

HOUSE OF ASSEMBLY

Thursday 1 September 1983

The **SPEAKER (Hon. T.M. McRae)** took the Chair at 2 p.m. and read prayers.

APPROPRIATION BILL (No. 2)

His Excellency the Governor, by message, recommended the House of Assembly to make appropriation of such amounts out of Consolidated Account as were required for all the purposes set forth in the Estimates of Payments for the financial year 1983-84 and the Appropriation Bill (No. 2).

PETITION: MARIHUANA

A petition signed by 26 residents of South Australia praying that the House reject any legislation that would legalise or decriminalise the use of marihuana was presented by Mr Becker.

Petition received.

PETITION: SOUTHERN DEVELOPMENT

A petition signed by 190 residents of South Australia praying that the House request the South Australian Housing Trust to review its proposed new development in the area adjacent to Doctors Road and Stirling Drive, Morphett Vale, and other southern developments was presented by Ms Lenehan.

Petition received.

QUESTION

The **SPEAKER**: I direct that the written answer to a question, as detailed in the schedule that, I now table, be distributed and printed in *Hansard*.

UNLEY CRIME RATE

In reply to Mr **MAYES** (11 August).

The **Hon. G.F. KENEALLY**: I have caused inquiries to be made into the bashings alleged to have occurred in the vicinity of the Goodwood Institute public conveniences. However, those inquiries have failed to substantiate the spate of offences which were reported in the *Courier* newspaper on 10 August. Furthermore, no report can be found of the alleged attack upon a policeman in the Goodwood area. The level of crime in the Unley area has not to date been identified by police as calling for special attention; however, the situation will be closely monitored.

PUBLIC WORKS COMMITTEE REPORTS

The **SPEAKER** laid on the table the following interim reports by the Parliamentary Standing Committee on Public Works:

Northfield Low Security Accommodation.

Chaffey Irrigation Area—Ral Ral Division (Completion of Rehabilitation and Headworks).

Ordered that reports be printed.

PAPERS TABLED

The following papers were laid on the table:

By the Minister of Community Welfare (Hon. G.J. Crafter)—

By command—

Advisory Council for Inter-government Relations—Report for the year ended 31 August 1982.

By the Minister of Recreation and Sport (Hon. J.W. Slater)—

Pursuant to Statute—

Betting Control Board—Report, 1982-83.

QUESTION TIME

SACRED SITES

Mr OLSEN: Can the Premier say whether he will make immediate arrangements to ensure that the chief elder of the Kokatha people, Mr Roy Warren, is consulted about claims that a road being constructed for the Roxby Downs project should be deviated at a cost of \$500 000 because of the existence of sacred sites in an area known as Canegrass Swamp? This morning's *Advertiser* has reported that an anthropologist commissioned by the State Government at a cost of \$28 000 has established between 40 and 50 sacred sites in the Roxby Downs area, many of which might be affected by mining operations.

However, I have been informed that the anthropologist during his study did not consult Mr Roy Warren, who says he is the chief elder of the Kokatha people. I understand that Mr Warren's position was verified at Coober Pedy yesterday, in the presence of a number of witnesses, including a State Government officer, by elders from other Aboriginal groups. I also understand that the Government has documentation available to it about Mr Warren's position.

This afternoon on the A.B.C. radio programme *Today*, Mr Warren has said that the road corridor from Roxby Downs to Bore Field A, from which the project will draw its water supply, should be allowed to proceed through Canegrass Swamp. This is the road for which the State Government gave its specific approval in June, but which is at present being blockaded at Canegrass Swamp by representatives of the Kokatha people. In today's radio interview, Mr Warren said:

They can go right through the middle. There is nothing there.

On the basis of those statements and Mr Warren's position with the Kokatha people, can the Premier say whether he will ensure that Mr Warren is immediately consulted about the matter?

The **Hon. J.C. BANNON**: First, the report that was referred to in the *Advertiser* this morning has not yet been formally presented to the Minister, nor has the Government had a chance to assess it. The Minister has advised me that as yet we have not received a copy of that report, but as soon as that becomes available we will analyse it. We are also aware—

Members interjecting:

The **SPEAKER**: Order!

The **Hon. J.C. BANNON**: Calm down, it is all right. I am providing some information which I thought the Opposition would be interested in. As to the statement by Mr Roy Warren claiming to be a senior elder of the tribes in that area, to which the Leader has referred, the attention of the Government has just been drawn to that statement. Indeed, just before coming into the House I was talking to the Minister of Mines and Energy, who had just received notification of the statement that was made. We have had no chance to assess its validity or its significance. As to its

significance, I guess that much will depend on whether Mr Warren is recognised as a senior tribal elder (as claimed) by those involved in the present dispute. All I say is that we as a Government are attempting (and I hope that we have the support of Opposition members as well as members of the community) to handle what is essentially a fairly delicate and important situation.

The Government's role is not to act as an advocate for particular causes or claims, but to ensure that the right thing is done, both in terms of Roxby Management Services and the project and their rights under the indenture, and in terms of legitimately established claims. That is the task that my colleagues have set themselves and in the past few months they have ensured that that process is carried out, despite the way in which the matter is constantly being beaten up in the media. Part of the problem has been that, for various reasons, these claims and the establishment of them have been very much an afterthought.

One of those reasons is the reluctance, as we understand it, of those making the claims to identify sites or to come forward until they are actually threatened. Again, the validity of those claims has to be tested. Equally, it is true to say, as has been stated, that in the desire to get the project rolling, to obtain approvals, and so on, it may well be that insufficient care was taken in trying to ascertain those claims. All of that has left us with what can be described as a delicate situation. I believe that the combined expertise, knowledge, sensitivity, and backgrounds of the Minister for Environment and Planning, the Minister of Mines and Energy and the Minister of Aboriginal Affairs have enabled massive strides to be made in achieving settlement. We will certainly look not only at the report that was commissioned by the Government but also at the claims that are being made by Mr Warren and the reaction to those claims.

JOB FINDERS

Mr GREGORY: Will the Minister of Labour explain the result of action taken by the Department of Labour against the firm trading under the name 'Job Finders'? Earlier this year I informed the Minister of the activities of Job Finders, which offered its services to young unemployed people who were looking for work. It transpired that the firm was not operating within the law relating to employment agencies. The Minister promised that action would be taken and, therefore, I ask what is the result of that action.

The Hon. J.D. WRIGHT: I thank the honourable member for his continuing interest in this matter. As I said in the House on Tuesday in answer to a question from the member for Mawson, exploitation of young people in the work force is an extremely serious matter, and that is precisely what this firm, Job Finders, has been doing. It has been callously exploiting young people who find themselves without work but who want to get a job.

I think that most members will recall the details of Job Finders' activities. That firm represented itself as an employment agency, to help people looking for work. However, it gave very few of the services offered by reputable employment agencies. Legitimate employment agencies provide a personalised service to unemployed people. Their lists of jobs are compiled after personal contact with firms looking for extra workers. They try to match the qualifications of the applicant to the jobs, set up appointments for interviews, and sometimes even conduct aptitude tests. As required by law, they charge the employer a fee for this service, a fee, I might add, that the employer is happy to pay.

Job Finders, on the other hand, offered no such personal service. It usually referred people to jobs that had been

advertised in the daily newspapers. It made no attempt to match the applicant to the job, and in many cases the job seekers found the position filled days before they were even referred to the firm. For this, Job Finders charged unemployed people \$50.

An investigation by officers of my department earlier this year found that Job Finders had contravened the Employees Registry Offices Act. After being given a warning that it would have to comply with the Act or face prosecution, Job Finders promptly closed up shop. I leave honourable members to draw their own conclusions.

Legal action was then taken for alleged breaches of the Act by Job Finders before the company ceased operations. It took some months to find the principal of the firm, an Andrew Hamilton Jones, on whom a summons was served. He was finally located in New South Wales. It may interest members to know that similar businesses run by Mr Jones in New South Wales and Victoria have been investigated at different times by authorities in those States. The case was prosecuted in the Adelaide Magistrates Court last Thursday and Job Finders was fined a total of \$150 on three separate charges. Justice appears to have finally caught up with Mr Jones and we can only hope that he and his unsavoury business practices will not return to South Australia, where they will not be welcome.

ROXBY DOWNS

The Hon. E.R. GOLDSWORTHY: In view of the fact that in June the Government approved the environmental impact statement for the Roxby Downs project, does the Premier accept the reported findings of the anthropologist, Mr Rod Hagen, who has undertaken a study of Aboriginal sites in the area? Many of the problems that have occurred between the company and the Kokatha people could have been avoided if Western Mining Corporation had consulted more with the Aborigines.

Members interjecting:

The Hon. E.R. GOLDSWORTHY: Does the Premier require that I repeat the question? He is ambidextrous, so to speak.

The SPEAKER: Order!

The Hon. E.R. GOLDSWORTHY: Mr Speaker, I would like to explain my question.

The SPEAKER: Order! Is the Deputy Leader seeking leave to explain his question?

The Hon. E.R. GOLDSWORTHY: Yes, I am indeed. I am quite sure that the Premier needs an explanation. In a joint statement on 28 June, the Minister of Mines and Energy and the Minister for Environment and Planning announced that Cabinet had approved the Olympic Dam environmental impact statement following completion of the assessment process by the Department of Environment and Planning. That statement also announced separately approval for the northern road corridor from Roxby Downs to Bore Field A, the road which has resulted in specific claims by some of the Kokatha people relating to significant sites at Canegrass Swamp. In its draft environmental impact statement published last October, and in a supplement to that draft published in April, the company referred to action it had taken to exchange information with the Kokatha people and difficulties that it was having in this respect. Page 93 of the supplement contains the following statement by the company:

Further discussions have failed to reach agreement in relation to the principles for the conduct of anthropological surveys and exchange of information. Consequently, Roxby Management Services has advised the South Australian Government and the Kokatha People's Committee that, in accordance with the guide-

lines, no further anthropological information can be included in the final e.i.s.

In view of the fact that the Government has, with its approval of the e.i.s., given its approval by implication to the efforts made by Roxby Management Services to exchange anthropological information with the Kokatha, I ask whether it accepts the findings of the anthropologist on this important point or whether it intends to revise its approval of the e.i.s.

The Hon. J.C. BANNON: Approval of the e.i.s. was based on information laid before us in connection with that study, and on that basis there were no problems. I have already explained that the study commissioned from Mr Hagen, as a result of the negotiations to which I referred earlier (paid for by the Government, incidentally), has not been formally placed in the hands of the Government and, therefore, we have not had an opportunity to assess it. Obviously, that assessment process will have to take place.

An honourable member interjecting:

The SPEAKER: Order!

The Hon. J.C. BANNON: It may be necessary to discuss other information but I suggest that it is in the interests of the Government and Roxby Management Services to reach some agreement in this area and to have the matter completely determined in a way that is satisfactory to everybody. Our efforts will certainly be directed towards that end. If that is the spirit in which the Deputy Leader raises his question, I welcome that and hope that he will assist in that process.

DOMESTIC VIOLENCE

Mrs APPLEBY: Can the Chief Secretary inform the House whether domestic violence is dealt with as a matter of policy in training within the Police Department, and are there any figures to indicate the frequency of requests for the police to attend situations involving domestic or family violence?

The Hon. D.C. Wotton: And will you support the new legislation?

The SPEAKER: Order! I call the honourable member for Murray to order.

The Hon. G.F. KENEALLY: It seems that the member for Murray believes that his legislation pertains to the important subject of domestic violence within the community. I thank the honourable member for her question. There is no doubt that the incidence of domestic violence is rife throughout the community. I do not know whether it is any worse now than it has been, but at least in 1983 the community is prepared to acknowledge and accept that domestic violence exists and that we as a society should do something about it. I do not know of any police statistics (I am sure that they have them) in terms of the requests that they receive on this subject but, if statistics are available, I will try to obtain them for the honourable member.

I also believe—and I will check this out so that I am absolutely certain about the accuracy of this information—that the police would be informed and alerted about domestic violence and that they would receive training in relation to domestic violence in their formative years as police officers. That is something at which I will look. I thank the honourable member for the question. It is a matter about which we should all be concerned. There is too much hidden domestic violence in our society, and too many people have been brutalised because of their fears to speak out, for a whole variety of social reasons, about what is happening to them. We should all accept some responsibility for that. I am sure that the police do. I will take up the matter with my Commissioner and will make a report to the House in due course.

PRISON ACCOMMODATION

Mr BAKER: Will the Chief Secretary advise whether the current shortage of prison accommodation resulting from the Yatala fires is placing the public at risk due to an inability to keep serious offenders in remand? As members are well aware, Adelaide Gaol is near or at full capacity because of accommodation problems. I had the opportunity to look at the information in a recent *Government Gazette* on the Supreme Court sittings. It revealed that, of those people scheduled to appear before that court, 75 per cent of serious offenders were out on bail. Such people include those on charges of murder, attempted murder, robbery with violence, rape with compounding violent offences, arson, and threatening of life. Are those people out on bail as a result of the accommodation shortage we have today in the Adelaide Gaol?

The SPEAKER: Order! Before I call on the Chief Secretary, I ask honourable members, over the week's break we will have after introducing the Budget today, to follow up the request that I made earlier in the week to look at the method of asking a question. There is no reason whatsoever why a question cannot be soundly prepared and constructed, so that the originating part of the question contains every item of information that the member seeks and then follows up, if leave is granted, with a history or a set of facts, or whatever the circumstances may require. It is undesirable to put the question at the beginning, seek leave to make an explanation, give a set of facts (as the honourable member did) well within Standing Orders, but then (a) repeat the question and (b) just slightly vary it. The member for Mitcham was not grossly out of order when compared with what was going on earlier in the week. I congratulate members on the way that the standard has improved since Tuesday. It is to everybody's advantage to do that, because that is the way that Question Time can be best utilised.

The Hon. G.F. KENEALLY: No, the fire at Yatala has not put such pressure upon accommodation within institutions in South Australia that we are unable to accommodate people on remand. The courts quite clearly are able to make the decision that is fundamentally theirs as to whether an alleged offender should be on remand or on bail. Two of the important conditions at which the court would look are whether or not the alleged offenders are likely to offend again on bail or also whether they are likely to abscond. If either of those conditions applies in any hearing, it is very likely that, at the request of the police, the court will hold the alleged offender on remand. No shortage exists within the institutions in South Australia to accommodate remandees whom the courts require the Department of Correctional Services to hold. I do not expect that that position will change in the future. Certainly, we have constraints within the cellular accommodation available to the Department of Correctional Services. However, we are able to cope and will continue to cope. There will be no circumstances where the department is unable to fulfil its responsibility to the people of South Australia and to the courts.

Mr Mathwin: Would you suggest that the police didn't oppose bail?

The SPEAKER: Order! I am sure that the Chief Secretary does not need the assistance of the member for Glenelg.

Members interjecting:

The Hon. G.F. KENEALLY: I find that suggestion by the member for Glenelg objectionable. The Police Department in South Australia will fulfil its duties as it sees fit. There will be no requirement upon the department to do other than that. For the member for Glenelg to suggest that the Police Department is taking other than its ethical position in relation to people who appear before courts in South

Australia is a reflection on the department which is unwarranted and which I find objectionable.

The answer to the honourable member's question is, 'No'. He has no need for any fears about our capacity to cater for the remandees that are placed within the Department of Correctional Service for custody. I might say to the honourable member and to all honourable members that the responsibility still rests with the court, where it should properly be. If the courts believe that an alleged offender should be held on remand within our institutions, they will be held there, and there is no reason to believe otherwise.

GOODWOOD PRIMARY SCHOOL

Mr MAYES: Will the Minister of Education report to the House on the progress of plans to upgrade the stormwater drainage facilities at Goodwood Primary School? With recent heavy winter rains the problem of stormwater drainage at the school has been highlighted. The collection of storm water in the school yard in the vicinity of the school buildings after heavy winter downpours has been a problem for some time, and has become of concern to parents and teachers. It has been suggested to me by constituents that the storm water could pose a health hazard and possibly cause structural damage to the school buildings.

The Hon. LYNN ARNOLD: The member for Unley wrote to me on this issue some weeks ago and sent photographs of the situation at Goodwood Primary School. The photographs indicated an alarming situation, with quite serious ponding of water around the buildings. I have to agree that there would be the possibility of damage to the pavement area and/or the buildings around. Indeed, it certainly would not be good for students to have to walk through this area of ponding, which is a significant area. They would have to walk through it and it could dampen their shoes, and the like. I did ask for a report and I have now received it from the department. I am advised that we will be able to undertake the remedial work to the drainage within this financial year, so that hopefully before next winter comes along that work can be completed and the problem will not recur when the rains come heavily next winter.

POLICE FORCE

Mr EVANS: Can the Chief Secretary say whether a minimum height is still stipulated for persons wishing to become police officers? A constituent who has some contact with a particular ethnic group has written to me, and I would like to read part of that letter as part of the explanation of my question. My constituent states:

The recent trouble at—

he names a business house, which I will not name—in Hindley Street has reinforced my belief that the Police Force must contain some Asian officers. It must be very difficult for officers not understanding the languages and cultures of Asia to find the few trouble-makers among the community. The Asian people in Adelaide are very diverse and have many 'groups', some of whom are actively seeking 'donations' from the other Asians. I have mixed with Asians for years but do not know which are genuine and which are 'extortionists', so how do the police decide this? There must be decent Asians in the force but when boys (who have done years learning martial arts) apply they are told that they are too short. Surely this is discrimination against the Asian races. A Police Force should be a cross-section of the people it serves, but this does not seem to be the case in Adelaide.

I pose this question because my constituent has raised the matter with me. I know the community and the facts that have been given to me explain why the police have had a minimum height in the past but, as we have many people

from this race now in our community, there appears to be a reason for considering a reduction in that minimum height, at least for a limited number of people who can be trained to serve in the force. I realise that the Police Force itself might have to express a view. I ask the Minister whether or not that minimum height requirement is still adhered to strictly.

The SPEAKER: Before calling on the Chief Secretary, let me say that the honourable member for Fisher (a very senior member) fell into the same error to which I have adverted before, and I hope that we can avoid that.

The Hon. G.F. KENEALLY: The minimum height for applicants to join the Police Force still applies by and large. I say 'by and large' because there are some specific services for which the Police Force needs people who have particular skills and which might encourage the Police Force to vary the minimum height. However, that is not for people who will be involved in the normal policing activities. They might be people involved in scientific computer skills that are, of course, required by the Police Force.

I am fully aware of the circumstances explained by the member for Fisher. It seems to me that, if an exception is made in one area, that exception has to be made in others, and it is very difficult to hold the line. I have received a number of approaches and letters from people who do not meet the minimum height requirement of 5 feet 7 inches, who are Vietnamese by origin, are from other ethnic groups, or are Australian born. They complain about this rather stringent rule. However, as the honourable member has raised the matter, and as I am personally aware of people within the Vietnamese community and other ethnic communities who feel that this minimum height is restrictive (although I personally cannot see in reality where it is), I will take up the matter again with the Police Department and bring down a report for the honourable member.

A VERY SMALL CASE OF RAPE

Ms LENEHAN: Will the Minister of Community Welfare, representing the Attorney-General, investigate the legality of the promotion, publicity and content of a film entitled *A Very Small Case of Rape*, which is being shown this week at the Roma Cinema? First, I would like to say that the film has been promoted through the media, newspapers, and, indeed, through promotional billboards outside the cinema. The film is R rated and the word 'rape' is in very large letters.

I want to state that I have not seen the film and, indeed, I am raising this question with the Minister because a wide range of community representatives have contacted me directly through my electorate office and indirectly. With your indulgence, Mr Speaker, and that of the House, I would like to list the wide range of people who have contacted me. At a meeting last night representatives from community groups such as the Women's Information Switchboard, the Women's Studies Resource Centre, the National Council of Women, the Country Women's Association, the Y.W.C.A., women's shelters, rape crisis centres, and, indeed, other members of this Parliament and the Upper House were present.

As well as that direct representation, 16 people have contacted the Rape Crisis Centre and five people have telephoned the Working Women's Centre. The concern that has been expressed to me hinges on two facts. First, concern is expressed that, by promoting rape in this way, it is being portrayed as an acceptable form of community behaviour and, that, as such, it is being seen as an acceptable form of sexual intercourse. It has been further suggested to me by these groups that this is in direct contradiction and in total

opposition to the community demand which has resulted in a review of rape law reform and, in fact, the reform of trial procedures. Will the Minister investigate this matter?

The SPEAKER: I remind the honourable member of my earlier remarks concerning the construction of questions.

The Hon. G.J. CRAFTER: I thank the honourable member for bringing this matter to the attention of the House. I will have it referred to the Attorney-General for his urgent attention. I am sure that all honourable members would want remedied as soon as possible situations where women are degraded or their status or dignity is attacked publicly, as alleged in this instance. There are both Federal and State laws to enable redress in cases of obscenity of a public nature, and perhaps that is appropriate. If it is not, there may be some other remedy that can be taken by the Government to bring about a cessation of this programme, if it portrays the image of women that the honourable member has suggested.

PRIMARY EDUCATION

Mr MEIER: Can the Minister of Education say whether moves are afoot within the Education Department for children commencing school in South Australia to spend at least seven terms in years 1 and 2 before being allowed to progress to year 3?

The Hon. LYNN ARNOLD: The honourable member raises an important educational issue. A lot of views are held about what should be the number of terms spent by children in the junior primary years. In fact, so important is this issue to parents, teachers and, naturally, students that the department will shortly issue a policy development paper on it. This Government, while in Opposition, indicated as a policy that it would have such papers issued from time to time on matters of educational importance so that various people in the education community could contribute ideas about what they thought should happen regarding different matters.

The paper on this matter of the early years of primary schooling will be the first of those policy development papers. I have in recent weeks approved a draft report to be published, and it will go out to the education community: by that I mean teachers, parents and anyone in the community who is interested in education. This will allow those people to give their views about what they think should be happening in that age range of schoolchildren—with reference to the issue raised by the honourable member and to other issues which relate, consequentially, to the early years of schooling. When we receive those viewpoints back we will summarise them and circulate them amongst the community. That will then be the basis on which decisions are made by the department and the Government.

NORTH HAVEN

Mr PETERSON: Will the Minister for Environment and Planning say whether any alterations were made to the conditions of sale, conditions of development or the final price in the contract for the sale of the North Haven harbor, and will these details be made public? I understand that the contract was signed yesterday for the final sale of the North Haven harbor.

The Hon. D.C. WOTTON: That's incredible, when it was announced three months ago.

The SPEAKER: Order! The honourable member for Murray has been called to order previously today and should cease interjecting.

Mr PETERSON: It has been suggested to me that this was a very quiet procedure for the signing of a \$6 million contract at this time and in the present state of the economy. This has raised quite considerable community interest in what has happened. There has been much interest in this project over the years and it has taken a long time to engineer this sale. Because of the apparent reticence of the parties to let the details be known, there is quite some concern that input from the community that was requested (and we thought taken notice of during the build up to the sale) may be ignored and that all the conditions and controls that it was suggested be put on might have been relaxed. It is because of this concern that I have asked my question.

The Hon. D.J. HOPGOOD: I thank the honourable member for his question, because it enables me to go on record to say that there is certainly no reticence on the part of the State Government in relation to the matters that have been canvassed, and I can certainly give the honourable member an assurance that the conditions that were previously announced and discussed with the honourable member and the local people have not been relaxed in any way. It has been a long and involved negotiating process. Members of the House would know that initially there were two contenders, and there was some jockeying, although I do not mean that in any improper way. Obviously, the Government was concerned about getting the very best deal possible, and the contenders were concerned about getting the very best deal that they could possibly get.

The Hon. D.C. WOTTON: That was 10 months ago.

The Hon. D.J. HOPGOOD: I will endeavour to assist the member for Murray.

The SPEAKER: Order! I ask the Minister to not reply, because the honourable member has been called to order twice.

The Hon. D.J. HOPGOOD: Thank you, Sir. I do not want to put the honourable member's position in this House in any sort of jeopardy today, Sir. Although, in fact, I think that he was trying to be helpful, I will ignore him. The legal documents involved in this matter, which I signed yesterday, are extremely involved, and are about 5 cm thick. If either the member for Semaphore or the member for Murray would like them to use as a doorstep for his home I can suggest that I might obtain for them a copy. I do not think that there would be any problems with that, although I doubt whether they would want to read too far into the documents. They are extremely densely worded. I am sure that they would be a considerable adornment to the libraries of the honourable members, as well as making a great doorstep.

The matter has involved a very complicated legal procedure. I want to place on record my appreciation to the officers of the Crown Law Department for the assistance that was given, and I mention in particular Mr Robin Wright, the General Manager of the North Haven Trust, and Mr Downer, the Chairman of the Trust. The position now is that there is a binding contract, and cash settlement, in effect, has been provided for 17 October. I can certainly give the honourable member an assurance that all of the matters previously canvassed and negotiated as conditions in order to protect the interests of the honourable member's constituents have been properly addressed and have been secured.

EXPORT ABATTOIRS

Mr BLACKER: My question is directed to the Minister of Education, representing the Minister of Agriculture in another place. Will the Government examine the position of export abattoirs in this State as they will be affected by

the threefold increase in meat inspection fees and, if possible, will the Government negotiate with the Federal Government to have these works exempted from the fees for local kills? Recently, the Federal Treasurer announced a threefold increase in export meat inspection fees. When I made inquiries about the effect of this on the Port Lincoln abattoirs, I found it to be a matter of some considerable concern. Because the Port Lincoln Samcor works is of United States export standard it will mean that all stock being processed will be subject to these inspection fees. As the majority of the throughput is for local consumption, these fees will seriously disadvantage the competitiveness of these works for local kills. The Minister would be aware that the Port Lincoln works has been working assiduously towards the maintenance of United States export standards, only to now find that these very high standards will handicap the local kill consumer market.

The Hon. LYNN ARNOLD: I will refer this matter to my colleague in another place and bring down a considered reply from the Minister at the earliest opportunity.

HENLEY BEACH SWIMMING POOL

Mr FERGUSON: Will the Minister of Recreation and Sport inform the House whether his department has been able to examine the difficulties being experienced by the Henley Beach council in regard to the retention of the Henley Beach swimming pool?

The Hon. J.W. SLATER: Yes, the department and I are certainly well aware of the problem in regard to the Henley Beach swimming pool. Because the pool has been in operation for some 50 years, considerable deterioration has occurred, and unfortunately very limited maintenance has been undertaken in respect to keeping the pool up to standard. The problem is of course that it is a salt water pool situated near the sea and weather conditions have caused a great deal of damage. Earlier this year the honourable member, representatives of the Henley and Grange council and I inspected the pool. It is quite true that much damage has occurred over the years. The amount of money that would be required to fully upgrade it to a reasonable standard is great.

I understand that the Henley and Grange council commissioned consultants, B.C. Tonkin and Associates, to recommend options for the best way to renovate and upgrade the swimming pool. The consultants came up with five options ranging from complete closure of the pool to a complete upgrading of it, with a number of options in between that can only be described as band-aid treatment. The estimated cost of the major upgrading is \$1 700 000. I think the member for Henley Beach would appreciate that at this time the Government has a commitment to the aquatic centre at North Adelaide about which negotiations are still being conducted with the Adelaide City Council. The problem that exists at the Henley Beach pool is certainly one of which I have a great understanding and I have also an appreciation of the need for a pool in the western suburbs.

I would suggest (and I think the member for Henley Beach has already suggested) that the board of management, the council and the club which is involved with the pool ought to make an application to the Federal Government in relation to a job creation project or a community employment project grant for this particular pool. I believe that the honourable member has advocated this and I would support that. I hope it would be considered in that way.

TOURISM PROMOTERS

Mr BECKER: Will the Minister of Tourism consider appointing prominent South Australians as honorary tourist

promoters? All South Australians would be delighted with the appointment of Ms Mary Beasley, a Commissioner of the Public Service Board, to the board of Qantas. In my opinion, the appointment of Ms Beasley is most advantageous for this State and the status of women on public authorities.

I understand that Mr Bob Byrne, a popular breakfast announcer on 5DN, will shortly attempt to fly by commercial airlines around the world in 80 hours. I believe he will leave Adelaide on 8 September travelling to Melbourne, Sydney, Hong Kong, Bahrain, London, and America before returning to Adelaide. I understand that this would afford an excellent opportunity to utilise his services as he meets airport managers, airport officials and other tourist personnel, in promoting South Australia.

The Hon. J.W. Slater: He might not have too much time.

Mr BECKER: I understand he will spend between two and six hours in most airports and he will be meeting airline officials, airport managers and people associated with the tourist industry. I believe we should take every opportunity to encourage South Australian citizens and sporting personalities to promote South Australia whilst they are overseas. The Department of Tourism and the Travel Centre put out excellent brochures and the *Many Worlds of South Australia*, which is a superb book produced by the Premier's Department. I believe that the presentation of a tie, cuff links or promotional material for our bicentenary would be a wonderful opportunity to promote South Australia.

I mentioned this at midday yesterday to the Minister when we were both at the Sir Thomas Playford International Airport at West Beach, when the Premier presented to the Federal Government and the Commonwealth Department of Aviation some excellent and beautiful murals of South Australia. All in all, I hope that the promotion of tourism in South Australia is now starting to have some impact. The opportunity is now there, if citizens are prepared, for the Government to use every opportunity to promote South Australia.

The Hon. G.F. KENEALLY: I am delighted to respond to the honourable member's question. First, I agree with him that the appointment of Ms Mary Beasley to the Qantas Board is one with which all South Australians should be pleased. It is an acknowledgement of South Australia as a tourist destination with the international airport as part of that tourist scene. I am sure she will represent the State very well.

Secondly, I am delighted to see the honourable member's support for the international airport and what it means to South Australia. That is very welcome. The honourable member has raised an interesting question as to whether or not the State Government will appoint South Australians travelling overseas as honorary tourist promoters for the South Australian product. Whilst on the surface that may sound a little frivolous, I believe that it is a good suggestion and one that requires some consideration. It is known that certain South Australians travelling overseas are able to obtain a letter from the State Government acknowledging their position within South Australia and seeking that they receive support in overseas countries. However, that is different from what the honourable member is asking. I will certainly look into how we can appoint South Australians, who travel overseas, as honorary tour promoters, because there is no better promoter of the South Australian product than a South Australian.

The Hon. Jennifer Adamson: What about Sir James Hardy?

The Hon. G.F. KENEALLY: Yesterday, we talked about Sir James Hardy, but he has now lost. He was a great promoter of South Australia, and I am not too sure whether today is the right time to talk about our yachtsmen in North America. It is of extreme importance that South Australians

are able to promote overseas the value of South Australia as a tourist destination.

As to Mr Byrne, a 5DN announcer, who, as a result of a bet with a certain retired marathon runner (who I understand finished the 26 mile Gawler to Adelaide run about 1 hour and 10 minutes behind the Premier, which in itself is not too bad a performance) has accepted the challenge to go around the world in 80 hours, I am not sure how much time he will have available to him, but the honourable member has pointed out that there will be stopovers. The Department of Tourism is certainly happy to provide Mr Byrne with all the information that he might be able to carry. However, we should realise that in 80 hours all that he will be taking with him is a change of underclothes and a jar of Vegemite; therefore, he will have plenty of spare capacity to take South Australian brochures with him. Whether or not it is appropriate, after having filled his luggage up with good South Australian brochures—

The Hon. Jennifer Adamson: And wines.

The Hon. G.F. KENEALLY:—and wines, as the honourable member for Coles suggests, for him to be appointed as a tourist promoter will need to be considered. It is a good suggestion, and I thank the honourable member for it. I do not know whether the honourable member will take the opportunity to get in contact with Mr Byrne, but if he does not, we will. I suspect that he will beat us to that. He has already done that, has he?

Mr Becker interjecting:

The Hon. G.F. KENEALLY: We will make a direct approach to him and if he is willing to promote this part of the world as somewhere that overseas tourists should visit, we will be happy to help him in that aim.

AMDEL

The Hon. PETER DUNCAN: Will the Minister of Mines and Energy provide an up-dated report on plans to relocate Amdel's Thebarton pilot plant facilities to another site? For some time there has been a general understanding that these activities would be relocated to Technology Park, in the Salisbury municipality, but I understand that a site adjacent to the Osborne power station has been mentioned as a possibility. Will the Minister clarify the position?

The Hon. R.G. PAYNE: I can provide some information, and I particularly thank the honourable member for asking this question, because I suspect that the information that I propose to give will be of more than passing interest to you, Mr Speaker, the Deputy Premier, the member for Semaphore, and the member for Peake, apart from the interest that would normally be displayed by members generally in relation to these matters. First, the relocation will occur, but the destination for Amdel's activities that were located at Thebarton is likely to vary.

After much investigation, the Amdel Council has concluded that the proposal to move the pilot plant activities to Technology Park is no longer appropriate, for several reasons. The council takes the view that the way in which the Technology Park concept has developed could add significantly to Amdel's previously estimated building costs, and would place considerable operational constraints on the Amdel facility, particularly in relation to materials handling and effluent disposal. In addition, the continuing Australia-wide downturn in mining and exploration activities, which is affecting the sales levels of Amdel's operations division, would make it extremely difficult to service the loan that would be required to build the facility, at least in the short term.

In line with its commitments to move from Thebarton, however, Amdel has been considering alternatives. At this

stage, as the honourable member suggested, a site adjacent to the ETSA Osborne power station has been identified as the most suitable, and discussions are continuing with ETSA to finalise this matter. I stress at this stage that no uranium pilot plant activities will occur at Osborne. Present thinking is that these activities may be moved to Roxby Downs, to operate in conjunction with the pilot metallurgical plant that is to be constructed at the Olympic Dam site. However, the location of some Amdel activities at Technology Park may yet occur. I understand that Amdel is discussing with the corporation at Technology Park the possible relocation of the five technical divisions of Amdel into the multi-tenant building that is proposed at Technology Park. I have saved what I see as some of the best news for last. I remind members of the Federal Budget announcement a few days ago that the Commonwealth will provide a \$330 000 grant as its share of the \$1 million cost of relocating Amdel's Thebarton activities. I point out that the Federal Labor Government has thus made a commitment that neither my predecessor in this office nor I was able to obtain from the Fraser Government.

SACRED SITES

The Hon. H. ALLISON: Will the Premier give an assurance that Mr Roy Warren, the chief elder of the Kokatha tribe, will be protected from possible intimidation by other spokesmen purporting to represent the Aboriginal community in connection with sacred sites and land rights at Roxby Downs?

The Hon. J.C. BANNON: That is a very odd question, and I doubt whether it is in the interests of either the unsuspecting subject, Mr Warren, or anyone else involved. I am not quite sure: perhaps in the scramble to try to find questions to fill out Question Time the member was designated the task of finding something to say. I really find that an extraordinary statement, as it is a reflection on the law enforcement procedures and on everything else. How can I, in this place today, guarantee that there will be no intimidation against an individual somewhere else? It is a ludicrous question, and does not deserve a reply.

L.P.G. REFUELLING

Mr HAMILTON: Will the Minister of Transport bring down a report on the recommendations and instructions that are issued to petrol station attendants in relation to refuelling campervans and/or caravans with l.p.g. or petrol at service stations? Recently, a horrified constituent brought to my attention an incident whereby a motorist drove his campervan (which, I understand, was a leased van) into a service station outlet and endeavoured to take on fuel without first checking to ensure that the flame in the refrigerator unit had been extinguished.

My constituent points out that this was a potential fireball situation. Moreover, my constituent expressed concern at the number of unattended self-service stations within metropolitan Adelaide and in the country where this situation could arise. My constituent also pointed out that he believed that campervan designers and manufacturers should ensure that vents for stoves and refrigerators are placed well away from petrol filler vents—ideally, on the opposite side to the petrol inlet. Will the Minister bring down a report on the recommendations and instructions applicable to service station attendants?

The SPEAKER: Order! I point out to the honourable member for Albert Park that he, too, over the break, should consider the method of asking questions.

The Hon. R.K. ABBOTT: I will be pleased to bring down a report on this matter for the honourable member. Obviously, he is very interested in this area. I am not in a position to give detailed information about this matter today, but I will be pleased to bring down a report as soon as possible.

CANEGRASS SWAMP

Mr LEWIS: I ask the Premier what credibility does the Government give to an anthropologist who reports to the press and criticises the joint venturers at Olympic Dam and, by implication, the Government, in a report commissioned by the Government and paid for with public funds, before the report is made available to the Government, and when the chief elder of the Kokatha people whose land and sub-culture are the subject of the report has not even been consulted in respect of Canegrass Swamp.

The SPEAKER: Order! I rule that question totally out of order. The honourable member has sufficient experience of this place to know that that is a grievance statement and cannot possibly be construed as a question under Standing Orders.

The Hon. E.R. GOLDSWORTHY: Mr Speaker, I rise on a point of order. Standing Orders state quite clearly that any matter of public interest and public import is a subject for Question Time in this House. To my knowledge, there is no Standing Order which differentiates between subject matter in relation to which Ministers and the Premier may be questioned. To my knowledge, Mr Speaker, that is the most amazing ruling that I have ever heard in this place.

The SPEAKER: Order! First, I ask the Deputy Leader to calm himself, because it is certainly not the most amazing ruling that he has ever heard. I am sure that the Deputy Leader can recall that my predecessor, the honourable member for Light, dealt with issues of this kind as Speaker. I hope that the Deputy Leader is listening to my reply, otherwise there is no point in even taking a point of order.

The Hon. E.R. Goldsworthy: I didn't ask for a reply.

The SPEAKER: I warn the Deputy Leader of the Opposition, and that is the last warning that he will get. I will now give the reply.

Mr Mathwin: Sit to attention.

The SPEAKER: Order! I will take action against any other member who flouts the Chair. I will refer back to the actions of my predecessor. He made it quite clear that there was no basis whatsoever in giving an explanation, as it were, under the guise of putting in somebody else's letter or documentation to avoid what would otherwise be a clear breach of Standing Orders. The purported question asked by the honourable member for Mallee was, in fact, a grievance debate statement dressed up to appear as though it was a question. I do not uphold the point of order.

Mr LEWIS: Mr Speaker, I rise on a point of order. I ask for your direction, Mr Speaker. What word or words indicated to you in my question that it was a grievance statement and not a question when I simply asked, in the first five words, 'What credibility does the Government give?' I sought the Government's opinion on the credibility of a certain individual, given the circumstances that I outlined.

The SPEAKER: I do not want to add a great deal to what I have already said. I repeat, the honourable member made a grievance statement dressed up as a question; that explanation is satisfactory for my purposes. If anybody wants to pursue disagreement with my ruling, let them do so. I have had the comments of Erskine May drawn to my attention. Page 3 of the Chamber Guide states:

Questions seeking an expression of opinion or containing arguments, expression of opinion, inferences or imputations.

It does not say so, but those questions are inadmissible. Using Erskine May as a basis and relating my own words to his comments, I rule that the honourable member asked a purported question which was, in fact, first, an expression; secondly, it contained arguments; thirdly, it contained inferences; and, fourthly, it contained imputations. On all those grounds the honourable member's question is inadmissible.

SITTINGS AND BUSINESS

The Hon. J.D. WRIGHT (Deputy Premier): I move:
That the House at its rising adjourn until Tuesday 13 September at 2 p.m.

Motion carried.

The SPEAKER: Call on the business of the day.

PAPERS TABLED

The following papers were laid on the table:
By the Premier and Treasurer (Hon. J.C. Bannon)—
By command—

Estimates of Payments 1983-84.
Estimates of Receipts 1983-84.
Treasurer's Financial Statement.
The South Australian Economy.
Certificates required under Standing Order 297.

Ordered that Estimates of Payments, Estimates of Receipts, Treasurer's Financial Statement, and *The South Australian Economy* be printed.

APPROPRIATION BILL (No. 2)

The Hon. J.C. BANNON (Premier and Treasurer) obtained leave and introduced a Bill for an Act for the appropriation of moneys from Consolidated Account for the financial year ended 30 June 1984; to authorise the Treasurer to borrow money for public purposes; and for other purposes. Read a first time.

The Hon. J.C. BANNON: 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 activities both for recurrent and capital purposes in 1983-84.

The Budget strategy for 1983-84 is designed to meet the unique and difficult situation which now confronts South Australia, and to provide the opportunity for the State to take on new directions in economic and social development in the coming years.

Fundamental to that strategy is the promotion of economic activity within our regional economy. Central to the Budget is the maintenance of a high volume building and construction programme by winding back the use of capital funds for recurrent expenditure. Coupled with this is a significant boost to the housing sector and the establishment of direct job creation programmes.

The Government's Budget for 1983-84 proposes a small deficit of \$5 million on the Consolidated Account. It is to be achieved by reserving capital funds of \$28 million towards financing a deficit on recurrent activities of \$33 million. This compares with the planned transfer of \$42 million from capital funds in the last Budget of the former Gov-

ernment (which became \$51 900 000) and the actual diversion of almost \$100 million during 1980-81 and 1981-82.

We have had the task of preparing this Budget in circumstances more difficult and more straitened than the State has faced for some decades. The main factors which have contributed to this situation are:

- the adverse effects of natural disasters
- the financial pressures caused by economic problems being encountered nationwide
- the problem of accumulating deficits, largely a legacy of previous policies.

These three factors each warrant some comment as do the effects of certain Commonwealth policies and legislation which are also relevant to this Budget.

Natural Disasters

Last financial year, the State suffered a most unusual combination of drought, bushfires and floods. The loss of life, the destruction of personal property and the damage done to productive community assets was tragic. We can now recall with some pride the way the South Australian people and, indeed, people from all States, came to the assistance of those in need. We also note with gratitude the financial assistance provided by the Commonwealth in such a ready and cooperative manner.

However, after allowing for Commonwealth assistance, the disasters left a net cost of the State's Budget in 1982-83 of nearly \$16 million, with a further estimated effect of about \$8 million net in 1983-84. In addition, there are indirect and less easily quantified effects, and some of the costs, especially in forestry, will continue to be felt over the longer-term. There is also the cost of restoration of Government assets.

The Economy

Depressed economic conditions have an adverse impact on the State Budget in a number of ways. Commonwealth taxation receipts are depressed so that the pool in which the States share is lower than it would be otherwise. Our own State revenues are also closely related to the level of economic activity.

At the same time, high unemployment produces greatly increased demands on community services, causes more people to default on paying their public hospital bills and greatly adds to the demand for all types of Government assistance.

Employment in this State is heavily dependent on a limited number of industries and our main employment areas are concentrated in the manufacturing sector. This has given us real structural problems and lies at the base of our continuing higher than average unemployment rate. This situation had a significant impact throughout 1982-83 and indeed worsened during the second half of the year following the Australia-wide collapse in manufacturing industry.

Recent indications are that the downturn in manufacturing has still not bottomed out.

The Financial Legacy of the Past

The 1982-83 Budget presented by my predecessor in August last year forecast a balanced result for the Consolidated Account. That balance comprised two parts:

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

It would have left unchanged the accumulated deficit of \$6.1 million recorded on the Consolidated Accounts as at 30 June, 1982.

In the event, the operations on the Consolidated Account for 1982-83 showed a large deficit of \$57.1 million made up as follows:

- on recurrent operations an excess of payments over receipts of \$109 million
- on capital works an excess of receipts over payments of \$51.9 million.

Accordingly, by 30 June, 1983, the accumulated deficit on the Consolidated Account had increased to \$63.2 million.

The effect of the 1982-83 deficit was to reduce the level of the State's cash and investments. This has a continuing adverse effect on the recurrent side of the Budget through a decline in interest earnings below what they would otherwise be. The effect of this factor in 1983-84 will be large—possibly of the order of \$7 million.

Detailed information about the 1982-83 transactions is set out in Attachment I.

Members will see on page 11 of that Attachment a table which sets out the main items in the deterioration of \$67 million on the recurrent side of the Budget.

The table shows not only the final results for 1982-83 but also estimates made in December, 1982 as part of the review of the Budget which was ordered immediately by the Government on coming to office, and estimates made in May, 1983 when the Supplementary Estimates were presented.

I particularly draw Member's attention to this table because of the statements which have been made over recent months concerning responsibility for the deficit on recurrent operations last year of \$109 million. I would stress that \$42 million of that total was part of the Budget plan of the former Government. Added to this are, of course, the significant costs arising from natural disasters. Members will also note that there is a considerable amount outlaid for salary and wage increases awarded by Industrial Tribunals which were considerably in excess of the amount allowed for by the previous Government.

Account must also be taken of decisions made by the former Government after the Budget had been passed by this House. I particularly refer to the remission of the levy paid by the South Australian Gas Company, a decision which was taken very much in an election context.

Members will note the cost of the election promises made by my Government. Major components of that figure relate to the electricity concessions granted to pensioners and reductions in pay-roll tax and stamp duties for first home buyers, all of which can be said to be bipartisan initiatives. It also includes additional support for education.

Certainly, the residual item of just over \$23 million includes the effect of overspending by some departments. However, almost \$11 million of this "overspending" relates to the State's share of a loss of fees by the Health Commission which is due, in part, to the inability of people in difficult circumstances to pay hospital bills. As a result, it was necessary to make large additional grants to the Commission.

The financial problems which the Government inherited will have a significant and adverse effect in 1983-84. I have already referred to the loss of investment income due to the reduction of our cash reserves.

However, of equal importance is the fact that we have been left with a core deficit, that is to say a deficit which has been built into our accounts and not due to once-only seasonal conditions. This makes the framing of the Budget for 1983-84 even more difficult.

Commonwealth Financial Assistance

A summary of some of the major developments in Commonwealth/State financial relations is set out in Attachment III to this Statement.

I have already mentioned how the economic downturn has meant a lower aggregate level of tax sharing payments

from the Commonwealth to the States. In addition, following a report by the Commonwealth Grants Commission on State relativities, and as a result of decisions taken by the previous Commonwealth Government in June, 1982, South Australia's share of these payments in 1982-83 was reduced by \$13.6 million. In 1983-84, the reduction will be of the order of \$9.5 million.

On the other hand, I am pleased to be able to report that, at the Premiers' Conference held at the end of June, 1983, the Commonwealth agreed to provide special assistance to the States in 1983-84, of which South Australia's share is \$17.2 million out of the total of \$155.5 million. Although this amount is less than the States requested, it is of significant assistance. It is to be emphasised, however, that the extra amount is for 1983-84 only.

Although, in total, Commonwealth payments to the States will grow fairly strongly in 1983-84, it is to be borne in mind that much of this is attributable to grants which will not directly assist the State's Budget—for example, those for employment creation and those to compensate for lost fee revenue under Medicare.

Among the specific purpose grants will be those under the Australian Bicentennial Roads Development program. In this area the Commonwealth's approach on matching by the State could cause us major problems. We have made a submission on reasonable matching arrangements and this is under discussion.

1983-84 Economic Outlook

For 1983-84, the national economy, on which the level of activity in our regional economy is dependent, remains precariously balanced.

Members will have noted the growth estimates contained in the Federal Budget delivered recently, and in particular, the prediction that the average level of employment this year may not rise by much over what was experienced in 1982-83. Also, the growth in the working age population will mean that it will take some time for the upward trend in unemployment to be reversed.

There are, however, a number of positive signs. They include:

- clear evidence that economic growth in the United States is well under way with an expected flow on to other economies, including Australia
- good prospects in the farm sector
- increased activity in the housing industry, especially as a result of public sector initiatives
- an apparent levelling off in the growth of unemployment
- the stimulus which will be given to demand by the large increase in expenditures and the deficit provided for in the Commonwealth Budget
- a more confident stock market

An honourable member: What about the business sector? Where is the confidence there?

The SPEAKER: Order!

The Hon. J.C. BANNON: There are also indications that these positive trends may be reflected in the South Australian economy though perhaps with some delay. The prospects of economic growth locally are also boosted by other factors, including the continued development of the State's natural resources sector, especially in the Cooper Basin, and its associated downstream activities, and the significant efforts we are making in public housing. These prospects will be further improved once plans for a number of tourism related developments are finalised.

However, it is my view that over the past three years, South Australia has been ill-served by predictions of imminent recovery and prosperity on the part of Government.

It is important, therefore, that we do not overstate the likely impact of these positive trends.

I would stress that unemployment remains high across the nation and that, with the potential workforce continuing to grow each year, it will take some years of sustained growth before significant reductions in unemployment can realistically be expected. Due to our particular circumstances, especially the structural problems in our economy, unemployment is worse in South Australia than most other regions and it is likely that our traditional industries, such as motor vehicles, will remain troubled.

The Government believes that the community has the right to a realistic and honest assessment of the economic circumstances which affect the State. We have ensured that factual up-to-date information on the state of the economy is provided by the regular issue of a State Economic Report.

I am also tabling with the Budget a separate paper on economic trends and conditions prepared by the Treasury with the assistance of other departments.

Correcting the Budget Imbalance

As Members will appreciate, it would be totally irresponsible for any Government to allow the State to continue to run recurrent deficits of the order of \$109 million. There are clear limits to the extent to which State Governments can carry deficits and, in the Government's view, that limit has been reached.

The State's cash reserves have already been seriously depleted. The Financial Agreement which regulates the borrowings of the Commonwealth and the States precludes individual States from borrowing as they would wish. Also, while some arrangement might be made to obtain funds outside of the Financial Agreement, it would be done at a heavy future cost.

The previous Government for the last three financial years covered the serious imbalance which was developing in the State's accounts by diverting large amounts of capital works funds to finance the recurrent deficit. This has meant that urgent public works which the community requires have been deferred and that the general economic benefits of an extra stimulus to the building and construction industry have been lost.

While the present Government cannot be held responsible for the imbalance which has developed, it nevertheless accepts that it must take the steps necessary to correct it.

Our first action on coming to Government was to instruct departments to live within their allocations and to effect savings wherever possible. While this was an important step, it cannot be expected to be fully effective in one year. This year, departments will continue to operate under tight instructions and I have established arrangements for the direct monthly monitoring of their results. However, while this should prevent future overruns, it will make only a relatively modest contribution towards correcting the huge budgetary problem that currently exists.

We maintain our belief that State charges should not be used as a means of raising general revenue. That is, they should not be set at a figure which returns more than the cost of providing the service to the community. Since the end of the wage pause, we have announced a number of increases in charges, notably for water supply and sewerage, public transport fares, and in several other more minor areas. These increases will be of a total of about \$37 million in 1983-84.

The Hon. B.C. Eastick interjecting:

The SPEAKER: Order! I call the honourable member for Light to order.

The Hon. J.C. BANNON: However, it must be emphasised that in no case do these charges return more to the State than the cost of the service, and in several cases, they

are very much less. In particular, the Government has decided that in the case of the Engineering and Water Supply Department, the supply of water and sewerage services to country residents should continue to be subsidised even though this puts a considerable strain on the Budget of some \$29 million. We also believe that public transport should continue to receive a subsidy and that the State Transport Authority continue to be allowed to operate at a loss.

As I outlined to the House on 4 August, the urgent and pressing nature of the problem has meant that the Government has had to introduce a number of measures to raise further revenue. Four of these have already been before Parliament.

The increased licence franchise fees related to petroleum products, liquor, tobacco and insurance and a new Financial Institutions Duty will, after allowing for certain stamp duties to be removed, yield additional revenues.

We propose to deal with the questions of rate of Financial Institutions Duty, extent of exemptions, and choice of stamp duties to be removed, as a package. We have not yet taken the relevant decisions and the various elements will depend to some extent on the discussions with financial bodies which will take place shortly. At this stage, we have set as a target a net yield of an extra \$16 million in a full year and \$8 million in 1983-84 on the assumption that the legislation will be operative from 1 December, 1983, and that the first month's revenue will be received in January, 1984.

In addition, we have decided to continue with the principles of the former Government associated with Program Budgeting which will mean a rationalising of public sector debt and interest rate arrangements.

These proposals which will affect the majority of statutory bodies and many Government departments and which are explained in Attachment V will yield approximately \$14 million to the Budget in 1983-84.

These revenue measures, taken with our expenditure policies to which I will refer in a moment, have left us with an estimated recurrent Budget deficit for 1983-84 of \$33 million. This is an improvement over last year of about \$76 million. With an expected holding back of \$28 million cash on capital transactions, a modest overall deficit of about \$5 million is planned. Members will recall that in 1980-81, \$37.3 million and in 1981-82, \$61.3 million of capital funds were transferred to meet recurrent expenses. Members will also be aware that the last Budget of the former Government planned a further transfer of \$42 million of capital funds (which became \$51.9 million) and that the present Government had to operate largely under that Budget.

It is one of our major priorities that the use of capital funds to support recurrent expenses be eliminated, but of course it is not possible to achieve this in one year. While we would have preferred a smaller recurrent deficit and hence a greater ability to finance capital works, we believe that we have gone as far as we could responsibly go at this stage. However, as I shall explain in a moment we are planning to finance a useful increase in the total public sector capital program.

The Government's Economic and Social Objectives

Public sector budgeting involves more than simply balancing the books. It is also a process by which an elected Government of the day puts into effect its objectives and priorities.

The opportunities open to my Government to implement its program have been limited by the severity of the financial problem facing this State. Nevertheless, we have made a

significant start in that process and believe that this Budget sets the framework for further progress.

Our first objective is to do everything we can to stimulate economic growth within the very narrow limits available to a State Government. As I have already outlined, one of the ways we plan to do this is by winding back the use of capital funds to support recurrent deficits and thus enable an increase in real terms in the funds actually spent on capital works. We believe that this will benefit employment in the building and construction industry and provide flow-on benefits to other sectors of the economy.

We will also provide a significant boost to the housing industry through a major increase in the public sector housing program. In 1983-84, with the assistance of the Commonwealth, we will allocate a total of \$224 million in capital funds to the Housing Trust and the State Bank for housing programs. This represents an increase of \$35 million or 18 per cent over the last year. It will finance 3 100 units in the Housing Trust rental stock which represents the largest housing program undertaken by the Government since 1967.

Housing and its financing are covered in Attachment II which deals with the 1983-84 Budget proposals in some detail.

Members will see from the explanation there, that South Australia has nominated the whole of its Loan Council borrowing program for 1983-84 to be taken specifically for housing at concessional rates of interest. In addition we will take into the Budget a large volume of funds invested by statutory authorities to finance our works program. The total planned to be taken in this way is \$127.5 million. The comparable figure for 1982-83 is \$109.7 million, made up of \$4.5 million taken into the Budget and \$105.2 million invested directly with the Housing Trust and the State Bank.

Our total capital program including that part financed directly through the Consolidated Account and that financed otherwise by statutory bodies is estimated to involve expenditure of the order of \$860 million in 1983-84. This will be some \$80 million more than the corresponding total in 1982-83—an increase of more than 10 per cent.

Associated with our general economic objectives is the maintenance of public sector employment. We believe that while unemployment is unacceptably high, the Government should not compound the problem. We also believe that the public sector has a positive role to play in our economy as part of an active partnership with private enterprise.

Prior to the last election, I made a commitment that a Labor Government would maintain overall public sector employment at the levels existing at 1 July, 1982. At the end of the last financial year, we were slightly above that level by a figure which represents less than a 1 per cent increase. To some extent, that increase is associated with temporary employment resulting from natural disasters and consequent timber salvage operations.

In addition to maintaining public sector employment, we also believe that the Government must take direct action to create jobs. In 1983-84, an amount of \$5.7 million will be provided for State Government job creation programs. This allocation will dovetail with the increased funding in this area now being provided by the Federal Government.

In the longer-term, the Government believes that the State must pursue an economic development strategy which addresses the problems of structural imbalance in our economy and offers the means to promote and maintain new employment generating industries in the State.

We have reorganised the State's administrative arrangements in the area of State Development to ensure that the most efficient direction is provided in this vital area. We are conducting a major review of the Government's incentive and assistance programs to ensure that the greatest flexibility is achieved in giving assistance and that we are able to attract the industries which the State needs, as well as helping maintain those who are already established here.

The Budget also gives a high priority to the development and promotion of tourism within the State by significantly expanding funds for its promotion Budget and for regional tourist associations and town tourist offices.

We will also be mounting a major campaign designed to ensure that the State is successful in attracting the Royal Australian Navy's submarine replacement program. This program offers the prospect of considerable employment and new development in high technology industries.

The State Government has been pursuing this project in partnership with the private sector and funds have been made available to the Department of State Development to ensure that this work continues.

Within the 1983-84 Recurrent Budget, we also propose to:—

- continue to develop and market Technology Park
- reinstate funding, to a level of \$400 000, for the production of Government films by the South Australian Film Corporation
- significantly expand job creation initiatives, including the establishment of a Home Assistance Scheme
- expand the Community Improvement Through Youth and the Self-employment Venture Scheme
- establish a new safety and occupational health agency
- meet the demands of the National Companies and Securities Commission and improve enforcement and follow-up procedures
- implement the Second Hand Motor Vehicle Dealers Act
- reallocate resources to:—
 - continue development of a computerised land information system which will reduce costs in future years and provide an improved service to the public, particularly to those in the development area
 - monitor pastoral lands and provide for an arid zone inquiry to determine more effective means of managing this important area
- extend the pensioner spectacle scheme as recently announced
- reallocate resources to:—
 - meet the full year cost of the expanded work of the Intellectually Disabled Services Council, the Alcohol and Drug Addicts Treatment Board and the Geriatric Assessment Unit at the Queen Elizabeth Hospital
 - establish a Health Development Unit and continue the recently established anti-smoking campaign
- provide for women's advisers in both the health and labour ministries
- maintain existing staffing levels in schools overall
- provide high technology programs in schools
- increase the level of assistance for eligible students under the Government Assisted Scholars Scheme
- provide funds to the Education Department for urgent maintenance of some school buildings
- expand the range of courses at the new Noarlunga Community College, continue the Government Apprentice Scheme at Whyalla and provide child care facilities at some Technical and Further Education Colleges
- expand the resources of the Ministry for Technology to promote technological innovation and to monitor technological developments and initiatives
- establish a Senior Secondary Assessment Board of South Australia to replace the Public Examinations Board
- upgrade correctional services in South Australia including extension of the Community Service Order Scheme, staffing of the Greenbush Wing of the Port Augusta Gaol, increased staffing at Yatala Labour Prison and for Yards 1 and 2 at Adelaide Gaol and the staffing of a new Low Security Prison to be built at Northfield
- continue the Cooper Basin Assessment and Development Review
- establish consumer forums, review panels and appeal boards under the Community Welfare Act and increase the resources of the Community Welfare Department to meet an expanding workload
- increase funding to the Country Fire Services Board for additional plant and equipment, training and subsidies to local fire services.

For capital purposes we propose to:—

- proceed with the Stage I redevelopment of the South Australian Museum
- establish a new high school at Aberfoyle Park and a new area school at Kingston in the South East
- provide a large increase in funds for replacement of school buses
- commence the upgrading of the Yatala Labour Prison as a matter of urgency, including the construction of a low security prison at Northfield and a medium security prison in a nearby country location, yet to be determined
- commence construction of a new remand centre in the north-western end of the City of Adelaide
- continue the construction of the North East Busway, with a view to the section west of Darley Road being completed by 1986
- complete the Southern Metropolitan Area boat ramp

Mr Mathwin: That was supposed to be done ages ago.

The SPEAKER: Order! I call the member for Glenelg to order.

An honourable member: Hear, hear!

The SPEAKER: Order! And members who call 'Hear, hear!' are also out of order.

An honourable member: Hear, hear!

The SPEAKER: Order! I do not need the assistance of the Deputy Leader of the Opposition. I remind him that he has been warned.

The Hon. E.R. Goldsworthy: I didn't even open my mouth, Sir.

The SPEAKER: The honourable Premier.

The Hon. J.C. BANNON: For capital purposes, we propose also to:

- establish a health village at Noarlunga and replace the Gilbert Wings at the Adelaide Children's Hospital.
 - continue the construction of the Happy Valley, Little Para and Northern Towns water filtration schemes.
- That list is not comprehensive.

Salaries and Wages

The South Australian Government supports the application of indexation principles through the National Wage Case System. We have also observed the wage pause guidelines as laid down by the State Industrial Commission. This has meant that we have not been able to accede to the request of a number of public sector unions for a general wage increase effective from February, 1983. The Government is aware that public sector employees have been subject to a wage pause along with most other workers in the private sector. The wage pause in the public sector has had the effect of alleviating the recurrent deficit by perhaps \$25 million. That is to say, without it the deficit blow out would have been even higher. It unfortunately did not mean that there was a sum of money immediately available that could have been applied to other purposes. As I have already outlined, the Government inherited a major problem because the allowance for salary and wage increases by the former Government was considerably under-estimated. The Government has argued for and expects that there will be a wage increase following the National Wage Case which is currently being held and has allowed a round sum of \$67 million for such increases over the course of the year.

Longer Term Reviews and Reforms

In order to improve our effectiveness and flexibility we have taken action to set in train several major reviews.

A major review of financial management in the South Australian public sector has been underway for some months. It has wide terms of reference and a varied membership—the Under Treasurer as Chairman, two other senior government officers, an academic economist, the executive head of a major national financial institution and the head of one of our most successful South Australian manufacturing enterprises. This Committee is expected to report progressively with a view to completing its work by June, 1984.

More recently, a review of public service management generally was commenced. The Committee is chaired by the Director, Department of Premier and Cabinet. We are fortunate in having one of our most dynamic leaders from industry as a member. Other members are senior officers from the public service with a wide range of backgrounds.

I will shortly be announcing the terms of reference and membership for a review of revenue raising in the State which I hope will guide future policies in that area.

The Parliament has been advised of the steps we have taken to establish a system of Cabinet Committees, including one on Economic and Budget matters and to give better support to Cabinet.

We are continuing the process of improving systems for the collection, analysis and presentation of public sector financial information—the Treasury Accounting System, Program Budgeting and so on.

In Attachment III, I have outlined initiatives taken by the Constitutional Convention and the Premiers' Conference to look at the States' taxation and other fiscal powers.

None of the things I have mentioned is expected to provide instant or easy solutions to our problems. But, we believe that, taken together, they will give the opportunity for better financial planning and help us reduce the kind of problems which faced my Government when we came into office.

Other Material

Attachment IV to this Statement provides material which allows the finances of the State to be looked at from other points of view. In particular, it provides some data on the State's public sector finances as a whole—that is, including the semi-government sector.

Attachment VI deals with some recent developments in accounting systems and associated matters.

Attachment VII gives information about queries raised by the Auditor-General and departmental responses.

Attachment VIII shows the changes which have occurred in the departmental structure.

The provisions of the Bill are the same as those passed by the Parliament last year, with the exception of Clause 7.

Clause 7 previously authorised the borrowing of a specific sum of money (being the initial Loan Council allocation for the year) and

“such other sums as may be approved by the Australian Loan Council.”

The operative change is in those final words. They now read:—

“such other sums as may be required for the purposes of the State.”

The change was suggested by an unusual allocation by Loan Council in 1982-83 of \$4.5 million semi-government borrowing authority for water treatment. Unlike the water authorities in other States, our Engineering and Water Supply Department is not a statutory body, so it cannot borrow semi-governmentally. Therefore, it was necessary to have a statutory body (in this case, SAGFA) take up the borrowing and then arrange for the proceeds to be lent to the Consolidated Account.

When formal Loan Council approval was sought in order to comply with Clause 7 of last year's Act, I was advised that, strictly speaking, there was some doubt as to Loan Council's legal capacity to approve.

Eventually, formal Loan Council concurrence was obtained in terms which satisfied the State requirement but I deemed it appropriate that the situation should be clarified for this year and the future in case there was a comparable need to borrow in this way.

Subsequent consideration of the implications of this change has led to the consolidation of State allocations for housing which I have described in Attachment II. Thus, from an intention to clarify a technical issue, the opportunity has arisen to make an improvement in the presentation of the State's financial proposals. The implications for Commonwealth assistance to the housing programs make the change to Clause 7 an important part of the 1983-84 Budget strategy.

Mr. Speaker, the Government has now been in office for nine months. We came to Government to find the State's finances already in deficit and we have had to work with a Budget which was seriously flawed. We have also had to cope with a succession of natural disasters more severe than has ever been experienced in this State's history. And we have had to face the problem of a continuing national economic slump.

South Australia has relied for some decades on the manufacturing industries for its prosperity and growth and while those industries will for some years hence still have to provide most South Australians with employment, it is clear that we must now consider new directions for the State.

The Government believes that alongside the problems facing South Australia, there are considerable opportunities and that within this Budget the maximum incentive is provided for those opportunities to be realised.

I seek leave to have inserted in *Hansard*, without my reading them, the attachments.

Leave granted.

ATTACHMENT I

THE YEAR 1982-83

The Budget which was presented to Parliament last year forecast a balance on the 1982-83 operations of the Consolidated Account. That forecast was made up of a deficit of \$42 million on recurrent operations and a surplus of \$42 million on capital works. The achievement of that result would have left the accumulated deficit of \$6.1 million recorded on the Consolidated Account as at 30 June, 1982, unchanged as at 30 June, 1983.

On recurrent operations, receipts were expected to total \$1 883.9 million and payments \$1 925.9 million.

As to capital works, it was anticipated that \$278.1 million of funds would become available and that payments would amount to \$236.1 million.

For recurrent operations, receipts totalled \$1 923.8 million, \$39.9 million above estimate. Recurrent payments at \$2 032.8 million were above estimate by \$106.9 million. The net deterioration of \$67 million increased the deficit on the year's operations to \$109 million.

For capital works, the State received \$293.9 million, \$15.8 million above estimate. Payments at \$242 million were \$5.9 million above estimate. The net improvement of \$9.9 million increased the surplus for the year to \$51.9 million.

The factors contributing to the improvement of \$39.9 million in recurrent receipts were increases above estimate for recoveries of debt services (\$3.4 million, including \$1.4 million of premiums on stocks), other departmental fees and recoveries (\$7.4 million), territorial receipts (\$500 000) and Commonwealth receipts (\$37.8 million) which included a recovery of \$24.7 million under the Natural Disasters Relief Program, a special assistance grant of \$10.5 million and \$4 million under the Special Employment-related Programs Act. Those increases were offset partly by a lower level of receipts than budgeted from State taxation (\$3.3 million), which included the effect of increasing the exemption levels under the Pay-roll Tax Act and for the first home purchaser under the Stamp Duties Act; and from public undertakings (\$5.9 million), largely as a result of the seasonal conditions.

The over-run on recurrent expenditures of \$106.9 million arose from:

- seasonal conditions which increased outlays by \$47.2 million. Payments under the Natural Disasters Relief Program (offset partly by Commonwealth receipts) added \$39.1 million to Budget outlays while the cost of pumping water from the River Murray exceeded estimate (after allowing for a provision within the round sum allowance for price increases), by \$8.1 million.
- the remission of the levy paid by the South Australian

Gas Company and a provision towards the repayment of past semi-government borrowings with respect to Monarto, which added \$4.1 million and \$1.6 million respectively to Budget expenditures.

- the introduction of three programs not planned at the time the Budget was presented to Parliament:
 - a job creation program (offset by Commonwealth receipts) \$4 million
 - the retention of primary and secondary teachers despite falling enrolments; and the restoration of the 1979 ancillary staffing formula \$3.1 million
 - electricity concessions for pensioners \$2.3 million
- the transfer to the Government Insurance Fund (towards the cost of school fires) which was \$4.2 million greater than expected.
- salary and wage awards which are estimated to have cost \$91.5 million as against the Budget estimate of \$74 million (excluding special provisions totalling \$6 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 attachment.
- a residual net overspending by agencies and on miscellaneous lines overall of \$23.2 million, of which \$20.5 million related to the net funding of the Health Commission where receipts came in much lower than the Commission's expectation. The call by agencies on the round sum allowance 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 expenditures in those agencies.
- offset by a small saving of \$300 000 being the net effect of movements in interest and discounts.

The net deterioration on recurrent operations was therefore \$67 million.

The main elements of the deterioration during 1982-83 have been summarized (net) in the following table. The opportunity has been taken to include the summary of estimates given when Supplementary Estimates were presented to Parliament in May, 1983 and also the summary given when I tabled the report of a Treasury review in December, 1982.

It should be noted that the line referred to as "residual net over-spending by agencies and on miscellaneous lines" includes increased grants to the Health Commission. Of the increase in such grants, about \$10.5 million is due to shortfalls in receipts by the Commission. The overall shortfall was about \$21 million and the State's half share of this under hospital cost-sharing arrangements was \$10.5 million.

Recurrent Operations 1982-83

Composition of the Increased Deficit

	Estimate in December 1982 \$ million		Estimate in May 1983 \$ million		Final 1982-83 \$ million	
NATURAL DISASTERS						
● relief and restoration						
— expenditure	27		81		39.1	
— Commonwealth receipts	18	9	58	23	24.7	14.4
● pumping water						
— additional expenditure	7		8		8.1	
— additional revenue	3	4	5	3	4.0	4.1

Recurrent Operations 1982-83—continued

Composition of the Increased Deficit

	Estimate in December 1982 \$ million		Estimate in May 1983 \$ million		Final 1982-83 \$ million	
• loss of revenues						
—Woods and Forests contribution	3		4		4.0	
—harbor revenues	1	4	3	7	3.8	7.8
		17		33		26.3
Less special budget assistance		—		10	23	10.5
SALARY AND WAGE INCREASES		17				15.8
REMISSION OF LEVY PAID BY S.A. GAS COMPANY		30			14	17.5
COST OF ELECTION PROMISES with both revenue and expenditure impact		4			4	4.1
PROVISION TOWARDS REPAYMENT of semi-gov- ernment borrowings with respect to Monarto		7			8	6.9
GOVERNMENT INSURANCE FUND—additional transfer of funds towards cost of school fires						1.6
DEBT SERVICING—public debt		3				4.2
RESIDUAL NET OVER-SPENDING, by agencies and on miscellaneous lines		5			26	23.2
		66			75	71.6
INCREASED RECEIPTS, other than above		4			2	4.6
		62			73	67.0

As to capital works, the improvement of \$15.8 million in receipts included Commonwealth receipts for specific purposes (\$10.1 million), funds invested by statutory authorities (\$4.5 million) and an increased provision by Loan Council to cover discounts (\$1.7 million). Repayments and recoveries from State sources were below expectation by \$500 000.

Payments were above estimate by \$5.9 million. Additional advances for housing amounted to \$8.5 million and a special non-interest bearing loan of \$11 million, provided by the Commonwealth Government as part of its assistance towards the clearing of forest plantations and the storage of damaged logs as a result of the Ash Wednesday bushfires, increased the advance to the Woods and Forests Department. Those additional advances were offset partly by savings in the areas of transport, harbor works, health, waterworks, sewers and irrigation and by a number of other variations both above and below estimate.

The net improvement on capital works was \$9.9 million.

The combined effect of a deterioration of \$67 million on recurrent operations and an improvement of \$9.9 million on capital works was to turn a planned overall balance into a deficit on the Consolidated Account of \$57.1 million for the year.

At 30 June, 1982, there was an accumulated deficit of \$6.1 million on the Consolidated Account. By 30 June, 1983, this had become a deficit of \$63.2 million.

RECURRENT ACTIVITIES

RECEIPTS

Taxation

Receipts from all forms of motor vehicle taxation were above estimate by \$4.6 million. The full year impact of increased fees introduced in April, 1982 was greater than estimated, and the impact of provisional licences converting to three year licences exceeded expectation. In addition the level of funds in the Motor Vehicles Clearing Account was reduced significantly. These receipts form part of a net transfer from recurrent operations to the Highways Fund and have no impact on the Budget.

Payroll tax collections were below estimate by \$8.2 million. The effect of the wage pause, a lower than expected level of employment and the Government's decision to increase the exemption level from \$125 000 to \$140 000 with effect from 1 January, 1983 all contributed to the shortfall.

Collections from stamp duties were below estimate by \$697 000. A lower than expected growth in the average value of property transactions and the effect of an increase in the first home concession from \$30 000 to \$40 000 with effect from 1 December, 1982, was offset partly by increased duty from motor vehicle registrations, annual licences of insurance companies and mortgage transactions.

Revenues collected under the Business Franchise (Petroleum Products) Act were \$508 000 below Budget due to a higher than expected level of outstanding fees as at 30 June, 1983. Like motor vehicle taxation, it has no net impact on recurrent activities.

Licence fees received under the Business Franchise (Tobacco) Act were \$557 000 above Budget. The impact of

the Commonwealth Government's increase in excise duty from 17 August, 1982, on the taxable value of tobacco products, was greater than expected.

The contribution from the Electricity Trust of South Australia exceeded estimate by \$616 000, mainly as a result of the impact of a 12 per cent increase in tariffs from 1 December, 1982.

Public Undertakings

Revenues of the Department of Marine and Harbors fell short of Budget by \$3.8 million. Seasonal conditions, with a consequent reduction in bulk grain throughput, was the major factor in the shortfall.

Revenues from water and sewerage rates, excess water, irrigation charges and other earnings of the Engineering and Water Supply Department were \$4 million above Budget. This increase was due to a higher than expected usage of water as a result of the drought.

The Woods and Forests Department was unable to make a contribution to Consolidated Account in 1982-83. Market conditions, the dumping of timber from New Zealand and the United States of America and the effect of the disastrous Ash Wednesday bushfires placed considerable pressure on the Department's finances.

Recoveries of Debt Services

Recoveries of debt services exceeded estimate by \$3.4 million largely as a result of the State Transport Authority and the State Bank of South Australia taking up their capital allocations sooner than anticipated. Interest payments therefore commenced earlier than expected.

Other Departmental Fees and Recoveries

Receipts under Treasurer—Miscellaneous were about \$3.2 million above estimate. The following receipts were not anticipated at the time the Budget was presented:—

- premiums amounting to \$1.4 million, associated with the sale of Commonwealth Government bonds used to finance the State's borrowing program during 1982-83,
- a new arrangement introduced during the year to meet the accruing cost of superannuation for the State Transport Authority which required a contribution from the Authority of \$1.6 million.

Repayment of interest by Riverland Fruit Products Cooperative Ltd (Receivers and Managers appointed) was the principal reason for receipts under Minister of State Development—Miscellaneous exceeding estimate by \$704 000.

Recoveries by the Public Buildings Department exceeded estimate by \$781 000. It was originally anticipated that maintenance of certain South Australian Health Commission assets would become the direct responsibility of the Commission from 1 October, 1982. This did not eventuate and the Department continued to undertake the work and re-charge the Commission.

Receipts collected by the Courts Department were above estimate by \$542 000 due mainly to the average fine for minor traffic offences being higher than anticipated.

Receipts of the Corporate Affairs Commission were \$960 000 below estimate. The number of new companies incorporated, annual return lodgements and company and business names searches were all below anticipated levels.

Receipts of the Department of Public and Consumer Affairs exceeded Budget by \$548 000. The recoup of the cost of the Residential Tenancies Branch, for the period 1 December, 1978 to 30 June, 1981, from the Residential Tenancies Fund was the main reason for the increase.

Collections by the Department of Lands exceeded estimate by \$773 000. The introduction of a new fee structure within the Registrar-General's Office, combined with an increased volume of documents lodged, accounted for the major part of the increase.

The contribution from the Department of Services and Supply was below estimate by \$759 000. The Government Printing Division was unable to make a contribution due to a reduced volume of work, as a result of public service expenditure constraints, and higher costs.

The number of land parcels sold at Monarto was above expectation. This was the principal reason for revenues under Minister of Lands and Minister of Repatriation — Miscellaneous exceeding estimate by \$821 000.

Receipts of the Police Department exceeded estimate by \$1.7 million. An increase in the number of fines paid under the Traffic Infringement Notice Scheme and an increase, from 9.8 per cent to 12 per cent, in the proportion of motor registration fees recouped from the Highways Fund for police services were the main factors.

Territorial

The revenue collected by the Department of Lands was \$849 000 above Budget. The increase largely reflected the closure of the Marginal Lands Improvement Account and the transfer of the balance in that account to the Consolidated Account.

Commonwealth Receipts

● Specific Purpose

Commonwealth grants of \$4 million were received under the Special Employment-related Programs Act. These funds represent part of a total of \$17.5 million to be made available to the State under this Act in 1983.

In the course of the year the Commonwealth Government adjusted funding levels for some programs in the education

area on the basis that the wage pause reduced the requirement for prospective supplementation allowances under those programs.

Commonwealth grants for Technical and Further Education increased by about \$1.1 million in 1982-83 for a range of specific purpose programs, including the Adult Migrant Education Program.

A total of \$24.7 million was credited to the Consolidated Account in accordance with agreed arrangements under the Natural Disasters Relief Program.

● General Purpose

South Australia's tax sharing grant for 1982-83 was estimated by the Commonwealth at the time of the State Budget to be \$866.4 million. Following adjustments made during the year to reflect final State population data and calculated Commonwealth tax collections, the final grant paid to this State was \$864.1 million. It was based on the real terms guarantee (2 per cent) above the actual movement in the Consumer Price Index (year ended March, 1983).

The Commonwealth Government provided a grant of \$10.5 million to the State as special financial assistance in recognition of the impact on the State Budget of the bushfires in February, 1983.

PAYMENTS

Many departments exceeded their Budget allocations in 1982-83. Increases in salary and wage awards and in the price of goods and services were contributing factors in those excesses. While the extent of salary and wage increases can be isolated (and has been shown in individual departmental explanations in this attachment) it is not practicable to isolate increases in prices. However, it would be reasonable to assume that most departments would have had a legitimate call on the round sum allowance for some part at least of their expenditure over-runs.

Special Acts

The State Government's payment to the South Australian Superannuation Fund in 1982-83 exceeded Budget by \$1.2 million. Retirements in 1982-83 were greater than expected.

The transfer to the Highways Fund was \$3 million above Budget. Increased receipts from motor vehicle taxation and petroleum licensing fees totalling \$4.1 million, were offset partly by increased expenditure, mainly in the area of the Australian Bicentennial Road Development Program. 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.

Payments by the Government under the Industries Development Act and Rural Advances Guarantee Act were \$210 000 more than expected. The major payment related to an unsuccessful debenture issue by the Ramsay Trust.

The late allocation by the Commonwealth Government of bonds and stocks used to finance the 1982-83 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 \$3.8 million below estimate.

Premier

For the Department of the Premier and Cabinet:—

- expenditure exceeded the Budget estimate by \$88 000 salary and wage award increases amounted to \$140 000
- some offsetting savings occurred as a result of reorganisational changes, including the establishment of a new Department of State Development.

For the Department of the Public Service Board:—

- expenditure exceeded the Budget estimate by \$114 000

- salary and wage award increases amounted to \$221 000
- non-filling of vacancies resulted in some savings.

For Premier—Miscellaneous, increased costs associated with the Premier's Bushfire Relief Appeal (\$200 000) and the Royal Commission—E.C. Splatt (\$228 000) were offset, partly, by a grant to the Sir Thomas Playford Memorial Trust not being taken up in 1982-83 and a reduction in expenditure on South Australia's 150th Anniversary Celebrations 1986.

Treasurer

For Treasury Department:—

- expenditure exceeded the Budget estimate by \$660 000
- \$230 000 of that excess was the result of salary and wage award increases
- additional refunds and remissions of tax, including for a borrowing arrangement by the South Australian Housing Trust, offset partly by savings on systems development, accounted for the balance of the excess expenditure.

For Treasurer—Miscellaneous expenditure exceeded estimate by \$12.2 million. Factors contributing to that excess were:—

- the State's borrowing program for 1982-83 was financed by the Commonwealth Government from bonds issued at a discount. While equivalent new borrowings are provided by Loan Council to cover the cost of writing up those proceeds to the face value of the bond, an additional \$3.5 million was required to meet the cost of the difference between the estimated and actual levels of discount
- an additional \$4.2 million was made available to the Government Insurance Fund towards the cost of restoration of schools damaged by fire in 1982-83.
- to reduce the impact of higher gas prices on tariffs, the previous Government undertook to remit the licence fee payable by the South Australian Gas Company with respect to the period 1 January, 1982, to 30 June, 1983. \$4.1 million was required for this purpose.

Minister of State Development

The new Department of State Development was created on 10 March, 1983, incorporating the functions of the former Office of State Development, within the Department of the Premier and Cabinet, and the Department of Trade and Industry.

Expenditure by the new Department (\$854 000) and by the Department of Trade and Industry up to and including 9 March, 1983, (\$1 176 000) totalled \$2 030 000 and exceeded the Budget estimate by \$405 000.

The excess resulted mainly from:

- salary and wage award increases of \$91 000
- a marketing consultancy, through Graydon and Associates, of \$218 000.

The original Budget estimates provided \$15.6 million under the previous Government's portfolio of Minister of Industrial Affairs—Miscellaneous. \$14.5 million of that amount related to State development, including incentives to industry and a proposed payment to cover losses expected to be incurred by Riverland Fruit Products Cooperative Ltd., (Receivers and Managers appointed). In the event \$13.1 million was spent. Incentive claims were lower than expected and the payment to the Riverland Co-operative was \$500 000 below estimate.

Minister for the Arts

For the Public Buildings Department:—

- expenditure exceeded the Budget estimate by \$270 000
- \$231 000 of that excess was the result of salary and wage award increases.

For Minister for the Arts—Miscellaneous expenditure was \$109 000 below estimate. Debt servicing costs of major Arts bodies were lower than expected.

Minister of Labour

For the Department of Labour:

- expenditure exceeded the Budget estimate by \$589 000
- \$472 000 of that excess was the result of salary and wage award increases
- the remainder largely involved additional expenditure associated with the job creation and workers' rehabilitation programs.

The original Budget estimates provided \$15.6 million under the previous Government's portfolio of Minister of Industrial Affairs—Miscellaneous. \$1.1 million of that amount related to matters of an employment and industrial relations nature associated with the present portfolio of Minister of Labour. The appropriation of \$4 million received from the Commonwealth Government under the Special Employment-related Programs Act, was the main factor in an increased expenditure of \$3.8 million.

Minister of Public Works

For the Public Buildings Department:—

- expenditure exceeded the Budget estimate by \$7.4 million
- \$2.1 million of that excess was the result of salary and wage award increases
- the remainder of the excess mainly involved costs associated with the maintenance of Health Commission assets, which were not transferred to the Health Commission as planned—\$1.5 million; the costs of preliminary investigations of capital projects not proceeded with (\$900 000); the development of an asset information system (\$490 000); and the utilisation of the workforce on recurrent activities generally, rather than on capital works and reimbursement works as planned originally (\$2.4 million).

Attorney-General

For the Attorney-General's Department:—

- expenditure exceeded the Budget estimate by \$154 000
- salary and wage award increases amounted to \$326 000
- the main saving resulted from the transfer of the Coroner's Court to the Courts Department.

For the Courts Department:—

- expenditure exceeded the Budget estimate by \$984 000
- salary and wage award increases amounted to \$772 000
- the remainder of the excess resulted from the transfer of the Coroner's Court to the Department.

Increased costs associated with compensation payments for criminal injuries accounted for increased expenditure of \$318 000 under Attorney-General—Miscellaneous.

Minister of Corporate Affairs

For the Department of the Corporate Affairs Commission:—

- expenditure exceeded the Budget estimate by \$305 000
- \$95 000 of that excess was the result of salary and wage award increases
- additional expenses with respect to the full implementation of the National Scheme and the transfer of the Building Societies and Credit Union functions from the Department of Public and Consumer Affairs mainly contributed to the balance of the excess.

Minister of Consumer Affairs and Minister of Ethnic Affairs

For the Department of Public and Consumer Affairs:—

- expenditure exceeded the Budget estimate by \$1.3 million
- \$441 000 of that excess was the result of salary and wage award increases
- the remainder of the excess was mainly the result of the transfer of the Ethnic Affairs Commission to the Department, offset partly by the transfer of the Building Societies and Credit Union functions to the Department of the Corporate Affairs Commission.

Minister for Environment and Planning

For the Department of Environment and Planning:—

- expenditure exceeded the Budget estimate by \$1.9 million
- \$1.5 million of that excess was the result of salary and wage award increases
- the Ash Wednesday bushfires and an increase in general operating costs accounted for most of the remainder of the excess expenditure.

Expenditure under Minister for Environment and Planning—Miscellaneous exceeded Budget by \$517 000. Responsibility for the Royal Zoological Society was transferred to the Minister for Environment and Planning during the year and an agistment area for the Zoo was established at Monarto.

Minister of Lands and Minister of Repatriation

For the Department of Lands:—

- expenditure exceeded the Budget estimate by \$2.4 million
- \$1.9 million of that excess was the result of salary and wage award increases
- the remainder of the excess mainly occurred as a result of the Government's decision to relinquish its involvement in Wardang Island.

For the Department of Services and Supply:—

- expenditure exceeded the Budget estimate by \$529 000
- \$430 000 of that excess resulted from salary and wage award increases
- the remainder of the excess mainly occurred in the development of a Justice Information System.

Expenditure under Minister of Lands and Minister of Repatriation—Miscellaneous was \$941 000 greater than anticipated. The transfer to a special Deposit Account of \$1.6 million, to meet the repayment of semi-government borrowings of the former Monarto Development Commission as they fall due, was partly offset by the transfer of the responsibility for the Royal Zoological Society to the Minister for Environment and Planning and a lower than expected expenditure on land management and disposal at Monarto.

Minister of Transport

For the Department of Transport:—

- after taking into account the creation of a new Department of Recreation and Sport (previously a division of the Department of Transport), the Budget estimate for the Department of Transport was \$12.6 million
- actual expenditure by the Department of Transport exceeded that estimate by \$535 000
- \$525 000 of the excess resulted from salary and wage award increases.

For the Highways Department:—

- expenditure exceeded estimate by \$3.5 million
- \$2.4 million of that excess resulted from salary and wage award increases
- the remainder mainly involved the employment of additional manpower resources for work associated with the Australian Bicentennial Road Development Program.

After taking into account salary and wage award increases of \$6.6 million, the contribution towards the State Transport Authority's deficit was \$694 000 below estimate. The main contributing factor was a revised reimbursement method for concessional travel which involved an increase of \$7.2 million in the receipts of the Authority. This was offset partly, by new superannuation arrangements (\$1.6 million); increased fuel costs (\$1.1 million); a reduction in income from traffic receipts (\$1 million) and investment income (\$1.4 million); an increase in railcar maintenance and general costs.

Excluding the State Transport Authority and lines which have been transferred to Minister of Recreation and Sport—Miscellaneous, other expenditure under Minister of Transport—Miscellaneous exceeded estimate by \$3.5 million.

A revised method of calculating reimbursement to the State Transport Authority for concessional travel for pensioners and children resulted in additional payments to the Authority of \$2.6 million and \$800 000 respectively. Increased payments to private bus operators for concessional travel also added to the over-run.

Minister of Marine

For the Department of Marine and Harbors:—

- expenditure exceeded the Budget estimate by \$3.1 million
- \$1 million of that excess arose from salary and wage award increases
- emphasis on maintenance dredging (rather than construction dredging), additional terminal leave payments and general cost increases made up the balance of the excess.

Payments under Minister of Marine—Miscellaneous exceeded estimate by \$448 000. Preliminary investigations associated with capital projects not proceeded with and a greater than expected refund under the Mobil Lubricating Oil Refinery (Indenture) Act 1976 accounted for most of the over-run.

Minister of Health

The net cost to the State of supporting government and non-government hospitals and a number of related bodies (excluding special grants) exceeded estimate by \$50.6 million. The cost of salary and wage award increases (\$30.1 million); increased costs of food, drugs, etc. (\$4.7 million); a \$21 million shortfall in receipts which is borne equally with the Commonwealth; the re-negotiation of budgets for some health units (\$4.8 million) and an increased workers' compensation payment to the State Government Insurance Commission were the major factors contributing to the Budget over-run.

Minister of Education and Minister for Technology

For the Education Department:—

- expenditure exceeded estimate by \$28.3 million
- \$24.1 million was the direct result of salary and wage award increases
- the balance, \$4.2 million, resulted from a number of variations both above and below Budget:—

—additional expenditure of \$9 million occurred mainly as a result of the retention of 231 teaching positions (\$2.2 million); the restoration of the 1979 ancillary staffing formula (\$870 000); a slower than expected turnover of cleaning staff (\$1.5 million); and a higher than expected demand for temporary relieving teachers (\$700 000)

—savings of \$4.8 million occurred largely as a result of a lower than expected requirement for salary increments (\$1 million) and a lower than expected cost of replacing teaching staff.

For the Department of Technical and Further Education:—

- expenditure exceeded the Budget estimate by \$4 million
- \$2.9 million of that excess resulted from salary and wage award increases
- the remainder was mainly for Commonwealth programs which were confirmed after presentation of the State Budget in 1982.

Expenditure under Minister of Education and Minister for Technology—Miscellaneous exceeded estimate by \$3.8 million after allowing for salary and wage award increases, mainly for the Kindergarten Union, (\$2.9 million). This was due largely to an increase in the payment made to the State Transport Authority for transport passes for concessional students (\$2.7 million) and to the effect of salary and wage award increases under the formula for determining the level of grants to non-Government schools (\$919 000). In addition an interim payment (\$136 000) was made to the South Australian College of Advanced Education for the retention of academic staff.

Chief Secretary

For the Police Department:—

- expenditure was \$4.2 million above the Budget estimate
- \$1.9 million of that excess was the result of salary and wage award increases
- the remainder was mainly for salary costs associated with police officers' increments and terminal leave payments (\$744 000), an increased Government contribution towards Police Pensions (\$784 000) and the increased cost of consumables.

For the Department of Correctional Services:—

- expenditure exceeded the Budget estimate by \$1.4 million
- \$742 000 was the direct result of salary and wage award increases
- the remainder was mainly for costs associated with incidents at Adelaide Gaol and Yatala Labour Prison, (\$203 000), an increase in hospital watches resulting from an increased demand for hospital services for inmates (\$106 000) and increased costs of consumables.

Minister of Tourism

For the Department of Tourism:—

- expenditure exceeded the Budget estimate by \$468 000
- \$155 000 of that excess resulted from salary and wage award increases
- the remainder was mainly for an expanded program to advertise and promote the State.

Minister of Mines and Energy

For the Department of Mines and Energy:—

- expenditure exceeded estimate by \$969 000
- \$862 000 was the direct result of salary and wage award increases
- the remainder was mainly for administrative costs associated with planning emergency fuel rationing procedures and additional terminal leave payments.

Minister of Community Welfare and Minister of Aboriginal Affairs

For the Department for Community Welfare:—

- expenditure exceeded the Budget estimate by \$2.7 million
- \$1.4 million of that excess resulted from salary and wage award increases
- the remainder was mainly for increased staffing levels, administrative costs associated with the implementation of the Electricity Concession Scheme for pensioners, the provision of resources to meet needs arising from natural disasters, and increased costs of consumables.

Payments under Minister of Community Welfare and Minister of Aboriginal Affairs—Miscellaneous exceeded estimate by \$4.5 million. The introduction of the Electricity Concession Scheme (\$2.3 million); a higher than anticipated cost of rate and tax concessions for pensioners and other persons in need (\$544 000); an increased contribution to the State Transport Authority for transport concessions provided to the unemployed (\$1.2 million) and increased Commonwealth grants for child care services (\$179 000) and Senior Citizens Centres (\$230 000) were the main reasons for the over-expenditure.

Minister of Water Resources

For the Engineering and Water Supply Department:—

- expenditure exceeded the Budget estimate by \$14.1 million
- \$9.1 million of that excess was the result of increased pumping from the River Murray due to the adverse seasonal conditions (of which \$1 million was provided from the round sum allowance for increased prices)
- a further \$4 million was the result of salary and wage award increases
- the remainder resulted mainly from increased chlorination and fluoridation costs (\$255 000) as a result of increased pumping; water carting (\$180 000); a greater than planned use of the workforce on maintenance (\$730 000); and increased costs generally (\$574 000); offset partly by savings on chemical costs (\$299 000); reduced overhead rates (\$424 000); and terminal leave payments (\$126 000).

Minister of Recreation and Sport

The Department of Recreation and Sport was established on 11 November, 1982. It was previously a division of the Department of Transport. \$1.5 million was included in the Budget estimate of the Department of Transport for the Recreation and Sport Division.

For the Department of Recreation and Sport:—

- actual expenditure by the Department exceeded that Budget estimate by \$244 000
- \$61 000 was the direct result of salary and wage award increases
- the remainder was due largely to the cost of manpower resources being greater than expected and the transfer of responsibility for Frahn's Farm to the Department.

For Minister of Recreation and Sport—Miscellaneous:—

- the Budget estimate for Minister of Transport—Miscellaneous included \$1.3 million for recreation and sport purposes

- expenditure under the new portfolio of Minister of Recreation and Sport—Miscellaneous exceeded that amount by \$246 000
- the additional expenditure arose largely as a result of additional payments from the Recreation and Sport Fund (\$169 000), offset by an equivalent receipt to Consolidated Account; a contribution to the 1984 Olympic Games Appeal (\$25 000), and a grant to the South Australian Jockey Club approved by the previous Government (\$23 000).

Minister of Housing and Minister of Local Government

For the Department of Local Government:—

- after allowing for the transfer of the Ethnic Affairs Commission to the Department of Public and Consumer Affairs, expenditure by the Department of Local Government exceeded estimate by \$624 000
- \$344 000 was the direct result of salary and wage award increases
- the remainder of the over-run resulted mainly from additional manpower in the libraries divisions (\$205 000).

Minister of Agriculture and Minister of Forests

For the Department of Agriculture:—

- expenditure was \$2.7 million above the Budget estimate
- \$2.1 million was the direct result of salary and wage award increases
- the remainder was mainly for natural disaster administration (\$252 000); fruit fly eradication (\$401 000); terminal leave payments (\$125 000); general increases in operating costs (\$194 000); and the transfer of the Veterinary Science Division to the Department (\$96 000); offset partly by savings on the Bovine Brucellosis and Tuberculosis Eradication Program (\$412 000).

Expenditure under Minister of Agriculture and Minister of Forests—Miscellaneous exceeded Budget by \$38.7 million. That over-run was largely as a result of expenditures under the Natural Disasters Relief Program of \$39.1 million (drought \$29.8 million, bushfires \$6.3 million, flood \$1.8 million and frost \$1.2 million), offset partly by savings from the SAMCOR Deficit Fund of \$409 000.

CAPITAL WORKS

RECEIPTS

Loan Council

Loan raisings and capital grants to provide new cash in 1982-83 were as originally included in the Capital Estimates. The State nominated \$25 million of borrowed funds for housing purposes at a concessional interest rate.

Additional borrowings provided by Loan Council to cover discounts on the issue of bonds amounted to \$7.2 million.

Funds Invested by Statutory Authorities

A special borrowing authority of \$4.5 million, approved by the Commonwealth Government for water filtration, was taken up by the South Australian Government Financing Authority, instead of the South Australian Housing Trust as originally planned.

Repayments and Recoveries

In the 1982-83 Estimates it was planned that recoveries would be made from a number of areas, including from the sale of surplus government land. While recoveries from the Engineering and Water Supply Department exceeded esti-

mate, recoveries from the sale of land and disposal of motor vehicles were below expectation.

The Commonwealth Government allocates stocks and bonds to cover borrowings by the State. A greater than anticipated proportion of those stocks and bonds were provided at a discount. While the cost of discounts is charged in the first instance to the capital side, a recovery from recurrent funds is necessary to give full effect to the transaction. This recovery exceeded the Budget estimate by \$4.3 million.

As mentioned earlier, a special borrowing of \$4.5 million (and repayment to the Consolidated Account) was not taken up by the South Australian Housing Trust.

In the event, total recoveries from State sources were below estimate by \$548 000.

Specific Purpose Funds

Commonwealth payments for specific purposes exceeded estimate by \$10.1 million.

The Commonwealth Government, as part of a total package, provided an interest free loan of \$11 million, repayable at the end of three years, to assist in the salvage and storage of logs from the Woods and Forests Department's plantations damaged by fire in February, 1983.

That loan was the main factor contributing to the excess.

PAYMENTS

Treasurer

The demand for rental housing accommodation continues to increase. An additional \$8.5 million was made available in 1982-83 to attract concessional interest funds from the Commonwealth Government for housing purposes.

Minister of Public Works

Expenditure on Technical and Further Education projects exceeded estimate by \$1.1 million. The increase was due to progress being faster than anticipated on several projects. Additional Commonwealth funds matched most of the over-run.

Minister of Lands and Minister of Repatriation

Expenditure by the Department of Services and Supply was \$353 000 below estimate. Delays in the delivery of plant and equipment were the cause of this under-expenditure.

Minister of Transport

Progress on the North East Busway and on the new railcar depot and workshops was slower than anticipated. This factor combined with a decision to lease rather than purchase rolling stock enabled the provision of funds to the Authority from Consolidated Account to be reduced to meet urgent needs in the housing area.

Minister of Marine

Expenditure by the Department of Marine and Harbors was \$5 million below estimate.

A delayed start on dredging work at Port Pirie and the non-delivery of major plant items were the main reasons for the under-expenditure.

Minister of Health

The late delivery of major items of medical equipment was the main reason for the advance to the South Australian Health Commission for capital purposes being \$1.7 million below estimate.

Minister of Water Resources

Expenditure by the Engineering and Water Supply Department on waterworks, sewers and irrigation was \$1.6 million below estimate. Some delay in the letting and completion of contracts contributed to the reduced expenditure.

Minister of Housing and Minister of Local Government

Slower than anticipated progress by local government authorities on effluent drainage projects resulted in payments to local government authorities being \$746 000 below estimate.

Minister of Agriculture and Minister of Forests

The additional advance of \$11 million to the Woods and Forests Department reflects the interest free loan provided by the Commonwealth Government to assist with the salvage and storage of logs from forests damaged in the February, 1983 bushfires. The loan is repayable at the end of three years.

Minister of Fisheries

The acquisition of research and patrol vessels was deferred to permit a reassessment of needs. As a consequence, expenditure was \$830 000 below estimate.

ATTACHMENT II**THE 1983-84 BUDGET**

The proposal is for a small deficit of \$5 million on the year's operations.

RECURRENT ACTIVITIES

The forecast for 1983-84 is for a deficit of \$33 million on the year's operations. The need to make a significant provision once again for likely salary and wage increases and for price increases has made it necessary to hold capital funds to finance recurrent operations. The level of support needed from capital funds has been contained by:—

- applying stringent measures to the allocations for recurrent expenditures
- ensuring that the fees and charges levied for a wide range of Government services are not eroded by inflation
- the introduction of the taxation package I referred to earlier.

Aggregate recurrent receipts are expected to total about \$2 149.5 million and aggregate recurrent payments about \$2 182.5 million. The forecast of payments comprises provision for:—

- normal running expenses of \$2 085.5 million at salary and wage rates as at 30 June, 1983, and at price levels which include some allowance for inflation
- a round sum allowance of \$67 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 \$30 million for the possible cost of further increases during the year in prices of supplies and services; and for some contingent items which may occur.

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 (and contingent items), where agencies can demonstrate that cost increases overall (or special unforeseen commitments overall) are greater than the funds included in their detailed appropriations, extra funds will be made available from the round

sum allowance of \$30 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 \$225.7 million (11.7 per cent) from \$1 923.8 million last year to \$2 149.5 million. After allowing for abnormal receipts in each year (such as natural disaster relief, job creation etc.) the variation to the percentage increase is not significant.

Unfortunately because of the serious Budget situation which has arisen over recent years, exacerbated by the effects of the worst natural disasters in the State's history and by rising costs, the Government has had no alternative but to increase a number of taxation rates and introduce a major new taxation measure. Many charges have had to be increased to enable the Government to recover a reasonable part of the cost of services provided to the public.

Despite that grim picture, the Government has acted to implement an election promise and increase further the payroll tax exemption level with effect from 1 July, 1983.

Taxation

Land tax receipts are expected to be \$28.5 million in 1983-84 compared with \$23.7 million in 1982-83. The estimate has regard to:—

- the annual revaluation of the City of Adelaide
- revaluations by the Valuer-General of that portion of the State which is subject to a general revaluation in respect of the 1983-84 tax year
- land tax equalisation factors determined by the Valuer-General for that portion of the State not subject to a general revaluation in respect of the 1983-84 tax year
- exemptions from land tax for the principal place of residence and for land used for primary production.

The contribution from the Hospitals Fund is expected to increase from \$25 million in 1982-83 to \$31 million in 1983-84. That improvement reflects an expected increase in payments to the Fund by the South Australian Totalizator Agency Board and the South Australian Lotteries Commission.

Receipts from motor taxation are expected to bring in \$58.9 million in 1983-84, compared with \$58.6 million in 1982-83 (which included a special transfer of funds). This item forms part of a net transfer from recurrent operations to the Highways Fund and has no net impact on the Budget.

The estimate of receipts from payroll tax has regard to the carryover effect of salary and wage increases granted in 1982-83, to expected salary and wage increases in 1983-84 and assumes that employment levels may remain fairly steady overall during the year. It has regard also to the increase in the general exemption levels and the cessation of refunds to taxpayers employing young workers, both of which came into effect on 1 July, 1983. The estimate is for receipts of \$235 million in 1983-84 compared with \$222.8 million in 1982-83.

Legislation will be presented in October to give effect to the introduction of a Financial Institutions Duty and the reduction or removal of some other stamp duties. At this stage, decisions have not been taken on the rate for F.I.D., on the extent of exemptions or on just what other taxes are to be varied. We propose to deal with these matters as a package and our decisions on the various elements will take

into account the forthcoming discussions with financial institutions and interested parties.

Our target is to achieve a net increment of revenues of the order of \$16 million in a full year. The 1983-84 Budget includes a broad part year estimate of \$8 million.

It is expected that stamp duties will increase from \$118.3 million in 1982-83 to \$136 million in 1983-84. The expected improvement assumes a modest increase in property transactions and reflects the effect of inflation on transactions generally. The estimate also takes into account the increase from 6 per cent to 8 per cent in the annual fee for a general insurance licence. At this stage, the estimates have not been varied to take account of removal of certain stamp duties going hand in hand with the introduction of F.I.D. As explained above, the package has not yet been determined in detail.

Legislation has been introduced to increase fees under the Licensing Act, for all licences granted on or after 1 April, 1984, to 12 per cent of the total value of sales in a defined antecedent period instead of 9 per cent. The existing lower rate for low alcohol beverages will be maintained. The variation is expected to bring in additional revenue of about \$2 million in 1983-84 and \$7 million in a full year. Receipts from this source are expected to realise \$22 million in 1983-84.

Fees under the Business Franchise (Petroleum Products) Act are expected to increase from \$25.8 million last year to \$37 million in 1983-84. That increase reflects the part year effect of an increase in licence fees which is to come into effect from and including 1 October, 1983. In accordance with the recent amendment to the legislation, \$25.8 million will be transferred to the Highways Fund in 1983-84 as part of a net transfer from recurrent operations, with all receipts in 1983-84 above that amount retained in Consolidated Account.

Recent legislation has increased the fee payable under the Business Franchise (Tobacco) Act, for all licences granted on or after 1 October, 1983, to 25 per cent of the value of sales in a defined antecedent period instead of 12.5 per cent. Receipts from this source are expected to be about \$30 million in 1983-84, compared to \$16.1 million last year.

Statutory Corporation Contributions

Statutory corporation contributions are expected to remain at about the same money level in 1983-84 (\$27 million). An increase in the contribution by the Electricity Trust of South Australia, which reflects the full year impact of increased tariffs from 1 December, 1982, is expected to be offset by a lower contribution from the State Bank and the Savings Bank as a result of the effect on profitability of a reduction in the margins earned on funds held by those institutions.

Public Undertakings

Revenues of the Department of Marine and Harbors are expected to be \$31.4 million in 1983-84. That estimate allows for the effect of increased port charges from 21 July, 1983, a full year's operation of the new Port Bonython facilities, a return to normal levels of grain throughput following the improvement in seasonal conditions and for cargo throughput to remain at about the present level.

Revenues collected by the Engineering and Water Supply Department are anticipated to increase from \$154 million in 1982-83 to \$177 million in 1983-84. That improvement follows an increase in:—

- the price of water from 37 cents to 45 cents per kilolitre
- water and sewer rates, each on average, of 16 per cent
- irrigation and drainage charges of 28 per cent

all with effect from 1 July, 1983.

The recent bushfires have placed considerable pressure on the finances of the Woods and Forests Department. While a projected improvement in the housing area will bring some benefit, a contribution from the Department is not anticipated in 1983-84.

Recoveries of Debt Services

Recoveries of debt services are expected to increase from \$99.6 million in 1982-83 to \$103.4 million in 1983-84. That increase is due largely to a combination of two factors. First, the cash reserves held by Treasury have been depleted by an increasing Budget deficit and investment earnings have been affected adversely. Second, the borrowing programs of most statutory authorities are to be refinanced through the South Australian Government Financing Authority and as part of the arrangements those authorities will be paying a calculated average rate (see Attachment V). The Electricity Trust, which is formally outside the ambit of SAGFA, will pay to the Government a current rate on its borrowings from the Government. The benefit to the Consolidated Account from these financing arrangements is expected to be about \$14 million a year.

Other Departmental Fees and Recoveries

Receipts under Treasurer—Miscellaneous are expected to amount to \$20.7 million in 1983-84, compared with \$29.6 million in 1982-83. An advance of \$10 million was recalled from the State Transport Authority last year.

Receipts under the Minister of State Development—Miscellaneous are expected to be \$1.4 million in 1983-84, compared with \$704 000 last year. The increase reflects interest due on loans with respect to Riverland Fruit Products Cooperative Ltd (Receivers and Managers appointed).

Fees collected by the Department of the Corporate Affairs Commission are expected to increase from \$5.5 million in 1982-83 to \$6 million in 1983-84. The increase reflects improved enforcement and follow-up procedures, and a recent decision by the Ministerial Council for Companies and Securities to raise fees during 1983-84 on average by 7.5 per cent with effect from 1 October, 1983.

As part of the Government's policy to improve accountability and responsibility in the public sector, the Department of Services and Supply will be charging departments for services provided by the Chemistry and Forensic Science Divisions, with effect from 1 July, 1983. Increased revenue from that arrangement will be offset partly by a reduced contribution from the Government Computing Centre Division. Receipts of the Department are expected to bring in \$6.6 million in 1983-84, compared with \$5.3 million in 1982-83.

Receipts of the Department of Technical and Further Education are expected to increase from \$1.3 million last year to \$2.2 million in 1983-84. The Government proposes to seek support from industry and commerce for its Stream 4 programs, and introduce registration charges for all courses and tuition fees for some vocational courses from the commencement of the 1984 academic year.

Revenues collected by the Police Department are expected to increase from \$12.4 million in 1982-83 to \$15.2 million in 1983-84. The improvement reflects an increase in fines under the Traffic Infringement Notice Scheme as from 1 September, 1983, and an increase in the recoup from the Highways Fund for the cost of police services.

Receipts under Minister of Agriculture and Minister of Forests—Miscellaneous are expected to be \$1.5 million in 1983-84 compared with \$2.4 million last year. The expectation is for no borrowing by the SAMCOR Deficit Fund this financial year.

Territorial

Territorial revenues collected by the Department of Lands are expected to fall from \$2.3 million in 1982-83 to \$1.8 million in 1983-84. That reduction is due largely to a one-off transfer of funds to the Consolidated Account in 1982-83, following the closure of the Marginal Lands Improvement Account.

The estimated revenues to be collected by the Department of Mines and Energy in 1983-84 of \$15.9 million reflect an anticipated growth in royalties payable by the Cooper Basin Producers in relation to both gas and liquids. The 1982-83 revenues were \$9.9 million.

Commonwealth

● *Specific Purpose*

The Commonwealth Government will make a total of \$35.3 million available to the State Government during 1983-84 for job creation projects under the Special Employment—Related Programs and Community Employment Programs Acts.

The over-run in expenditure of the Health Commission in 1982-83 was funded by the State from Consolidated Account. A portion of the Commonwealth Government's share of that over-run (\$1.9 million) has not yet been received. The estimate of receipts under Minister of Health takes into account that the Commonwealth's payment will be received in 1983-84.

Funds for Primary and Secondary Education are estimated at \$43.2 million and include the Participation and Equity Program (to subsume the School to Work Transition program from 1 January, 1984) and will be supplemented for wage increases during the year. Funds will become available to the Department under the School to Work Transition program for the balance of 1983.

Estimated receipts of \$14.7 million for Technical and Further Education include the Participation and Equity Program (to subsume the School to Work Transition program from 1 January, 1984) and will be supplemented for wage increases during the year. Funds will become available to the Department under the School to Work Transition program for the balance of 1983.

The anticipated increase in Commonwealth Government grants under the Bovine Brucellosis and Tuberculosis Eradication Program from \$2.1 million in 1982-83 to \$2.6 million in 1983-84 reflects an expected increase in operating costs and compensation payments associated with testing for and eradicating diseased stock.

It is expected that the Commonwealth's contribution under the Natural Disasters Relief Program will be \$5 million in 1983-84.

● *General Purpose*

The State's tax sharing entitlement for 1983-84 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, 1982-83.

The division of the total taxation collections between the States for 1983-84 has been based on the second stage of a three year program, which provides for a reduction in the tax sharing entitlements of the three less populous States. The program has the protection of a guarantee which ensures that the State's tax sharing entitlements in 1983-84 and in 1984-85 will increase in each of those years by at least 1 per cent in real terms.

The Commonwealth Government has advised that its estimate of South Australia's entitlement for 1983-84, based on the guarantee, is \$949.5 million. A special "one-off" grant of \$17.2 million to South Australia was agreed by the Commonwealth at the last Premiers' Conference. This is our share of a total special addition of \$155.5 million.

RECURRENT PAYMENTS

Recurrent payments for 1983-84 (including the round sum allowances for salary and wage awards and for likely price increases and other contingencies) are expected to increase by \$149.7 million (7.4 per cent) from \$2 032.8 million last year to \$2 182.5 million.

As part of Government policy to place greater emphasis on accountability and responsibility in the public sector, steps have been taken to implement systems whereby Government agencies are charged for the services provided by other Government agencies. Systems will be introduced where it can be demonstrated that any additional costs involved are likely to be outweighed by a more effective use of resources brought about by increased accountability and responsibility. Systems have been introduced from 1 July, 1983, with respect to the following services:—

- accommodation and services costs provided by the Public Buildings Department
- school furniture provided by the Public Buildings Department
- analytical services provided by the Chemistry and Forensic Science Divisions of the Department of Services and Supply.

The allocations of departments have been increased to the extent that they are likely to draw on the services of the Public Buildings Department and the Department of Services and Supply in 1983-84. The receipts of the Department of Services and Supply have been increased accordingly while for the Public Buildings Department, accommodation and services costs will be facilitated through a deposit working account. There is no net Budget impact.

Presentation of estimates in a program form has been extended to a further five departments in 1983-84 (see Attachment VI). While it will be difficult in some cases, to make a direct detailed comparison between actual expenditure last year and proposed expenditure this year, the Government believes that this one year disadvantage will be outweighed by a better understanding and examination of programs.

Special Acts

The provision for the Government's contribution to the South Australian Superannuation Fund has been increased from \$45.2 million in 1982-83 to \$53 million in 1983-84. This reflects an increase in pensions in line with the increase in the Consumer Price Index an increase in the number of pensioners 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 \$40.2 million. It takes into account the effect of a change in the method of accounting by the Highways Department for salary and wage expenditure associated with working accounts and reimbursement works.

Interest payable on the public debt of the State is estimated at \$220 million in 1983-84. The increase of \$16.8 million from 1982-83 is attributable to the full year cost of loans raised in 1982-83 and the conversion of old loans at significantly higher interest rates. Because of South Australia's decision to take all of its Loan Council borrowing program in 1983-84 for housing, there is no impact on this line from new borrowings.

Development of the State

State Development

The provision of \$14.1 million for the recently formed Department of State Development reflects the transfer of expenditures previously provided under Minister of State

Development—Miscellaneous now shown under programs within the Department of State Development.

The Government will place emphasis on a planned and co-ordinated promotional campaign to attract interstate and overseas investment to South Australia, including a ship building complex for a major and long term defence project. We will continue to provide a wide range of incentives to industry, including for the establishment or expansion of industry in the State, for payroll tax and land tax rebates to decentralised manufacturing, processing and high technology industries, continued support to the motor vehicle industry and bridging finance to assist the development of export markets. \$11.7 million has been provided for these purposes.

Emphasis will be placed during the year on monitoring and assessing the benefits of the promotional campaign and the incentives to industry programs. Where it can be shown that programs are not producing effective results, steps will be taken to curtail or eliminate those programs with a view to transferring resources to more productive areas.

The viability of the Riverland cannery, its effect on the economic and social well-being of the whole Riverland area and the financial support it is requiring from the Consolidated Account are all matters of concern to the Government. Provision has been made for a Task Force to examine and report on the future prospects of the cannery, including the possibility of new markets and new products. \$100 000 has been included in the Department's allocation for this purpose.

The provision of \$5 million under Minister of State Development—Miscellaneous includes \$461 000 for the continued development and marketing of Technology Park and \$4.5 million to meet any further losses incurred by Riverland Fruit Products Cooperative Ltd. (Receivers and Managers appointed).

Technology

The Data Processing Board (formerly attached to the Department of Services and Supply) and the Technology Advisory Unit (formerly the Technological Change Office of the Department of Labour) have been amalgamated to form a new Office of the Ministry for Technology.

We propose to promote technological innovation and to monitor technological developments and initiatives. \$637 000 has been allocated to the Office of the Ministry for Technology for this purpose.

Tourism

The Government sees tourism as an important part of the South Australian economy and a positive area for employment growth. High priority will be given to its development in 1983-84.

It is proposed to allocate \$1.9 million to tourist advertising and promotion in 1983-84. This represents an increase of 56 per cent over the funds provided in 1982-83, when allowance is made for a special allocation of \$185 000 (brought forward from funds becoming available in 1983-84) which enabled a new and positive marketing program to be commenced late in the 1982-83 financial year.

In all, \$5.7 million is to be provided for tourism this financial year, including increased funds for Regional Tourist Associations and Town Tourist Offices.

Mines and Energy

The allocation of \$13.2 million for the Department of Mines and Energy allows for the continuation of the Cooper Basin Assessment and Development Review (\$190 000).

Agriculture

The allocation of \$29.5 million for the Department of Agriculture provides for the continuation of the Department's

existing programs including the Bovine Brucellosis and Tuberculosis Eradication Program.

The allocation of \$16.5 million under Minister of Agriculture and Minister of Forests—Miscellaneous includes increased funding to the Country Fire Services Board for additional plant and equipment, training, subsidies to local fire services and increased workers' compensation costs. It also includes provision of \$7 million to finalise payments to people affected by recent natural disasters (bushfires, \$5.6 million, drought and flood, each \$700 000).

In addition to expenditures shown under Minister of Agriculture and Minister of Forests—Miscellaneous for relief payments to persons affected by the recent natural disasters, costs have been incurred also on the restoration of government owned assets damaged as a result of the bushfires and the flood. Those costs, involving both recurrent operations and capital works, are included in the expenditure programs (and the recovery of costs in the receipts programs) of the individual agencies concerned. The estimated cost of restoration, which spans both the 1982-83 and the 1983-84 financial years, is about \$4.5 million.

Fisheries

The fishing industry is an important component of the South Australian economy. Its resources need to be protected and developed.

\$3.3 million will be made available to the Department of Fisheries for these purposes in 1983-84.

Business Undertakings

Marine and Harbors

The allocation of \$19.1 million provides for the Department to assume responsibility for all shipping and associated operations at Port Bonython, some rationalisation of labour at the Osborne Bulk Handling Plant and some reduction in the Department's workforce through natural wastage.

The marketing of the industrial land adjacent to the Port of Adelaide will continue, together with efforts to establish direct shipping services with Japan, South Korea and North America.

Water Resources

For 1983-84 the total provision for Water Resources is \$100 million.

The Engineering and Water Supply Department's allocation of \$98.4 million provides for a full year of operation for the Noora Salinity Control Scheme and for the commissioning of the Little Para Water Filtration Plant.

Control of costs, some rationalisation of the workforce, a return to normal seasonal conditions and the effect of recent increases in the price of water and in water and sewerage rates will enable the Department to hold the deficit overall to about \$28.5 million. Of this, about \$18.5 million is in respect to water and sewerage operations.

The deficit on irrigation operations is expected to be about \$10 million after taking into account increases for irrigation and drainage rates and charges.

Community Services

Electoral

The costs of redistribution, roll production and preparation of maps and plans resulting from the outcome of the Electoral Districts Boundaries Commission, have been taken into account in the Electoral Department's allocation of \$660 000.

Labour

The allocation of \$9.5 million for the Department of Labour reflects the transfer to the Department, of the Gas and Explosives Branch from the Chemistry Division of the Department of Services and Supply; and the transfer from

the Department, of the Technological Change Office to the recently established Office of the Ministry for Technology.

It also provides for the continuation of the Community Improvement Through Youth program, a Self Employment Venture Scheme, the establishment of a new safety and occupational health agency and the appointment of a women's adviser.

The allocation of \$42.4 million for Minister of Labour—Miscellaneous provides \$41 million for job creation projects under the Special Employment—Related and Community Employment Programs.

The State's contribution to job creation projects (including a Home Assistance Scheme) is expected to be \$5.7 million.

Justice

The allocation of \$18.8 million for the Courts Department provides for staffing, accommodation and services costs associated with commissioning the Sir Samuel Way Building and for the training of additional court reporters.

The Attorney-General's Department is installing word processing equipment in the Parliamentary Reporting Division and Parliamentary Counsel's Office to improve the efficiency of production of Hansard and Parliamentary bills. Additional resources are being provided also to proceed with the consolidation of statutes.

Public and Consumer Affairs

Expenditure by the Department of Public and Consumer Affairs is expected to increase from \$9.6 million last year to \$10.9 million in 1983-84.

Provision has been made for the implementation of the amended Second Hand Motor Vehicle Dealers Act and additional resources for the Residential Tenancies Branch and for the Public Trustee Office. The cost of those operations are recouped from the Residential Tenancies Fund and from the Public Trustee Commission Account, respectively.

Health

The allocation of \$267.6 million for health in 1983-84 assumes that although a new funding arrangement will operate from 1 February 1984, the effect will be the same as if the present hospital cost sharing arrangement between the Commonwealth Government and the South Australian Government continued unchanged to 30 June, 1985 (the expiration of the present agreement).

Within the allocation (which provides for the extension of the pensioner spectacle scheme); the Commission will by a reallocation of resources, meet the full year cost of the expanded work of the Intellectually Disabled Services Council, the operations of the Alcohol and Drug Addicts Treatment Board, the operation of the Geriatric Assessment Unit at the Queen Elizabeth Hospital; the appointment of a Women's Health Adviser and the establishment of the Health Development Unit and an anti-smoking campaign.

Responsibility for grants to a number of non-recognised hospitals, institutions and other bodies has been taken over by the South Australian Health Commission. That change has been taken into account in determining the expected level of transfer to the Commission's Trust Account in 1983-84.

Education

An amount of \$507.4 million is being allocated for primary and secondary education in 1983-84. It remains by far the largest single item in the State's Recurrent Budget.

The level of funding is based on the retention of present teaching and associated staff. Within the allocation, resources will become available to undertake some new initiatives while continuing to meet the costs of ongoing education services.

The allocation includes specific provision for:—

- the maintenance of school grants, in real terms, in 1984
- an increase in the level of assistance for eligible students under the Government Assisted Scholars Scheme
- high technology programs in schools
- the maintenance of the present level of funding for the relief of teachers absent from the classroom on leave or attending conferences and seminars
- assistance to schools to facilitate improved auditing
- urgent maintenance in some schools.

A reorganisation of the central office will be implemented during the year. That reorganisation will streamline the operations of the Department, create a more direct link between the policy area and the school management area and provide significant opportunity for resource reallocation, including for the benefit of the education system, where appropriate.

Grants to independent schools will be \$20.9 million in 1983-84. The grant takes into account increasing enrolments in independent schools. It will be supplemented later in the financial year for salary and wage award increases that might occur.

The Government has provided funds also for the establishment of the Senior Secondary Assessment Board of South Australia, for a grant to the South Australian College of Advanced Education for the Centre for Childhood Difficulties and for additional staff within the Secretariat of the South Australian Aboriginal Education Consultative Committee.

Technical and Further Education

Expenditure on Technical and Further Education in 1983-84 is expected to be \$73.4 million, an increase of \$4.1 million over 1982-83.

The allocation takes into account the facilities coming on stream at the new Noarlunga College of Technical and Further Education, continuation of the Government Apprentice Scheme at Whyalla and child care facilities in some Technical and Further Education Colleges.

Early Childhood Education

Expenditure on early childhood education will increase by \$800 000 to \$22.4 million in 1983-84 despite the continued decline in real terms of Commonwealth Government support for the pre-school program.

Facilities and services in this area are provided by a number of agencies—the Education Department, the Kindergarten Union and the Catholic Education Office. The Early Childhood Education Advisory Committee assists in the co-ordination of activities between the various agencies.

The allocation for 1983-84 provides for a grant to the Seawinds and Gullywinds centres, special services provided by the Kindergarten Union and an integration program for children with special needs.

Police

Expenditure by the Police Department is expected to be \$105.7 million in 1983-84. The Department will commence work on upgrading its communications network. This will improve the efficiency of the law enforcement system in protecting the safety and property of people in the community.

A change in the recruitment procedure, from a two year to a one year training program for cadets will enable the police active strength to be maintained. Provision has been made for the establishment of a Complaints Tribunal.

The Department will continue to work with the Attorney-General's Department, the Courts Department, the Department for Community Welfare 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 \$19.2 million to \$20.6 million in 1983-84.

The Government places a high priority on security and safety within the prison system. It will place even more emphasis on upgrading correctional services in South Australia and will have regard to the recommendations of the Clarkson Royal Commission, the Touche Ross 1981 Report and the Touche Ross 1983 (Swink) Report.

The allocation provides for expansion of the Community Service Order Scheme to a further two areas; the staffing of a new wing at Port Augusta Gaol; the re-opening of Yards 1 and 2 at Adelaide Gaol; the provision of prisoner security at the Sir Samuel Way Building and additional resources for the industries complex at Yatala Labour Prison.

Community Welfare

Expenditure for welfare purposes in 1983-84 will be \$69 million, an increase of \$9.1 million over 1982-83.

This provision allows for the full year effect of a substantial increase in the Department's workforce to meet increasing demands in the community. Additional funds are provided for the implementation of new Community Welfare legislation with respect to consumer forums, review panels and appeal boards, as well as for increases in children's payments.

Provision is included under Minister of Community Welfare and Minister of Aboriginal Affairs—Miscellaneous for the full year operation of the Electricity Concession Scheme for pensioners and an increase in the cost of transport concessions for unemployed persons.

\$18.5 million is provided for remissions of water, sewer and council rates for pensioners and other persons in need.

Aboriginal Affairs

An amount of \$284 000 has been provided in 1983-84 for Aboriginal Affairs. This office has been transferred from the Department of Lands to the Department for Community Welfare.

Other Activities

Premier

The provision of \$2.1 million under Premier—Miscellaneous takes into account the Government's contribution to a trust to be established in memory of the late Sir Thomas Playford; anticipated costs to complete the Splatt Royal Commission; a substantially increased contribution towards preparations for South Australia's 150th Anniversary in 1986; South Australia's contribution to the Australian Bicentennial Authority and the State's donation to the Angaston District Council Chairman's Flood Relief Appeal.

Treasurer

The allocation of \$24.3 million for Treasury Department allows for the continued development and implementation of Program Performance Budgeting and a new Treasury Accounting System. It reflects also a Government decision to remit the licence fee payable by the South Australian Gas Company for a further six month period to 31 December, 1983.

The Government is concerned that the burden of taxation be spread equitably in the community. To this end the Investigation Branch of the State Taxation Office is being

strengthened to ensure that tax evasion and tax avoidance is minimised. Provision has been made for some additional staff in 1983-84 as a step in this initiative.

A provision of \$41.7 million under Treasurer—Miscellaneous reflects an increased contribution to the Commonwealth with respect to housing agreements between the State and Federal Governments; increases in subsidy payments to country electricity suppliers, due mainly to higher fuel prices, and for the final instalment of a lump sum payment to the Commonwealth Government to settle that Government's interest in the former South Australian Land Commission (offset by an equivalent receipt from the Urban Land Trust).

Arts

The total allocation for Arts is \$23.2 million, of which \$18.6 million relates to grants for artistic and history preservation purposes.

The allocation to the South Australian Film Corporation for the production of Government films has been increased from \$232 000 in 1982-83 to \$400 000 this year. It reflects the Government's undertaking to service the needs of its agencies.

It also includes provision for extraordinary maintenance expenditure by the Adelaide Festival Centre Trust and the Carclew Youth Performing Arts Centre.

Public Buildings

From 1 July, 1983, rental costs with respect to properties leased by the Government and services costs associated with all properties (both Government owned and leased) will be charged to the particular agency occupying the property and responsible for the costs. It is hoped to extend the system to include the payment of rental costs from 1 July, 1984, for those agencies occupying government owned properties.

An amount of \$17.5 million has been provided in the allocations of occupying agencies with a corresponding reduction in the allocation of the Public Buildings Department. There is no Budget impact.

The allocation of \$39.9 million takes into account those changed arrangements. It also takes into account that responsibility for the Hillcrest Hospital maintenance unit will remain with the Public Buildings Department at this stage.

The Department hopes to complete a new asset information system during the year designed to provide inventory data and a basis for improved property and financial management.

Emphasis will be placed on reducing the backlog of maintenance work and a special allocation of \$1 million provided in 1981-82 and retained in 1982-83 will be continued in 1983-84.

With respect to proposed allocations for the maintenance of school buildings and other government buildings, two major factors need to be borne in mind in comparing actual payments in 1982-83 with proposed payments for 1983-84. First, unlike the actual payments for 1982-83, the proposed payments for 1983-84 do not include any provision for the effect of wage increases likely to occur during the year. That provision is held in the round sum allowance. Second, the previous Government provided additional funds in the latter months of 1981-82 for a range of capital and maintenance projects to stimulate the building industry. Some of these funds flowed into 1982-83. The following table takes these and other factors into account to place the figures on a more comparable basis.

MAINTENANCE OF SCHOOLS		
	1982-83 Actual (\$ million)	1983-84 Proposed (\$ million)
Payments as per Budget document . . .	14.2	11.8
Replacement of furniture (transferred to Education Department)	-0.4	—
Once-off allocation to stimulate building industry	-0.6	—
Redeployment of surplus workforce capacity	-1.8	—
Provision for likely:—		
—wage increases	—	0.4
—price increases	—	0.2
	<u>11.4</u>	<u>12.4</u>
MAINTENANCE OF OTHER GOVERNMENT BUILDINGS		
Payments as per Budget document . . .	6.9	5.9
Once-off allocation to stimulate building industry	-0.6	—
Redeployment of surplus workforce capacity	-0.6	—
Provision for likely:—		
—wage increases	—	0.2
—price increases	—	0.1
	<u>5.7</u>	<u>6.2</u>

Corporate Affairs

The Department of the Corporate Affairs Commission's allocation of \$2.9 million provides funding to employ additional resources to cope with the extra demands of the National Companies and Securities Commission and for improved enforcement and follow-up procedures. The Department's allocation includes \$176 000 for the State's contribution to the National body.

Environment and Planning

The Government has increased the areas of land set aside for conservation and is continuing to provide for their protection, development and maintenance. The allocation of \$19.4 million provides for the continued development of the vegetation retention program and the development of an aboriginal heritage program.

The allocation of \$2.4 million under Minister for Environment and Planning—Miscellaneous includes provision for grants to the Royal Zoological Society of South Australia (\$460 000) and for the agistment of animals at Monarto (\$82 000).

Lands

The Department's allocation of \$23 million provides for a reallocation of resources to allow for the continued development of a computerised land information system, the monitoring of pastoral lands and an arid zone inquiry to determine a more effective means of managing this area of South Australia. It also allows for a review of the Department's Survey Division.

The provision of \$2.1 million under Minister of Lands and Minister of Repatriation—Miscellaneous mainly reflects land management and disposal costs with respect to Monarto.

Transport

The allocation of \$13.6 million for the Department of Transport provides for an increase in the level of resources of the Motor Transport Division, some rationalisation of resources in the Motor Registration Division and the provision of funds to the University of Adelaide to undertake studies with respect to random breath testing and its effect on road safety.

An amount of \$64 million is being provided towards the expected operating deficit of the State Transport Authority.

That amount takes into account the additional cost associated with bus, railcar and computer leasing arrangements, an increase in debt servicing costs and a reduction in investment income as a result of a running down of reserves. It also takes into account additional revenue from increased bus, tram and rail fares, effective from 31 July, 1983.

The provisions of \$7.4 million and \$1.3 million for transport concessions for pensioners and children respectively, reflects the effect of increased fares and a revised method of calculating the basis for reimbursing the Authority for concessional travel.

Local Government

Expenditure on Local Government in 1983-84 is expected to be \$16.6 million. It takes into account the development of seven new public libraries under the Libraries Board Capital Development plan and the maintenance of ongoing subsidies to established public libraries, in real terms.

CAPITAL WORKS

The plan for 1983-84 is to reserve \$28 million from capital activities in order to support a deficit on recurrent operations of \$33 million.

Aggregate receipts are expected to total \$406.6 million while aggregate payments are forecast at \$378.6 million. Both are well above the 1982-83 level.

In the case of receipts, the increase is due to a large investment of funds by statutory authorities.

As to payments, the increase arises from a significantly increased allocation for housing from the Consolidated Account.

In addition to the funds allocated from the Consolidated Account for capital works in 1983-84, a number of authorities, including the Electricity Trust of South Australia, the State Transport Authority, the Highways Department, the State Government Insurance Commission, the South Australian Superannuation Investment Trust and tertiary education institutions etc. will be spending considerable sums from other resources on capital works projects. Indeed, the projected capital expenditure of all those sources combined amounts to about \$860 million in 1983-84, compared with \$780 million in 1982-83—an increase of more than 10 per cent.

CAPITAL RECEIPTS

At the meeting of the Australian Loan Council in June, 1983, the Commonwealth Government announced that it would support a total program of \$1 469 million for State works and services—that is to say, an increase of \$96 million (7 per cent) above the 1982-83 money amount.

South Australia's share of this program is to be \$191.4 million. Of that amount \$127.6 million will be made available by way of loans, subject to repayment and interest, and \$63.8 million by way of a capital grant. Further loans amounting to perhaps \$5.5 million or so will be raised on our behalf to cover the cost of discounts and premiums on loan issues and redemptions.

South Australia has nominated its total borrowing program (that is to say, \$127.6 million) for housing at the concessional rate of interest offered by the Commonwealth.

The other major sources of capital funds are investments by statutory authorities, specific purpose funds from the Commonwealth Government and the repayment and recovery of amounts made available to departments and authorities in previous years.

Investment of funds by statutory authorities are expected to amount to \$127.5 million. Those funds will attract much

the same rates of interest and be subject to the same repayment terms as if those authorities had invested their funds in semi-government securities or directly with the Housing Trust and State Bank (as happened in 1982-83). The planned investment of their funds in the Consolidated Account has enabled the Government to nominate all of its Loan Council borrowings for housing (at a concessional interest rate) and, at the same time, maintain its normal works program in other areas.

Repayments and recoveries from State sources are expected to provide \$47 million in 1983-84, compared with actual repayments and recoveries of \$42.9 million last year. Payments totalling \$6.3 million under contracts for the sale of the North Haven complex are due before the end of the 1983 calendar year. An amount of \$5.5 million is expected from the Pipelines Authority of South Australia in full repayment of its debt to the Government. Repayments from the Engineering and Water Supply Department are expected to be \$7.1 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 \$8.8 million. The sale of government motor vehicles through the Department of Services and Supply is expected to bring in \$5.2 million.

Commonwealth support for the school building program and for technical and further education programs have increased in real terms. Support for the water filtration program, the transport program and for forestry are all down as a result of special "one-off" allocations made last year.

In all, specific purpose Commonwealth Government funds are expected to be \$35.3 million in 1983-84, compared with \$60.4 million in 1982-83.

Semi-Government Programs

In addition to funds allocated 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.

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 in 1983-84 is \$59.5 million, including a special allocation of \$22 million for the salvage and storage of logs and for the restoration of forest plantations damaged in the February, 1983 bushfires. After adjusting for that special allocation, the 1983-84 limit is \$37.5 million (32 per cent) above the basic limit set in 1982-83.

The Government proposes to raise those funds through the South Australian Government Financing Authority. Those funds will be made available to the general loan program, with the effect of releasing loan funds to housing. This is explained elsewhere.

Arrangements for borrowing under the smaller authorities program were changed from 1982-83 as a result of a resolution passed by Loan Council in June, 1982. That resolution required States with central borrowing authorities which borrow on behalf of bodies in the smaller category to agree with the Chairman of Loan Council each year:

- the maximum amount which can be borrowed by the central authority on behalf of the smaller authorities
- the maximum amount which can be borrowed by all smaller authorities in the State.

Previously, Loan Council did not set limits on total borrowings by these authorities, but applied a limit to borrowings of the individual authorities. Under the new arrangements, the individual limit still remains and has been increased

from \$1.5 million in 1982-83 to \$1.8 million in 1983-84.

In 1982-83, the South Australian Government Financing Authority borrowed \$20 million for semi-government bodies under the smaller authorities program. This was the maximum figure which had been agreed with the Chairman of Loan Council in accordance with the new procedure. Smaller councils borrowed approximately \$20 million in the year, which meant that the State's total program of about \$40 million was well within the overall maximum of \$45 million which had been agreed with the Chairman.

For the 1983-84 smaller authorities program, the State has requested the Chairman of Loan Council to agree to a figure of \$26 million as the maximum amount which the South Australian Government Financing Authority can borrow on behalf of semi-government bodies and to a figure of \$50 million as the overall limit on the program. If this is accepted, there will be \$24 million available for smaller councils, some of which may be raised by the proposed Local Government Finance Authority.

CAPITAL PAYMENTS

Successive transfers of capital funds to take account of recurrent deficits has meant that the Capital Works program was effectively cut back over the past three financial years. As a result, there is little scope in 1983-84 for the Government to embark on a wide range of new projects, even though it has made significant moves towards eliminating the use of capital funds for recurrent purposes.

The main priorities in 1983-84 lie in the area of Housing. The important and innovative moves the Government will take are detailed below.

In other areas, the Capital Works program ensures that projects already commenced are able to be completed on schedule and that work can commence on other projects which reflect the Government's own priorities.

Premier and Treasurer

Housing

Traditionally, housing has been given a high priority in South Australia by Governments of both political persuasions and they have worked to maintain and improve housing programs against a background of rapidly declining assistance from the Federal Government. In effect, South Australia carried its own and a large part of the Commonwealth's responsibility for housing assistance for most of the term of the Fraser administration in Canberra.

My Government intends to carry on the tradition. We will be assisted in this endeavour by the new Labor administration in Canberra which has demonstrated, in the most practical way, that it does recognise its responsibility for housing assistance.

For 1983-84, the Commonwealth has advised that it will increase the amount of funds available under the Commonwealth-State Housing Agreement. South Australia's share of the increase will be about \$20 million and this will take our total allocation to \$62.3 million.

The program planned for 1983-84 could not be achieved by relying entirely on the additional Commonwealth support. We will be increasing our own contribution to the housing programs as well. In fact, we have nominated for housing more than \$127 million from our Works Program and the Commonwealth has agreed to provide this on the same concessional terms as the Housing Agreement moneys.

The beneficial effect of these increases on the community will be two-fold. Assistance will be provided to greater numbers of people in need of housing and the building and associated industries will receive a useful boost.

The main emphasis in 1983-84 will be on the construction of new dwellings for addition to the Housing Trust's rental stock. We expect about 3 100 houses to be added to the stock this year compared with a little under 2 400 in 1982-83. More than 80 per cent of these houses will be newly constructed. The remainder will comprise purchase of existing houses, many of which will require repair and upgrading.

The current aim for the concessional loans scheme conducted by the State Bank is to re-establish a target of 55 loan approvals per week. This had slipped to 53 per week during 1982-83.

In accordance with an undertaking given during the 1982 election campaign, the Government instituted a major review of home purchase assistance earlier this year. The results of this review are presently under consideration by the Government. The review may bring about some changes in our approach to the concessional loans scheme and could result in a re-assessment of the priority to be accorded to home purchase assistance relative to the rental assistance elements of the housing programs.

I have made major changes this year to the method of providing State funds for the housing programs. Previous Treasurers, in their attempts to alleviate the effects of reductions in Commonwealth funding, had arranged for various State statutory bodies to invest money (mostly on commercial terms) directly with the State Bank and the Housing Trust in a variety of ways. They are to be commended for their decisions to do so. However, this approach made the full extent of State effort very hard to explain and to follow. Assisted by adjustments to financial arrangements which were made necessary by an unusual Loan Council allocation for water treatment in 1982-83 (which I have explained elsewhere), I have decided that it would be better to bring all of those special arrangements into the Budget.

I intend to have further work done on a consolidation of the housing allocations as part of my general approach to improving the Budget papers. I believe it will be agreed generally that bringing the capital allocations together in one place is an improvement on past practice and presentation.

A particularly worthwhile effect which goes hand in hand with this new practice is that the Government has been able to allocate the statutory authority contributions for other general capital purposes and so to devote the whole of the borrowed element of the Loan Council Works allocation to housing. Under the current Commonwealth-State arrangements, funds nominated for housing from Works allocations are available at an interest rate of 4.5 per cent per annum. The difference between this rate and the full interest rate of the order of 14 per cent to 15 per cent payable on debt raised by the issue of Commonwealth securities is a substantial additional contribution by the Commonwealth.

The following table illustrates the support provided for housing in 1982-83 (and proposed for 1983-84) from State and Federal sources including the Mortgage and Rent Relief and Families in Crisis programs. It does not include funds generated internally by the Bank and the Trust nor does it include minor State allocations for the administration of specific arrangements.

SUPPORT FOR HOUSING PROGRAMS

Commonwealth:—	1982-83		1983-84	
	\$ million		\$ million	
Commonwealth-State Housing Agreement	42.0		62.3	
Other Commonwealth	5.0	47.0	8.0	70.3

State:—

Semi-government borrowings	54.7		—	
Balances—Advances for Housing Account	12.8		—	
Consolidated Account (Budget)	25.0	154.4		
External funds	50.5	143.0	—	154.4
		190.0		224.7
Less provided to South Australian Housing Trust for commercial and industrial projects		0.5		0.5
		189.5		224.2

Minister for the Arts

Department for the Arts

Some structural problems have occurred in the plaza area of the Adelaide Festival Centre. The Government has received a report on the matter which suggests that some expenditure may be necessary to rectify the problem. \$1 million has been provided for possible work this year.

Minister of Public Works

Public Buildings

Land and property surplus to the requirements of the Education Department were disposed of in 1982-83 and further sales are expected in 1983-84. Proceeds from disposal are used to support the school building program.

Primary and Secondary Schools—\$24 million

The allocation for 1983-84 provides for:—

- the continuation of 18 major projects currently in progress, including:—
 - Miltaburra Area
 - Aberfoyle Park High
 - Kingston Area
 - Pt Broughton Area
- the commencement of ten new projects involving additions and upgradings at existing schools, including:—
 - Hackham South Primary—Stage II
 - Paralowie Primary—Stage I
 - Pinnaroo Area
 - Victor Harbor High.

Technical and Further Education—\$17.3 million

Construction of Technical and Further Education facilities continues to depend heavily upon Commonwealth Government support. Work already commenced on the Adelaide College of Technical and Further Education and the Panorama Community College will continue.

Extensions to the Elizabeth Community College to provide new and updated workshop accommodation for trade training courses in the northern metropolitan area which was announced last year was unable to proceed as quickly as planned originally. Provision has been made for the project and for renovations to the School of Art and Craft to proceed in 1983-84.

Other Government Buildings—\$28.3 million

As in previous years, work will be undertaken for a number of departments in 1983-84. Work will continue on:—

- Stage I of the Museum Redevelopment Project
- Police Regional Headquarters at Holden Hill.

Major expenditures are proposed for the Department of Correctional Services. For some years, there has been an obvious need for a new Remand Centre and for a major upgrading program at the Yatala Labour Prison.

The former Labor Government's plans for a Remand Centre at Regency Park were well advanced at the time it left office in 1979. The incoming Government cancelled those plans and instead proposed to build the centre at Brompton. The present plans recognise the unsuitable nature of that site and, subject to a favourable report from the Parliamentary Standing Committee on Public Works, it is proposed to commence construction of the new centre in the north-western area of the City of Adelaide.

The plans for Yatala will also be put before the Committee and, subject to approval, work will commence in 1983-84.

Minister for Environment and Planning

Environment and Planning

A considerable area of the State has been dedicated for national park purposes in order to preserve and protect fauna and flora (in some cases rare species) and to provide educational and recreational facilities for the community generally.

The development, protection and maintenance of these areas is a continuing and important program. \$6.2 million has been provided for these purposes in 1983-84.

Minister of Lands and Minister of Repatriation

Lands

The allocation of \$2.5 million provides for:—

- the purchase of plant, equipment and motor vehicles
- completion of infrastructure work at Marla township
- further work on developing the Grand Junction Road Estate for industrial purposes.

Services and Supply

The Department of Services and Supply will continue to purchase motor vehicles for those agencies that do not require access to capital funds in the course of their normal operations. An amount of \$9.9 million has been provided for this purpose in 1983-84.

The Department plans to provide new equipment for both Chemistry and Government Printing Divisions and instal some additional computing equipment at the Government Computing Centre.

The total allocation for the Department of Services and Supply is \$13.7 million in 1983-84.

Minister of Transport

State Transport Authority

The allocation of \$7.7 million takes into account the financial reserves held by the Authority. The Authority's works program includes:—

- continuation of the North East Busway project
- significant expenditures on upgrading the railway signalling system
- continuation of upgrading the Adelaide—Glenelg tram track.

Minister of Marine

Marine and Harbours

The introduction of larger tonnage vessels by some shipping lines currently using South Australian ports makes it necessary to continue the development of the State's harbour

facilities in order to provide continued access and quick turnaround for those vessels. Development is also necessary if we are to attract new shipping lines to our ports.

The allocation of \$11.9 million provides for:—

- continuation of the upgrading of the Port Pirie navigation channel and swinging basin
- the harbour at Thevenard to be deepened, subject to the approval of the Parliamentary Standing Committee on Public Works
- purchase of plant and machinery
- completion of the Southern Metropolitan Area boat ramp
- upgrading of marine facilities for the fishing industry generally.

Minister of Health

South Australian Health Commission

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

The Commission will undertake a capital works program of \$20 million in 1983-84. After allowing for funds available to the Commission from other sources, it will be necessary to provide \$18 million from the Consolidated Account.

Subject to favourable reports from the Parliamentary Standing Committee on Public Works, the Commission proposes to commence work on:—

- the Gilbert Wing, Adelaide Children's Hospital
- the Organic Dementia Unit at Glenside Hospital
- redevelopment of the Lyell McEwin Hospital (Stage 1)
- a Noarlunga Health Village.

Minister of Education and Minister for Technology

Education

The allocation of \$2.6 million provides for:—

- a significant increase in the provision for the replacement of school buses
- a transfer to the Education Department (from the Public Buildings Department) of responsibility for the purchase of new school furniture.

Teacher Housing Authority

The allocation of \$1.6 million takes into account that the Authority did not take up its allocation in 1982-83.

Minister of Mines and Energy

Electricity Trust

While the Trust is not receiving an allocation from the Budget in 1983-84, the magnitude of its operations and its effect on the construction industry in this State justify some brief comment about the Trust's activities.

The Trust has an on-going capital expenditure program to meet increased demand in the State for electricity. Its major expenditures in recent years have been on the development of the Leigh Creek coalmine and on the Northern Power Station at Port Augusta. With the virtual completion of township development at Leigh Creek and peak expenditure reached on the Northern Power Station it is expected that capital expenditure by the Trust in 1983-84 will be less than last year.

The Trust borrowed a net \$181 million in 1982-83 and plans to borrow up to \$72 million in net terms in 1983-84.

Those proposed borrowings, together with the Trust's internal funds will be used to finance a capital works program of about \$213 million in 1983-84 (\$237 million in 1982-83).

Minister of Water Resources

Engineering and Water Supply

An allocation of \$56.1 million is being made available in 1983-84 for waterworks, sewers and irrigation works.

Work will continue on:—

- Northern Towns Water Filtration Plant
- Happy Valley Water Filtration Plant
- Sewerage extensions at Port Noarlunga South, Blackwood/Belair and Port Augusta East
- upgrading irrigation, drainage and salinity control systems
- the River Torrens linear park and flood mitigation schemes.

Minister of Housing and Minister of Local Government

Effluent Drainage

\$3.4 million will be available for grants to local government authorities towards effluent drainage projects.

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

ATTACHMENT III

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 1983-84".

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. 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	5.6	0.9
1981-82	15.0 (d)	8.5	2.9 (d)	-3.0
1982-83	21.1 (d)	16.7	8.7 (d)	4.8
1983-84 (e)	16.7	13.7	8.1	5.3
Increase over 6 years	132	78	32	3

(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 326 of the Commonwealth Budget Paper No. 1, 1983-84.

(c) That is, total Commonwealth Budget outlays minus payments to the States (net basis).

(d) Adjusted for additional pay-day in 1982-83.

(e) Budget estimates.

It will be seen that, over the last six years, payments to the States have consistently grown more slowly than other Commonwealth outlays and the real level of payments to the States in 1983-84 will be at approximately the same level as it was six years ago.

Aggregate payments to the States grew strongly in real terms in 1982-83 and are expected to do so again in 1983-84 (on the particular measure used, about 5 per cent in real terms in both years). In interpreting these figures, account needs to be taken of the fact that some of the growth in 1982-83 and 1983-84 is due to programs which have little or no connection with State budgets or programs (for example, grants for employment creation).

The trends referred to above have resulted in a significant decline in the proportion of the Commonwealth's Budget outlays devoted to the States, 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	32.7
1982-83	68.1	31.9
1983-84 (b)	68.6	31.4

(a) Adjusted for additional pay-day effect.

(b) Budget estimates

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)	10.2	64	5.8	36
1983-84 (a) (b)	11.3	62	6.8	38

(a) So-called "identified health grants" and amounts nominated by the States out of their Loan Council programs for housing have been classified as general purpose payments.

(b) Budget estimates

It will be noted that the trend towards a greater emphasis on general purpose funds which had been evident for several years up to 1981-82 was reversed in 1982-83. The proportion of funds coming to the States in "untied" form is considerably lower than in the early 1970's.

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 47 per cent of the total of such payments in 1983-84). They are "untied" and intended to assist the States to finance recurrent expenditures generally.

The rather complex developments which took place in relation to these grants up to and including the June 1982 Premiers' Conference were set out in considerable detail on pages xx through xxiii of Attachment II to last year's Financial Statement. In abbreviated terms, the position at that time was that:—

- (1) the total grants for the six States for 1982-83, 1983-84 and 1984-85 would be determined as 20.72 per cent of total Commonwealth tax collections (as defined) in the previous financial year;
- (2) there would be a phased movement over the three years towards the distribution between the States which had been recommended by the Commonwealth Grants Commission in its Report of May, 1982;
- (3) the movement referred to under (2) above would, however, be subject to:—
 - (i) the retention by South Australia and Tasmania of benefits they were receiving (relative to other States) as a result of the continuation of hospital cost-sharing agreements;
 - (ii) each State's grant increasing in real terms by not less than 2 per cent in 1982-83 and by 1 per cent in the two subsequent years (with the calculations made by reference to the change in the C.P.I. in the relevant capital city).

For 1982-83, the outcome was that:—

- the total grant for the six States increased by 16.2 per cent, from \$6 689.7 million in 1981-82 to \$7 772.5 million (being determined by the increase in total Commonwealth taxation collections in 1981-82 compared with 1980-81);
- South Australia's grant increased by 13.5 per cent, from \$761 million in 1981-82 to \$864.1 million, (being determined by the "real terms guarantee" referred to under 3(ii) above);
- South Australia's grant in 1982-83 was \$13.6 million lower than it would have been on the basis of the relativities existing prior to the June, 1982 Premiers' Conference, but this compares with a loss of \$51.5 million which would have been incurred if the Grants Commission's recommendations had been adopted in full.

In 1982-83 the Commonwealth also paid \$10.5 million to South Australia, by way of special revenue assistance, to help alleviate the budgetary effects of the February, 1983 bushfires.

If the arrangements existing prior to the June, 1982 Premiers' Conference had continued unaltered, the total tax sharing grant for the six States in 1983-84 would have been determined as 20.72 per cent of total Commonwealth taxation collections in 1982-83 and the increase in the level of grants over 1982-83 would be equal to the increase in tax collections in 1982-83 over 1981-82. That increase was 7.6 per cent. However, because of the real terms guarantee referred to above, the aggregate increase is estimated to be 10.1 per cent (all States other than Queensland will have their grants determined by the guarantee).

South Australia's grant for 1983-84 is estimated at \$949.5 million, representing an increase of 9.9 per cent. This is based on an assumed increase in the C.P.I. for the year ended March, 1984 over the year ended March, 1983 of 8.8 per cent and will vary depending on the actual C.P.I. increase.

At the Premiers' Conference held on 30 June/1 July, 1983, the Commonwealth agreed to provide to the States a special revenue assistance grant of \$155.5 million in 1983-84, described as being "in recognition of the unusual severity of the States' own budgetary difficulties in 1983-84", and as a "once-for-all transfer" which "would not be counted in the base for determining tax sharing grants in 1984-85 or beyond".

South Australia's share of the additional grant is \$17.2 million, giving estimated total general revenue grants in 1983-84 of \$966.7 million, an increase of 10.5 per cent over 1982-83.

Taking as given the total of general revenue grants being made available to the States in 1983-84, South Australia's share of that total is \$9.5 million less than it would have been on the basis of distribution existing prior to the June, 1982 Premiers' Conference. This is a smaller "loss" than occurred in 1982-83. This rather paradoxical situation has arisen because (apart from Queensland) all States' grants will increase in 1983-84 in accordance with expected C.P.I. movements (which are assumed to be uniform across the States), while South Australia's population growth is expected to grow more slowly than the national average. In other words, compared with 1982-83, the State's share of the grants will improve in per capita terms.

The Commonwealth legislation which authorises the tax sharing grants—the States (Tax Sharing and Health Grants) Act 1981—expires at the end of 1984-85. Section 29 of the Act requires a review of the arrangements before the end of June, 1985.

At the recent Premiers' Conference, it was agreed that Commonwealth and State Treasury officers would advise, by the end of October, 1983, on terms of reference for a review, by February, 1985, of the distribution of the tax sharing grants. Officers have had a preliminary discussion on this matter.

The South Australian Government's position on the question of a possible further review of tax sharing relativities is that:—

- it does not seek such a review but, if one is to be made, will co-operate in it;
- it believes that any such review should be undertaken by the Commonwealth Grants Commission and not by any other body;
- the review should incorporate the question of the distribution of local government tax sharing grants (see below);
- it would wish the review to be carried out in such a manner and in such a time-frame that it does not detract from officer-level work on, or consideration by Governments of, matters of more fundamental importance in Commonwealth-State financial relations, such as the division of taxation powers (see below).

Loan Council

It is in this area that the most important changes in Commonwealth-State financial relations in recent years have taken place.

The corresponding Attachment in last year's Financial Statement (pp xxiii and xxiv) outlined the way in which:—

- the Commonwealth had been given delegated authority to operate the tender system of selling Common-

wealth bonds and to determine the terms and conditions of issue of Australian Savings Bonds;

- electricity authorities had been freed, subject to certain conditions, from Loan Council controls on the amounts and terms and conditions of their borrowings.

The Loan Council meeting held on 30 June/1 July, 1983 took two further decisions in the deregulation direction:—

- all larger semi-government and local authorities can now borrow without restriction as to the timing, form or terms and conditions of their borrowings—i.e. previous rules relating to minimum maturities, maximum interest rates and fees etc. have been removed; State Governments are also free to remove these restrictions as they apply to smaller authorities if they so wish;
- States are free to allocate overseas borrowing approvals between their authorities as they choose (previously such allocations had to be related to infrastructure projects approved by Loan Council).

There are three remaining controls on State semi-government borrowing activity:—

- on the total amounts of such borrowing in each State;
- on the amounts which can be borrowed in overseas markets;
- on the way in which overseas markets can be accessed—in particular State authorities cannot borrow in public bond markets overseas.

South Australia has supported, without qualification, the changes made at the 1982 and 1983 meetings of Loan Council and, in principle, supports extension of the deregulation principle in the other areas referred to above.

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 but a reasonable increase has been approved for 1983-84:—

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	—	-10.6
1982-83	5.0	-5.7
1983-84	7.0	-0.9

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

The Commonwealth has stated that amounts can be nominated by States out of their Loan Council borrowing programs for housing purposes which will be provided on the concessional terms applicable under the Commonwealth/State Housing Agreement. This involves an interest rate of 4.5 per cent. South Australia has nominated the whole of its borrowing program in 1983-84 under these arrangements.

Loan Council also currently approves maximum borrowing programs for "larger" State semi-government and local authorities (at present those borrowing more than \$1.8 million in a financial year). Although, as noted above, electricity authorities are now excluded from these programs, the Com-

monwealth made its overall "offer" for 1983-84 conditional upon the borrowings by those authorities not exceeding the estimates advised by the States prior to the Loan Council meeting.

For 1983-84 Loan Council approved an increase in the larger authority programs of 32 per cent (excluding allocations for special purposes). In this State, all semi-government borrowings in 1983-84 (other than ETSA) will be made by the South Australian Government Financing Authority.

At its June, 1982 meeting, Loan Council 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.

These arrangements involve each State agreeing a maximum figure for such borrowings with the Commonwealth. For South Australia the figure for 1982-83, covering smaller semi-government authorities but not local authorities, was \$20 million. The figure for 1983-84 is still being discussed with the Commonwealth.

The following table summarises the Loan Council programs for the State, semi-government and local authorities in 1982-83 and 1983-84.

South Australia—Loan Council Programs

	1982-83 \$ million	1983-84 \$ million	Percentage Increase
State Government			
Borrowings	119.3 (a)	127.6 (b)	7.0
Capital Grants	59.6	63.8	7.0
	178.9	191.4	7.0
Semi-Government (c)			
Larger Authorities—	28.4	37.5	32.0
Normal Program			
Special Purposes	4.5 (d)	22.0 (e)	—
Smaller Authorities	20.0	26.0 (f)	30.0 (g)
	52.9	85.5	61.6
Local Authorities	19.0	24.0 (g)	26.3 (g)
TOTAL	250.8	300.9 (g)	20.0 (g)

(a) Of this amount \$25 million was nominated by the State for housing purposes and received on concessional terms from the Commonwealth.

(b) The whole of this amount has been nominated for housing.

(c) Excluding borrowings by ETSA.

(d) For water filtration purposes.

(e) To finance costs of salvaging bushfire affected timber.

(f) A limit for these borrowings is still being discussed with the Commonwealth; figure shown is an estimate only.

(g) Estimate only.

Specific Purpose Payments

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

In 1983-84, 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		
	1982-83	1983-84*	Percentage Increase
	\$ million	\$ million (est)	
Education	279.7	304.2	8.8
Health	173.2	181.0	4.5
Housing	48.7	70.5	44.8
Roads	68.8	91.5	33.0
Local Government	36.5	39.7	8.8
Employment Creation	8.8	30.5	246.6
Natural Disaster Relief	38.5	11.4	-70.4
All Other	54.0	36.7	-32.0
Total	708.2	765.5	8.1

* Estimates as included in the Commonwealth's Budget papers. Do not in all cases coincide with amounts expected by the State.

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.

Following is a summary of the main developments which have taken place in some of the main specific purpose programs.

Health

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

Many changes in these arrangements have taken place in recent years as successive Commonwealth Governments have introduced new schemes of health funding.

This will continue in 1983-84, with the scheduled introduction of "Medicare" from February, 1984. For South Australia, the key point is that the Commonwealth's grants from that time will be based on those being received prior to the change under the present "cost-sharing" arrangements plus additional amounts to compensate for the abolition of fees for public treatment and the reduction in fees for private treatment. Thus the State will continue, for the present, to retain the benefits it has been receiving in this area relative to other States.

Further details are set out in Commonwealth Budget Paper No. 7.

Housing

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

The level of these funds fell markedly in money terms over the term of the previous Commonwealth Government and, of course, even more so in "real terms". For example, funds provided to South Australia in 1982-83 were about 15 per cent lower, in real terms, than in 1979-80.

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

The Commonwealth Labor Government has indicated that it will be reviewing this Agreement in consultation with the States. Meantime, it has provided for a large increase in the borrowing program in 1983-84; further details are to be found in Attachment II.

Roads

This again is a long-standing area of assistance and one where real levels of assistance have not increased in recent years. In South Australia's case, roads grants in 1982-83 were of the same order in real terms as in 1978-79 despite the introduction in 1982-83 of the Australian Bicentennial Road Development Program in 1982. One of the reasons is a reduction in the State's share of grants (from 11.1 per cent in 1968-69 to 8.4 per cent in 1982-83).

New roads grants arrangements introduced in 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 1982. While the increased expenditure on roads in the State made possible by this program is welcome, it has been accompanied by conditions relating to the level of expenditure from the State's own sources. Unless these conditions are interpreted in a reasonable way, the State could be disadvantaged. Discussions with the Commonwealth on the matter are continuing.

Local Government Tax Sharing

Under the Local Government (Personal Income Tax Sharing) Act 1976, the States are to receive in 1983-84, two per cent of net personal income tax collections in 1982-83 for on-passing to local government authorities.

In 1983-84 local government authorities in South Australia will receive a total of \$39.5 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 seven years to 1983-84, there has been an increase of 230 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 distribution of local government tax sharing grants between the States 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, to be undertaken in consultation with the States.

In 1982, the then South Australian Government asked for a review of the distribution of these grants between the States (expressing the view that the State's share was clearly too low) and also sought a number of other changes in the arrangements. The then Commonwealth Government advised the States that no changes were to be made in relation to distribution or otherwise, but gave no reasons for this view.

The State will continue to press for a review of these arrangements, in relation to two aspects in particular:—

- correcting the inequitably low share being received by the State;
- removing those provisions in the Commonwealth law which effectively inhibit the States in applying fiscal equalisation principles in distributing the grants between local government authorities.

Employment Creation Grants

In 1982-83 the Commonwealth provided grants to the States for special employment programs financed from savings as a result of the wage pause in its own areas of employment. Some of these funds were provided for public housing and some for other purposes. This grants program

is to continue in 1983-84. Over the two years, South Australia is expected to receive \$8.8 million for public housing and \$17.5 million for other purposes.

The Federal Labor Government has, in addition, established a community employment program, from which South Australia is estimated to receive \$21.7 million in 1983-84. The Commonwealth and the States are jointly involved in the consideration, approval and supervision of projects, most of which are expected to be undertaken by local government and community bodies. Some participation by government agencies is also expected.

The Advisory Council for Inter-Government Relations (ACIR)

The ACIR was established by Commonwealth statute following agreement at the April, 1976 Premiers' Conference that such a body was desirable. It consists of Commonwealth, State, local government and citizen representatives and is jointly funded by the three levels of government. Its secretariat is based in Hobart.

The Council has (in addition to Information and Discussion Papers and its annual reports) issued reports on the following subjects:—

- staff interchanges between governments;
- broad aspects of the relationships between the three levels of government;
- roads finance;
- the Loan Council;
- services for the aged.

The recommendations in the report on roads finance were generally consistent with a lesser degree of restriction in the granting of Commonwealth funds to the State in this area and appear to have been helpful in achieving reform in this direction when new arrangements were established in 1981.

The report on the Loan Council has to a considerable extent been overtaken by decisions taken by that body in 1982 and 1983 (see above) and to some extent by the establishment of the Economic Planning Advisory Council.

One of the ACIR's proposals was that forms of financing not encompassed within present Loan Council controls (e.g. leasing) should be brought within those controls. This proposal goes against the trend of "deregulation" in Loan Council and would not be supported by this State (or presumably by others).

The recently released report on "The Provision of Services for the Aged" has not yet been considered in detail by the State. However, a number of its recommendations would give a significantly greater degree of financial and administrative responsibility and flexibility to the States in this area and, in principle, would be supported by the government, which will be seeking early and substantive discussion with the Commonwealth on the matter.

Despite the understandable tendency of a body composed as the ACIR is to reach compromise ("balanced") conclusions when a more forthright recognition that in some areas one level of government or the other has little legitimate interest would perhaps be preferable, and despite the difficulty of keeping pace with rapid developments in some fields, the Council has performed a useful role in assembling information and analysis and putting forward helpful views in some particular areas.

The South Australian Government will continue to give support to the activities of the Council.

Commonwealth and State Taxation Powers

There have been several developments worthy of note under this heading.

At the plenary session of the Constitutional Convention held in Adelaide in 1983 the following resolution was passed:—

"That the Standing Committee of the Australian Constitutional Convention consider and report to the next plenary session on the effect of the provisions of the Constitution, including section 90, in relation to the fiscal powers of the States".

The Standing Committee has in turn established a States Fiscal Powers sub-committee to examine the subject. The Chairman of this sub-committee, the Deputy Premier of Victoria, has been in contact with State Governments seeking their assistance in this exercise.

The South Australian Government believes that a fundamental review of the provisions of the Constitution as they affect the fiscal powers of the States is long over-due and attaches considerable importance to this decision of the Convention. The Government will be providing all the assistance it can to the relevant Committees.

The Adelaide session of the Convention also gave bipartisan support to the proposal for amendments to the Constitution to enable "interchange" of legislative powers between the Commonwealth and State Parliaments. The Commonwealth Government has stated that it intends to put this question to referendum. The implications of this proposed Constitutional amendment are potentially wide and include the possibility of reference of "excise" powers by the Commonwealth to the States.

The High Court has recently passed adverse judgement on certain pipeline licence fees levied by Victoria, the issues largely centring around the excise provision in section 90 of the Constitution. The implications of the decision for State taxation powers are at present being examined by State law and Treasury officers.

At the recent Premiers' Conference it was decided to establish a working group of Commonwealth, State and Northern Territory Treasury officers "to examine without commitment longer term issues of the distribution of taxation powers between the Commonwealth and State Governments". Treasury officers have had a preliminary discussion on this matter and it has been agreed that a sub-committee of State officers will prepare a first draft of a report.

Finally, the Commonwealth Government has advised the States of its intention to pursue the matter of a national resource rent tax in consultation with the State Governments. At this stage the possible implications for the State, especially in relation to mining royalties, are unclear. The South Australian Government agrees that there is a genuine national interest in the question of taxation of mining ventures and is prepared to enter into discussions with the Commonwealth. It would, however, be concerned about any action which had the effect, whether short or long term or whether direct or indirect, of reducing the States' independent revenue-raising powers or increasing their already unhealthy degree of financial dependence on the Commonwealth.

The Government will be monitoring all these developments with considerable care to ensure that full opportunity is taken for productive reform in the direction of giving the States a wider range of taxation and other fiscal powers than they have at present. It will be equally anxious to prevent any developments which could work in the opposite direction.

Concluding Comment

There has continued to be quite significant changes in various aspects of Commonwealth-State financial relationships over the last year. Some of them (especially in Loan Council) have taken things in a desirable long-term direction. Others have been of an ad-hoc nature.

Decisions taken at recent sessions of the Constitutional Convention and the Premiers' Conference hold out hope

for more fundamental reform in relation to the States' fiscal powers. There is also opportunity for more modest—but nevertheless significant—improvements in the detail of a number of programs of Commonwealth financial assistance to the States. The South Australian Government will be doing whatever it can to help achieve desirable reforms in all these matters.

ATTACHMENT IV ALTERNATIVE PRESENTATIONS OF THE BUDGET

A discussion on this matter was given in Attachment IV to last year's Financial Statement (see pages xlvi through li). The point was made there that the "traditional" way of presenting the Budget—under which, in particular, the Budget "result" is measured as the cash change in Consolidated Account in a year—is not the only way of doing so. Nor is it necessarily the best for all purposes.

The fact that the result expressed in this way can be somewhat arbitrary can be illustrated by reference to exper-

ience in 1982-83. In that year, the Consolidated Account deficit, as traditionally expressed, was \$57 million, equal to the cash result in the Account in the year. The effect of this cash run-down is a reduction in the State's interest earnings—i.e. an increase in the State's net interest payments. If, instead of such a cash run-down, the State had made an additional borrowing of some kind to eliminate the cash deficiency, the "deficit", as traditionally measured, would have been zero, but the "real" effect would have been much the same—i.e. an increase in net interest obligations.

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.

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

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

	1981-82	1982-83		1983-84 (Estimated)	
	\$ million	\$ million	Percentage Increase	\$ million	Percentage Increase
Expenditure					
Recurrent (b)	1 745.3	2 010.2	15.2	2 159.0	7.4
Capital	181.0	242.0	33.7	378.6	56.4
Total	1 926.3	2 252.2	16.9	2 537.6	12.7
Revenue					
Commonwealth grants (b)	928.0	1 110.7	19.7	1 199.7	8.0
Taxation	495.6	549.1	10.8	627.2	14.2
All Other	416.3	439.6	5.6	479.8	9.1
Total	1 839.9	2 099.4	14.1	2 306.7	9.9
Financing					
Net Increase in Borrowings (c)	86.8	95.7	10.3	225.9	136.1
Changes in Consolidated Account Balance	-0.5			5.0	
	(d)	57.1(e)	n.a.	(e)	n.a.
Total Net Financing Requirement	86.3	152.8	77.1	230.9	51.1

(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).

(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) plus other borrowings. 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) Increase in accumulated balance in the Account meaning that general cash reserves were increased in the year.

(e) Decrease in accumulated balance, meaning a utilisation of general cash resources.

n.a. = not applicable.

It will be seen that there was a large increase in the financing requirement in 1982-83, reflecting the cash result in the Consolidated Account in the year. There is to be a further large increase in 1983-84, largely reflecting the fact that, as a result of changes in the financing of housing programs referred to elsewhere in this Statement, borrowings are to take place through the Consolidated Account which in earlier years have been made outside that Account.

That leads to the second main point, namely that 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 the last two years the Treasury has published information papers containing and analysing consolidated data for the public sector on an aggregate basis.

A table giving summary information in this form for the years 1977-78 through 1983-84 is set out at the end of this Attachment.

The following table shows relevant figures for 1981-82, 1982-83 and 1983-84.

STATE PUBLIC SECTOR FINANCES 1981-82 TO 1983-84—SUMMARY

	1981-82	1982-83	Percentage Increase	1983-84 (Estimated)	
	\$ million	\$ million		\$ million	Percentage Increase
Outlays					
Recurrent	1 613	1 871	16.0	2 063	10.3
Capital	574	751	30.8	860	14.5
Net operating deficit of public trading enterprises	90	117	30.0	134	14.5
Total	2 277	2 739	20.3	3 057	11.6
Receipts					
Commonwealth grants	1 331	1 590	19.5	1 762	10.8
Taxation	491	539	9.8	616	14.3
Other receipts (a)	90	97	7.8	88	-9.3
Total	1 912	2 226	16.4	2 466	10.8
Financing					
Borrowings (b)	215	386	79.5	352	-8.8
Depreciation etc. (c)	94	102	8.5	115	12.7
Reduction in cash and investments	22	23	n.a.	97	n.a.
Other (d)	34	2	n.a.	27	n.a.
Total	365	513	40.5	591	15.2

(a) Comprises mining royalties, land rent, interest, statutory contributions from banks and other minor items.

(b) Comprises Loan Council borrowings, advances from the Commonwealth, semi-government borrowings and borrowing like transactions, especially leases.

(c) Comprises depreciation allowances and other allocations to internal reserves.

(d) Comprises movements in amounts outstanding to or from creditors and debtors, changes in private trust fund balances and other residual financing items.

n.a. = not applicable since these items measure movements in funds available.

Some of the points of interest to come out of this table are:

First, a quite marked slowing in the rate of growth of recurrent outlays from 16 per cent in 1982-83 to an estimated 10.3 per cent in 1983-84. This reflects a number of factors, including:

- an expected decline in the rate of growth of wage and salary rates and other costs;
- natural disaster relief expenditure in 1982-83;
- the introduction of a number of new spending initiatives in 1982-83.

Second, an even more marked reduction in the rate of growth of capital outlays. However, this is due to the pattern of spending by ETSA on the Northern Power Station (with ETSA's capital spending showing an absolute decline in 1983-84 compared with 1982-83) and again to the heavy incidence of natural disaster expenditure in 1982-83. The position is also complicated by changed arrangements for funding the State Bank's concessional housing loan program. If allowance is made for this last factor (but not the other two), the increase in capital spending in 1983-84 is estimated at 10.5 per cent. If spending by ETSA and on natural disaster relief is excluded, the increase is estimated at 26 per cent.

Third, a much lower rate of growth in Commonwealth grants in 1983-84 compared with 1982-83. This largely reflects the payment of natural disaster relief grants and

special grants of \$10 million each for transport and water supply in 1982-83 and abnormally high payments for hospital cost sharing in the same year.

Fourth, a significantly stronger growth in expected taxation revenue in 1983-84, reflecting new measures announced by the Government.

Fifth, an absolute decline in other receipts in 1983-84, reflecting a fall in interest earnings because of the reduction in the level of the State's cash reserves over 1982-83.

Sixth, a very large increase in borrowings in 1982-83, and an absolute reduction in 1983-84. The reduction reflects ETSA's situation. If its borrowings are excluded, the estimated increase in 1983-84 is 38 per cent.

Seventh, an expected large reduction in cash and investments in 1983-84. This is largely attributable to planned reductions in the level of cash and investments held by ETSA, the Housing Trust and the State Transport Authority. The effect of this will, of course, be a reduction in the interest earnings of the State public sector as a whole.

It is to be emphasised that the above data, especially for 1983-84, are of a preliminary nature. The actual figures could well differ substantially in some areas. This tends to be especially true of the change in cash and investments, which is something in the nature of a residual item. It is also to be emphasised that the data are based on national accounting classifications and do not relate directly to the budget figures quoted elsewhere in this Statement.

CONSOLIDATION OF STATE PUBLIC SECTOR—SUMMARY

\$ million

	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	Forward Estimate 1983-84
OUTLAYS							
Recurrent outlays	1 073	1 148	1 257	1 466	1 613	1 871	2 063
Net operating deficit of public trading enterprises	73	81	89	89	90	117	134
Capital outlays	576	505	449	506	574	751	860
TOTAL	1 722	1 734	1 795	2 061	2 277	2 739	3 057

CONSOLIDATION OF STATE PUBLIC SECTOR—SUMMARY—continued

\$ million

	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	Forward Estimate 1983-84
RECEIPTS							
Taxation	356	384	412	434	491	539	616
Commonwealth grants	959	1 013	1 113	1 228	1 331	1 590	1 762
Other receipts	53	58	66	76	90	97	88
TOTAL	1 368	1 455	1 591	1 738	1 912	2 226	2 466
FINANCING							
Borrowings (net) and other financing arrangements	259	233	192	176	215	386	352
Depreciation and other internal provisions	60	68	72	77	94	102	115
Reduction in cash and investments	31	-61	-84	45	22	23	97
Other financing items	4	39	24	25	34	2	27
TOTAL	354	279	204	323	365	513	591

For explanation of the concepts underlying this presentation, see Treasury publication 'South Australian Public Sector Finances, 1981-82 and 1982-83 Estimates', December 1982.

ATTACHMENT V

RESTRUCTURING OF PUBLIC SECTOR DEBT AND INTEREST RATE ARRANGEMENTS

Present debt and interest rate arrangements within the public sector of South Australia are unsatisfactory in a number of ways. They are unnecessarily complex and varied, they sometimes involve subsidies which may be unwarranted or which should be provided in a more open way and, in a number of cases, the maturity pattern of authorities' debt is inappropriate.

The provisions of section 18 of the Government Financing Authority Act 1982 give the Treasurer various powers to re-arrange the debt of statutory authorities in ways which will assist in overcoming these problems. These powers can be exercised only after consultation with the Minister responsible for each authority.

An overall approach to this matter has been approved by the Government in principle. Detailed proposals for each authority have been conveyed to each Minister and statutory authority concerned and consultation is taking place with them. It would be inappropriate to release full details of the proposals until these consultations are completed and final decisions are taken. However, a broad summary of the proposals is set out below:—

- first, debt arrangements would be considerably simplified in that the different kinds of debt which many authorities now have would be amalgamated into one loan outstanding to the South Australian Government Financing Authority (SAGFA);
- second, there would be a uniform interest rate, with advantages of simplicity and equity;
- third, repayment arrangements would be rationalised and tailored to meet the particular needs of each authority;
- fourth, commercial authorities whose present obligations are based on low interest rates would face realistic rates (e.g. ETSA now pays 6.5 per cent per annum on its \$159 million debt to the South Australian Government);
- fifth, bodies providing assistance to the community which is justified in a social welfare sense would continue to be subsidised, but the subsidies would be made open through direct grants from the recurrent Budget rather than through low interest rates; this is

consistent with Program and Performance Budgeting objectives.

Since the establishment of the South Australian Government Financing Authority in January, 1983, all semi-government bodies in the State, with the exception of the Electricity Trust, have been borrowing from that body rather than direct from financial institutions and other lenders.

The debt restructuring proposals now under consideration are based to a large extent on section 18 of the Government Financing Authority Act, which legislation was originally introduced by the previous Government; it lapsed when Parliament was prorogued and was re-introduced by the present Government. The general principle that agencies should be charged full interest rates—with any concessions considered desirable being given in a direct way rather than through low interest rates—was put forward by the previous Premier in introducing the legislation as consistent with program budget objectives. The present Government agrees with this general principle and is at present working out the details of its implementation consistent with its social and budgetary objectives.

One of the principles on which the Government's proposals are based is that there should be a common interest rate applicable to all public sector borrowers. It is proposed that the common rate be based on the weighted average of borrowing costs (combining Government and semi-government debt), plus margins covering administrative costs and representing the Government guarantees (explicit or implicit) involved in Government and semi-government borrowing. The margins proposed to be incorporated into the calculation of the common public sector interest rate to cover explicit or implicit government guarantees are 1 per cent per annum on the State's public debt and 0.5 per cent per annum on its semi-government debt. Although it is impossible to be precise about these matters, it is believed the above margins reflect the differentials that can be observed in financial markets between relevant government paper and prime corporate paper. At June, 1983, the common interest rate, calculated on this basis, would have been about 12 per cent per annum. It is envisaged that this rate would be adjusted periodically, probably quarterly, in line with changes in the portfolio of public sector debt.

The Electricity Trust will continue to have debt outstanding direct to the Government and will continue to borrow in the market in its own name. The debt outstanding to the Government will attract the common interest rate referred

to above, while a guarantee charge of 0.5 per cent per annum will be applied to the Trust's semi-government borrowings and funds obtained under leasing arrangements.

Largely as a result of these changes in relation to ETSA's debt, debt servicing recoupments by the Government in 1983-84 are expected to be approximately \$14 million higher than otherwise. This is reflected in the Estimates of Receipts being presented to Parliament as part of this Budget.

For most other authorities the proposals will have little net effect on the Budget and they are not reflected in the Estimates placed before Parliament.

It is the Government's intention to give full information to the Parliament on all the changes when the details have been settled.

ATTACHMENT VI

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, for most departments, are still presented in the traditional line form. I believe that the Estimates Committees will find this supplementary material useful in understanding and examining the Budgets of individual agencies.

Last year, for the first time, two departments (Public Service Board and Public and Consumer Affairs) presented their formal detailed estimates in a program form. This form of presentation has been extended to the formal estimates of five more departments this year. We hope that further progress will be made during the year.

The Departments which are presenting their estimates in a program form for the first time this financial year are:—

- Treasury Department
- Department of State Development
- Attorney-General's Department
- Department of the Corporate Affairs Commission
- Auditor-General's Department

In the past year the major thrust in the development of program performance budgeting has been:—

- the development and implementation of a new Treasury Accounting System
- the introduction of re-charging systems for a member of major activities provided on a centralized basis.

In the case of the Treasury Accounting System, a commercial software package, incorporating appropriation control, ledger control and accounts payable has been obtained from Management Science America Pty (Australia) Ltd. The package has been installed at the Government Computing Centre and has passed stringent tests.

Treasury Department, in conjunction with the Department of the Public Service Board, is taking the necessary steps to ensure that all agencies are progressively transferred to the new system. It will be a long term process involving a major upgrading of the financial systems of some agencies.

It is hoped that the accounting system of Treasury Department will be operating fully on the new system before the end of 1983 and that some other agencies will be incorporated into the system before the end of the financial year.

An important feature of the system is its flexibility which will ensure that the financial management systems of agencies can meet not only the requirements of Treasury and Government, but also the management requirements of individual agencies. This is a fundamental requirement.

The development of the Treasury Accounting System is an essential pre-requisite to the effective operation of program performance budgeting. That technique will be effective

fully only when resource information about programs is provided through the formal accounting systems of agencies.

With respect to cross charging, costs of accommodation and services for public buildings, and of services provided by the Chemistry and Forensic Science Divisions of the Department of Services and Supply are being charged direct to the client departments from 1 July, 1983. Further work will be undertaken in this area and appropriate systems developed where it can be established clearly that the cost involved in operating such systems is outweighed by the advantages to be gained from them.

While undue emphasis has been given in the past to program performance budgeting as the panacea for all management and financial problems, it can nevertheless be an effective management aid, particularly in the area of resource management. During the year, and within the limits of available resources, Treasury will be aiming to increase awareness of the practical use of program performance budgeting in agencies.

Functional Presentations

Statement D of the Treasurer's Statements and Accounts is a functional statement derived from the monthly statements (the Neimeyer statements) which have been produced by all States since the mid-1930's.

The functional categories used in the Neimeyer statements were developed originally in order to provide a comparable basis for analysing the operations of the six States and the Commonwealth. Given changes in the nature of Government activity since they were developed and the "grey areas" of classification, there is considerable room for doubt that they have much value for that purpose today.

Work has been under way in South Australia for some years on the development of a system of budgeting and reporting based on programs. The aim of this work is to be able to present South Australian Budgets and statements of accounts in a way which focuses on the products or achievements of the public sector (both projected and actual) as an alternative to highlighting, as the traditional presentation does, the resources and the organisational structure used to produce those achievements. In this sense, the program approach to Budgets and accounting statements is similar in a broad way to the functional approach adopted in Statement D. It is at about that point that the similarity ends.

The Program Performance Budgeting approach, comprises a hierarchical structure of functional classifications in which the lowest level is called an "activity". Expenditure on "activities" is combined to represent expenditure on "components" of "sub-programs" and so on, building ultimately into a classification by "policy area". The concept is illustrated in Volume I of the Program Estimates (the Yellow Books). Volume I also sets out the 12 "Policy Areas" and the "Program Sectors" which are included in each of the "Policy Areas".

The "Policy Areas" and "Program Sectors" correspond conceptually with the main headings in Statement D. The prime reason for not replacing the Statement D categories with the more recently developed functional classifications is that there is no formal information collection procedure in operation at present to support the new classification structure. Therefore, while figures shown in the Yellow Book represent the best estimates of the departmental personnel who prepare them, they are not auditable.

Full support for the new functional classification will not be available until the new Treasury Accounting System has been implemented for all departments. However, further amendments to the current system may make practicable a transitional publication of Statement D in the new functional form. This possibility will be examined by Treasury in consultation with the Auditor-General during 1983-84.

ATTACHMENT VII

REPORT OF THE AUDITOR-GENERAL FOR THE YEAR ENDED 30 JUNE 1982

RESPONSES BY DEPARTMENTS

Auditor-General's Report page reference	Auditor-General's Comment	Action Taken	Present Position
55	<p><i>Department of Correctional Services</i></p> <p>Call backs—'Due to the nature of correctional officers' work no position may be left vacant during any shift and absences of officers rostered for duty are filled by calling back other officers. As compensation, penalty rates are applied to call backs.</p> <p>An audit review was undertaken to determine the causes for the high cost of call backs—\$961 000 for 1981-1982—and identify possible ways to reduce costs.</p> <p>The review indicated that significant causes were the high incidence of sick leave, absence on worker's compensation and assignments to hospitals for custodial duties over inmate patients.</p> <p>It was recommended that management—investigate the causes for the high incidence of sick leave and control measures to determine if the level could be reduced; review the rostering system to decide if it provides for maximum flexibility in the allocation of officers rostered on duty to fill essential positions; and consider the staff establishment levels as to the adequacy to cater for expected absences through sickness, worker's compensation, hospital duties and other causes.</p> <p>These matters are under consideration by the Department.'</p>	<p>The Department is aware of this problem but the insistence of the Unions that a number of fixed positions be filled every day gives little flexibility to management.</p> <p>A departmental instruction was issued to upgrade the information available to management on overtime and call backs. The Department is introducing a new management structure at the Yatala Labour Prison.</p> <p>In January, 1983 consultants were engaged to prepare a management plan for the Yatala Labour Prison. This plan was to include the operational areas which reflect in the cost of call backs.</p> <p>Interstate/overseas penal institutions are being contacted to establish guidelines for the control of call backs.</p>	<p>The consultants' report was received in March, 1983 and appointments have been made to the management structure of the Yatala Labour Prison.</p> <p>Various initiatives by management and recommendations from the consultants' report are being implemented and it is expected that in time the incidence and related expenditure of call backs will be reduced.</p>
62/63	<p><i>Education Department</i></p> <p><i>Personnel/Salaries System (E.D.M.I.S.)—</i></p> <p>'The evaluation of a number of operating sub-systems, considered critical to the efficient and effective operation of the Personnel/Salaries System, in particular the Award file and Authorisation/Update sub-system, disclosed that—</p> <p>Management approved clerical procedures are adequate, however, they were not complied with by some operating and supervisory personnel; clerical operations did not ensure the prevention or detection of invalid or inaccurate information processed to the Personnel/Salaries System.</p> <p>The appraisal of controls designed to ensure the protection of system programs from accidental and deliberate interference and a review of system documentation revealed areas where control and documentation require improvement.</p> <p>These matters were referred to the Department and action is being taken to ensure management approved clerical procedures are adopted. Current procedures are under review in relation to the protection of systems programs and the documentation of programs is proceeding. When these changes are effected, action will be taken to finalise the audit review, including completion of the audit plan which will involve internal audit.'</p>	<p>Steps have been taken so that major changes are built into the procedure manuals after approval by the Assistant Director-General (Resources). Minor changes relative to a particular directorate can be approved by the Director concerned. Priority has been given to bringing system documentation up to date.</p> <p>For the Authorisation/Update System, new procedures have been developed and staff are being trained as these procedures are implemented.</p> <p>New computer checks have been introduced to help reject invalid data.</p>	<p>Monthly certificates of compliance have been built into the documentation and will be forwarded to the Internal Audit Branch.</p> <p>Training and implementation of the new Common Operating Procedures for the Authorisation/Update System is continuing.</p> <p>Need for a librarian function to ensure security and integrity of all departmental computer systems is being assessed.</p>

ATTACHMENT VII—*continued*

REPORT OF THE AUDITOR-GENERAL FOR THE YEAR ENDED 30 JUNE 1982

RESPONSES BY DEPARTMENTS

Auditor-General's Report page reference	Auditor-General's Comment	Action Taken	Present Position
68	<p>Educational Technology Centre—'During the year the Department conducted an in-depth review of the Working Account and associated accounting procedures in operation to control the activities of this centre. The need for a review of this Account was referred by audit to the department in December 1979. In addition, matters associated with stock and equipment control were reviewed by Internal Audit.</p> <p>The ensuing reports indicated action was needed to improve accounting procedures, control over stock and equipment, and that funds are accounted for in the manner approved by Treasury.</p> <p>The Department has implemented some recommendations and is currently involved on a project to reorganise the Working Account to cover all activities, including provision of appropriate management and control reports and to establish a costing system.'</p>	<p>A comprehensive job cost system proposal has been prepared detailing ledger format, forms, transactions and reports. The system is being examined to decide whether or not it should be set up on a computer. Enquiries to date indicate that a suitable software package may not be available, within existing constraints there would not be available the clerical resources to operate a manual system.</p>	<p>The Department is examining expected future demands to be made on the Educational Technology Centre for curriculum materials. This will, in turn, indicate transaction level for the proposed cost system.</p> <p>Advice is being sought from the Public Service Board on the use of a recently acquired general ledger software package.</p>
72	<p><i>Department of Technical and Further Education</i></p> <p>Personnel/Salaries System (E.D.M.I.S.)—'In conjunction with the review undertaken within the Education Department, an evaluation was also made of two sub-systems operating within this Department, to ensure the validity and accuracy of data processed.</p> <p>The review centred on an appraisal of computer and clerical procedures operating in relation to the Award File and Authorisation and Update Systems, both considered critical to the efficient and effective operation of the Personnel/Salaries System.</p> <p>The results of the review indicated that—management, approved clerical procedures are adequate, however, they were not complied with by some operating and supervisory personnel; clerical operations did not always ensure the prevention or detection of invalid or inaccurate information processed to the Personnel/Salaries System.</p> <p>These matters were referred to the Department and action is being taken to ensure adequate management approved clerical procedures are adopted and in addition, organisational changes designed to improve control over the input of data are to be made. When these changes are effected, action will be taken to finalise the audit review, including the development of a complete audit plan.'</p>	<p>Common operating procedures have been revised to meet the needs of the Department.</p> <p>Training has been undertaken to ensure the nature and extent of the clerical checking task is fully understood. Procedures have been introduced which require an independent check of input data.</p>	<p>Revised procedures in operation.</p>
75	<p>Revenue and Accounting—'With the exception of one college, control over fees collection, etc., was satisfactory. Unsatisfactory aspects of accounting for fees, etc., at that college were referred to the Department last year, and although some improvement had occurred, the non-performance of certain procedures designed to effectively control accounting for fees was still a matter for concern. The Department has undertaken to ensure that a satisfactory standard of performance in this regard is obtained.'</p>	<p>The Department's Internal Audit has reviewed all procedures at the college referred to, to ensure they are operating effectively. All queries raised by the Auditor-General have been resolved.</p>	<p>Standard of accounting considered satisfactory.</p>

ATTACHMENT VII—*continued*

REPORT OF THE AUDITOR-GENERAL FOR THE YEAR ENDED 30 JUNE 1982

RESPONSES BY DEPARTMENTS

Auditor-General's Report page reference	Auditor-General's Comment	Action Taken	Present Position
75	Lecturing Hours—'Taking into account the results of a survey undertaken by my officers and details contained in the report of the Committee of Enquiry into Education, it is evident that current policies and practices do not provide for effective use of staff in some areas. Details of the survey were referred to the Department which advised that certain proposals are under consideration to amend policies relating to the utilisation of staff resources and the measurement of educational activity in relation to output.'	Proposals contained in a paper titled 'Utilisation of Staff—Resources and Measures of Educational Activity Relating to Output' were approved by the Minister of Education on 25 August, 1982.	Implementation of the proposals approved by the Minister required the improved collection of data and the setting of productivity criteria. It is expected that a new student enrolment system will be implemented during the 1983 college year and will provide the data required. Program Operating Groups were formed in 1982 and are expected to recommend criteria for each study area in the first half of 1983. Revised procedures in operation.
75	College and School Fund Accounts—'The proposed procedural changes and the preparation of a revised manual of procedures recommended by the working party established in 1979 to review the operations of these accounts are not finalised. A draft accounting manual has been produced and other recommendations covering charges for materials, services, text material, etc., are still under consideration by Program Operation Groups within the Department.'	School and College Council Fund Accounting Manual has been finalised and was issued in January, 1983.	
90	<i>Engineering and Water Supply Department</i> Irrigation and Reclaimed Areas—Operations—'Rates outstanding at 30 June, 1982, were \$918 000 (an increase of \$347 000) and included \$333 000 raised prior to the 1981-1982 rating year. The unsatisfactory level of outstandings was commented on last year. Although the Department had upgraded monitoring procedures of outstandings, the situation has further deteriorated. The present recovery system still does not ensure payments or satisfactory arrangements for payments within acceptable time limits.'	The Department is vigorously following up debtors. There is a 'hard-core' of users who have severe cash flow difficulties.	Legislation to increase the interest payable on overdue accounts is operative from 1 July 1983.
100	<i>Department of Fisheries</i> Financial Irregularities—'An investigation by the Department into a misappropriation of funds revealed weaknesses in financial controls, particularly those relating to authorisation for expenditure and reimbursement of expense claims. New procedures for improving financial control have been introduced. In connection with this matter, two officers and a former officer were prosecuted, the department received \$5 000 restitution and disciplinary action was taken under the Public Service Act.'	Review carried out by the Public Service Board to implement effective financial management and internal controls. Improved controls implemented over reimbursement of expenses, improved procedures issued as to the purchasing of goods and services and the authorisation of payments.	Organisation being reviewed to ensure expertise in accounting is maintained.

ATTACHMENT VII—*continued*

REPORT OF THE AUDITOR-GENERAL FOR THE YEAR ENDED 30 JUNE 1982

RESPONSES BY DEPARTMENTS

Auditor-General's Report page reference	Auditor-General's Comment	Action Taken	Present Position
132	<p><i>Police Department</i></p> <p>Control of Expenditure—'A review of the financial management information reporting system disclosed a number of weaknesses which were reported to the Department. In reply the department advised that it has—</p> <p>Engaged a consultant to advise on a new payroll/personnel system with an improved management reporting capability;</p> <p>Initiated a review of the overall financial information systems.'</p>	<p>For the payroll/personnel system the consultants' report recommends use of a software package to be used on the Department's own equipment.</p> <p>Review of the overall Financial Information System is to be carried out in three phases:</p> <p>Phase 1: Concept for a financial management information system for the Police Department.</p> <p>Phase 2: Review changes needed to existing systems and resources needed to implement change.</p> <p>Phase 3: Detailed implementation.</p>	<p>More detailed investigation proceeding.</p> <p>A report on the concepts of the Financial Management Information System has been prepared by the Public Service Board. Departmental management has accepted the report and is considering/determining priorities.</p>
334/335	<p><i>South Australian Health Commission</i></p> <p>Audits of Incorporated Recognised Hospitals—'Pursuant to the South Australian Health Commission Act, the Auditor-General was appointed auditor for eight recognised hospitals incorporated under the Act.</p> <p>Comment was made in previous Reports that the standard of accounting in some hospitals was not up to a desirable standard.</p> <p>The utilisation of resources available in meeting changes from revised classification, eligibility and fees charged for patient services limited the progress by management in overcoming problems identified. Notwithstanding, during the year a number of computerised systems were introduced to upgrade the quality of financial and management information. Specific matters raised with hospitals which still require attention included—</p> <p>internal control procedures over computerised input data and reconciliation with outputs and associated financial ledger controls were insufficient to ensure the integrity of operations and financial results;</p> <p>procedures for billing non-inpatients for services provided and all patients for pharmacy charges could not be relied upon to ensure all charges were raised; and</p> <p>the lack of timely reviews of outstanding debtors and inadequacy of effective follow-up procedures to ensure the receipt of all fees due and payable.'</p>	<p>The South Australian Health Commission has issued revenue collection guidelines to hospitals which set out the principles to be followed in respect of revenue raising, revenue collection and follow up, including legal action.</p> <p>Whilst systems have been improved, progress has continued with the development of direct billing arrangements between the metropolitan teaching hospitals and the major hospital benefit funds. Improved systems and procedures have been introduced to ensure non-inpatients are charged for services and all patients are charged for pharmacy supplies.</p>	<p>Whilst development of patient statistical/revenue systems will continue, they will require the flexibility to handle changes flowing from the proposed health care initiatives of the Commonwealth Government. These initiatives will significantly reduce the volume of non-compensable patient billing and revenue collection requirements.</p>

ATTACHMENT VIII

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 25 August 1982. These changes are reflected in the Estimates of Receipts and in the Estimates of Payments.

- (1) The Department of State Development was established by the amalgamation of the former Department of Trade and Industry and the State Development Office of the Department of the Premier and Cabinet.
- (2) The Department of Recreation and Sport was established by the transfer of the Recreation and Sport Division from the Department of Transport.
- (3) The Department of Industrial Affairs and employment was retitled the Department of Labour.
- (4) The Office of the Ministry for Technology was established by the transfer of the Data Processing Board from the Department of Services and Supply and the transfer of the Technology Advisory Unit (formerly the Technological Change Office) from the Department of Labour.
- (5) The Ethnic Affairs Commission was transferred from the Department of Local Government to the Department of Public and Consumer Affairs.
- (6) The Gas and Explosives Section of the Department of Services and Supply was transferred to the Department of Labour.
- (7) The Office of Aboriginal Affairs was transferred from the Department of Lands to the Department for Community Welfare.
- (8) Staff involved in the administration of the Building Societies Act and the Credit Unions Act were transferred from the Department of Public and Consumer Affairs to the Department of the Corporate Affairs Commission.
- (9) The Scientific and Development Group of the Laboratory Animal Sciences Unit was transferred from the Department of Agriculture to the Department for the Arts.
- (10) The State Coroner's Office was transferred from the Attorney-General's Department to the Courts Department.

The Hon. B.C. EASTICK secured the adjournment of the debate.

SOUTH AUSTRALIAN MEAT CORPORATION ACT
AMENDMENT BILL

Second reading.

The Hon. LYNN ARNOLD (Minister of Education): I move:

That this Bill be now read a second time.

This short Bill proposes amendments to the South Australian Meat Corporation Act, 1936, relating to several disparate matters. The Bill proposes that section 33 of the principal Act be replaced with a new section setting out the basis of assessment of the lands of the South Australian Meat Corporation for local government rates. Under the existing section, the assessment is required to be made according to a percentage of five per centum of the capital value of the land, disregarding buildings and erections used for or incidental to the performance of the corporation's functions other than offices or dwelling-houses.

This provision was appropriate to local government rates that were charged upon the annual value of land. However, since amendments made to the Valuation of Land Act and Local Government Act in 1981, local government rates have, in the case of most of the corporation's land, been charged upon the capital value of the land, thereby causing a significant reduction in the rates payable by the corporation to the councils concerned.

Accordingly, the Bill proposes a new section that will restore the previous position by providing, in effect, that, where rates are charged upon capital value, then improvements by way of the buildings or erections used by the corporation other than offices or dwelling-houses are to be disregarded in assessing the value of the land. It is proposed that the new provision will apply for the 1983-84 financial year and succeeding financial years.

The Bill proposes an amendment to section 55 which established the South Australian Meat Corporation Deficit Fund. This amendment is consequential to the arrangement that is proposed to be made with the new South Australian Government Financing Authority under which that authority will take over the liabilities of the Minister in respect of moneys borrowed for the purposes of the South Australian Meat Corporation Act.

The Bill also proposes an amendment to the principal Act extending the provision for the corporation to have a lien over stock and meat for unpaid charges for slaughtering and delivery to charges imposed by the corporation for other services rendered under the Act. Clause 1 is formal. Clause 2 substitutes for existing section 33 a new section providing that, where improvements to land of the corporation by way of buildings or erections used by the corporation in carrying out its functions would, apart from the section, be taken into account in assessing the value of the land for council rates, then, notwithstanding the provisions of any other Act, no account is to be taken of those improvements other than the buildings used as offices or dwellings-houses.

Existing section 33 provides that the assessment of the corporation's lands for council rates is to be made according to a percentage of five per centum of the capital value of the land disregarding improvements by way of buildings or erections used by the corporation in carrying out its functions other than the buildings used as offices or dwelling-houses. The new provision is to apply for the 1983-84 financial year and succeeding financial years.

Clause 3 amends section 55 of the principal Act. This section provides for the establishment of the South Australian Meat Corporation Deficit Fund. Under section 54, the Minister was authorized to assume the liabilities of the corporation in respect of moneys previously borrowed by the corporation. The Minister, in fact, assumed such liabilities and under section 54 (4) provision is made for payments to be made out of the Deficit Fund to meet the liabilities so assumed by the Minister.

It is now proposed that these liabilities will be met by the new South Australian Government Financing Authority. This will mean that the moneys in the Deficit Fund will be applied not in payments to the lenders to the corporation but in payments to the new Government Financing Authority. The clause amends section 55 (4) so that it reflects this proposed new arrangement.

Clause 4 provides for the repeal of section 91 (2). Section 91 (2) presently provides that the corporation shall have a lien on all of an owner's meat and stock in the possession of the corporation for charges for slaughtering or delivery owed by that owner. Clause 5 inserts a new section 91a which provides that the corporation shall have a lien on all of an owner's meat and stock in the possession of the corporation for charges owed by the owner in respect of

any services rendered by the corporation, that is, not just slaughtering and delivery services.

The Hon. B.C. EASTICK secured the adjournment of the debate.

FISHERIES ACT AMENDMENT BILL

Second reading.

The Hon. LYNN ARNOLD (Minister of Education): I move:

That this Bill be now read a second time.

This Bill seeks to provide that the Minister may, by notice in the *Gazette*, implement fisheries management measures in the areas in which there is a particular need to respond quickly to circumstances. Speed and flexibility are vital elements in, for example, the situation where seasonal conditions cause a delay in the growth of prawns and an extra two weeks closed season is required at short notice to improve the yield. Past experience has established that the period from recommended management decision to proclamation is unacceptably long.

Accordingly, the Bill proposes an amendment to section 46 of the Fisheries Act, 1971, under which the places or seasons for fishing may be fixed by the Minister by notice in the *Gazette* rather than, as is now the case, by the Governor by proclamation. I seek leave to have the explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Clause 1 is formal. Clause 2 substitutes for present section 6 a new section providing for the power to vary or revoke proclamations and notices under the Act, and for the date at which they came into operation. The proposed new section also provides a transitional provision under which any proclamation in force under section 46 immediately before the commencement of this measure shall, on and from that commencement, continue in force as if it were a notice published in the *Gazette* under that section as amended by clause 3.

Clause 3 amends section 46 of the principal Act which provides that the Governor may by proclamation declare that it shall not be lawful to take fish or specified fish from specified waters, or from any waters or specified waters during a specified period. The clause amends this section so that the power may be exercised by the Minister by notice published in the *Gazette*. Clauses 4 and 5 make amendments that are purely consequential on amendments made by clause 3.

The Hon. P.B. ARNOLD secured the adjournment of the debate.

FENCES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 30 August. Page 578.)

The Hon. H. ALLISON (Mount Gambier): The Opposition fully supports this Bill, which was introduced in the Legislative Council recently. It is, in fact, identical to the Bill that the former Government introduced prior to the 1982 election. The Bill will upgrade the jurisdictional limits referred to in the principal Act, bringing them into line with amendments made in the Statutes Amendment (Jurisdiction

of Courts) Act, 1981. There is no other matter of substance in the Bill and we support it.

The Hon. G.J. CRAFTER (Minister of Community Welfare): I thank the Opposition for its support of this measure.

Bill read a second time and taken through its remaining stages.

PAROLE ORDERS (TRANSFER) BILL

Adjourned debate on second reading.

(Continued from 30 August. Page 579.)

The Hon. D.C. WOTTON (Murray): The Opposition supports this Bill: it is quite sensible. The Standing Committee of Attorneys-General decided to enact uniform legislation throughout Australia to enable prisoners to be transferred from State to State. This Bill is complementary to the Transfer of Prisoners Act, which was passed in this Parliament last year. Essentially, it is a machinery matter. Both the Minister in the jurisdiction where the parole order was made as well as the Minister in the jurisdiction that is receiving the parole order must agree to the transfer. Both Ministers must be satisfied that the transfer is in the interests of the parolee and that the parolee has consented to the request for a transfer.

When the parole order is transferred, it ceases to have effect in the sending jurisdiction, and any imprisonment within that jurisdiction ceases to have effect. Of course, that means that the parole order is dealt with according to the law and the practice of the receiving State. If the parolee decides to return to the home jurisdiction, the original parole order and the period of imprisonment are reinstated. This Bill is very sensible. There are often many reasons why a parolee may wish to be transferred, perhaps for better work opportunities, because of family ties, because of people who can care for the parolee and support the rehabilitation programme, or other issues that I will not relate.

I might say that the area of parole generally is of considerable interest, particularly since the Government has released recently a discussion paper on this subject. It is probably quite healthy that there is debate on this important matter. I have some concerns that the Government might have already made up its mind exactly where it is going in relation to parole, and that the discussion paper might be only a public relations exercise, but we will have to see what happens when the time comes for the Government to take some positive action. Of course, that opportunity will be provided when legislation comes before the House in that regard.

I am a little uncertain about the expertise of the person or persons who prepared the discussion paper, and I know that quite considerable concern is being expressed in the community at present. However, I do not intend to say more about that because, as I have stated, we will have an opportunity to debate that matter on a later occasion. The Opposition supports the Bill.

The Hon. G.F. KENEALLY (Chief Secretary): I thank the member for Murray and the Opposition for their support of this measure.

Bill read a second time.

In Committee.

Clauses 1 to 4 passed.

Clause 5—'Power of Minister to delegate.'

Mr MATHWIN: What is the intent of this clause?

The Hon. G.F. KENEALLY: This is a quite fundamental clause in all Bills of this nature. It enables the Minister to delegate to a departmental officer, whether the Executive

Director or a senior officer, power to negotiate and to be involved in the jurisdictions addressed by this Bill.

Mr MATHWIN: Is the Minister suggesting that he can delegate powers to officers in another State where a parolee from South Australia is on parole interstate? Can the Minister delegate powers to authorities interstate?

The Hon. G.F. KENEALLY: The clause states that the Minister may by instrument in writing delegate this power to any officer of the department. The department is the Department of Correctional Services of South Australia. Quite clearly, it is not within the power of any Minister in this State to delegate powers unrelated to the Bill (which is restricted to officers of the department within this State). I hope that that satisfies the honourable member's query.

Clause passed.

Clause 6—'Request for registration of parole order under corresponding law.'

Mr PETERSON: I cannot find a relevant clause for my query, but I think this clause is the most appropriate. I refer to a situation where a parolee is transferred interstate, or vice versa, and put under the administration of the relevant body. That will involve some costs in relation to parole officers' time, administration, and so on. Is there an agreement in relation to the exchange of expenses, or will it be done on a complementary basis?

The Hon. G.F. KENEALLY: There is certainly no agreement in relation to an exchange of expenses. Once the receiving State has agreed to accept a parolee he becomes the responsibility of the receiving State unless, of course, the parolee decides to go back to the State with the original jurisdiction. We have not had an agreement on costs, but it is anticipated that there will be a concurrent transfer of parolees (as is anticipated with prisoners) once the legislation is agreed to by all of the participating States and the Commonwealth.

Certainly, South Australia does not anticipate that suddenly we will be swamped with parolees who will add to our costs. The fact of life is that, as a reasonably peaceful State with fewer offenders than in other States, we would be advantaged. We have many prisoners and parolees in South Australia who are residents of Victoria, New South Wales and other States; so, there is certainly a possibility that there would be cost advantages to South Australia. But, I do not think that the cost has been a consideration. The consideration of this is the more effective treatment of offenders and the opportunities for offenders to be rehabilitated. That can be more easily achieved if the offenders are closer to the support services that can be provided by the community.

The Hon. D.C. WOTTON: I am not sure whether my query relates to this clause. My colleague in another place asked the Attorney-General:

1. In what jurisdictions has the Bill already been passed? In that context, when is it likely that legislation will be in place in every jurisdiction in Australia?

2. In which jurisdictions is legislation passed last year relating to the transfer of prisoners now operating and when will that legislation come into effect in all participating jurisdictions in Australia?

If the Chief Secretary has that information, will he now make it available to the Committee?

The Hon. G.F. KENEALLY: The Attorney-General's reply to the Hon. Mr Griffin is as follows:

The Parole Orders (Transfer) Bill has to my knowledge already been passed in the Northern Territory and the A.C.T. At present, I do not know when similar legislation will be in place in every jurisdiction in Australia. I will endeavour to ascertain this information at the forthcoming Standing Committee meeting of Attorneys-General, to be held in Melbourne on 1 September 1983—

of course, the Attorney-General is there today—

I will advise you further after that date and when the information is known. On the second matter raised, namely, the progress of legislation relating to the transfer of prisoners, I advise that all

jurisdictions except Western Australia and the Commonwealth have passed the appropriate legislation at this time. Again, I do not know when the legislation will be passed in all participating jurisdictions in Australia, although I do believe that all the States which have passed it hope to have it in operation by the end of this year.

Clause passed.

Clause 7—'Effect of transfer of parole order to another State or a Territory.'

Mr MEIER: Does this clause mean that, if a parolee is serving a prison sentence in another State and is brought to this State other prison sentences to be served by the parolee will not be enforceable?

The Hon. G.F. KENEALLY: No. If a parolee in South Australia applied for transfer of his parole conditions to another State and the receiving State and the Minister in South Australia agreed that it was in the best interests of the parolee, such transfer would take place. The parole conditions would no longer apply in this State, but would apply in the receiving State, and if there was a breach of the parole the offender would be subject to imprisonment, or whatever conditions applied to the breach of parole. I point out that, if we accepted an interstate parolee into South Australia and he breached the conditions of the parole order, making him liable to a term of imprisonment, the parolee would go back to gaol in South Australia. The transfer in no way lessens the strength of the parole order. The penalties still apply, but they cannot apply in both States. Therefore, if parolees transfer from one State to another, the conditions apply to the State to which they have transferred. However, there has to be a concurrent reduction of conditions in the State from which the parolee transferred.

Clause passed.

Remaining clauses (8 to 11) and title passed.

Bill reported without amendment.

The Hon. G.F. KENEALLY (Chief Secretary): I move:

That Standing Orders be so far suspended as to enable the Bill to pass through its remaining stages without delay.

The DEPUTY SPEAKER: Is that motion seconded? For the question say 'Aye', against 'No'. I think the Ayes have it.

Motion carried.

Mr MATHWIN: I rise on a point of order, Mr Deputy Speaker. I did not hear a seconder for that motion.

The DEPUTY SPEAKER: It is not important whether or not the honourable member for Glenelg heard it; it is important that the Chair hears it.

The Hon. D.C. BROWN: I rise on a point of order, Mr Deputy Speaker. I am just as close to you, Sir, as any other members, and I certainly did not hear a seconder. In fact, I am quite certain, looking across the Chamber, that no Government member seconded the motion.

The DEPUTY SPEAKER: Order! There is no point of order.

The Hon. D.C. BROWN: Mr Deputy Speaker, Standing Orders require a motion to be seconded and I, like the member for Glenelg, am absolutely certain that no-one seconded that motion. I know that the member for Unley is now trying to claim that he did, but he did not.

The DEPUTY SPEAKER: Order! There is no point of order.

The Hon. D.C. BROWN: Of course there is a point of order, Mr Deputy Speaker, if the motion was not seconded.

The DEPUTY SPEAKER: Order! I repeat: it is important that the Chair hears the seconder, not the member for Davenport or the member for Glenelg, and I am calling on the—

The Hon. D.C. BROWN: I rise on a further point of order, Mr Deputy Speaker. Can I ask who seconded the motion, in your opinion?

The DEPUTY SPEAKER: The honourable member can ask, yes.

Mr MATHWIN: I rise on a point of order, Mr Deputy Speaker. Surely members in this place have some rights. It is a matter of procedure. Mr Deputy Speaker, you may wish to do away with all ceremony and procedure in this place, but I do not.

The DEPUTY SPEAKER: Order!

Mr MATHWIN: I believe that there are rules and regulations to be kept in this place, and it is my right to support them.

The DEPUTY SPEAKER: Order! The member for Glenelg will resume his seat. There is no point of order. I repeat what I have already said: it is not important whether the members for Glenelg or Davenport or any other member heard a seconder; it is important that the Chair is convinced that he heard a seconder.

Mr MATHWIN: I rise on a further point of order, Mr Deputy Speaker. I take it then that in this House in future, when the Speaker or Deputy Speaker calls for a seconder and nobody hears a seconder but somebody thinks that they might have, that decision is sufficient and nobody is allowed to challenge it. Surely it is the right of every member to know, without having to wait until the *Hansard* report is available, whether or not the procedures of this House have been carried out correctly. Surely that is a member's right. Surely we are not going to lose all our rights in this place.

The DEPUTY SPEAKER: The Chair repeats: there is no point of order. I call on the Chief Secretary.

The Hon. G.F. KENEALLY (Chief Secretary): I move:

That this Bill be now read a third time.

The DEPUTY SPEAKER: I heard that very distinctly. Is there a seconder?

Mr Trainer: Yes, Sir.

Bill read a third time and passed.

FOOT AND MOUTH DISEASE ERADICATION FUND ACT AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 30 August. Page 580.)

The Hon. D.C. BROWN (Davenport): This Bill proposes amendments to the Foot and Mouth Disease Eradication Fund Act. I speak on behalf of the shadow Minister of Agriculture, my colleague the member for Alexandra. First, it is appropriate that I comment on the importance of this legislation. Fortunately, unlike many overseas countries, Australia does not suffer from foot and mouth disease. The cost of the disease to Australia would be horrendous. Very few people could ever envisage what would happen to Australia's primary industry if foot and mouth disease became established in Australia. Most of our overseas beef exports would immediately be stopped. There is also a fair chance that enormous numbers of our livestock would have to be shot to eradicate the disease. Little is known about the chances of foot and mouth disease becoming established in wild animals: if that occurred it would lead to the spread of the disease, particularly in the north of Australia, and make it virtually impossible for it to be eradicated. We do not yet know whether kangaroos or any other animals may be passive carriers of foot and mouth disease.

In an attempt to solve some of these problems, the C.S.I.R.O., under Federal Government financial support, has just established the Australian National Animal Health Laboratory in Geelong, Victoria. To highlight the importance given to the potential cost of an outbreak, C.S.I.R.O. and the former Liberal Government allocated \$155 million to build the quarantine laboratory.

Mr Baker: Absolutely superb, too.

The Hon. D.C. BROWN: I believe the honourable member has seen it. I understand that it is a superb facility—it needs to be. Under a laboratory situation, it is absolutely vital that not one insect, not a single drop of fluid, tissue or organic material be allowed to escape. In fact, not even the air is allowed to escape from the laboratory. It will be an entirely closed unit—fully self-contained. Anyone who moves into an area within the laboratory which may be affected by foot and mouth disease will have to wear protective clothing, be thoroughly washed down and ensure that their clothing is entirely free from any remnants of animal tissue or disease-infected material.

We can hope that Australia never faces an outbreak of foot and mouth disease. However, that is being unrealistic as it is almost like a lottery. Sooner or later, it is going to occur. The chances of it occurring are, unfortunately, increasing with escalating world trade through both aircraft and shipping. Therefore, the chances of infected material being deposited in Australia and subsequently being picked up by an animal and being spread and incubated is on the cards. It is not a matter of whether a foot and mouth outbreak will occur but, rather, when. One can only hope that it will not occur for many years. If it does occur, we need to be prepared for the resulting disaster.

I think all members are well aware of the devastation caused by bushfires earlier this year, particularly in South Australia and Victoria. A major outbreak of foot and mouth disease would probably have a far greater consequence on both the national and State economies (and certainly on people's livelihood) than did the bushfires early this year. As soon as an outbreak of foot and mouth occurred the army and other emergency services would be called in. All stock within a 50 to 70 kilometres radius (depending on the circumstances) would automatically be destroyed. All stock would have to be burnt and buried. People would not be able to move from their locations and vehicular traffic within the area would come to a halt. All livestock sales within many hundreds of kilometres of the infected area would be stopped. It is also possible that all shipments of livestock from Australia would be halted immediately—possibly for one or two years or even longer, depending on the severity of the outbreak. It may not be possible to entirely eradicate an outbreak of foot and mouth. I am sure all honourable members recall the devastation in Britain as a result of an outbreak of foot and mouth. It is easier to control foot and mouth in Britain because it does not have the large wildlife population that we have (especially in the north of Australia).

When I was a university student I was interested in Agricultural Science pursuits and I was editor of what became a national magazine. We devoted one entire edition of that magazine (which was distributed nationally) to the dangers that exist in relation to foot and mouth disease in Australia and the fact that Australia was not ready and prepared for such an outbreak. That was some 20 years ago. I am delighted to say that since then a great deal has been done in the nation to prepare us for a potential outbreak. I am continually concerned, as are the authorities, about the fact that there has not been an outbreak so far. It tends to make people lax in relation to what they attempt to smuggle in to the country. Some people may recall the potential threat of a foot and mouth outbreak in Queensland in about 1965-66 when a farmer imported semen from overseas and illegally inseminated his cattle. It was thought that there could be an outbreak. The army moved in and shot all animals within, I think, a 50 mile radius. This is an important subject.

This Act deals with how people have been compensated for losses incurred in that situation. The Bill deals with

three specific amendments. The first increases from 60 to 90 days the time under which a person can lodge a claim for compensation. Realising the personal trauma that would be involved in an outbreak of this disease, I think that extension of time is most appropriate.

Secondly, the Bill ensures that a person is paid compensation where the animal dies from an exotic disease before there has been a chance to place that farm or any other nearby farms under quarantine. Originally, the Act was drafted on the basis of foot and mouth disease. With that disease, the likelihood of death is small, and the animals simply become sick. In that situation it is not until the property is placed under quarantine and the animals are shot that it is necessary to consider any compensation. There are other diseases that could be involved, and those other diseases could kill the animals before it is ever realised that an outbreak of an exotic disease has occurred.

The third amendment deals with the obligations of an owner to comply with all laws relating to the eradication of the outbreak of disease. We support that as well. These amendments have been discussed at some length by the Australian Agricultural Council, which has established guidelines. The amendments are supported by the industry itself: in other words, the National Federation of Farmers and the local bodies. The amendments proposed have the full support of the industry and will improve the administration of the compensation paid to people should an outbreak of foot and mouth disease ever occur. For those reasons the Opposition supports the Bill.

Mr RODDA (Victoria): I support the Bill. I listened to most of what the member for Davenport said. This is important legislation in a primary producing country like Australia. I know from past experience, especially in rural industries, that complacency can occur in regard to such diseases. One has only to look at the lucerne problem that occurred when we had to attack a wog (the name of which I forget, but that shows how successful the attack was) by the use of a wasp.

As the member for Davenport correctly pointed out, spores, germs and the like can come in to Australia. Australian citizens and others travel by aircraft all over the world. Two aircraft travelling from Singapore to Melbourne fly over my farm daily at four o'clock and one can set one's clock by them. At 4 o'clock in the morning two more aircraft come over, as regular as clockwork. When we have people travelling across the world like this it is not unreasonable to believe that something could drop out and find its way amongst the flocks and herds of this State.

Legislation such as this provides for cases which we hope will not occur here, but it is not much good hoping against hope. As the honourable member pointed out, such diseases can come upon us when we least expect them. True, we are just emerging from the horrendous fires, where we saw stock slaughtered *ad-lib*. The stock had to be buried as a result of the effects of a national catastrophe. We have also seen in other countries the devastation wrought upon stock that have become afflicted by diseases such as this. Stock has to be destroyed for a considerable radius around the centre of the disease outbreak.

As well as my other rural colleagues, I expect that all members of Parliament have been invited to the C.S.I.R.O. establishment being set up in Victoria. On first reading of it, I thought that we had to visit at a specific time, but I believe that by arrangement we can go to Geelong to see first-hand what is being done in regard to animal health and the health of Australian people. I hope that many members will avail themselves of that opportunity.

True, it is no further for me to drive to Geelong from my district than it is to drive to Adelaide, and perhaps in

one of the breaks I will drive to Geelong to see the new facilities and what they mean to the primary industry of this State. In his address yesterday the Minister pointed out that 10 proclaimed diseases are with us. He indicated that timing is important. Compensation is a matter about which we did not worry unduly in the past, but now we are seeing that the compensation guidelines on the Statute Book have hampered some people obtaining what they believe is their entitlement to compensation, and the authorities have agreed that the regulations do not provide for that.

This Bill creates machinery in advance of a happening which we hope does not reach our fair shores. This matter is extremely important to the primary producing industry and, therefore, it is important to both the State and Australia. For that reason I commend the Government for this Bill, which is complementary to Commonwealth legislation. I commend both Governments for this legislation, which I have much pleasure in supporting.

Mr BLACKER (Flinders): I, too, support the Bill. As one who has been involved in the stock husbandry industry, I can appreciate the vital importance of legislative measures such as this. We have heard speeches from the member for Victoria and the member for Davenport, but there are not many members who fully appreciate the gravity of the situation if we had an exotic disease in this State. Australia is one of the few countries that is presently free of such diseases. Therefore, Australia has access to premium export markets. If Australian stock became infected with an exotic disease, then overnight our access to those premium markets would disappear. Therefore, we would be competing on a market in which 75 per cent of stock-producing countries of the world supply and we would not be in a competitive position at all.

It is of vital importance on sheer economic grounds that we keep out such exotic diseases from Australia. If an exotic disease did break out, we would have a tremendous job to correct that situation. The very fear or fact that it was advertised that an outbreak occurred in Australia would mean that consumer confidence in our marketing by customer countries would be broken and our markets would be lost. Thus, as a result of one radio or media announcement, overnight millions of dollars would disappear from the stock industry. Large numbers of stock would have to be destroyed in order to control the outbreak.

I will describe what would occur in the case of such an outbreak. For those members who are familiar with Eyre Peninsula, if an outbreak was detected at Yeelanna, 50 miles north-west of Port Lincoln, it would mean that every cloven-hoofed animal in all areas north of Lock would have to be destroyed. Every cloven-hoofed animal south of a line east-west to the north of Lock would have to be destroyed. In other words, more than 50 per cent of the producing area of Eyre Peninsula would have to have the stock wiped out from it. That would be the magnitude of such a disease. If an outbreak had been detected just north of Adelaide or in the mid-north, members can visualise the devastation and the destruction of stock that would have resulted in order to control or confine that outbreak.

The matter is indeed very serious and I commend the Government for widening this legislation to include not only foot and mouth disease but other exotic diseases with which we will possibly come into contact at some time in the future. One would like to hope that it would never occur. However, with the speed of travel nowadays it could easily be that an agricultural oriented person could be on a farm that could be disease infected, in Europe or elsewhere in the world, and, within hours, could be back walking on our own soils. That is where the real danger could occur.

Further than that, well-meaning tourists might like to see intensive industries in other parts of the world and, in turn, quite innocently start walking around parts of Australia on their return. Again, they could well be the carriers of such exotic diseases. I think that, in the examples that I am now drawing, most persons with an agricultural background would certainly make some precautionary efforts to ensure that they were not the carriers of it. However, it is not a matter of if it happens; to me it is a matter of when it happens. Let us hope that the Governments of the day and all persons involved in stock industries either directly or indirectly take heed of that.

I must refer to the member for Davenport's comments when he claimed strong Liberal Party support for the complex at Geelong. I think that (if memory serves me correctly) at the time that that complex was established, it was under the Ministerial responsibility of Senator James Webster. I know that it was then Jim's big hope and part of his portfolio to get that animal husbandry complex off the ground. I think that it was fair to say that it was a coalition arrangement in that instance. The Minister was in the National Country Party as it was then. The only saddening part from my point of view (being a close friend of Jim Webster's) was that he was shunted off to New Zealand and was unable to perform the opening ceremony, which the Prime Minister did. However, be that as it may, it was a coalition approach, and I do not think the shadow Minister should forget that point.

All the agricultural and stock industries have given support to this measure. I do not believe that there is one element within the community that would have any great concern about it at all. I know that, when one is starting to compare a natural disaster (and I commend the member for Davenport for the comparison that he drew in relation to the natural disasters we have experienced during the earlier part of this year and the drought in the latter part of last year), an outbreak of an exotic disease would be far more devastating to the economy of this State, and certainly the livestock industries, than would any other single fact or a combination of the fire and floods that we have had. It is hard to visualise the full impact. However, from the material I have seen and read, and the films that I have seen in relation to what is necessary to try to control an outbreak of an exotic disease, it would be necessary for the armed forces to become involved and to place thousands of agricultural properties under quarantine. That task would be mammoth indeed.

I fully support the proposal, as I believe do all members. I think that the proclamation of additional diseases is only a logical extension of the present legislation because, if it is an exotic disease, it would have a similar impact, whether it be foot and mouth disease, blue tongue, or whatever. I support the motion.

Mr EVANS (Fisher): I support the motion. I have been concerned for years about the ease with which exotic diseases can be brought into this country. I have also been concerned about the large number of people who come back from another country saying that they bought a particular food which they thought may not have been sufficiently cooked to destroy any germs or diseases that may have been feeding on it.

In particular, I would like to congratulate the authorities for having taken firm action in recent times against quite a number of people who have brought food and plants back from other lands, contrary to our laws, and the penalties have been reasonably high. Unfortunately, the people who commit that offence quite often do it unknowingly and quite often are people from ethnic backgrounds, who do not have a very good knowledge of our language or understanding of our laws. Unfortunately, in recent times they

are the main ones who have been caught. I think that it should be part of the education process and I think that it is important that we try to continue an education process, even if it has to be through our school system, so that children can point out to their parents (particularly in cases where families may not have a good knowledge of the English language) the real disaster that could be caused, for example, if there was foot and mouth disease in this country. It does not matter whether or not it starts in a suburban house block where a family pet is kept, or whether people keep something on their grounds to mow the lawn, or whether they want a bit of milk in a near city area: it can start anywhere.

The point made by the members for Flinders, Victoria and Davenport is very real. If we were able to make an assessment of the damage caused by the fox and rabbit, for example, since they were brought to this land many years ago, it would have cost Australia many thousands of millions of dollars. However, the amount of damage caused if there was an outbreak of foot and mouth disease in this country would be insignificant in comparison. In saying that, I congratulate the C.S.I.R.O. on what it does in attempting to find cures for different diseases that break out and for its control and surveillance at different times and, in particular, other authorities.

I finish on this note: I hope that the Ministers in this House and the other House make the point to their Federal colleague that there is another pest in the community that does not have a serious economic effect upon our community. However, it is an exotic pest which has been brought into the country and which has caused a lot of concern to many people in relation to the quality of life, particularly in the Port Lincoln and Adelaide Hills area, and now the metropolitan area. I refer to the millipede, and I think that the same action can be taken in that area.

The DEPUTY SPEAKER: If the honourable Minister speaks he closes the debate.

The Hon. LYNN ARNOLD (Minister of Education): I thank honourable members for their contribution this afternoon. A lot of interesting points have been put forward and I know that my colleague the Minister of Agriculture in another place would be particularly keen to read the comments that have been made. Of course, the point is well made that we would be playing with quite disastrous calamities if indeed exotic diseases of the kinds dealt with in this legislation were to take hold within Australia. The effect on our livestock would be much more serious indeed than some of the other deprivations suffered from imported fauna of one sort or another.

As Minister, I do not wish to make any direct comment on the apparent difference that there might have been between the coalition Parties. I would hate to be the vehicle to bring the Queensland situation into South Australia. However, I believe that the facility at Geelong is indeed a commendable facility and I am sure that all Parties (not only the coalition Parties but other Parties as well) are keen to see it there. I thank honourable members for their support, and I would appreciate the speedy passage of the Bill through its remaining stages.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Compensation.'

Mr BLACKER: Other honourable members have mentioned what would happen if an outbreak of foot and mouth disease occurred in the built-up or presently farmed areas of the State. However, should an outbreak occur north of Port Augusta (and I am not sure if that is physically possible because of the climate there), and the disease got into the

wild pig and goat areas, I wonder whether it could ever be eradicated from the State?

The Hon. LYNN ARNOLD: I consider this to be an important question. I will have to refer it to the Minister of Agriculture for his considered response, because there could certainly be very real threats from such an occurrence. I will refer it to my colleague so that he may get a detailed response for the honourable member from his officers.

Clause passed.

Remaining clauses (4 to 6) and title passed.

Bill read a third time and passed.

ADJOURNMENT

The Hon. LYNN ARNOLD (Minister of Education): I move:

That the House do now adjourn.

Mr MAYES (Unley): In the time allotted to me this evening I would like to address some issues that I think are of importance to this House and the community as a whole. The first of these issues relates to comments made by Opposition members about the size of the public sector and the second to the budgetary situation in which this Government now finds itself. I pick up the points made by key Opposition speakers and, in particular, the Deputy Leader and the member for Torrens, who made comments about increases in the public sector since this Party has come to office. These members have harped with monotonous regularity on the additional number of employees in the public sector. The other evening the Deputy Leader again referred to the additional 2 000 employees in the Public Service. I presume that he was speaking of the Public Service as a whole, including teachers, nurses, social workers and other people who are employed throughout the South Australian community and who provide such important and valuable services.

The member for Todd has on numerous occasions made statements about the increase in numbers in the public sector in this State. It is unfortunate that he is not here this evening, because I would have liked him to hear my comments. It is important that we look carefully at what the situation is and what the objectives of this Government have been in regard to the number of public servants who have been employed since we came to Government and why we have employed these additional people. If one looks at the breakdown of the employment figures since November last year, one sees that the Premier has given a clear indication of where additional persons have been employed. If one looks at what the member for Todd has argued, one sees that he says we should not have put on 2 000 more Public Service employees. In fact, had we picked up his argument and implemented it, we would have had to put off about 1 700 Public Service employees from the service of this State. There are arguments that can be put forward about the general economic impact of such additional unemployment and its impact on the economy as a whole. I will now put forward a position to the Opposition and the community as a whole regarding what the likely impact will be in relation to services provided should that happen.

If we allocated those positions to teachers and reduced the teaching workforce by 1 700 employees, I am sure that the Institute of Teachers and the community as a whole—parents and friends—would be absolutely delighted! They would be delighted to see the Opposition reducing staff numbers. If this were to happen, 600 schools would be affected, each of them losing three teachers. We saw the absolute hypocrisy of the member for Torrens standing on the steps of this Parliament addressing teachers and students

from the Goodwood Primary School and saying how this Government has cut staffing levels, yet that very day his Leader had announced publicly that 739 jobs should go in the Public Service. I cannot believe that people have such audacity as to do that sort of thing, but the member for Torrens had the audacity and hypocrisy to address those students and teachers.

If he went through with what his Leader and the member for Todd have proposed, an additional three teachers would be lost not just from Goodwood and Black Forest Primary Schools but from each primary school, including the school in his area. I understand that the member for Todd has even been complaining about the lack of teachers in his district. So, we have a situation where the Opposition is arguing that there should be a reduction in the workforce of 2 000—a reduction in teachers. Let us tell the community what the Opposition is saying so that it knows what such a step would mean. It would mean an additional reduction in the number of teachers above those cuts that have already been implemented by the Tonkin Government in the public sector. It would mean a further cut-back above the 3 500 staff cut-back in the 1979-82 period.

I think it is important that it be put on record exactly what that means to the community as a whole. It can be seen that during that period not only did the previous Government reduce the number of teachers, but also the number of school assistants was cut, and we saw a complete and utter depreciation of school assistants' facilities provided to education services throughout this State. We know that members opposite are getting nervous about my having made these statements, but it is the truth, and we can see them jumping up and down.

Members interjecting:

The DEPUTY SPEAKER: Order!

Mr MAYES: It is important that the community know exactly what the Opposition has been saying.

Mr Baker: What has it been saying?

Mr MAYES: Indeed, the Opposition has been saying that not only would numbers be reduced but also further services would be requested. We heard the Premier say that an additional amount of \$90 million is required to provide services. We now have a Government that is providing additional staff. When the present Government came into office, 231 additional teachers were provided for the maintenance of services. That is an improvement on that which was provided by the Liberal Government, and yet the Opposition now has the audacity to criticise the present Government and its provision of educational services. So, we must inform students and parents in the community exactly what the Opposition is all about, because it is time—

Members interjecting:

The DEPUTY SPEAKER: Order!

Mr MAYES: Thank you, Mr Deputy Speaker. We always know when we are getting our points home and exactly when we have struck the Achilles heel of the Opposition, because Opposition members always come back into the House and start interjecting.

Members interjecting:

The DEPUTY SPEAKER: Order! Earlier this afternoon the member for Glenelg accused me of not being able to hear: unfortunately, I can now hear the member for Glenelg quite clearly, and I should not be able to hear him. There should be no interjections during the course of the debate. I therefore ask honourable members not to interject.

The Hon. Michael Wilson: You promised that you would provide 150 teachers and not increase taxation.

Mr MAYES: Opposition members, and in particular the member for Todd, said, 'Let's put off 2 000 people.' Let the member for Todd do that. From which schools will he take them? I would like to see him go out into schools in his

electorate and say that 2 000 teachers will be taken from those schools in the district of Todd. Let the honourable member say that. Where would the Liberal Party make the cuts? If it were in Todd, no teachers would be left if we took the action that the member for Todd wants us to take. Members opposite have asked what is the Labor Government's policy. I point out that our policy is clear, but I wonder what the Liberal Party policy is.

Prior to the last election the member for Bragg said that he did not have a policy on a casino, for example. He said that he was prepared to tell everyone what his policies were, although he did not do so. When he was asked to make a statement to the press he was not prepared to say what his policies were. Let him now say what his position is in regard to a reduction of 2 000 teachers. What would he do in this situation? Would he put them off? I do not hear any response from him.

The facts are that 490-odd additional employees were taken on following the present Government's coming to office. These people have been employed as teachers, school assistants and clerks in the Department of Agriculture, assisting people who have been affected by fires and floods. That is something which the Opposition has called for and which it must support.

Members interjecting:

The DEPUTY SPEAKER: Order!

Mr MAYES: Thank you, Mr Deputy Speaker. I think we must put very clearly on the public record what is happening. The member for Mitcham says that he understands statistics, although I wonder whether that is so. The Leader of the Opposition does not understand statistics because he has referred to figures without the December adjustment. He did not allow for contract teachers and simply took the December to June figure. To be more accurate he should have chosen the position from June to June. The member for Mitcham must understand that. It is not a fair proposition not to present a case properly or clearly. The honourable member's silence is an acknowledgment of that statement.

The DEPUTY SPEAKER: Order! The honourable member's time has expired.

The Hon. D.C. WOTTON (Murray): What an incredible performance we have just heard. I want to use the small amount of time that I have available to me this afternoon to talk about a couple of matters. I refer first to the totally irresponsible attitude of the Bannon Government in refusing to ensure the availability of adequate building allotments for development, and the disastrous effects that that refusal is having in regard to new home builders in the housing and development industries in South Australia generally. Since the beginning of the year the development industry has been asking the Government to rezone broad acres to alleviate what is seen as an acute shortage of building allotments throughout the metropolitan area, particularly in the northern and southern districts.

The lack of action by the Government and by the Minister for Environment and Planning in particular in regard to rezoning as well as the lead time needed to produce plans for building purposes have resulted in a scarcity of available land which, in turn, means an increase in the price for new home builders. This is an about-turn by a Government which is supposed to support those who wish to build their first home. It also means that there is far less choice available to those people looking for new building allotments on which to build a home. Recently, the Federal Minister for Housing stated in the media that it was up to the housing industry to 'take up the Federal Government's housing package and actively promote its products'. I would suggest that it is very hypocritical for the Federal Housing Minister to say that when the South Australian State Government is

hell bent on holding back the industry by its total lack of action in ensuring the availability of adequate building allotments.

I have repeatedly called on the Minister for Environment and Planning to make quite clear the Government's intentions concerning the future development of land at Golden Grove. I would suggest that the lack of commitment on the part of the Government concerning this development is quite scandalous. The absolute silence on the part of the Minister about this subject can only mean one of two things: either the Government has gone cold on the project or it intends to have the Housing Trust carry out the development. I suggest that that would be disastrous for this State.

The previous Liberal Government launched a development prospectus which I had the pleasure of launching in October last year when it invited the private sector to become involved in the development of this land in the popular northern Adelaide suburbs. Interest was shown by the private sector in becoming involved, but we have now had nine months of silence from the Government. No-one knows where they are going. Private developers need to know and they deserve to know to what extent they will be involved. However, up until now there has been deathly silence from the Government.

The initial land released involved 405 hectares which is sufficient land for 3 400 houses, 45 hectares for light industrial and commercial use and about 20 hectares for a main retail community centre. The intention of the Liberal Government was that the future development for the area should be of a high standard. In fact, we had already moved to ensure adequate community recreation serviced facilities and we were quite certain of the need for open space in that area. At the time of launching the prospectus I made it quite clear that the development arrangements would involve close liaison between the State Government, the Tea Tree Gully council and the developers. The Government had made a commitment to hand over more than 20 per cent of the total project area to the Tea Tree Gully council to permanently protect the significant natural areas as open space.

I would suggest that if the Government is monitoring properly the land and housing situation in the north-east it would know that more land for development is now required. It is required right across the metropolitan area but particularly in the northern parts of the suburbs. The previous Government had decided to seek private enterprise involvement in the project through a formal agreement which would ensure that community interests were protected. We saw that as being the appropriate way to go and that was well received by private enterprise generally. The Liberal Government in making that decision was showing its confidence in the future prosperity of the north-eastern region and the Golden Grove area specifically. I suggest that it is vitally important that this area, which is one of the fastest growing in the State, has adequate high quality serviced land available.

I would hope that the Minister would get off his backside and that the Government will recognise the responsibility it has and that it will again ensure the availability of adequate building allotments for development in the metropolitan area. I see that the Minister of Housing is in the Chamber. He must be concerned about the situation because the industry is concerned. If it is talking to the Minister, and I hope that it would be, and if the Minister is listening, and I hope he would be, he must be aware of the grave situation, and I hope the council would do something about it.

With the few minutes I have left, I want to refer to another matter that relates to the portfolio of the Minister for Environment and Planning. Yesterday in this House I asked the following question:

Can the Minister for Environment and Planning say whether the Government has made a decision concerning various options open to it concerning shack development in the flood zone of the Murray River; if so, what is that decision, and did the Government in making that decision take into account the attitude of the district councils that have sections of the flood zone within their boundaries?

The Minister's reply was:

Following extensive consultation the Government has decided to reiterate the policy that shacks—

Then there was a great deal of interjection but he went on to say:

—in the absence of any Government policy to the contrary, that is in line with the policy of the Government of which the honourable member was part.

They will be continuing in that same vein. As I have two councils and part of a third in my electorate, I know that all have areas in the flood zone within their boundaries. There has been no consultation on this matter—no consultation at all. In fact, they received a letter from the Minister for Environment and Planning spelling out the three options that were available to the Government. There were no questions about which option the local government would prefer. This is yet another example of where local government is being totally ignored by this Government. Local government is not being asked for its views on this matter, and instead the Minister has come out and said what Cabinet has decided it will do. Indeed, the farcical part of it all is that the letter concludes as follows:

In furtherance of Cabinet's decision I have directed the Development Management Division of the Department for Environment and Planning to commence the preparation of a supplementary development plan.

In other words, it has decided what it is going to do and plans are being set down for that to happen. The letter continues:

Council will be consulted fully on this development plan during the preliminary stages of its preparation.

They have already been told what the Government intends to do. So, it is quite clear that there will be absolutely no consultation in this process at all. Once again, local government will be ignored, and the Government will bulldoze its way through with yet another policy.

The **DEPUTY SPEAKER**: Order! The honourable member's time has expired.

Mr FERGUSON (Henley Beach): I wish to turn my attention during the time allotted to me in this grievance debate to discuss unsolicited telephone calls. I have recently sent correspondence to the Attorney-General asking him to consider introducing legislation to control these telephone calls. I have in recent months received many complaints from constituents about the intrusion on their privacy of these particular calls. In writing to the Attorney-General I have asked him to consider the guidelines for the use of unsolicited telephone calls that have been produced by the New South Wales Privacy Committee. The first guideline is that initial calls should not be made before 9 a.m. or after 8 p.m.

This is one of the greatest causes of complaints made to me by constituents. Only last week I received a complaint from a constituent, who is nursing her sick mother, who received a telephone call from an insistent fertiliser firm in South Australia trying to sell fertilisers. This occurred at 7.30 a.m. This is one of the things that one should try to prevent.

The second guideline is that, since the householder is unable to control the time at which the first approach is made, the caller should appreciate that he may interrupt a meal, shower, etc., and freely offer to call back at a more convenient time. The caller should give his name and affil-

iation, both at the beginning and, if asked, at any other time during the conversation. The caller should provide the householder with the clear opportunity to accept or decline the invitation or offer, for example, consent to mail material or send out a representative should not be assumed.

One of the annoying things about unsolicited telephone calls is that the caller tends to plough on and not allow the recipient of the call to end it. These callers are persistent and constant, and there should be an opportunity to prevent this. The caller should accept the refusal, he should thank the householder for his time, and hang up. The caller should truthfully answer any inquiry as to his source, name, telephone number, and other information requested. If the householder requests, the caller should provide the name of the person and/or the organisation responsible for the call campaign. That name should be listed in the telephone directory to enable the householder to verify the authenticity of the call.

The reasons for this will be obvious: if, during the original telephone call, the caller should in any way be offensive to the person receiving the call, that person should have the right to contact the company, protest, and take whatever action is necessary. The caller should not collect any information from the householder unless it is necessary. Any organisation wishing to collect more than confirmation of name and address for mailing purposes should be reported to a privacy committee set up by this Parliament.

The person or organisation responsible for the call campaign should anticipate that some volume of inquiries as to the authenticity of the call will eventuate and that some complaints will be made. Thus, a person should be available at least during business hours to answer all inquiries. All areas of uncertainty and unresolved disputes should be referred to the previously mentioned privacy committee for clarification.

The New South Wales Privacy Committee defines an unsolicited telephone call as one by which persons or organisations placing the call have no existing relationship with a particular telephone subscriber or recipient of the call. This includes selling of products and services, advertising of products, services, politics, and religion, solicitation of donations, collection of information for market, social, and medical research, and approaches of a social, prank, or nuisance nature.

The method used for initiating unsolicited telephone contacts is the following. The procedure commonly followed is to select names from a telephone directory, either randomly or by using some suitable criterion, for example, concentrating on those subscribers in a particular group of suburbs. The subscriber is then called and introduced to the products, services, survey, or idea. Organisations are finding this method of contact more attractive due to increasing labour costs, making direct person to person contact, whether in shops, offices or in the home, less economical. Increasing postal charges make telephone solicitation costs comparable with direct mailing.

New devices are emanating from the United States that are programmed to deliver a computer taped message to every number on an exchange, whether listed or unlisted. The programme cannot register a recipient's wish to terminate the call, and therefore it ties up a telephone, even after the telephone receiver has been put down. Many people have complained to me that they have unlisted telephone numbers but still receive unsolicited telephone calls. A suggestion has been put forward by Telecom Australia that might be worth considering: householders who have strong feelings about unsolicited telephone calls should have that fact registered in the directory against their name.

This task would become even easier as the advancement of technology takes us to the stage where all telephone

numbers sought will be searched for and recorded for the convenience of the caller on a television screen. Experiments are already taking place in France in certain provinces to eliminate telephone directories altogether and to provide for the searching of telephone numbers by way of television screen. This new system would allow for a message to be recorded against the telephone number on the screen, indicating that the telephone subscriber did not wish to receive unsolicited telephone calls. Currently, it would be possible to provide for an asterisk against the name of a subscriber in the telephone directory for the same reason. This would not eliminate unsolicited telephone calls, but would give a very strong indication to sales people that a number would not be responsive to a telephone call to sell goods.

I am given to understand that future technology will enable telephone subscribers to screen incoming calls and to determine the sources of those calls. It is difficult to predict how many of these devices will be available to the general public. It is patently clear, however, that legislation to prevent the use of unsolicited telephone calls would be very difficult to police. Therefore, the alternative is to provide for regulations to make those calls more acceptable.

Motion carried.

At 5.12 p.m. the House adjourned until Tuesday 13 September at 2 p.m.