

HOUSE OF ASSEMBLY

Wednesday 25 August 1982

The **SPEAKER** (Hon. B. C. Eastick) took the Chair at 2 p.m. and read prayers.

APPROPRIATION BILL (No. 2)

His Excellency the Governor, by message, recommended to the House of Assembly the appropriation of such amounts out of the Consolidated Account as were required for all the purposes set forth in the Estimates of Payments for the financial year 1982-83, and the Appropriation Bill (No. 2).

MUSEUM REDEVELOPMENT

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

South Australian Museum Redevelopment—Stage I.
Ordered that report be printed.

QUESTION TIME

The **SPEAKER**: Before calling on questions, I indicate that any questions to the Minister of Environment and Planning will be taken by the Deputy Premier.

TRADING BANK ACCOUNTS TAX

Mr BANNON: Was the Premier consulted by the Commonwealth Government before it announced the new \$200 000 000 tax in the Budget on all debits to trading bank accounts, and is he concerned that this tax means that the Commonwealth is moving into a traditional area of State revenue raising, effectively limiting the freedom of a State to vary the rate of stamp duty on cheques, and almost certainly reducing State stamp duty collections?

As from 1 January 1983, the Fraser Government will levy a tax on all debits from accounts with trading banks, including cheques written, interest charges, bank fees, cash withdrawals and transfers to pay such regular items as housing mortgage instalments. The charges will vary from 10 cents to \$1 per debit. The Fraser Government expects to collect \$200 000 000 annually from the new tax. South Australians would be expected to contribute up to \$20 000 000 of this total.

State Governments already operate in the field, levying stamp duty on cheques. It is expected that the response of bank customers could be to reduce significantly the number of cheques written, thereby reducing South Australian Government stamp duty collections, thus affecting the Premier's Budget projections.

The **Hon. D. O. TONKIN**: The answer to the first question is 'No'. The answer to the second question is that it is not traditional for State Governments to undertake bank transaction taxes. There has been some discussion on this matter between the Treasurers of all States, including New South Wales and Victoria, concerning the possibility of bringing in a bank transactions tax, at which time some attempt was made by all the Premiers to find an alternative to pay-roll tax. No satisfactory solution was found by any of the participants at that Premiers' Conference concerning the introduction of an alternative tax to pay-roll tax.

A tax on bank transactions was one thought, but it was not followed through. Indeed, all States would have to agree if such a tax were to become a State tax. Therefore, to say that it is a traditional method of State taxation is quite erroneous. The possible outcome and impact on the State Budget is something that has not been calculated as yet. It is something that is impossible to quantify, but the early suggestions that have been made predict that although it may lead to some diminution in the early implementation of the Commonwealth tax, over the long term it will probably have very little impact.

HOME MORTGAGE PAYMENTS

Mr ASHENDEN: Can the Premier outline to the House the policies that are already in place to assist people facing difficulties in meeting home mortgage payments because of high interest rates? I note that the Leader of the Opposition, in launching his Party's campaign for the Florey by-election, made statements about means-tested, low-interest loans for housing purposes and related matters. I believe, therefore, that it would be of relevance to have placed on record what the Government has already done in regard to these issues.

The **Hon. D. O. TONKIN**: I am grateful that the honourable member has asked this question. I know that he and his colleagues from the north-eastern suburbs are very worried indeed about the impact of high interest rates on people who are buying their own home. The honourable member can take some heart from the reported comments of Barry Hughes, who is now echoing some of what I have been thinking in the past few months.

The **Hon. J. D. Wright**: Barry Hughes echoing you?

The **Hon. D. O. TONKIN**: There seems to be some problem with the Deputy Leader. Perhaps I could continue what I was saying. Barry Hughes now seems to be echoing what I have been thinking and saying in the past few months, and that is that the pressure on interest rates overseas is ultimately slackening and the effect of that is likely to be felt in the Australian market some time in the next few months. I am sure that we all sincerely hope that that will be so. I am not in a position to judge whether or not it will occur soon or whether it will take some months, as has been predicted by other people, but I can certainly say, in common with the members for Todd, Newland and Mawson and, in fact, all other members on this side, I certainly hope that it will not be long before interest rates come down.

I certainly noticed the statements that were made by the Leader of the Opposition, as reported. I presume that those statements were reported accurately, but I found them very muddling indeed, because it seems that the Leader has not sorted out in his own mind the different schemes that are in place to relieve the housing situation. Certainly, the Leader has paid no attention whatever to the Federal Government's recently announced initiatives to provide income tax concessions for interest payments in excess of 10 per cent on capital sums of up to \$65 000. He has not in any way given any acknowledgment to the personal income tax concessions that will significantly help young people who are buying their own home. I must say that I find that rather surprising.

The biggest worry for people who are buying their own home has been whether or not they will be able to afford the increased interest rates, and I would have thought that, on the night of the Federal Budget, when those schemes were announced, the Leader of the Opposition would have been as vocal as I was in praising the moves that have been taken by the Federal Government to assist home buyers to meet increasing interest rates. Instead, all we heard was a carping, whingeing criticism about sales tax increases, with

no recognition given at all to the positive aspects of the Budget in relieving people of their interest burdens.

Obviously, the Leader does not understand the difference between the State's programme for home purchasers in crisis which was commenced last October, independently of the Commonwealth, and the joint Commonwealth-State programme for mortgage and rent relief which has come in more recently. I thought it was quite ironic that the report in the *Advertiser* of the Leader's statement slamming housing and housing activities in South Australia should have appeared on the same page as an advertisement by the Housing Trust as part of its ongoing programme of informing people of the help that is being offered under the Commonwealth-State mortgage relief scheme. In other words, the advertisement quite clearly gave the rebuttal to the Leader's comments.

We have given a good deal of thought to this problem of high interest rates which is facing people, and we have taken a number of initiatives. I have already referred to the State scheme which was introduced last year and which provides financial assistance to home purchasers who are facing difficulties and who are finding it very difficult indeed to meet their repayments. That scheme will provide up to \$1 500 a year per household by way of an interest-free loan to enable them to get over this difficult period. It is not at all a small amount when one considers that it is only small amounts that are making the difference between a person's being able to meet commitments and not being able to meet them.

The Leader has used out-of-date figures in his comment. A great deal of consideration has been shown by financial and lending institutions to people in difficulties, and it says a great deal for them that they have been able to make alternative arrangements to help many of the people in difficulties.

As far as the State Government's scheme is concerned, there have now been 35 applications, of which 22 so far have been granted, so the number of applications gives some idea of the number of people and the degree of difficulty that they are experiencing. The scheme has been widely publicised. What the Leader does not like is that so few people have applied, apparently. Thank goodness more people have not found it necessary to apply.

Let me say something else to debunk the rubbish talked by the Leader of the Opposition. Further to the Commonwealth scheme, the Minister of Housing made a statement on this matter only yesterday in this place. There has been, I believe, a very quick response to the Commonwealth Government scheme. South Australia was the first State to accept the Commonwealth's offer to participate in the scheme. This was the first State to get that Commonwealth-State scheme operational, and that is very much to our credit. I think the nonsense being talked by Opposition members on this matter is being revealed for exactly what it is, namely, empty nonsense.

The Commonwealth's share of money for the scheme will not be available until November, but the State Government is spending its contributions to meet the total cost up until that time so we can be sure that assistance will start as soon as possible. That is more than I can say for the Labor Governments of New South Wales and Victoria.

Mr Bannon: Get on with the job yourself.

The Hon. D. O. TONKIN: That is exactly what we are doing, and I am very pleased to have the support of the Leader of the Opposition. It is the first time I have not heard him cavilling and whingeing across the Chamber on this matter. I am not going to canvass matters that relate to the State Budget, but I remind the House of a number of actions taken by the Government on a number of fronts. Apart from those two schemes, the Federal-State scheme and the State scheme, the Government has injected sub-

stantial sums into housing. No State Government has done more to provide reasonable-cost housing for the people of this State. The Housing Trust's own capital works programme shows that, with 1 815 new dwellings commenced in 1981-82, an increase of 800 in 1980-81, the private sector construction industry has been significantly boosted and the availability of homes has been increased.

The trust, too, has considered innovative approaches to marshalling capital, and I cite the issue of short-term State promissory notes. The record of the State Bank is also one that has to be put forward again, in view of the Leader's implied criticism of that very fine institution, as reported in the press this morning. Record sums are being lent, and 55 families per week are still being assisted. That is a number that has been constantly the case since soon after we came to office.

The concessional State Bank loans, again, are something that the Leader of the Opposition appears to want to forget. They start at 5¾ per cent interest. It would be difficult to find anything more reasonable than that, and up to 95 per cent of the total capital sum can be borrowed from the State Bank, under certain conditions. In other words, it is necessary for someone contemplating the purchase of a \$40 000 home to find \$2 000.

I believe that the Opposition is talking nonsense when it criticises not only this Government's efforts in housing but also the efforts of the Government's institutions, the Housing Trust and the State Bank. The schemes that the Opposition has put forward, quite frankly, are not worth commenting upon. In the presence of the schemes currently operating, there is nothing that those schemes add. Indeed, the schemes that the Opposition has put forward have not been costed properly and have not been clearly set out. We have not been told where the money is coming from.

It is difficult to know exactly what else, other than vague promises to do something about the matter, the Labor Party is offering. There is no question but that this Government's activity in housing is significantly helping many South Australians to weather the difficulties that they are currently experiencing and to achieve the goal of home ownership, something to which this Government is firmly and absolutely committed.

WAGE FIXATION

The Hon. J. D. WRIGHT: In view of the statement, reported in the *News* yesterday, by the Minister of Industrial Affairs, will the Premier explain to the House the Government's policy in relation to a system of wage fixation? A report in the *News* yesterday, under a heading 'Leaders attack wages pact', with a photo of the Minister of Industrial Affairs (which I must say is not a very good one)—

The SPEAKER: Order!

The Hon. J. D. WRIGHT: The report stated:

South Australian Government and industry leaders have attacked the 'social wage' pact negotiated on Friday by the Labor Party and the A.C.T.U. executive.

The package, a formula for restricting increases in both prices and wages, is expected to be a major plank in the Labor campaign for a Hayden Federal Government.

The Industrial Affairs Minister, Mr Brown, says the package is a 'political gimmick' and industry chiefs say they are sceptical.

'The Federal Government has no constitutional control over many of the income items and prices which are so vital to the package,' Mr Brown says.

'About half of all workers come under State industrial tribunals over which Canberra has no control and the general powers over price control also lie with the States.'

South Australian Employers' Federation Executive Director, Mr David Nolan, says his organisation would be 'fairly sceptical' about the success of the policy.

He did not completely rule it out, but said that he was sceptical about it. The report continued:

The Chamber of Commerce and Industry General Manager, Mr Arnold Schrape, condemns the reported A.C.T.U. push for a general \$25 a week wage increase.

Mr Hawke, when announcing the agreement between the A.C.T.U. and the Australian Labor Party, said:

It is a fact that what the Labor Party and the A.C.T.U. have agreed on would offer a climate in which Government, unions and employers can co-operate in a wage fixing system that is fair, systematic and responsible. It will be a system complemented by just and equitable social and economic programmes that will bring justice and, above all, harmony back to the whole community.

If that is the case, I would support the policy, but I think it is more important, in the light of the allegations yesterday by the Minister of Industrial Affairs, that the people of South Australia know just what this Government's wages policy is before they vote at the next election.

The Hon. D. O. TONKIN: I believe that this Government's wages policy can be summed up in one word, and that is one of restraint. That is something which I believe no amount of artificial schemes or agreements, half-baked as they may be, will ever overcome. Restraint is the name of the game. In the suggestion that has been put forward, I am reminded very much of the wages and prices contract that was entered into some years ago.

Mr Langley: All the Ministers were not going to take their rises after the last tribunal decision. Did you take yours?

The SPEAKER: Order! The honourable member for Unley does not have to let us know that he has arrived.

The Hon. D. O. TONKIN: Now that the honourable member has got his name recorded in *Hansard*, I am sure that he will be quiet. I am reminded of an occasion some time ago when the various State Premiers agreed on a voluntary basis and asked for the co-operation of people in the community for a wages-prices freeze, and this is very similar to the proposal that has now been put up as official Labor Party policy federally.

The Hon. J. D. Wright: It's entirely different.

The Hon. D. O. TONKIN: It is not entirely different, because the contract system that is being proposed is an inherent part of that agreement that was entered into on a voluntary basis. I remind honourable members opposite that it was the Premier of South Australia, the Hon. D. A. Dunstan, who, I understand, has now been appointed Director of Tourism in Victoria, according to the latest reports—

The Hon. E. R. Goldsworthy: You've got to be kidding!

The Hon. D. O. TONKIN: I understand that that is so.

An honourable member: And what a pity you did not use him here.

The Hon. D. O. TONKIN: Apparently the story is true. I am grateful to the honourable member for confirming it. I must say that I regarded the report with scepticism, but I wish Mr Dunstan well. I am sure that he will do a very good job for Victoria as Director of Tourism.

I am reminded that it was Mr Dunstan, the then Premier, who unilaterally broke the agreement and that it was the present Deputy Leader of the Opposition who broke the agreement before the courts by taking action and not only refusing to appear to argue restraint in wage claims that were made but also actively supporting such wage claims. So, the honourable gentleman himself is a great example of how such schemes, which are being put forward, will not work. Let us look at the details of it.

The Hon. D. C. Brown interjecting:

The Hon. D. O. TONKIN: I totally agree with the Minister of Industrial Affairs. I thought that it was nothing more than a political gimmick: totally unworkable and without any foundation or any will to make it work. Let us put the honourable gentleman straight. First, the Federal Government has no control whatever over prices. I know that the

honourable gentleman would like the Federal Government to take over the powers of the State in this regard. But, as long as there is a Liberal Government in South Australia and in every other State, there is no way in which the Federal Government, of whatever complexion, will get power to regulate prices.

Let us look at the question of the industrial tribunals. It is fair to say that it splits about 50/50. About half the people working in South Australia are doing so under State awards and are therefore responsible to the South Australian industrial tribunal, and the other half are Commonwealth. The whole suggestion which has been put forward, because the industrial tribunals must come into this, is patently ludicrous. I am amazed that men with the apparent experience of Mr Hawke and Mr Hayden should put forward a scheme of proposals such as this which they must know to be totally and absolutely worthless.

The other thing that is not being done relates to what happens to those people supposing that, by some method or another, they were able to get this unified control and consensus over the matter of wages and prices. Does this involve the payment of directors fees and dividends? Does it apply to companies as much as it does to unions? Just exactly where would we be?

Mr Lewis: Economic nonsense.

The Hon. D. O. TONKIN: It is economic nonsense, as the member for Mallee so rightly says. Only one thing will save this country. I have said it before in this Chamber and I will say it again. I refer to a growing acceptance, on everyone's part, of the need to exercise wage restraint. I am referring to everyone in the community. It is time that people realised that wage increases will increase costs and will cost people jobs. It is time that trade union officials, who constantly argue for wage increases, realise that they have a responsibility not only to the members of their unions who will be left but also to the members of their unions who will lose their jobs as a result of their activity. It is about time that those trade union leaders accepted that. If we increase costs, we will become less competitive overseas. Our markets will drop and inevitably we will lose employment. The sooner we come to an understanding that excessive and exorbitant wage claims will cost jobs, the nearer we will be to getting this country back on its feet again.

The honourable gentleman opposite asked another question, namely, 'What about you?'. As far as I am concerned, I believe that the Government and the Liberal Party itself should show some sort of restraint. I believe that Parliament also should show some sort of restraint. The Ministry argued strongly before the Parliamentary Salaries Tribunal at the last hearing that Ministers should have no increase in salary.

The Government introduced legislation, last year I think, in which it was provided that it would be possible to put the state of the economy forward as an argument for restraint when the Parliamentary Salaries Tribunal is considering those matters. That provision was defeated by the Australian Democrat in the Upper House, and the Labor Party solidly backed him.

As far as I am concerned, the Liberal Party has considered this matter. The Government will be introducing legislation in this Chamber again to make it possible for the Parliamentary Salaries Tribunal to admit evidence arguing for restraint in Parliamentary salary determinations, and it will be introducing legislation at the first opportunity. I sincerely trust, after what we have heard from the gentlemen opposite, that we will get some support for this measure both in this Chamber and in another place. I believe that that is the best way we can demonstrate that we are committed to wage restraint as a means of getting this country back on to a firm economic base.

DROUGHT RELIEF ASSISTANCE

Mr LEWIS: Can the Minister of Agriculture say whether assistance is available to share farmers whose operations normally would be viable but who may suffer considerable financial loss because of the current spell of dry weather? I would like to know whether drought carry-on loans can be made available to share farmers, under the provisions of the Primary Producers Emergency Assistance Act, in the same way as farmers who own the land they farm are able to obtain that assistance.

It is well known that the next generation of farmers begin life as casual labourers and piece workers, maybe picking stumps and the like, and in due course become share farmers. However, as a consequence of factors quite beyond their control and their commitment of time and energy, they lose the grub-stake they have got together, and we lose that next generation of farmers if nothing is done to ensure that they are able to continue and apply the skills they have acquired during the few short years of experience gained prior to reaching the status of share farmers.

The Hon. W. E. CHAPMAN: Under the Rural Industries Assistance Act, we are unable to assist share farmers with carry-on finance, or for that matter financial assistance, for the purposes of helping those people with debt reconstruction. However, under the Primary Producers Emergency Assistance Act, which is designed, as the name implies, for specific purposes involving emergencies, a share farmer can qualify for carry-on loans in the same way, in fact, as defined farmers may qualify under the Rural Industries Assistance Act for such financial loan assistance.

The form of assistance under the Primary Producers Emergency Assistance Act is provided as a loan to cover an assessed cash flow deficiency caused by natural disaster and that, of course, includes drought, flood, fire, etc. The criteria of last-resort lending and future viability in a normal season apply to all farmers who are applicants. In the case of share farmers, two factors have caused some problems in the past. First, the loans require to be secured. Some share farmers have little security to offer, and a subsequent mortgage over some non-rural property such as their house and/or a bill of sale over the plant will usually suffice. Secondly, the term of the loan can only be matched with the term of the share farmer's agreement.

If an agreement is for only one or two years, for example (and invariably that is all it is), repayment over that period may produce difficulties, so it is in the applicant share farmer's best interests to negotiate a longer share farming agreement where possible. Indeed, copies of those agreements are required to accompany applications so that the terms and conditions of such a loan can be properly assessed and determined by the division of my department responsible for this matter. Members opposite seem to enjoy some mirth while subjects associated with primary production and the plight of primary producers in this State are being discussed, whether by way of questions or debate involving that all-important industry.

Mr Keneally: We're just laughing at you.

The Hon. W. E. CHAPMAN: Interjections tend to flow quite often from the member for Stuart. Reference has been made to my colleague the Minister for Primary Industry (Peter Nixon).

Mr Hemmings: He doesn't like you, though.

The Hon. W. E. CHAPMAN: I am aware of the Minister's reaction to some comments that I have made in this House, and indeed publicly, in recent times. I assure the honourable member that I stand by every word I said. It is interesting to note that, following that Minister's reaction, the Prime Minister himself acknowledged the serious situation facing primary industry in Australia because of current seasonal

conditions. A report on the Prime Minister's attitude appeared in last Saturday's *Advertiser* which, incidentally, was subsequent to the matter being raised in the House during the previous week and subsequent also to the reported violent reaction to my comments by the Minister for Primary Industry.

Further, it is interesting to note, and I think worthy of mention in this place, that the Prime Minister only yesterday called on all Premiers of Australia to arrange for their respective Ministers of Agriculture to meet with the Minister for Primary Industry as a matter of urgency in order to bring forward an up-date of their respective State situations. The Federal Government is very aware of the serious plight of primary producers throughout the nation, not only primary producers in this State. The matter is no joke; it is a very serious subject. Whether one is directly or indirectly associated with primary production in this country, each and every one of us will be hurt if the current seasonal conditions continue into the coming spring and summer. We could be in for a lot of trouble.

I assure members that the South Australian Government has pulled out all stops to prepare itself and be geared and ready to cope with the applications that may come from those areas of the State in need. Recognition is being given to this matter within the absolute capacity of our State resources. There have been constant reminders (which we will continue to make on behalf of this State) to our Federal colleagues to take up the cudgels on behalf of the Commonwealth, to which I am pleased to say the Prime Minister, during the past couple of days, has agreed.

SOUTH AUSTRALIAN JOCKEY CLUB

Mr SLATER: Will the Minister of Recreation and Sport tell the House the basis of the discussions held by the Premier and himself at a deputation from the South Australian Jockey Club, and will he say what action, if any, the Government is considering in the light of those discussions? It has been reported that the South Australian Jockey Club has reopened negotiations with the State Government for further financial aid. The club's annual report for 1981-82 reveals a deficit for the past financial year of \$832 000.

Some action has been taken by the Jockey Club by way of realisation of assets and other measures, but it would appear that the club still needs some financial assistance to help it out of its difficulties. Is the Government considering any measures, by way of further financial aid, that will assist the club?

The Hon. M. M. WILSON: The member for Gilles will be well aware that the Industries Development Committee made certain recommendations to the Government regarding the South Australian Jockey Club and what action it should take to try to relieve its financial situation. The Government's stand has always been that those actions should be taken by the Jockey Club and that, when those actions have been taken, the Government would be prepared to discuss the matter once again with the Jockey Club.

The Jockey Club delegation to which the honourable member referred put certain proposals to the Government, including some which have received recent coverage in the press, to the effect that the Jockey Club proposed to sell some land adjacent to the Cheltenham racecourse. Various figures have been cited as the value of that land by no less a person than the Hon. Hugh Hudson, who is Chairman of the Finance Committee of the South Australian Jockey Club. Figures in the order of \$1 500 000 have been canvassed as the value of some of that land.

The Premier and I made quite clear to the Jockey Club that the Government would receive another delegation from

the club when it had disposed of these assets and when a new balance sheet and new accounts could be formulated on the basis of the additional money it received from the disposal of those assets. The Government has always made quite plain that it is prepared to look at the situation after the Jockey Club has carried out the recommendations of the I.D.C. and various other measures that it wishes to take to relieve its financial situation.

BANK TAX

Mr BECKER: I direct a question to the Premier, supplementary to the question asked by the Leader of the Opposition. Will the State Government consider making representations to the Federal Government to exempt certain classes of bank accounts from the proposed new bank tax? I understand that concern has been expressed that, as many employers, for reasons involving security and cost, prefer to pay wages and salaries direct to employees' bank accounts, rather than paying cash, these people will be penalised by the new bank tax. Whilst employers will save money under the proposed new bank tax scheme, it will become a liability on employees, who will wish to withdraw their wages and salaries at their leisure. Dividends, pensions and superannuation payments are also paid direct into bank accounts, and that practice is encouraged these days.

Furthermore, I understand that it is unclear whether voluntary organisations such as charities will be exempt from this new Federal Government impost. I also understand that building societies currently offer to pay accounts for their depositors, and in some instances one cheque is issued at the end of the day to cover as many as six or more transactions. The new bank tax will be passed on to the clients of the building societies, and an officer of one of the building societies has said that he expects the new tax will cost about \$200 000 per annum. The fear being expressed in the community today is that the application of a bank tax by the Federal Government could hasten the cashless society and force people to use credit cards, such as Bankcard, Diners Club, and so on.

The Hon. D. O. TONKIN: I am grateful that the honourable member has asked this question. All members will know of the concern of the member for Hanson about the welfare of bank officers and his wide experience in the banking system. It has not yet been clarified exactly how this tax will be applied. I have already asked for clarification of the details, and I shall be pleased to discuss this matter with the honourable member.

I agree that it would be a retrograde step to do anything that would persuade people not to have their salaries paid into a bank account. Indeed, that would be a retrograde step in the interests of security and on other grounds. I will certainly investigate the matters that the honourable member has raised and ventilate them further with the Federal Treasurer.

SCHOOL FEES

Mr LYNN ARNOLD: Will the Minister of Education say what action is under way or being considered to relieve the financial burden on schools resulting from non-payment of voluntary contributions by some parents? Members will know that in the present economic climate there are growing numbers of parents who, though not eligible for assistance under the Government-assisted student scheme, are still having great difficulties in meeting the voluntary contribution amounts set by schools. The bad debt rate is climbing in relation to the decline of the economy.

The Touche Ross Report recommended that legislation should be considered allowing for the introduction of compulsory fees. I have asked the Minister about that matter, and at this stage it has not been possible for a definite response to that point to be given. I have been made aware by a member of a high school council in my electorate of a letter addressed to that high school council by the Director of Management and School Services in the Education Department and that letter, while in part clarifying the Minister's own position, quotes the Minister as having written to the Athelstone school council in the following terms:

However, the matter of whether or not to legislate for compulsory fees (with a legal right for schools to recover unpaid amounts) is one which only Cabinet can determine. I have strong reservations about imposing such compulsion on parents at this stage.

Having made that point, the letter goes on to make two other points. First, it talks about legal action and the present difficulties of legal action. It states:

We have also been aware that letters threatening further action do not serve any purpose, unless each case can be brought to a conclusion.

That refers to letters to parents. The letter continues:

This means, finally, the ability to take a recalcitrant parent to a small claims court.

Then, in the last paragraph, the letter makes this comment:

Under the circumstances I regret that I am unable to assist you further for the present. The matter will, nevertheless, be followed up, because I am aware of the difficulty which some principals are having as a result of inability to obtain fees from some parents.

The matter was brought to my attention by a member of the school council who was very concerned at the tone of the letter, believing that the increasing rate of bad debts involving voluntary contributions is a reflection of the state of the economy, not of a case of malingering by the parents concerned but incapacity on their behalf. She was very concerned at the tone of the letter and at the fact that there was no mention of positive help that could be given to the school council to assist regarding the bad debts they may be facing as a result of economic distress.

The Hon. H. ALLISON: This is a complex issue which was also addressed to the Minister of Education in the previous Government and he, too, I believe, declined to institute any legal means by which parents could be prosecuted. I am a little surprised at the tone of the honourable member's question. He does not make clear to the House, either in the question or in the various motions he intends to speak on, whether he is in support of prosecuting parents or whether he proposes to take alternative steps.

Mr Lynn Arnold: Clearly I am not in favour. If you read my speech in the House in June you would know I am not in favour of it.

The Hon. H. ALLISON: The honourable member says that he is not in favour of prosecution. In that case, I am pleased that he supports the attitude I have taken in response to two or three inquiries that have been levelled at me. The honourable member will have to wait a little longer. The Budget is due to be handed down in a short time, and perhaps contained therein he may find some part solution to the problems he raises. I point out that an ever-increasing number of parents make quite legitimate application to the Education Department for assistance under what we now term the Government-assisted students scheme. As I said, that was in recognition of the fact that never at any stage have there been free students, but nevertheless there are Government-assisted students. The number of parents who seek assistance under that scheme increases year by year, and I do not suppose that the forthcoming year will be any different.

It would appear that the parents who are claiming poverty and saying that they are unable to pay may have an alternative at their hands by applying formally for some Gov-

ernment assistance. While there is a set formula which has not been changed and which will not be changed for the coming year, nevertheless there is a certain discretionary right which is given to departmental officers, and any family which can claim exceptional hardship for a period of time may qualify outside the given criteria.

Mr Lynn Arnold: That leaves a gap.

The Hon. H. ALLISON: I admit it does leave a gap, but I do not propose to introduce changes to the regulations or legislation giving schools the right to some of the parents. I also said a minute ago that if the honourable member will wait a little longer he might find some remedy immediately in the forthcoming Budget.

SCHOOL STAFFING

Mr SCHMIDT: Can the Minister of Education clarify how the recently announced \$2 000 000 for education staffing will be allocated and will he undertake to ensure that principals and chairpersons of school councils will be clearly told about the scheme? Last week in the *Southern Times* dated 18 August there appeared an article headed 'Funds to hold school staff'. It states:

Local schools with falling enrolments stand to get a boost from the State Government to allow them to maintain their current staff levels. The Government has been intent on improving our schools pupil/teacher ratios over the past three years and the Government is determined that the low class sizes which it has achieved are not lost.

The article speaks, in the main, about schools with declining numbers. Yet, I can mention two schools in my area, Sheidow Park Primary School and Reynella East Primary School, which, after the September intake, will be approximately one teaching position under formula. Both schools have high student/teacher numbers and I hope that this allocation of funds will assist these schools with higher student/teacher numbers, as in the declining schools. I hope that due recognition will be given to schools such as these.

The Hon. H. ALLISON: I know that the honourable member has had a long and close contact with schools in his area and I am appreciative of the fact that he is asking about two specific schools, but I cannot give him a precise answer to either of those two cases. What I can say is that he appears to have raised two separate issues. One of these was under discussion between me and the Executive of the Primary Principals Association some two months ago when it was pointed out that, as a result of the schools this year being staffed from February intake, then on May intake, and then on September intake, some schools were disadvantaged in that they had to hold students awaiting the arrival of a teacher in the new term.

I was informed that this was creating a specific problem in that schools were finding that they had an increasing number of students in classes because the change in enrolments was resulting in the administrative staff, the principals, deputy principals, librarians and others, being constant, but with any changes by way of reduction coming from the classroom teaching population. So two decisions were taken: one was a decision and was before the announcement of the \$2 000 000 increase and the earlier decision was that in September, as a result of increasing student numbers, we would need some 30 full-time equivalent additional staff.

One of the departmental suggestions to remedy that increased need was that schools with a declining student population might be asked to transfer staff to those with increasing populations. So, some three weeks ago I advised the Director-General that that simply was not on and that we would find the additional staff. I believe that the department was quite ready to cover 17 of the 30 full-time equiv-

alents from within its allocation and I said that the other 13 would also be provided, additional to the then staffing quota; in other words, over formula.

Almost at the same time the Private Principals Association said that in the coming year it would be preferable for schools to be staffed (and I would emphasise that I refer to primary schools because they tend to gain students during the year) on the September intakes. In the case of secondary schools, very often the September figures are smaller as there is a loss to the workforce from secondary schools. So, we decided that we would make an additional \$2 000 000 available and make provision for staffing in primary schools generally on the September intakes. I believe the two schools to which the member for Mawson referred would be amongst the schools which are increasing in student population in September. Westbourne Park is another which springs to mind. It was given media publicity only a few days ago. These schools should be receiving an additional staff member in time for the beginning of term 3 in September.

As to the manner in which the \$2 000 000 will be allocated, there are two main contingencies. One is to cover the September enrolment figures rather than the February enrolment figures. In other words, staff will be in a school waiting for students to arrive and will be available at the discretion of the Principal for their establishment in the new class when numbers increase. The other provision is for those schools that are losing students to be able to maintain their present classroom pupil/teacher ratio. I say 'those schools which are losing students' because there is a specific problem. They still have the same number of principals, deputies and librarians. Any reduction in staff as a result of a reduction in students would necessitate removal of classroom teachers. In order to maintain the level of classroom teacher/student content we have given the Education Department personnel staff a degree of flexibility so that schools will in fact, with declining student enrolments, still be staffed on a needs basis to enable them to retain their present teacher/student ratios.

PETROL LEVY

Mr ABBOTT: Is it a fact that the Minister of Transport, at a recent meeting of the Australian Transport Advisory Council, agreed with the proposal of the Federal Minister to impose a further increase in petrol tax with a levy of 2 cents per litre?

The Hon. M. M. WILSON: I welcome the member for Spence to the field of transport. I only wish that his first question could have been based better on fact than it was. I have already explained to the House in some detail that the Premier and I, at the recent Premiers Conference, made a strong objection to the levy of an additional fuel tax by the Commonwealth. In fact, it was only last week that I made an explanation to the House. There is no way that I was going to agree to an additional tax being levied, even if it was discussed at the Australian Transport Advisory Council meeting. It was discussed there but in very brief terms. It was before the Federal Budget and the Federal Minister was in no position to give any details whatever as to what the situation was going to be. I refer the member for Spence to my answer to a question in the House last week. I believe he will recognise the question because the member for Stuart interjected several times during the answer.

The answer to the honourable member's question is 'No, I did not agree to it and neither did the Premier nor I at the Premiers Conference'. I might add that, from the information I have received recently on the allocation of bi-centennial road funds which will flow from this tax (and I

have only indicative figures at the moment), South Australia is not really going to do as well as it should out of it. I was in touch with the Federal Minister's office this morning on this matter. I will be following that up very strongly indeed.

FLAGSTAFF HILL EXTENSION

Mr EVANS: Will the Deputy Premier, on behalf of the Minister of Environment and Planning, advise whether the Minister will have his officers carry out a study into the likely environmental effect that the proposed Flagstaff Hill extension will have if it is developed?

I have been approached by some residents in the area who suggest that the route as proposed for the Flagstaff Hill extension through land owned by the Engineering and Water Supply Department that surrounds the Happy Valley reservoir, and particularly the north-eastern side of that reservoir, contains a substantial amount of native bushland which is the only native bushland in that vicinity. Within that native bushland there is a considerable amount of bird life which is important to the environment of those residents.

The residents have also put the point that if the proposed route was shifted farther towards the reservoir there would be less effect upon that native bushland and on the bird life. It would also decrease the environmental impact on the quality of life of the residents, particularly those who will be close to the proposed route. Those residents, of course, are concerned and have expressed that concern to me that such a major extension upon which several millions of dollars will be spent will affect their quality of life and they believe that the native bushland in the vicinity should be protected as much as humanly possible.

They have also made the point that they are not saying that the extension should not proceed; in fact, they are supporters of the extension going ahead, but they wish to make sure that the best route in the interests of the environment is taken. They are also making the point that if it is established nearer the reservoir it would be the shortest route and therefore it would be less costly for the Highways Department to establish it. They are asking me to see whether the Minister will carry out that study in liaison with the Engineering and Water Supply Department, local government and the Highways Department.

The Hon. E. R. GOLDSWORTHY: Yes, I will be perfectly happy to put that request to the Minister of Environment and Planning, who will no doubt furnish a full report to the honourable member in due course.

PRISON SURVEILLANCE

Mr KENEALLY: Can the Chief Secretary say why the Government has sought to reduce manning at Yatala Labour Prison and Adelaide Gaol on night watches, and does the Government intend to persist with its apparent policy of reducing manning levels in these institutions?

Members will recall the strike by prison officers a little more than 12 months ago and particularly their visit to this Chamber. The strike was caused by the union's opposition to the Government's decision to reduce manning levels on night watches and the non-manning of the north-east tower, and by the Government's resistance to their application for manning to be kept at appropriate levels.

I have been informed that a recent decision of the South Australian Industrial Commission supported the stand taken by the union. I understand that the Government sought to reduce manning levels as a consequence of the installation of the electronic surveillance equipment. The Industrial Commission, however, held that, whilst the surveillance

equipment was a valuable tool that enhanced the security of both institutions, it was wrong to place too much reliance on it: it could not and should not replace officers on the ground. It was put to me that to date there has not been one instance where electronic surveillance equipment has ever jumped off a wall and apprehended an escaping prisoner. Prison officers who oppose the Government's efforts to reduce manning and therefore the security of these institutions believe that such actions facilitate prison escapes.

The Hon. J. W. OLSEN: In relation to the last comment, the Opposition ought to realise that in terms of escapes South Australia has the lowest escape rate of any mainland State of Australia.

Mr Keneally: We ought to keep it that way.

The Hon. J. W. OLSEN: Indeed. The most sophisticated surveillance equipment in Australia has been purchased by this Government for installation at both the Yatala and Adelaide Gaols to provide maximum security for holding people in those institutions. There has been a matter before the Industrial Court for quite some time, which is a matter for the court and I am sure the honourable member would at least acknowledge that the matter was before the court and would have to be dealt with in due course by that court.

The court has now made a determination on the matter and as a result of that determination consideration will be given to future manning levels within those institutions. There is no doubt that this Government's record in relation to upgrading facilities is second to none and the member for Stuart cannot deny that. The point is that during the life of this Government we have increased by 50 the number of people employed in the correctional institutions in this State.

Mr Keneally: How many?

The Hon. J. W. OLSEN: Approximately 50 persons have been employed additionally by this Government to maintain security in institutions in this State. The Government with that record will be maintaining maximum security in the institutions in this State.

At 3.6 p.m., the bells having been rung:

The SPEAKER: Call on the business of the day.

PAPERS TABLED

The following papers were laid on the table:

By the Treasurer (Hon. D. O. Tonkin)—

By Command—

- i. Certificates required under Standing Order No. 297.
- ii. Estimates of Receipts, 1982-83.
- iii. Estimates of Payments, 1982-83.
- iv. Treasurers Financial Statement, 1982-83.
- v. The South Australian Economy.

APPROPRIATION BILL (No. 2)

The Hon. D. O. TONKIN (Premier and Treasurer) obtained leave and introduced a Bill for an Act for the appropriation of moneys from Consolidated Account for the financial year ending 30 June 1983, and for other purposes. Read a first time.

The Hon. D. O. TONKIN: I move:

That this Bill be now read a second time.

Its purpose is to appropriate funds from the Consolidated Account to meet expected expenditures on the Government's programmes in 1982-83. Members will be aware that the Government's programmes, both recurrent and capital, are

encompassed now within the one Consolidated Account and authorised by one piece of legislation.

The cornerstone of the Budget strategy for this year is a continuation of sound financial management. This is the fourth successive Budget I have introduced containing no significant increases in State taxation. Indeed, reductions in taxation introduced by my Government in 1979 and 1980 benefited the South Australian taxpayer to the extent of some \$30 million a year. That benefit is continuing and increasing. In addition, my Government has reduced the public sector workforce significantly and I will refer to this matter in more detail shortly. It is difficult to quantify the benefit of that action on Government expenditures. The main benefit has been to the building and construction industry and to private sector employment.

This Budget reflects my Government's determination to continue this strategy, in the belief that it offers the only responsible approach to economic pressures and the best way to provide a framework for future economic growth.

The Government's Budget proposals for 1982-83 envisage a balance on the Consolidated Account. If achieved, the accumulated deficit of \$6.1 million recorded as at 30 June 1982 would remain unchanged as at 30 June 1983.

The forecast of a balance overall is made up of two components. They are:

- recurrent receipts and payments, where the forecast is for a deficit of \$42 million.
- capital receipts and payments, where the forecast is for a surplus of \$42 million.

Within our overall Budget the position is manageable. It is of course far from ideal. However, the position needs to be seen in the context of:

- the very difficult financial situation which faces all States—a situation which is largely beyond their immediate control.
- my Government's determination to contain its recurrent deficit and, through sound financial management, to reduce it progressively in a way which does not have adverse ill-effects for the community.

This will be a most difficult task, particularly if present expectations for salary and wage increases continue. Given our responsibility for the economic well-being of this State we will not resile from the challenge. Our Budget plan for 1982-83 is a further step in the direction of reduced recurrent expenditure in real terms and relatively low taxation.

The 1981-82 Result

Before turning in detail to the 1982-83 Budget and to some specific matters which affect it, I would like to give Members a brief outline of the outcome of 1981-82.

The Budget I presented to Parliament last year forecast a small deficit of \$3 million on the Consolidated Account. That deficit comprised two components:

- recurrent receipts and payments, where the forecast was for a deficit of \$47 million
- capital receipts and payments, where the forecast was for a surplus of \$44 million,

and would have increased the accumulated deficit of \$6.6 million recorded on the Consolidated Account as at 30 June 1981 to \$9.6 million as at 30 June 1982.

In the event, the operations on the Consolidated Account for 1981-82 showed a surplus of \$17.1 million, made up as follows:

- on recurrent operations, an excess of payments over receipts of \$44.7 million
- on capital works, an excess of receipts over payments of \$61.8 million.

However, after making special provision for outstanding debts with respect to:

- Monarto, towards the cost of redeeming semi-government borrowings as they fall due \$3.1 million
- Riverland, to redeem commercial bills and towards receivership losses \$13.5 million

the achieved surplus of \$17.1 million, was reduced by \$16.6 million, to a small surplus of \$500 000.

As at 30 June 1982, the Consolidated Account showed an accumulated deficit of \$6.1 million.

Detailed information about the 1981-82 transactions is set out in Attachment I.

The Economy

Before looking at financial matters and proposals for 1982-83, I believe it would be useful to refer to the economic background against which the Budget has been framed.

This year, for the first time I am tabling with the Budget papers a separate paper on economic trends and conditions. The paper has been prepared by Treasury with the assistance of other agencies. It is another step in the Government's policy of improving the range and quality of financial and economic information provided to the Parliament and to the public. I do not propose to spell out what is covered in the paper. However, several points are worth mentioning.

It is well known that most of the Western industrialised world has had depressed levels of economic activity in 1981-82. Unemployment has been rising in Japan, the United States, and most of Western Europe, and in the case of the latter two, to levels above those in Australia; while falling demand and production in most countries have had a moderating effect on the rates of wage and price increases. Interest rates, in real terms, have been at near record levels in the United States and have been rising elsewhere.

Prospects for any major upturn in world-wide activity are, at best, uncertain. The monetary and fiscal policies of the United States Government can be expected to have an important bearing on the future course of international economic activity.

Australia has felt two adverse effects from overseas—a reduction in demand for our exports and upward pressure on our interest rates.

Australia experienced a better than average economic growth up to the September quarter of 1981, but conditions deteriorated fairly quickly thereafter. The unemployment rate at the end of July 1982, was 6.6 per cent of the labour force compared with 5.5 per cent a year earlier.

That sharp deterioration nationally was not matched in South Australia, where the unemployment rate actually fell from 8 per cent to 7.6 per cent over the same period.

Although it is not possible for any State to insulate itself from world and national economic influences, there are some hopeful signs that South Australia may be improving its relative position. Improving key economic indicators include the State's share of dwelling approvals, construction activity (other than buildings) and unemployment totals. The State's share of national unemployment dropped from 13 per cent in July 1981 to 10.2 per cent in July 1982.

For construction activity, other than buildings, South Australia's share of the value of projects under construction at the end of March 1982 was 8.8 per cent compared with shares of around 1 per cent to 3 per cent over the previous seven years. This should translate into increased construction activity in this State over the next few quarters.

The Cooper Basin liquids project has been a major contributor to this State's increased share of the national value of projects under construction.

There are a number of other developments, either under way or proposed, which indicate the extent of long term confidence in South Australia as a place to invest. They include further feasibility work at Roxby Downs, an evaluation by Asahi Chemical Co. Ltd. and other firms of the

feasibility of a major petrochemical plant in South Australia, negotiations concerning uranium conversion and uranium enrichment projects and the possibility of a coal to gas conversion scheme. Mining and petroleum exploration activity is running at record levels.

In addition the building of international airport facilities and a new international hotel for Adelaide should greatly boost the State's tourist potential. There are proposals for a number of residential and commercial developments in the heart of Adelaide as well as further redevelopment and expansion investments in some of South Australia's key manufacturing firms.

Against that general economic background, I turn now to discuss some of the main elements affecting the State Budget. Two major factors stand out:

- funds from the Commonwealth Government
- salary and wage increases.

Commonwealth Funds

A feature of Commonwealth Budgets in recent years has been the much slower growth in payments to the States than in the other areas of Commonwealth expenditures. In real terms, Commonwealth payments to the States are expected to rise by 2.1 per cent in 1982-83, compared with a 4.1 per cent real growth in Commonwealth outlays for their own purposes. Despite some positive real growth in payments to the States expected in 1982-83, over the five years since 1977-78, payments to the States have declined in real terms by about 5 per cent compared with a real increase of about 19 per cent in the Commonwealth's other outlays. In other words the States have borne the full brunt of the Commonwealth's cost cutting exercise.

By far the largest single receipt item in the State's Budget is the so-called tax sharing grant paid by the Commonwealth Government. The total of these grants each year is determined as a proportion of total Commonwealth taxation collections in the previous year. Total tax sharing grants to the six States in 1982-83 will be 16.2 per cent higher than in 1981-82. For South Australia, the corresponding increase is 13.8 per cent. This smaller increase is explained, to some extent, by a lower than average expected rate of population growth. However, the major factor is the effect of the new relativities between the States determined by the Commonwealth following two reports by the Commonwealth Grants Commission. This matter, along with other aspects of Commonwealth-State financial relations, is discussed in some detail in Attachment II to this Statement, which I particularly commend to honourable members.

In brief, the effect of the new arrangements is to reduce this State's grant in 1982-83 by about \$11 million below what it would have been had the previous relativities continued.

On certain assumptions, this is estimated to grow to around \$22 million in 1983-84 and about \$37 million in 1984-85. While the fact that our reduced share of tax sharing grants is to be phased in over three years provides some relief, there will still be major adverse effects on the State's Budget over the next three years. Mind you, it could have been a great deal worse had the Grants Commission's recommendations been adopted in their entirety by the Commonwealth Government.

The main reason for this result is that the Grants Commission concluded, on fiscal equalisation criteria, that the State should not retain in its grant any benefits of the transfer of the non-metropolitan railways to the Commonwealth.

No legal or formal agreement was entered into by the Government of the day with the Commonwealth with respect to the financial arrangements to be made in increased recurrent grants to South Australia as a result of the transfer.

Because of this the Commission has found that the Commonwealth has no obligation to continue those benefits.

The Commonwealth Government has accepted the Commission's view.

Excluding grants for certain purposes which the Commonwealth has yet to allocate between the States, total Commonwealth payments to South Australia are estimated to increase by 12.2 per cent in 1982-83 which is the highest increase of all the States, except Tasmania. That favourable position is a reflection of two special capital grants to the State; one of \$10 million for water supply and water quality improvements, the other of \$10 million for transportation. This assistance was agreed to by the Commonwealth following strong representations which I made concerning particular problems facing the State.

Although this special assistance is most welcome, it is of a "one-off" nature. The trend in Commonwealth payments to the State remains adverse and has added greatly to our budgetary problems. Regrettably, given the lop-sided nature of Commonwealth-State financial powers, this is something that South Australia and all other States must contend with.

Salary and Wage Awards

The Budget I presented to Parliament last year included a round sum allowance of \$78 million for increases in salary and wage rates expected to occur in 1981-82. In the event, only \$59.7 million was required, largely because increases occurred later in the year than forecast. Lest anyone should think that represents some sort of a windfall gain, let me say that the full year cost of those increases added over \$140 million to the State's recurrent costs—more than was raised from the South Australian taxpayer in 1981-82 from stamp duties, liquor taxes and tobacco taxes combined.

In previous Budget speeches and in other statements, both inside and outside this Parliament, I have drawn attention to the adverse effects on the economy generally, and on the State's finances of excessive increases in salary and wage rates. I believe the truth of this is now becoming more widely recognised, as the economy is showing the effects more clearly. The need for responsible wage restraint has been acknowledged recently by various business and community leaders, including the Prime Minister and this Government. It is our hope that all sections of the community, including the public sector, will follow this responsible lead. It would be in everyone's best interests to do so.

The main effect on the Budget has been to reduce the level of capital works below that which we would otherwise have been able to finance. I assure the House that my Government will be doing all in its power to act responsibly and to contain further increases—especially in the area of government employment, but also more widely when opportunities arise.

This year's Budget includes a round sum allowance of \$80 million. That is not in any sense an amount we wish to spend in this way. If we can keep actual increases below this level, the more will be available for spending on capital works. This matter will be kept under the closest review. It can not be stressed too strongly, or too often, that excessive wage increases will mean less money for capital works, less work for the building and construction industry and fewer jobs.

The 1982 Budget

It is after having regard to those major constraints that the Government's Budget for 1982-83 has been developed. In brief the strategy is:

Taxation

The Government was elected on a commitment to a policy of lower taxation. Very significant reductions and concessions have been made since 1979. I again remind the House, that during the first year in office, my Government abolished gift and succession duties, land tax on the principal place of residence and introduced stamp duty exemptions for first home purchases. Those are significant moves which I suspect the Opposition would very much like to be forgotten by the community. However, I am confident that the effect has been so wide reaching that it will not be forgotten.

I announced earlier this year that the Government would increase the basic exemption level under the Payroll Tax Act from \$84 000 to \$124 992, tapering back to \$37 800 at a payroll level of \$255 780. Legislation has been passed and that increase came into effect from 1 July 1982. This is the third increase in the exemption level introduced by my Government in the past three years.

Heavy increases, particularly in salaries and wages, have added significantly to the costs of all government services and have not permitted any further relief in this area at this stage.

Charges and Fees

Increases in charges and fees levied by various State agencies have been announced in recent months. They have been necessary to cover increased costs.

These increases have been the subject of some mischievous and financially irresponsible comment. This is especially true of comments made by those who on the one hand do nothing to discourage pressure for increased wage rates, but on the other, encourage the community to resent the higher charges necessarily levied to cover the increased cost of providing services. The options to increasing charges in line with cost increases, are higher taxation and/or lower levels of necessary public services. My Government believes that neither of those options is acceptable.

We will continue to do everything possible to reduce the impact of the root cause of these increases, namely excessive increases in wage rates, which in turn affect other costs.

Expenditure Restraint

Firm and responsible control over all public expenditures is again the single most important element in our financial policies.

In pursuing these policies, we have three key aims:

- to hold the aggregate level of expenditures as far as practicable within the level of funds available
- to ensure that, within the aggregate, individual allocations are made responsibly to reflect essential community needs
- to ensure that resources are used to provide for those needs in the most effective way so that maximum benefit is obtained for each dollar spent.

The Budget Review Committee has once again played a vital role in the determination of Budget strategy and in the monitoring of progress. The satisfactory result overall achieved last year is tangible evidence of the success of the Committee. I pay a sincere tribute to the work which my colleagues, the Deputy Premier as Chairman, the Attorney-General and the Minister of Industrial Affairs have put into this task. Together with senior officers of the Public Service Board and of Treasury, they have worked tirelessly and it is to their credit that all agencies have worked willingly in a spirit of real co-operation with the Committee. I place on record my appreciation of the co-operation which the Committee has received from the Heads of all agencies and their staffs. The Government realises that in a period of declining real resources, many pressures occur and management skills

are put to the test. The Public Service has done a very good job and met the challenges with great distinction.

In developing the 1982-83 Budget framework, the Committee has examined carefully with all agencies:

- their objectives
- the specific functions they perform
- the effectiveness of those functions in meeting the needs of the community
- the resources allocated to the performance of those functions
- the scope for the reallocation of resources to higher priority areas.

That review enables us to plan to reduce recurrent expenditures in 1982-83 by about \$10 million below the level at which they were running at 30 June 1982—and we believe we can do so without affecting adversely the standard of service to the community.

Within the planned recurrent payments we propose to:

- continue detailed studies aimed at maximising resources of the Cooper Basin
- continue the industrial development incentive schemes and the apprenticeship training schemes
- continue to promote and develop tourism within the State
- continue to promote the investment potential of South Australia, to both the Australian and overseas capital markets
- establish a Technology Park Corporation to promote and market investment in Technology Park
- ensure that pupil-teacher ratios in primary and secondary schools are maintained, as recommended by the Keeves Committee
- examine, as a matter of priority, the most appropriate way to give emphasis to technology education, as recommended by the Keeves Committee
- maintain school grants in real terms in 1983, having regard to declining enrolments as appropriate
- introduce a new formula for determining grants for independent schools to enable them to plan and manage their operations more effectively
- commission a new College of Technical and Further Education at Noarlunga
- support, through the Department of Technical and Further Education, new courses in rural studies
- open a new industries complex at Yatala Labour Prison and a new remand wing at Port Augusta Goal
- increase assistance for established women's shelters and implement recent amendments to the Community Welfare Act
- provide a grant to assist with the establishment of an Information and Resource Centre for the Disabled
- provide resources to reduce current delays in the court system and to establish a workers' rehabilitation advisory unit
- proceed with the development and implementation of a new Treasury Accounting System; an integrated Justice Information System across various departments in the justice system; and an on-line computer system for the Motor Registration Division of the Department of Transport.

The savings and the reallocation of resources to achieve those initiatives will be achieved by:

- improved efficiency
- using natural wastage as a planned means to reduce gradually the size of the public sector.

As to reducing the size of the public sector, recent figures published by the Australian Bureau of Statistics show that South Australia has done better than any other State and much better than the Commonwealth Government. For South Australia, the figures show that for the period May

1978 to May 1982, we have reduced public sector employment by approximately 4.4 per cent. All other States showed increases in their employment levels, with Western Australia showing the smallest increase of 3.2 per cent. The Commonwealth Government showed an increase of 3.8 per cent. Those figures give a clear indication of where expenditure restraint is being practised.

Let me stress once again that the reduction in our public sector manpower has been achieved through labour wastage, without any retrenchments or sackings.

Through the Budget Review Committee, we shall once again monitor and review expenditure and manpower trends during 1982-83. We will ensure that agency expenditures are kept within the limits set by this Budget, unless exceptional circumstances arise or there is an unavoidable and unforeseen requirement.

As to capital works, funds will be needed increasingly in future years if the State is to meet normal demands and make some contribution towards infrastructure for major developments. In 1982-83, capital funds will be under further pressure, due to the need to set aside \$42 million to support recurrent operations. This amount is less than last year and the actual need will depend, of course, on the extent of salary and wage increases during the year.

The need to reserve those funds is not an ideal situation. Basically, it has arisen because of the effect of cost increases on recurrent operations, our determination to avoid taxation increases and recent trends in the level of Commonwealth grants.

However, it is important that the situation be put into proper perspective. Let me make three points.

First, the Consolidated Account is only a part, though a large part, of the State's system of public finances. The position is different if the overall picture is looked at. I plan to table in this House fairly soon a Treasury paper which will show the finances of the State on a consolidated basis. Overall, we expect capital expenditures by the Government itself and the various statutory corporations to increase substantially in real terms in 1982-83.

An example of an area where much of the activity is financed outside the Consolidated Account is welfare housing. The programs are delivered by the Housing Trust and the State Bank. The Government proposes increases in the funds from the Consolidated Account, from the semi-government borrowing program and from other sources in 1982-83. Details of welfare housing proposals are set out later in detailed comment on the 1982-83 Budget.

Second, within its capital allocation of funds, the Government will be proceeding with a number of major projects in 1982-83. Work on the North East Busway will continue and increase in tempo, and we will start upgrading the railways signalling system. Work will commence on two major water filtration projects, one for the Northern towns and the other for the Southern metropolitan water reticulation system. Work will start on a sewage treatment plant at Finger Point in the South East, a new remand centre and in the first stage of a planned redevelopment of the South Australian Museum.

Third, whatever assessment one might make of the relationship between the recurrent and capital sides of the Budget, the basic question to be asked is simply one (let us put it clearly) of what options there are to the course of action which the Government proposes to take. The options would have been higher taxation, lower recurrent expenditures and reduced services, a large deficit or some combination of all of them.

We believe that none of these options would be acceptable to the South Australian taxpayer. In the circumstances, there is no other responsible course to follow, bearing in mind the long term best interests of the State and its people.

As I have said the forecast is for a balance on the 1982-83 operations of the Consolidated Account.

That result, if achieved, will leave the accumulated deficit of \$6.1 million on the Consolidated Account as at 30 June 1982, unchanged as at 30 June 1983.

Details of the 1982-83 Budget proposals, both for recurrent activities and for capital works and for receipts and payments on each are set out in Attachment III.

Budget Development and Presentation

Members will be aware of Budget developments which have taken place in recent years. Program performance budgeting and the development of a new Treasury accounting system have been the major thrusts of this Government. I am pleased to say that the formal Budget papers of two agencies are being presented in program form for the first time this year and that a decision on an appropriate commercial computer software package to operate the new Treasury accounting system will be made shortly.

We have taken steps also to review the presentation of all of the Treasurer's statements which accompany the Auditor-General's report.

We will continue the practice, established last year, of providing special information on the State's finances in an aggregate form.

We propose to examine ways and means to improve overall Budget presentation.

These matters are expanded further in Attachment IV. There is also a discussion on the concept of the Budget surplus or deficit.

Other Matters

Matters raised by the Auditor-General and action taken in response to his comments are set out in detail in Attachment V.

Changes to functions and titles of departments which have occurred since presentation of the Budget in September 1982 are shown in Attachment VI.

Again, I pay a tribute to the Under Treasurer and his officers and the permanent heads of all departments who, with their officers, have met the challenges put before them with very great distinction. The people of South Australia have every reason for confidence in their public servants. I thank them all for their co-operation and assistance.

I commend to the House the Budget for 1982-83, which has been framed in most difficult circumstances, but which we believe is in the best interests of this State. The clauses of the Appropriation Bill (No. 2), 1982, are in a similar form and give the same kinds of authority as the Act of last year. I seek leave to have the attachments inserted in *Hansard* without my reading them.

Leave granted.

ATTACHMENT I

THE YEAR 1981-82

The Budget which I presented to Parliament last year forecast a small deficit of \$3 million on the 1981-82 operations of the Consolidated Account. That forecast was made up of a deficit of \$47 million on recurrent operations and a surplus of \$44 million on capital works. A deficit of that order would have increased the accumulated deficit of \$6.6 million recorded on the Consolidated Account as at 30 June 1981, to \$9.6 million as at 30 June 1982.

On recurrent activities, receipts were expected to total \$1 675.4 million and payments \$1 722.4 million.

As to capital works, it was anticipated that \$230.1 million of funds would become available, and that payments would amount to \$186.1 million.

For recurrent activities, receipts totalled \$1 705.5 million, \$30.1 million above estimate. If we leave aside two special

payments totalling \$16.6 million, to which I will return in a moment, then recurrent payments at \$1 750.2 million, were above estimate by \$27.8 million. The net improvement of \$2.3 million, reduced the deficit on the year's operations to \$44.7 million.

For capital works, the State received \$242.7 million, \$12.6 million above estimate. Payments at \$180.9 million were \$5.2 million below estimate. The net improvement of \$17.8 million increased the surplus for the year to \$61.8 million.

The factors contributing to the improvement of \$30.1 million in recurrent receipts were increases above estimate for recoveries of debt services (\$1.5 million); other departmental fees and recoveries (\$33.1 million), which included a receipt of \$25 million from the South Australian Urban Land Trust, as the first instalment of an agreed payment to settle the Commonwealth Government's interest in the former Land Commission, and Commonwealth receipts (\$1.2 million). This was offset partly by receipts from State taxation, public undertakings and territorial which were below expectation by \$3 million, \$1.5 million and \$1.2 million, respectively.

The over-expenditure on recurrent activities of \$27.8 million arose from:

- the payment to the Commonwealth Government with respect to the former Land Commission, which added \$25 million to budget expenditure
- payments under guarantees, which were \$6.3 million greater than expected
- the transfer to the Highways Fund (offset by equivalent receipts), which was \$2.5 million above estimate
- implementation of a transition education program (offset by Commonwealth receipts) and new and renegotiated lease payments, which added \$3.4 million and \$1.5 million respectively to budget outlays
- a residual net overspending by agencies and on miscellaneous lines overall of \$9.5 million. The call by agencies on the round sum allowance of \$17.5 million for price increases is incorporated in the actual payments for these agencies. However, unlike salaries and wages, it is very difficult to isolate the effect of unavoidable price increases from other factors which increased expenditure in those agencies,

offset partly by:

- salary and wage awards which are estimated to have cost \$59.7 million as against the Budget estimate of \$78 million. The call by agencies on the round sum allowance for salary and wage increases is incorporated in the actual payments of those agencies which are picked up in comment later in this document
- interest payments on the public debt which were \$2.1 million below estimate.

The net improvement on recurrent operations was therefore \$2.3 million.

As to capital works, receipts exceeded the estimate by \$12.6 million, mainly as a result of an increased provision of \$2.2 million by Loan Council to cover discounts, and repayments from State sources which were \$9.9 million greater than expected. Commonwealth receipts for specific purposes were \$550 000 above estimate.

Payments were below estimate by \$5.2 million. Savings in the areas of waterworks, sewers and irrigation, effluent drainage, harbor works, other government buildings and housing amounted to \$9.5 million and were offset partly by a number of other variations both above and below estimate.

The net improvement on capital works was \$17.8 million.

The combined effect of an improvement of \$2.3 million on recurrent operations and \$17.8 million on capital works,

was to turn a planned overall deficit of \$3 million into a surplus on the Consolidated Account of \$17.1 million for the year.

From that surplus of \$17.1 million the Government made two special provisions totalling \$16.6 million to which I referred earlier.

Regarding Monarto, Members will recall that the Monarto Development Commission was established by a former Government and was financed by funds from the Commonwealth, the State and from semi-government borrowings. The Commonwealth debt has been settled and all State loans have been recovered from sales of Monarto land. There are substantial semi-government borrowings still to be redeemed and the Government believes it would be prudent to make provision now to repay them as they fall due. Therefore, \$3.1 million (being the receipts from Monarto land sales credited to recurrent activities) has been set aside in a special Deposit Account for this purpose.

As to Riverland, Members know of the most difficult circumstances which Riverland Fruit Products Co-operative Ltd. (Receivers and Managers appointed) has faced and the commitments made by a previous Government. The sharp world wide decline in the market for canned, deciduous fruit has added to the Co-operative's problems. Losses incurred both prior to and during the receivership have been heavier than expected. As a result the call on the Government's guarantees has been heavy. The Government has put aside \$13.5 million in a special Trust Account to meet these obligations. Present indications are that further funds will be required.

Those two special provisions increased the recurrent deficit to \$61.3 million and reduced the surplus on the Consolidated Account to \$500 000.

At June 30 1981, there was a small accumulated deficit of \$6.6 million on the Consolidated Account. By June 30 1982, this had become a deficit of \$6.1 million.

RECURRENT ACTIVITIES

RECEIPTS

Taxation

Land tax collections were \$585 000 below estimate. Owners seeking exemption for the first time for residential properties they have occupied as the principal place of residence, a revision of some property values, and greater than expected outstanding tax payments were the main reasons for the shortfall.

A downturn in revenue from Soccer Pools contributed to the recoup from the Recreation and Sport Fund falling \$822 000 below estimate.

Receipts from all forms of motor vehicle taxation were above estimate by \$797 000. That improvement largely reflected an increase in drivers' licence fees from 16 September 1981 and motor registration fees from 28 April 1982. This item forms part of a net transfer from recurrent activities to the Highways Fund and has no impact on the budget.

Pay-roll tax collections were below estimate by \$5.1 million. While the increase in average wages has been substantial, the increases generally occurred later than originally anticipated.

Collections from stamp duties exceeded estimate by just over \$1 million. An increase in the average value of dutiable transactions rather than an increase in the level of activity contributed to the higher revenue.

Licence fees under the Business Franchise (Petroleum Products) Act were increased from 1 May 1982 and there has been some reduction in the level of outstanding licence fees. As a result, receipts from this source exceeded estimate

by \$1.3 million in 1981-82. Like motor vehicle taxation, it has no net impact on recurrent activities.

Public Undertakings

Revenues from water and sewerage rates, excess water usage, irrigation charges and other earnings of the Engineering and Water Supply Department exceeded estimate by \$3.2 million. This improvement was due to a higher than expected usage of water.

The operations and the profitability of the Woods and Forests Department have been effected adversely by the depressed state of the building and construction industry and import competition from New Zealand and the West Coast of the United States of America. As a result the Department's contribution to the Consolidated Account was \$4.8 million lower than expected.

Recoveries of Debt Services

Interest recoveries in 1981-82 amounted to \$83.1 million and were \$1.6 million above estimate. That improvement reflected mainly an increase in earnings on Treasury balances.

Other Departmental Fees and Recoveries

The increase in receipts for Treasurer—Miscellaneous was largely the result of two factors. First, an amount of \$25 million was received from the South Australian Urban Land Trust as the first instalment of an agreed lump sum payment of \$36 million to be paid to the Commonwealth Government, to liquidate that Government's interest in the former South Australian Land Commission. A corresponding payment was made from the recurrent side of the Consolidated Account in 1981-82. Second, a change in the treatment of indebtedness with respect to the Advances for Housing Account resulted in \$4.2 million being recouped to the Consolidated Account.

Receipts collected by the Courts Department were below estimate by almost \$1 million. The general level of court activity was lower than expected.

An advance made to the Statutory Reserve Fund, established under the Workers' Compensation (Insurance) Act, 1980, was recouped in part in 1981-82. This was the principal reason for receipts under Minister of Industrial Affairs—Miscellaneous exceeding estimate by \$697 000.

Recoveries from the Highways Fund of expenditure incurred on the establishment of a Vehicle Inspection Station at Regency Park, for publicity in connection with random breath testing and for a grant to the University of Adelaide for road accident research, resulted in receipts for the Department of Transport being \$796 000 higher than expected. These receipts were offset by payments from the Consolidated Account.

Proceeds from the sale of land at Monarto were greater than expected in 1981-82 and after recovering all capital funds advanced by the State, \$3.1 million was paid to recurrent receipts. This was \$1.7 million more than anticipated originally and accounted for the increase in receipts under Minister of Lands, Minister of Repatriation and Minister of Aboriginal Affairs—Miscellaneous.

Territorial

Under the Cooper Basin Indenture, capital expenditures by the Cooper Basin producers on all development projects, including the liquids scheme, are amortised and chargeable as costs in calculating the wellhead value of petroleum products on which royalty payments are based.

The extent of those costs were greater than expected in 1981-82 and was the major reason that Territorial receipts were down on estimate by \$1.2 million.

Commonwealth Receipts

• *Specific Purpose*

Commonwealth grants for primary and secondary education exceeded estimate by \$2.3 million. Higher than expected levels of cost supplementation and the transfer of portion of the school to work transition grant to primary and secondary education were the main reasons for the increase.

This transfer was the main reason for receipts under school to work transition being \$682 000 below estimate.

An amount of \$1 million received from the Commonwealth Government in 1981-82 related to the 1980-81 hospital cost sharing arrangements. This receipt was taken into Consolidated Account to recoup the advance made from that Account in 1980-81 to provide the Health Commission with funds while waiting for the late Commonwealth payment.

• *General Purpose*

New tax sharing and health grant arrangements came into effect for all States on 1 July 1981. After a transitional year in 1981-82, those arrangements provided for the States to move to a sharing of a total tax pool, rather than the former net personal income tax pool.

For 1981-82, the arrangement was for the State's tax sharing base in 1980-81 to be increased by 9 per cent. In addition, specific purpose grants for urban public transport, soil conservation, rural extension services and the cost of operating the Commonwealth Government's pathology laboratory at Port Pirie were absorbed into tax sharing.

South Australia's grant under the States (Tax Sharing and Health Grants) Act, 1981 was estimated at the beginning of the financial year to be \$761 million. In the event, that amount was received by the State.

PAYMENTS

Special Acts

Increased drivers' licence fees, motor registration fees and increased licence fees under the Business Franchise (Petroleum Products) Act became effective from 16 September 1981, 28 April 1982 and 1 May 1982 respectively. As a result, the transfer to the Highways Fund was \$2.5 million greater than estimated. This transfer represents the net result of recurrent receipts and recurrent payments for road related purposes and has no net impact on the recurrent activities of the Consolidated Account overall.

In 1978, the Industries Development Committee reported on a proposal by the former South Australian Development Corporation, for the expansion of the operations of Riverland Fruit Products Co-operative Ltd. Those proposals incorporated a financial package which involved:

- the establishment of Riverland Fruit Products Investments Ltd. to finance the Co-operative's expansion, using capital funds provided by the former South Australian Development Corporation and borrowed funds from the State Bank of South Australia
- expanded overdraft facilities from the State Bank of South Australia to finance the Co-operative's day to day operations.

The Committee recommended in favour of the proposals and the provision of government guarantees. The Government of the day accepted the Committee's recommendations.

Members would be well aware that the Co-operative has experienced a most difficult period since that time and that it was placed in receivership by the State Bank in September

1980. Those difficulties arose partly as a result of a sharp worldwide decline in markets for canned, deciduous fruit but, more particularly, because of the decision of an earlier Government to expand the Co-operative's operations which even then were not viable.

Losses incurred both prior to and during the receivership have been considerable and the call on the Government's guarantees has been much heavier than expected. Despite the heavy losses, my Government has had no real alternative but to continue to support the Co-operative in this most difficult period.

Payments under guarantees reflect the Government's obligations for the pre-receivership period and is the reason that the Budget estimate was exceeded by \$6.3 million.

Post-receivership losses have been provided for from a special appropriation under Minister of Industrial Affairs—Miscellaneous.

The late allocation by the Commonwealth Government of bonds and stocks used to finance the 1981-82 borrowing programs of the States has delayed the date from which the first interest payment becomes payable on those borrowings. As a result interest payments on the public debt were below estimate by \$2.1 million.

Premier

Expenditure by the Department of the Premier and Cabinet exceeded estimate by \$711 000, of which \$113 000 was the result of salary and wage award increases. The additional expenditure was mainly for the promotion of the State.

Expenditure by the Department of the Public Service Board was \$77 000 below estimate, after allowing for salary and wage award increases of \$185 000.

For Premier—Miscellaneous, increased costs associated with State receptions (\$28 000), It's Our State Mate campaign (\$25 000) and the Royal Commission into Prisons (\$55 000), approximated the savings achieved on the Iron Triangle Study.

Treasurer

Expenditure by Treasury Department exceeded the budget expectation by \$339 000. Salary and wage award increases of \$192 000, and additional expenditure on refunds and remissions of tax of \$298 000 (including for succession duty), were offset partly by savings in staff appointments.

Several factors contributed to payments under Treasurer—Miscellaneous exceeding estimate by \$20.8 million. First, an amount of \$25 million was paid to the Commonwealth Government as the first instalment of an agreed lump sum settlement of \$36 million to liquidate the Commonwealth's interest (\$89 million, including capitalised interest of \$36.3 million) in the former South Australian Land Commission (now the South Australian Urban Land Trust). This payment was offset by an equivalent receipt by the Consolidated Account from the Trust. Second, the State's borrowing program for 1981-82 was financed by the Commonwealth Government from bonds issued at a discount. While equivalent capital funds are provided by Loan Council to cover the cost of writing up those proceeds to the face value of the bond, an additional \$2.2 million was required to meet the cost of the difference between the estimated and actual levels of discount. Finally, those increased expenditures were offset partly, by the transfer of debt servicing for a number of Trusts and other bodies to the Ministerial portfolios responsible for their management and operation.

Deputy Premier

Expenditure by the Department of Services and Supply exceeded estimate by \$237 000 largely as a result of salary and wage award increases of \$210 000 and expenditure on blood analysis equipment for the Chemistry Division.

Minister of Mines and Energy

After allowing for salary and wage award increases of \$353 000, expenditure by the Department of Mines and Energy was \$50 000 below estimate. Savings on the Cooper Basin Consultancy Study and the payment for services provided by A.M.D.E.L. were offset, partly, by increased expenditure on the Department's drilling operations. A review of this area is being undertaken currently by the Department.

Attorney-General

Expenditure by the Attorney-General's Department was \$414 000 above estimate. Salary and wage award increases of \$265 000, increased terminal leave payments (\$38 000) and costs associated with increased parliamentary sittings (\$55 000) and an overseas study tour by the Minister (\$32 000) were the major causes of the over-expenditure.

Expenditure by the Courts Department exceeded estimate by \$784 000, largely as a result of salary and wage award increases of \$444 000. Terminal leave payments were above estimate by \$88 000 and a change in accounting arrangements for bailiff fees led to the Department requiring a further \$154 000 during the year. This was more than offset by an increase in court receipts.

Under Attorney-General—Miscellaneous, compensation payments for criminal injuries were \$143 000 above estimate. This was offset by a lower than expected contribution towards legal aid following changes to funding arrangements agreed with the Commonwealth Government.

Minister of Industrial Affairs

After allowing for salary and wage award increases of \$318 000, expenditure by the Department of Industrial Affairs and Employment was \$225 000 below estimate. The under-expenditure was mainly due to delays in filling vacant positions and reduced operating expenditures.

After allowing for salary and wage award increases of \$76 000, expenditure by the Department of Trade and Industry was \$65 000 below estimate.

Expenditure under Minister of Industrial Affairs—Miscellaneous exceeded estimate by \$9 million. A transfer of \$9.6 million was made to a special Trust Account to meet losses incurred by Riverland Fruit Products Co-operative Ltd. (Receivers and Managers appointed). That transfer was offset partly by lower than expected incentive claims from industry.

Minister of Public Works

Expenditure by the Public Buildings Department was \$6.6 million above estimate. Salary and wage award increases (\$1.3 million), costs associated with surplus labour (\$1 million), increased rentals flowing from new and renegotiated leases, (\$1.5 million), price increases with respect to power and telephones, (\$380 000), costs associated with the maintenance of Health Commission assets, (\$1.1 million), the write off of obsolete stocks (\$570 000), preliminary investigations not proceeded with, (\$213 000) and general operating costs largely accounted for the over-expenditure.

Minister of Education

Expenditure by the Education Department exceeded estimate by \$22.6 million. Of that amount, \$16.4 million was the direct result of salary and wage award increases, of which \$11.7 million was required to meet a 16 per cent increase for teachers in promotional positions and a 12 per cent increase (above the 4 per cent interim increase granted in 1980-81) for teachers in non-promotional positions.

Further over-expenditure of \$6.9 million resulted from replacing a greater than anticipated number of teaching staff on long service leave (\$2 million); salary costs associated

with teacher qualifications, increments and terminal leave payments (\$800 000); a slower than expected turnover of ancillary and cleaning staff (\$1 million); the need to increase funds to accommodate various Commonwealth programs which were confirmed after presentation of the State budget, including the school to work transition program (\$1.4 million) and increased costs generally (\$1.7 million). There were some offsetting savings resulting mainly from the turnover of public service staff and teaching staff.

Expenditure by the Department of Technical and Further Education exceeded estimate by \$6.1 million, of which salary and wage award increases accounted for \$2.8 million. The balance was due mainly to the Commonwealth funded programs for school to work transition (\$2.4 million) and Migrant Education (\$150 000), both of which were confirmed after presentation of the State Budget; and the cost of increments for lecturers and terminal leave payments each being greater than expected, by \$200 000.

After allowing for the transfer of Aboriginal Affairs (to Minister of Lands, Minister of Repatriation and Minister of Aboriginal Affairs), expenditure under Minister of Education—Miscellaneous exceeded estimate by \$708 000. In the childhood services area, salary and wage award increases amounted to \$250 000 and the payment of operating grants exceeded estimate by \$200 000. Commonwealth programs confirmed after presentation of the State budget, increased expenditure by \$200 000.

Minister of Local Government

Salary and wage award increases of \$300 000 more than accounted for the amount by which the Department of Local Government exceeded estimate.

Expenditure under Minister of Local Government—Miscellaneous exceeded estimate by \$621 000. The transfer from Treasurer—Miscellaneous of debt servicing for the Libraries Board and the Outback Areas Community Development Trust (\$280 000); a payment to the Marion City Council for roads and kerbing (\$250 000) and the provision of flood relief assistance to the East Torrens District Council (\$51 000) contributed to the over-expenditure.

Minister of Arts

Expenditure by the Department for the Arts was \$212 000 above estimate. The cost of salary and wage award increases amounted to \$150 000 and additional salary costs of \$60 000 arose from the filling of outstanding vacancies in the Art Gallery and Museum Divisions.

Expenditure under Minister of Arts—Miscellaneous exceeded estimate by \$4.2 million, due mainly to the transfer from Treasurer—Miscellaneous of debt servicing for major arts bodies.

Minister of Agriculture

Expenditure by the Department of Agriculture exceeded estimate by \$970 000. Salary and wage award increases (\$733 000), additional costs associated with fruit fly outbreaks (\$405 000) and workers' compensation premiums (\$61 000) were offset, partly by savings on meat inspections (\$157 000) and delays in the delivery of motor vehicles (\$38 000).

Expenditure under Minister of Agriculture—Miscellaneous was \$157 000 above estimate. A payment of \$221 000 to the Receivers and Managers of Riverland Fruit Products Co-operative Ltd. to enable growers to be paid for a guaranteed fruit intake for the 1982 fruit season was the main reason for the over-expenditure.

Minister of Environment and Planning

After allowing for salary and wage award increases of \$569 000, expenditure by the Department of Environment and Planning was below estimate by \$103 000. Delays in motor vehicle and equipment purchases accounted for most of the under-expenditure.

Expenditure under Minister of Environment and Planning—Miscellaneous exceeded estimate by \$1.7 million. The transfer from Treasurer—Miscellaneous of debt servicing costs of statutory authorities and the transfer from Minister of Local Government—Miscellaneous of the grant payment for K.E.S.A.B. were responsible for the over-run.

Minister of Transport

Expenditure of the Department of Transport exceeded estimate by \$888 000. Salary and wage award increases (\$578 000), establishment costs of the Vehicle Inspection Station at Regency Park (\$240 000), road safety publicity and promotion (\$100 000), development of the Adelaide Bike Plan (\$82 000) and a grant to the University of Adelaide for road accident research (\$41 000) were offset by some minor savings.

After allowing for salary and wage award increases of \$1.2 million, expenditure by the Highways Department was \$1.1 million below estimate. The under-expenditure resulted mainly from an increase in the level of departmental employees assigned to the North East Busway Project (\$410 000), a reduction in the level of consultancies (\$220 000), a re-direction of resources to construction and maintenance work (\$170 000) and labour wastage generally (\$120 000).

After allowing for salary and wage award increases of \$4 million, the contribution to the State Transport Authority was \$1.1 million below estimate. Improved investment earnings and the use of a small surplus carried forward from the previous year, contributed to this result.

Excluding the State Transport Authority, other expenditure under Minister of Transport—Miscellaneous was \$766 000 below estimate. Payments from the Recreation and Sport Fund were \$787 000 less than expected due in part to a decline in soccer pools revenues.

Minister of Marine

Expenditure of the Department of Marine and Harbors exceeded estimate by \$1 million. Salary and wage award increases amounted to \$950 000.

Minister of Community Welfare

Expenditure of the Department for Community Welfare exceeded estimate by \$1.3 million, largely as a result of salary and wage award increases of \$1.1 million. Increased rates for children in private care which became effective from 1 September 1981, contributed to the increased expenditure.

Payments under Minister of Community Welfare—Miscellaneous exceeded estimate by \$772 000. Higher than anticipated costs of rate concessions for pensioners and expenditure on projects for Senior Citizens' Centres, were the main reasons for the over-expenditure.

Minister of Consumer Affairs

For the Department of Public and Consumer Affairs, salary and wage award increases of \$387 000 were almost offset by a reduction in manpower, and savings resulting from delays in the purchase and delivery of equipment.

Minister of Health

The net cost to the State of supporting government and non-government hospitals and a number of related bodies exceeded estimate by \$36.5 million. The cost of salary and wage award increases (\$19.5 million), increased costs of foods, drugs etc. (\$6.4 million), a substantial shortfall in receipts (\$8.6 million) and the inability to reduce the cost of medical and pathology services were the major factors contributing to the budget over-run.

Minister of Water Resources

Expenditure by the Engineering and Water Supply Department exceeded estimate by \$4.2 million, of which salary and wage award increases accounted for \$3 million.

The balance of \$1.2 million, included additional costs of pumping (\$958 000), chlorination (\$457 000), water laboratory operations (\$300 000), carting water for northern towns (\$150 000) and increased overhead costs (\$710 000) offset by savings in data processing (\$860 000) and a reduction in manpower.

Payments under Minister of Water Resources—Miscellaneous exceeded estimate by \$474 000. Apart from the need to write off preliminary costs associated with a number of projects not proceeded with (\$202 000), additional costs were incurred in dredging and desnagging of the River Murray (\$200 000), flood damage in the South East (\$33 000) and opening of the mouth of the River Murray (\$58 000).

Minister of Lands

Expenditure by the Department of Lands exceeded estimate by \$1.3 million, mainly as a result of salary and wage award increases of \$927 000. Additional terminal leave payments of \$123 000 and the transfer of the Office of Aboriginal Affairs to the Minister of Lands, contributed to the over-run.

Expenditure under Minister of Lands—Miscellaneous was \$2.7 million greater than anticipated, largely as a result of the transfer to a special Deposit Account, of \$3.1 million, to meet the repayment of the semi-government borrowings of the former Monarto Development Commission as they fall due.

Chief Secretary

Expenditure by the Police Department was \$2.3 million above estimate. This was the effect of salary and wage award increases in 1981-82.

The Department of Correctional Services exceeded estimate by \$424 000. Salary and wage award increases of \$511 000 were offset partly by savings in other areas of departmental expenditure.

CAPITAL WORKS**RECEIPTS****Loan Council**

Loan raisings and capital grants to provide new cash in 1981-82 were as originally included in the Capital Estimates. Additional borrowings provided by Loan Council to cover discounts on the issue of bonds amounted to \$5.2 million.

Repayments and Recoveries

In the 1981-82 estimates it was planned that recoveries would be made from a number of areas, including from the sale of surplus government land. A greater than expected recovery occurred, largely as the result of the corporate restructuring of two South Australian co-operatives, which led to the early repayment of advances made to them under the Loans to Producers Act. Land sales also were above expectation.

In the event, total recoveries from State sources exceeded estimate by \$9.9 million.

Specific Purpose Funds

Commonwealth payments for specific purposes exceeded estimate by \$550 000.

PAYMENTS**Treasurer**

For agency functions undertaken on behalf of the Government by the State Bank, the provision for Loans to Producers was increased during the year to meet the additional requirements of co-operative societies wishing to re-finance old loans.

Funds set aside for Housing needs were not used for this purpose. That decision had regard to the extent of balances in the Advances for Housing Account and the needs elsewhere for funds in 1981-82.

Minister of Mines and Energy

Expenditure by the Department of Mines and Energy was \$212 000 below estimate. Delays in the delivery of plant and equipment, contributed to the under-expenditure.

Minister of Public Works

Expenditure on primary and secondary school buildings exceed estimate by \$1.3 million. Urgent upgrading work was undertaken and the over-expenditure was matched by the proceeds from the sale of surplus departmental property.

For Technical and Further Education projects, expenditure was above estimate by \$2.2 million, mainly with respect to the Noarlunga and Marleston Colleges where progress was faster than anticipated. Additional Commonwealth funds matched some of the over-run.

Payments by Public Buildings Department for Other Government Buildings were \$666 000 less than estimate. Delays in finalising some contracts and industrial disputes contributed towards the under-expenditure.

Minister of Environment and Planning

In transferring the Thorndon Park Reservoir to the Corporation of the City of Campbelltown a payment of \$925 000 was made in consideration of future costs of operating the reservoir as a recreation reserve. This was the major factor in the Department of Environment and Planning exceeding estimate by \$789 000.

Minister of Marine

Expenditure by the Department of Marine and Harbors was \$1.5 million below estimate. A re-assessment of planned projects, delays in the development of a computerised management information system and a delay in finalising a site for the establishment of recreational boating facilities for the southern metropolitan area contributed to the under-expenditure.

Minister of Water Resources

Expenditure by the Engineering and Water Supply Department on Waterworks, Sewers and Irrigation and on the River Torrens Flood Mitigation and Linear Park scheme was \$2.7 million below estimate. A re-assessment of the plant replacement program, and a delay in some planned works and in letting some contracts contributed to the reduced expenditure.

Minister of Lands

The Lands Department exceeded its estimate by \$294 000. Increased expenditure on the provision of infrastructure for the Marla township and costs related to the acquisition of land from the State Planning Authority, contributed to the over-run.

Minister of Fisheries

The late finalisation of the insurance claim with respect to the 'Joseph Verco' delayed the acquisition of a replacement vessel, and planned purchases of boats and towing vehicles were deferred pending completion of design specifications. Both factors lead to expenditure being \$763 000 below estimate.

ATTACHMENT II

DEVELOPMENTS IN COMMONWEALTH—STATE FINANCIAL RELATIONSHIPS

The purpose of this attachment is to summarise some recent developments in Commonwealth-State financial relations and the South Australian Government's reactions to them.

More detailed background and statistical material is to be found in Commonwealth Budget Paper No. 7—"Payments to or for the States, the Northern Territory and Local Government Authorities 1982-83".

Payments to the States as an Element in the Commonwealth's Budget

Payments to the States represent about one third of Commonwealth budget outlays. The balance between such payments and other kinds of Commonwealth expenditure is important both to the Commonwealth and to the States.

In recent years payments to the States have grown at a much slower rate than other expenditures by the Commonwealth. This trend is expected to continue in 1982-83, although the difference in rates of growth between payments to the States and other outlays is smaller than in previous years. Total payments to the States are estimated to increase in real terms in 1982-83. The following table gives relevant figures.

Commonwealth Budget Outlays

Percentage Increase over Previous Years

	Money Terms (a)		Real Terms(b)	
	"Own" Purposes (c)	Payments to States	"Own" Purposes (c)	Payments to States
1978-79	10.7	4.8	3.8	-1.8
1979-80	10.8	6.1	1.1	-3.2
1980-81	16.4	11.2	5.9	1.1
1981-82	15.0(d)	8.5	3.0(d)	-2.8
1982-83 (e)	15.7(d)	13.4	4.3(d)	2.1
Increase over 5 years	90	52	19	-5

(a) That is, in nominal terms before allowing for the effects of inflation.

(b) That is, after allowing for the estimated effects of inflation. Method of "deflation" based on the implicit price deflator for non-farm GDP, being the same method as used in the table on page 303 of the Commonwealth Budget Paper No. 1, 1982-83.

(c) That is, total Commonwealth budget outlays minus payments to the States.

(d) Adjusted for additional pay-day in 1981-82.

(e) Budget estimates.

Thus, over the last five years, payments to the States have grown about 40 per cent less rapidly than other outlays. In real terms, payments to the States are, on the measure used above, now some 5 per cent less than in 1977-78.

Another way of putting the same point is that payments to the States have been declining as a proportion of total Commonwealth budget outlays, as shown in the following table:

Proportion of Total Commonwealth Budget Outlays

	"Own" Purposes %	Payments to States %
1977-78	62.7	37.3
1978-79	63.9	36.1
1979-80	64.9	35.1
1980-81	66.0	34.0
1981-82 (a)	67.3	33.7
1982-83 (b)	67.7	33.3

(a) Adjusted for additional pay-day effect.

(b) Budget estimates.

This trend reflects many factors which it would be inappropriate to attempt to analyse here. There is no doubt, however, that one of the main reasons is that the Commonwealth has found it easier, in political terms, to reduce payments to the States (where the effects on the community are indirect) than to apply restraint to other expenditures where the impact is more obvious and direct. This lack of balance in the application of expenditure restraint policies has been one of the most notable, and disappointing, features of Commonwealth financial policies in recent years.

Composition of Commonwealth Payments to the States

The distinction between general purpose ("untied") payments to the States and specific purpose ("tied") payments is an important one, having major administrative, budgetary and political/"philosophical" implications for the structure of Commonwealth/State financial relationships.

Relevant data are shown in the following table:

Commonwealth Payments to the States

	General Purpose Payments		Specific Purpose Payments	
	\$b	% of Total	\$b	% of Total
1972-73	2.7	74	0.9	26
1975-76	4.4	53	3.9	47
1980-81	7.3	58	5.3	42
1981-82 (a)	9.2	67	4.5	33
1982-83 (a) (b)	10.1	65	5.4	35

(a) So-called "identified health grants" have been classified as general purpose payments.

(b) Budget estimates.

It will be seen that specific purpose payments have declined in relative significance in recent years compared with the position in the mid-1970's. This reflects two main factors:

- the fact that some major specific purpose items (notably welfare housing) have been "squeezed" especially hard
- new hospital financing arrangements introduced in 1981-82.

This trend is a welcome one. On the other hand, it is to be noted that:

- specific purpose payments are still more significant relative to general purpose payments than they

were prior to the rapid growth in such payments which occurred under the Federal Labor Government

- there has been only one change of any great significance in terms of transfers of funds from the specific purpose category to the general purpose category (namely hospital funding) and there remain a number of other major areas where such a transfer would be desirable
- although some specific purpose programs have declined in volume (at least in real terms), the administrative complexities and other undesirable features attached to them have, with few exceptions, not been lessened
- the proportion of total payments taking the specific purpose form is expected to increase in 1982-83 compared with 1981-82.

Further comments on particular areas of specific purpose programs are to be found later in this Attachment.

Tax Sharing Grants

The so-called tax sharing grants are by far the most important of the various forms of Commonwealth payments to the States (representing about 50 per cent of the total of such payments in 1982-83). They are "untied" and intended to assist the States to finance recurrent expenditures generally.

Following discussions at the May 1981, June 1981 and June 1982 Premiers' Conferences, major changes have been made in the arrangements governing these payments. These concern, first, the method of determining the total level of grants payable to the six States and, second, the distribution between the States.

As to the first aspect, under the previous tax sharing arrangements the overall level of funds allocated to the States each year was determined by reference to a specified percentage of net personal income tax collections in the previous year. For 1982-83 and the subsequent two years, the States will receive a share of total Commonwealth tax collections in the preceding year. The definition of the total tax collections base is set out in Schedule 1 to the States (Tax Sharing and Health Grants) Act 1981 and the specified percentage has been set at 20.72 per cent which preserves the ratio between the total of the tax sharing grants payable to the States in 1981-82 and the total amount of the specified taxes collected in 1980-81.

For 1982-83, the total increase in the tax sharing grants is 16.2 per cent, reflecting a corresponding growth in total Commonwealth taxation collections in 1981-82. There will, however, be major variations in the increases for individual States as a result of the review of State relativities (see below).

In 1981-82, a new form of general purpose ("untied") revenue grants was introduced, namely what are termed "identifiable general purpose health grants" which replace the former hospital cost sharing grants to the four States other than South Australia and Tasmania and certain other specific purpose payments for health which had been provided to all the States. The new health grants arrangements are apparently intended to be an interim step towards the absorption of the health grants into the tax sharing grants.

In the case of South Australia, the Hospital Cost Sharing Agreement remains in place, and the identifiable health grants cover only assistance in lieu of payments formerly made under community health and school dental programs.

The background to, and procedures for, the Grants Commission's review of tax sharing relativities between the States have been described in some detail in Attachments to the Financial Statements in previous years.

The Grants Commission, following an extensive process of submissions, hearings and examination, reported to the

Commonwealth Government in June 1981. Its Report was considered at the Premiers' Conference in June 1981 at which concern was expressed by the three less populous States at the magnitude of the changes in the distribution of the grants which adoption of the Commission's assessments would entail. In South Australia's case, the implementation of the Commission's recommendations would have led to a reduction of \$77 million in its tax sharing grant for 1981-82.

Following discussion at the 1981 Premiers' Conference, it was decided, at the suggestion of the Commonwealth and with the support of South Australia, that a further report should be sought from the Commission on its assessments in the light of further submissions from the States and the Commonwealth. The further review was to include, amongst other issues, consideration of the changed health funding arrangements, more recent data on State Government finances and trends in the States' needs.

For 1981-82, there was no change in the prescribed per capita relativities contained in the States (Tax Sharing and Health Grants) Act but various additional tax sharing grants were paid to the States in that year outside those relativities, including grants resulting from the "absorption" of certain specific purpose payments and grants totalling \$60 million, as an interim contribution toward dealing with any subsequent Commission recommendations on relativities, to New South Wales, Victoria and Queensland, which stood to benefit from the adoption of the Commission's recommendations.

South Australia, in its submission to the further review, emphasised four main issues. It argued that:

- South Australia should retain the financial benefits it gained from the transfer to the Commonwealth in 1975 of the non-metropolitan railways and which have been reflected in the State's tax sharing grant since then. The State's argument rested mainly (though not entirely) on the fact that, at the time of the transfer, the then Government of South Australia apparently expected the benefits to continue indefinitely and the Commonwealth had said nothing to deny that expectation
- South Australia should retain the financial benefits, relative to other States, which it was receiving as a result of the continuation of the Hospital Cost Sharing Agreement with the Commonwealth. The application of the Commission's fiscal equalisation methodology without qualification would result in a reduction in the State's assessed tax sharing relativity because of the receipt by the State of per capita grants for hospital running costs which exceed the average of those of the other States. This, the State argued, would be in contravention of Clause 7.1 of the Agreement
- the Commission should make its assessments having regard to trends over time in the relative fiscal capacities of the States. This would be in contrast to the Commission's approach in the original review where State factors were determined as the arithmetic mean of the figures for the 3 years of the review period (1977-78 to 1979-80). This factor was of particular importance to South Australia because, in terms of the Grants Commission's methodologies, South Australia's financial needs had increased over the review period relative to other States and that trend was likely to have continued since then
- the Commission should consider in its review differences between the States in the division of responsibilities between State and local government to take account of the "overlap" between the State and local government tax sharing arrangements.

The point was made that the Commission's 1979 Report on Local Government Financial Assistance expressed doubts about the degree to which the present distribution of local government tax sharing grants reflected fiscal equalisation principles and that this report had yet to be dealt with by Commonwealth and State Governments.

Briefly, the Commission responded to each of these arguments in its Report of May 1982 as follows:

- it did not accept that its terms of reference enabled it to assess relativities which would allow South Australia to retain the financial benefits of the railways transfer. It noted that the issue was one for resolution by Governments and it included in its 1982 Report alternative calculations as a basis for decisions by Governments
- on the same basis, it did not consider its assessed factors should reflect the retention by South Australia of the financial benefits of the Hospital Cost Sharing Agreement
- it decided, on the question of trends, that, in view of the difficulties of identifying and measuring trends in the fiscal capacities of the States (and of projecting them into the future), it would adopt similar procedures to those used in the 1981 review except that assessed relativities would be averaged over the 4 years of the review period (i.e. 1977-78 to 1980-81)
- on the question of local government, the Commission expressed its view that the matter was one for Governments to consider in the context of the distribution of local government tax sharing grants and drew attention to the 1979 Report on the matter
- the Commission arrived at a set of what it referred to as "preferred" relativities which reflected its decisions on the matters referred to above and other issues put before it. In general, the Commission made few major changes in methodology as compared with its first report.

On the basis of population projections for December 1982, it was estimated that the implementation of the revised factors assessed by the Commission would have led to the following changes in the existing estimates of tax sharing grants payable in 1982-83:

	(\$ million)
New South Wales	+ 38
Victoria	+ 32
Queensland	+ 185
South Australia	- 51
Western Australia	- 135
Tasmania	- 69

There are several reasons for the reduction in the "loss" to South Australia, including the addition of another year in the calculations (1980-81) and changes in the Commission's methods of calculating relative health needs.

The Commission's Report was considered at the Premiers' Conference on 24-25 June 1982.

At the Conference, the Commonwealth proposed a basis for dealing with the Commission's recommendations. All States raised objections (of different and in part conflicting kinds) to this basis, but the Commonwealth's proposals were not altered. The Commonwealth summarised its approach as follows:

- new relativities would be phased in over three years
- the Commission's 1982 assessed relativities for South Australia and Tasmania would be increased so that the benefits of their continuing hospital cost sharing agreements were not offset by reduced tax sharing grants

- the amount the Commonwealth made available in 1981-82 as a contribution towards assisting in the adjustment to new relativities, which has now escalated to about \$70 million, would be set aside from the tax sharing pool and used to assist in phasing-in the new relativities
- the tax sharing payments to South Australia and Tasmania in 1982-83 under existing relativities would have included amounts of about \$79 million in consideration of the transfers of their railways to the Commonwealth; these amounts would also be set aside to assist in phasing-in new relativities
- the total funds set aside from the pool in 1982-83 would be used in the first place to meet a guarantee that each State's tax sharing grant will increase by 2 per cent in real terms in 1982-83, and a further 1 per cent in real terms in each of 1983-84 and 1984-85. (The present tax sharing legislation expires at the end of 1984-85.)
- any portion of the funds set aside from the pool which is not required to fund the guarantees would be distributed between all the States on the basis of the phased relativities effective each year.

For South Australia, the effects of this approach are estimated as follows on the basis of certain assumptions about future growth in total Commonwealth tax collections, the C.P.I. and State populations:

Estimated "Loss" Compared with Previous Relativities

	If Grants Commission Recommendations Had Been Adopted in Full (\$ million)	Actual Arrangements as Decided by the Commonwealth (\$ million)
1982-83	- 52	- 11
1983-84	- 59	- 22
1984-85	- 66	- 37
	- 177	- 70

Although these figures are illustrative only, they suggest that over the three years the State will lose, in cumulative terms, something of the order of \$70 million compared with what it would have received had previous relativities continued. This is a considerably smaller loss than would have been incurred if the Grants Commission's recommendations had been applied immediately and in full.

One of the main concerns expressed by the South Australian Government about this outcome is that it fails to take adequate account of trends over time in the relative needs of the States, as referred to above. Although it is not possible to be certain on the point, it is likely that over some of the next three years South Australia's share of the tax sharing grants will be less than would be required by the application of strict fiscal equalisation principles.

The Commonwealth has stated that the new tax sharing relativity arrangements are conditional upon no State applying for a special grant on the recommendation of the Commission over the three years concerned. This would mean that, if the situation of the State's grant falling below the level warranted by fiscal need relative to other States did arise (or were believed to have arisen), the State would be denied the remedy which has been available to the three less populous States to protect their relative financial posi-

tions for about 50 years. Such a result would indeed be unfortunate.

As noted above, the present tax sharing arrangements and legislation expire at the end of 1984-85. The Grants Commission proposed a further review to be completed sometime before then. The Commonwealth Government has not conveyed any view on this matter to the States.

The Grants Commission's Assessments of South Australia's Revenue Raising and Expenditure "Efforts"

The Grants Commission's examination of State finances was directed towards assessing the relative revenue raising capacities and expenditure needs for the States so that States with below average revenue raising capacity and/or above average expenditure needs are compensated therefore by way of higher per capita grants from the Commonwealth.

It is possible to derive from the Commission's calculations, estimates of South Australia's revenue raising and expenditure "efforts" relative to the other States after taking account of differences in capacities and needs. The results of such an analysis (which it should be noted are confined to recurrent, as distinct from capital, transactions) are presented in the Appendix to this Attachment. They show that in 1980-81 (the latest year for which calculations were made) South Australia, on a relative basis and after adjusting for differences in needs, raised less taxation and other revenue than the other States on average, while its recurrent expenditures were above the average of the other States. South Australia has been able to achieve this in the past, according to the Grants Commission analysis, by receiving more than its fiscal equalisation based share of total tax sharing grants. The ability to do this will be substantially reduced in the period 1982-83 to 1984-85.

Loan Council

The South Australian Government has been arguing for fundamental changes in the role and operations of Loan Council. It is pleasing to be able to record that major developments in the direction proposed by the State have begun to take place.

At its meeting in February 1982, Loan Council agreed that a working party of Commonwealth and State officers should be established "to undertake a fundamental examination of the role of Loan Council and the manner in which it fulfils that role". This examination is proceeding. Meantime, however, major changes were agreed to at the Loan Council meeting held on 24-25 June 1982.

First, Loan Council agreed to the introduction of a tender system for the sale of Commonwealth bonds. This was in line with a recommendation contained in the Campbell Committee Report. Loan Council also agreed to delegate decision making under the tender system to the Chairman, the Commonwealth Treasurer, and also to make a similar delegation in relation to interest rates and other aspects of Australian Savings Bonds. This decision was welcomed and supported by the South Australian Government. It was in line with the view expressed by the State in a paper circulated to the Commonwealth and State Governments in March 1981 that the Commonwealth should be "given greater powers in relation to interest rates and other monetary policy matters".

Second, it was decided that, for a trial period of three years, electricity authorities would be freed from Loan Council constraints both as to amounts and terms and conditions of borrowings (except overseas borrowings). This is subject to the following conditions:

- the respective governments are to refrain from adding to the existing functions of their electricity authorities

- there is to be no diminution in the use of internal funding to finance investment by electricity authorities
- each government is to provide to Loan Council full, regular and timely information on borrowings by all authorities, including electricity authorities.
- the electricity authorities are to publish:
 - financial statements in line with normal commercial practice, including sources of funds to finance capital outlays
 - details of future tariffs (subject to preserving the confidentiality of certain commercial agreements, from time to time, where necessary), and
 - details of capital outlays and projections of investment programs.
- the electricity authorities are to be subject to published audit, and
- governments which impose controls or restrictions on investments by their institutions in securities issued by authorities of other States are to remove such controls or restrictions.

Again, this decision was supported by the South Australian Government.

Discussions have taken place between the States with a view to establishing arrangements whereby the "freedom" for electricity authorities in their borrowing arrangements is in such a way as to avoid disruption to the borrowings of other State authorities, which remain subject to Loan Council control.

The decisions referred to above together represent one of the most fundamental changes in the structure of Commonwealth/State financial relations since the assumption of sole income tax powers by the Commonwealth in 1942. The decisions recognise that the Commonwealth has monetary policy responsibilities which it should be able to carry out in an unfettered way and that the States have major responsibilities to provide services to the community, the financing of which should be flexible and able to be determined by each State having regard to its own priorities and judgements about commercial, social and other factors.

There are further changes in the same direction which would be desirable, including:

- more freedom in the loan raising operations of other State authorities
- more flexibility in access by State authorities to overseas funds (this is highly restricted by the Commonwealth at present both as to amount and form of borrowing).

At the time of the June Loan Council meeting, the Commonwealth Government also announced changes in tax legislation affecting leverage-lease and similar operations entered into by tax exempt public bodies. These changes have made impracticable a special financing which was being arranged by E.T.S.A. in respect of the Northern Power Station but, given the removal of Loan Council restrictions on electricity authorities, the Government believes the Trust will now be able to arrange adequate finance through borrowings of a more straight-forward kind.

Loan Council formally determines borrowing programs for the State Governments. These programs are charged by the Commonwealth against its budget and are effectively determined by the Commonwealth. Since 1970-71 a portion of these programs (now one third) has been paid as general purpose capital grants by the Commonwealth to the States. These programs have been the subject of particularly severe restraint by the Commonwealth in recent years, as shown in the following table:

**State Government Loan Council Programs
Percentage Increase Over Previous Year**

	Money Terms	"Real" Terms*
1978-79	—	— 9.3
1979-80	-13.2	-22.5
1980-81	5.0	- 6.4
1981-82	—	-10.8
1982-83	5.0	- 5.4

* For method of "deflation" see footnote (b) to the first table in this Attachment.

At the June 1982 meeting of Loan Council the Commonwealth proposed what it referred to as a 10 per cent increase in these programs. However, as half of this increase was ear-marked for welfare housing, the actual increase in the State Governments' Loan Council programs is 5 per cent. This is, of course, well below increases in costs.

Loan Council also approves maximum borrowing programs for "larger" State semi-government and local authorities (at present, those borrowing more than \$1.5 million in a financial year). As noted above, electricity authorities are now excluded from these approved programs.

From time to time, States have received special additions to these programs for particular purposes, notably, in recent years, under a special infrastructure program. This program is now considerably less important than previously because most of the amounts approved under it were for electricity purposes.

For 1982-83, Loan Council has approved a special addition of \$4.5 million for South Australia for water filtration purposes.

The total approved borrowing programs for larger State authorities in 1982-83 are, for the six States combined, 13.6 per cent higher than the corresponding total in 1981-82 (i.e. excluding electricity authorities). The increase for South Australia is 27.5 per cent. However, the increase is not large in absolute terms (\$25.8 million in 1981-82 to \$32.9 million in 1982-83, including the \$4.5 million special addition referred to above). This reflects the fact that the semi-government sector is considerably smaller, in relative terms, than those of the other States.

At its June 1982 meeting, Loan Council also agreed to arrangements whereby "smaller" authority borrowings can be amalgamated into a total to be borrowed by State central borrowing authorities and on-lent to individual authorities. This decision was to meet a request by South Australia. Legislation to create a central borrowing authority is expected to be introduced in Parliament shortly.

Specific Purpose Payments-General

It has been noted above that specific purpose (i.e. "tied") payments continue to account for about one third of total Commonwealth assistance to the States.

In 1982-83, South Australia will receive specific purpose recurrent and capital assistance under more than 40 separate programs. There is a considerable variation in the levels of assistance provided under these programs. The following table, based on estimates shown in Commonwealth budget papers, shows that the bulk of the specific purpose assistance provided to the State is provided under five headings—Education, Health, Housing, Roads and Local Government:

Estimated Specific Purpose Payments to South Australia

	1981-82 \$ million	1982-83 (est) \$ million	Percentage Increase %
Education	250.8	277.9	10.8
Health	123.0	120.5	-2.0
Housing	35.7	43.0	20.4
Roads	56.1	60.3*	7.5*
Local Government	30.2	36.5	20.9
All Other	30.6	52.2*	70.6*
Total	526.4	590.4*	12.2*

*Note: Excludes payments under the Australian Bicentennial Roads Development program and certain projects for water resources development, estimates for which are not yet available on a State-by-State basis.

The quantitative significance of these funds for the State is self-evident. What is equally important from the State's viewpoint is the nature of the arrangements under which the funds are made available. Over the last year or two, the South Australian Government has continued to press for reforms in these arrangements—in particular, for "absorption" of specific purpose payments into general purpose funds or, where that is not achievable, a lessening of the restrictions and conditions attached to the individual programs.

The views put by the State have been in line with those expressed in the Federalism Policy Statement published by the Liberal/National Country Parties in 1975.

The table below shows the level of specific purpose payments over the last three years (aggregated for the six States and the Northern Territory), categorised under major functional headings and with brief comments on changes which have been made in each of the areas over these years. The purpose of the table is to give an overview of recent developments. It reveals a very mixed picture, with major changes in the "Federalism" direction in several areas (notably health and urban public transport), some useful changes in other areas (e.g. roads) and virtually no change - and to some extent adverse change - in other areas, notably education and welfare housing.

**Specific Purpose Payments to States and Northern Territory
Summary of Recent Changes**

Function/Program	Level of Payments (\$ million)			Comments
	1980-81	1981-82	1982-83 Budget Estimates	
Defence	2	4	9	Minor area—no significant issues.
Education	2 372	2 738	3 125	No significant changes in 'Federalism' direction. Some moves to increase Commonwealth involvement.
Health	1 408	205	222	Major changes in 'Federalism' direction towards 'absorption' into general purpose funds.
Social Security and Welfare	67	60	84	Increase in 1982-83 in part reflects new programs (notably for mortgage and rent relief).
Housing	266	232	317	Large 'real' decrease in level of funds in recent years. Nature of arrangements essentially unaltered.

Specific Purpose Payments to States and Northern Territory
Summary of Recent Changes—continued

Function/Program	Level of Payments (\$ million)			Comments
	1980-81	1981-82	1982-83 Budget Estimates	
Urban and Regional Development and Environment	45	15	48	Low level of payments in 1981-82 largely due to 'wrap up' of Land Commission loans to South Australia. Special sewerage assistance to Western Australia in 1982-83.
Culture and Recreation	7	9	14	Increase due to new program introduced in 1980-81 for international standard sports facilities.
General Roads Grants	607	662	859	Changes in details of general roads grants arrangements, mainly in the direction of less Commonwealth involvement. Large new program for Australian Bicentennial Roads Development introduced in 1982-83.
Urban Public Transport	44	2	—	'Absorption' into general purpose funds.
Transport Planning and Research	6	—	—	Program discontinued.
Other Transport	41	99	174	Increase reflects new Hobart bridge and railway upgrading and special assistance to Victoria, Queensland, South Australia and Tasmania.
Water Supply and Electricity	40	44	70	Increase includes special assistance to South Australia in 1982-83.
Agricultural Extension Services	5	—	—	Former specific purpose payments 'absorbed' into general revenue grants.
Other Assistance to Industry and Development	30	58	118	Increase in part reflects large sugar industry assistance loans in 1982-83.
Labour and Employment	9	8	5	No developments of significance.
Debt Charges	55	57	59	No changes in arrangements.
Local Government	301	351	424	Large increase in funds reflecting growth in personal income tax collections. No changes in arrangements.
Natural Disasters	70	21	-6	No changes in arrangements.
Total	5 375	4 565	5 522	Overall decrease in 1981-82 largely attributable to health changes. Growth in specific purpose payments resumed in 1982-83.

Brief comments on the main functional areas follow.

Education

The State receives recurrent and capital assistance through a range of programs for Pre-School, School and Technical and Further Education, including special assistance for child migrant/refugee and school to work transition programs. In addition, tertiary education is financed through specific purpose grants to the States which are "on-passed" by the States to relevant institutions.

In giving its views to the Commonwealth on the Reports of the Schools and Tertiary Education Commissions for the 1982-84 Triennium, the South Australian Government commented in detail on the structure of Commonwealth/State arrangements for financing education.

While the South Australian Government acknowledged that there is a national role for the Commonwealth in education, it put the view that, in this area, Commonwealth activities overlap the States in a major and very clear way with resultant unnecessary administrative complexity, budgetary inflexibility for the States and inhibitions on efficient resource allocation. The (Keeves) Committee of Enquiry into Education in the State also pointed, in its First Report, to the unsatisfactory nature of the present arrangements in terms of efficient resource allocation in the education sector.

A series of options for funding, all directed to "freeing up" the arrangements, were put forward by the State. The Commonwealth's response to these views has thus far been negative. The specific purpose funding arrangements which have been in existence since the mid-1970's thus

remain in force, with, if anything, new complexities added in recent years as new programs, with approvals procedures attached, have been introduced.

Health

The State receives recurrent and capital assistance for a range of health programs, the most significant, in money terms, being for the recurrent costs of public hospitals.

It is in the health area that the most significant changes in the arrangements for Commonwealth financing of health programs have occurred in recent years.

The Commonwealth announced in 1981, following consideration of the Report of the (Jamison) Committee of Inquiry into the Efficiency and Administration of Hospitals, that it would not renew the hospital cost sharing agreements with the four States and the Northern Territory which expired on 30 June 1981.

The Commonwealth moved from assistance specifically related to health costs (recurrent costs of public hospitals and for community health and school dental programs) to, in the first instance, payments to the States which are for general purposes but which are identifiable as a Commonwealth contribution towards the cost of health programs in the States and Northern Territory. The new arrangements are apparently intended as an interim step towards full absorption of health grants into the tax sharing grants.

The Commonwealth indicated that one of the basic objectives of the proposed new arrangements was to increase the degree of control exercised by State Governments over the determination of priorities for and the allocation of

funds to health services. The South Australian Government fully endorses this objective.

The Hospital Cost Sharing Agreement between the Commonwealth and South Australia (and the same applies to that with Tasmania) remains in force until June 1985. The Commonwealth and South Australia have agreed on amendments to the Agreement allowing the State to charge fees beyond those permitted in the Agreement as it previously stood. As a result of the Agreements, South Australia and Tasmania are receiving relatively greater assistance in this area than the other States. Under the Agreement, the Commonwealth and the State share the recurrent costs of public hospitals on the basis of agreed budgets. The State has put several proposals to the Commonwealth under which the latter's involvement in budgetary details in the State would be unnecessary, while not prejudicing the financial benefits which the State now enjoys. The Commonwealth has as yet given no substantive response to these proposals.

Welfare Housing

The States have received funds from the Commonwealth for welfare housing purposes for many years under successive Commonwealth/State Housing Agreements.

The level of these funds has fallen markedly in money terms in recent years, and, of course, even more so in 'real terms'. For example, funds provided in 1981-82 were nearly 50 per cent lower, in real terms, than in 1977-78.

A new Housing Agreement between the Commonwealth and the States was signed in 1981.

Throughout the course of the extensive discussions leading up to the new Agreement, the South Australian Government pressed, unsuccessfully, for much more flexible housing funding arrangements, including the absorption of the specific purpose funds into the general purpose revenue and capital allocations to the State.

The Agreement was eventually signed by this State under protest and after the Prime Minister had agreed that alternative arrangements would be examined. The State has put detailed proposals to the Commonwealth, but again it is unfortunately the case that the Commonwealth has not responded to these proposals.

Details of welfare housing finance arrangements in 1982-83 are to be found in Attachment III.

Roads

This again is a long-standing area of assistance and one where real levels of assistance have fallen in recent years. In South Australia's case, roads grants in 1981-82 were of the order of 7 per cent lower in real terms than in 1978-79. One of the reasons is a reduction in the State's share of grants (from 11.1 per cent in 1968-69 to 8.22 per cent in 1981-82).

New roads grants arrangements applying from 1981 are, in some respects, less restrictive than previously, in that there are fewer road categories, the need for prior program approval for arterial roads has been eliminated and 'matching' requirements have been removed. These changes follow recommendations by the Advisory Council for Inter-Government Relations.

The Commonwealth announced a special Australian Bicentennial Road Development Program in its recent Budget, to be financed by a surcharge on excise on motor spirits. It is not yet known what South Australia's share of these grants will be.

Local Government Tax Sharing

Under the Local Government (Personal Income Tax Sharing) Act 1976, the States are to receive in 1982-83 2 per cent of net personal income tax collections in 1981-82 for on-passing to local government authorities.

In 1982-83, local government authorities in South Australia will receive a total of \$36.5 million which will be distributed within the State by the South Australian Local Government Grants Commission. The Commission is required to observe certain principles specified in both Commonwealth and State legislation in distributing the grants, with the primary basis being one of fiscal equalisation.

The present tax sharing arrangements for local government have operated since 1976-77. In the six years to 1982-83, there has been an increase of over 200 per cent in the total level of funds available for distribution to local authorities in South Australia, as a result of growth in net personal income tax collections and a staged increase over the period in the base percentage share of personal income tax collections allocated to local government tax sharing.

A report by the Commonwealth Grants Commission in 1979 raised doubts regarding the degree to which the present interstate distribution of local government tax sharing grants reflected fiscal equalisation principles and the different levels of responsibility of local government authorities in each State and recommended that the matter be reviewed. The legislation in any event required a review of the arrangements as a whole by June 1982.

The State believes that it is receiving an unduly low share of these grants and has also raised several other issues concerning the current arrangements with the Commonwealth. The Commonwealth has indicated that it is not inclined to change the present distribution of the grants between States, but has not as yet informed the States of the reasons for this view (which is contrary to the Grants Commission Report of 1979) or of its responses on other issues which have been raised.

The South Australian Government will continue to seek an adequate review of the local government tax sharing arrangements, including a full consideration of the Grants Commission's 1979 Report.

Summary

There have been many significant changes in Commonwealth/State financial arrangements in the last year or two. Some of them (especially in Loan Council) have been in the direction favoured by the South Australian Government, but others have had an adverse impact on the State. In several major areas (especially welfare housing, health and local government), the Commonwealth has failed to give any substantive response to views put to it by the State. The Government will continue to press for reform as opportunities arise.

SOUTH AUSTRALIA'S RELATIVE REVENUE-RAISING AND EXPENDITURE "EFFORTS" AS DERIVED FROM GRANTS COMMISSION ANALYSIS

The Grants Commission, in assessing the relative fiscal needs of the six States, has calculated for a wide range of individual revenue and expenditure items the level of per capita needs required by each State relative to a six State standard. This measure of need broadly attempts to quantify the differences in expenditure or revenue raising which would be needed by that State to reach the same standard of service (with respect to expenditure) or impose the same burden of taxation (with respect to revenue) as the six State average. Without going into detail here about how such objective measures of need are obtained, these measures can provide a useful guide as to where a State is "over" or "under" providing services or "over" or "under" taxing, relative to the other States.

It should be noted that the Grants Commission, in making its assessments, does not make any value judgements as to

the appropriate levels of revenue or expenditure, but rather attempts to derive measures of need based on intrinsic differences in the characteristics of each State in terms, for example, of its size (scale factors), its age/sex composition, its physical and economic environment, (where not policy influenced), the dispersion of its population and the nature of its various tax bases.

The Commission has calculated the standard per capita expenditure or revenue for the six States combined and also the need (either positive or negative) for each State, relative to that standard. It is thus possible to calculate what expenditure (or revenues) need to be made (or collected) to achieve "standard" results. Such standards can be compared with actual results to see, at least a priori, in what areas the State is imposing greater or smaller than average tax burdens or spending more or less than "average".

The table below attempts to provide some insights into this State's comparative taxing and spending position. The figures relate to 1980-81.

MEASURES OF SOUTH AUSTRALIA'S REVENUE RAISING AND EXPENDITURE RELATIVE TO SIX STATE AVERAGE 1980/81
Differences Between South Australia's Actual Per Capita Revenue/Expenditure and the Six State Averages Adjusted for South Australia's Needs

	Absolute Terms \$ per capita ^a	Percentage Terms %
Revenue		
Pay-roll Tax	+ 0.05	+ 0.0
Stamp Duties		
—conveyances	+ 3.16	+12.9
—other	+ 1.79	+ 4.0
Gambling	-18.07	-49.5
All other taxes	- 2.17	- 6.0
<hr/>		
Sub-total Taxation	-15.23	- 5.9
Land Revenue (land tax)	+ 2.85	+28.5
Mining	- 1.21	-17.8
<hr/>		
Total Revenue	-13.57	- 4.9
Expenditure		
Education	+41.26	+11.9
Culture & Recreation	+ 8.82	+50.3
Health	- 2.14	- 0.8
Welfare Services	+ 6.46	+22.1
Law, Order & Public Safety	+10.45	+16.0
<hr/>		
Sub-total Social Services	+64.83	+ 9.0
Legislative & Administrative Services	-11.82	-16.6
Community & Regulatory Services	+ 4.04	+22.4
Services to Industry	- 3.57	-10.0
Debt Charges	- 3.56	- 7.4
Other	+ 0.19	+23.8
<hr/>		
Sub-total 'Other'	-14.70	- 8.5
<hr/>		
Total Expenditure	+50.13	+ 5.6
<hr/>		
Net Impact of Business Undertakings		
—metropolitan transit	- 4.22	-10.2
—other	- 4.61	-12.6

^(a) Totals of components may not add due to rounding.

Note:—for revenue, a plus indicates the State had an above average "effort", and a minus the opposite

—for expenditure, a plus indicates above average expenditure, and a minus the opposite

—for business undertakings the minuses indicate below average deficits.

Some of the more significant conclusions which may be drawn from an examination of the table include:

On the revenue side

- the State's pay-roll tax "effort" was very much in line with the Australian average effort.
- the State's stamp duty "effort" appears to have been above average.
- the State's below average "effort" with respect to gambling taxes in part reflects the large above average "effort" of New South Wales derived from its poker machine taxes.
- the State's land tax "effort" was somewhat greater than the other States, while its mining royalty "effort" was below average (for various reasons, not much weight should be placed on the latter).
- overall, the State's revenue-raising "effort", although slightly below average in total, was heavily influenced by its below average gambling tax "effort"; excluding that item, its taxing "effort" was probably above average.

On the expenditure side

- the State's education expenditure appears to have been substantially above average (in dollar per head terms).
- other areas where South Australia appears to have enjoyed substantially above average expenditures include:
 - culture and recreation
 - welfare services
 - community and regulatory services
 - law, order and public safety

It should be noted that the above conclusions relate only to this State's taxing and expenditure policies relative to the six State average. The results in any event need to be interpreted having regard to the fact that the Grants Commission's assessments of "needs" are themselves subject to a considerable margin of error in some cases.

ATTACHMENT III

THE 1982-83 BUDGET

The proposal is for a balance on the year's operations.

RECURRENT ACTIVITIES

The forecast for 1982-83 is for a deficit of \$42 million on the year's operations. The need to make a significant provision once again for likely salary and wage award increases in 1982-83 has made it necessary to hold capital funds to finance recurrent activities. The level of support needed from capital funds has been contained by applying the most stringent measures to the allocations for recurrent expenditures.

Aggregate recurrent receipts are expected to total about \$1 883.9 million and aggregate recurrent payments about \$1 925.9 million.

The forecast of payments comprises provision for:

- normal running expenses of \$1 820.9 million at salary and wage rates as at 30 June 1982, and at price levels which include some allowance for inflation
- a round sum allowance of \$80 million 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 \$25 million for the possible cost of further increases during the year in prices of supplies and services.

The necessary detailed appropriation for the bulk of future salary and wage awards will be arranged under a special provision which is included in the Appropriation Bill each year. With respect to supplies and services, where agencies can demonstrate that cost increases overall are greater than

the allowance included in their detailed appropriations, extra funds will be made available from the round sum allowance of \$25 million. There is no special provision in the Appropriation Bill to cover this procedure, so it will be necessary to call on the authority of the Governor's Appropriation Fund and perhaps, eventually on Supplementary Estimates. The latter procedure will be necessary also for a small part of the cost of salary and wage increases.

RECURRENT RECEIPTS

Recurrent receipts are expected to increase by \$197.9 million (11.8 per cent) from \$1 680.5 million last year (excluding the special receipt of \$25 million from the South Australian Urban Land Trust) to \$1 878.4 million (excluding a further special receipt of \$5.5 million from that Trust).

Despite rising costs, particularly salary and wage costs, the Government has avoided any increase in taxation rates. While we are unable to make any further major concessions, beyond those already implemented since 1979, we have taken steps to increase the payroll tax exemption level with effect from 1 July 1982.

Unfortunately, because of rising costs, particularly salary and wage costs, many charges have had to be increased to enable the Government to recover a reasonable part of the costs of services provided to the public.

Taxation

While the Valuer-General's revaluation of properties provides for a site valuation of each property in the Metropolitan Planning Area and in country areas once every five years, properties within the City of Adelaide are subject to an on-site valuation each year. As a result of those revaluations and other equalisation factors, land tax collections are expected to bring in \$23.8 million in 1982-83, compared with \$19.3 million last year.

The transfer from the Hospitals Fund in 1982-83 is expected to be \$25 million compared with \$23.3 million for 1981-82. The improvement reflects an expected increase in payments to the Fund by the South Australian Totalizator Agency Board and the South Australian Lotteries Commission.

The expected increase in motor vehicle taxation, from \$49.7 million in 1981-82, to an estimated \$54 million in 1982-83 reflects the full year effect of the increase in drivers' licences fees effective from 16 September 1981, and motor registration fees effective from 28 April 1982. This item forms part of a net transfer from recurrent activities to the Highways Fund and has no net impact on the Budget.

Receipts from payroll tax have regard to the carryover effect of salary and wage increases granted in 1981-82, to expected salary and wage increases in 1982-83 and to the possibility of some further modest increase in employment during the year. It has regard also to the increase in the general exemption levels which came into effect from 1 July 1982. The estimate is for receipts of \$231 million in 1982-83 compared with \$205.9 million in 1981-82.

It is anticipated that stamp duties will increase from \$108.5 million in 1981-82 to \$119 million in 1982-83. That increase reflects the impact of inflation rather than any upturn in the market. It has regard to the full year effect of the increase in stamp duty on cheques, effective from 2 November 1981.

Fees under the Licensing Act are expected to increase from \$15.9 million last year to \$18.9 million in 1982-83. That increase reflects the full year effect of the increase in licence fees from 1 January 1982.

Receipts under the Business Franchise (Petroleum Products) Act are expected to increase from \$23.8 million in

1981-82 to \$26.3 million this year. The full year effect of the increase in licence fees operative from 1 May 1982, is the major reason for the expected improvement. Like motor vehicle taxation there is no net impact on the Budget.

The reduction in fees for regulatory services, from \$4.8 million last year to \$4.5 million in 1982-83, largely reflects the second stage of a program to issue licences under the Firearms Act on a three year basis. There also has been some drop in the level of renewals of firearms.

Total contributions from statutory corporations are expected to increase from \$22.1 million in 1981-82 to \$26.5 million in 1982-83. That anticipated improvement is due to:

- increased tariffs set by the Electricity Trust of South Australia from 1 May 1982
- improved profitability, partly as a result of higher interest rates, of the State Bank of South Australia in 1981-82. (For the Savings Bank of South Australia, the effect of higher interest rates was offset by certain adjustments.)

Public Undertakings

Revenues of the Department of Marine and Harbors are effected by a number of factors, including the volume of grain shipped through the ports of South Australia. The estimated revenue of \$28 million to be collected by the Department in 1982-83 allows for the full year effect of increased port charges, effective from 1 April 1982, and for cargo throughput to remain at about the present level.

It is expected that revenue collected by the Engineering and Water Supply Department will increase from \$133.3 million in 1981-82 to \$150 million in 1982-83. That improvement follows an increase in the price of water from 32 cents to 37 cents per kilolitre; in water and sewer rates of, on average, 13 per cent and 13.6 per cent respectively; and in irrigation and drainage charges of 15.6 per cent, all with effect from 1 July 1982.

The operations and the profitability of the Woods and Forests Department have been affected adversely by a depressed building industry and imported timber from New Zealand and the west coast of the United States of America. While some improvement is expected it may be some time before the Department returns to its previous levels of profitability. A contribution of \$6 million is expected in 1982-83.

Recoveries of Debt Services

The increase in interest recoveries from \$83.1 million in 1981-82 to \$83.6 million in 1982-83, is due mainly to an expected increase in interest earnings on Treasury balances. That increase takes into account the level of funds likely to be available for investment and the effect of higher interest rates.

Other Departmental Fees and Recoveries

Receipts under Treasurer—Miscellaneous are expected to amount to \$26.8 million in 1982-83 compared with \$37.7 million last year. The difference arises largely as a result of two factors. First, there will be a lower repayment (\$25 million in 1981-82 compared with \$5.5 million in 1982-83) from the South Australian Urban Land Trust to meet the second instalment of a lump sum payment to the Commonwealth Government with respect to the former Land Commission. Second, because of the pressures on the recurrent side of the Consolidated Account, the Government proposes to recall an amount of \$10 million, previously advanced to the State Transport Authority from recurrent funds.

It is estimated that revenues collected by the Department of Services and Supply will increase from \$3 million in

1981-82 to \$6.1 million in 1982-83. That improvement will arise from surpluses earned by the Government Printing Division in 1981-82 and expected to be earned in 1982-83; an increase in the charges of the State Supply Division; and the repayment of funds accumulated by the A.D.P. Centre Division. The amount corresponding to the funds repaid by the Centre will be appropriated from capital works to meet the cost of new computing equipment for the A.D.P. Centre.

It is expected that fines and fees collected by the Courts Department will be \$9.2 million in 1982-83 compared with \$12.8 million in 1981-82. That decrease reflects the anticipated reduction in court activity as a result of the introduction of the Traffic Infringement Notice Scheme in January 1982—with fines from that scheme now being included in the receipts of the Police Department.

Fees collected by the Department of the Corporate Affairs Commission are expected to increase from \$3.8 million in 1981-82 to \$6.5 million in 1982-83. The increase reflects the introduction of a new fees structure, adopted on a national basis, under the new National Companies and Securities Scheme as from 1 July 1982.

Receipts for the Public Buildings Department are estimated at \$2.1 million in 1982-83 compared with \$4 million in 1981-82. The recoup of expenditure by Public Buildings Department on hospital maintenance will reduce in 1982-83 as a result of the South Australian Health Commission accepting direct responsibility for the maintenance of the remainder of its health units during 1982-83.

Receipts of the Department of Agriculture are expected to fall from \$2.8 million to \$2.1 million this year. That reduction is due largely to a government decision that the purchase of motor vehicles and the proceeds from the sale of motor vehicles be treated as capital items.

Receipts under Minister of Agriculture and Minister of Forests—Miscellaneous are expected to increase from \$1.7 million in 1981-82 to \$2.3 million in 1982-83. The repayment of moneys previously advanced to the Primary Producers Emergency Assistance Fund in 1979-80 for the Port Pirie and Port Lincoln floods, midnorth storm damage and the Adelaide Hills bushfire is the major reason for the increase.

Revenues for Minister of Transport and Minister of Recreation and Sport—Miscellaneous are expected to be \$5 000 in 1982-83 compared with \$904 000 in 1981-82. The South Australian Totalizer Agency Board repaid \$900 000 in 1981-82 completing the repayment of \$1.2 million advanced to it in 1980-81 by the South Australian Government.

Receipts of the Department of Lands are expected to be \$7.7 million in 1982-83 compared with \$7 million last year. That improvement follows an increase in fees under the Roads (Opening and Closing) Act, effective from 1 July 1982, and under the Real Property Act, effective from 12 August 1982.

Revenues under Minister of Lands, Minister of Repatriation and Minister of Aboriginal Affairs—Miscellaneous are expected to be \$1 million in 1982-83 compared with \$3.5 million in 1981-82. The sale of Monarto landholdings proceeded at a faster rate than originally anticipated, with a major portion of the expected proceeds from land sales received in 1981-82.

Revenues collected by the Police Department are expected to be \$10.7 million in 1982-83 compared with \$7.7 million for 1981-82. The increase in receipts reflects a full year's operation of the Traffic Infringement Notice Scheme and an increase in the recoup from the Highways Fund for police traffic services.

Territorial

Territorial revenues collected by the Department of Mines and Energy are expected to be \$10.2 million in 1982-83 compared with \$8.5 million in 1981-82. That estimate reflects an increase in royalties from gas and liquids production, the payment of a licence fee for the Stony Point pipeline by the Cooper Basin producers, and an increase in exploration licence rentals from 75 cents per square kilometre to \$1.50 per square kilometre, effective from 24 June 1982.

Commonwealth

● *Specific Purpose*

At \$7 million, Commonwealth support for childhood services reflects an increase in Commonwealth support for the child care program. The Commonwealth has yet to provide details of the expanded program. Once again the Commonwealth is holding the block grant for pre-schools constant at \$3.7 million, as has been the case for the past five years. As a result it has reversed the funding proportions for this program, with the State now providing more than 75 per cent of the total expenditure.

Funds for primary and secondary education have been estimated at \$41 million. The extent of Commonwealth support, following the tabling of the Commonwealth Budget is not clear, and the matter is being taken up at officer level.

Under the school to work transition program, which is now in its third year of operation, South Australia expects to receive about \$4.6 million in 1982-83. This is an increase on 1981-82. Sponsor departments had difficulties in reacting to the very late approval of the program by the Commonwealth Government in 1981-82.

Commonwealth receipts for technical and further education are expected to rise by about \$628 000 to \$10 million in 1982-83, primarily as a result of supplementation of existing programs.

● *General Purpose*

The State's tax sharing entitlement has been determined under the States (Tax Sharing and Health Grants) Act 1981, based on the total taxation collections of the Commonwealth Government for the previous year.

Under that arrangement South Australia expected to receive \$877.5 million as its tax sharing entitlement for 1982-83.

The Commonwealth Government has accepted the general thrust of a report of the Commonwealth Grants Commission on State relativities, and as a result, has decided to reduce the tax sharing entitlements of the three less populous States over the next three years. For South Australia the reduction is about \$11 million in 1982-83, growing to about \$37 million in 1984-85.

The Commonwealth has advised that its estimate of this State's tax sharing entitlement for 1982-83 is \$866.4 million. This figure has been included in the Estimates.

RECURRENT PAYMENTS

If we leave aside the special payments to the Commonwealth Government with respect to the former South Australian Land Commission (\$25 million in 1981-82; \$5.5 million in 1982-83), then recurrent payments for 1982-83 (including the round sum allowances for salary and wage awards and for likely price increases) are expected to increase by \$178.6 million (10.3 per cent) from \$1 741.8 million last year to \$1 920.4 million.

Special Acts

The provision for the Government's contribution to the South Australian Superannuation Fund has been increased from \$37.6 million in 1981-82 to \$44 million. This reflects an increase in pensions in line with the increase in the Consumer Price Index and the difference between the pension levels of those receiving pensions for the first time and those whose pensions cease.

The transfer to the Highways Fund of the net proceeds of motor vehicle taxation and fuel licensing fees is expected to be \$37.2 million. The transfer allows for the full year effect of increases in drivers' licence fees, motor registration fees and fuel licensing fees, operative from 16 September 1981, 28 April 1982 and 1 May 1982, respectively.

Interest payable on the public debt of the State is estimated at \$207 million in 1982-83. The increase of \$25.1 million from 1981-82 is attributable to the full year cost of loans raised in 1981-82, the conversion of old loans at significantly higher interest rates, and the estimated impact of the proposed new borrowing program in 1982-83.

Development of the State

State Development

The Government will continue its planned and co-ordinated promotional campaign to attract interstate and overseas investment to South Australia. The allocation of \$3.4 million to the Department of the Premier and Cabinet will ensure that emphasis is given to that campaign.

Mines and Energy

The allocation of \$12.1 million for this purpose in 1982-83 will ensure that the high priority which the Government places on the development of the State's mineral and energy resources will continue. The Department proposes to re-allocate resources to accommodate:

- extension of the current Cooper Basin Assessment and Development Review
- additional operating costs of the new Oil and Gas Division
- increased mining inspection costs associated with the Roxby Downs, Honeymoon, Mount Gunson and Beverley developments and the Coober Pedy opal fields.

A joint study with Sumitomo on brown coal development will be undertaken from within the Minister of Mines and Energy—Miscellaneous allocation.

Trade and Industry

The full year cost of establishment of the Small Business Advisory Unit and transfer of the functions of the former South Australian Development Corporation is reflected in the Department of Trade and Industry's allocation of \$1.6 million.

An amount of \$305 000 is being provided in 1982-83 for operating costs of the Technology Park Development Estate which is being established to promote and foster high technology industries in this State.

The Government will continue to provide a wide range of incentives to industry, and an amount of \$9.9 million is being provided for the establishment or expansion of industry in South Australia, to cover pay-roll tax and land tax rebates to decentralised manufacturing and processing industries, pay-roll tax rebates to encourage youth employment, continued support to the motor vehicle industry and bridging finance to assist the development of export markets.

An amount of \$4.5 million is being provided in the expectation that the Government may be called upon to meet further losses incurred by Riverland Fruit Products Co-operative Ltd. (Receivers and Managers appointed).

Fisheries

Funds amounting to \$2.6 million will be provided in 1982-83 for the operations of the Fisheries Department. The allocation allows for present levels of surveillance to be maintained, and for continuation of the Department's research program, both necessary for the protection and development of the State's fishing industry.

Agriculture

The allocation for the Department of Agriculture in 1982-83 is \$24.3 million. It allows for expansion of the Soil Conservation Program, which is being undertaken jointly with the Commonwealth Government, Local Government and land owners; additional funds for inspection under the Meat Hygiene legislation; continued support of the Bovine Brucellosis and Tuberculosis Eradication Campaign; and for the department to take over responsibility for the Veterinary Sciences Division of the Institute of Medical and Veterinary Science.

The Government contribution to the SAMCOR deficit fund is expected to be \$3.9 million in 1982-83.

Tourism

The Government will continue to promote and develop tourism as an important element of the South Australian economy. \$4.3 million is being provided for this purpose in 1982-83. The opening of an international airport and an international hotel will give impetus to the Government's thrust in this area.

Business Undertakings

Marine and Harbors

The provision of \$17.3 million takes into account the transfer of the departmental crane shed operations to the stevedoring companies during 1981-82 and some further rationalisation of the Department's workforce, through natural wastage. The present level of port services and marine activities will be maintained.

The Department will continue its efforts to attract new direct shipping services between South Australia and the important trading centres of Japan, South Korea and North America, involving both the United States and Canada. It will continue to market actively the industrial land adjacent to the Port of Adelaide.

Water Resources

The total provision for Water Resources is \$90.7 million in 1982-83.

The Engineering and Water Supply Department's allocation of \$89.1 million provides for a full year of operation of new capital works, including the Barossa Water Filtration Plant, and the Noora Salinity Control Scheme and for extensions to the sewerage system to be commissioned.

For some years, the Department has been taking positive and responsible steps to reduce its workforce in line with a reducing construction workload and government policy, including a no retrenchment policy. The Department will continue to give effect to this policy.

Control of costs, together with recent increases in the price of water and in water and sewerage rates is expected to enable the Department to hold the deficit overall to about \$32 million. Of this about \$29 million is in respect to country water and country sewerage operations and about \$10 million in respect to irrigation operations.

Community Services

Justice

The allocation of \$13.4 million for the Courts Department provides for the establishment of a fourth district Criminal Court to reduce the number of criminal cases outstanding, the implementation of the Civilian Court Orderly Scheme which will release police officers for police duty, and the establishment of a library in the new Courts complex.

The Attorney-General's Department is installing word processing equipment in the Parliamentary Reporting Division to improve the efficient and timely production of Hansard. Similar equipment will be installed also in the Crown Solicitor's Office in 1982-83.

An amount of \$60 000 has been made available under Attorney-General—Miscellaneous to provide a grant to assist in the establishment of an Information and Resource Centre for the Disabled.

Electoral

A state election and referendum on daylight saving are to be held during 1982-83. The Electoral Department's provision of \$1.6 million, provides for these events.

Industrial Affairs and Employment

Recent amendments to the Workers' Compensation Act provided for the establishment of a Workers' Rehabilitation Advisory Unit. The Department of Industrial Affairs and Employment's allocation of \$7.4 million will allow for the establishment of this unit.

Apprenticeship subsidies for travel and accommodation will continue in 1982-83, but administration of the scheme has been transferred to the Department of Technical and Further Education.

The Community Improvement Through Youth program, various apprenticeship initiatives, and additional training loans to employer associations will continue to be supported under Minister of Industrial Affairs—Miscellaneous.

Education

An amount of \$465.4 million is being allocated for primary and secondary education in 1982-83. It is by far the largest single item in the State's recurrent budget.

Last financial year, actual expenditure by the Education Department represented almost 25 per cent of all recurrent budget outlays. It is expected, that after calling on round sum allowances for wage and price increases, the Department will increase its share of total funds available in 1982-83, principally as a result of substantial teacher salary and wage award increases and the continuing incremental progression within the approved salary scales.

The allocation for 1982-83 takes into account falling enrolments in primary schools as well as rationalisation of effort between the central and regional offices. The commissioning of new schools, essential expansion and redevelopment in other schools, will be met where practicable, by redeployment of resources from other areas. The allocation provides resources for:

- the maintenance of school grants in real terms in 1983, consistent with declining enrolments
- the education of handicapped children
- English as a second language, despite the Commonwealth's withdrawal of funds

The impact of rising costs, particularly teachers' salaries, strengthens the need for the Government to ensure that the most effective use is made of its educational resources in the interests of all children. I believe that all Governments recognise the real responsibility they have to the education of young people and the importance of a sound education system to the economic and social well being of the community.

Grants to independent schools will be \$18.3 million in 1982-83, representing an increase of \$2.7 million over the 1981-82 level of support. The grant is now based on a revised formula, which is geared to a model school concept and overcomes the anomaly, inherent in the previous arrangements, that because of falling enrolments in government schools there was an escalation in the cost of educating a student. The new arrangement also enables the non-government school sector to plan and manage its operations with more certainty. Supplementation of these grants will be made later in the year for salary and wage award increases that might occur and an appropriate adjustment will be made for any significant change in enrolment levels. The allocation is in line with the Government's commitment to increase the level of assistance from 20 per cent of the cost of educating a student in a government school to an eventual 25 per cent. The grant takes account also of the increasing enrolments in independent schools.

Technical and Further Education

Expenditure on Technical and Further Education in 1982-83 will be \$65.3 million, an increase of \$5.1 million over 1981-82.

During 1982-83 the Department will continue its efforts in the area of school to work transition.

The 1982-83 allocation provides for the commencement of operations of the new Noarlunga Community College from the beginning of the 1983 academic year, and for extension of programs for the development of vocational skills for school leavers and the unemployed.

The Department will continue to redirect resources into vocational areas, and towards the development of skills required by industry and commerce.

Childhood Services

Expenditure on childhood services will increase by \$700 000 to \$21.1 million in 1982-83, despite the continued decline in real terms of Commonwealth support for the pre-school program. That support has reduced dramatically in recent years and now stands at about 25 per cent of the total program costs.

Of the total allocation for childhood services, \$18.6 million is provided under Minister of Education for early childhood education; \$2.4 million under Minister of Community Welfare for child care and associated programs; and \$100 000 under Minister of Health for health care programs.

Police

Expenditure by the Police Department is expected to increase from \$92.8 million to \$98.3 million in 1982-83.

The introduction of civilian court orderlies and the traffic infringement notice scheme will enable the Department to more effectively utilise its resources and lead to a strengthening of the Criminal Investigation Branch.

The Department will join with the Attorney-General's Department, the Courts Department, the Community Welfare Department and the Department of Correctional Services in the development and implementation of an integrated Justice Information System.

Correctional Services

Expenditure by the Department of Correctional Services is expected to increase from \$16.2 million to \$17.8 million in 1982-83.

The allocation provides for the full year effect of the restructuring of the executive organisation of the Department; operation of a community service order scheme in the Noarlunga and Norwood areas; the opening of the new industries complex at Yatala Labour Prison and a new remand wing at Port Augusta Goal.

Community Welfare

Almost \$53 million is being provided for welfare purposes in 1982-83.

This provision will enable the Department to implement recent amendments to the Community Welfare Act; introduce a more equitable arrangement for the funding of women's shelters; and take some modest steps towards meeting the urgent needs of homeless youths.

It provides also for the Department to accept responsibility for child care, previously a function of the Childhood Services Council and takes into account the transfer of the Wami Kata home for aged aboriginals to the Umcewarra Mission in April 1982.

Expenditure on senior citizens' centres recognises the accelerated program of works undertaken in 1981-82, the second year of the Commonwealth funding triennium.

\$15.8 million is provided for remissions of water, sewer and council rates for pensioners and other persons in need.

Health

Approved hospital beds per head of population in South Australia are higher than the Australian average and much higher than the average in Europe and North America.

The allocation of \$226.8 million for health in 1982-83 reflects the emphasis being placed by the Government on careful resource management and efficiency in the delivery of health services. It provides for the establishment of the Intellectually Disabled Council, the Pensioners' Denture and Spectacle Schemes, the commissioning of the Hillcrest Psychogeriatric Unit, and the Leigh Creek and Streaky Bay hospitals.

*Other Activities**Premier*

The provision of \$1.1 million under Premier—Miscellaneous takes into account the Government's contribution to a trust to be established in memory of Sir Thomas Playford, and an increased contribution towards preparations for South Australia's 150th Anniversary in 1986.

Treasurer

The allocation of \$5.9 million for Treasury Department allows for the continued development and implementation of Program Performance Budgeting and the purchase of a commercial software computer package for the operation of a new Treasury Accounting System.

A provision of \$49.6 million under Treasurer—Miscellaneous reflects increases in subsidy payments to country electricity suppliers due mainly to higher fuel prices; expenses connected with conversion and public loans; costs associated with the insurance of government property; and interest payments on moneys held in trust. It provides also for the second instalment of a lump sum payment to the Commonwealth, to settle that Government's interest in the former South Australian Land Commission.

Corporate Affairs

The full introduction of the National Companies and Securities Scheme on 1 July 1982, may place extra demands on the Department's resources. The extent of these demands will become clearer later in the year.

To comply with statutory provisions and provide the necessary service to the commercial community and public generally, the Commission has proceeded with the appointment of five additional investigation staff. The allocation of \$1.8 million takes account of these increased resources.

\$140 000 has been provided under Minister of Corporate Affairs—Miscellaneous for the State's contribution to the National Companies and Securities Commission in 1982-83.

Public Buildings

The Department has taken positive steps to reduce its workforce in line with government policy including a no retrenchment policy. It will continue to do so in 1982-83.

During 1982-83, the Department will introduce a new management structure to cope with its changing workload and reduced workforce.

The Government will continue to place emphasis on the reduction of the backlog of maintenance work, particularly in country areas. The special allocation of \$1 million provided for country contract maintenance in 1981-82, will be continued in 1982-83.

The allocation of \$54.2 million reflects these factors and also takes into account the expected transfer of the remaining maintenance staff in health units, to the South Australian Health Commission.

Environment and Planning

The Government will continue to place emphasis on the protection, development and maintenance of the State's national parks. It will maintain the heritage conservation program, including the vegetation retention program.

An amount of \$18.6 million has been provided for environment and planning purposes in 1982-83.

Transport

The allocation of \$14.1 million for the Department of Transport provides for the operations of the new Vehicle Inspection Station at Regency Park, implementation of the Tow Truck Industry legislation and an increase in the publicity and promotion of Road Safety.

Australian Soccer Pools Pty. Ltd. plans to introduce some changes to its soccer pools game, and it is hoped that those changes will increase the revenue available to the Government. The results of those changes will become evident later in the year. For the moment the Government anticipates that only \$450 000 may be available for payments from the Recreation and Sport Fund in 1982-83.

An amount of \$59 million is being provided to meet the expected operating deficit of the State Transport Authority. That provision takes into account that investment income will reduce as accumulated reserves are run down as a consequence of an intensive capital development program.

An amount of \$139 000 is being made available as the Government's contribution towards the operation of the South Australian Sports Institute.

Included in the allocation for subsidies to country town bus services is a contribution towards the deficit of the Murray Bridge town bus service.

The provision of \$3 million for transport concessions for pensioners reflects the full year effect of reduced fares for off-peak travel introduced in August 1981.

Local Government

Expenditure on Local Government in 1982-83 is expected to be \$14.8 million. It takes into account the transfer of funding of the emergency housing and rent control to Treasurer-Miscellaneous.

The grant for community centre projects takes account of the implementation of cross-charging for services provided by the Parks Community Centre to other government agencies.

The proposed allocation for local library services allows the subsidy program for 1982-83 to be maintained in real terms and provides for further progress and development of the Libraries Development Program.

Provision has been made for the final payment of a grant to the Marion City Council for redevelopment of roads, footpaths and kerbing.

Arts

The total allocation for Arts in 1982-83 is \$19.6 million, of which \$16.6 million is support for artistic and history preservation purposes.

Provision for debt servicing costs for the major arts bodies, formerly made under Treasurer—Miscellaneous is now included in the Arts allocation.

An amount of \$100 000 is provided for the accreditation and development of regional, specialist and local museums in South Australia.

Lands and Aboriginal Affairs

The Department's allocation of \$19.3 million provides for continued rationalisation of its functions in 1982-83 and some reduction in its workforce through labour wastage.

The provision of \$2.1 million under Minister of Lands, Minister of Repatriation and Minister of Aboriginal Affairs—Miscellaneous mainly reflects disposal, maintenance and operating costs as well as debt servicing for Monarto in 1982-83.

CAPITAL WORKS

The plan for 1982-83 is to reserve \$42 million from capital activities in order to support a deficit on recurrent operations.

Aggregate receipts are expected to total \$278.1 million while aggregate payments are forecast at \$236.1 million. Both are well above the 1981-82 level.

In the case of receipts the increase is due largely to two special allocations of funds from the Commonwealth Government—one of \$14.5 million (including a borrowing authority of \$4.5 million) for water treatment and water reticulation, and the other of \$10 million for transportation.

As to payments the increase arises mainly as a result of progress on the construction of the North East Busway and increased allocations for housing directly from the Consolidated Account.

In addition to the funds allocated from the Consolidated Account for capital works in 1982-83, a number of authorities, including the Electricity Trust of South Australia, the State Transport Authority, the Highways Department and the South Australian Superannuation Investment Trust will be spending considerable sums from their own resources on capital works projects.

CAPITAL RECEIPTS

At the meeting of the Australian Loan Council in June 1982, the Commonwealth Government announced it would support a total program of \$1 373 million for State works and services. That is to say an increase of \$65.7 million (5 per cent) above the 1981-82 money amount. (The actual announcement was of a 10 per cent increase, of which half was specifically for welfare housing.)

South Australia's share of this program is to be \$178.9 million. Of that amount \$119.3 million will be made available by way of loans, subject to repayment and interest and \$59.6 million by way of a capital grant. Further loans amounting to about \$5.5 million will be raised on our behalf to cover the cost of discounts and premiums on loan issues and redemptions.

The other major sources of capital funds are specific purpose funds from the Commonwealth Government and the repayment and recovery of amounts made available to departments and authorities in previous years. For 1982-83, funds from these sources are expected to amount to \$93.7 million, giving a total of funds available from all sources of \$278.1 million.

Commonwealth support for the school building program and technical and further education have not been maintained in real terms. Two special allocations, each of \$10 million, have been made available for water treatment and reticulation (in addition to funds provided under the National Water Resources program), and for transportation.

In all, total specific Commonwealth funds are expected to be \$50.3 million in 1982-83 as compared with \$27.6 million in 1981-82.

Repayments and recoveries from State sources are expected to provide \$43.4 million in 1982-83, compared with actual repayments and recoveries of \$39.6 million last year. State Bank repayments are expected to amount to \$2.2 million with the major contribution coming from the Loans to Producers Scheme. An amount of \$1 million is expected from the Highways Department, along with \$5 million from the Pipelines Authority of South Australia. Repayments from the Engineering and Water Supply Department are expected to be \$6.8 million for depreciation provisions, preliminary investigation recoveries, sale of plant and other assets and house connection charges. The sale of government land and other recoveries should result in repayments by the Public Buildings Department of some \$10.3 million. The South Australian Housing Trust (as an authorised borrower under the semi-government borrowing program) will take up the special borrowing allocation of \$4.5 million approved by the Commonwealth Government for water filtration and repay an equivalent amount to the Consolidated Account.

Semi-Government Programs

In addition to funds allotted to the State Government loan program through the Loan Council, funds are available also to the State through semi-government borrowings under two separate programs—the larger and the smaller statutory authorities borrowing programs.

As from 1 July 1982, major electricity authorities will be free to borrow outside Loan Council constraints. Of course all State Governments and their electricity authorities, will have a clear responsibility to ensure that borrowings are made on terms and conditions which have proper regard for the economy as a whole. Overseas borrowings will still require the consent of Loan Council.

For the larger authorities, Loan Council sets a limit on the total borrowings for a year and within that total leaves it to the State Government to set priorities. The limit for South Australia for 1982-83 is \$32.9 million, including the special allocation of \$4.5 million for water filtration. After adjusting for that special allocation and the new borrowing arrangement for the Electricity Trust, the 1982-83 limit is \$2.6 million (10 per cent) above the limit set in 1981-82.

The Government proposes to allocate that amount of \$32.9 million as follows:

	\$ million
South Australian Housing Trust	30.4
City of Enfield	2.5
	32.9

The proposed allocation of \$30.4 million for the South Australian Housing Trust, includes the special borrowing authority of \$4.5 million for water filtration. The Trust will repay an equivalent amount to the Consolidated Account. That is to say \$25.9 million will be available to the Trust for housing purposes.

As to the smaller authorities program, Loan Council does not set limits on total borrowings by the States. Instead, the limit is applied to borrowings of individual authorities. The limit for 1982-83 is \$1.5 million, compared with \$1.2 million for each of the three previous financial years. For 1981-82, the small statutory authorities in South Australia borrowed

a total of \$12.7 million. It is expected that, in 1982-83, loans of about \$18 million will be raised. Local Government bodies borrow about \$20 million a year under this program.

For both the larger and smaller authority programs, the necessary funds must be raised by the State on behalf of the statutory bodies concerned. The success of these programs, therefore, depends on the liquidity of institutional and other lenders and their willingness, to make money available for the terms and at the interest rates set by Loan Council. In the past, we have experienced good support from lenders and we are grateful for that support. However, capital markets are becoming more complex and uncertain and this is one of the reasons the government has decided to introduce legislation to establish a central borrowing authority.

CAPITAL PAYMENTS

Premier and Treasurer

Welfare Housing

When presenting the Budget to the House last year, I warned that my Government might not have any alternative but to sign a Housing Agreement with the Commonwealth even though we believed it was ill-conceived and had many unsatisfactory features. The Minister of Housing and I continued to press for more suitable arrangements which we believe would have been in the interests of both the State and the Commonwealth. However, had I not signed the Agreement by 31 December 1981 South Australia could have lost the \$34.7 million we had been allocated for 1981-82—an amount which was inadequate when compared with the \$37.3 million of 1980-81 (and the \$48.7 million of 1978-79) but a sum we could not afford to lose.

The Commonwealth has allocated \$43.8 million to South Australia for 1982-83. This is a useful increase over last year but it still falls well short of the amounts made available five or six years ago when the need was nowhere near as great as it is now. Of the \$43.8 million, \$42 million will come to the State under the provisions of the Agreement. The remaining \$1.8 million represents the Commonwealth's contribution to the mortgage and rental relief scheme which has been discussed in the House previously.

I am pleased that the Commonwealth has given some recognition to the increasing need for welfare housing assistance. However, the level of assistance remains inadequate and I still regard the redistribution of funds away from South Australia (and other less populous States) in favour of the three Eastern States as inequitable.

The arrangements now contain no less than three levels of specific purposes within the specific purpose of housing and, as a consequence, the administrative arrangements are cumbersome and complex. Compliance with them is time consuming.

Within the State, the State Bank continued its lending program in 1981-82 with support from State contributions, recycled funds and special external borrowings, at the rate of 55 approvals per week. On present indications, the program will be maintained at that level during 1982-83 and about \$86 million will be advanced. The Housing Trust experienced some delays in its construction program in 1981-82 and, as a consequence, has very heavy carryover commitments into the current year. Including the carryovers and some relatively minor expenditure on commercial and industrial projects, the cash outlay by the Trust is expected to total about \$126.5 million in 1982-83.

New funds available to the State Bank and the Housing Trust for capital purposes this year from State and Commonwealth sources will be:

	\$ million
Commonwealth-State Housing Agreement	42.0*
Commonwealth Mortgage and Rent Relief contribution	1.8
State—Consolidated Account	16.5
State—Advances for Housing Account	13.0
State—Semi-government program	25.9
	99.2

Some external funding will be necessary also. Efforts to attract funds from external sources for capital programs will be intensified in 1982-83.

* includes \$8.5 million originally announced as part of the Loan Council program.

Deputy Premier and Minister of Mines and Energy *Services and Supply*

The allocation of \$10.3 million provides for the purchase and installation of new computing equipment at the Government's Automatic Data Processing Centre. It provides also for equipment to be updated in the Government Printing Division in line with current technology.

The allocation also recognises the purchase of motor vehicles as a capital item. It includes provision for vehicle purchases for those government agencies who, in the main, do not require access to capital funds in the course of their normal operations.

Mines and Energy

The provision to the Department of Mines and Energy for 1982-83 of \$800 000 allows for the purchase of major items of plant and equipment, the acquisition of land and buildings and commencement of work on the tailings dam at Port Pirie.

Electricity Trust

While the Trust is not receiving allocations from the Budget in 1982-83, I thought it would be appropriate to make some brief comment about the Trust's activities.

The Trust faces a major capital works program during the 1980's to ensure that adequate power supplies are available to industrial and private consumers. That program includes construction of the Northern Power Station, further development of the Leigh Creek coal mine, testing and development of known coal reserves, particularly at Port Wakefield, and the final stages of development of the Torrens Island power station.

The Trust borrowed \$89.7 million of new money in 1981-82, which included a special borrowing of \$59.8 million approved by Loan Council as part of the infrastructure program. For 1982-83, the Trust is no longer subject to Loan Council requirements, although its borrowings do, of course, require the Commonwealth Government's consent. The Trust is planning to borrow up to about \$120 million in total in 1982-83.

Those proposed borrowings, together with the Trust's internal funds, will be used to finance a capital works program of about \$215 million.

Minister of Public Works

Public Buildings

Primary and Secondary Schools—\$26.7 million

The continued enrolment decline in government schools has necessitated a reassessment of the school building program. Greater emphasis is now being placed, where practicable, on the consolidation of school buildings and school sites.

A significant amount of land, surplus to the Department's requirements, was disposed of in 1981-82 and further disposal is expected in 1982-83. Funds from disposal are being used to support the school building program.

The level of funding for 1982-83 provides for new schools to be commenced and continuation of the redevelopment program, including some reconstruction of older schools.

Technical and Further Education Buildings—\$15.1 million

Construction of Technical and Further Education facilities continues to be heavily dependent upon Commonwealth support.

Noarlunga Community College is approaching completion. Work is expected to commence in 1982-83 on a new Adelaide College which will enable the Department to consolidate a number of city based functions in one area and to realise significant savings. Work will commence on extensions to the Elizabeth Community College which will provide new and updated workshop accommodation for trade training courses in the northern metropolitan area.

Other Government Buildings—\$25.9 million

As in previous years, work will be undertaken for a number of departments in 1982-83. In particular, it is proposed to:

- proceed with upgrading works at the Yatala Labour Prison, including the Industries Complex and improved toilet facilities in cells
- commence work on the Adelaide Remand Centre
- continue renovations and additions to the Novar Gardens Police Complex and proceed with the construction of a regional police complex at Holden Hill
- proceed with the development of the Technology Park Estate
- subject to a favourable report by the Parliamentary Standing Committee on Public Works, proceed with Stage I of a redevelopment program for the South Australian Museum.

Minister of Local Government

Effluent Drainage

The provision of \$3.3 million for effluent drainage includes a carryover of \$700 000 for some uncompleted projects. A total of 18 new projects are scheduled to commence in 1982-83.

Minister of Forests

Woods and Forests

The Department will continue its program of upgrading of milling and forestry operations in 1982-83.

\$3.5 million has been provided for these purposes. The Forestry Board now has the capacity to supplement those funds from the small semi-government borrowing program.

Minister of Environment and Planning

Environment and Planning

The allocation of \$5.7 million will continue the Government's long term plan for the development, maintenance and protection of conservation, open space and recreation areas. The completion of various projects commenced in 1981-82 by the National Parks and Wildlife Service Division has been provided for in the allocation.

While the North Haven Trust's financial structure is under review, an allocation of \$1 million is provided to continue the construction of the breakwater and other site development works.

Minister of Transport

State Transport Authority

The Authority is facing a major capital program over the next few years to complete an upgrading of the urban public transport system. Part of that upgrading involves the railways signalling system which is old and not adequately geared to modern transport.

The Authority has substantial reserves from which to conduct its current works, which have been built up over the years from advances from Consolidated Account.

The allocation of \$25.5 million takes into account the special Commonwealth capital grant of \$10 million; some additional funds for the Authority's general upgrading program, which has been affected adversely by the Commonwealth's changed arrangements with respect to leverage-leasing; and planned expenditure of \$12.5 million on the construction of the North East Busway.

Minister of Marine

Marine and Harbors

The allocation of \$13 million provides for work to commence on a major upgrading of the Port Pirie navigation channel and the swinging basin.

Work will continue on improved facilities at the Port of Adelaide as part of the Government's plan to attract overseas shipping to this State and develop the industrial estate adjacent to the port.

Provision has been made for the development of recreational boating facilities for the southern metropolitan area and for improved marine facilities for the fishing industry, generally.

Minister of Health

Health Commission

The State's total hospital program is planned and coordinated by the South Australian Health Commission.

The Commission will undertake a capital works program of \$13.7 million in 1982-83. \$11.2 million is to be provided from State funds with the remainder coming from moneys previously raised through local government levies and from other accumulated funds.

The program has regard to the approved hospital bed position in South Australia, which compares more than favourably with the position in other States.

Minister of Water Resources

Engineering and Water Supply

An allocation of \$52.5 million is being made available in 1982-83 for waterworks, sewers and irrigation works.

The Department will undertake a wide range of works during the year to extend and improve the water and sewerage systems. Major sewers extensions are in progress at Port Noarlunga South, Blackwood, Belair and Port Augusta East. Work will be undertaken to upgrade irrigation systems and to control salinity in the River Murray.

Subject to a favourable report from the Parliamentary Standing Committee on Public Works, the construction of two major water filtration systems will commence—one for northern towns and the other for the southern metropolitan water reticulation system.

Work will continue on the River Torrens linear park and flood mitigation scheme.

Minister of Lands

Lands

The allocation of \$2.3 million provides for the development of the Grand Junction Road Estate for industrial purposes, completion of infrastructure work at the Marla township and the replacement of some survey and mapping equipment.

Property owned by the Government at Dudley Park is being sought by Simpson Ltd on a lease-purchase basis. The property requires modification for fire protection purposes. The Company has offered to undertake the modifications for an appropriate rental adjustment. The Government will consider the matter on a proper commercial basis.

Details of all major works, for agencies generally, can be found in Appendix I to the Estimates of Payments of a Capital Nature.

ATTACHMENT IV

BUDGET DEVELOPMENT AND PRESENTATION

Program Performance Budgeting

Once again, supplementary material in program form will be provided to Members to support the Budget papers which, with the exception of two agencies, are presented in traditional line form. I believe that the Estimates Committees will find this supplementary material useful in understanding and examining the budgets of individual agencies.

I am happy to say that in the case of the Department of the Public Service Board and the Department of Public and Consumer Affairs, their detailed estimates in the formal Budget papers are being presented, for the first time, in program form. This is a first step in our plans for the eventual presentation of the Budget estimates for all agencies in program form. We hope that further progress will be made during the year.

As I indicated last year, the year 1981-82 has seen emphasis placed on:

- further development of the Treasury Accounting System, so that actual outlays on programs can be recorded and monitored at appropriate times. This development is seen as essential to the effective operation and use of program performance budgeting
- the development of recharging for inter-agency services so that responsibility and accountability for incurring costs is placed with the agency seeking the service.

Development has now proceeded to the stage where tenders have been called for a commercial computer software package system to operate the Treasury Accounting System. Tenders have closed and we hope to make a decision on an appropriate package soon. The aim is to have the system operating on the new equipment at the Government's A.D.P. Centre in early 1983 and to introduce the first agency to the system shortly afterwards. The introduction of all agencies to the system will be a major task.

Two officers have been seconded to Treasury, and work is now under way to introduce a system of cross charging in the Chemistry Division of the Department of Services and Supply and in the Property Services Branch of the Operations Division of the Public Buildings Department. Considerable detailed work is involved but we hope to have the Chemistry Division system operating by 1 July 1983. The Public Buildings Department system is likely to take a little longer.

Work will continue on program refinement and on the establishment of appropriate performance indicators. For the moment this work will need to be primarily in the agencies themselves, although I expect that Treasury staff will be able to help.

Presentation of Treasurer's Statements

In the Budget Speech last year, I mentioned my intention to review, in consultation with the Auditor-General, all of the Treasurer's Statements which accompany the Auditor-General's Report with a view to providing Parliament with better information. This review has been carried out and a number of changes have been made.

Statement A has been expanded to include actual receipts and payments of both a recurrent and capital nature where previously only recurrent transactions were shown. Statement A generally follows the format of the Estimates of Receipts and the Estimates of Payments. Thus the changes made here were dictated largely by the changes made in the presentation of the Estimates last year.

Appendix III to Statement A previously listed expenditure on new purposes. The 1981 amendments to the Public Finance Act abolished the distinction between new and previously authorised purposes. Therefore, Appendix III in its previous form became redundant. The information it contained is readily obtainable from the body of Statement A, in that appropriation lines established for new purposes show no amount in the "Estimated" column but show amounts in the column for actual expenditure. New Appendix III provides information on appropriation authority which previously appeared at the end of Statement A below the Revenue Payments Summary.

Statements B and C have been replaced with:

- a Summary of Movement of Funds of the Treasurer
- a Statement of Funds held at the end of the year.

Most of the information previously shown in Statement B is duplicated either in Statement E or in that section of the Audit Report which deals with "Public Debt and other Interest Bearing Indebtedness". The rest of the information is now presented in a better way in the new Statements.

Statement C in its previous form not only duplicated information provided elsewhere but was also misleading because of the information which it did not disclose. In its new form it is accompanied by notes which explain its limitations.

Two new Statements have been prepared to supplement the information shown in Statement C. Statement I highlights significant information on specific purpose loans previously included in Statement C and Statement J schedules outstanding semi-government borrowings.

In its previous form Statement F listed the balance of each Special Deposit Account at the end of the financial year. This information has been retained. However, amendments to the Audit Act made in consequence of amendments to the Public Finance Act in 1981, provide for the preparation of an additional statement showing Special Deposit Accounts opened during the year and the purposes for which they were opened. A new Statement F(1) provides this information.

For 1982-83, I propose that Treasury look at Statement D (a functional presentation of recurrent activities) to see what changes should be made to bring it into line with our program budget approach.

Alternative Presentation of the Budget

In the Budget each year, the Government presents to Parliament, amongst other things, details of receipts paid into and expenditures paid from the Consolidated Account in the financial year just ended and estimates thereof for the current financial year. The Budget "result" for a year is stated in terms of a deficit or surplus on the Consolidated Account for the year, equal to the difference between the accumulated surplus or deficit in that Account at the beginning of the year and the accumulated surplus or deficit at the end of the year.

In 1981-82, for example, total Consolidated Account receipts were \$1 948.2 million and expenditures \$1 947.7 million, giving a surplus of \$500 000. The accumulated deficit in the Consolidated Account was reduced from \$6.6 million at 30 June 1981 to \$6.1 million at 30 June 1982.

Within the Consolidated Account as a whole, information is also presented on recurrent transactions on the one hand and capital transactions on the other. Considerable attention has been devoted in recent years to the fact that a deficit on recurrent transactions has been supported by a surplus on capital transactions.

There are many comments which could be made about this form of presentation. There are three main points which might be made here.

First, the Consolidated Account represents only a part, though obviously a large part, of the financial transactions of the State public sector as a whole. A lot of receipts and expenditures also take place through deposit and trust accounts or through the accounts of the many separate statutory corporations established by the State.

Because it is important to monitor developments in the finances of the State public sector as a whole, in December last year the Treasury published a paper entitled "Recent Trends in South Australian Public Finances and the 1981-82 Outlook" which presented consolidated data for the State public sector on an aggregate basis. This information is now being up-dated and a further paper will be presented to Parliament as soon as practicable.

It can be seen from the Treasury paper that, for various reasons, aggregate trends in the State public sector as a whole differ significantly from those evident in the Consolidated Account alone.

Second, the "traditional" presentation relies on a particular concept of the budget result—surplus or deficit. It is not the only concept which might be used and, for some purposes, it may not be the most useful.

As noted above, the surplus or deficit for a year as presented in the traditional budget format represents the difference between total expenditures and total receipts. This presentation does not distinguish between different kinds of receipts. In particular, it does not distinguish between borrowings on the one hand and other kinds of receipts such as taxation, Commonwealth grants, fees and charges etc. on the other.

An alternative presentation can be given in which the surplus or deficit is calculated as the difference between expenditures and receipts before taking account of borrowings. In this kind of presentation—which is used by the Commonwealth Government—the deficit equals the sum of the net amount borrowed in a year and any net movement in holdings of cash and investments. The deficit thus represents the amount of financing necessary in a year or the "net financing requirement". This presentation is consistent with a national accounting approach as used, for example, by the Australian Bureau of Statistics.

A summary table based on this form of presentation is set out below.

**CONSOLIDATED ACCOUNT
SUMMARY OF ESTIMATED EXPENDITURE, REVENUE AND FINANCING^(a)**

	1980-81	1981-82		1982-83 (Estimated)	
	\$ million	\$ million	Percentage Increase	\$ million	Percentage Increase
Expenditure					
Recurrent ^(b)	1 534.5	1 745.3	13.7	1 903.3	9.1
Capital	196.9	181.0	-8.1	236.1	30.4
Total	1 731.4	1 926.3	11.3	2 139.4	11.1
Revenue					
Commonwealth Grants ^(b)	831.4	928.0	11.6	1 063.9	14.6
Taxation	444.9	495.6	11.4	552.4	11.5
All Other	358.8	416.3	16.0	431.9	3.7
Total	1 635.1	1 839.9	12.5	2 048.2	11.3
Financing					
Net Increase in Indebtedness ^(c)	88.1	86.8	-1.5	91.1	5.0
Change in Consolidated Account Balance	8.1 ^(d)	-0.5 ^(e)	n.a.	—	n.a.
Total Net Financing Requirement	96.2	86.3	-10.3	91.1	5.6

^(a) Details may not add to totals because of rounding. Comparisons between years are in some cases significantly affected by accounting changes.

^(b) These figures reconcile with those shown in the 'normal' presentation by taking account of sinking fund payments. See footnote.

^(c) Equals the State Government's Loan Council borrowing program for the year minus payments into the National Debt Sinking Fund (which are used to redeem State debt). Sinking fund payments include those paid by the Commonwealth in respect of the State's debt, which are also treated as Commonwealth grants to the State in this table.

^(d) Decrease in accumulated balance in the Account, meaning that general cash reserves were utilised in the year. Actually using general funds in the hands of the Treasurer.

^(e) Increase in accumulated balance, meaning a build up of general cash resources.

n.a. = not applicable.

One of the points to emerge from this presentation is that the net financing requirement in the Consolidated Account (that is, the amount which has to be borrowed plus or minus the change in the accumulated balance in the Account) fell in 1981-82 compared with the previous year and is expected to increase only to a small extent in 1982-83.

The third point about the traditional form of presentation follows in part from the first two. It is that to concentrate on what in the past few years has been a "deficit" on recurrent transactions within the Consolidated Account and a "surplus" on capital transactions may well be to obscure what are more important aspects of the State's finances. In particular, the situation referred to does not mean that the State is borrowing to finance recurrent expenditures.

The fact that, at present, a deficit appears on recurrent transactions and a surplus on capital is to some extent a function of the particular kinds of transactions which are handled through the Consolidated Account (rather than through some other account), the way they are handled or the particular classification given to them. For example, were the large amounts of capital expenditures now met from the Highways Fund to be met directly from Consolidated Account, the recurrent/capital result in that Account would be quite different. Another example is the funds now received from the Commonwealth annually and described as general purpose capital grants. Were these grants, at some future time, to be "absorbed" into the tax sharing grants (and there is a case for this), the recurrent/capital outcome would look quite different. Many other examples could be given.

The following tables—derived from Treasury's aggregated analyses referred to above—are of interest in this context.

State Budget Sector—Estimates of Borrowings and Outlays

	Net Borrowings \$ million	Net Borrowing as Proportion of:	
		All Outlays	Capital Outlays
1971-72	79	15.7	39.7
1975-76	187	14.9	41.2
1979-80	122	7.2	33.4
1980-81	116	6.0	32.0

Total State Public Sector—Estimates of Borrowings and Outlays

	Net Borrowings \$ million	Net Borrowing as Proportion of:	
		All Outlays	Capital Outlays
1971-72	96	18.7	42.7
1975-76	224	17.4	44.4
1979-80	192	10.7	42.8
1980-81	180	8.8	36.2

These figures show that, since the mid 1970's, borrowings have declined in relative importance as a source of funds. They now represent a minor proportion of total outlays and in the region of one-third of capital outlays.

The following table also shows that in "real" terms—i.e. after adjusting for inflation—the total level of State Government indebtedness has fallen in recent years:

30 June	State Government Indebtedness (a)			Index of Total State Indebtedness in "Real" Terms (b)
	Securities on Issue \$ million	Loans from Commonwealth \$ million	Total \$ million	
1970	1 211	269	1 480	100
1976	1 390 (c)	528	1 918	71
1981	1 871	790	2 661	62

(a) Excludes semi-government debt outstanding by way of debentures etc.
 (b) Adjusted using C.P.I.
 (c) Affected by Commonwealth "take-over" of State debt from 30 June 1975.

The purpose of the foregoing analysis has been, in part, to try to put the question of the financing of recurrent expenditures from "loan" into a broader and longer term perspective. This analysis is in no way to diminish the importance of the distinction between recurrent and capital expenditures or of the effect of debt servicing costs on the Budget. On the contrary, it is the case that:

- increases in recurrent expenditures or in the operating deficits of public trading enterprises (whether caused by increases in standards of services, increases in salary and wage rates or other costs or failure to

increase charges in line with costs) do reduce the capacity of governments to finance capital works of long term value to the community

- particularly in times of high interest rates as at present, it is important that the continuing effects on the budget arising from the debt servicing costs associated with increased borrowings or other arrangements necessary to finance capital works be taken into account in assessing proposals for such works, especially where they can be expected to produce insufficient revenue to cover these costs.

ATTACHMENT V

REPORT OF THE AUDITOR-GENERAL FOR THE YEAR ENDED 30 JUNE 1981

RESPONSES BY DEPARTMENTS

Auditor-General's Report page reference	Auditor-General's Comment	Action Taken	Present Position
63	<p><i>Education Department</i></p> <p>Audit of school books — 'The results of the audits indicated the standard of financial management has improved in recent years. However, action is still needed to bring the standard to an acceptable level at some schools. All schools visited were advised of procedural weaknesses.'</p>	<p>A new accounting manual has been developed which will provide a detailed source of reference for school-based personnel both at in-service training sessions and at the work place.</p>	<p>The new manual will be distributed to all schools early in the financial year 1982-83.</p>
63	<p>Funds held by schools — 'Although schools are investing funds set aside for future specific purposes, insufficient attention is given by some to the investment of Current Account funds surplus to immediate needs in order to maximise interest earnings.'</p>	<p>An Education gazette notice was issued bringing the benefits of investing surplus funds to the attention of school principals and school councils.</p>	<p>The new accounting manual contains a section dealing with the investment of surplus funds.</p>
71	<p><i>Department of Technical and Further Education</i></p> <p>College Audits — 'Stores Review—A review of stores operations and procedures will be undertaken by the State Supply Division in October 1981.'</p> <p>College and school fund accounts—'A working party established to review the operations of these accounts issued a report in December 1979. In June 1981 approval was given to implement some of the recommendations. These involve procedural changes and the preparation of a revised manual of procedures.'</p>	<p>A report entitled, 'Review of Supply Operations—Department of Technical and Further Education', has been prepared and presented by staff from the Department of Services and Supply.</p> <p>A revised manual of procedures for the administration of College and School Fund Accounts has been distributed to colleges.</p> <p>Additionally, a detailed review of the Regency Park Community College School of Food and Catering accounting procedures has been undertaken. The resulting recommendations contained within the subsequent report are being considered by departmental management.</p>	<p>The recommendations contained within the report are currently in the process of being implemented.</p> <p>Other changes of a procedural nature are being implemented.</p>
88	<p><i>Engineering and Water Supply Department</i></p> <p>Irrigation and reclaimed areas — 'Although the Department has made every effort within approved limits to reduce outstandings, the present recovery system still does not ensure payments or satisfactory arrangements for payments within acceptable times.'</p>	<p>An appraisal of the 'hard-core' debtors was undertaken with a view to obtaining further justification for the introduction of stronger recovery measures.</p>	<p>'Approval in principle' has been given by Cabinet to amend the Irrigation Act to bring the penalty interest charge in line with the Local Government Act.</p> <p>Appropriate steps are now being taken to enable the introduction of the amendments.</p>
113	<p><i>Department of Industrial Affairs and Employment</i></p> <p>Self Employment and Group Business Venture Scheme—Financial operations — 'Last year it was reported that on examination of projects there were instances of non-compliance with loan and grant agreements and poor progress monitoring and assessment of ventures. Although some improvement was evident during the year the position remains unsatisfactory and the matter was again drawn to the attention of the Department.'</p>	<p>All projects were progressively brought into line with the new operating guidelines and procedures issued in 1980 during the period January 1981 to July 1981.</p> <p>The new operating guidelines require monthly contact with each approved borrower.</p>	<p>All projects now conform with the new operating guidelines and procedures.</p>

ATTACHMENT V—*continued*

REPORT OF THE AUDITOR-GENERAL FOR THE YEAR ENDED 30 JUNE 1981

RESPONSES BY DEPARTMENTS

Auditor-General's Report page reference	Auditor-General's Comment	Action Taken	Present Position
161	<i>Department of Services and Supply</i> Automatic Data Processing Centre—A.D.P. security — 'During the year an audit review of the Centre's computing facility revealed that security over access to production programmes and data files remains unsatisfactory. This and other minor matters were referred to the Department.'	Some new physical security measures have been introduced to the existing A.D.P. Centre. To remedy this situation fully, specifications for the new equipment (proposal to re-equip the A.D.P. Centre and provide new accommodation) include detailed requirements for security as well as other desirable features.	Work has commenced on the construction of the new A.D.P. Centre
	Government Printing Division—Sundry debtors — 'Sundry debtor accounts are not aged and the system employed makes it difficult to determine details of outstanding amounts due by individual debtors. This reduces the effectiveness of the follow-up action. This matter was referred to the Department and the reply indicated that corrective action would be taken.'	A report has been compiled on the control of sundry debtors within the Department of Services and Supply. Recommendations within the report identify appropriate steps to be taken to overcome outstanding problems.	All of the major recommendations contained in the departmental report dealing with issues raised by the Auditor-General were implemented by 1 July 1982.
334	<i>South Australian Health Commission</i> Audits of incorporated hospitals — 'Pursuant to the South Australian Health Commission Act, the Auditor-General was appointed auditor for nine of the hospitals incorporated under the Act. The standard of accounting in those hospitals has, in some cases, not been up to a desirable standard. Specific matters raised with the hospitals concerned included: ● procedures for billing of services provided to outpatients could not be relied upon to ensure all charges were raised ● inadequate control over receipting, safe custody and banking of moneys ● lack of regular review of outstanding debtors ● non-raising of facility charges for use of radiological equipment; and failure to reconcile subsidiary ledgers and bank accounts with general ledger controls.'	The Health Commission has approached this matter on the basis of correcting the existing deficiencies in the current systems and also progressively developing individual modules of an upgraded financial system. In relation to the specific matters raised all except one have been satisfactorily resolved. In addition, arrangements are being made to: ● review revenue raising and collection procedures ● further implement direct billing of Health Benefit Funds ● improve the compensable patient revenue collections.	As each module of the Financial Management Control System is tested in a pilot hospital, it will be progressively implemented in the other major hospitals.

ATTACHMENT VI

LICENSING ACT AMENDMENT BILL

AMALGAMATION OF DEPARTMENTS, ETC

Set out below is a schedule of the amalgamation of departments and the transfer of functions which have taken place since the last Budget was presented on 15 September 1981. These changes are reflected in the Estimates of Receipts and in the Estimates of Payments:

- (1) The Department of Further Education was renamed the Department of Technical and Further Education.
- (2) The Office of Aboriginal Affairs was transferred from Minister of Education and Minister of Aboriginal Affairs-Miscellaneous to the Minister of Lands and Minister of Repatriation.
- (3) The Office of the Commissioner for Equal Opportunity was transferred from the Department of Public and Consumer Affairs to the Department of the Premier and Cabinet.

Mr BANNON secured the adjournment of the debate.

Mr MAX BROWN (Whyalla) obtained leave and introduced a Bill for an Act to amend the Licensing Act, 1967-1982. Read a first time.

Mr MAX BROWN: I move:

That this Bill be now read a second time.

The problem of under-age drinking has been present in my own electorate, the City of Whyalla, for some years and over those years quite consistently the effects of that problem have, in some way or another, come to my attention. The very high and very concentrated unemployment problem in Whyalla has added to a very large degree to the impact on the local community of the results of under-age drinking. The law reducing from 21 years to 18 years the age at which a person may consume alcohol has also had an impact.

When the law provided that one had to be 21 years of age before being legally allowed to drink alcohol, the breakers of that law were, in the main, 19 years or 20 years of age and, candidly, society tended to turn a blind eye to that situation. Now that the law has been reduced to the age of 18 years at which the drinking of alcohol is allowed, society

is finding that young people of 17 years, 16 years and even as low as 14 years of age are drinking. As I have personally found on so many occasions, politicians are leant on, as it were, to allow some latitude to our younger generation, but I have experienced on many occasions, as I am experiencing now, that many of our younger generation do not seem to be able to adapt themselves to that latitude, and unfortunately the drink question is no exception.

The fact that by breaking the law in this instance one has to be under the age of 18 years simply reinforces my previous remarks. On many occasions I have been consulted with respect to under-age drinking and have often made positive attempts to rectify the position, but on every occasion I have been returned to the fact that the current law does not allow the police or the licensing inspector positive room to arrest or convict an under-age drinker and so, being continually confronted with this situation, I have again and again returned to the drawing board, as it were, in an endeavour to find a solution.

The problem of under-age drinking does not merely involve some juvenile or minor partaking of alcohol and making a fool of himself or herself, for if it did I believe I would be broadminded enough to do what has been so often done before and simply turn a blind eye to the situation. Quite the reverse is in fact the position. Under-age drinking is having a tremendous impact on the family unit, about which I am most concerned. I have personally seen mothers at their wits' end over the question of their 16-year-old daughters or sons regularly visiting large hotel disco entertainments until all hours of the night and early morning. Leading on from those regular hotel visits, there is no doubt whatsoever in my mind, although again it is hard to prove, that the partaking of drugs has eventuated in some cases. What effect do members think that situation is having on families, the youth of today or society as a whole? I suggest that society is paying very dearly indeed on those counts.

There is no doubt that the under-age drinker is evading the present law, because the police officer or licensing inspector has to catch the consumer in the act of actually drinking, whereas with the suggested amendments this Bill is designed to shift the onus of proof of not drinking on to the possible consumer. Many members may be concerned that I have seen fit to shift the onus of proof, and candidly I am not over-enthusiastic about the idea either, but after examining alternatives I can see no other way out of the situation. However, I am willing to hear any constructive alternative from members during this debate.

The second part of the amendment is designed to place on the licensee much more emphasis of the responsibility for obtaining proof of age. My experience has shown that licensees, particularly those with establishments large enough to hold regular disco or cabaret type of entertainment, have seemingly gone out of their way to attract under-age drinkers, take their money, get them into a drunken stupor and have paid bouncers throw them out when it has been found to be necessary, and yet, under the law, not have to accept legal responsibility for such a practice. I might add that over the last few months in Whyalla licensed premises managers have been paying very dearly for this past practice. One manager is currently sporting a black eye, and another is being transferred after being assaulted, causing several stitches to be inserted in his head, whilst another is currently hobbling on crutches.

I believe that my proposed amendment, although shifting the responsibility and onus of proving age on to their shoulders, will be welcomed, for at least it will provide the people concerned with an opportunity to rid themselves or their premises of this self-made problem by establishing an avenue for their being able under the law to police the situation. I am not suggesting that every under-age drinker is an unde-

sirable or stand-over merchant. I simply reiterate that the under-age drinker is obviously adding extensively to a problem which is causing family and society immeasurable consequences.

As I stated earlier, unemployment, together with the partaking of alcohol, is causing tremendous difficulties in our society. I am unable to bring forward at this time a solution to our unemployment problem, but I do sincerely believe that this amendment will make a sincere attempt to solve or considerably ease the effects that under-age drinking has on our society and among the unemployed.

In conclusion, I simply say to the House that I have given the problem much thought, and I believe that somebody has to take some initiative and at least make an attempt to rectify what I see as a grave wrong. If society itself is being honest, it will see under-age drinking as a grave wrong also. Hopefully my amendment will be constructively debated in this House and, again, hopefully out of that constructive debate, if my amendment is deemed not to be the answer to under-age drinking, members will have a positive and suitable alternative to take its place, for I respectfully ask members to be honest and positive on this question not only with themselves but with society as a whole.

Clause 1 is formal. Clause 2 simply amends the current Act to do two things: first, the onus of proof of a suspected under-age drinker has been placed on the alleged consumer, whilst the second part places an onus of proof on the licensee, on the basis that every reasonable precaution must be taken by the licensee to see that an under-age person is not in any way supplied alcohol for personal consumption.

Mr EVANS secured the adjournment of the debate.

ANGAS HOME

Mr LYNN ARNOLD (Salisbury): I move:

That this House calls on the Minister of Housing to provide a full and public explanation of the events surrounding the disposal of the Angas Home by the South Australian Housing Trust.

I bring this matter before the House and draw to members' attention the substantial concern being expressed by a number of local people in the Salisbury area, because there have been a number of letters and questions, both from myself and people in the Salisbury area, about the future of this home. As a result of activities that have taken place involving the Minister of Housing and the South Australian Housing Trust, that house has now been disposed of and is being used by a religious group for seemingly indeterminate purposes, because a variety of suggestions have come forward on to what use it should be put, and different purposes seem to be submitted every time a request is made.

I am not seeking to criticise that particular group or whatever use they choose to make of that home. They have bought an asset and they have got a very good price for that asset. My main qualm is that for some considerable time it has been argued that the home should have been used for community purposes by the Salisbury West community.

It has been stated that attempts to have it so used have come to nought and that the Housing Trust and the Minister have not done enough to ensure that the community did get the benefit of that home. I know that criticisms are made by the Housing Trust of the local council involved, but that is something which I hope the Minister will fully explain when he responds to this motion.

By way of giving some background, I point out that the Angas Home in itself is quite unique. It was established as a home for the aged, deaf and dumb by the late Mr J. H.

Angas. Indeed, it is believed that it was the first such institution of its kind anywhere in the world. I believe that that in itself means that the home should be noted on our heritage list, because it is quite unique. I understand that applications have been made to have it placed on the heritage list. The late John Howard Angas was noted as being a great philanthropist who, in his estate, made provision for not only the Angas Home but also for a number of other institutions and activities of a philanthropic nature.

The Angas Home continued in that vein until 1978, when the South Australian Society for the Deaf found that it was inefficient to continue using the place. At that stage it had only one patient resident there. I understand that for cost reasons it decided to amalgamate its activities with its South Terrace premises. It was at that stage that the South Australian Housing Trust bought the property, not only the house but also all adjacent land, for residential subdivision. I believe that moves are under way for that residential subdivision to take place. Indeed, considerable concern has been expressed by residents about the feed-out of one of those streets from the residential subdivision on to Lantana Drive which people believe could cause a significant traffic hazard, but that matter will be taken up separately with the design people of the Housing Trust.

The land itself has been separated and put into this residential subdivision, and the house has been put on to a separate allotment, which has been sold. Initially, when the Housing Trust bought the property, there was talk that the house should be given to the Salisbury council and that that portion of the land upon which it stood should be considered to be the 12 per cent needed to be given over as reserve allocation in any residential subdivision. I thought at the time that that suggestion was a very sound one and I still think so. I know that there was some concern about the amount of land that would be taken by the Highways Department in its possible, although not hoped for, future development of the Martins Road expressway.

The Hon. M. M. Wilson: Don't hold your breath.

Mr LYNN ARNOLD: I am pleased to see that the imminence of that proposal is not upon us. That proposal would have kept the house intact, providing common access through the local government organisation, namely, the Salisbury council; there would have still been land around the home which would have been used for reserve, and I believe that everyone's needs could quite happily have been met. Certainly, the local residents have quite inadequate community facilities.

The land was not transferred to the Salisbury council and, as a result, a number of people in the local area wanted to pursue the matter, encouraging the council to buy the property in the belief that, as an established set of buildings, limited upgrading might be needed to convert it to community use. At that same time, other proposals were being considered by the Housing Trust, one of which was a nursing home for the aged proposed by the Uniting Church. The Rev. Murray Chambers, formerly of the Salisbury area, worked long and hard for many years to establish such a home, and his committee was indeed interested in taking up the Angas Home. However, they came across a catch 22 situation, because they could not buy an established building and get access to Commonwealth funds to upgrade it; it had to be a new building that they proposed to establish before they could get access to that funding. In fact, it would have been more expensive for them to take over a building already existing than to go ahead (as they still hope to do) with the new building.

When that fell through, approaches were made (and I found this out through Questions on Notice to the Minister) to buy Barkuma and to use that facility which would have been a commendable use, as in the case of the nursing home

facility. However, Barkuma, had financial problems of its own and was unable to take up the proposition. The failure of those propositions in March 1981 again raised community interest in the matter, and a number of local people started asking some questions about it. The trust, through the Minister for Housing, advised me on 27 March 1981 as follows:

The trust could not fund development as a community use, given the other demands on its funds but it is prepared to enter into an appropriate sale or leasing agreement with another party. In an endeavour to find a suitable user, the trust is about to publicly advertise for the registration by persons or organisations interested in utilising the site. At present, as an interim use, the house remains available as a meeting place for local groups and associations.

Indeed, an advertisement was placed in the *Advertiser*, and I presume in the *Messenger Press*, seeking submissions as to how it could be used by the community and what financial arrangements would be entered into. I know that there were five responses to that invitation to tender for community use. One was lodged by the Salisbury council and one by the local sub-branch of the Labor Party. That group had submitted a proposal, not so much for its own profit but rather to propose an idea to the Housing Trust which I believe was an exciting one (and which could still be an exciting one, if not in that area, in others) namely, to provide a venue for the many small groups in our society which serve a community's purpose and yet are themselves unable to raise the financial wherewithall to build their own premises.

The suggestion was that a group could be formed, perhaps under the auspices of section 666 of the Local Government Act, to manage the property. Individual rooms in the property could have been rented out to clubs or societies so that each one would pay a weekly rent for a room, and the communal areas such as the dining hall, lounge areas and outside areas could be used as occasionally required by each one of those individual groups. All that each small society would be doing would be paying the cost of one room, plus sharing the cost of the bigger facilities only as they needed them. The big problem that kills off the capacity of many small groups to have their own club rooms is that alone they cannot meet the financial costs of providing the bigger facilities such as a hall or playing areas. I still think that that proposal has a lot of merit, in the absence of any other adequate support at either local or State Government level for these groups, and I hope that it will be taken into account somewhere in the echelons of Government.

I have written to the Minister of Recreation and Sport asking that a certain portion of the dwindling soccer pools money be specifically allocated to small groups, because they have no other real financial option. They are not able to financially compete on the market for funds and repay those funds like bigger football or soccer clubs can do. They are told by local government, when they want access to loan funds, that they must wait a considerable period.

Mr Becker: It happened when your mob was in Government.

Mr LYNN ARNOLD: In reply to the member for Hanson, I am not wanting to turn this into a partisan bashing affair. I am merely saying that I as the local member wrote to the Minister of Recreation and Sport and sought his consideration of the suggestion. If I had been the member for Salisbury before 1979, I can assure the member for Hanson and this House that my concern for the small clubs in my district is sufficiently big and my spirit non-partisan enough that I would have made the same approach to the then Minister, so his interjection is quite worthless. The proposition put by that particular sub-branch was, therefore, I believe a worthwhile one, and it deserved consideration, as did all the other five submissions put to the Housing Trust.

The submissions that were lodged with the trust were put in the pending basket for some considerable time. They were put in the pending basket because suddenly another potential buyer for the house came along. In other words, the professed desire to make the home available for community use was entirely expendable: it could be put aside and, indeed, was put aside while this other buyer was negotiated with to see whether or not it was interested in buying the property. It was a religious group that had discussions over two or three months with the trust. I was advised on 25 June that 'the decision to advertise was then held in abeyance until the outcome of these negotiations became known'.

When that religious group did not proceed with the purchase of the home, the community option became possible again. In other words, it was certainly considered second rate by the Minister of Housing, but in the absence of anyone else it came up for reconsideration. Those submissions, I suppose, may have been considered, but I do not know that any one of the people who submitted a proposition ever got an answer. Certainly the group with which I was connected never received a reply. On 28 October 1981 the Minister of Housing advised a concerned local constituent that five registrations of interest had been received concerning the future use of the complex at Parafield Gardens and then stated, amazingly, that due consideration was given to all the interests received. There is absolutely no evidence that such consideration was given.

The groups who made those submissions received not a single reply; that is hardly 'due consideration'. Following that apparent 'due consideration' the Minister advised my constituent that the trust was negotiating with a prospective buyer for the sale of the complex as a nursing home. Again, I do not criticise the people who wanted to use the complex for that purpose; that is commendable. I am criticising the trust's attitude that, when there was no-one else in the waiting room, it would consider the community need; it would consider the transparently obvious community need and then, as soon as a financial proposition came along, back into the pending basket, to be ignored, and then it might be reconsidered if the deal fell through.

Things meandered along for some months after that, and, then in February this year, I, along with other members of the Opposition, was invited to attend a meeting with the General Manager of the South Australian Housing Trust, the Chairman of the board of the trust and the Minister of Housing. When I questioned those people about the Angas Home, I was advised that there had been a desultory response from the local community concerning the future community use of the home. I was then advised that the only option being considered at that time was the possible conversion of the home to a nursing home facility.

I had to write to the Minister to clarify 'community response'. I could not leave the trust or the Minister with the opinion that there was a desultory community response, despite the fact that there had been five registrations of interest, one from the local council itself. In part, I wrote:

I indicated at the time that the trust's impression of the community response was not, to my knowledge, accurate, and I now write formally to confirm that opinion. There have been a number of people in the local area who have approached me since I have been the member, concerning the great advantages that would be offered by conversion of the Angas Home to a community facility. Suggestions as to its possible development have included its use as a home base for many of the smaller local clubs and societies that are individually unable to meet the costs of building their own premises; such a suggestion would see a management committee administering the Angas Home (possibly under section 666 of the Local Government Act), with individual societies taking out leases on rooms as required and sharing such facilities as ablutions and the dining hall (which could be used as an activities hall).

I cannot make the point too strongly that the Salisbury West area of my electorate is grossly under-provided for in terms of community facilities. A number of demographic characteristics combined with the new funding climate make it unlikely that the type of facilities that were provided in Salisbury North and Ingle Farm could be replicated in the Salisbury West area at least in the foreseeable future. The Angas Home represents the only real alternative for the provision of such facilities, and to let such a facility go would be, in my mind, doing a great disservice to the Parafield Gardens/Salisbury Downs area.

I ask that you give earnest consideration to preventing Angas Home being lost as a community resource to that area. Should you desire confirmation of community opinion in this regard, I would be more than happy to arrange for a deputation of local residents to meet with you to discuss this matter. In any event, I ask that you keep me posted of all developments regarding the Angas Home.

Never was a response received to the offer of a deputation and, indeed, one concerned local resident has made many attempts to speak with the Minister by telephoning the Minister of Housing's office to make an appointment. Not one of those attempts has resulted in the Minister's receiving that person and discussing with her the extent of local concern. I did not say in that letter that the trust should have paid for the facility to be developed as a community use. I was just asking it to keep its options open and to be encouraging to the local community so that the home could be used in that regard.

It was at that time that my colleague, the member for Spence, in his then capacity as shadow Minister of Community Welfare, was also interested in the matter and wrote to the Minister of Community Welfare asking that consideration be given for community use and, in particular, that part of that be used as an emergency youth accommodation place for which there is an urgent need. The Minister of Community Welfare replied on 22 February indicating that there was some possibility that it could be used as emergency youth accommodation and the hope that that would resolve the situation to everyone's satisfaction.

I do not know how much more the Minister of Community Welfare did to assist in the whole process, but certainly if he did do any more he was no more successful than anyone else in the local community in overcoming the unwillingness of the Minister of Housing and the trust to try to help the local community with the use of this home.

Mr Abbott: In actual fact, he did nothing.

Mr LYNN ARNOLD: I thank my colleague for updating the situation. The Minister of Housing later advised that, for a start, funding could not be made available for the development of Angas Home, but I was not seeking that. He also then advised that the local council (Salisbury council) had bailed out or at least indicated that it had no further interest.

I know that there has been some critical comment made about the Salisbury council by the local people for its having done that. I must say that I suspect the Salisbury council did not act in the best way in regard to the development of community facilities in the local area—and I will refer again to that matter in a moment. The council was probably somewhat short sighted, although I understand the problem that it faced. The council thought that it would have to pay an enormous cost for the home; it was thinking in terms of having to pay \$100 000 for the home, and then having to spend a significant further amount to upgrade it. I do not think that the council gave serious enough consideration to the other options open to it, or indeed to the possible benefits of bargaining with the Housing Trust to reduce the price. In regard to the Salisbury council, the Minister of Housing stated:

The Salisbury council, which is presumably responsible for the provision of community facilities of the type considered by you [that is me, as local member] to be necessary for the Salisbury West area subsequently notified the trust that it would not proceed

with its proposal. This was interpreted by the trust as a withdrawal of interest.

In fact, it was merely an indication, a reflection of its financial incapacity at that time which may have been resolved had there been proper negotiations over the financial problems involved. I then wrote a letter on 30 April to the Minister in which I asked a number of questions, which letter was answered on 21 June this year. The reply indicated that, in fact, the Angas Home had been sold, something which we had been led to believe during recent months could well happen. In other words, no account was to be taken of community applications, and that another financial proposition had come in which was sweeping the local community out of the way. On 21 June the Minister advised me that the home had been sold, and that indeed the letter containing an offer for its purchase had been received on 10 February 1982, the offer being accepted by the trust on 4 March.

A few moments ago I indicated that I was being advised by the trust and by the Minister after 10 February that the house was being considered for another purpose, but in fact that was not the case. In fact, on 10 February an offer had already been received from another religious group requesting use of the home for indeterminate purposes, but not for the purposes that were indicated to me at the meeting. At one stage it had been suggested that the group presently occupying the home would use it for a drug and alcohol rehabilitation facility. At another stage it had been suggested that it might use it for a community centre for their church and the like. At this stage we are not exactly sure what the group will finally end up using the home for. The exchange of letters of 10 February and 4 March formed a binding contract on the parties. A letter was forwarded on 4 March, but I was not advised about the matter until 21 June, and yet the Minister told me that I would be kept informed of what was going on.

The trust then arranged for a transfer plan delineating the site to be prepared and processed, which plan was approved on 10 May in the Lands Titles Office. The interesting thing is that the council was of the opinion that the trust would only accept \$100 000 for the home and the land upon which it was immediately sited, as opposed to the large block of land which, of course, was to be used for residential subdivision. That was the reason why the council did not proceed; at that stage it did not feel that it had that much money. In fact, the home was sold for \$75 000 to the group to which I referred and which now owns it. However, I believe that not all of that amount has been received by the trust, anyway. I understand that there is an arrangement involving deferred payments. I would appreciate the Minister's explaining exactly what deferred payments are involved and how the trust sees itself as being a lender of financial resources to a group buying its property such as that involved in this issue.

So, there was a \$25 000 markdown on the price: that could have been offered to the Salisbury council. I have also been told by a constituent who contacted me about this matter, a person who had been pursuing this matter rigorously, that she had had a telephone conversation with an officer of the trust (whom I will not name in this House) who indicated that the Salisbury council could have had the land for \$50 000. One could make the criticism of the council that it did not bargain, that it did not go to the bargaining table to haggle the price down. I make that criticism, but it does seem that there has been an incredible amount of coyness on the part of the trust and the Minister in their dealings with the council.

If the trust had had any degree of enthusiasm at all for the possible use of this facility as a community facility it could have indicated to the council the fact that if finance

was the council's problem it would be prepared to come to some sort of agreement, that it would have been prepared to discuss the matter in an endeavour to reach a mutually satisfactory arrangement. But, no, the trust played this little game of real estate hide and seek, and finally an outside group won the game and the local community, as a result of that, has lost out.

The Minister owes me an explanation for the series of events leading up to the sale of the home. I believe the Minister owes to the local community an explanation why the apparent regard for the local community and its well-being was constantly shoved aside when it was expedient to do so. Further, why on the one hand was local government led to believe that it would have to pay \$100 000 when in fact the final purchaser had to pay only \$75 000. Indeed, advice has been received that the trust was entertaining the possibility of only \$50 000 being necessary for the purchase of the home.

I suppose in one sense the matter is over in terms of the practical provision of the Angas Home as a community facility, unless the present owners of it seek to expand their brief in using the property by making it available to other community groups; there may be some possibility of that and I hope that indeed that will occur. However, that would be purely upon the group's concurrence, purely upon its goodwill, rather than due to any compulsion that that be the case. The group secured a good buy, and good luck to it, but I believe that the community could have obtained a good buy, and that is the issue which is causing so much concern in the local area. I would imagine that the Minister of Environment and Planning in this Chamber, representing the Minister of Housing, will reply to the comments I have made, and on the basis of his reply at a later time I will have the right of reply which will determine the future of this motion. I hope that all members of this House will be as concerned as I have been about the way in which the local community has been treated by the Housing Trust (indeed, for which I have the highest regard in all other areas, but it is about this issue that I am highly critical). I am also highly critical of the Minister of Housing concerning this issue.

The Hon. M. M. WILSON secured the adjournment of the debate.

GOVERNMENT EMPLOYEE HOUSING

Mr LYNN ARNOLD (Salisbury): I move:

That this House calls on the Premier to release the report into Government employee housing.

The report into Government employee housing was undertaken by the Government in 1980 to examine the situation applying in all State Government departments in regard to housing of their employees, particularly in country areas. That report was completed, I understand, in the first half of 1981 and it has languished on Ministerial desks from that day until this. No action has been taken on its apparent recommendations, and the public is not able to see what those recommendations are. I am calling for the release of the report because of a complaint that was made by the Minister of Education, following a speech I gave last November about the Teacher Housing Authority, the many problems facing the authority, the provision of housing for teachers in country areas, and the teachers who rent houses from the authority.

At the end of that speech I called for the release of the Government report so that there could be a real examination of the comparison of T.H.A. housing with other Government employee housing. The Minister who was in the Chamber

at the time commented that, in fact, the report showed that T.H.A. housing was the best of any housing in the Government arena. I circulated my speech and reported that comment to a number of teachers in country areas living in T.H.A. houses next door to people who live in, say, ETSA houses, Police Department houses, and Highways Department houses. Their response was one of stunned amazement: they could not see how the report could have come up with that finding given the data and the facts that they knew to be the case. They suggested to me that surely something must be wrong, surely the report based its findings, if they were the findings, on inaccurate information or the Minister was not correctly reporting what the report actually says, hence the need for the report to be publicly released so that we can all see exactly what it says and how it arrives at its particular conclusions.

The comments made about the T.H.A. and the difficulties it faces come in a variety of topic areas. First, there are a significant number of complaints about the quality of maintenance on T.H.A. houses and the amount of money provided in the T.H.A. budget for maintenance; secondly, there is a problem in regard to the rents charged by the T.H.A. not only in the provincial cities but also in the remote areas of the State, as well as the subsidies and the special subsidies that apply, particularly in zones 4 and 5 of the State. Then there is the matter of the rights of the tenants who rent those houses and whether they have the same sorts of rights that apply to other tenants who rent other properties.

There is also the very vexed question of the comparison of the T.H.A. housing that is made available and the financial terms under which it is made available compared with other Government employee housing. I asked a question earlier this year about the rents that are charged to teachers at Andamooka. At the time the Premier indicated that at that stage the Government was considering the situation that applies at Andamooka and similar such remote communities and suggested that, in fact, some good news would come for those communities. Part of the reply that the Premier gave in the House on 4 March 1982 was as follows:

The present situation there [Andamooka] and at certain Aboriginal settlements is currently under review by an interdepartmental committee because of the unusual situation which applies.

I followed up that matter later in June with a question to the Minister of Education after the re-examination took place. It is true that there was an increase in the apparent special subsidy that applied, but serious anomalies were seen in comparing the special rate with the ordinary rate, and the manner of arriving at the figure paid in zones 4 and 5 resulted in many people not actually getting that reduction. I draw the attention of honourable members to a question I asked the Minister and the explanation I gave at that time.

When the point was made by the Minister of Education that, indeed, T.H.A. tenants have a much better deal than does anyone else, I put a Question on Notice asking what was the amount paid by police tenants at Andamooka. I chose that category of tenant not to pick out those people and victimise them (because I do not seek to do that) but because of a question that was asked by teachers in that area as to why there was a disparity. The reply was that those police tenants in Police Department houses pay \$18.50 a fortnight in rent. When those rents were compared with T.H.A. rents, the tenants of T.H.A. houses could not see how any interpretation of the facts could show that teachers were getting a better deal, because, on an examination of those facts, they are not getting a better deal.

Let us consider the Teacher Housing Authority and the problems that have beset it. I believe that one of the major problems that besets the authority has been interest rates. I

put a Question on Notice to the Minister of Education asking for the percentages of the annual rental income that has been paid by the T.H.A. in interest payments on its outstanding loans ever since it was set up. In 1975, 9.7 per cent had to be paid on interest on outstanding loans; in 1981, the figure was 24.6 per cent, and the Minister did not have a figure for June this year. Therefore, there had been a phenomenal increase in the interest bill.

The subsidy paid by the Education Department to the T.H.A. has not kept pace with that interest bill and that has put a financial vice on the authority. Indeed, it is rather interesting to note that the reduction in the allocation for maintenance in the T.H.A. annual accounts roughly mirrors the increases in the interest bill paid by the T.H.A., so the T.H.A., in trying to respond to the vice that is squeezing it as a result of the higher cost of money, is likewise putting a vice on its tenants by cutting down the maintenance that is done on the houses. I know the point has been made in one other place and by the Public Accounts Committee in this place that the maintenance allocation for the T.H.A. was somewhat excessive in years gone by, and I know there was a comparison of the amount spent by the T.H.A. on each one of its houses and the amount spent by the Housing Trust on every one of its houses.

By means of some defence, may I suggest that most T.H.A. houses by definition are significant distances from the metropolitan area, and it is a bit unreasonable to compare the maintenance allocation of the Housing Trust per house with the allocation for T.H.A. houses when the bulk of those houses, or all of them, are non-metropolitan. Non-metropolitan maintenance costs will be more expensive, and surely that should be obvious to everyone. The houses are running down. I am not accepting this on report only or from the many letters I have received: I have seen it with my own eyes (and, presumably, they are the only things with which one can see).

I have visited a number of Teacher Housing Authority houses in this State in a number of areas and I find that the maintenance on them is not up to scratch, that there are serious problems there, and perhaps I can read one such report that I have received. The Andamooka Staff Association wrote to me earlier this year, and among other complaints that the association had, one was a complaint about maintenance. The association made this point:

The occupants are also responsible for much of the essential maintenance of the units. Problems are frequently arising with water pumps, toilets, hot water systems, water tanks, gas systems, refrigerators and air-conditioners. When this does occur we must spend considerable time ourselves attempting to rectify the problem. If we cannot fix it ourselves we face the prospect of living without water, cooling or refrigeration for several weeks or months until the appropriate personnel can come up from Port Augusta to carry out repairs. One tenant was without refrigeration for two months last year—

Two months in the idyllic climate of Andamooka! The letter goes on:

—and at one time three of the four flats had no water supply.

In that area of bountiful rainfall! The letter continues:

The tenants of two units have air-conditioning units that do not function effectively in our extreme heat.

I know that Teacher Housing Authority houses are not bound by the rental tribunal. I know they are exempt from that, but I would have thought that there was some obligation and that the Teacher Housing Authority had a responsibility to keep the houses in reasonable condition and not subject its own tenants to conditions worse than those that apply in the private market. There is some reduction in the rent but a lot of comments are made on exactly how much reduction is made as well.

Another problem which has arisen with the Teacher Housing Authority and which has been reported to me by

some of its tenants is the manner in which it structures its rents. On the first hand, the authority rents the house but does not take account of the individual tenant. It does not give the tenant tenancy rights. That is to say, it can put one person in the house, a single person, and if it chooses, later it can put another person in without having regard to the tenant already there, and without regard to compatibility, or anything such as that.

However, when other landlords rent a house, they rent it to the tenant. The tenant has the right of tenancy and the right to determine whether anyone else goes in. That person can refuse to have anyone else in there. That is a fairly standard type of rental agreement. If I rented a house from a private landlord I would have the right to say 'No' as he landed on the doorstep with someone else to join me.

Mr Slater: It depends who it was.

Mr LYNN ARNOLD: I suppose it does. The same position does not apply to the Teacher Housing Authority. It can say to a single tenant in a house, 'Move over and make way if you are told to do so.' Sometimes it appears on paper that that is not unreasonable. I say it is, but it may appear not to be so unreasonable. The Teacher Housing Authority says, 'You have a two-bedroom house and surely it is reasonable to take two of you into the house. We will charge you both single rents.' That maximises the authority's income, of course. Two-bedroom units do not consist of two double-bedroom units but one larger room and one smaller room.

In a three-bedroom unit, with three people living there, the third bedroom is often significantly smaller than the master bedroom, yet the tenants have to pay full tote odds. They are renting an individual tenant's position in the house, so if there is one tenant the authority gets so much income. If there are two tenants, the authority can double the income, and if there are three tenants the authority gets triple the income. However, the average landlord rents the house itself and the income generated is fixed, whether one, two, three or 50 persons are in the house. There is a set rental figure that the house will generate.

Another problem regarding the Teacher Housing Authority is the manner in which it assesses its rents based upon its source of house. The authority has houses from three sources, namely, those that it owns itself, those that it rents from the Housing Trust, and those that it rents from the private rental market. I do not argue with that: that is fair enough. That maximises the rental resources that the authority has available to it, and I support that.

However, what I and many teachers in these houses object to is the fact that these rents are assessed on those house units independently, according to the source from which they have come, so if a person is lucky enough to get a house owned by the authority, that person will pay less than the rental on a house that the authority rented from the private rental market. Surely, consistency begs that the source of the accommodation unit not be discriminately taken into account in the charging of rent to its tenants. It should take its pool of rental accommodation and assess its rent policies across that basket or pool of accommodation units, so that in some cases it will be making a profit on its rental and in others it will make some losses. It will be averaging out across the Teacher Housing Authority units.

Mr Oswald: The Teacher Housing Authority runs at a loss.

Mr LYNN ARNOLD: If the member for Morphett had been here earlier, he would have heard my comments about the interest bill and the effects on the authority. His decision not to be here reflects on him. That point that he makes is quite irrelevant. The matter of the source of rental housing is a sore point with many teachers living in many of these houses. A point is often made about why any housing should

be provided for country teachers at a financial concession. They earn good salaries and why do they need this extra benefit? Two things need to be said here.

First, it is not a housing incentive that is being given to them, because it is a partial recoup of the extra cost that they have to pay in many cases by going to country areas. If they have left urban areas and rented out their city homes, it is unlikely that many people who have bought houses in the past seven years, for instance, will recoup by rental an amount equal to or greater than the mortgage payments. They will be losing money by renting their houses. They can claim that against their taxation, so there is some partial refund in that, but they are still out of pocket. Experience seems to show that they are not anywhere near compensated for that loss as a result of reductions offered to them by the Teacher Housing Authority.

The other point that should be made about the reductions offered by the authority in the case of those teachers who have not yet purchased in the urban rental market to which they may anticipate returning is that the longer they are out of the urban area, they are progressively falling behind in their capacity to buy into that market. Any financial incentive offered by the Teacher Housing Authority is partly meeting that as well.

The most important point is that there are higher costs involved in living in country areas and the establishment of the Teacher Housing Authority in part recognises that by saying that one of the things it can do is offer some rent reduction. We can then argue about the amount offered, and that is a valid area for debate.

Certainly, that is one of the few options open to an Education Department in offering financial recompense for the extra cost incurred, because it is not able to compete, as mining companies can compete, on the wage levels in attracting people to many remote areas.

I have often said that, if the Education Department was to establish wage rates for country teachers on that sort of scale, we would have to pay teachers in the remote areas of the State double what we pay now. I make that statement on the experience of the mining companies and bearing in mind the wage rates that they offer. They do not offer double the rates in their remote areas out of pure generosity of heart: they do it because they know that that is the market price that they must pay to get people to work in those areas. Well, that is fine, as a supply and demand situation has resulted in that. That is how they get to that figure. So, if the department was to do the same and choose to get people to go to remote country areas purely by financial incentives, it would immediately have to double the pay rates. Frankly, we all acknowledge that that is not on. Instead, we see other ways of trying to assist those in such areas: first, the reduction of housing rents that they may pay and, secondly, certain conditions of service arrangements. I do not believe that enough work has yet been done in that second area.

I believe that a number of areas need to be examined in teacher housing. It is possible that the Government employee housing report examines all those issues. It is also possible that the Minister of Education was misinformed when he made that comment in the House; in fact, the report may correctly look at all these problems. Whatever the case is, we need to have access to that report to examine more properly the role of the Teacher Housing Authority and its contribution as a housing provider for teachers doing country service.

We also need to compare the way in which Teaching Housing Authority housing is provided compared with other Government employee housing. I repeat that that is not to be by way of a witch hunt against other tenants working in other Government departments. I believe, in many cases,

that those rents have been set recognising the realities of getting people to go to many of those communities, and established decisions were arrived at. The point is that the Teacher Housing Authority, for one reason or another, is not presently able to do that in the structured way that I think it ought to do. So, a real examination of the Teacher Housing Authority partly depends on that report being made available. I hope that the Minister, in his reply this afternoon, will indicate that that is what will take place. So, if he has already made the report available, the motion can lapse and we need not proceed with it any further. The Minister has merely to stand up and say, 'I will make the report available not only to the honourable member and myself but also to the House and to the public, so that the debate that takes place on the teacher housing issue will not involve one side having privileged information and the other side operating on pure conjecture about what that privileged information may contain.'

Mr EVANS secured the adjournment of the debate.

TORRENS RIVER

Mr WHITTEN (Price): I move:

That by-law No. 20 of the Corporation of Adelaide relating to the Torrens River, made on 1 July 1982 and laid on the table of this House on 20 July 1982, be disallowed.

The section of the by-law with which I am greatly concerned reads, 'No person shall bathe, wade or swim in the River Torrens within the City of Adelaide, provided however that the Town Clerk may grant permission for bathing, wading and swimming for the purpose of a swimming or other carnival, or for such other purposes as the council may think fit.'

I am not sure of the real reason why the Adelaide City Council desires this by-law. If it is for health reasons, I am sure that it could put out some sort of micro-biological survey that has been done. However, as yet I have been unable to ascertain that. I have been able to obtain from the Engineering and Water Supply a micro-biological data sheet which compares the Murray River at Murray Bridge and the Torrens River at the Torrens Lake weir. The last entry on the table that I have in relation to the Murray River at Murray Bridge was taken on 3 December 1981, and it shows that coliforms per hundred millilitres measured 94 at Murray Bridge and that the total coliforms at Torrens Lake weir numbered 180.

Mr Mathwin: My goodness!

Mr WHITTEN: I heard the member for Glenelg say that that seems a lot; it is double. But, if we look at some of the other parts, for instance, Murray Bridge, just two months prior to that, we see that 115 coliforms were present. I am not sure what the second table with the E.Coli shows but per hundred millilitres of water at Murray Bridge on the 3 December 1981 the measurement was 94 and at the weir on the following day it was very much less at 57. So, I am sure that it is not on health reasons that the Adelaide City Council wishes to bar swimming at the weir.

Mr Oswald: It is not?

Mr WHITTEN: I feel sure that it should not be, although I do not know why.

Mr Oswald: I'll make a speech on it later, anyway.

The ACTING DEPUTY SPEAKER (Mr Becker): The honourable member has the floor.

Mr WHITTEN: Thank you, Sir. I feel sure that the member for Morphett may be able to make a good speech on this and show why they should not be swimming there. However, I do not know why, and that is why I have moved the motion: so that the Subordinate Legislation Committee

can get further evidence and bring the motion before this House, if necessary, to enable the Adelaide City Council to go on with this by-law.

For many years people have been allowed to swim at the weir, and it has provided much enjoyment for a lot of people. As members will know, previously we used to have a swim through Adelaide and a lot of people obtained a great deal of enjoyment from it. I do not know whether the Adelaide City Council wishes to deprive those people of that type of enjoyment. However, I am concerned that people will be deprived of the opportunity to swim in fresh water at the weir if this by-law is not disallowed. Perhaps a designated area should be reserved near the weir to enable people to swim if they so desire. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

ALSATIAN DOGS ACT (REPEAL) BILL

Adjourned debate on second reading.

(Continued from 18 August. Page 561.)

The Hon. W. E. CHAPMAN (Minister of Agriculture):

The member for Napier has introduced into this House a Bill to repeal the Alsatian Dogs Act, 1934-1980. Among other things, in his address in this place a week ago, the honourable member said that the original Alsatian Dogs Act of 1934 was a direct result of the feeling in the community that anything associated with Germany was to be feared. Among the points that I propose to bring before the House this afternoon, I seek to negate that reasoning by the honourable member. When the original Act was introduced by the Hon. G. F. Jenkins of the Burra Burra District on 12 September 1934, the reason that he gave then is worthy of noting on today's records. He stated:

It is interesting to watch the efforts which have been made to induce Governments to realise the importance of legislation of this nature and the necessity for taking some steps to protect the interests of the most important industry in the Commonwealth—the pastoral industry. That industry returns more wealth to Australia than any other industry, and consequently any pest which may be considered a menace to it has to be dealt with very seriously by the Parliaments in the different States and the Commonwealth Government.

It is further interesting to note that when that same Alsatian Dogs Act came before this House on 6 March 1980 my colleague, the now Minister of Environment and Planning, stated on page 1528 of *Hansard*:

This Bill proposes an amendment designed to enable the Governor to declare by regulation that the Act shall not apply in any specified part of the State.

Mr Wotton then went on to say:

The Government is aware of the concern of the pastoral industry that Alsatian dogs should not be kept in pastoral areas, and it intends that the amendment will be applied only to exempt the opal mining townships, such as Coober Pedy, where there is a concentration of population and the dogs are kept as domestic pets and for security purposes. I understand that Alsatian dogs have been kept in the mining townships for many years, and the amendment will therefore enable effect to be given to what is, in fact, the present situation.

In that very same debate, the member for Napier is recorded as having stated:

If this Bill passes, and I am sure that it will, can the Government guarantee that we are not going to see a sudden influx of dogs of that breed into the mining townships?

He was questioning the Government's motive in relation to the application to exclude Coober Pedy from the canopy of the Alsatian Dogs Act. The honourable member went on to say:

We see a real problem if that were to happen. There should be some means of monitoring the number of German shepherd dogs entering that area.

He continued:

... there could be real concern by members of the pastoral industry if miners at Coober Pedy or Andamooka suddenly decided to have a German shepherd dog as a security guard. I hope that, in Committee, the Minister will be able to reassure the Opposition and the pastoral industry in the Far North that some monitoring will take place.

I recognise the good sense in the honourable member's remarks at that time, namely, 2 April 1980. To add to it, the honourable member might note that on this day, 25 August 1982, the General Secretary of United Farmers and Stockowners of South Australia Incorporated wrote to me, having learnt of the honourable member's move in this direction. He stated:

As I believe there has been some suggestion of a private member's Bill being introduced into State Parliament to amend the above Act, (that is, the Alsatian Dogs Act) I write to reaffirm our complete opposition to any proposal along these lines.

He also said, amongst other things:

... we believe the present Act must stand indefinitely.

I turn now to some further reasons why it should remain and, indeed, why it does not conflict with dogs legislation as introduced into this place in recent years. The Alsatian Dogs Act, 1934-1965, was assented to on 29 November 1934, proclaimed on 20 December 1934, and indeed identified the pastoral area of South Australia as one into which those dogs should not enter nor be kept. The same Act also provided that any other district within South Australia, of its own volition, may in future be proclaimed under the Alsatian Dogs Act to prevent dogs coming into its area.

On 26 January 1950, following a spate of incidents involving Alsatian dogs on Kangaroo Island, the residents of that community petitioned their councils and, in due course, the councils petitioned the then Governor of South Australia and had the whole of the Kangaroo Island community proclaimed under that canopy Act. Accordingly, we have seen in 1980 other parts of the State given the opportunity, on the volition of councils and local people, to seek successfully to be removed from under the canopy of that Act. So, there is no question in my mind that it provides a facility under which local government and local people can clearly express their view to opt in or out.

The two councils on Kangaroo Island have clearly, of their own volition and by invitation of the Minister of Local Government in South Australia, made their respective views clear. Correspondence on the record of some months ago demonstrates that. On 20 August (just in case the message might have been lost and simply to reaffirm the position), a letter from the Dudley District Council on Kangaroo Island reads as follows:

Council has noted the introduction of a private member's Bill into Parliament concerning Alsatian dogs which has a direct influence on the way of life on Kangaroo Island.

The residents of Kangaroo Island have made known their views strongly enough, I trust, that they do not want Alsatian or German shepherd dogs on Kangaroo Island, and that is how my council would like to see the matter stand.

Kangaroo Island gives its full support to the Government and therefore, on this occasion, would like to see the Government support their wishes.

There is no question in my mind that to interfere with the object of the Alsatian Dogs Act and to take away from community residents of this State their right either to come under the aegis of the Alsatian Dogs Act or not be covered by it is a matter that we are bound to preserve. It is this Government's policy not to interfere with local government or local communities on matters of this kind.

Indeed, we are committed to keeping out of the road of local government and to recognising the status that it deserves, namely, that it is the real third tier of government in this country. To suggest, as indeed the honourable member's Bill does, that this Parliament should seek to interfere

with the rights of local government, and indeed in this instance with a local community, and repeal the very Act which is their vehicle, is wrong not only in principle but also in policy, as I have indicated.

The other matters raised by the honourable member in an attempt to sustain his case really signalled his petty attitude towards this whole subject, and he has got away from the real feelings that apply to those people who genuinely love their animals and, in particular, their dogs. The honourable member has drifted from that attitude altogether. He went on in his address to the House last Wednesday not only to be openly and blatantly critical of the people to whom I referred earlier (the Kangaroo Island people) but also to tell some gross untruths in relation to the real position in that area. Among other things the honourable member said that packs of dogs were roaming Kangaroo Island, in the towns of Kingscote, American River and Penneshaw. It is an insult to the local government authorities, to the dog catchers, to the police authorities in that place, and to my people generally. I take exception to the honourable members using this place yet again—

Members interjecting:

The ACTING DEPUTY SPEAKER (Mr Becker): Order! Interjections are out of order.

The Hon. W. E. CHAPMAN: —to lambaste a community in the way in which he did the other day. The honourable member said that there was a dog at every shop door in the township of Kingscote, and an interjection from this side of the House at that time caused him to restate his position. He said, 'Yes, at every door.' That is not only untrue but it is also a blatant disregard for the people of that area, and I do not accept it. I do not believe that they will, either, and I believe that in due course they will make their position clear to the honourable member.

There may be a case from time to time when people in districts throughout South Australia or at least in that region which is currently proclaimed under the Alsatian Dogs Act want to be removed from the provisions of that Act and, indeed, want to be allowed to keep Alsatian dogs in those places. Where that desire is demonstrated to the Government on the basis of the record there is no evidence at all to suggest that their request would not be upheld. It was readily upheld when the request came from Coober Pedy and, indeed, as I understand it, from parts of Whyalla and Andamooka. Indeed, there may well be other areas in the State (indeed, perhaps Kangaroo Island at some stage) that desire to be withdrawn from the requirements of the Alsatian Dogs Act. In that case, I would expect, if it came through the proper channels (through local government) and was lodged with the Government, that the Government would fairly and duly consider it. However, until that happens there is no way in the world that I will support a Bill of this kind at this time.

I could refer to a whole host of articles and productions from one source or another to indicate incidents that have occurred involving the whole range of dog breeds, including malicious attacks by Alsatian dogs, but that is not going to be the basis of my address to this House. I am not going to involve myself in slating a particular dog breed. I do not believe that it is the purpose of this place to canvass that sort of detail, more especially in relation to this Bill. The whole exercise is whether or not local government and local communities should be allowed to enjoy access to the Government via the vehicle that is provided for it under the canopy of the Alsatian Dogs Act. As it has been exercised both ways, I believe that it should remain on the Statute Book and be used for the purpose for which it was devised.

In case the honourable member thinks that I do not have material of the kind to which I referred a moment ago, identifying attacks, etc., I point out that there is a bundle

of evidence in my department and in other departments of the State indicating attacks on humans and livestock. Without giving the details, I remind members that the police records in this State indicate that for the quarter ended March 1982, as opposed to the previous quarter ended December 1981, there was a 29.4 per cent increase in the number of dog attacks in public places.

Further that same record indicates that for the quarter ended March 1982, as opposed to the quarter ended December 1981, there was a 25 per cent increase in the number of dog attacks on premises, that is, on private or industrial property. Therefore, we should not get carried away about the fluctuations that have occurred over the years. In this instance, in citing those few details, I have brought to the attention of the House the most recent official record available in South Australia of reported dog attacks in this State, and it is available from an impeccable source, namely, the State Police Department.

I have only just realised that I have unlimited time available to speak on this matter, but on this occasion I do not believe that it is necessary to expand any further on the subject involving the principles. I conclude by drawing to the attention of the House a most unfortunate situation that occurred in recent months on Kangaroo Island. A resident, previously from the Riverland area of South Australia, moved to Kangaroo Island with his family to take up business there. The information I have available to me and endorsed by the member for Napier in his address last week, is that the family sought to take an Alsatian dog with them and, on approaching the authorities of the *Troubridge*, the vehicular ferry that travels between Port Adelaide and Kingscote, the family was refused loading of that dog, at which time the law in relation to the Kangaroo Island community was explained to them.

I further understand that this family sought to freight their Alsatian dog to Kangaroo Island by Ansett Airlines of South Australia, but again, after an explanation by the authorities of that organisation, were refused permission to do so. I understand that the dog was taken over to Kangaroo Island by some other private (and, I believe, devious) means, which constituted a blatant disregard not only for the law of the State but indeed for the community feelings on this subject.

Since that occurred, there has been an enormous amount of publicity about the subject. The law has ultimately taken its course, and indeed the owners of the dog have been prosecuted. A summons has been issued and the people concerned have appeared before the local court. The matter was adjourned, and the matter has been brought before a magistrate. I unfortunately learnt today that apparently the court was not satisfied that the breed of the dog had been established. For God's sake, whoever heard of anything so technically ridiculous!

Mr Max Brown interjecting:

The ACTING DEPUTY SPEAKER: Order! I hope the Minister can assure me that the matter is not *sub judice*.

The Hon. W. E. CHAPMAN: As a result, the matter has been adjourned. Because the matter may well be *sub judice*, I shall not speak any further about that subject. However, I can assure the honourable member that the matters about which I will speak now are of the broadest and most public nature and do not relate to the case in question.

Mr HEMMINGS: I rise on a point of order. The Minister says that he is speaking in the broadest sense, but surely the point really only relates to action being taken in regard to a dog on Kangaroo Island. So the Minister cannot get out of it by saying that he is speaking in the broadest sense. I believe that the matter is *sub judice*: it is before the courts. The matter has been deferred until November, there is a

legal challenge, and it is totally wrong for the Minister to comment on that case in this House.

The ACTING DEPUTY SPEAKER: The point made by the honourable member is valid, I accept, in the broad sense. I warned the Minister to be careful, because the matter could be *sub judice*, and I would prefer the Minister not to continue along that line in this debate, particularly in relation to this Bill.

The Hon. W. E. CHAPMAN: Your ruling is readily upheld, Mr Acting Deputy Speaker. I do not propose to talk any further about the processes of the court in relation to that dog. However, to demonstrate the disturbance that is occurring in this whole matter, I will mention another case about a month ago when a prosecution was lodged: that matter has been totally cleared from the courts. In the midst of this situation involving the Alsatian dog Tara and its stay on Kangaroo Island, another person took a dog to Kangaroo Island, either of a pure or part Alsatian strain. The prosecution proceeded and the court, in upholding the law, as we would expect it to do always, fined the person and ordered the removal of the dog to the mainland. That incident occurred about a month ago, so it is over and finished.

Mr HEMMINGS: I rise on a further point of order. I would like to point out that the case to which the Minister is referring has nothing to do with this Bill. That person was gaoled not because he took a one-sixth German shepherd dog on to the island but because of a traffic offence.

The ACTING DEPUTY SPEAKER: Will the honourable member please say what is his point of order?

Mr HEMMINGS: The Minister is telling blatant untruths in this House.

The ACTING DEPUTY SPEAKER: I do not accept that as a point of order.

Mr Hemmings: The Minister can read it in *Hansard*. He tells lies.

The ACTING DEPUTY SPEAKER: Order! The honourable member knows that that word is not permissible under Standing Orders, and I ask him to withdraw it.

Mr HEMMINGS: Gladly, Sir.

The Hon. W. E. CHAPMAN: If the other example in *Hansard* upsets the member for Napier, as apparently it does, I will cease to pursue that subject. I said at the outset of this debate that I had no intention of seeking unduly to disturb members of this House or members of the public generally. The emotional factor should be removed from this subject if we are to deal with the Bill rationally and if some sense is to be brought back into the debate. In conclusion, I repeat that, as a substantial area of South Australia is proclaimed under the Alsatian Dogs Act for the purposes already outlined, we as a Parliament should respect and preserve the rights of the residents in that area to remain under or withdraw from the umbrella effect of the Act.

The decision to be made should, as it has ever since 1934, remain primarily in the hands of the people. As a Parliament, we should not be dictating to local people about a local matter, and that is exactly what it is in this instance. It is this dictating to which the people on Kangaroo Island object most of all, and in no circumstances do the residents of that community or the district councils representing them agree to even consider the merits of whether or not that community should withdraw from the Act in part or in total until the law is upheld in relation to the incident which we are now not allowed to mention. I support them to the hilt in that view, and I will continue to do so.

The Act in itself is doing no harm: as I have said, it is a vehicle that is available to the communities of South Australia if they want to use it. No-one in his right mind is going to use it or abuse it unless the desire emanates from the communities directly involved. I am satisfied, as a

member of this Government, that there would be no sense or fairness in any Government's corrupting the principle incorporated in the umbrella Act. If a request comes from a community, as it did on the north side, and if it is a fair and reasonable request, I know of no grounds whatever on which a Government could fairly object; indeed, it should set out to facilitate the carrying out of that request. I know of no basis on which the Kangaroo Island community at this time has even indicated in the slightest way its desire, through its various authorities, to have the Government act other than to preserve the Statute vehicle which is on record and which should remain there.

I will listen with interest to other members who may speak in this debate, whether they be from this side of the House or the other side, although I hope that this matter can go through the fair and democratic process and can be resolved quickly, so that in no circumstances will its passage through this House have the slightest implication, impact or influence on any matter that may be described as *sub judice*.

It would be a great shame if the very presence of this Bill, albeit for a short time in this Parliament, should in any way influence anyone outside this place. I hope that the Bill is debated and voted on as quickly as possible and a decision arrived at, and I also hope that the decision has regard to the communities of South Australia which presently come under the Act.

The ACTING DEPUTY SPEAKER: Order! Before calling the next speaker, I would like to inform the House that generally in private members' time the Chair allows some leniency in relation to interjections, but I will not permit continued viciousness in interjections in this or any future debate. The honourable member for Whyalla.

Mr MAX BROWN (Whyalla): I am pleased with your comments, Mr Acting Deputy Speaker, because now that I am about to speak I certainly do not want any interjections which might disrupt my train of thought. Members on this side have just listened to the Minister do exactly as we thought he would. On the one hand, he said he did not want to slate the dog in question, yet on the other hand he contradicted his stated intention. I got the impression from the Minister's remarks that if my little poodle were here the Minister would be prepared to kick it, too.

The Hon. W. E. Chapman: Come on!

Mr MAX BROWN: I am serious, because there is no doubt that the Minister is absolutely against this dog. The Minister has even gone to the length of describing in this House an event on Kangaroo Island that I believe had nothing to do with the German shepherd dog at all but involved a traffic offence. If the Minister is prepared to do that, how can he interject on the basis that he is not trying to slate the particular dog?

Mr Mathwin interjecting:

Mr MAX BROWN: I suggest that the member for Glenelg would learn something if he kept quiet. Let us be sincere about the matter we are debating. The member for Napier is trying to have repealed an Act that places a prohibition on a particular dog. What the Minister went on with was pure rubbish. It appears that I, with my colleague the member for Napier, will have to continue my efforts to make Government members at least attempt to realise that this Act is a vicious one against probably the most intelligent dog in the world. I make no apology for saying that.

Man all over the world (and Australia is no exception) uses this breed of dog and its intelligence as a guard dog for property and man himself, for police work, for its ability to save lives, to lead the blind, for companionship, and for show purposes. We can go on. The irony of this is that, after using the German shepherd dog as I have described,

man immediately persecutes the dog by passing an Act like the one we are seeking to repeal. How many times have we experienced the position of an owner training the German shepherd to protect him and his property, and then, because the animal is trained in this way, the cry goes out that the dog should be destroyed?

How many times have police German shepherd dogs been responsible for saving lost children's lives or for apprehending criminal-type people? I do not know, but I would venture to say that the people who continue to persecute this dog would gladly accept their lost child back and gladly accept the dog's talents to capture a criminal but would, it appears, immediately continue their persecution of the dog. I suggest that the German shepherd is a breed of dog that has quite a history. It was only because of this matter being before the House that I went into the history of the dog. I will refer to that history and the manual that my young son received when he got his German shepherd dog. Like good cars, people get manuals when they get good dogs. You smile, Mr Speaker, but I believe that that is a matter of fact, not supposition. I want to read almost all of this report, because the dog has an interesting history. It states:

Centuries ago there developed in Germany, as in all countries where grazing animals were herded, several types of shepherd dog. The conformation of these dogs differed to suit the changes in terrain, and thus distinctive types were formed by environment.

Obviously, these dogs were in the pastoral areas of Germany but not allowed on Kangaroo Island. There is no way in which they can get there. The manual goes on:

It was at this early stage of the German shepherd dog's development that one man took the roughly fashioned clay and moulded it into the magnificent animal we know today. That man was Max von Stephanitz. In 1889 he began his crusade to standardise the shepherd.

In conjunction with another German gentleman he drew up a standard based on mental stability and utility. The article continues:

Von Stephanitz realised his country was becoming more industrial and less pastoral. Rather than see a decline in the breed he loved so well, he persuaded the authorities to use the German shepherd dog in the various branches of Government service.

That is rather interesting, because obviously we have followed on with that practice. The article continues:

With the advent of World War I—

and this may interest the member for Glenelg—emotionalism swept the German shepherd dog into eclipse. Anything German became detested in America and England and the German shepherd dog, just becoming popular, was forgotten. However, the German Army made good use of the canine population during the war years and stories were told by returning servicemen of the prowess of this breed. Fanciers of the breed in England, fearing that prejudice would affect the importing of German shepherd dogs into England and possibly affect breeding, decided to call the breed 'Alsatian wolf-hound', a decision which was greatly regretted in later years. This was eventually shortened into Alsatian, and the German shepherd breed is still called this in England.

Another important part of this manual deals with the period from 1929 to 1972, and states:

From 1929 to 1972, a ban on the importation of German shepherd dogs into Australia was in force. This ban was relaxed in November 1972, and removed altogether in 1973.

That is pretty important so far as this breed of dog is concerned. My son's dog is a highly intelligent pedigreed animal. Its name is Rovene Dien Quido, its sire was Rovene Phal Quido and its dam Leezhall Fieldmaus. I understand that all of those names are in German (or they are not English), ironically, we call him 'Dill'.

Mr Mathwin: Does he drink beer? They usually like it.

Mr MAX BROWN: No, he does not. In fact, now that the member for Glenelg has interjected, I suggest that, for his sake, perhaps I could get a suspension of Standing

Orders to enable me to bring this dog into the House to let him see just how intelligent it is.

Mr Mathwin: I have a Staffordshire bull terrier. They are very good dogs.

Mr MAX BROWN: I will give the member for Glenelg that opportunity, if he would like to see the dog. I can certainly arrange that. As I said in my remarks when reading from the manual to which I referred, the reference dealing with the ban on the importation of this breed of dog into Australia is an important matter. Because of that ban the German shepherd at one time became very interbred, and because of that inbreeding there was a tendency for some dogs to be savage. The better the breeding of any animal the better standard of the animal one obtains. I think that applies to any form of animal breeding. In recent years importation of the dog has been considerably increased, and I believe the German shepherd in Australia has now returned to being a very good pedigree.

I must refer to the German Shepherd Dog Club's correspondence (I do not know whether every member has a copy), which I think deals with what we have had to put up with from the Minister of Agriculture when he slated this breed of dog. The misconceptions on this dog, as dealt with by the German Shepherd Dog Club, make a very interesting document. It states:

The German shepherd dog is not a vicious breed, nor does it pose more of a threat to either people or stock than any other breed or cross-breed of equivalent size. In defence of our much maligned breed, the German shepherd dog clubs throughout Australia have carried out surveys on stock losses due to dog attacks.

This is important when we think of the interjections of the Minister of Agriculture. The letter continues:

The German shepherd dog, despite the fact that it is numerically far more popular than any other breed, does not often feature in stock losses. As a result of the biased attitude towards our breed the German shepherd dog was, for many years, the victim of a press 'vendetta' and was very often blamed for attacks which were the work of other breeds.

In fact, it has been blamed this afternoon by the Minister of Agriculture for a traffic offence. The letter continues:

During 1962 under the heading 'Dogs Savage Sheep' it was reported that there had been two attacks on sheep at the O'Halloran Hill properties owned by Miller's Creek Pastoral Co., and Mr Malcolm Sargent. It stated, 'The Miller's Creek Pastoral Co. lost 20 sheep. The Manager shot two Alsatis in a pack of four dogs attacking the sheep.' Representatives from the German Shepherd Dog Club, including the then President, the late Mr Roy Brabham, investigated the incident. The bodies of the dogs were on the premises and there were three dogs, not four, and these were obviously a Kelpie cross, a cocker spaniel and an Australian terrier. Not one of the dogs could have been mistaken for a German shepherd dog. Mr B. Powell denied having told the press that the dogs were 'Alsatis' and the *Advertiser*, when approached by club members, refused to print a retraction.

In another incident investigated by Mr Wells [a former member for Florey], then a German Shepherd Dog Club member, the body of an 'Alsation' reported to have killed sheep was exhumed and the dog was obviously a rough coat collie. On another occasion the German Shepherd Dog Club investigated a report that an Alsation had 'terrorised' a family in the Lockleys area and had killed their fowls. The dog had not barked at or menaced anybody on the property and the Italian woman who had seen the dog could only say, 'Big dog. Big dog.'

In that instance there was no proof at all that the dog was an Alsation or a German shepherd. The letter states that the belief that the German shepherd is likely to mate with the dingo is entirely fallacious. On many occasions we have heard people say that dogs are half Alsation and half dingo. Therefore, it is interesting to read this letter. It states:

The very opposite is true. There is no recorded instance of a German shepherd dog/dingo cross. The C.S.I.R.O. have carried out extensive experiments in trying to achieve such a cross-breed and the conclusions reached were that the German shepherd dog and dingo will not cohabit as they are very much natural enemies. While other breeds of dog will mate with dingos (the Australian cattle dog is a 'standardised' dingo cross), the German shepherd

dog will not. This evidence was taken into consideration by the Government prior to the lifting of the importation ban in 1972.

The correspondence then deals with other cases, not one of which has shown any proof that an Alsation (if we want to call it that) or a German shepherd dog has been responsible for an attack on property or on animals owned by pastoralists.

I find it incredible that the Minister this afternoon continued this slander with no proof. I have one objection to German shepherds, particularly the one my son owns, anyway, and to my knowledge that dog eats more than two sets of twins. The member for Salisbury will know this later if he ever owns a German shepherd, as that member has twins and will find out that those dogs can eat more than two sets of twins.

The other thing I object to is that after about five tins of the pet food Pal, my son's dog will not eat it any more, and I find it very hard to digest when put on toast in the morning. Those are the only objections I have to these animals.

I am disappointed that my son did not continue taking his German shepherd to obedience classes. He took his dog to obedience classes when the dog was a young puppy. The dog is highly intelligent, won ribbons and won Dog of the Month (or something similar), and then, for reasons better known to my young son, when the dog should have been taken to advanced courses of obedience training, my son ceased to take it. My son's dog has never attacked anyone, although he has shown some aggression towards a small boy living across the street from my home.

Mr Rodda: Like Liberal door-knockers.

Mr MAX BROWN: I will come to door knocking, for the member for Victoria's benefit. The Electricity Trust's meter reader, who comes to my home, does door knock, since he will not come around the back, and we have to lock the dog up while that man reads the meter. But there is still no reason for me to believe that my son's dog would attack the meter reader, but the dog might do so if the man reads the meter wrongly.

Mr Rodda: I was talking about Liberal door-knockers.

Mr MAX BROWN: The member for Victoria could knock on my door, and I still would have no reason to believe that the dog would attack him, although I possibly should train him to do so as that member is not of my political persuasion.

I have to be careful raising the next matter, as the Minister of Agriculture was told that the matter concerning the German shepherd on Kangaroo Island was *sub judice*, or something of that nature. I do not think that we can leave this debate without paying some attention to the German shepherd on Kangaroo Island. I seriously suggest that that dog would be no more a menace to the people or to pastoral activities of land owners than would be the Minister of Agriculture's Hereford bull. There is no reason for me to believe that that dog would have any menacing effect at all. That case again shows glaringly the length to which people will go to persecute the German shepherd. My understanding is that this German shepherd (and I understand its name is Tara, so I presume it is a bitch) has a pedigree from fully imported blood lines, so it is clearly not a mongrel. I understand it is a family pet, and that it would be taken (and rightly so, in my opinion) to any area where the family intends going.

Mr Mathwin: The Minister was stopped from talking—

Mr MAX BROWN: I am not talking about the case; I am talking about the dog. I will come to the case, if that is what the honourable member wants me to do. I suggest to the House that the issue on Kangaroo Island has become broader than members of the Government realise, since what is involved raises the question of the validity of the Act and is not purely related to the keeping of the German

shepherd on the island at all. I understand that the dog is being represented by a Q.C., and the people on Kangaroo Island have only their local member. I know whose side I would be on. I was given a statement today which attacks the local member. It points out (and I will not go into the matter, since it is *sub judice*) that in real terms eight-ninths of the district of the Minister of Agriculture is on the mainland.

Mr Gunn: You're a Rhodes scholar.

Mr MAX BROWN: I have not got to that stage yet, but if the honourable member sticks around I might. I believe that the case in question, for what it is worth, is a test case—not on the question of whether the German shepherd on Kangaroo Island can stay there but on the validity of the Act. I suggest that the action that has been taken on Kangaroo Island shows quite glaringly how far people will obviously go to persecute this type of dog.

The SPEAKER: Order! I draw the honourable member's attention to the fact that at least one dog of this kind on Kangaroo Island is still the subject of a court action. I ask the honourable member not to transgress the rulings of this House relating to matters that are *sub judice*.

Mr MAX BROWN: I accept your ruling, Mr Speaker. That is a test case as far as the Act is concerned. I have endeavoured to set out the history of the dog. It is important that we ought to know something about the type of dog to which we are referring. I have set out the use that man makes of this dog and the way in which man uses the dog's intelligence and talents. Man is prepared to do that but is not prepared to face up to reality in the whole situation, since he is prepared to persecute the dog as much as possible.

In the few remarks I have made I have set out to simply inform the House of my own personal experiences in relation to this breed of dog because, as I have said, my son owns one. I knew nothing about this particular breed of dog until my son purchased one. I found that everything about the history of the dog contained in the manual is 100 per cent correct. I seriously challenge the statements that have been made over a long period about the ferocity of this dog. I do not believe that those statements are correct.

I know what is going to happen, because it is quite obvious. Members of the Government will continue their barrage in an attempt to degrade this breed of dog as much as possible. I have no reason to disbelieve that members on this side will endeavour to stand by the breed of dog we are discussing, based on facts and common sense. With those few remarks I simply hope that, if members opposite rise in this debate, and I daresay they will, they will not carry on in a similar fashion to the Minister of Agriculture and will not make untrue statements. If the member for Mallee rises in this debate I do not want him to have the misconception that we are discussing dingos, because we are not. We are discussing a very highly pedigreed dog with a tremendous amount of ability and talent.

Mr Hemmings interjecting:

Mr MAX BROWN: That is true.

The SPEAKER: Order! The honourable member for Napier would do well to keep his mouth closed while he is out of his seat.

Mr MAX BROWN: I could not agree more, Mr Speaker. In conclusion, I sincerely hope that members opposite do not rise one after the other in this debate to simply slate this particular breed of dog, which I believe is highly intelligent, highly pedigreed and a magnificent animal. I support the second reading.

Mr ASHENDEN secured the adjournment of the debate.

STUDENT COUNSELLING SERVICES

Adjourned debate on motion of Mr Lynn Arnold:

That this House calls on the Minister of Education to ensure that student counselling services are available as an element of staffing additional to direct teaching appointments at all colleges of technical and further education which provide adult Matriculation courses.

(Continued from 18 August. Page 562.)

Mr LYNN ARNOLD (Salisbury): I opened the debate on this motion last week. Due to the time constraint at that time, because the Casino Bill was to be brought before the House, I thought it appropriate not to continue with my remarks at that time and I sought leave to continue today. I suppose I was incited to raise this matter because of the experience of the Port Adelaide college and the rather torrid time it had in relation to its counsellor for the adult Matriculation courses. I mentioned that the Minister of Health wrote a letter to one of the students indicating that all was now right and, indeed, the provision of a student counsellor would proceed and would not disadvantage the other staffing elements of that particular college. At the time I expressed my bemusement that, in fact, the Minister of Health was writing that information.

The Hon. Jennifer Adamson: Presumably to a constituent.

Mr LYNN ARNOLD: The Minister advised me it was to a constituent. I would have thought that the Minister of Health would have addressed her constituents as the member for Coles; it intrigues me that that does not seem to be the case. Anyway, it was reassuring to have that information and I do not want to be nit picking, albeit that we still wait for the Minister of Education to confirm its accuracy. Last week I said that, when people choose to go back to further studies, they do so with some considerable disadvantages, and without repeating all of the points I made (because repetition is not only out of order but also somewhat tedious), I point out that those people go back into a classroom situation which they may have left for a considerable time. They have to readjust to going back into that situation.

I am aware that adult matriculation classes take account of the fact that they are dealing with students who are older than those who are normally dealt with at secondary school, and they allow more flexibility in their teaching systems, so that partly accommodates the needs of adults in such classes. Of course, the other very important point is the selection of subjects and the planning of the time line for those subjects. How will the student plan his or her studies in the years ahead? What subjects will he choose, given the other calls on his time, such as his private life or working life?

These matters require the help of counsellors, and it has been proved in the past that, where counselling help is available, students are not only more likely to make a better or more satisfying personal range of subject choices but also likely to proceed much more with those subjects. Concomitant with that, they are likely to stay on in the course to a greater extent than applies to courses where counselling services are not available. It is true that there is a drop-off rate in adult matriculation courses that is higher than in many secondary schools, and that is because it is a difficult decision to make to go back to study and then to face all of the dilemmas that occur.

For the benefit of the House I will read the actual words of some students who are studying at the college about how important counselling services are to them, because like a lot of other members on this side, particularly the member for Price, in whose district the Port Adelaide college is situated, I have received such correspondence. Under the byline 'No half counsellor, no Randall, no Government' (a comment being made to persuade the member for Henley Beach, who, it must be acknowledged, raised this matter in

the House), the letter, which was addressed to a number of people, stated, in part:

... the injustice which has resulted at Port Adelaide in consequence of a decision which I believe to have been taken in ignorance of the effects which would flow from it.

I refer to the non-appointment of a half-time counsellor to the Port Adelaide Community College, for duties principally associated with the college's Adult Matriculation School. The failure to renew the contract, which was in effect last year, has meant that these adult matriculation students are uniquely disadvantaged; they are the only such students who are denied access to any professional counselling such as is provided at the other Adult Matriculation Schools. In that these students come from one of the most underprivileged areas served by these schools, this unjust discrimination against them constitutes a grotesque inversion of the principle of democratic justice.

This unfairness is compounded further by the fact that your Government sought and obtained Federal funding for the appointment of 10 professional counsellors but it has not expended the money in this way, despite the urgently greater need for this professional service in this culturally deprived area.

The letter went on in that vein. As I say, the matter has now been rectified, but it really seems to have been rectified only as a result of a sore point having been touched, rather than the Government's having accepted the validity of counselling services being available at adult Matriculation units.

My point in moving this motion is that the House does acknowledge that point as being valid: that we should not simply provide counselling services just because we are responding to political pressure; rather, we should provide counselling services because that is the better and most worthwhile thing to do, first, if we are going to advantage the individual students at such colleges and, secondly, if we are to assist the community at large.

I asked a number of questions, to which I received answers in June this year, with regard to the Port Adelaide Adult Matriculation College. I asked some Questions on Notice because they were interesting in examining some of the motivations behind the Government's decisions. Members will recall that the argument was all about a half-time counsellor and whether money was available for that counsellor to be paid. The Government decided that it found the money, but it did so at the expense of some of the teaching staff at the college. The half-time salary of the counsellor worked out at \$8 800 a year. That is the amount which we were quibbling over and over which all the heat was generated.

True, \$8 800 is not a small amount, but certainly, in terms of the number of students for whom it would provide services, it was a small contribution to make for the chances of success of students in the Port Adelaide area. One of my questions sought to relate that position to the amount of money that the Government spent on advertisements during that period of industrial disputation in education in March and April 1981.

The Government at the time found that money worth while spending, but for some reason or other it was most reluctant on this other case. How much did it spend? On those advertisements, it spent nearly double the salary of a half-time counsellor, in other words, \$16 952. Simply, if it had not bothered to do that little exercise (if one remembers the text of those advertisements, one will remember that they were not edifying at all), it could have saved that money and paid the salary of the counsellor for nearly two years. Other questions that I asked included one regarding the cost efficiency of the adult Matriculation units of several colleges. The reply that I obtained from the Minister then was as follows:

The question in the form in which it has been put is difficult to answer since there is no agreed definition of efficiency in this area. This is a matter to which the Department of Technical and Further Education is giving close attention, and it is developing

a system of reporting and financial management which will assist in this respect in the future.

I do not disagree with the fact that they are examining how they can measure efficiency. It would be most interesting to see what models they come up with, but the point had been made last year, when the very courses themselves were under threat, let alone the decision to supply and not supply a counsellor to them, that on the data available the Port Adelaide college was less successful.

Seemingly, it had a higher drop-out rate and a lower intake rate than the other colleges. They found the data on that occasion on which to make a series of decisions, yet now they say, when the report comes from one of the students, 'What is the efficiency of the Port Adelaide College compared with that of other colleges?', they say, 'That is all very difficult, and we cannot really do that at this stage. It is a bit hard. We will look at it and we will come back to you, but we cannot say all that much now.' That situation raises questions about the seriousness of the points referred to in earlier Ministerial comments.

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

Mr LYNN ARNOLD: I will read from the Port Adelaide Community College Handbook, 1982, which was issued obviously before the start of this year. The handbook made comments on the need for counselling services. Regarding those doing an adult Matriculation part-time course, it made the following statement:

Although there are no formal entry requirements, counselling is both available and advisable.

In other words, there was no suggestion that it would be a nice idea to see the counsellor. In fact, it was suggested that it was quite an important feature. In a section dealing with the counselling service, on page 62 of that handbook, it states:

The college currently has a half-time student counsellor who is based at the Adult Matriculation Centre.

The role of the student counsellor can be summarised into two main areas.

1. Individual Student Counselling regarding subjects, study difficulties, tertiary study planning and personal problems.
2. Group discussions on topics such as study skills, career planning, coping with stress, relaxation, preparing for exams and personal development.

That summarises in a proper form the point I have been trying to make in the disjointed speech that I have been making to date, disjointed by virtue of its first stage being delivered last week, its second stage being delivered before the dinner adjournment this evening, and its third stage being delivered now. I have no intention of belabouring the House yet more by seeking leave to continue my remarks still further. When I finish now, that will be the completion of my speech on this matter.

To summarise, I have been attempting to suggest to the House a number of things. First, I have been attempting to suggest that, with adult Matriculation courses, counselling is important. It is important for the well-being of the individual student and it has a consequential well-being for the viability of the adult Matriculation colleges themselves, because, if we do not provide that counselling for the students, we will be in danger of having high fall-off rates in the students who attend those colleges, and we will be in danger of having a dissatisfied student population, because many of them will have taken subjects that are not perhaps the most appropriate for them to take.

The other point is that, as a result of that situation, counselling should be regarded as an essential part of the staffing element. It should not be an 'either or' situation: in other words, where someone has a counsellor and that person gives up this position among the person's teaching component, as was the suggestion in the early stages of the part-time counselling at Port Adelaide. It should be recognised as one of the base elements of staffing that it is provided to all adult Matriculation colleges.

After it has been provided, we go on to allocate the teaching component as required, according to the numbers available. It is in that spirit that this motion has been moved. This House, by accepting the motion, can put the proposition to the Minister that such should be the case.

If any members argue against this, I hope that they will spell out how counselling is not important, in their opinion, to adult students at Matriculation colleges. I hope that they will spell out how they believe fortuitous circumstance will result in the granting of proper support to those who return to studies after a gap of some years in some cases. I hope that they will spell out what support they can promise to the many people who, in terms of their own self enrichment, see merit in going on with further studies.

I do not intend to go on at great length. I know that the member for Henley Beach will want to participate in this debate, as will the member for Semaphore, and as certainly will the member for Price, who raised these matters about the Port Adelaide College a long time ago and has been an ardent supporter of that college and its students.

Mr RANDALL secured the adjournment of the debate.

ROAD TRAFFIC ACT AMENDMENT BILL

The Hon. M. M. WILSON (Minister of Transport) obtained leave and introduced a Bill for an Act to amend the Road Traffic Act, 1961-1982. Read a first time.

The Hon. M. M. WILSON: I move:

That this Bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

In 1971, the Government of the day initiated an investigation into the safety of operation of passenger buses. Legislation was subsequently enacted which provided for the establishment of the Central Inspection Authority and for the introduction of regular periodic inspections of buses and the issue of certificates of inspection. Despite these measures, in May 1980 a tragic accident occurred near Hay in New South Wales in which there was considerable loss of life. The bus involved was registered in South Australia and was, at the time, the subject of a current certificate of inspection. It was found, however, in the subsequent investigation that the bus was at the time of the accident in an unsound condition. As a consequence of the circumstances of this accident, the Government established a committee, known as the Bus Inspection Committee, for the purpose of conducting an inquiry, with the following terms of reference:

- (1) To examine the present bi-annual inspection system for buses to determine the effectiveness of its control;
- (2) To recommend changes to existing bus inspection arrangements in the State so as to ensure that a common standard applies to all buses regardless of whether buses be privately owned or Government operated; and,
- (3) To determine measures to ensure that adequate maintenance is performed on bus fleets to ensure their safe operation.

The principal purpose of the provisions of this Bill relating to Part IVA of the Act is to give effect to the recommendations of the Bus Inspection Committee which are, in summary, as follows:

1. That existing inspection procedures for buses be replaced by a compulsory passenger bus maintenance programme consisting of:

- (a) A mandatory maintenance schedule with the requirement to maintain specific records;
- (b) Annual inspection of buses by the Central Inspection Authority (C.I.A.) or by authorities delegated by C.I.A.;
- (c) Random inspection of maintenance records by C.I.A.; and,
- (d) Random inspection of buses as considered necessary.

2. That legislation be introduced to:

- (a) Introduce a compulsory passenger bus maintenance programme;
- (b) Establish the liability of owner/operators of buses;
- (c) Provide inspectors with the relevant authority; and,
- (d) Establish penalties for non-compliance with the requirements of the legislation.

The Committee's inquiries revealed a number of deficiencies in the present arrangements. Present legislative provisions do not create a general obligation for the owner of a bus to ensure that his vehicle is in a safe, roadworthy condition when it is being used for the carriage of passengers. The present provisions do not make allowances for the fact that it is not practicable to test vehicles so thoroughly at the time of inspection that all defects, whether actual or potential, can be discovered. Also, the present arrangements make no allowances for the fact that defects may develop in the period between inspections which may result in a vehicle ceasing to comply with necessary safety requirements even though a certificate of inspection remains current for the vehicle.

This Bill aims to correct these deficiencies by providing for the introduction of a mandatory scheme of maintenance and the random inspection of buses, in addition to the present system of periodic inspections and the issue of certificates of inspection. The provisions of the Bill require that specific maintenance procedures be carried out at regular intervals and that appropriate records of maintenance work be kept and be available for examination by inspectors of the Central Inspection Authority. They also provide severe penalties for both the owner and the driver of a bus where the bus is driven for the purpose of carrying passengers while it is in an unsafe condition or if it has not been maintained in accordance with the prescribed maintenance procedures. The provisions of this Bill also address a number of other minor deficiencies in the present arrangements and provide the necessary powers for the Central Inspection Authority and its inspectors to effectively administer the scheme.

Clauses 1 and 2 are formal. Clause 3 makes a change consequential on a previous amending Act. Clause 4 amends section 163c of the principal Act. New paragraph (b) of subsection (1) inserted by paragraph (a) makes clear that this paragraph applies only to passenger vehicles. As it stands at the moment the paragraph could apply to goods carrying vehicles that ply for hire or reward. This was never intended. Paragraph (b) replaces subsection (1a) with two new subsections that allow the Minister to exempt vehicles from Part IVA or any provision of that Part. An exemption may be made subject to conditions and may be varied or revoked.

Paragraph (c) replaces subsection (2) of section 163c with a provision of similar, although wider, effect. The new subsection comprehends the driving of a vehicle prescribed under section 163c(1) in prescribed circumstances and broadens the circumstances under which the offence is committed to include failure to comply with conditions or a scheme of maintenance or where the vehicle is unsafe or does not comply with prescribed requirements relating to

its construction or safety. Clause 5 amends section 163d of the principal Act. Paragraph (b) inserts new subsections (3) and (3a) which empower the authority to refuse a certificate of inspection where there is a mechanical defect or inadequacy or a non-compliance with a construction or safety requirement or the vehicle has not been maintained in accordance with a prescribed scheme of maintenance. Paragraph (c) replaces subsection (5) to ensure that the authority can attach such conditions to a certificate of inspection as it sees fit.

Clause 6 replaces section 163e of the principal Act with an expanded provision which will allow random inspections to be made without notice. This is important as it will prevent operators from making last-minute repairs before an inspection. Clause 7 adds two paragraphs to section 163f of the principal Act which will allow the authority to cancel a certificate of inspection if the vehicle has not been maintained in accordance with a scheme of maintenance that applies to it or if it does not comply with prescribed requirements relating to construction and safety. Clause 8 inserts new section 163ga in this part of the principal Act. The new section provides for the keeping of maintenance records and for the examination of those records by inspectors. Such a provision is vital if the authority is to ensure that operators comply with schemes of maintenance applying to their vehicles. Some operators, however, already keep records that are adequate, and subsection (2) gives the authority power to exempt these operators from using the prescribed form for their records.

Subsection (7) requires a person to answer a question even though the answer may incriminate him of an offence. The questions that will be asked will relate to the safety of the vehicles concerned and of passengers in those vehicles and of other road users. The Government considers that such questions must be answered. Clause 9 increases the general penalty under the principal Act from \$300 to a more realistic \$1 000. Clause 10 amends section 176 by including power to make regulations as to the design, construction and safety of vehicles and prescribing a scheme of maintenance for vehicles to which Part IVA applies.

Mr ABBOTT secured the adjournment of the debate.

STATUTES AMENDMENT (ENFORCEMENT OF CONTRACTS) BILL

Adjourned debate on second reading.
(Continued from 12 August. Page 462.)

Mr McRAE (Playford): This measure repeals an old Imperial Act dating from 1677 which is still part of the law of South Australia. It has been known to generations of law students as the 'Statute of Frauds'. Basically, the Statute of Frauds set out to provide certain basic protections for people in days gone by when people were not able to give evidence on their own behalf and when certain classes of contracts were required to be in writing before they were enforceable.

The Law Reform Committee, in its 34th report, looked at the categories covered by the Statute of Frauds. Two of those categories are completely obsolete, the first being a contract by an executor or administrator to answer damages out of his own estate and the other an agreement in consideration of marriage. I think it is a long time since any lawyer in this State has been asked to prepare an agreement in consideration of marriage.

The other matters are far more familiar to generations of law students, and there are three of them: promises to answer for the death, default or miscarriage of another (and I want to return to that in a minute); agreements not to be

performed in the space of one year; and, finally, contracts for the sale of goods valued over \$20. Again, the Law Reform Committee, in respect of these last three matters, said that most prudent people will reduce their affairs to writing. However, that should be no reason why the imprudent should not be allowed to carry out their affairs in another fashion if they see fit. The main gist of the thing is that with the rules of evidence changed, and people being able to give evidence these days, this is the very kind of Statute behind which a devious or ill-motivated person—

The Hon. W. A. Chapman: Or a scoundrel.

Mr McRAE: —or a scoundrel can shelter. Having said all that, on behalf of the Opposition I agree with the Bill wholeheartedly and think that it is long overdue. I would, however, say one or two other things in relation to Bills of this kind. It is well known that there are a number of Imperial Statutes which are still binding in this State and generally gathered together under the title of residual lease or residual statutes, and it is quite imperative, of course, that as time goes on these Statutes, when they are no longer relevant, be abolished or, even if they are irrelevant, be incorporated into the law of this State rather than be left binding on this State by virtue of the Westminster Parliament.

The other situation to which I would call the Minister's attention and ask him, in turn, to have his colleague look at most urgently, is the second category now abolished under the Statute of Frauds and one which recently caused, tentatively at least, considerable harm to a person dealing with a bank. I refer to the promises to answer to the debt, default or miscarriage of another. In many cases, banks are sheltering behind provisions of this kind to obtain, in an unjust way, promises from third parties to answer for customers of the bank who are already in debt.

There is one case to which I can quickly refer and I will not use the names of the parties involved or the name of the bank. Customer A was indebted to the bank in the sum of, let us say, \$10 000. He proceeded to enter into a partnership arrangement with a person who subsequently became customer B. The bank knew full well of the existing debt but told nothing of it to customer B until both of them had entered into contractual arrangements with the bank. That left customer B in an appallingly difficult situation. This is something that has already been dealt with by the Law Reform Committee, and I again take this opportunity to congratulate that committee on the excellent work that it has done over the years, and I hope that the honourable gentleman will draw his colleague's attention to that matter.

I think the Houses of this Parliament would be very well served if we had a joint standing committee on law reform, not a paid committee and something which would not cost the taxpayer a cent but which would gain the taxpayer a lot. Matters of law reform, of their very nature, usually do not attract much attention inside a Cabinet. There are heavy and difficult matters that have to be dealt with day by day, month by month and year by year.

It is imperative, and at the same time very sensible, to have a joint committee of both Houses consisting of people who are interested in law reform who will look in a moderate and balanced fashion at the reports of the Law Reform Committee and simply advise the Houses, by way of notice or report of the Chairman of the committee, that such and such a measure is without dispute between the political Parties or between the Houses and in such a fashion encourage the Government of the day (whoever it may be) to facilitate these moves. In that way we can identify those matters of law reform which are going to be very easily carried through both Houses and those which are going to be difficult. Many recommendations of the Law Reform

Committee can easily be carried between both Houses with the formation of such a committee.

There is one other matter I wish to mention which also is long overdue. I introduced a private member's Bill last year to reform the Wrongs Act, which at present allows people, who negligently let their animals loose on the road and, in so doing, cause maiming or death to others, to remain free of liability, because of a decision of the English House of Lords in the late 1940s to which one eminent Australian Professor of Law referred as a very obtuse decision and, indeed, it is obtuse.

Unfortunately, throughout the Commonwealth of Australia many people have lost their lives as a result of ploughing into sheep and other animals which should not have been straying on the roads. In one famous case, the farmer in question had been warned twice by the local police that his fencing was defective and a horrendous accident occurred near Lyndoch where one young lady died, another was left a paraplegic and a whole family was maimed. Those people who survived were lucky to gain any recompense, and only gained recompense under the ordinary law of negligence—and that, I suspect, because the young lady had died and was not there to defend herself. If those people had had to rely upon the negligence of the farmer, they would not have succeeded at all.

The final thing which disturbs me about this whole question of law reform is the rather infantile fashion in which both Parties over the years have approached the whole question. For instance, last year I introduced two private member's measures. One measure dealt with the question of reform to the Wrongs Act concerning the question of liability for animals. That measure was defeated in this House, although I know full well that the Attorney-General intends to introduce a similar measure in the Legislative Council, and has said so.

The second measure I introduced was simply to lighten the load of people working in the administration of the law by making reference to Statutes and other instruments far more simple. For example, instead of having to remember that the Sale of Goods Act was passed in 1895 and has subsequently been amended on 17 different occasions through to 1972, my measure would simply provide that one could refer to the Sale of Goods Act, 1895, but other options were left open.

People who prosecute in the police courts, lawyers and those who have to prepare enactments supported that, yet it was defeated, simply because of the bloody-mindedness of the Government of the day, which wanted to introduce it as its own measure. I am not saying that my own Party in office was any better: it was not. My Party, too, behaved in a similar vein, but I hope that there can be a more constructive attitude on these things. I give this measure my full support.

The Hon. H. ALLISON (Minister of Education): I thank the honourable member for his comments, to which I have listened with some interest. I will certainly convey to the Attorney-General the honourable member's feelings on those second category items in the Statute of Frauds. I am particularly interested in the honourable member's view that there may have been bloody-mindedness on two issues, and I thank him for his thoughts that perhaps an independent, moderate, objective chairman of a small committee might in fact recommend the speedier passage of law reform through both Houses, where in fact there is obviously a consensus between the two major Parties in the House. I am sure that the Attorney-General will be happy to take that up in a positive way.

The honourable member's comments regarding stray stock are also interesting. Travelling some 300 miles weekly by

road (at least one way), and very often during the small hours of the morning, I acknowledge that stray stock are an almost permanent hazard to my safe passage. In that vein I approached a previous Attorney-General when I was in Opposition to see whether any legislation might be enacted to inflict more severe penalties on people who accidentally or deliberately allowed their stock to use the long paddock, particularly in times of drought.

Mr Gunn: What about stray native animals?

The Hon. H. ALLISON: They are generally much smaller and easier to deal with.

The Hon. D. J. Hopgood interjecting:

The Hon. H. ALLISON: The member for Eyre may travel at the same velocity as I do, and even flies tend to spread far across the windscreen.

The Hon. D. J. Hopgood: They have what it takes to do it!

The Hon. H. ALLISON: I have another story to tell the honourable member later. I thank the honourable member for his comments and I will relay them to the Attorney-General.

Bill read a second time and taken through its remaining stages.

TRAVELLING STOCK RESERVE

Adjourned debate on motion of the Minister of Lands:

That portions of the travelling stock reserve, sections 292 and 293, hundred of Copley and sections 255, 256, 257, 258, 263 and 264, hundred of Gillen, as shown on the plan laid before Parliament on 23 June 1981, be resumed in terms of section 136 of the Pastoral Act, 1936-1977: and that a message be sent to the Legislative Council transmitting the foregoing resolution and requesting its concurrence thereto.

(Continued from 12 August. Page 459.)

The Hon. D. J. HOPGOOD (Baudin): I hope I am not expected to filibuster until the Minister of Lands gets here, as there is little in this motion about which to filibuster. The matter has been fully canvassed in the Minister's speech in the introduction of this motion. It seems that the arrangements that are to be entered into are perfectly sensible. In view of that, there is no reason for the Opposition to comment further. We support the motion.

Motion carried.

WATER RESERVE No. 87

Adjourned debate on motion of the Minister of Lands:

That Water Reserve No. 87, section 1172, out of hundreds (Ooldea), as shown on the plan laid before Parliament on 23 June 1981, be resumed in terms of section 136 of the Pastoral Act, 1936-1977: and that a message be sent to the Legislative Council transmitting the foregoing resolution and requesting its concurrence thereto.

(Continued from 12 August. Page 460.)

The Hon. D. J. HOPGOOD (Baudin): This matter is a little more complex than was the matter that we have just had before us. First, there seems to be a disagreement amongst certain of my colleagues as to how one should pronounce the name of the settlement 'Ooldea'. For the purposes of setting it out in *Hansard*, I make the point that I pronounce it in three syllables: the first as in swimming pool, the second two as in a term of affection or as one would open a letter to the Deputy Commissioner of Taxation.

On the other hand, there are those of my colleagues who pronounce it in two syllables: the first being somewhere between 'swimming pool' and the adjective meaning well

advanced in years; and the second being the most frequently used word for the passage of 24 hours. There are those who have actually been to this place and who have organised on a union basis who in fact prefer the second pronunciation, although the first is the one that I have used throughout the literate portion of my life. In any event, the actual details of the motion are straightforward enough.

There seems to be no reason for retaining the water reserve as it is, particularly in view of the damage that has been caused to it. It would be a waste of money to spend any finance on it. However, there is one particular matter that I think I should raise with the Minister. When introducing this motion the Minister mentioned that the matter had been fully canvassed, I think with the United Farmers and Stockowners, which saw no objection to Parliament's proceeding, and we were invited to do so. That seems reasonable enough. I am wondering whether the Minister or any of his officers have had any contact with anyone involved in the Aboriginal Land Rights Movement and, indeed, whether he can confirm one way or the other whether this matter impinges in any way on the Maralinga lands.

Certainly, from the maps available to honourable members in the Chamber, it appears that it is in the general geographical location of that area which has been the subject of a good deal of negotiation between Aboriginal people and this Government and the former Government for quite some time. The Opposition would not want to do anything which would in any way unnecessarily complicate or put at risk a successful outcome to those negotiations, particularly in relation to the Aboriginal people. Perhaps the Minister will indicate to the House, when he rises to reply to this very lengthy, torturous and involved debate on his motion, whether in fact there is any problem in relation to the Aboriginal lands. The Opposition will reserve its attitude to the motion until it has heard what the Minister has to say.

The Hon. P. B. ARNOLD (Minister of Lands): I was at Ooldea only a matter of some four weeks ago and had lengthy discussions with the Yalata people on that occasion. While the subject of the tank did not arise, the tank certainly will not go out of existence. It will remain in the State. Principally, it will no longer be maintained by the Government. If it is of any value to anyone they are welcome to have it. We are looking at about \$5 500 to put a new roof on it. It is virtually unused. I imagine that if the people in the area could find any use for it they could have access to it. However, the subject was certainly not raised with me when I was at Ooldea the other day.

Motion carried.

ADJOURNMENT

The Hon. P. B. ARNOLD (Minister of Water Resources): I move:

That the House do now adjourn.

Mr GLAZBROOK (Brighton): Tonight I want to say a few words about one problem which very often arises in a community and with which I hoped I would not have to tackle. Last Sunday a meeting of concerned residents was convened in my district by a group of people who call themselves the Gilbertson Gully Preservation Committee. As a resident of the area (in fact, I live 50 metres from the gully) I was rather surprised that I was neither informed of nor invited to that meeting, and perhaps I was a little more surprised to learn over the past couple of days that the endorsed Labor candidates for Kingston and Brighton not only both knew of the meeting but also were invited to it.

I might add that I heard about the meeting only second hand.

It was regrettable that the issues espoused by the preservation committee were somewhat ill-founded and ill-informed, perhaps in an attempt to politicise a very simple matter. When I was looking into this problem over the past couple of days, I discovered that even the Brighton City Council was unaware that such a meeting had been called. Indeed, the Town Clerk told me at a southern regional meeting that a candidate had asked him whether he knew that the meeting was to be held, but even he, as Town Clerk, had no knowledge of it whatsoever. Yet, presumably, the meeting was called to deal with what the Brighton council would do with the gully.

On further discussing the matter with some residents of the area, I discovered that one of the contentious points that was raised was the fact that the council intended to dump car bodies into the gully. The gully was to be used as a dump and levelled, and later buildings would be erected on it so that the council could obtain more rates. That is an incredible story, bearing in mind that the council and that committee had agreed two years earlier to a structured and orderly development of the gully in an environmentally acceptable manner. What struck me about this chain of events was that someone was obviously trying to stir the pot, so to speak, by suggesting that the council might have other motives or plans, when in point of fact there was no such motive or plan other than that which was generally accepted by the people of the community two years ago.

It is a shame that this sort of problem crops up in a community, because it creates other problem areas. It casts suspicion on the council and on good works that the council tries to do in the community. In fact, at the other end of the electorate, some months ago a similar problem came to the surface in regard to an area which contains a sizable chunk of land that had been designated for use as a school oval or spare sports field. In fact, Hugh Hudson had promised, when he was Minister of Education, that this area would be developed, but because of declining school numbers and increasing capital costs, this land was never developed into a recreational area. Of course, many years later people still assumed that the area would be developed for recreational purposes, and they were quite surprised when the council decided not to go ahead with any development of the land.

In fact, after a request by residents of the area, the council decided it was not in its interests to purchase that land and that perhaps it should be sold by the Education Department to the Housing Trust as a site for the erection of elderly citizens cottages. One can imagine community reaction: people believed over many years that that land would be used for a recreational area, and suddenly they found that housing development would preclude their children playing on that land.

Again, we had friction in the community because of the misunderstanding and mistrust of what the council's intentions were. One can find these sorts of problems developing in a community. It struck me that one of the things that we lack in our community is the art of communication between local government particularly and people at the grass roots level.

So often we rely on the local press, be it Messenger Press or private operators in country areas, to get this local message across. Of course, it does not matter how many articles one submits, or councils submit, little actually gets published. What would be of much greater interest to the people in the community generally would be far greater coverage of council meetings and proceedings. If this were written up in a local paper more readily, one would find that the

community would become far more aware of council decisions, philosophies, and so on.

Of course, in this age, cost is a major factor in communication, particularly in brochure or newsletter form. Therefore, we have to rely on councillors getting out amongst the people and talking with them. We, as members of Parliament, also have to try to bridge this gap. If we do not, the problem arises as I have indicated this evening, where there can be conflict between members of the community and councils and/or local members. These people do not see eye to eye on an issue, because one person has been told one story and another has been told another story. Suddenly, a matter grows out of proportion and becomes a political football that is kicked from one end to the other. I am sure that this process does not do the community any good.

At the moment I have neighbours ringing me up with totally different stories, arguing amongst themselves over a matter that was a blow-up issue, anyway. Yet there is this silly argument between people simply because they have been fed two different stories. It is a tragedy in our community that we get down to such a situation. It is something about which I have always been most conscious, both in my time in local government and in this House: we need to communicate better what we are doing for and on behalf of the people so that they are left in no doubt whatsoever what are the intentions of both the members of Parliament and local councillors.

In this way we can also engender their support in community projects, such as parks and gardens, sporting and recreation areas, and even in the community area of helping our neighbours.

The Hon. J. D. Wright: Are you comfortable leaning on that post?

Mr GLAZBROOK: Quite comfortable. I believe that we would be able to create in our community a sense of positive feeling. As members of Parliament, many people are referred to us with various problems, people lonely at home, unable to cope in their gardens and the like, and it is a shame that, in our council areas, we cannot place more emphasis on ways in which we can spread community care. Lions Clubs, Rotary Clubs and Apexians do it; they all try to work in the community. If one has ever belonged to such a club, one knows that often during the year they will say, 'What can we do to help someone in the community?'

I believe we need a centre to bring together such ideas. Again, it comes back to the art of communication, and letting people know that there are others in the community who are concerned and who want to help them with whatever problems they have. Again, I refer to local government, because here is a body that can communicate and, with the help of the local press, it should be able to get its message across.

The SPEAKER: Order! The honourable member's time has expired.

The Hon. R. G. PAYNE (Mitchell): I want to bring to the attention of the Minister of Industrial Affairs a matter in the community which concerns me greatly and about which I am not suggesting he is necessarily unaware. However, I believe it is time that some positive action was taken by the Minister and the Government concerning this matter. I can best illustrate the reason for my remarks by referring to an advertisement which appeared in the *News* of Monday evening, 23 August, and which is headed 'Technical and Further Education' and goes on:

Introduction to automotive trades for young women.

The details of the advertisement set out that a 12-week full-time course explores the occupations within the automotive industry in the trades that are listed. I will not take up the

time of the House reading those. The advertisement also points out the persons who shall be eligible. It states that they shall have a Year 2 standard, with background in maths preferred. The important part of the advertisement that I wish to bring to the attention of the House is under a subheading 'Allowance' and is as follows:

If you are between 15-19 years and have been unemployed and away from full-time education for at least four months in the last 12, you may be eligible for an allowance equivalent to the unemployment benefit plus \$12 a fortnight.

I think that what is being suggested there is that the equivalent unemployment benefit plus \$6 will be available weekly to persons who become eligible and are entitled to undertake the course.

That is the matter that I wish to explore further. I have no quarrel with the opportunity being offered in the advertisement to those unfortunate young women who have been out of work for the four months in 12 specified. I am concerned about the large number of other young unemployed people in South Australia who are not eligible for any of these so-called approved courses wherein at least an allowance is paid and who are not eligible, either, for any other form of assistance from the State or Commonwealth should they elect, of their own accord, to try to obtain further qualifications that enable them, perhaps, to be better qualified to seek employment.

On more than one occasion recently it has been brought to my attention that young people living in my electorate have undertaken courses. One such case that comes to mind is that of a woman 19 years of age who has been unemployed for more than five months in the past 12, despite her best efforts to take whatever employment has been offered to her through the Commonwealth Service or what employment she has been able to find of her own accord.

This young woman has enrolled for a beauty therapy course at a commercial school of that nature in the Adelaide environs, and the fee for the three-month course is \$1 200. I am not suggesting that there is anything wrong with the course. I know the name of the establishment concerned; it is called an academy of beauty. I do not quarrel with the aims of the establishment or the way in which it is conducted. My quarrel is with the State and Commonwealth Governments.

That young woman is a member of a family the head of which is her mother, who is a widow. As I have said, the young woman is 19 years of age and, with her mother, is embarking on a course to try to obtain employment. As soon as she has commenced that full-time course, unemployment benefit is no longer payable to her, and the only additional income into that household that can be obtained is the sum of \$10 a week payable to her widowed mother as an additional amount for a student child.

Therefore, we see a circumstance where a widow on a limited income can receive a total extra amount of only \$10 a week whilst over that 12-week period of full-time involvement in the course the outgoings from the household are \$1 200 for the course while the total amount that can be incoming to that house is \$120, using the calculations I have suggested. There is something wrong with a Commonwealth Government that views payment of unemployment benefits in that way, as a kind of lucky dip: if you enrol in a course such as the one I referred to earlier, which is under the auspices of the Government of South Australia (and therefore one could fairly assume that the Minister of Industrial Affairs and the Minister of Education would have an interest in that course because it is technical and further education), a limited group of people at least can get some sort of income for a period during which they are undertaking

training which may fit them to be better able to gain employment.

However, in the case I have referred to we have a person who is not able to get on to one of the so-called 'approved' courses, but who through her mother is involved in a tremendous \$1 200 expense to gain a qualification which may enable her to obtain employment and thus not be a drag on Federal finances or State finances. However, the total assistance available in that circumstance is a miserable \$10 a week. There are expenses involved for that person in addition to the fees for that course, because there are various materials such as beauty aids, creams and so on which have to be purchased during the course and which add to its expense. It seems to me that the Minister of Industrial Affairs in South Australia should (to use a phrase he used recently) get off his backside and look at the plight of many young people in our community who have the best motivation, as demonstrated by what I have just pointed out to the House, and who are spending their own or family money while in poor circumstances in an attempt to become better qualified in order to gain employment.

As I have pointed out, for all practical purposes the total assistance, the total recognition that such people get from either the State Government or the Federal Government for their efforts, is practically zilch. It seems to me that we need some energetic action from the Minister, who claims to be interested in the severe problem of youth unemployment in South Australia. It is time he was making representations to the Commonwealth Government about the inequality and inequity of the present system where, by way of a sort of lucky dip arrangement, a person can, on the one hand, go on receiving an unemployment benefit, which is then termed 'an allowance', and be following a worthwhile course of activity, gaining qualifications (so that that person has a hope of becoming employed and that person receives recognition from the Commonwealth and State Governments by way of this allowance); on the other hand, others are given no assistance whatsoever. Nobody in their right mind could maintain that this is a fair and equitable circumstance in relation to those young unemployed people. I ask the Minister, who certainly has been busy during the whole time I have been speaking, to read *Hansard*, note the facts I have been putting to the House, and try to do something about this matter, either through State resources or by requesting and demanding action from the Federal Government.

Mr GUNN (Eyre): I am pleased to again have the opportunity of making one or two brief comments about a couple of matters that affect my electorate. The first is a matter raised in this House and in another place during the last session, that is, the problems associated with the law of trespass.

Currently, my understanding of the law of trespass is that, if a person comes on to someone's property (even though that person has not been invited) and the person injures himself or comes to some harm (even if he has improper motives and is there for illegal or criminal intent), there is a chance that the owner could be held liable. That appears to me to be a rather ridiculous situation. I have asked the Attorney to endeavour to do something about it. I understand there are some problems but I believe that it is time that Parliament addressed itself to the problems.

Recently the community has become far more mobile and, with people more interested in travel (and we have quite properly been promoting tourism within South Australia to get people to see their own State before they go interstate or overseas), I do not think anyone has any qualms about that. People have been purchasing four-wheel drive

vehicles and travelling all around the State, particularly in the remote and isolated areas.

People and local government authorities in the Hawker area have expressed to me concern about the current situation of the law of trespass. I know the United Farmers and Stockowners are also concerned. I hope that during this session something can be done to rectify that problem. I also understand that, if a person entered a home in the metropolitan area or any town for improper purposes and was injured, the owner could be held liable. I may be wrong, but I do not think so. If what I have outlined is the case, it ought to be rectified as a matter of urgency.

The second matter I want to bring to the attention of the House is a matter which I have raised on a number of occasions, that is, the problem of water supply at Coober Pedy. I am pleased that the Minister of Water Resources is here. He is fully aware of the problem and I know he is doing the best he possibly can under the financial constraints, and also, of course, the lack of available water.

Just to highlight the matter, the President of the Coober Pedy Miners and Progress Association wrote a letter to the Hon. C. M. Hill, the Minister of Local Government, on 22 June 1982. The letter states:

Dear Minister,

At my recent visit to your office I discussed with you the urgent problem of an improved fresh water supply for Coober Pedy. I understand that some investigations have been undertaken by the E. & W.S. Department in this regard in the past few years. However, the results of such investigations have not been made known to the association.

The E. & W.S. produce Coober Pedy drinking water through a reverse osmosis plant . . . The cost of 1 000 gallons (4½ thousand litres) of water delivered is \$45. A family of four will use 1 000 gallons with very little careful planning every three weeks, yearly expenditure \$780 plus water tank replacement.

I will be grateful if you will give your Ministerial approval to the committee of the association conducting their own investigations into improved water supply for the town.

As you recall, the association can only investigate non-potable water supply and not potable water. The cost of water supply and the quality of such water is one of the main problems which confronts people who reside in this area.

On 17 August 1982 I asked a question about bores 20 kilometres from the town, to which question the Minister replied:

The quality of the water is poor. Investigations in this regard have been conducted by the Department of Mines and Energy on behalf of the Engineering and Water Supply Department.

That, of course, is the problem; the Minister understands. If there was available, close at hand, a ready supply of water that was of good quality, a great number of problems could be fairly easily overcome. It is a matter that has caused my constituents some concern, particularly people who are on the lower end of the financial scale. I therefore hope that investigations can be carried out to see whether the matter can be rectified in the not too distant future.

Another matter in my electorate which is causing my constituents concern is that there seems to be confusion as to the rights of persons who use diesel fuel in the course of mining operations. I understand that these people qualify for a rebate, but my constituents are concerned about how the rebate scheme will operate. I sincerely hope that we do not enter the area of bureaucratic control, with more form filling and returns of various natures. I believe that the Commonwealth should carefully consider this matter before it continues with its proposal. I realise that there are some difficulties for people who can use, for other than the approved use, diesel fuel on which the excise has not been paid.

However, my constituents are concerned that there may be a lengthy period before they receive a rebate and about the sort of red tape in which they will be involved. I have approached the Commonwealth Minister, Senator Messner,

in South Australia, and I am looking forward to his considered reply in the relatively near future.

Today I had the pleasure of representing the Minister of Arts (Hon. Murray Hill) at a function in my district at Piednippie, where the regional arts facilities committee had provided funds to upgrade a small hall. Not having had a lot to do with this committee in the past, I want to say that the programme on which the committee has embarked is excellent. Around South Australia there are many country halls, and local communities work hard to build and maintain them. But, there has been a trend in recent times towards club facilities. I am not knocking club facilities; I am a member of a couple of clubs and, from time to time, I enjoy using the facilities that they provide.

But, there is still a need to maintain country halls. The Minister of Local Government provides funds for some of these facilities, and this is a good scheme. However, this scheme to upgrade these facilities so that small performing companies can visit the country areas and carry out productions there has some merit. I hope that the scheme continues.

I know that, in the district of the member for Flinders, Lock has received a fair bit of money. I refer also to Karkoo, and a lot of work was done at Cummins. Some areas in my district have received money. I place on record my appreciation of the work and time that these people have put into this programme. Constituents with whom I have been involved and who have been associated with this project greatly appreciate the assistance that they have received.

From time to time, I have been fairly critical of public servants. On this occasion I want to say that, when praise is warranted, I am the first to give it. The people involved have done an excellent job, and I appreciate the opportunity of playing a small part today in those activities. I look forward to the Government providing funds to other areas in my district and, if it has problems finding suitable areas on which to spend money, I can give it a long list and will be pleased to recommend a number of halls on which money could be spent if it was provided. My constituents at Quorn, particularly at the oval, would appreciate an advance in the near future.

Motion carried.

At 8.30 p.m. the House adjourned until Thursday 26 August at 2 p.m.