than 50 p.c. of the cases a worker was with the client in less than half an hour. In 45 p.c. of cases, contacts took place in the client's home; 17 p.c. occurred in police stations; and about 2½ p.c. took place in women's shelters. As I have previously reported to the House, most requests for the unit's assistance continue to come from the Police Department, which has an excellent relationship with the crisis care team. In fact, almost 50 p.c. of referrals came from the police during the year, many of them involving marital disputes with violence. In 28 p.c. of cases direct contact was made by the client and most of these involved requests for accommodation and minor disturbances.

The statistics indicate that more than 60 p.c. of the unit's services were directed in the first instance to women; that 24 p.c. were initiated by people under 21 years of age; and

that 71 p.c. of the clients were identified as being Australians. Another continuing trend is that most crisis calls occur on Saturday, Sunday, and Monday, with about 50 p.c. of total calls being received on these days. Between 5 p.m. and 1 a.m. has been proved to be the busiest time of the day for crisis care workers, with more than 56 p.c. of calls being received between these hours. Demand drops off sharply after 1 a.m. There is presumably peace early in the morning. It is also important to realise that the unit does not just bow out after dealing with a crisis. In 70 p.c. of cases, referrals are made either to the Community Welfare Department or other welfare agencies for follow-up action.

The honourable member referred to the situation outside the metropolitan area. On a pilot basis an out-of-hours service during the evenings and week-ends has been introduced by the Community Welfare Department at Mount Gambier. As a result, the need, as assessed by the response in that area, will be considered to see whether any extension of this type of service is warranted outside the metropolitan area.

#### SITTINGS AND BUSINESS

**The Hon. J. D. CORCORAN (Minister of Works)** moved:

That the time for moving the adjournment of the House be extended beyond 5 p.m.  
Motion carried.

#### ADELAIDE UNIVERSITY COUNCIL

**The Hon. D. A. DUNSTAN (Premier and Treasurer)** moved:

That three members of the House be appointed, by ballot, to the Council of the University of Adelaide as provided by the University of Adelaide Act, 1971-1972.

Motion carried.

A ballot having been held, Messrs. Bannon, Klunder, and Wilson were declared elected.

#### FLINDERS UNIVERSITY OF SOUTH AUSTRALIA COUNCIL

**The Hon. D. A. DUNSTAN (Premier and Treasurer)** moved:

That three members of the House be appointed, by ballot, to the Council of the Flinders University of South Australia as provided by the Flinders University of South Australia Act, 1966-1973.

Motion carried.

A ballot having been held, Messrs. Drury, Evans, and Groom were declared elected.

#### SESSIONAL COMMITTEES

Sessional committees were appointed as follows:

Standing Orders: The Speaker, the Hon. D. A. Dunstan, and Messrs. Eastick, McRae, and Russack.

Library: The Speaker, Mrs. Adamson, and the Hons. G. R. Broomhill and D. W. Simmons.

Printing: Messrs. Dean Brown, Max Brown, Harrison, Slater, and Wilson.

#### PUBLIC ACCOUNTS COMMITTEE

**The Hon. D. A. DUNSTAN (Premier and Treasurer)** moved:

That pursuant to the Public Accounts Committee Act, 1972, a Public Accounts Committee be appointed consisting of Messrs. Becker, Gunn, Olson, Wells, and Whitten.

Motion carried.

#### ADDRESS IN REPLY

**The Hon. D. A. DUNSTAN (Premier and Treasurer)** moved:

That a committee consisting of Messrs. Bannon, Broomhill, Corcoran, Dunstan, and Klunder be appointed to prepare a draft Address to His Excellency the Governor in reply to his Speech on opening Parliament and to report on the next day of sitting.

Motion carried.

#### ADJOURNMENT

At 5.13 p.m. the House adjourned until Tuesday, October 11, at 2 p.m.