

HOUSE OF ASSEMBLY

Thursday 28 August 1986

The **SPEAKER (Hon. J.P. Trainer)** took the Chair at 11 a.m. and read prayers.

SOUTH EASTERN FREEWAY

Mr S.G. EVANS (Davenport): I move:

That, in the opinion of this House, large parking areas should be created adjacent to the Mount Barker Road and the South Eastern Freeway to give an opportunity for heavy haulage vehicles to escape the high speed peak times commuter traffic.

I refer to the difficulty that heavy transports face if they wish to get out of the road of peak hour commuter traffic that uses the South Eastern Freeway but, more particularly, that part of the South Eastern Freeway that connects to the inner metropolitan area through the most northern part, which is referred to still as the Mount Barker Road. I first wrote to the Minister (Hon. R.K. Abbott) on 28 June 1985. In that letter I stated:

There is increasing community concern at a spate of accidents occurring on the South Eastern Freeway, many of which involve semitrailers or others travelling a long distance.

With the pressure of the larger transport companies and the restrictions relating to compulsory rest periods already making it difficult for these people to survive, it would be unfortunate if pressures were brought to bear to ban semitrailers from travelling at certain times. The end result would be to prevent them reaching Adelaide in time to have trailers unloaded and reloaded ready for the return journey.

It has been suggested by people experienced in the business that, if parking bays were created along the stretch from Murray Bridge to Crafers, this could help overcome any problems caused by failure to take a break before becoming involved in morning peak traffic.

Of course, the same thing would apply to those leaving Adelaide and trying to match up with times of interstate business houses. My letter was longer than that, but I do not need to read it all.

On 2 July 1985 the Minister replied, thanking me for my letter, and saying that he was looking into the matter. The member for Semaphore has pointed out that 'looking into the matter' sometimes means looking into a mirror. On 5 August 1985 I received the following reply:

I refer to your letter of 28 June 1985 requesting that consideration be given to the provisions of parking bays for heavy vehicles on the South Eastern Freeway and advise that this matter has been referred to the Highways Department for investigation. This investigation is expected to be completed in September 1985, and I will write to you again when the outcome of the investigation is known.

As yet I have heard nothing, and that was virtually 12 months ago, so I suppose it is a big mirror. On 11 November 1985 I received the following letter from the Minister (Hon. Gavin Keneally):

I refer to your letter of 28 June 1985 concerning the provision of parking bays for heavy vehicles on the South Eastern Freeway. The Highways Department has now completed its investigation into this matter. As parking on the sides of freeways throughout the world is prohibited—

and I understand that—

it is standard practice to provide rest areas every 40 to 80 kilometre intervals. As the South Eastern Freeway is relatively short, being only 60 kilometres in length, within this range, it was decided during the design stage, that no special provision need be made for such areas. The department also took into account that drivers have opportunities to rest at a number of places before Tailem Bend and at Tailem Bend, itself.

The letter also refers to the Eagle on the Hill and concludes:

Consequently, the need to provide such facilities between White Hill—

that is near Murray Bridge—

and Eagle on the Hill cannot be justified at this time.

There is always the proviso 'at this time', but it is really saying that we do not need it. On 2 May 1986 I wrote to the Minister as follows:

I wrote to you last year regarding the need for parking bays on the South Eastern Freeway. Recent accidents would tend to suggest that the need is even greater now. This is a safety provision which could be carried out relatively cheaply, and I suggest the need is urgent. I look forward to learning when this work will be carried out.

On 7 May this year I received a reply saying again that the matter was being looked into—the mirror is still there—and that the Minister would write to me as soon as possible. Then on 28 May 1986 I received the following letter from Mr Abbott, the Acting Minister:

I refer to your letter of 2 May 1986 regarding the provision of parking bays on the South Eastern Freeway. This matter will be submitted at the June meeting of the Commercial Transport Advisory Committee (CTAC) for consideration. When a report has been received, which is expected by the end of June, my colleague will write to you again.

So then a report was expected at the end of June. In July, I received from the Minister the following reply:

I refer to your letter of 2 May 1986 regarding parking bays on the South Eastern Freeway. I have asked the Commissioner of Highways to report on the feasibility and cost of providing bays at Mount Barker and near Murray Bridge. I will further consider the matter and advise you on the receipt of that report.

There has been stalling and pushing aside of something that would really solve a lot of the problems. If we asked the drivers of semitrailers or heavy haulage vehicles to wait near Glen Osmond, we would find that they have to park two kilometres down Portrush Road, on Cross Road or on Glen Osmond Road. They cannot wait on the emergency strips of the freeway, as that is illegal. Drivers must wait at Tailem Bend, and therefore they cannot get to Adelaide, unload and go back to Melbourne within the required time.

I submit that the Government should treat this as a matter of urgency and not dillydally any longer. Parking bays should be provided. If the Leewood Gardens corner was upgraded, if the camber of the corner above Leewood Gardens was corrected, and if a third passing lane was provided somewhere near Eagle on the Hill and on the Mountain Hut, we might not have to go to the massive expense of constructing a brand new road—and that is likely to come out as one of the suggestions in the report that is due to be presented for public comment some time in October. We would only have to educate the people who use that road to travel at a speed that conforms to the law. If passing lanes were provided, the police could pull over motorists: at present they cannot do that because it is too dangerous.

The Government might not have to go to the expense that we will be talking about if a bit of commonsense is used to redesign the existing road and, more particularly, if pressure is brought to bear on motorists to slow down and conform to the law instead of trying to travel 120 km/h or 130 km/h an hour on a road that is designed for 80 to 90 km/h travel. I submit the resolution to the House and I ask the support of the House to put pressure on the Government to do something about parking bays adjacent to the South Eastern Freeway and the Adelaide end of the Mount Barker Road.

The Hon. T.H. HEMMINGS secured the adjournment of the debate.

LIQUOR LICENSING ACT AMENDMENT BILL

Mr S.G. EVANS (Davenport) obtained leave and introduced a Bill for an Act to amend the Liquor Licensing Act 1985. Read a first time.

Mr S.G. EVANS: I move:

That this Bill be now read a second time.

This is an issue that I have been fighting for many years. The effect of the Bill will be to make it illegal for people under the age of 18 years to drink in a public place or for other people to supply them with liquor in a public place, unless they are with a 'guardian' as defined in the Children's Protection and Young Offenders Act. So, I have covered the point about which some people were concerned last time of a situation where a family wishes to give a child a drink at a barbeque, which is their business, as long as a guardian, who has the responsibility for the child, is present.

I refer briefly to other States. In Victoria, under section 112 of the Act, it is an offence for a person to supply a liquor to a person less than 18 years. It is an offence for a person to purchase, receive, possess or consume any liquor, if less than 18 years, but there are defences available concerning consumption at a place with a meal with spouse, parent or guardian. That is similar to the provisions that I am attempting to insert into our Act.

In Tasmania, it is an offence to supply or deliver liquor in licensed premises or public places to a person less than 18 years. It is also an offence to buy liquor in licensed premises or public places if one is less than 18 years of age, just as it is an offence to obtain, consume, be in possession of or have control of liquor in a licensed premises or public place if one is less than 18 years of age. It is also an offence if this occurs in the vicinity of a public hall; I think that applies to anybody—adults, 18 year olds or those under 18 years of age.

In Western Australia it is an offence to consume alcohol on premises without consent. It is an offence to consume liquor on a road reserve, in other words. One cannot just stop there and have a drink. It is also an offence to consume liquor on any class of premises to which the public have access; it is an offence to consume liquor within a sports ground; and it is an offence to consume liquor in an unlicensed restaurant. That applies to everybody—adults and juniors—in Western Australia. I am not suggesting that we go that far: I am merely suggesting that it should apply to juniors in public places.

The Minister of Transport was recently heard to say that we should be concerned about our children, in relation to child restraints in motor cars, and that our children should be of some concern to us.

That is why I have introduced this Bill. I have the same concern but in another area. I will not go through all the statistics or newspaper articles that are available or refer to the concern expressed by different community groups. Because there is a shortage of time, I have agreed with the Opposition Whip to cut down the length of my speech. Therefore, I seek leave to have the remainder of my second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

The Bill is designed to make it an offence for people under the age of 18 years, that is, minors, to be supplied with or consume alcohol in a public place. There is no doubt there is considerable public disquiet regarding the prevalence of under age drinking. This disquiet is not only

held by families but also by the Government, local government and by welfare and community organisations.

We all know that a large number of young people are destroyed each year through stupid acts, many under the effects of alcohol. Quite often with these stupid alcohol related actions young people destroy innocent members of their own or other families.

I would be surprised if there is one person associated with this Parliament who has not lost a close young friend or relative where booze has been a major contributing factor. Such a loss brings an immediate state of shock but, unfortunately, it is not long before all, except their closest relatives and friends, push the loss into the vague past. Even we as legislators become hesitant about taking real effective action to tackle the problem.

It is not just the loss in accidents that concerns the community at large, it is the disgust and fear regarding the large increase of young alcoholics in our midst.

On 3 June this year the Attorney-General is quoted as saying that the Government would consider prescribing more areas where teenage drinking would be prohibited and that a private member's Bill was not necessary to control teenage drinking. I challenge him to go out and ask the public what they think. For the sake of democracy I hope that the Attorney was not suggesting that private members' Bills should be discarded just because they are not Government promoted.

Through you, Mr Speaker, I ask the Attorney and all members of Parliament to forget the source of this proposal and think of the benefit that it would bring to our society if passed. If need be, for the sake of Government prestige, I am only too willing for the Government to take over the Bill. I accept that my failure to convince this House of the need for these changes in the law over the years has only meant the loss of more children's health and lives and a huge cost to society for material damage and health services. Therefore, if prestige to the Government or the Party is so important as not to give an elected individual some success with legislation, I offer the Government the opportunity to make this a Government Bill.

There are families out there crying out for back-up in their endeavours to successfully guide their children through the difficult teenage years, to be able to have confidence that, if the children go to the beach or the local park, there is not an organised swim-through of alcohol which quite often leads to devastation of a whole family. There is no need to use the statistics that are available—screaming for us as a Parliament to take positive action, as each and every member of this Parliament is, or should be, aware of the destruction that is taking place amongst our minors—yes, our community's children.

Many children of school age are now regular consumers of alcohol to the point that they are addicted and many are alcoholics. Alcohol amongst the young does contribute to the vandalism bill in the society and a loss of effective study by many of our children. Admittedly, there is a recent provision in the Act giving the Government of the day the power to prohibit minors drinking in a prescribed public place.

As I stated when that provision was passed, that does not give one skerrick of consideration to South Australia's children. What it does is give the opportunity for a group of business houses like those in Hindley Street or the residents of communities like Glenelg to have the young louts banned from their locality. But, that does not address the question as to whether we as a society should continue to allow more and more of our children to be conned into alcoholism

because of peer group pressure being applied in our public places.

If the majority in this Parliament indicates by a vote that there is no problem regarding children being encouraged to be alcoholics, then the law that prevents children drinking in a licensed premises is hard to justify. How can it be bad for a child to drink in a licensed place but not a public place?

In the *Advertiser* of 3 January, 1986 the Attorney-General (Hon. C.J. Sumner) is reported as saying:

The Government will be looking at prescribing more areas where minors should not be permitted to drink. The extensive review which preceded the drafting of the new laws concluded that a blanket ban on minors drinking in all public areas would be too sweeping and widely abused. It would, for instance, make it illegal for a parent to give his or her 17-year-old son a glass of wine at a family barbecue.

Mr Sumner said the new laws already made it an offence for anyone to purchase liquor at the request of a minor even if the liquor was to be consumed away from the licensed premises.

In this Bill I have made provision for the right of a guardian to give alcohol to a child whether in a public place or prescribed premises, so that point of the Attorney is covered. The Attorney rightly points out that the present law makes it an offence to purchase liquor at a minor's request but the present law does not make it an offence to buy a crate of booze and invite a year 8 class of 13-year-olds to the beach and give it to them to consume—and it should.

The Police Association has written to me expressing its support and interest in this Bill and, in two subsequent conversations with that employee association, the Secretary has confirmed its support for the change.

What a farce it is at the moment. A police officer is obliged to see to it that people under 18 years do not drink in a licensed premises where there is at least some supervision by management, whilst outside in the streets, in the park and in backs of cars, children can booze merrily on—quite often with the police being aware of the dangers and risks involved for these children but being virtually powerless.

Why do we have a law that makes it an offence for a person under 18 years to consume alcohol in a licensed premises? This law is accepted and supported by all responsible sections of society, so one may seem rather ill-informed to ask why. There has to be some reason why this Parliament and society supports banning the local primary kids or high school students calling into the local for an ale on their way home from school.

Is it because we believe that the people who patronise the local pub, restaurant or clubs are so bad that children should not associate with such characters? If that is the reason, quite clearly we should be legislating to make it legal for some licensed premises to cater for the adults of our society and our children.

Such an argument is hogwash. We all know that reason for keeping minors away from this drug alcohol. It is an addictive drug which does harm the brain, liver and ultimately the body, and the younger a person becomes an alcoholic the more likely we are to have another human vegetable on our health register or too early an undertaker's customer. We all know that alcohol destroys the health of thousands of our young people and often takes their lives. Therefore, the least we can do is give some protection from cult pressure to those children who are genuinely trying to enjoy life and live without booze becoming the be all and end all for a successful get-together.

The provisions of this Bill, when implemented, will not interfere with what people do in private homes or families giving liquor to their children in any place. However, it does give the police a better opportunity to intervene when they see this State's children being mentally loosened by peer group pressures in public places and, in particular, offers that bit more security to those families who see the real dangers of their children falling by the wayside to become less than effective individuals.

There is an alcohol problem in our society, and its children are a very precious item. We have introduced laws to protect them from their parents and I plead with honourable members: let us give a little bit of consideration to the difficulty that today's parents have. Children need your assistance.

Clause 1 is formal. Clause 2 provides that the measure is to come into operation on a day to be fixed by proclamation. Clause 3 provides, first, for the repeal of subsections (1) and (2) of section 121 and the insertion of new subsections (1) and (2).

The purpose of new subsection (1) is to make it an offence for a minor to obtain and consume liquor not only in prescribed premises but also in a public place. New subsection (2) seeks to provide that it is an offence for a person to supply liquor to a minor not only in prescribed premises but also in a public place if not accompanied by a guardian. Clause 3 of the Bill also inserts a new section which provides a definition of 'guardian'.

Mr DUIGAN secured the adjournment of the debate.

RIGHTS OF WOMEN

Adjourned debate on motion of Ms Lenehan:

That this House condemns the Federal Liberal Council's decision to oppose significant provisions of the Federal Sex Discrimination Act and, further, this House believes that this attack against the rights of women in the private and voluntary sectors and in those States which do not have State legislation is grossly discriminatory.

(Continued from 14 August. Page 371.)

Ms LENEHAN (Mawson): I have great pleasure in picking up where I left off in private members' time two weeks ago when I moved this motion in an amended form. I will refresh the memory of some members of the House with respect to what happened when I moved that motion. We had the most unprecedented response from members opposite, including the member for Murray-Mallee, who on two occasions refused me leave to continue my remarks. Not being a particularly suspicious person, at the time I was not quite aware of what the member for Murray-Mallee was trying to do. However, it seems that he was trying to ensure that this motion fell completely off the Notice Paper because, if I had not continued my remarks, that is exactly what would have happened. The motion would have just disappeared from the Notice Paper and the humiliation and, I guess, sense of shame that some members of the Opposition would have with respect to the actions of their Federal Council would of course then have been swept under the carpet. Further, the attitude of the community at large and in particular those many groups of women who find this motion from the Federal Liberal Council so abhorrent would have disappeared, or so the Opposition had hoped.

I assure members opposite and the member for Murray-Mallee that this motion is not going to disappear, that the actions taken by the Federal Liberal Council are not going to be swept under the carpet and that the women of South

Australia are not going to accept this kind of shoddy treatment from the Opposition. I would like to remind members opposite why this side of the Parliament and the women of South Australia, find the motion moved by the Federal Liberal Council so offensive. As I stated when moving the motion, if we are to agree as a community that discrimination against any member of our community purely on the basis of their sex is something which we find abhorrent and which we are not prepared to support, then how can a major political Party stand up and say in this community that it is all right to discriminate against women and, indeed, men, if that is their intention, who are employed in the private sector and the voluntary sector and in those States of Australia that do not have equal opportunity or anti-discrimination provisions within their State legislation.

I cannot believe that members opposite are not rising up to support this motion to get on the public record that they do not agree with the decision taken by their own Federal Liberal Council, that they believe very strongly that this action is indeed something that is as totally and absolutely abhorrent to them as it is to members on this side of the Parliament. I am not going to canvass all the arguments I made because I was, through the actions of the member for Murray-Mallee, forced to speak for nearly three quarters of an hour, in which time I canvassed a wide range of issues relating to the position of both men and women in our community and I referred to discrimination which has existed in employment, in education, in training and in the provision of a range of goods and services including accommodation.

I went through the reasons why we need legislation to protect the rights of all members of our community. I also went through the provisions that are contained in legislation to protect those rights. I highlighted what has happened in the past and highlighted the need for very comprehensive programs to educate the community, the employers and, may I suggest, to educate members of the Opposition, because they seem to be completely out of touch with the needs of this community and with the aspirations of ordinary people who believe that it is not just and fair to discriminate against any member of the community on such absolutely outrageous grounds as the fact of which sex they happen to be.

If this is the way that the Opposition intends to pursue its policies it will be in opposition for a very long time, because it is demonstrating that it is totally out of touch with the community. I do not intend while speaking to my motion to actually pick up those points which have been raised by the member for Alexandra. I will leave that to another time, because I believe that his actions and the way in which he is conducting himself in this House are doing very little to engender support for the Liberal Party from the vast number of women who are in the workforce and who believe that women should have equality of opportunity in areas of promotion and development, and should quite legitimately have career aspirations the same as the men in our community.

Mr Rann interjecting:

Ms LENEHAN: Yes, I would imagine so, and I am sure that the member for Coles would be extremely and acutely embarrassed by the actions of her colleague. I find that quite amazing and I am sure that women in the community will find it amazing as well. One of the things on which I wanted to touch but did not when I spoke on this motion last time was the whole question of the provisions which the Federal Government is instituting and implementing with relation to equal opportunity employment programs, and the agreements which major companies in this country have made with the Federal Government to look at the

setting of goals within companies which employ large numbers of people, to ensure that all people will have access to promotion and to a wider range of occupational positions. I am aware that members of the Opposition wish to participate in this debate and, to allow them to do so, I will therefore conclude my remarks as I will be able to pick up any of the points I wish to make in my reply at the end of the debate.

Mr LEWIS (Murray-Mallee): I will not take much of the House's time today because of the inordinate amount of time the member for Mawson has already taken. I want to make it plain that, whereas only a few minutes ago the member for Mawson was saying she could not understand why members of the Opposition were not rising to speak in this motion, the answer to that was in her hands. Indeed, during the course of private members' time last session, the honourable member could, without the prolixity in which she engaged, simply have sat down and allowed us to rise and put our views rather than take the time she did. Through you, Mr. Speaker, I remind the member for Fisher that it is quite legitimate for members on either side of the House to take issue with points made by other members in their substantive argument. In this case the point made by the member for Mawson was that we were not doing anything about her motion. We did not have the opportunity, and the member for Briggs would well understand that. Until the member for Mawson sat down it was not possible for us to join the debate. I guess it is sufficient for me on this occasion, in addressing the substantive aspect of her motion—which is shot through with inconsistencies—to point out that she simply has it wrong.

The honourable member is trying to misrepresent what the Federal Council of the Liberal Party was saying. It is reserve defence powers which the honourable member mistakenly construed to be a smack at equal opportunities in general and non-discrimination legislation in particular. Secondly, the member for Mawson does not understand that the Liberal Party, unlike the Labor Party, is an organisation which like-minded human beings join.

There is a vast difference between the nature of the organisation of the Labor Party and that of the Liberal Party. I am not hide bound, in this place, to any particular decision taken by any group of individuals anywhere. I am always personally and utterly accountable for every decision I make in this place. The Labor Party knows that the people it endorses to put into Parliament are so lacking in integrity, in the capacity for conscience and in the ability to analyse argument that it dictates to its members precisely how they will speak and vote in the House, and that is done behind locked doors. They are not accountable for the views they express. A cop-out is available to every member of the Labor Party, and they can say to members of the public, quite dishonourably in my judgment, 'It wasn't really my opinion, I was following the Caucus line.' Members opposite and members of the general public at large know very well—

Mr Rann interjecting:

The SPEAKER: Order! The honourable member for Briggs should restrain himself.

Mr LEWIS: Members of the Labor Party, members of other Parties, and Independents, as well as members of the general public, know what happens to members of the Labor Party when they cross the floor against decisions taken behind locked doors, the cowards castle of the Caucus room—they are expelled. The day that a person accepts an endorsement as a candidate on a ticket for whatever election, to this or to any other Parliament, they accept the rule and sign a document which says that if they break ranks

with Caucus decisions they automatically accept that they are expelled from the Party. That is the fundamental difference between the two Parties.

Mr TYLER: Mr Speaker, I rise on a point of order. I draw your attention to the fact that the member for Murray-Mallee is straying from the motion.

The SPEAKER: Order! Yes, the Chair has been—

Members interjecting:

The SPEAKER: Order! The Chair is very tolerant, particularly the incumbent of the Chair at the moment. However, I will not tolerate anything that is tantamount to contempt for the Chair. That is the circumstance that arose when the Chair was about to deliver an interpretation of the happenings of the Parliament and we had a member interjecting at the same time.

As I was about to say, the Chair has been listening to the last few sentences of the member for Murray-Mallee's contribution and is of the view that, as he is presently discussing Labor Party policy on this and other matters and criticising it, it would be better to do that by way of substantive motion on another occasion. The matter under debate at the moment seems to be fairly specific and concerns a motion from the member for Mawson condemning the Federal Liberal Council's decision on a particular matter, and the member for Murray-Mallee should restrict himself to that aspect of the matter.

Mr S.G. EVANS: Sir, I just draw your attention to the fact that in her speech the member for Mawson was quite vitriolic in drawing a comparison between ALP and the Federal Liberal Party policy, a substantial part of her speech being devoted to drawing those comparisons. I ask you, Sir, how is it that the member for Mawson gets that latitude, while a counterargument is not permitted from a member with a different point of view, regardless of from which side of politics that member comes.

The SPEAKER: There is a certain amount of substance in the point raised by the member for Davenport. Nevertheless, the resolution is fairly specific in the direction in which it is aimed, and I ask the member for Murray-Mallee to confine his remarks fairly closely to that specific aim.

Mr LEWIS: Thank you, Mr Speaker. It distresses me to find that I cannot answer the arguments, spurious though they were, levelled by the member for Mawson at the members of the Liberal Party during the course of her remarks. I also regret that I am unable to explain to her how the Party to which she addressed her criticism differs from the Party to which she belongs and the way in which the two operate. I shall direct my remarks—

The SPEAKER: Order! To assist the member for Murray-Mallee, I point out that he is able to rebut specific points raised by the member for Mawson.

Mr LEWIS: Thank you, Mr Speaker. I shall prepare some further notes on that aspect alone so that I shall be within the framework of the direction that you have given me. Suffice to say on this occasion that I want the member for Mawson to understand the contradiction in terms explicitly stated in her motion. She confuses the fact that the proposition before the Federal Liberal Council's meeting had nothing to do with sex discrimination; it had everything to do with whether or not States should be masters of their own destinies in terms of their responsibilities for equal opportunities legislation, as distinct from the Commonwealth, and that in no circumstances should the Commonwealth be allowed to perpetrate a hegemony over the States by the device, I guess, which had its origins in the spy flights over Tasmania ordered by Senator Evans and the subsequent debate over whether the Franklin dam should be built. Each organ within a democratic society should be

required to address a matter such as this. It is not a matter that should be imposed on a democratic society by some outside agency that is in no way accountable answerable to, or responsible for what goes on within that society. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

FRINGE BENEFITS TAX

Adjourned debate on motion of Mr Oswald:

That this House condemns the support given by the Premier to Prime Minister Hawke over the Federal Labor Government's fringe benefits tax and calls on the Premier to seek the removal of the tax which is threatening to destroy many small businesses in this State and which will add additional administrative costs onto those which survive.

(Continued from 14 August. Page 376.)

Mr S.G. EVANS (Davenport): I am pleased to second the motion and speak to it. I suppose in recent days there has been no more clear evidence of the Hawke Government's attitude to South Australia than that demonstrated in last week's budget. An earlier decision in relation to the fringe benefits tax in the area of motor vehicles is another example of how Canberra can forget about a small State where the number of MPs sent to Canberra is very insignificant. So, we can be virtually ignored as far as the economy of this State is concerned.

Before dealing with the motor vehicle industry, I refer to the fringe benefits tax and its effect on entertainment expenses such as those involving meals. I will put to the House some reasoning. First, I think it was illogical of the Federal Government to totally ban the claiming of that entertainment expense as a tax deduction. That is not necessarily my own thought: it was put to me by someone who has no interest in business, has made no claim whatsoever for meals or drinks in relation to business and has not been a regular beneficiary from any business house. He is a minister of religion, who is concerned about the number of young people who have become unemployed as a result of the Federal Government's action in banning businesses from claiming food and drink as a tax deduction.

The Federal Government could have quite properly—and I would have agreed with this—asked business houses claiming deductions for food and drink to write down, for example, the names of people attending a business meeting at, say, a restaurant, and also to state the purpose of the meeting. That would discourage any business person from entertaining a girlfriend or boyfriend at taxpayers' expense; it would also discourage business people from regularly taking out their families to dine at taxpayers' expense. If business people had to itemise their entertainment expenses and have that information readily available upon request from the Taxation Department (information such as with whom they dined and for what purpose), they could show that there was some connection between the expense and their business, trade or profession. What happens if an individual takes out 20 people for a meal and pays for all the food and beverages consumed?

Mr Groom interjecting:

Mr S.G. EVANS: As the member for Hartley says, he may be a member of the legal profession, and he would know all the perks. The individual concerned pays the bill, and everyone then walks out the door. Some of the guests would say that he or she was a damn fool, while others might say, what a great person—'buying us a feed and giving us plenty of booze.' Not one cent goes into the host's pocket: the host does not gain one penny, and he does not get any benefit from the taxpayer.

What has taken place has caused a lot of young people to automatically lose their jobs, and they have gone on the dole. So we have a group of people collecting the dole, some of them receiving over \$100 a week, if they are older unemployed or married with dependants, and the younger ones receiving something just under that amount.

Formerly, only a few people were getting a meal who had to show that they had an interest in a certain business, profession or trade. That is the only benefit that would have occurred, but it would have kept people in jobs, whether doing the laundry, producing the food, serving the food, or whatever might be involved. Those people would be paying tax to the Federal Government but, instead of collecting tax, the Government is paying the dole.

Mr Ferguson: Tell us about the log books.

Mr S.G. EVANS: I will come to that. The working people might be the ones getting the meal: if the boss took them out for a meal and said that that was part of a goodwill gesture to get better productivity, they also might get a benefit. Even Whitlam did not consider the workers; he cast them aside, too. It is quite obvious that, if the people in question had wanted to make this a legitimate claim, they could have done so, and they would not have created so much unemployment. They could then have seen over a test period lasting a couple of years how the system worked and what the result would be.

Mr Groom interjecting:

Mr S.G. EVANS: There are some people in professions—and the member for Hartley might be such a person—who can have such a cost structure in their operation that they do not have to worry too much about tax because of the trusts and things that they can organise: this is because they know all the lurks. But a lot of small business people do not understand that, and those who may go to get legal advice get ripped off trying to set it up. It is not worth setting up such schemes, because the legal eagles are getting the money and the poor little business person is being pushed around again. That is what happens; there is no doubt about that. The member for Hartley laughs because he knows that happens: it is obvious that that happens.

Typical of lawyers, he will try to talk his way out of what he knows is the truth. So the country gains absolutely nothing from that action. I agree that we could have eliminated all the other areas, because they were not fair claims, and the taxpayer was paying for individuals to socialise, taking the family out to dine, etc.

I turn now to the effect on using motor cars. Like the member for Henley Beach, I think that we need to look at this matter. The honourable member suggested something that I think the Federal Government might have picked up. That would not have satisfied me, but it would have removed a big burden from a lot of people who have to fill out those confounded log books for 12 months. If they had had to fill out those books only for a couple of months, there would have been less checking for the department, because it would have had to go through only a couple of months records to make sure they were legitimate, and business houses would have then had to stay within those confines for the remaining months of that year.

I commend the honourable member for the fact that that was at least partly breaking down the burden of the workload in the offices of business houses. However, it has put in jeopardy a lot of people's jobs in the car industry; there is no doubt about that. If we had set out by saying that only a certain value could be claimed for a motor car, it might have been a different thing. However, I know that some claims have involved expensive cars. I have never driven such a car since about 1960, when I had some

freakish cars I wish I had kept, cars that people had not heard much about, such as Marmons and the automatic cars of the 1930's.

The car industry is in trouble in Australia, and consequently so are many of the jobs in that industry. It takes only a little strike interstate by about 78 people to pull a host of people out of work, but I will not get onto that subject. However, it is obvious that we have a problem with the car industry in this country. The only thing that is helping us a little at the moment is the value of the dollar. If the dollar appreciates in value to somewhere near the American dollar, God help the Australian car industry: it would be down the drain! Of course, while Hawke is there, the danger will not be brought to bear to any great degree, because it is unlikely the dollar will fall while he and Keating make the decisions affecting our country's finances.

It was a bad decision by the Federal Government to attack the car industry as it did. It has placed a burden on small business. It is very difficult for small business people to find the time and, if they have to employ somebody, it is a further expense. Big business can sometimes carry it better than small business, and we should take note of that. If we do not, we will just end up bending to the monopolies or those who tend towards the monopolistic system. The little traders are kicked in the teeth.

The motor car industry decision is one that members of this House should look at. As our State representatives, our Senators should also look at it, although the situation is different in the House of Representatives. We have equal numbers of Senators and, if they cast aside Party affiliations on just one or two occasions to put pressure on the Federal Government, they could make it difficult. Another tax that I will refer to only as a comparison is the wine tax. We have only 20-odd State representatives in Canberra out of a total of 224, I think, since the last election—and that is peanuts. Canberra can ignore us, whether Liberal or Labor is in power. As South Australians, we need to recognise that the centralising of power, if we are not careful, will mean that any ambitious young person would be wise to leave this state and go to one of the eastern States, where 13 million people live on the eastern seaboard. That area has the greatest representation—quite rightly—in the Lower House, and we have Senators who will not back their States, except at odd times when the Queenslanders and Western Australians have.

I do not believe that the fringe benefits tax was introduced correctly. The Government could have achieved much of what it wanted without putting so many people out of work, and without putting in jeopardy the jobs of people in the restaurant, catering and motor car industries. I support the motion.

Mr ROBERTSON secured the adjournment of the debate.

PLAIN LANGUAGE LAW

Adjourned debate on motion of Mr Ferguson:

That this House supports the encouragement of the use of plain language in legislation, legal documents and Government forms.

(Continued from 21 August. Page 533.)

Mr FERGUSON (Henley Beach): When I previously mentioned in the House the subject of plain language, I referred to the need for the introduction of plain language in legal documents and other Government forms. Following the publicity that was generated after the debate, I received in my electorate office numerous pieces of correspondence

from people who are interested in extending plain language to a whole variety of documents, not only those that I have mentioned already.

An honourable member interjecting:

Mr FERGUSON: I agree with the interjection about the need for plainer language in union constitutions; I have had something to do with them. I believe it is time that the South Australian Parliament took a deeper interest in the plain language movement that is developing throughout the world in English speaking countries and it took some positive steps towards trying to rectify some of the problems with which the general populace is faced in relation to the use of official documents. Members will no doubt be aware that the Commissioner for Consumer Affairs has complained, quite rightly, in his past two reports about the use of gobbledegook in official documents, and reference was made to the sort of documents that the general public are expected to know and understand while gaining contracts. One example printed in the 1983 report of the Commissioner referred to the conditions of contract for carriage of goods on the *MV Troubridge*. A quarter page of closely printed conditions of contract was reproduced.

The beauty of proposals to provide for contracts in plain English is that it will actually save money. It has economic benefits (and, I might add, large economic benefits) to Governments that are prepared to make some effort towards improving communications. The original motivation (and probably the best reason for motivation of all Governments) has been the need of the consumer. I have already mentioned the concern of the Commissioner for Consumer Affairs, but an ancillary bonus towards this objective is the economic benefit that returns to Governments in relation to the use of plain language documents. For example, in relation to the movement towards plain language that has been going on at some pace in the United States for nearly 10 years, the United States Federal Communications Commission found that, when it operated with its regulations for citizen band radios written in legalise, it required five full-time members of the staff to answer queries from members of the public. After it converted the regulations to plain English, the queries stopped and it was able to redeploy all of the people concerned to other sections of the commission, with consequential savings to the commission.

In the United Kingdom, in the area of customs and excise the old form of traditional officialese, which some 50 000 passengers had to fill in each year at airports if they wanted to claim unaccompanied baggage, had an error rate of 55 per cent. The rewriting and redesign of the document reduced this error rate to 3 per cent, saving the department 3 700 hours in processing. The cost of the exercise was £2 500, which was a once only charge, and the saving was £33 000 per year. Similarly, each year the United Kingdom Department of Defence has 750 000 claims for travelling expenses by civilian members of the department. By rewriting the form in 1983 the department reduced the error rate by 50 per cent, reduced the time needed to fill it in by 10 per cent and reduced the time for processing by 15 per cent. The cost of the effort was £12 000, with a saving of 80 000 staff hours, or £400 000 per year. Examples in that area are many and time does not permit me to enumerate them, but suffice to say that any investment made to reproduce official documents in plain English certainly pays dividends.

South Australian Government departments are not wholly to blame for the misunderstandings that occur, and I wish to refer specifically to the effort that has been made by the Motor Registration Division towards the redesign of three new motor vehicle registration forms for the South Australian Department of Transport. These documents were men-

tioned at page 17 of the current affairs bulletin for January 1985 and appear to be a splendid example of the sorts of changes that are necessary within Government departments to produce documents in plain English and at the same time save money. I understand that the Motor Registration Division, through Mr Ken Collett, employed people from the English department of Flinders University to assist in the first instance in redesigning the form and changing the language to plain English.

I must say that the Government Printing Division does not receive from this House the sort of praise that is due to it. Certainly, there are people who criticise it from time to time, but very little notice is taken of the good work that is done in that area. The Government Printing Division, together with the Motor Registration Division, has produced a simplified form that has been of assistance to the general public and at the same time has saved money. The new forms will be printed in a different way, and continuous form printing machinery will be utilised, thereby reducing costs considerably.

The Victorian Government has recently contracted the associate professor, Robert D. Eagleson, in the office of the Parliamentary Counsel of the Victoria Parliament from 1 January 1986 to assist with the drafting in plain English of legislation in that area. Professor Eagleson is a member of the academic staff of Sydney University and his interests are in English. His interest in this area commenced about 10 years ago when he was approached by an insurance company to redraft its policies into more comprehensible language, and this was the origin of his involvement in the subject of plain language for legal documents. In 1983 Professor Eagleson was approached by the Commonwealth Government, and during 1983 and 1984 he held a number of workshops for Government officials on the writing of plain language. In 1985 he was appointed special advisor to the Commonwealth Government as part of an interchange program with the University of Sydney. Professor Eagleson was then approached by the Victorian Government for his present undertaking, which is to last for 12 months.

It is appropriate that I should mention at this stage that the Victorian Government has taken positive steps in the introduction of plain language. The Commonwealth Government, as I have previously mentioned, has started its involvement with a series of seminars which will give instructions to various heads of department. The Victorian Government has appointed Professor Eagleson: I believe he is on a contract in the first instance for 12 months to assist with plain language both in documents and in legislation in that area. His job in Victoria is to look at possible ways of improving the language of current Acts and regulations in order to make them more comprehensible to the audience to which they are directed.

I have received approaches from the Parliamentary Counsel and his staff in the House, and it has been suggested that I am advocating that the system that is being used in Victoria be implemented in South Australia. I am not advocating that at all, but I do believe that the South Australian Parliament could assist with the introduction of plain language for Government forms and contracts with the establishment of an office, whether in Parliament House or someone else in the Government service. I intend to meet with Parliamentary Counsel next week, and I hope that when this matter is further debated I will be able to explain his position to the House. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

COMMONWEALTH-STATE RELATIONS

Adjourned debate on motion of Mr M.J. Evans:

That this House expresses its strong concern and disquiet at the increasing use by the Commonwealth Government of its privileged position under the Australian Constitution to avoid the application of relevant State laws in Commonwealth places even where those laws do not conflict with or impinge upon the dominant purpose for which the Commonwealth place is used or for which it was established and in particular this House condemns the decision to allow the erection of the advertising hoardings at Parafield Airport adjacent to the Main North Road without the consent of the relevant State or local authorities which would otherwise have been required.

(Continued from 21 August. Page 538.)

Mr M.J. EVANS (Elizabeth): I have summarised to the House my concerns about the question of the Commonwealth Government and the way in which it has extended its area of operations to include many areas that are traditionally those of State Government and I have raised the particular example of the use of advertising signs at the Parafield Airport in a way which is quite contrary to the normal State and local regulations in this area. I believe that whilst the Commonwealth has every right to use its powers under the Constitution to control Commonwealth activities in Commonwealth places, the State certainly has a right to assert its ability to control such matters as advertising, gambling, liquor control and the like—traditional State matters—on Commonwealth property particularly when the whole and sole motivation of the Commonwealth in using its powers is to defeat those State legislative controls. With that summary of my previous remarks, I conclude my substantive case.

Mr OSWALD secured the adjournment of the debate.

CONSTITUTION REVIEW

Adjourned debate on motion of Mr M.J. Evans:

That, in the opinion of this House, the Government should establish a commission of distinguished South Australians to review the Constitution of the State and to make recommendations to Parliament for such reform of the Constitution Act as the commission may think just, proper and desirable following extensive consultation with the community.

(Continued from 21 August. Page 538.)

Mr M. J. EVANS (Elizabeth): I have put the case to the House that the Constitution Act of South Australia has now had a very long and, some would say, distinguished history in this State, but it is high time, like most things that have been around for that long (and I exclude a number of honourable members here in that category), that it be reviewed and refurbished, where that is appropriate, for the 1980s and 1990s. I believe that the proposal which I have put forward would achieve that end.

Certainly, in recent times this House has seen a number of constitutional measures before it. I think the increasing frequency of those measures and the sometimes radical nature of the proposals contained therein certainly reflect that viewpoint and indicates that it is time that we looked at the document as a whole, not in an *ad hoc* way, but clause by clause as these issues are raised in separate matters. I urge the Government to adopt that suggestion, particularly since this is the 150th anniversary of this State.

Mr S. G. EVANS secured the adjournment of the debate.

FEDERAL GOVERNMENT ECONOMIC POLICIES

Adjourned debate on motion of the Hon. E.R. Goldsworthy:

That this House condemns the Federal Labor Government for its economic policies which have tended to bankrupt Australia and have led to such a loss of confidence overseas that the Australian dollar has sunk to its lowest value ever; and condemns the Premier for his public support of these policies.

(Continued from 21 August. Page 543.)

The Hon. E.R. GOLDSWORTHY (Kavel): I ran out of time last week when I was debating this important and fundamental motion which addresses the economy of this State and this nation. To refresh members' memories, let me just say that I was painting a picture of the position in which this nation finds itself as a result of the disastrous policies of the Federal Labor Government which have plunged this nation into record levels of indebtedness in terms of our overseas borrowing.

I want to make the point, which I heard expressed this morning by a leading Adelaide businessman, Mr Spalvins of Adsteam, that there is nothing wrong with borrowing overseas if you are going to invest in wealth creating enterprises; in other words, you can borrow overseas to increase the level of activity in Australia in creating employment and wealth. However, if you are borrowing overseas to pay your living expenses—in other words, to fund a Government deficit—then you are getting yourself into real trouble. That is precisely the position in which Australia finds itself. We have been borrowing overseas to fund an ever ballooning Federal deficit and the day of reckoning has now come upon us. As was pointed out by others who understand finance rather more intricately and intimately than do many members here, they have been saying that for some time.

Sir Arvi Parbo has been talking about our ballooning overseas indebtedness. We do not live in little old Australia alone; we are not an island to ourselves; we live in a world economy; and the day of reckoning is here. I submit that our position is largely of the making of the present Canberra Administration whereby, when it first came to Government, it inflated expectations and made many promises; many of them it could not keep and many it simply had to keep. We are now in the position where we have this record overseas indebtedness simply to fund our social welfare bill and our general standard of living. That position just cannot continue and will not continue: something will give.

We have come from one extreme to another. Until three months ago we had the Federal Treasurer talking up the economy, saying that there is nothing basically wrong with the Australian economy. Even the Government now has come to its senses and realises that the position is quite desperate and is getting worse. That was one part of the scene that I highlighted last week. The other part, which I introduced but did not expand on, is the question of who is really running this country. There is a disproportionate distribution of power in Australia in that the most powerful group—bar none—is one without the concurrence of which the Government cannot govern—the Australian Council of Trade Unions.

The Government in Canberra cannot move or make any decisive step without the concurrence of that group. That is an untenable situation in a democracy. A Government is elected to govern and do the things that it believes are in the best interests of the nation. To have any group with the power of veto or such influence that a Government cannot move without its concurrence indicates a very sick situation. Fortunately, within that movement there are some sane voices.

I am saying that the fundamental power distribution is wrong; it is fundamentally wrong and it will and must change. Even accepting that situation, I point out that within that movement there are some sane voices and there is no doubt about that. They have much more power than they should have, but some of those people are sensible. One of those people, in my judgment one of the soundest men in the Federal Labor Government, is Senator John Button.

What do we see—an attempt by the radicals in the Party—the socialist left—to replace him with John Halfpenny, a highly literate, intelligent and fluent union official whose fundamental economic belief about what we need to do in this country is absolutely wrong. The sorts of demands that he is making upon the economy and upon this nation are quite wrong: they are the traditional values and requests of the trade union movement, and they are no longer tenable.

Fortunately, there are the John Buttons around the place who try to inject some economic rationality into the situation and try to come to terms with reality. In my opinion, Senator Button did a good job in trying to rationalise the car industry, and I am the first to admit that. I am simply not condemning individuals within the trade union movement; I have my own judgment as to their worth to the country, and I am drawing attention to the power that they exercise in this country. Because of the nature of that organisation, until someone comes to grip with that power, this country will continue to be in trouble.

I have watched with some interest the attempts of people to come to terms with the level of influence, authority and power within the nation, and usually they have (not literally but metaphorically) had their arms or necks broken because of the authority of the union movement. However, I have an abiding faith in the common sense of the average Australian, whether a member of the trade union movement or whatever his station or avocation in life. I have an abiding faith in the average unionist. The Labor Party likes to think it is the Party of the workers. I submit that we are all workers, whether we are on the shop floor, whether we are the leading hand, the foreman or the boss—we are all workers one way or the other. The average worker has an interest in his job, in the success of the company for which he works and, if we can encourage a degree of cooperation between the average working man in this nation and his employers and all of the people in the system so that the workers can get a share of any gains in productivity, well and good. By making demands across the board as we do with our centralised wage system, no account is taken of that in individual circumstances. Those circumstances are going to change; whether union officials advocating this action believe so or not.

It is with a great deal of interest that I have tried to find out what is going on up at Robe River. I have always had a fair bit of time for Premier Burke, in Western Australia, because in the Labor movement he has always been prepared to give a lead. He has been prepared to take on unpopular causes—certainly very unpopular with the likes of John Halfpenny and others—and come to terms with economic reality. One of the first things he did on assuming office was cut Public Service and parliamentary pay by 10 per cent. I do not know anyone else around the nation who would have the stomach to do that, but Mr Burke did. He has made realistic and believable complaints about the fringe benefits tax. We do not get any of that sort of leadership in this State, even from Mr 80 per cent.

I was more than surprised and disappointed to find that Premier Burke had taken on Charles Copeman of Peko Wallsend in the current Western Australian dispute because, if one reads an account of the 200-odd work practices which

the union bosses have managed to institute at Robe River and with which this company is now trying to come to grips, any sensible, sane Australian would believe that those days are done. The days of over-manning, perks, inefficiency and bludging, the days of the good life where one does not give a fair day's work for a fair day's pay (and that is what the Robe River dispute is all about if one looks at the restrictive work practices the company is now jacking up about) are over. Unless those days are over, this country has no future. Unless people are prepared to get behind the Copemans of this world so that in fact we do become competitive not only in Australia but internationally, the lot of the average Australian will decline even further.

So, it is with some disappointment that I read of the stance and the fulminations of Premier Burke in Western Australia, because I have had a high regard for him, but he is backing the wrong horse in this argument if he is really interested in doing something about improving productivity, expanding our exports and helping the average Australian.

If anyone does not subscribe to that view—that the ACTU in effect is running this country—I would invite them to think back to the tax summit. I believe that Keating was on the right track when he advocated a general, broad consumption tax. John Howard has been on the same tack for a number of years. Unfortunately, he was not successful in implementing it when he was Treasurer, but it is a fact that in Australia the levels of income tax are very high by Western world standards. The level of business tax and corporate tax is very high by world standards. We are about to increase from 46 per cent to 49 per cent the corporate tax on business, industrial concerns and others in Australia when, in Britain, it is down to 34 per cent and America is moving down to 34 per cent. Does anyone for a moment believe that international companies will establish themselves in Australia with those levels of taxation when they can go elsewhere for far less?

What we will find with that punitive level of tax in Australia, despite the valiant efforts of the present Administration to come to grips with the Federal deficit, is that, instead of there being increasing investment in Australia, companies will seek to invest overseas. The mix of taxes in Australia is way out of kilter with what happens in the rest of the Western world, where indirect taxes are far more in evidence. The major revenue is raised from indirect taxes, whereby people have a degree of choice in deciding whether or not they will buy. Initially, any major movement in that direction must be approached fairly carefully with an eye to inflation.

Mr Rann interjecting:

The Hon. E.R. GOLDSWORTHY: I will not be diverted into the details of the tax, but I make the point that our mix of tax is out of kilter with what happens in the rest of the world.

Mr Rann interjecting:

The Hon. E.R. GOLDSWORTHY: If the honourable member knows the answer, I will await with great anticipation and eagerness his response to what I am saying. The fact is that the only way to wean this nation off these high corporate taxes and high levels of income tax and to encourage investment and industrial and commercial development on-shore rather than off-shore—and the withdrawal further off-shore—would be to move further in the direction of indirect taxation.

That is what Keating wanted, but the way this country was going was dictated in February by the ACTU, long before the tax summit came to pass. The Secretary of the ACTU, Kelty, in addressing the socialist forum in February

of last year spelt out what he believed should happen in this country, and in the fullness of time that is just what did happen. I do not know whether members are aware of what Kelty was saying back as far as February 1985, but there is a report in the *Sydney Morning Herald* which spells it out as follows:

The union movement's strategy for 1985 was outlined at the weekend by the Secretary of the ACTU, Mr Bill Kelty, who put the Federal Government on notice about what was expected from the prices and incomes accord in the Hawke Government's second term. Mr Kelty said that no proposition that resulted in an increase in the tax burden would be acceptable to the ACTU at this year's review of the tax system.

He also foreshadowed a push by the ACTU for a Government crackdown on perks such as company cars, expense accounts, education fees enjoyed by executives—and expansion of the taxation pot into currently non-taxable areas.

Mr Kelty's frank speech was before a seminar organised by the socialist forum, a discussion group consisting of former Communist Party members and current ALP members, predominantly of the left wing.

From that point we follow the tax cart's progress up to the conclusion of the summit, and find that what Mr Kelty said in February that the ACTU wanted is precisely what occurred. We saw the executive of the ACTU—28 of them, from memory—take their seats at the tax summit. No other group in the community was afforded that sort of representation. We then went through this business of Keating trying to sell his package—option C. The ACTU made perfectly clear that it would not buy option C, and that option A appealed to it; and that was the option that Kelty talked about in February. We then had the charade of the Prime Minister running off to find this illusive consensus that would be acceptable to all, in a hotel room, overnight with Kelty and Crean. We finished up with option A, and the tax package we finally got again condemned the business community—and I am not here particularly as a spokesman for them—to higher taxes.

Members interjecting:

The Hon. E.R. GOLDSWORTHY: Yes, I led with my chin when I said that I knew I would get a response. Members opposite should grasp the fundamental fact that for this nation to become more competitive we have to do something about the level of taxes. That is where we are. Fundamental changes have to be made in this country if we are to come to grips with the economy. The Premier has publicly endorsed these fiscal and economic policies. That is fundamentally wrong, and has led me to put what I have said on record. If members are interested in getting to the facts of the argument in relation to Western Australia, I commend to them an article that appeared in last week's *Bulletin*, which I read with considerable interest. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

SELECT COMMITTEE ON ADELAIDE HILLS LAND USE

Adjourned debate on motion of Hon. D.C. Wotton:

That a select committee be appointed to investigate and report on current and future policies relating to land use in the Adelaide Hills and in particular within the water catchment area.

(Continued from 14 August. Page 372.)

Mr S.G. EVANS (Davenport): I support the motion. The member for Heysen has raised most of the points that needed to be raised. However, I express concern that no-one, not even the Engineering and Water Supply Department, has carried out a survey to find out what effect the decaying of natural bushland has on the quality of our

water. With my brothers, I was contracted to clear the Mount Bold water shed from 1961 onwards when the wall of the reservoir was raised by 22 feet.

Under that contract, we were obliged to shift and destroy, either on site or off, every piece of natural vegetation. There was to be no vegetation whatsoever left in the area that was to be inundated by water. When we asked the officers responsible why all the material had to be removed we were told that decaying matter, particularly from eucalypts, would pollute the water and that it would not be potable, not fit for human consumption. Anyone who has lived in the country knows that the water in a rainwater tank becomes putrid if eucalypt leaves are allowed to accumulate in gutters or in the tank. The water becomes dark in colour and can be very badly polluted rendering it unfit for human consumption.

So, one poses the question: Is part of this move to stop any further development in the Hills and to remove certain activities from the water catchment area due to the activities of people who detest the Hills or perhaps the people living in the Hills? Do such people see it as becoming part of some great big park of all natural bushland, or whatever? If that happened, there would be a lot less runoff. In relatively dry years reservoirs would not fill, because a preponderance of decomposing matter under the trees would hold the water, allowing it to sink into the soil and, hence, a lot more would end up in the underground aquifers. However, that may not be used at that stage because the agriculturalists using bores and wells would have moved out. Therefore, the situation would be that more water would be stored underground and no-one using it and there would be less runoff at ground level into the reservoirs ready for use. Many of us understand that that is the situation.

There are other matters that members want to debate here today, so in reaction to the Whip's signal I will conclude my remarks on the following note and seek leave to continue my remarks later. If we push most of the communities out of the Hills and leave only a few big towns, like Hahndorf, Woodside, Stirling and Bridgewater, when the inevitable bushfire occurs in, say, 25 or 30 years time, the density and intensity of that fire will be so great that no human beings will be able to fight it and it will take the main towns with it. Who will maintain the roads that connect the various towns? Will we let them go back to natural bushland or just leave them as fire tracks? What is intended in this regard?

Finally, in the past fortnight I noticed a statement in the paper by the Minister of Water Resources or the E&WS Department (I am not sure which), indicating that, because of the magnificent rains that we had had this year, running off the land in the Hills, the quality of the water in the reservoirs would improve and be better than the stuff that comes from the Murray River. So, there we have it. It is a case of saying that there is no problem with the Hills catchment water at the moment and that it is better than the stuff that we are pumping from the Murray River. Nevertheless, the trend is to discourage further building in the Hills, although the department has now admitted that the settlement in that area has no really serious effects on the quality of water. Notwithstanding that, at the same time we are pumping water for human consumption from Australia's biggest drain, the Murray River. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

CORRECTIONAL SERVICES STAFF

Mr BECKER (Hanson): I move:

That this House condemns the Minister of Correctional Services for failing to protect the health, safety and welfare of Correctional Services staff at Adelaide Gaol.

Much has been said about the health, safety and welfare of workers in this State. I agree that it is the responsibility—

Members interjecting:

Mr BECKER: Shut up and listen.

The DEPUTY SPEAKER: Order!

Mr BECKER: I agree that it is the responsibility of employers in this country to provide a safe working environment and that they should be concerned with the health and welfare of their employees. In most cases that is so. However, earlier this week we heard of a despicable case where one employer has had a large number of industrial accidents. I do not think that anyone would condone the practices going on in that company. It amazes me that the shop stewards or union representatives of the respective unions have not taken some action to protect the welfare of the workers or the union members. We hear so much about responsibility to the workers. Every now and then a case like this appears—and it should not happen.

In relation to the actions and activities of the Minister of Labour, who is also the Minister of Correctional Services, he has made a wild threat to introduce legislation to imprison employers who do not provide a safe working environment. If that is so, we may well have to look at the activities and actions of the Minister himself because, as Minister of Correctional Services, he presides over probably one of the worst working environments in this State—Adelaide Gaol.

Mr Tyler interjecting:

Mr BECKER: The member for Fisher continually interjects. I hope that he does not develop into one of those instant experts on everything. The honourable member might not be here long enough to develop in any way at all. The way that the current polls are going, he is history, anyway. The working conditions at the Adelaide Gaol are such that they should not be tolerated in any modern society. Here we have a Minister making threats to private enterprise employers, yet he has done little over the years to improve working conditions in the Adelaide Gaol.

We have now seen, at long last, after 10 years of planning, design and research, the opening of the new Adelaide Remand Centre. It came in under budget, is well constructed, and was a well managed project. I am on public record as having said that. I compliment the management team from the Department of Housing and Construction and the major contractor for their organisation and commitment: it is a credit to them. It is a well finished building, and something of which we can be very proud in this State.

The standard of construction in this State is much higher than one sees in many other countries, so we must give credit where credit is due. However, I come back to the situation in Adelaide Gaol, which unfortunately is needed because of the large number of prisoners on remand or serving short-term sentences. The accommodation there is, of course, atrocious. I do not think that I have to enlarge on this matter.

The situation is one of prisoners having to keep a toilet bucket in a cell overnight for 14 hours while they are locked up and then having to take that bucket out next morning and tip it into an open drain. There have been cases of hepatitis and supposedly two cases of early AIDS virus, and other infections abound within the prison system. This is

one of those areas where during the winter flu and colds abound. It is not a healthy environment.

Let us look at what we are asking the correctional services officers to do in that environment: they are required to work there and to assist in keeping a calm environment, and they are working in an overcrowded situation. I do not think overcrowding has been significantly reduced; indeed, there is considerable pressure on our prison system, and until we can do something with fine defaulters that problem will not be solved.

We should be looking at a system of turn-around and at possibly extending the community service order system for those in default of payment of fines. This involves about 160 people a month, almost 60 per cent of people who have in the past few months accrued a prison sentence having been fine defaulters. This is putting tremendous pressure on our prison system, as is of course the bail system we have, which is also mediaeval and long overdue for review.

It is the working environment that worries me, involving stress and strain because of overcrowding and because of the unhealthy working conditions. There is no modern plumbing, or any modern or updated areas where the correctional services people are required to work. Being so overcrowded, and under so much pressure, that leads to many problems. For that reason, the Minister should be as concerned as I am about the poor working environment for these people in our society.

Very few employers take great care in protecting their workers, but before the Minister really decides to crack down hard on private employers he ought to look at his own department, and move a little more quickly and positively to resolve the situation that I have outlined, because it will be some years before the Adelaide Gaol will be closed and used as a museum.

When that eventuates, I hope that nothing happens to the building but that the public will be invited to see it as it is at the moment, because it is a disgrace. It is a disgrace involving all past Governments that have allowed the gaol to deteriorate to such a condition and have not done anything about the matter. The people who have been put at risk or affected in some way by various diseases and stress, who have suffered within the confines of the Adelaide Gaol, are the correctional services employees. It is for that reason that I believe the Minister has not moved quickly enough to ease the situation in the way that he and his Government should have done. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

BELAIR RECREATION PARK

Mr S.G. EVANS (Davenport): I move:

That in the opinion of this House the name of the 'Belair Recreation Park', which was the first national park in South Australia, second in Australia and tenth in the world, should be altered back to the 'Belair National Park'.

In so moving, I wish to point out to the House that, as far as the general public are concerned, the Belair Park is still referred to as the Belair National Park or the National Park. In the 1970s, I believe the Parliament, or more particularly the public, was conned into having the name changed from a national park to a recreation park. It was not just overnight that the park became a place for people to go and have recreation, whether it be on tennis courts or ovals, walking in bushland, or playing golf on the course which used to be of rather poor quality but which satisfied people who were not looking for top class golfing facilities.

In the middle of that golf course was a piece of land that had been recognised as a wildlife reserve where orchids were growing which, although not unique to the area, were found in only a few areas in the Adelaide Hills. Maybe the sentiments that I hold towards the place are deeper than those of most people. I harvested gum from the wattle there during the war years for school patriotic funds, for which I received a badge on occasions. I hunted there illegally as a youth during the war years, when there were very few visitors, and I spent many of my youthful days there with other young people, because that was about the nearest recreation place to our property at Upper Sturt. I have seen the area change from the time it had commissioners until today, when it has officers who do a good job in keeping control of the multitudes who visit, and I have seen the times when major bushfires have gone through the area. Fires used to start along the edge of the railway track when steam trains were running.

I will recount the history of the park, because I believe that people need to look at its history. When speaking about national parks, we know that the word 'national' does not mean a conservation or wildlife park, and it does not mean that it has to be an Australian park completely sponsored by the Federal Government.

When talking about national parks, we have to realise that that term was given to parks in the early days and it has been continued in various countries. We know that the first national park established was in the United States and, in Australia, the first one established was in 1879 in New South Wales at Port Hacking (now called the Royal National Park), which is some 400 hectares in size. That park was in fact the first in the world created by Statute of Parliament.

A lot of the American parks are owned privately or by community groups and are not necessarily created as a result of an Act of Parliament. The first foundations, if you like, were laid in the United States, but the first national park in the world to be created by Statute was in fact the one in New South Wales, and South Australia had the second one in Australia. The others that were created at around the same time included Ferntree Gully, which was reserved in 1882 but was not called a national park. Wilson's Promontory was named after one of my great uncles in 1898, but it was not called a national park: it was just called Wilson's Promontory.

In this State we had something unique, something the community recognised as being a national park. Because of the time constraints on private members' Bills, today I have begun where I would like to have finished. I know that I will not finish what I wish to say, but I will now return to the beginning. The Belair Park as a recreation park turned 105 years old this year. In December 1881 the *Advertiser* stated:

They [the people] want a large park of their own, where under only such restrictions as are necessary to preserve the property from injury, they can freely roam and enjoy themselves.

The editorial in the *Advertiser* called on the Government of the day to support the people's wishes for the creation of a park at Belair. In so doing, the *Advertiser* was giving public recognition to the legitimate involvement of ordinary people in the establishment of parks throughout the State. So, in 1881, when the idea of a national park for South Australia was first declared publicly by the *Advertiser*, supporters of the idea had in mind the so-called Government Farm at Belair. At that time the idea was canvassed that the farm should be sold to private interests. This was denied by the Commissioner of Crown Lands, but the public had every reason to be unassured. The editorial further states:

What is wanted now is some security that the Government Farm shall not be parted with or diminished in size by any Ministry without the sanction of Parliament.

They were the views that I believe any community would have espoused, but the *Advertiser* did it to make sure that the public got the message. As with all reasonable propositions, it did not take into account Parliament's attitude in pursuing its own independent path. When I refer to Parliament, one can think of Government. The editorial of the *Advertiser* further stated:

It [this piece of land] has been usually supposed to be a piece of rough, not particularly fertile, country in the hills, where our Governors, generally speaking, could not be induced to take up their abode in the hot months of summer, and where spare or overworked police and survey horses are turned out to grass.

In other words, it was a place where the police rested their horses, in particular, those that were used to escort gold from the eastern States.

The threat to sell off Government Farm in 1881 was not the first of its kind. When Governor Grey arrived in the infant colony in May 1841, one of his first proposals to raise finances for the insolvent Government was to sell the farm. Such an intention was announced formally on 15 July 1841, but the sale was cancelled, because the land had not been acquired according to the law. Under the Wakefield scheme, the land should have gone up for tender and, because through Governor Gawler that had not occurred, it was considered that the farm had not been acquired legally. The position was later regularised with the payment of £800 to convey 10 sections of the area consisting of 330 hectares, but in fact 13 sections making up 800 hectares were transferred. From 1841 the farm was used to rest and shelter stock.

In 1858 a cottage for the Governor was built on the farm at a cost of £1600, but it was rarely used. In the 1870s the farm was the site for a factory to produce carbon bisulphide, which is used for the destruction of rabbits, as they were becoming a problem. At that stage the Governor could spend some time at the farm. Credit for the original idea of Government Farm being made into a park for the people must go to Walter Gooch, whose great grandson is still working in the park as an officer. Walter Gooch was attempting to get people interested in the park, knowing that the railway line was on its way (in fact it commenced in 1879). In desperation, because he did not receive much response, Walter Gooch invited the editor of the *Advertiser*, Mr Jefferson Stow, to look at the park with him. Mr Stow was impressed. From Gooch's point of view, the development of the railway, initially to Nairne, and running through the middle of the farm, enhanced the project: it meant that ready access for everyone in the Adelaide community was available.

Encouraged by the *Advertiser's* support, Gooch supported a memorial urging the retention of the farm as a water reserve, an experimental farm, a forest reserve, an acclimatisation station, and a national recreation ground. That was when the notion of a national recreation ground came into the discussion. Gooch was advocating national requisition. The petition was presented to the Commissioner of Crown Lands in January 1882, and was signed by no fewer than 213 influential commercial and business gentlemen. However, there was no immediate response to this petition. Later in the same year in a different approach a private member's Bill was introduced into Parliament which, if passed, would have prohibited the sale of the farm. The Bill was defeated in the Legislative Council, but pressure, through the sympathetic support of the press, resulted in a reversal of that decision a year later in 1883. The farm could not then be sold without parliamentary sanction.

The farm remained intact and was retained by the Government, but Gooch did not have the success he wanted in total. Two other men entered into the issue, John Gardiner and James Page. Not much is known about either man, except that Gardiner worked in the Surveyor-General's Department which notified Page of the Government's intention to subdivide the farm. In turn it was Page, who was in business partnership with the Premier, who was able to prevail on him to refrain from taking such action. Thus Governments intended to subdivide the whole of that park at one time. I plead with members, particularly the Minister, to think about my proposition. The Minister has received letters about this matter. The public recognise that park as the Belair National Park and I would like to see that name reinstated, as the community has requested. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

[Sitting suspended from 1 to 2 p.m.]

APPROPRIATION BILL

His Excellency the Governor, by message, recommended to the House of Assembly the 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 1986-87 and the Appropriation Bill 1986.

PETITION: ELECTRONIC GAMING DEVICES

A petition signed by 334 residents of South Australia praying that the House Legislate to permit the use of electronic gaming devices was presented by Mr Blacker.
Petition received.

PETITION: ELLISTON-LOCK ROAD

A petition signed by 607 residents of South Australia praying that the House urge the Government to upgrade and seal the main road between Elliston and Lock was presented by Mr Blacker.
Petition received.

PETITION: STIRLING PEDESTRIAN CROSSING

A petition signed by 28 residents of South Australia praying that the House urge the Government to install a pedestrian crossing in the Stirling main street was presented by Mr Wotton.
Petition received.

QUESTIONS

The **SPEAKER**: I direct that the following answers to questions without notice be distributed and printed in *Handard*.

INJURED ANIMALS

In reply to Mr **TYLER** (19 August).

The **Hon. R.K. ABBOTT**: It is the owner's responsibility to care for injured animals or to destroy those too badly

injured to recover without undue suffering. The RSPCA will assist owners if asked, particularly owners who have not dealt with a similar problem before. The RSPCA has been called to the following cases this month:

11 August 1986: Reported that four sheep were attacked at the corner of Denham Road and Clifton Avenue, Morphettville, on the previous day. When the insepector arrived he was unable to find any sheep at all.

15 August 1986: Attended the results of dog attack at Bellevue Heights. RSPCA destroyed one sheep and another injured one had good prospects of recovery.

20 August 1986: Attended the results of a dog attack at Waterloo Corner. Out of seven injured, three had to be destroyed.

SECONDHAND MOTOR CYCLES

In reply to Ms **LENEHAN** (25 February).

The **Hon. G.J. CRAFTER**: The proposal to extend the warranty provisions of the Second-hand Motor Vehicles Act 1983 to motorcycles has been examined previously and it has been re-examined in the light of the honourable member's question. Motorcycles have been explicitly exempted from this legislation since the 1971 Act came into force. The review which led to the 1983 Act (which came into force this year) also led to a decision to continue the exemption. Further checks have been made during this year on the level of inquiries to the department of Public and Consumer Affairs about after sales problems with motorcycles which have been bought from dealers. The current level of inquiries does not suggest there is a serious problem in this area, and would not justify the significant resources that would be required to bring motorcycles within the administrative scheme of the Second-hand Motor Vehicles Act. However, like all areas of inquiry, complaints about after-sales problems with motorcycles are kept under constant review within the department to see whether any problems are developing.

It is worth mentioning that purchasers of second-hand motorcycles are not without some protection under the general law. In the example given by the honourable member the dealer is said to have made the point that he was not obliged to give a special after sales warranty. While that was true in the sense that no legislation compelled a special warranty, the fact is that, once a special warranty is offered and accepted, it gives a consumer enforceable legal rights. The services of the Department of Public and Consumer Affairs are available in any case of dispute about those rights. Consumers also have rights under the general law in relation to serious defects about which they did not know and could not be expected to have known at the time of purchase.

MINISTERIAL STATEMENT: TECHNOLOGY ADVISORY UNIT

The **Hon. J.C. BANNON** (Premier and Treasurer): I seek leave to make a statement.
Leave granted.

The **Hon. J.C. BANNON**: I wish to inform the House that the Government has decided to integrate the Technology Advisory Unit of the Ministry of Technology into the Department of State Development. As a result, from today the portfolios of State Development and Technology have been combined and the Governor this morning swore in my Minister (Hon. Lynn Arnold) as the Minister of State Development and Technology.

It is considered that the integration will optimise the interface between Technology and State Development and ensure coordination of the State's technology and economic development strategies. As a separate entity, the Ministry of Technology has played an extremely significant part in increasing community, public and private sector awareness of ways in which technology challenges our future.

It is now appropriate for the maximum coordination and integration of our strategies for the controlled use of technology to benefit our society and the economic base of our State that the unit should be part, albeit a significant part, of the Department of State Development. The integration will occur progressively and will be completed by 30 June 1987, when the department will be renamed the Department of State Development and Technology. Close and ongoing consultation between the Ministry and the department has already taken place and will continue throughout the integration process.

QUESTION TIME

ESTABLISHMENT FEE

Mr OLSEN: Will the Premier say why the Government has failed yet again to make public a new State charge which is a further impost on motorists? I have in my possession a copy of a memorandum dated yesterday from the Registrar of Motor Vehicles. It reveals that from Monday the Government will introduce a new charge: a \$10 establishment fee which will apply to a range of registration transactions. I have been informed that the category under which most revenue will be raised is that applying where a registration has lapsed for more than 30 days.

This occurs often when, for example, people have been in hospital or on holidays. This fee will be applied on top of the 16 per cent rise in registration fees, the 20 per cent rise in drivers' licence fees, the 20.2 per cent rise in third party premiums, and the three cent a litre rise in the Federal petrol excise as yet another impost on motorists. I ask the Premier to say how much more revenue the Government expects to raise from motorists through this measure and why the Minister of Transport has failed to honour the Premier's previous commitment to announce all such charges before they are introduced.

The Hon. G.F. KENEALLY: To answer the first matter raised by the Leader of the Opposition, I can advise him that this change in the regulations went to Executive Council this morning, so the honourable member was privy to a decision of Executive Council before that decision was made. It would be inappropriate for me to advise the electorate at large of the decision prior to His Excellency having the opportunity to approve the decision that has been made. Dealing with the issue itself, the statement would have been made today, in any event, after Executive Council had considered it.

Mr Olsen interjecting:

The Hon. G.F. KENEALLY: No. The honourable member knows as well as I do that certain areas of the media are aware of this because the circular to which he refers was issued by the Director of the Motor Registration Division to his officers throughout South Australia so that they would be aware that from 1 September such anomalies that had previously existed within the Motor Registration Division would now be closed.

I point out to the House the system that applies now and the change. Currently, if you purchase a vehicle and register it, there is no service charge, unlike many other States.

There is no service charge in South Australia, nor does this decision introduce a service charge. However, if a motor vehicle registration is transferred during the period of the registration, there is a \$10 charge for that, and most members here would be aware of that.

If the registration is cancelled, there is a lot more computer work involved, so there is a \$12 service charge, which has been in place for some time. Those two charges already exist. However, there is an anomaly, that is, if the registration on the motor vehicle lapses and the vehicle is then re-registered, there is no charge, although the work involved is quite significant. The Motor Registration Division has the charter to recover, as far as possible, the cost of its operations, and that is something that most South Australians ought to applaud.

Members interjecting:

The Hon. G.F. KENEALLY: I will get to that in a moment. Most South Australians would applaud the decision to ensure that Government departments recover the cost of the services that they provide. Whatever we recover as a result of closing this anomaly will go into the Highways Fund to be hypothecated against roadworks in South Australia. So, the charges imposed on motorists already go into the Highways Fund, and this will also go into the Highways Fund. The extent of the funds that we are able to obtain from closing this anomaly will depend on the extent that people are currently avoiding the charge, and that is the real issue.

Many people are quite aware that, if a registration lapses and the vehicle is then sold, there is no charge for all the work that the Motor Registration Division is involved in to reregister that vehicle. A new file or a new computer card, etc., must be established. If you continue to register your vehicle after you purchase it, there will be no charge: you can continue registering your vehicle for 20 years without a charge being made. This is designed merely to cover an anomaly.

I have to apologise to my colleague, the Treasurer, that I have processed this through the various areas of Government—bringing it to Executive Council—to coincide with today, because that was not my intention. It is quite difficult sometimes to complete all the work. The new charges on the registration will come into effect from Monday, so it is quite obvious that it would have been well known publicly today, although we cannot gazette it until after the Government approves it.

WATER QUALITY

Mr TYLER: Will the Minister of Water Resources explain what action the Engineering and Water Supply Department is taking to improve the quality of the State's water? In recent weeks, residents south of Adelaide have told me that they are receiving discoloured water, the result of recent rains and heavy catchment run-off. I understand that this sort of problem will be eliminated when the new Happy Valley water filtration plant comes into operation. In the meantime, I have been told that the Engineering and Water Supply Department has a comprehensive program under way to improve water quality not only in the south but throughout the State.

The Hon. D.J. HOPGOOD: I guess when people are concerned about water quality they are concerned with three constituents of the water as delivered to homes. One, of course, is turbidity, which is the result of suspended or colloidal solids in the water; the second is the possibility of any pathogens being present; and the third is the presence of dissolved solids of various kinds. Of course, in the fil-

tered sections of the water supply system, that is, the Barossa system and the Hope Valley system, filtration takes care of the turbidity aspect. Until such time as the Happy Valley and Myponga systems are completed, that will continue to be a problem in areas to the south of Adelaide.

As I indicated in reply to a question asked in the House a week or so ago, one of the things that we are doing right now is keeping the lower storages as low as possible so that the highly turbid water, which is coming from the catchments at present, is kept in the upper catchments and, to the extent possible, right out of the domestic water supplies. Pathogens, of course, have to be taken care of, and this is done through chlorination. We are endeavouring to change the regime of chlorination because, although I can repeat the assurances that I made some time ago about the safety of our water, in the light of fears about organo-chlorides or tri-halomethanes being in the water, nonetheless, they are the result of chlorination which is undertaken to take care of the pathogens.

The procedure used here varies between the two systems in use. In the filtered systems involving the Barossa and Hope Valley schemes, we are eliminating pre-chlorination at the filtration plants in exchange for using alum, although the normal post-chlorination process continues in order to treat the pathogens. We now find that the pre-chlorination process is not necessary, provided that the post-chlorination proceeds in the normal way. The reduction in the chlorine dose has, in turn, brought about a concomitant reduction in the concentration of tri-halomethanes. In the south, with the unfiltered water, we are undertaking a trial chloramination program at Myponga reservoir which, in fact, is full to overflowing at present.

The Hon. G.F. Keneally interjecting:

The Hon. D.J. HOPGOOD: Present reservoir capacity is in excess of 77 per cent, compared to 52 per cent at this time last year—but I do not altogether claim credit for the rainfall. However, chloramination is a process that enables us to eliminate the tri-halomethane production which otherwise occurs in the normal chlorination process. The program at Myponga reservoir will be for a trial period. At this stage the results look good, and there is every chance that we will extend that process to other sections of the water supply system. The process was used in some parts of the system some years ago. It was abandoned previously but it would appear on the best evidence that I have before me that we will reintroduce it.

DTX AUSTRALIA LIMITED

The Hon. E.R. GOLDSWORTHY: My question is directed to the Minister of State Development and Technology. Can the Minister say whether the Government is reviewing the matter of assistance it has offered to the company DTX Australia Ltd, in view of the apparent financial difficulties that that company has got itself into?

Early this year, on the recommendation of the Minister, Government assistance of up to \$500 000 under the Industry Development Payments Program was offered to this company. DTX, which was formed to develop and expand videotex information systems and associated hardware, proceeded to build a factory on Marine and Harbors Department land at Outer Harbor as part of an industrial estate. The Opposition has been approached by three building contractors who have undertaken work on the factory and who have all been singularly unsuccessful in having their accounts paid. An amount of more than \$216 000 is overdue and still owing to these companies.

I also understand that DTX has so far failed to lodge a security bond with the Electricity Trust and that the trust intends to cut off its power. I understand that a notice to that effect was delivered yesterday. The building contractors still owed money have made many unsuccessful approaches to one of the principals of DTX, Dr Richard Blom. I understand that Dr Blom was investigated by the Corporate Affairs Commission in Perth in relation to allegations that he was an undischarged South African bankrupt who had fled that country to avoid charges relating to assessed taxes and currency smuggling. I have also been informed that Dr Blom led the building contractors who are now out of pocket to believe that there was substantial State Government involvement in the project and that they were therefore assured of payment in terms of their contractual arrangements.

The Hon. LYNN ARNOLD: I can inform the House that some of the points mentioned by the Deputy Leader are correct to the extent that late last year approaches were made to the South Australian Government with respect to a request by DTX for some incentives to enable the company to move from Western Australia to South Australia. At that time there were unverified reports about doubts relating to certain partners in the firm. Those reports were conveyed to me, as Minister.

On the basis of that information, and on receiving the request for assistance by the company, although it was within my ministerial prerogative to grant or refuse assistance to that company within the normal incentive guidelines under the State Development Fund, because the amount requested was less than the limit for referral to the IDC Committee, I felt that it was absolutely essential, since there were some unverified (at that stage) assertions being made in some quarters of the community, that the matter be referred to the IDC of this place, and that was done.

That committee referred the matter back, recommending that normal incentives as provided under the fund—nothing at all different from normal incentives—in fact be offered to DTX. Separately from that, DTX had been having discussions with the Department of Marine and Harbors with respect to the land to be occupied by it for its new factory.

I understand that agreement was reached with the Department of Marine and Harbors to sell 3½ hectares of land to the company. I understand, also, that settlement for that is due in June 1987. I have had no more information about the present status of the company. I appreciate the information that the honourable member has made available, and will certainly have the matter followed up urgently. I can advise the House that the field in which the company is involved is certainly a very competitive one and at all stages could have been regarded as somewhat speculative. I can also advise that the department is aware, and has advised me, that recent contact with the company has indicated that there has been a change in management and that the department is monitoring further developments within DTX. The matters raised by the honourable member in his question today will be followed up immediately. They may have been monitored already by officers of the department but, in any event, I will make sure that they are followed up and bring a report back to this place.

WEST LAKES BOULEVARD

Mr HAMILTON: Can the Minister of Transport advise whether the planned extension of West Lakes Boulevard will commence in this financial year? The Minister is well aware of my intense interest and that of my constituents in

this project. Although it is true that there have been mixed reactions on this issue in the local community, my constituents have been looking forward to this planned extension since the early 1970s. Whilst appreciating the need for tight budgetary constraints, my constituents are hopeful that they will not have to wait many years before this project is commenced. They believe also that the extension is a project that necessitates a high priority.

The Hon. G.F. KENEALLY: Although, unfortunately on this occasion, I will not be able to provide the honourable member with any joy, I thank him for his question. The West Lakes extension is one of those projects that the Highways Department, as well as I as Minister, have had to reconsider as a result of the allocation of funds received from the Federal Government. There has been a real reduction in the funds provided to South Australia, particularly those available for arterial road construction and maintenance. In fact, the funds that we have received from the Federal Government this year have been channelled away from urban and regional arterial roads into national highways and local road funds, so this year there is no prospect that the Highways Department will do any work at all on the West Lakes Boulevard extension.

That is not to say that we do not acknowledge the priority and importance of the work—we do—but, with the constraints that are placed upon us financially, this is one of the roadwork programs that will be delayed. I cannot give the honourable member any assurance as to when construction or planning for construction will recommence, except to say that that will be a matter at which we will need to look in the next budget. Any other statement that I could make in relation to the funds available for the Highways Department should wait until after the budget has been brought down this afternoon, but the short answer is that I appreciate the work that the honourable member has performed; I have met with him and his constituents and I am well aware of the need as well as the differences of opinion that exist in that area. However, despite the priority that has been placed upon that project, there can be no work undertaken this year because of the limitation of funds available to the Highways Department.

DEMOLITION CONTROL

The Hon. JENNIFER CASHMORE: In view of the request made by the Unley City Council to the Minister for Environment and Planning almost two years ago for powers to control demolition and a similar submission late last year by the Minister of Recreation and Sport, will the Minister for Environment and Planning apologise to the council for his statement at the weekend that the council could have prevented the demolition of an historic house at 180 Greenhill Road, Parkside, retract that statement, and take immediate action to ensure that the council is given the powers that it has requested?

I have a copy of a letter dated 27 September 1984 from the Unley council addressed to the Minister requesting amendments to the development control regulations under the Planning Act which would give the council power over demolition of items of local heritage. The Minister did not reply to that letter. I have been informed also that, late last year, the member for Unley (Hon. Kym Mayes) made a similar written submission to the Minister on behalf of the council but, again, no response was provided to the council. Mr Speaker, not only has the Minister refused to respond

to requests to give the council powers which he now criticises it for not using, but also the Minister in public statements has linked these powers with the implementation of supplementary development plans, when the two are completely separate issues. In fact, a memo circulated to members of the Unley City Council, dated 25 August 1986 states:

Dr Hopgood seems to be labouring under a fundamental misconception as to the nature of the Planning Act and its regulations and supplementary development plans and also seems to be at odds with his department over the issue of demolition control.

In very simple terms, demolition control has nothing to do with supplementary development plans. It is the regulations to the Planning Act (First Schedule) which specify that demolition is not development and therefore an activity which does not require the planning approval of council.

Irrespective of what principles and lists of heritage items are included in Unley's SDP, demolition control cannot be achieved unless and until the Minister amends the regulations to the Planning Act to make demolition 'development' for the purposes of the Act.

The Hon. D.J. HOPGOOD: Let me enlighten the honourable member. I think there are a few people who are playing 'tails I don't win, heads I lose' in this game. Last weekend I was contacted by two journalists, each of whom put to me that a supplementary development plan had been around the place for some time that, in part, addressed the matter of heritage in Unley (as indeed they do, although it is perfectly clear that they do not give demolition control). I do not know where those journalists obtained that information. Journalists are not omniscient: in fact, they rely on others for technical and detailed information such as that. Having had that question put to me, I addressed what was happening with the supplementary development plan. I was accused of having it before me. I understand that it is currently before the Unley council for correction of certain matters of detail about which—

The Hon. Jennifer Cashmore interjecting:

The Hon. D.J. HOPGOOD: I wonder whether the honourable member will allow me to continue.

Members interjecting:

The SPEAKER: Order! The Deputy Premier has the floor.

The Hon. D.J. HOPGOOD: The supplementary development plan is currently not before me but before the Unley council for correction of certain matters of detail that, I believe, have been suggested by my department. However, from the moment the question was raised in that form, that was the agenda set for the debate, and so it continued. I cannot be held responsible for the way in which the agenda was raised. It was open for the Unley council at any time in the past fortnight to put to me what certain members of the honourable member's Party put to me last week in relation to a building in another part of the city, or slightly beyond. It could have asked for an interim listing and a stop work order. I do not blame them for not asking that. To be brutally frank, everyone was caught off guard by what the developer did at Unley last weekend. Had the Unley council known, there is every chance that it might well have asked me to take advantage of the legislation, for which the honourable member and I voted in this House only 12 months ago, but the council did not ask and I do not blame it for not asking.

The Hon. Jennifer Cashmore interjecting:

The SPEAKER: Order! It is not appropriate for a member to direct a question to a Minister and then prevent the Minister from replying with a barrage of interjections. The honourable member for Coles is out of order.

The Hon. D.J. HOPGOOD: Thank you, Sir. I do not blame the council for not asking me, because it was caught on the wrong foot by the speed with which the developer proceeded. I am only too happy to turn the other cheek in this case, and the only thing I am prepared to say directly

to the Unley council is that I will be available to it, as I will be available to everyone else, when the statement, which I promised this House two days ago, is made available.

PATPA SCHOOL SITE

Mr ROBERTSON: Will the Minister of Lands indicate to the House any plans that his department may have for the disposal of the remaining portion of the former Patpa school site on Ramrod Avenue at Hallett Cove? It has been put to me by a number of local residents that the portion of land in question, which is about 1 hectare in area, would make an excellent locality for the development of housing for the aged. It has been pointed out that the area is the only remaining flat land at Hallett Cove and that it is close to the 681 bus service. Indeed, a supermarket and specialty shops in the the new shopping centre are virtually across the road. I am aware that, with the completion of the new professional chambers, people will be within walking distance of a doctor, a dentist, a physiotherapist and a lawyer. Has the Minister considered encouraging the development of housing for the aged on that site?

The Hon. R.K. ABBOTT: The land at Hallett Cove referred to by the honourable member was held by the Education Department and comprised 4.9 hectares. When the Education Department no longer required the land for a primary school, the Department of Lands, in conjunction with the Marion council, resubdivided it for use of a number of facilities including a library, a child-care centre, open space for a reserve, a church and a community centre, and space for a kindergarten.

Approximately a hectare of the property remains to be disposed of. I understand that that will be auctioned on Tuesday 2 September, which is next week, and that the Marion council has developed or is currently developing a supplementary development plan which will provide for an application for aged accommodation. That would be an excellent opportunity to develop aged accommodation. I think that the land is zoned residential, and I would welcome a submission to include aged accommodation or an aged village of some kind. If that takes place, it will create an excellent community centre in that area.

VICTOR HARBOR RAILWAY

The Hon. B.C. EASTICK: Will the Premier say whether there has been a significant escalation in the cost of establishing the Adelaide to Victor Harbor tourist railway? When this project was first announced last year, the cost of its establishment was put at just over \$1.5 million and it was scheduled for completion in May this year. However, I understand that it is now well behind schedule and that the cost has blown out by more than \$400 000. I therefore ask the Premier to explain whether this is yet another CEP project that has gone off the rails.

The Hon. G.F. KENEALLY: I shall respond to the question in two parts. First, the work that was required to be done on the Victor Harbor rail link has been completed. In fact, it was always intended that the service would start at the end of August. Certainly, the permanent way is available for such a service to start. The Australian Railway Historical Society, which is party to an agreement with me as Minister representing the Government, has not yet signed the agreement that I have sent to it to consider and sign.

I shall meet with representatives of the society this afternoon and, in view of that, it is unlikely that the service will

start on 31 August. However, immediately the society signs the document, that document will provide for the service to start immediately. So, although there is no delay in the capital works, there is a delay because one party as yet has not been prepared to sign the agreement. I have a responsibility to protect the quite considerable Government assets and funds that have been put into the Victor Harbor rail link and, as Minister, I have the ultimate care and control of that link, especially from Strathalbyn to Victor Harbor.

In response to the honourable member's second question regarding when the work was commenced, with any railway work, as the honourable member would know, it is difficult to determine initially the ultimate cost. However, about \$1.2 million has been involved in the CEP program and \$770 000 of State funds has gone into the project, which makes a total of about \$2 million. The State Government has undertaken to underwrite the operation of the line for three years in order to see whether or not it is a viable venture.

An honourable member interjecting:

The Hon. G.F. KENEALLY: On operational costs, yes.

Mr Olsen: What is the total capital cost?

The Hon. G. F. KENEALLY: The ultimate cost of bringing that line into good operational safety conditions so that trains can traverse it at reasonable speeds in great safety, having regard to the need to protect the participants in any accident that may eventuate (and we are certain that there will not be any accidents, but sufficient and reasonable cover must be provided and there must be a standard track to ensure that), has been about \$2 million in total. That is more than the original estimate, but anyone who knows anything about railway operations (and obviously members opposite do not know much about this) will know that each sleeper, the points, the signals and the quality of the track must be looked at, because it is important to do the job well. If the job was not done well, the first people that would complain would be the members for Coles and Light and other members opposite who would insist that a reasonable standard of safety should be provided on the track.

We have done that for the benefit of the people of South Australia and for the benefit of the tourist industry. The sooner that operation is under way the better. We will underwrite the operational cost for three years to see that the venture is successful, but the State Government is not committed, nor does it desire, to inevitably underwrite the operations of a venture that has not the potential at least to meet its costs. That is the charter and that is the challenge to the Australian Railway Historical Society.

I am confident that the society can meet that challenge but, as the Premier has often pointed out, when the ultimate cost is considered, the Government is not a milch cow, and we must have regard for the taxpayer's dollar. In this case, we have had such regard, and for the next three years we will vet the success or otherwise of the venture.

BABYSAFE CHILD RESTRAINT

Mrs APPLEBY: Can the Minister of Transport say what indication has been received of sponsorship for the Babysafe Child Restraint Rental Scheme, which was launched most successfully this morning? At the launching of this Government funded child restraint program, it was announced that a substantial sponsorship of 100 units by the Royal Automobile Association was to be added to the capsules being administered by the Red Cross. On behalf of those present this morning, I congratulate the Minister on his excellent demonstration of the practical use of these restraints.

The Hon. G.F. KENEALLY: I thank the honourable member for her question. As I have pointed out to the House on a previous occasion, I have four young grandchildren, so I have had some experience in putting children into a capsule in a vehicle. I should like to think that I was as effective as the honourable member says I was, but there was a tinge of nervousness as there always is when dealing with someone else's two month old infant. I was considerably nervous to ensure that I did what was required of me as expertly as elderly grandfathers can.

At the launching, I acknowledged that this Government initiative had the full support of the Opposition, and I was pleased that the shadow spokesman was there. I also said that in the debate the Opposition had been supportive, and I gave it credit for that. I think that the program will be a great success. Mr Hancock (Executive Director of Red Cross), who will be running the program, has already pointed out that the bookings have been quite healthy. In fact, he said that bookings have been made as far ahead as April and May of next year.

Members should do their sums and work out why people today are booking the restraint so many months ahead. Such action shows considerable foresight by young parents who may need the child restraints at that time. We have corporate sponsorships. I am pleased to say that the RAA has already provided 100 babysafe child restraints, and I would be very encouraged if other public spirited organisations in South Australia that have a concern and a care for the safety of South Australians, especially those whom I describe as the State's major assets (our children), should want to provide additional sponsorships. We would be delighted to receive them. The 1 400 restraints that the Government has purchased are sufficient only to provide rental for about 15 per cent of infants born, and we hope that, with sponsorship, etc., we will be able to cover about 30 per cent of the infants born in South Australia.

The scheme will expand Statewide. There will be a number of outlets in Adelaide. It will go first to two major centres in the country, namely, Mount Gambier and Whyalla, and it will then spread from there. As far as possible the rental scheme will be available to people who have need of it, no matter where they are in South Australia. The Red Cross is the organisation that can effect that. However, there will be a need for people to purchase their own; we will not be supplying child restraints to everyone. The regulations will be changed to allow those people who have purchased child restraints to resell them; that could not be done previously. A restraint is really only useful for a number of months in the early months of a child's life, so the capital expended can be returned.

I would like to clarify a response that I gave to the member for Bragg last week when he asked me a question. I misunderstood the question that he asked.

Mr Ingerson interjecting:

The Hon. G.F. KENEALLY: Well, he should speak up more clearly. The member asked me whether the charge for a child restraint was \$40, half of which was refundable on the return of the child restraint or capsule. My response to that was, 'No', because I thought the honourable member had said that the charge was \$40. In fact, it is \$40, but the mix is a \$20 deposit, which is refundable on the return of the capsule, and \$20 rental. As the Executive Director of the Red Cross pointed out this morning, that is hardly sufficient for it to be a profit making system; nevertheless, it will work. Our task now, as a Government, is to ensure as quickly as possible that the whole scheme can be undertaken by people outside of Government, particularly non-profit organisations. However, as a Government we should

advertise widely and educate parents in South Australia as to the great road safety benefits of ensuring that children are adequately strapped into vehicles, preferably in a baby capsule, and after that in a webbing that is approved.

I should say that the parents whose twins were strapped into the car this morning are a classic example of responsible parenthood. Those parents had two baby capsules, a capsule for the young two year old and an appropriate restraint for another son who looked to be about five or six years of age. The four children were very, very well protected. I hope that all other parents in South Australia take a lead from them.

DEPARTMENT OF RECREATION AND SPORT

Mr INGERSON: Will the Minister of Recreation and Sport explain why a senior officer in the department being paid \$40 000 a year has no work to do, and what action he intends to take? I refer to the report in today's *News* about an Assistant Director in the department, Marilyn Davis. It brings to a head widespread dissatisfaction in recreation and sporting circles about the administration of the department. I understand that since being appointed specifically to help resolve administrative problems in the department, the Director has refused to involve her in the department's work.

Other problems with administration include refusal to include the South Australian Institute of Sport representatives in some departmental management meetings for the past two years; inefficient administration of the department's local facility grants program whereby associations are now being bypassed; the failure of the Minister to meet with the advisory committee on recreation and sport; significant reductions in support from the department to disabled and aged needs in recreation and sport; inability of associations to get speedy appointments with the Minister on urgent matters; and management of State facility programs (for example, rifle shooting, hockey and cycling).

Today's *News* report states that the Minister has attempted to distance himself from the problems with administration in his department. However, this involves the efficient spending of taxpayers' money for which the Minister is accountable to Parliament. I therefore ask him to explain the position in relation to Ms Davis and other administrative problems in the department.

The Hon. M.K. MAYES: Again, the member for Bragg is endeavouring to scuttlebutt and run around in the gutter to dig up rumours and rubbish. I am still waiting for his apology on the last piece of scuttlebutting that he decided to divulge to the community. He is not man enough yet to give that apology to me in this House. We know how much credibility we should place on any questions that he puts before this House. The Leader of the Opposition has ducked his head and is delving into the paper to avoid his involvement, because we know that he had a part to play in it as well.

If we recall the last event, the person involved in passing on these Grand Prix tickets is actually starting to divulge how it came about. We know that the Leader of the Opposition asked his car to go out and collect the tickets so that they could be delivered in here for the question for the member for Bragg to ask in the House. So, the Leader of the Opposition cleverly distanced himself from this last event, and I notice that he is distancing himself from this question as well. We know how much credibility the member for Bragg has and how much credibility he has been given by the journalists in the press. We can judge again

that he has been out sniffing around endeavouring to unsettle the sport and recreation area, and I know as well as anyone that he contracted—

Members interjecting:

The SPEAKER: Order! The Chair would like to draw two points to the attention of the House. First, I have said on previous occasions that it is most unseemly for interjections to reach a level where a Minister has to shout to be heard; and, secondly, it is out of order for displays to be made of written material or any other material in the Chamber.

The Hon. M.K. MAYES: We know that the member for Bragg's credibility is very, very low in terms of the community as a whole, given that last little episode. However, we know also—and I found out—that he has been contacting department officers at home to try to delve and dig up rumours and scuttlebutt within the community. The member knows no limits in trying to get into the gutter to dig up stories. He is again endeavouring to undermine and unsettle the department and the sports area. It is obvious to anyone reading the *News* that it has raised this issue of Ms Davis's position. The member has raised a series of questions which he has run off from reading the *News*. He has not had the ability to go and draw up his own question. He has had to rely on the *News*—

Members interjecting:

The SPEAKER: Order!

The Hon. M.K. MAYES: Thank you, Mr Speaker. The member for Bragg has related what the *News* has said, but we cannot always believe everything that is printed in the *News*. I do not have all the questions that the member asked about Ms Davis, because he has run through a number of questions in the House today. The situation is that Ms Davis was brought in to the department under the instruction of the Public Service Board prior to the end of the financial year. She had a position as a senior officer within the department, and she was looking at specific tasks within the department under the direction of the Director.

An honourable member interjecting:

The Hon. M.K. MAYES: The member mentioned the Three Day Event. I do not think this reflects on Ms Davis's role in the Three Day Event, because I think she played a very useful part in that whole exercise. I would not like the offhand and the ill timed remark of the Deputy Leader in this House to be recorded as a black mark against Ms Davis because, in effect, she played a very good role as an administrator in that Three Day Event, given the time at which she came into the exercise, which was well down the track. So I want to pay public credit to her role in that event.

In relation to Ms Davis's role, there was obviously stress on this department in terms of workload. There is plenty of work for the department and, unfortunately, there are not enough people to go around. We are facing that problem in these austere times, and, of course, we have to contemplate that as management within the department. The Director obviously has tasks for Ms Davis within the department. In terms of the workload, she has performed a very useful task in the duties of the department overall. She was moved to work on the Three Day Event and then returned following that, given the contract arrangements that were entered into; she was to have six months within the department to complete these tasks.

I have asked the Director today for a report following this article which has appeared in the *News*, and I will meet with him this afternoon. Let me stress that under the new Government Employment Act it is the Director's responsibility to ensure that those duties are undertaken, and I am sure that he has picked that up as his responsibility. In

relation to the Sports Advisory Council, again, the honourable member has indicated that he has not done his homework. He has spoken off the cuff, relying on the *News*. He has shot off his mouth, as usual.

Members interjecting:

The Hon. M.K. MAYES: I will table any document that the honourable member would like.

The SPEAKER: Order! The member for Bragg and the Premier are both out of order.

The Hon. M.K. MAYES: The Sports Advisory Council's term expired as at 30 June and, as a consequence of a recommendation made to me by the department, I have decided that some changes will be made in the role of the council. But I do not want to canvass that matter until the department has had an opportunity to explore these matters in consultation with everyone involved. So, the council's original lifespan has expired, in accordance with the terms of the original charter.

Mr Ingerson interjecting:

The Hon. M.K. MAYES: It knows that it is under review, so the situation is quite clear. In relation to the disabled, again, I do not know on what information the honourable member is relying. Apparently, he is relying on rumour and scuttlebutt to try to establish a story. However, he will realise when the Premier makes his announcement that he was wrong. The honourable member has relied on his contact with people who perhaps do not know that he has again gone down the wrong path. This all indicates that the honourable member does not do his homework.

He referred generally to the article which made a supposition about my not being prepared to act. I remind the honourable member that, in relation to the Racing Act and to various administrative steps that I have taken since I have been in the job, he would probably find it very hard to keep up with the changes that have occurred.

Mr Ingerson: What about netball?

The Hon. M.K. MAYES: The position is quite clear. The honourable member has not kept up with the information flow and has not gone back to the appropriate source of contact. Again, the honourable member shows himself up. If he is referring to Edwards Park, I point out that I have written to the City Council, giving unqualified support.

Members interjecting:

The SPEAKER: Order! I notice that two members of the Opposition have continued to interject after the House has been called to order. The member for Bragg must cease and desist from his practice of continually interjecting across the Chamber because of the provocative effect that it has on the Minister, and the Minister must refrain from responding to such interjections. The honourable Minister.

The Hon. M.K. MAYES: Thank you, Mr Speaker. In relation to the netball matter, obviously the honourable member is referring to Edwards Park. This is a difficult situation. The authority and responsibility for this rests with the City Council. We know what the Lord Mayor said about the offer of assistance from the member for Bragg, and that was well reported in the daily press: that he was not terribly interested in the member for Bragg's contribution. I think that that may have been an understatement. For the benefit of the House, I point out that I have offered my support to the Netball Association because of the difficulties in which it had found itself, given the present planning situation. By way of letter, I suggested to the City Council that, in effect, it should look at how long the Netball Association can continue at Edwards Park until a longer-term solution can be found.

The question involves not only the location, in terms of provisions of the Planning Act and parkland use, but also

the building itself, which we must look at in cooperation with the Netball Association. So, those matters are well and truly in hand. Obviously, the honourable member has not gone back to his source, whatever that might be, to update his information. In relation to the overall reflection on me as Minister, I do not hesitate to draw to the attention of the honourable member the sports page of the *News* and Mr Roach's comments about my administration and the way in which I quickly responded—

Members interjecting:

The SPEAKER: Order!

The Hon. M.K. MAYES: I am very tempted to take up the time of the member for Bragg and to read into *Hansard* that interesting and illuminating piece from Mr Roach headed 'Racing—it's a boom or bust'. The honourable member ought to read that so that he will be a little better informed on matters pertaining to recreation and sport.

PORT CONTAINER FACILITIES

Mr PETERSON: Is the Minister of Marine aware of, and if so will he report to the House on, the effects on the container depots, particularly the Outer Harbor Terminal, of recent initiatives undertaken by Australian National and the Australian Customs Service? South Australia has expended considerable energy and finance in developing competitive container facilities. At the moment the second container crane at Outer Harbor is being built at a cost of some millions of dollars. Australian National was involved last year in a rail rate discount exercise, since discontinued. That exercise was undertaken in conjunction with the Melbourne harbor authorities and Vic Rail.

Australian National has now set up a super freighter service between those ports which offer considerable discounts on volume container movements.

I believe that the next step will be a piggyback, that is, a two-high container service to and from Fremantle. The Australian Customs Service is considering an integrated cargo and clearance system which will result in all clearances for cargo and containers at the point of discharge, which for the majority of Adelaide cargo containers is Melbourne. As the Minister would be aware, cost saving is a crucial factor in persuading ship operators to use Adelaide's facilities. If cost and convenience factors swing in Melbourne's favour, as those programs have the potential to produce, we could end up with no container ships calling at Port Adelaide.

The Hon. R.K. ABBOTT: I thank the honourable member for his question. I am aware of both matters he has raised. However, I point out that even though there may be some effect on the operations of the port, these two issues are separate. I might say that both issues are of some concern to the Department of Marine and Harbors. First, the integrated cargo control and clearance system will not affect the volume of cargo from the port. However, it could have some effect on the customs agencies which operate at the port.

I have with me a copy of the proposal of the Australian Customs Service, and it involves an integrated cargo clearance and control system which envisages the eventual linking of a computer system employed by the various parties to permit an electronic exchange of the data necessary to complete the import clearance process. The concept does not envisage investment in the development of a mega-computer, nor would it entail the centralised control storage of all data related to a clearance process. Rather, the concept is that individual parties would retain their own information

and exchange data to the extent necessary for commercial or statutory reasons. This matter is being reviewed in detail by the department in conjunction with the South Australian Ports Liaison and Advisory Committee.

On the question of Australian National and Vic Rail operating Adelaide-Melbourne superfreighters, it is true to say that the rates package that has been offered does cause some concern, especially at a time when we are desperately trying to attract more shipping through Port Adelaide. I do not believe that that factor would avoid the delays and congestion occurring at the port of Melbourne, as I think that all South Australians, particularly our exporters and shippers, would be aware of the holdups and the industrial strife that have occurred in the Eastern States over a considerable time. This is another matter that has been considered by the Ports Liaison and Advisory Committee. After those matters have been reviewed, I will endeavour to obtain more detailed information on them for the honourable member.

FRINGE BENEFITS TAX

Mr S.J. BAKER: Will the Premier use the present disastrous motor vehicle registration figures to demand a review of the fringe benefits tax? Australian Bureau of Statistics figures released today show that motor vehicle registrations in South Australia last month were at their lowest July level since 1968 and that, nationally, registrations are down 21 per cent on July 1985. Although the Premier has said previously in this House that pressing the Federal Government for a review of the fringe benefits tax would be an exercise in futility, indicators like these show that without such a review in the very near future many more jobs will be in jeopardy in our vital car industry.

The Hon. J.C. BANNON: At least the honourable member, in asking his question about this matter, did not indulge in the florid and outrageous language indulged in by the so-called shadow assisting the shadow Treasurer in the other place (Mr Davis), who talked about Adelaide as the capital of the banana republic. I think that if disciplinary action could be taken—which is most unlikely on looking at the state of the Opposition—this is a classic case for it being taken by the Leader of the Opposition. It was an appalling statement.

The honourable member has drawn attention to the serious problem with motor vehicle registrations at present, and we are all aware of this. The honourable member has displayed a complete ignorance of what happens in relation to the fringe benefit tax on motor vehicles. He asks whether I will make representations about it: the fact is that I led a national campaign against that particular tax. I went to Canberra, I addressed the national organisation and, in fact, had discussions with them about the sorts of proposals that they might make.

Mr S.J. Baker interjecting:

The Hon. J.C. BANNON: The honourable member is interjecting, because he has just displayed his ignorance in the stupid question that he asked. How about listening to the answer and trying to learn something! I went to Canberra and took part in those discussions, which resulted in that national body putting submissions to the Federal Government. I spoke about the matter to Treasurer Keating, the Prime Minister, the Minister for Trade and Industry and a number of other Ministers. In fact, the end result was that a modification was made to the fringe benefits tax on vehicles, as proposed: it was the only one to which any change was made. That change did not go far enough, and

I said so at the time, but at least a change was made. That is the sort of action I took.

Members interjecting:

The SPEAKER: Order!

The Hon. J.C. BANNON: I have continued subsequently to express my concern about the fact that the Federal Government is not monitoring the impact of this tax and has not segregated the tax involvement in the downturn in registrations. It is not the only reason for the downturn, and that should be made quite clear. A record number of motor vehicles, the highest number ever, was sold last year. It is inevitable that, following that, there would be some sort of downturn. We in this State are very sensitive to the fortunes of the motor vehicle industry not just because of its economic consequences but because of its very high profile. When the message goes around that sales are falling, or that there are problems in the motor industry, it inevitably has a larger, quicker and more immediate effect here in South Australia: that is what we are seeing in the figures at the moment.

I hope that there will be a recovery. One of the good signs is that Mitsubishi, for instance, one of our own fully based South Australian companies, has, in fact, been increasing its market share against this background of falling registrations. One of unfortunate features is that GMH, another major participant in our economy, has not been holding its own as well: I hope that there is a turnup there. The fact is that, against that decline, South Australian manufacturers and our component makers are holding their own, but we must try to get an overall increase; there is no question of that.

The SPEAKER: Order! Call on the business of the day.

PAPERS TABLED

The following papers were laid on the table:

By the Treasurer (Hon. J.C. Bannon)—

By command—

Estimates of Payments, 1986-87.

Estimates of Receipts, 1986-87.

Financial Statement of the Premier and Treasurer, 1986-87.

The South Australian Economy.

The 1986-87 Budget and its Impact on Women.

Certificate required under Standing Order No. 297.

APPROPRIATION BILL

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 ending 30 June 1987; 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 Consolidated Account to meet expected payments, both recurrent and capital, in 1986-87.

The Budget for the coming financial year continues the policies the Government pursued during its first term of office by giving priority to employment and activity within the South Australian economy.

However, the context in which the Government is now making economic and financial decisions has changed. The Budget recognises this and is adapted to it.

We are moving from an environment characterised by high levels of Commonwealth support and strong revenue growth, to one of slower revenue growth and significant cutbacks in Commonwealth funding. In this sense 1986-87 is a transition year.

It is designed to ensure as far as possible that the State moves through this period of transition with minimum disruption to the private sector or damage to confidence. It also aims to maintain as far as possible, the services which the community properly requires from the Government.

It is based on a small deficit on Consolidated Account of \$7.3 million, resulting from a deficit of that amount on recurrent transactions and a balance on capital transactions.

Before turning to the details of the Budget, it is appropriate to review the circumstances which have brought about this changed environment.

Economic Context

This year has seen a dramatic turn-around in Australia's economic circumstances. In particular, the international economic environment in which Australia must sell its exports has become very much more difficult.

The volatility of the external situation in particular makes prediction and assessment unusually difficult. However, it seems clear that for the immediate future at least, the Australian economy is facing a period of adjustment and lower economic growth which can lead only to a lower rate of growth in employment and the possibility of some increase in the current level of unemployment.

At the core of Australia's economic difficulties is the sharply adverse movement in Australia's terms of trade. The reduction in Australia's national income which this has caused will result in slower growth in economic activity and personal incomes, and restraint in Government spending.

While these are problems of the national, and indeed the international economy, they have a direct relevance to the framing of this Budget. For instance, these circumstances have continued to put pressure on interest rates, which in turn have affected economic activity generally, and in particular have depressed the housing and construction sector. Of course, that industry plays a vital part in generating activity in South Australia and in producing revenue for the State.

On the other hand, depreciation of the Australian dollar should provide considerable opportunity for industry, particularly the manufacturing sector, including the newly emerging high-technology industries. It is essential that our industry responds to this opportunity.

The structural adjustments taking place in the national economy are bringing difficulty and distress to many within our community. However, in the long-term they will strengthen our base for sustained economic growth and provide a stronger capacity to withstand the sort of fluctuations in activity which we have experienced over the past decade.

As in previous years, I am tabling with the Budget a separate paper which analyses in considerable detail economic conditions and trends. However, even a brief review of the key indicators will demonstrate the difficult and uncertain period we are entering.

While employment grew strongly over the past three years in South Australia, most recent employment statistics show that this growth is likely to slow. Similarly, unemployment, which fell from 8.5 per cent to 7.9 per cent between June 1985 and June 1986, has started to rise.

New dwelling construction activity in South Australia, in common with the rest of the nation, has declined substantially from the very high levels of 1984-85. However, non-residential building activity, current and foreshadowed, is still strong.

Of particular concern is the decline in new motor vehicle registrations, which reflects a general fall in consumer spending.

It is pleasing to be able to report that South Australia maintained its superiority in industrial relations in 1985-86 with 49 days lost per 1 000 employees in the twelve months to April 1986 compared with the average for Australia of 233 days lost. This is a major plus factor as we compete for important projects and contracts.

It is also notable that inflation was somewhat lower in South Australia in 1985-86 than in Australia as a whole, as indicated by an 8 per cent rise in the Adelaide CPI versus an 8.4 per cent rise in the weighted average CPI of the 8 capitals. However, inflation rates at these levels are of extreme concern when compared with the much lower rates of inflation of our trading partners and competitors.

In such an uncertain economic context, there is no doubt that the Government must ensure that programs are adjusted so that the State is not locked into expenditure which we may not be able to afford in the future. However, while exercising restraint overall, the Budget is also designed to ensure that counter-productive measures that would damage the services and infrastructure provided to the private sector or damage business confidence, are avoided.

Commonwealth-State Financial Relations

On previous occasions, when presenting the Budget to the House, I have noted that we faced considerable reductions in the level of financial assistance from the Commonwealth. Most recently, in August 1985, I outlined in my Financial Statement the result of the review by the Commonwealth Grants Commission which significantly reduced our share of general revenue grants.

I also advised the House of the assistance that we had been able to secure from the Commonwealth to allow this reduction to be phased in over 1985-86 and 1986-87.

The Government, during our first term of office, also took action so that the State would be able to adjust to reduced Commonwealth funding without the need for abrupt major cuts in services. We moved, by the introduction of a series of revenue measures, to correct the imbalance that had been allowed to develop in the State's finances. More specifically, in 1985-86 we decided that the South Australian Government Financing Authority should retain some surpluses. This enabled SAFA to continue a strategy of building up reserves, thus supporting its activities so that it would be in a position to make a greater contribution to the Budget in future years.

There have been suggestions that the Government exhausted its reserves in 1985-86 because of the impending election. In fact, the opposite is very much the case, as is demonstrated by the substantially increased contribution SAFA is making to the Budget in 1986-87. However, while the Government had made provision for changes resulting from the phasing in of the Grants Commission report, it now has to deal with the significant reductions made by the Commonwealth in funds to all the States at the recent Premiers' Conference and in its Budget presented last week. I stress that these are additional to those for which we had earlier planned.

It must be acknowledged, however, that payments to the States constitute about one-third of the Commonwealth Budget. Consequently, such payments have been encom-

passed within the Commonwealth Government's expenditure restraint policy, and reductions as a result of the Premiers' Conference and the recent Budget are a direct response to the economic situation which I have described.

The allocation of funds from the Commonwealth constitutes the major proportion of this State's receipts—approximately 46 per cent—so that the policies of the Commonwealth Government have a crucial effect on the State's Budget.

The estimated increase in Commonwealth net payments to South Australia in 1986-87 over the previous year is about 6 per cent as compared with about 7 per cent for the six States as a whole.

This difference arises for a number of reasons and, because of the importance of this factor in framing the Budget, it is appropriate that the major elements of Commonwealth funding and the changes that have taken place be outlined in some detail.

By far the largest grants are those known as the financial assistance grants. While these grants are in total growing by 2 per cent per annum in real terms, South Australia's share is being reduced following the report of the Grants Commission in May 1985.

In 1985-86 the Commonwealth made a special assistance grant of \$34 million to the State to help ease adjustment to the Grants Commission's recommendations. This is reduced to \$17 million in 1986-87 and there will be no grant in the following year.

I specifically referred to this assistance in my Financial Statement last year and, as I have already outlined, the Government had made provision to ensure that the State could absorb the effects of these reductions.

However, at the Premiers' Conference in June, the Commonwealth announced that the capital grant to all of the States would be reduced by 23 per cent. In South Australia's case, this was a reduction from \$73 million to \$56 million in 1986-87.

The Government's own borrowing program under the Loan Council, all of which is nominated for housing and therefore received at a very concessional interest rate, has also been cut by 23 per cent from \$131 million to \$101 million.

In 1986-87, Commonwealth grants for South Australia under the Commonwealth—State Housing Agreement will remain virtually unchanged in money terms.

However, we were successful in gaining an extension of the right to nominate one hundred per cent of our borrowing program for an extra year.

Similarly, while grants for roads to all of the States are increasing fractionally in money terms, they are falling about 8 per cent in real terms.

Finally, the special water quality assistance grant of \$12 million received in 1985-86 has been discontinued because of the Commonwealth Government's budget stringency.

In aggregate terms, financial assistance to South Australia from the Commonwealth will be approximately 3.5 per cent less in real terms than in 1985-86. The implications of that are, quite simply, very difficult to offset.

The reality now, and quite possibly for the foreseeable future, is that the States cannot expect significant real terms growth in funding from the Commonwealth. Consequently, in framing this Budget and planning for the future, we have to take account of the reduced income our State will receive.

The Budget's Response: Government Objectives and Strategy for 1986-87

In responding to these circumstances, the Government has set down a strategy which has four major objectives.

First, we do not intend to let the uncertainty surrounding the national economy dim the confidence which we believe has justifiably been established in this State, nor will the Government be deflected from ensuring that the opportunities available for economic development are exploited to the maximum.

Second, the Government recognises that the difficult economic times we are facing will increase the hardship experienced by those on lower incomes and add new pressures to middle income families. Consequently, in adjusting expenditure programs, we have sought to ensure that the key programs in Health, Education and Welfare are given priority.

Third, the Government does not believe the financial constraints imposed on it by the Commonwealth in many programs should be offset from its own revenues. In particular, we reaffirm that the Government intends to maintain the benefits enjoyed by the community from the package of taxation cuts introduced in the last Budget. Indeed, I can announce today that we will go further and introduce significant concessions for persons paying land tax as well as an increase in the general exemption level to companies paying payroll tax.

Last year the Valuer-General implemented a computer-based system of land valuation. This has enabled him to bring all valuations up to date and to dispense with the calculation of equalisation factors.

If the present land tax arrangements were left unaltered, there would be a sharp increase in tax as landowners ceased to enjoy the benefit of the lag between increases in land values and their impact on liability for tax. While the Government believes it is entirely appropriate for land tax liability to be based on current valuations, it has decided to make certain concessions to soften the impact of the change in 1986-87. These will be effective from 1 July 1986 and will return \$11 million to South Australian taxpayers. Details will be announced when the enabling legislation is introduced.

We will also continue to ensure that small business is assisted by further increasing the payroll tax exemption level. It will be lifted from \$250 000 to \$270 000 with effect from 1 September 1986. The rate at which the exemption tapers out will remain unchanged, so that all firms with payrolls up to \$1 350 000 per annum will receive some benefit.

Fourth, the Government, in preparing this Budget, has carefully reviewed its own expenditures and will continue this process of in-depth review throughout the financial year to ensure that expenditures are fully in line with the resources available to us in the new and more difficult economic environment.

Before outlining the main initiatives and expenditure programs for the coming year, it would be appropriate to look in more detail at the results for the financial year just ended, and at our overall plans for revenue and for expenditure, both recurrent and capital, in 1986-87.

The Budget Result—1985-86

The Budget introduced last year provided for a balanced result in Consolidated Account. In the end result, an overall surplus of \$11 million was achieved which has been applied to further reduce the accumulated deficit to \$40 million.

Variations between Budget estimates for 1985-86 and actual results are set out in considerable detail and with

accompanying explanation in Attachment III to this statement. Putting aside the effects of debt restructuring and other variations which are offsetting within the Budget, the following main variations may be noted:

- the effect of the timing of national wage increases—\$27 million;
- a shortfall in Stamp Duty collections—\$22 million.

Throughout the year, the Government's program of tight financial control was maintained so that no major problem arose from over-runs on the payments side.

When I introduced the Budget for 1985-86, I emphasised the financial objectives my Government had set itself on gaining office and which had already been met as we entered our third year of Government. In particular, I referred to the action we had taken to reduce the accumulated deficit, end the practice of using large amounts of capital funds to subsidise recurrent deficits, and the measures introduced to correct the imbalance that had been allowed to develop by our predecessors within the State's finances as a whole.

The much strengthened financial structure of the State is evidence of the success we achieved. It is demonstrated, for instance, in the level of public sector debt in South Australia. A Treasury paper, which I tabled in September 1985, showed that in real per capita terms the net indebtedness of the State had fallen significantly during our first term of office.

This policy of responsible fiscal management has ensured that the State has a very strong base from which to deal with the more difficult period we are now facing. We will utilise that strength to meet those difficulties.

Revenue

In 1985, the Government introduced a series of revenue measures designed to return to the community the benefits which the State's finances had received from the strong economic activity in that period. The Budget for 1985-86 extended those benefits by including a freeze on major Government charges. The results for the year just past show that those measures brought genuine and direct benefit to all South Australians.

Taxation collections in 1985-86 increased by only 2.7 per cent and total recurrent revenue, excluding Commonwealth payments, increased by 7 per cent against an inflation rate of about 8 per cent.

In 1986-87, the Government will ensure that those benefits continue.

Total recurrent receipts, excluding Commonwealth payments and the contribution from SAFA, are expected to fall substantially in real terms in 1986-87.

This real reduction reflects a number of diverse factors affecting the individual items which make up the total. The change in land tax and the increase in the payroll tax exemption level to which I have already referred, are both significant factors.

Other factors affecting the revenue situation in 1986-87 are:—

- continued strong growth in gambling revenue, reflecting a full year's operation of the Casino and further success in the Lotteries Commission;
- subdued collections of stamp duty relating to property transfers and motor vehicles;
- good growth in payments in lieu of income tax by State authorities, reflecting the continuing success of the State Bank and a contribution from the Woods & Forests Department;
- significantly reduced royalties. These are estimated at \$30 million for 1986-87, 48 per cent down on the 1985-86 figure of \$57 million because of the decline in royalties from oil production in the Cooper Basin, reflect-

ing the oversupply of petroleum on world markets and the associated fall in oil prices during 1985-86.

Receipts from public undertakings, namely the Engineering and Water Supply Department and the Department of Marine & Harbors, are forecast to increase by 5.6 per cent; that is a small reduction in real terms.

Inpatient fees at recognised hospitals will be increased to \$110 per day from 1 October 1986. The same day charge will rise to \$55. After these increases are made, only one other State, Victoria, will have fees lower than South Australia.

Of other revenues, by far the most significant item is the planned increase in the contribution to the Budget from SAFA. This will increase from \$84 million in 1985-86 to \$164 million in 1986-87.

I have already referred to the decision the Government took in 1985-86 to retain earnings within SAFA so as to build up its capital base and provide reserves against the sorts of adverse economic developments we now face. As I have explained, the benefits of that action will flow strongly in 1986-87 and in future years. Although SAFA is now a mature institution following a period of strong growth and development, the Government will continue to ensure that the financial strength of SAFA is maintained and its capital base protected.

Recurrent Payments

As I have already made clear, the Government believes that, given the circumstances the State faces, it has no alternative other than to restrain expenditure. This inevitably will mean that the Government will not be able to meet all the demands placed upon it this year. However, as I have already outlined, we have attempted to ensure that key priority areas, such as Health, Education and Welfare, are supported to the greatest extent possible.

In broad terms, our recurrent expenditures fall under three main headings: Staffing, Goods and Services and Interest Payments. I will deal with each of these in turn.

Salaries and wages represent approximately 53 per cent of the recurrent budget, and in some agencies such as Education, considerably more.

Increases in these costs over the past few years have largely reflected the changes in award rates through national wage decisions and the implementation of the 38 hour week.

In relation to staff, the Government's policy on taking office in 1982 was to end the rundown in public sector employment to ensure both that community services were maintained and that private sector employment and economic activity generally in the regional economy were boosted. In accord with that policy, the size of the public sector relative to employment within the State as a whole has not changed significantly over the period.

The Government's staffing policy has also had to take account of decisions relating to a 38 hour week and the extra employment required to meet major changes in the Health area; for example, the move to tertiary-based nurse education.

In drawing up the Budget for 1986-87, the Government expects that total employment in Public Service Departments (excluding the Health Commission) will be stabilised, so that planned employment levels for June 1987 will be virtually the same as at June 1986.

In the case of the Health Commission, its employment levels will show an increase by the inclusion of a number of agencies which were previously funded by grants, but which in future will be deficit funded agencies, for example, Minda Home. In assessing employment levels for the Public

Sector, this change, while representing an actual increase in numbers does not have a financial impact.

In some areas such as welfare, correctional services, ancillary staffing in schools, police and consumer protection there will be growth in employment. I will comment on these areas later.

Specific programs designed to generate savings through slower growth in staff numbers are also being undertaken in relation to the Executive and Administrative Officer levels of the Public Service. The Government's aim is to reduce overheads and thus increase our capacity to improve the delivery of services. Similarly, action is being taken to reduce Management Services Officer positions within Departments.

However, I wish to make it quite clear that our present financial resources, and those we can reasonably expect to have at our disposal over the next few years, will not allow any further significant increases in staff levels. The community, when requiring the Government to provide services in such circumstances, must appreciate that any increase in one area will need to be met by a corresponding decrease in others.

In relation to goods and services, Departmental recurrent budgets incorporate an overall increase for items such as equipment, power and light, fuel, accommodation, travel and so on, of 4 per cent. Obviously, this is well below the expected increase in the Consumer Price Index which is expected to rise in 1986-87 by about 8 per cent. Compared with that level of inflation, the Budget proposal represents a saving in the order of \$14 million. This saving will not be achieved without significant effort on the part of public sector employees and managers. However, it is the Government's aim that it be achieved without significant impact on the delivery of services to the community.

Other major savings planned include an overall further saving of \$3.6 million as part of the Government's Energy Management program, bringing the total savings under this program to \$5 million.

However, debt servicing payments to SAFA and other statutory authorities from Consolidated Account will increase in 1986-87 by 11.3 per cent. This increase results from several factors.

First, increases in average interest costs on outstanding debts. These are, of course, of great concern to the Government as they are to all sectors of the economy.

Second, increased spending on capital works which I will deal with in some detail later.

Third, reductions in Commonwealth grants and concessional loan funding.

Overall, and putting interest payments to one side, recurrent payments are estimated to increase by 8.3 per cent, which is approximately the level of inflation for the coming year. This emphasises the Government's determination to ensure that this Budget does not weaken the strong financial position which we have built up over the past three years and does not create unacceptable expenditure commitments for future years.

Capital Payments—1986-87

By far the major portion of the State's capital works program is carried out by the private sector. Any sudden changes to the program therefore have considerable effects on the economy and employment levels in the building and construction industry.

In addition the program contains many major projects with construction periods which span more than one year.

For these reasons, the program is planned to run over a number of financial years, and it is simply not possible to

quickly wind it back. Consequently, while the Government accepts that it will have to adjust the pattern of its capital works expenditure following the decisions made at the recent Premiers' Conference and the adverse developments more generally, it will do so over a number of years and in a responsible and orderly manner.

Our immediate objective is to avoid a sudden change in the size of the program, so as to not damage the private sector. However, largely as a consequence of reduced funds from the Commonwealth and from Loan Council, the achievement of this objective will necessitate a considerable increase in State borrowings for capital works in the forthcoming year.

The Government's continued ability to borrow at such levels and to service the debt commitments arising from those borrowings will depend to a marked extent on how quickly the national economy improves.

In the planning of the 1986-87 works program, the Government has placed considerable emphasis on the ensuing commitment level into future years, with a view to adjusting the pattern of future capital expenditures as circumstances dictate.

The total gross capital payments of all Government agencies in 1986-87 are expected to be \$1 191 million, an 11.6 per cent increase in cash terms on 1985-86—about a 3 per cent increase in real terms.

Approximately half of the capital spending in the public sector is financed other than through the Consolidated Account. The two major agencies outside Consolidated Account are ETSA and the Highways Department.

Capital payments from Consolidated Account are budgeted to be \$566 million, an increase of 12.8 per cent in cash terms. However the comparison with past years is affected by the decision to meet certain capital allocations which are in the nature of financial transactions direct from SAFA. The capital requirements of the Local Government Financing Authority and various forms of lending to the rural sector are in this category.

Overall, the Consolidated Account funded capital works program will require total borrowings of \$415 million.

Given the declining level of our real indebtedness over recent years and the need in this transition period to support the private building and construction industry, the Government regards the level of borrowing established for 1986-87 as reasonable and responsible for the circumstances.

Expenditure Priorities

As I have already stressed, the Government believes that it must avoid expenditure commitments which will unacceptably limit flexibility to respond to changing circumstances in future years. The Government emphasises that expenditure programs must be planned within an overall framework of restraint. Consequently, new initiatives within this Budget are largely funded by savings generated from other areas. Details of major expenditure proposals are contained in Attachment I; however, it is appropriate to outline in this statement significant areas of Government activity and new expenditure for 1986-87.

Economic Development of the State

The economic development of South Australia and the maintenance of employment have been the key priorities of my Government since it first took office. They remain our chief concerns and are reflected in the decisions we have made concerning the capital works program, which will provide a direct stimulus to the private sector. However, many of the projects being undertaken will also directly support further development and economic activity within South Australia. For example, two major new projects to

be funded include infrastructure for the Roxby Downs Project and the redevelopment of the No. 1 Berth at Outer Harbor to facilitate exports from the rural sector.

In addition to this capital expenditure, resources have been provided for:

- an increase in funding of incentives and assistance to industry through the expansion of the S.A. Development Fund to \$13 million in 1986-87;
- the commissioning and opening of the Adelaide Convention Centre;
- the establishment of a task force to further develop the proposal for a National Tooling Centre in South Australia;
- the continued support of South Australia's bid for the Submarine Project;
- increased support for Rural Adjustment Schemes and funds to provide a marketing subsidy to assist expansion of the cannery operations at Berri;
- a substantial increase in the Youth Employment Scheme, particularly in the area of apprentice training;
- the development of a geo-technical oil and liquids data base in the Department of Mines and Energy to assist in the development of the State's natural resources;
- a special grant to the National Centre for Petroleum Exploration;
- continuation of the Upper Spencer Gulf Intertidal Study;
- establishment of a Marine Laboratory at West Beach.

Provision of Services to the Community

The Government is proud of its record in those areas which encompass the education of all South Australians, and the provision of Health and Welfare services.

During our first term of office, the Government did not take advantage of declining enrolments in our schools to move substantial resources to other areas; instead, it ensured that the resources per student increased. Nevertheless, the continuing enrolment decline provides some scope for expenditure restraint without a deterioration in the quality of education. In line with the commitments made at the time of the last election, additional funds have been allocated to provide 400 extra ancillary staff over the next four years. This Budget provides for an additional 100 ancillary staff as the first step towards meeting that commitment, from February 1987.

In addition, administrative changes have been made within the Education Department to ensure a leaner, more efficient administration and the redirection of personnel back to schools. Both these measures will ensure that the high standards we have achieved will be continued.

Other initiatives include:

- additional staff for the child protection, crisis care and aboriginal youth development work of the Department for Community Welfare;
- the provision of substantial additional resources to reduce booking lists at public hospitals;
- the re-development of outpatient and casualty facilities at Modbury Hospital;
- the Adelaide Children's Hospital Re-development Stage 4;
- the introduction of a taxi service for the disabled;
- the establishment of new primary schools at Golden Grove and Noarlunga Downs and the upgrading of Alberton Primary and Brighton High Schools;
- the establishment of a further three public libraries;
- the opening of the Maritime Museum at Port Adelaide;
- the establishment of 12 new Children's Services facilities;
- the further transfer of nurse education to the tertiary education sector.

The Development of the State's Physical Resources

The capital works program, as well as generating activity within the private sector provides the physical resources the community requires, both now and in the future. A key element is the Housing Program which will remain among the Government's key priorities. In 1986-87 we will substantially increase State funding for housing to take account of reduced Commonwealth support. This will enable 2 900 additions to Housing Trust stock as well as 54 loans per week under the concessional loan scheme conducted through the State Bank.

Similarly with roads, this Budget provides for a substantial supplement to the Highways Fund to enable the roads program to continue at a reasonable level following further reductions in Commonwealth support for this purpose.

In addition funds will be provided for:

- continuation of the Happy Valley Water Filtration project and the commissioning of the Morgan plant;
- water and sewerage extensions to serve developing areas, particularly Golden Grove and Morphett Vale;
- provision of an additional \$1 million to the Jubilee Maintenance Program in respect of Government assets;
- a contribution towards projects associated with the International Year of Shelter for the Homeless in 1987;
- additional resources for the National Parks and Wildlife Service;
- the commissioning of two pilot launches;
- upgrading of the Country Fire Services by volunteer training, bushfire prevention and improved communications;
- further additional fire fighters for the Metropolitan Fire Services in line with the Cox Report.

Justice and Consumer Affairs

Difficult economic times make it even more imperative that Governments respond to community demands for greater security and protection. This Budget provides for substantially increased resources to the Department of Public and Consumer Affairs as well as additional funds to the Police Department for the Metropolitan Policing Plan.

In addition, funds are provided for:

- the introduction of red light cameras to a number of high priority metropolitan intersections, the improved effectiveness of Random Breath Testing, and the establishment of a Transit Squad to improve security on the public transport system;
- establishment of a Vehicle Security Register;
- continued development of the Justice Information System;
- resources to improve court services;
- staff for the commissioning of the Remand Centre and to plan the commissioning of the Mobilong Medium Security Prison;
- the establishment of a pre-licence training scheme for motor cyclists.

Financing

The State's borrowing (or financing) requirement equals the gap between its revenues and its expenditures.

When revenues increase faster than expenditures, the financing requirement falls, and vice-versa.

In recent years in this State, revenue growth has, in aggregate, tended to be relatively strong and the borrowing requirement, as was appropriate in the circumstances, kept to moderate levels. Indeed we have been able to rebuild the State's reserves from the depleted situation we inherited from our predecessors. Those reserves will stand us in good stead in the coming difficult period.

As I have spelled out in some detail however, revenue growth, both from Commonwealth and State sources, began to slow last year. The trend is expected to continue.

We must therefore adjust our expenditures—but in a careful, measured way. Commitments have to be met and disruption to the private sector minimised. Capital spending obviously needs time to adjust efficiently. On the recurrent side there are also commitments and essential services to be provided and sustained. What this means is that this year there will be some increase in borrowings.

It needs to be borne in mind that borrowing levels in this State in recent years have been moderate and even low, when compared with earlier years in this State and with other States. The real level of public sector net indebtedness in this State is lower now than five years ago. Given this background and the circumstances facing the State, we believe an increase in borrowings to be appropriate.

However, particularly with interest rates at very high levels, and with the revenues available to the State likely to be constrained for the foreseeable future, it is the Government's objective to continue its policy of moderate borrowing. Our record in that respect is favorable compared with other States and we intend to keep it that way. The interest burden must be kept under control.

The Future Outlook

The Budgets of all States are heavily dependent on factors which are largely beyond their control; in particular, Commonwealth Government funding and the effect of national and international trends.

In these circumstances, it is difficult to predict the future with any degree of accuracy. In the short to medium term, however, the Government does not see any prospect of major improvement in the revenue sources available to the State. Consequently, firm action to restrain expenditure will almost certainly be necessary for some time to come.

This will mean that the recurrent operations of Government Departments will be subject to further rigorous review throughout the coming financial year. The Government is determined to reallocate the existing financial resources the State has at its disposal to ensure that areas of greatest need can be given priority.

The Government believes that a strong and innovative public sector has a vital role to play in partnership with private enterprise to develop the State. However, we recognise that the public sector cannot play this role unless it is efficiently managed and does not place an undue cost burden on the community.

The Government expects that 1986-87 is likely to be a peak year in terms of capital spending. As I have already outlined, it is not possible to make sudden or drastic adjustments to the capital program. However, we must plan on the basis that the level of capital spending can at best be only sustained in real terms, but more likely will need to be reduced in the coming years. Similarly, the large deficits being incurred by public enterprises, notably the STA, must be reduced.

This policy of restraint will not, however, be at the expense of the commercial activities of Government enterprises which continue to be encouraged to become more profitable.

Concluding Comments

The Attachments and Appendices to this Statement contain detailed data and comment on various aspects of the State's financial position and the Budget.

Members will notice that there are some changes in the format of the Budget Papers this year designed to improve them. We have also sought to make the Program Estimates

documents, which will be available before Parliament resumes, more manageable. They have been reduced in volume, while retaining the important program and sub-program information. I believe members will find the changes facilitate their use of these important papers.

The clauses of the Appropriation Bill 1986 are in similar form and give the same kinds of authority as the Act of last year.

My Government, when it first came to office in 1982, was faced with the task of rescuing the State from the financial disarray left by our predecessors. That task was difficult and we attracted more than our share of criticism for the hard decisions we had to take. But the task was accomplished. We have strengthened the State finances and its financial reserves.

As I have stressed, 1986-87 is a transition year for the financial planning and management of the State. This year we will call on the strength that we have built up. That financial strength was developed because we knew that the State would inevitably face more difficult circumstances as it adjusted to a much lower level of support following successive reports of the Commonwealth Grants Commission. That reserve strength is now needed more than ever given the uncertain and volatile economic climate with which we are faced.

On other occasions I have set down as the theme for the second term of my Government the objective of Social Justice and Equity for all South Australians. The Government believes that the difficult economic times we are facing gives even more relevance to this broad objective and even more urgency to the need to ensure that our financial resources are carefully managed.

It is clear that the demands upon Governments will not diminish. Indeed, as our circumstances become more difficult they will in all likelihood increase.

However, so long as the State's financial resources are limited, all South Australians must realise that expenditure in favour of one group or section of the community means, in effect, resources denied to another.

The business sector, the trade union movement and special interest groups must accept that any major new expenditure will inevitably require additional revenue. At the same time, the Government can assure the community that it will do everything possible to meet its requirements by reallocating existing resources.

The next few years will provide a difficult test not only for the South Australian Government but for the whole community. The Commonwealth Government has set down the broad parameters of a strategy for dealing with the structural weakness of the Australian economy. I have already made clear our support for their policies and indicated that we will work with them to ensure that their strategy is given every opportunity to succeed.

My Government believes that the domestic economy, and in particular the South Australian economy, has considerable basic strength. Our aim in this State is to do all we can to preserve that strength while the process of readjustment takes place. My Government is confident that it has the support of all sections of the South Australian community, and consequently faces the challenge of the years ahead with confidence.

I commend the Budget to the House. I wish to thank all those who contributed to the budget process this year, particularly the Under Treasurer and his officers, for their major efforts in formulating the budget for 1986-87. I seek leave to have the attachments inserted in *Hansard* without my reading them.

Leave granted.

ATTACHMENT I

THE 1986-87 BUDGET

The Budget for 1986-87 involves a small deficit (\$7.3 million) on Consolidated Account overall—arising on recurrent operations. This will add, in a small way, to the accumulated deficit, which was reduced to \$40 million in 1985-86.

RECURRENT ACTIVITIES

The emphasis in planning for 1986-87 has been to meet an unfavourable revenue situation, particularly reduced Commonwealth funds in real terms, and commence the process of careful adjustment to current and prospective economic circumstances. Care is being taken to make the most of opportunities to promote the economic development of the State and to avoid precipitate action which might unduly disrupt Government services or the private sector. Planning takes into account the unfavourable influences of the economic circumstances on revenues and involves careful restraint on the expenditure side, after recognising the full year effects of commitments undertaken in the past. Reallocation of resources where practicable to meet urgent and pressing priorities is the approach being taken in this Budget.

The planned small deficit on recurrent activities (\$7.3 million) represents what is hoped will be a brief pause in the reduction in the accumulated deficit which has been achieved since 1983-84.

The key features of the planning for recurrent activities in 1986-87 are:—

- unfavourable trends in major revenue sources, including Commonwealth receipts and royalties;
- a large increase in the contribution from SAFA;
- restraint in expenditures, recognising the commitments entered into during 1985-86, including:—
 - a range of general savings measures;
 - specific expenditure reductions in most areas;
 - the reallocation of resources to meet pressing needs and high priority initiatives—particularly in relation to the economic development of the State, law and order, community welfare and improved public service efficiency.

The benefit of good financial management over recent years has enabled us to take into account an increase in the contribution from SAFA that helps provide room for the necessary longer-term adjustments to be made carefully and to be introduced without major disruption to services.

RECURRENT RECEIPTS

It is estimated that recurrent receipts will increase by 8.3 per cent in 1986-87, from \$2 966 million in 1985-86 to \$3 205 million. This represents an overall reduction in real terms of about 2.3 per cent after the SAFA contribution is put to one side.

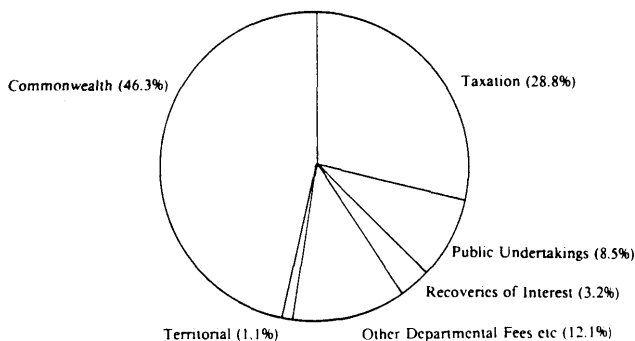
The receipt estimates reflect:—

- reductions in some major items—particularly royalties;
- some rebates of land tax to reduce the impact of recent increases in land values, the carryover effect of tax concessions introduced last year and a further extension of the exemption level for payroll tax;
- a real reduction in Other Departmental Fees and Recoveries (1.9 per cent) after the special and one-off items are put to one side e.g., SAFA contribution, State Bank contributions, repayment of housing funds, superannuation recoveries, natural disaster loan repayments,

Highways Fund contribution for Police services and Riverland Fruit Products repayment.

The make up of estimated recurrent receipts to Consolidated Account in 1986-87 is set out below.

Receipts of a Recurrent Nature—1986-87



Taxation

It is anticipated that land tax collections for 1986-87 will total \$45 million compared with \$38.5 million in 1985-86. The Government will introduce significant concessions for land tax, effective from 1 July 1986, at a cost of about \$11 million in 1986-87.

There were dramatic increases in property values between the 1985-86 and 1986-87 tax years and as a result land tax collections would have exceeded \$56 million in 1986-87 if we had not made the proposed concessions.

The Casino is expected to return about \$12 million to Consolidated Account in its first full year of operation.

The transfer from the Hospitals Fund is expected to increase from \$43.5 million in 1985-86 to \$54 million in 1986-87. This growth reflects a higher than anticipated contribution to the Fund by the Lotteries Commission and Totalisator Agency Board in 1985-86 (which could not be brought into Consolidated Account last year due to the legislative limit on the transfer) and the estimated increase in contribution to the Fund between 1985-86 and 1986-87 by the Lotteries Commission.

Revenues from motor registration fees, drivers' licences and sundry motor charges are expected to be \$90 million in 1986-87 compared with actual receipts of \$71.1 million in 1985-86. During 1985-86 the duration of the licence period was extended from three years to five. This commenced in May 1986 and resulted in 1985-86 receipts being higher than anticipated and it will also have a greater effect on receipts for 1986-87 to 1988-89.

The main elements in the increase in receipts are:—

- an increase in the licence fee from \$30 for 3 years to \$60 for 5 years—about \$3 million;
- conversion of licences from 3 years to 5 years—about \$5 million in 1986-87;
- an increase in Registration Fees—about \$10.9 million;
- the introduction of a Registration Establishment Fee for vehicles which have previously been registered, but where the registration has lapsed—about \$1 million.

Payroll tax revenues are anticipated to increase from \$265.6 million in 1985-86 to \$283 million in 1986-87. This increase reflects:—

- a full 12 months of payroll tax collections from State Government agencies (no net Budget impact), after moving to a one month lagged system for the first time in 1985-86;

- a moderate growth in private sector employment between 1985-86 and 1986-87;
- the full year effect of increasing the general exemption level to \$250 000 and extending the taper zone—both with effect from 1 July 1985;
- the proposed increase in the general exemption level to \$270 000 from 1 September 1986;
- the impact of national wage increases during 1986-87.

Revenues from Financial Institutions Duty are expected to grow from \$31.1 million in 1985-86 to \$33.5 million in 1986-87, largely reflecting the impact of inflation.

Stamp duty collections are expected to increase from \$205 million in 1985-86 to \$219.5 million in 1986-87. This growth reflects:—

- the full year impact of tax concessions introduced last year;
- a reduction in the level of activity in the real estate market and in motor vehicle sales between 1985-86 and 1986-87;
- the impact of inflation on revenues.

Liquor licensing receipts are estimated to increase to \$33.1 million in 1986-87 from \$31.1 million in 1985-86. This largely reflects movements in wholesale prices.

Business Franchise—Petroleum receipts in 1985-86 were \$46.4 million and are expected to be \$46.5 million in 1986-87. A small increase in the volume of sales has been included in the estimate, which is reduced however by an increased rebate associated with the use of fuel for off-road vehicles.

Tobacco franchise fees are expected to increase from \$38.9 million in 1985-86 to \$41.5 million in 1986-87.

This growth in revenues reflects:—

- the combined impact of inflation and CPI linked Commonwealth excise on the wholesale value—upon which the tax is levied;
- a small reduction in the level of sales in real terms.

Fees for Regulatory Services

The estimated increase in Fees for Regulatory Services (\$1.4 million) reflects increased Fisheries receipts (\$385 000) and new licence fees and increases in existing fees for Public and Consumer Affairs of \$1.4 million. The latter relates to a number of areas, including:—

- new fees and a restructuring of existing fees proposed under the new Builders' Licensing Act;
- new fees for the licensing of hairdressers;
- licensing of Second Hand Dealers transferred from Court Services Department.

Business Undertakings

The expected contribution from ETSA for 1986-87 is \$28.5 million compared with \$28.2 million in 1985-86.

The 1986-87 estimates include a contribution to the Budget by Woods and Forests Department of \$2.9 million, representing notional income tax.

Public Undertakings

The revenues of the Engineering and Water Supply Department are expected to be about \$230 million in 1986-87 compared with \$216.8 million in 1985-86. This reflects usage patterns of a normal season and the rate increase introduced from 1 July 1986. The main elements of that increase were:—

- water rates up by 6.5 per cent on average;
- sewer rates up by 8 per cent on average;
- the price of water up from 56 cents to 62 cents per kilolitre.

The Department of Marine and Harbors is expected to receive about \$41 million in 1986-87. This includes the

benefit from fee increases for shipping charges (other than tonnage) of about 7.1 per cent on average from 1 September 1986. The Department will be continuing its efforts to attract further container trade through the Port of Adelaide by improving existing shipping links and this activity may result in further increases in revenue. Grain throughput has been reflected at normal season levels.

Recoveries of Interest

Recoveries of interest are expected to increase from \$101.8 million in 1985-86 to \$103.2 million in 1986-87, reflecting:—

- an increase in interest earned on investments from \$38.6 million to \$42 million—largely due to a net increase in cash balances available for investment;
- a reduction in interest recovered from ETSA, as a result of the debt restructuring which was undertaken in 1985-86, from \$16.9 million in 1985-86 to \$14 million in 1986-87;
- the conversion by the State Bank of some of its debt to capital, with a reduction in interest paid to the State Government from \$10.8 million in 1985-86 to \$6.7 million in 1986-87—this is offset by an increase in the return to the State Government on capital provided to the Bank;
- an increase in recoveries from the Local Government Financing Authority from \$3.6 million in 1985-86 to \$5.8 million in 1986-87, reflecting a full year's interest on borrowings in 1985-86;
- an increase in recoveries from the Woods and Forests Department from \$2 million in 1985-86 to \$4 million in 1986-87, reflecting a full year's interest on borrowings in 1985-86 and the part year impact of proposed borrowing by the Department in 1986-87.

Other Departmental Fees and Recoveries

The anticipated recoveries brought in under Treasurer—Miscellaneous are expected to increase from \$206.3 million in 1985-86 to \$283 million in 1986-87.

This increase reflects:—

- an increase in SAFA's contribution to the Budget out of its surpluses from \$84 million in 1985-86 to \$164 million in 1986-87;
- the receipt of \$18.6 million in 1985-86 being recoveries of past advances for welfare housing to the State Bank and Housing Trust, for which there is no equivalent receipt in 1986-87. There was a debt restructure involving housing funds in 1985-86 and as a result these recoveries are now paid direct to SAFA and do not pass through Consolidated Account;
- an increase in superannuation recoups from \$92.6 million in 1985-86 to \$100.3 million in 1986-87—largely due to the full year effect of salary and wage increases in 1985-86 and the impact of national wage increases expected in 1986-87;
- an increase in the State Bank's contribution to the Budget from its group profit from \$6.6 million in 1985-86 to \$13.9 million in 1986-87, due to an increase in the Bank's contribution as a proportion of its group profit and the conversion of State Bank debt to capital, which results in amounts previously paid as interest being classified as a return on capital.

The estimated receipts of the Police Department in 1986-87 are about \$8 million below that of the previous year, which included arrears from 1984-85. In 1986-87, however, the recoup of police traffic service costs from the Highways Fund to Consolidated Account will relate to the current period only.

The revenue shown under Attorney-General—Miscellaneous reflects the Government's decision to reduce the high level of surplus State funds held by the Legal Services Commission at 30 June 1986, by \$1 million in 1986-87. In so doing the Government is establishing arrangements with the Commission in relation to adequate reserves in order to preserve the independence of the Commission in legal matters.

The increase in receipts under the Minister of Consumer Affairs and Minister of Ethnic Affairs reflects:—

- an increase in the expected recoup from the Public Trustee Office due to increased costs associated with the establishment of a computerised trust system;
- an increase in some fees by the Births, Deaths and Marriages Registration division;
- a recoup of administration costs associated with the Consolidated Interest Indemnity Fund;
- an expected increase in recoups from the Residential Tenancies Fund due to an increase in resources required in the Residential Tenancies Branch.

The estimated receipt of \$3.7 million under Minister of State Development is mainly the recovery of remaining balances in the Riverland Fruit Products Co-operative Ltd. Trust Account following the conclusion of receivership and associated matters. The \$9.1 million received last year largely related to the net proceeds from the Receiver.

It is anticipated that Transport Department receipts will increase in 1986-87 by about \$560 000 due to an increased recoup from the Highways Fund of expenditures on road safety and increased commissions for collections made by the Motor Registration Division on behalf of other agencies.

The increase in receipts of \$2.3 million under the Department of Services and Supply mainly reflects recoups to Consolidated Account of:—

- Department of Housing and Construction charges in 1984-85 and 1985-86 for the Government Printer and State Supply (\$1.9 million);
- head office service costs (\$400 000).

Fees, charges and recoveries brought in under the Department of Agriculture are expected to increase from \$4.3 million in 1985-86 to \$6.6 million in 1986-87. This mainly reflects an increase in the recovery from the Rural Adjustment and Development Fund for rural adjustment expenditures, including the Vine Pull Scheme, of \$941 000. Interest on natural disaster loans is now reflected in this line.

It is expected that recoveries under Minister of Agriculture—Miscellaneous will decrease from \$9.4 million in 1985-86 to nil in 1986-87. This reduction reflects the decision to bring repayments of principal for natural disaster loans into the capital side of Consolidated Account from 1 July 1986. Interest recoveries under the Department of Agriculture include an additional \$1 million under the revised presentation.

Territorial

Royalties under the Minister of Mines and Energy are expected to decrease by \$27.3 million in 1986-87 reflecting the fall in world oil prices during 1986.

Commonwealth

Specific Purpose

The continuing implementation of the Home and Community Care program will result in Commonwealth support of about \$5 million in 1986-87, an increase of \$3.6 million on the level of the program in 1985-86.

The State was successful in negotiating an increase in Commonwealth support for the Vine Pull Scheme from

\$1 million in 1985-86 to \$2.5 million in 1986-87. These Commonwealth funds are matched by the State on a \$1 (State) for \$2 (Commonwealth) basis, giving a total program expenditure of \$1.5 million in 1985-86 and a proposed \$3.75 million in 1986-87.

General Purpose

Commonwealth general purpose grants are expected to increase by 8.4 per cent from \$1 267.3 million in 1985-86 to \$1 373.3 million in 1986-87. The 1986-87 grants comprise \$215.5 million for identified health grants and \$1 157.8 million for general revenue grants including \$18 million for special revenue assistance.

RECURRENT PAYMENTS

This Budget provides for recurrent payments of \$3 212.6 million in total, including an allowance for increases in wage and salary rates and other contingencies of \$94 million.

The key features of our planning for recurrent payments in 1986-87 are:—

- a number of general savings measures;
- the stabilising of numbers employed by the Government;
- increased levels of expenditure in relation to a number of initiatives embarked upon in 1985-86 eg. staffing the new Remand Centre, ancillary staffing in schools, staffing associated with the 38 hour week in the Police Department and the Health Commission and the upgrading of the nursing profession;
- the reallocation of resources to meet high priority needs, particularly in relation to the development of the State, community welfare and law and order.

A major saving is the provision in departmental/agency budgets of 4 per cent for inflation in the prices of goods and services against an estimated increase in the Consumer Price Index of 8 per cent for the period July 1986 to June 1987. This measure is expected to save the Budget about \$14 million in 1986-87.

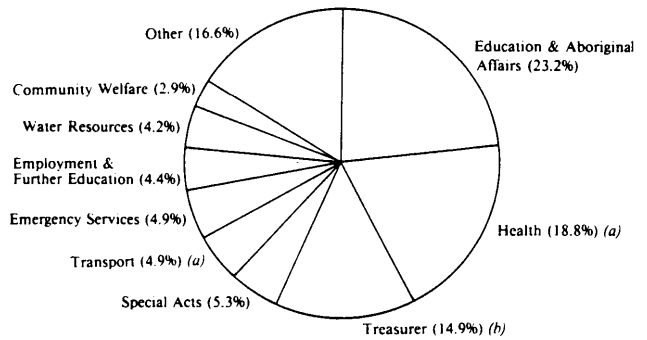
Other general savings measures include:—

- reductions in the growth of Executive and Administrative Officer and equivalent positions;
- reductions in Management Services Officer positions, totalling 22 full time equivalents across the service (about \$300 000);
- savings under the Government Energy Management program—\$3.6 million in 1986-87, bringing the total saved under this program to the end of 1986-87 to \$5 million, half of which will have been returned to Consolidated Account, the remainder having been reallocated within agencies to high priority requirements.

The stabilising of the numbers employed by the Government is an important aspect of the adjustment process. This Budget plans for a workforce level at 30 June 1987 which is no greater than that at 30 June 1986. Given that there are significant carryover effects of initiatives and developments commenced last year, this will require considerable restraint. The number of average full time equivalents employed this year will be greater than in 1985-86, but by achieving a target at 30 June 1987 which is at the level of 30 June 1986 we will be in a good position to consider any further adjustment that might be required in future years.

The composition by Ministerial portfolio of proposed payments from Consolidated Account in 1986-87 is depicted below.

Payments of a Recurrent Nature—1986-87



(a) Reflects the net cost to the State for those services.

(b) Includes debt servicing costs payable to the South Australian Government Financing Authority and other statutory authorities.

Special Acts

Expenditures under various Special Acts are expected to total \$167.4 million in 1986-87 compared with \$137.7 million in 1985-86.

This growth reflects:—

- the transfer of the Government's payments to the Police Pensions Fund from Treasurer—Miscellaneous—the estimated contribution for 1986-87 is \$8.3 million;
- an increase in the Government's contribution to the South Australian Superannuation Fund from \$67.9 million in 1985-86 to \$75 million in 1986-87;
- an increase in the transfer to the Highways Fund for roads expenditures from \$56.8 million in 1985-86 to \$71 million in 1986-87—largely due to a growth in motor vehicle taxes between 1985-86 and 1986-87 of \$18.9 million, partially offset by increased expenditures from the Consolidated Account in relation to the Highways Department and the Motor Registration Division of the Department of Transport.

Development of the State

State Development

The economic development of the State remains the first priority of the Government and continued progress in this area is even more important in the current national economic situation. This Budget continues and consolidates a number of major initiatives in this area, including:—

- the South Australian Development Fund, which was established in 1985-86 as an innovative assistance and incentive scheme, will be increased to \$12.9 million in 1986-87;
- support for South Australia's bid to win the Submarine Project is being maintained to ensure the successful case we have made to date, is carried forward—\$200 000 has been provided to support this effort;
- the Small Business Corporation continues to expand its services to this important sector of the State's economy and additional funding is provided to meet the growing demand for services.

Technology Park has been particularly successful and has grown rapidly during the last three years. A third multi-tenant facility, Endeavour House, will be completed during this year and it is planned to consolidate developments following the recent period of rapid growth.

The restructuring of the fruit processing industry in the Riverland will be further implemented with a \$337 000 grant being provided as a marketing subsidy for the development of the condiment operations. A small provision for fruit canning losses has been included to aid in the transitional stage of the industry operation.

Technology

To improve the economy and efficiency of government information technology programs, some additional funds have been provided to the Data Processing Board to undertake consultancies in the areas of office automation, communications strategy and to review the Government Computing Centre.

Some savings are expected to be achieved through a rationalisation of the Office of the Ministry of Technology with the activities of the Department of State Development.

Employment and Training

The establishment of the Office of Employment and Training will give greater prominence to the Government's efforts in employment and training and will facilitate the link between the education/training system and employment.

The functions approved for the new Office are:—

- to develop and where possible implement policies and programs that
 - aim to broaden the employment base in the State having regard to technological and economic development considerations,
 - maximise employment opportunities, particularly for youth,
 - provide training opportunities that enhance job prospects and are relevant to the skill needs of the State;
- to provide an effective link with the Commonwealth to make best use of Commonwealth sponsored employment and training programs or funds allocated to the State for these purposes;
- to maintain an analytical, research and advisory capacity to provide up-to-date and relevant advice on the labour market.

The allocation for the Office for 1986-87 is \$26 million.

Mines and Energy

An amount of \$19 million is provided for the Department of Mines and Energy, an increase of \$1.5 million over 1985-86 payments. The allocation includes:—

- provision for staff associated with the Roxby Downs project;
- a grant to the National Centre for Petroleum Exploration (\$150 000);
- a contribution towards the cost of operating the Sutton Institute of Earthquake Physics (\$65 000);
- resources to develop a geotechnical (oil and liquids) data base (\$956 000);
- additional resources for the Government Energy Management program (\$74 000).

The Department of Mines and Energy will be contributing substantially to these developments by achieving savings on its departmental activities and reallocating those resources to these initiatives.

Tourism

Tourism is an area where there are excellent prospects for continuing growth in 1986-87 as a result of events overseas and the devaluation of the Australian dollar. A number of improvements and initiatives will be undertaken

through a reallocation of resources to maximise the potential growth in this industry. There will be significant changes to the structure and services provided for tourism in the regions and a greater emphasis given to market research. The Adelaide Convention Centre will be opened during this financial year and should further enhance South Australia's ability to compete in both the national and international convention market. An amount of \$985 000 is provided to support the first year's operation of the Centre.

Agriculture

The proposed allocation for Agriculture in 1986-87 of \$52 million includes \$11.4 million for items of expenditure funded under Minister of Agriculture—Miscellaneous prior to 1 July 1986.

After adjusting for those Miscellaneous payments and the impact of national wage increases, the proposed allocation for 1986-87 represents a marginal reduction in real terms compared with outlays for 1985-86. It does, however, allow for an expansion in the Vine Pull Scheme from \$1.5 million in 1985-86 to \$3.75 million in 1986-87, an additional 7.5 staff in the Rural Assistance Branch to assist with the expanded Commonwealth and State rural adjustment programs, including the Vine Pull Scheme, and the implementation of the Wheat Foundation Seed Scheme.

Fisheries

The allocation for Fisheries in 1986-87 provides for the commencement of the second stage of the Upper Spencer Gulf Environmental Study and the first full year's operation of both the Department's research vessel and the Aquaculture Station at Noarlunga.

Community Services

Justice

The allocation for the Attorney-General's Department of \$12.4 million provides for continued development of the Justice Information System, some extra legal assistance in the Crown Solicitor's Office and for resources to conduct a survey of victims of crime. To contribute towards these developments and provisions, the Department will be making savings in its operations of \$192 000.

The allocation for the Court Services Department of \$24.2 million represents maintenance of real resources devoted to court administration. Within that allocation the Department will:—

- introduce pre-trial conferences to facilitate improved court listing procedures and negate the increasing number of civil cases coming before the higher courts. It is anticipated that this initiative will be of benefit to the community generally;
- reduce delays in the disposition of cases presently before the courts.

Under Attorney-General—Miscellaneous, the provision for legal aid is slightly lower than for 1985-86. This reflects a change in the funding approach rather than a reduction in the level of funds available for legal aid, which will be maintained at least at previous levels.

Public and Consumer Affairs

The allocation for Public and Consumer Affairs in 1986-87 of \$21.2 million is an increase of \$5 million over the actual expenditures in 1985-86. Part of the increase (\$753 000) is due to the transfer of the Office of Equal Opportunity from the Department of the Premier and Cabinet.

The main developments provided for include:—

- the establishment of a computerised trust information system by the Public Trustee (\$1.3 million);
- the provision of staff to meet the additional workload in the Public Trustee Office (\$137 000);
- the implementation of the new Builders' Licensing Act (\$704 000);
- occupational and commercial licensing and associated functions, particularly in relation to travel agents, commercial and private agents, car dealers and second-hand goods dealers (\$392 000);
- administration of the Consolidated Interest Indemnity Fund (under the Land Agents, Brokers and Valuers Act) (\$104 000);
- the employment of two Vietnamese interpreters by the Ethnic Affairs Commission.

Much of the additional expenditure in this Department will be offset by revenues or recoups. Nevertheless, detailed staffing evaluations will be undertaken before the resources are specifically committed and, as far as practicable, resources released by general budgetary measures will be redirected to the initiatives outlined above.

Health

The proposed allocation for 1986-87 is \$573.1 million which incorporates:—

- a full year effect of costs associated with the initiatives supported in the 1985-86 Budget;
- commissioning costs in 1986-87 of capital works—particularly the re-development of the Lyell McEwin Hospital;
- a continuation of the Port Pirie Lead Decontamination program;
- a State contribution of \$1.7 million under the Home and Community Care Agreement;
- the implementation of the 'Booking List' strategy, utilising \$3.8 million of funds held by the State out of those provided by the Commonwealth for Medicare Compensation.

A reallocation of existing Health Commission resources will be required for the funding of further initiatives. A general saving of \$3.9 million is incorporated in the proposed allocation.

Community Welfare

In the present circumstances the Government believes it is particularly important to protect those who may be more vulnerable. For this reason we have been careful to ensure the adequate provision of resources for the Department for Community Welfare.

The Budget allocation for the Department of \$90.7 million provides for:—

- the full effect of initiatives commenced in 1985-86;
- additional resources in the priority areas of Crisis Care, Child Protection and Aboriginal Youth Development;
- the removal of an inequity in Foster Care by increasing substantially the rate payable for teenagers;
- an increase in the State's financial contribution to the Supported Accommodation Assistance program.

Technical and Further Education

For 1986-87 the Government has allocated \$107.3 million for the Department of Technical and Further Education.

The Government has allocated additional funds to the Department to expand the TAFE element of the Youth Employment Scheme begun last year as a three year program. The additional funds will be utilised in meeting an expected increase in the demand for apprentice training.

Tertiary Education

The allocation for the Minister of Employment and Further Education—Miscellaneous includes an amount of \$1.4 million for financing nurse education programs in the tertiary sector.

In 1986-87 a further step will be taken in the process of transferring nurse education, primarily provided at present in hospital-based courses, to the tertiary sector. Under the arrangements with the Commonwealth Government the transfer is planned to be completed by 1993, with recurrent assistance of \$1 500 (1983 dollars) to be provided by the Commonwealth for each student place and the remaining recurrent costs being met by the State.

In 1987 the Government will support an additional intake of 160 students, including 50 to be provided at the Salisbury campus of the South Australian College of Advanced Education and 80 at the North Terrace campus of the South Australian Institute of Technology. This will bring the total State financed annual intake to 270 places and the total number of State financed students in the system to 405 in 1987.

Primary and Secondary Education

For 1986-87 the Government has allocated \$677.5 million for payments by the Education Department.

The enrolment decline in Government Schools in recent years will continue in 1987 with a fall in enrolments predicted in both the Primary and Secondary sectors.

The allocation to the Department for 1986-87 reflects the retention of a substantial part of the resources notionally 'freed up' by enrolment decline. The Government has also specifically allocated additional funds to finance the commitment to provide extra ancillary staff in schools.

A critical element in the Education Department budget strategy will be the achievement of a leaner, more efficient administration.

The allocation under Minister of Education—Miscellaneous includes \$33 million for distribution to Non-Government Schools, mainly as per capita grants. The allocation has been increased in accordance with the established model school formula.

Children's Services

The Children's Services Office was established on 1 July 1985 and, during its inaugural year, made steady progress towards achieving its objectives.

The Budget allocation in 1986-87 (\$35.5 million) provides for the continuation of that progress, including the first full year of some initiatives commenced by the Office during 1985-86.

Labour

Legislation will be introduced to establish an Occupational Health and Safety Commission and resources have been provided to ensure the effective implementation of this initiative. Such legislation will aid the competitiveness of South Australian industry by encouraging work arrangements and practices aimed at reducing the incidence of occupational injury and disease.

Correctional Services

The allocation proposed for 1986-87 is \$38.3 million which incorporates a significant carryover cost of additional staff engaged in 1985-86 for the commissioning of the Adelaide Remand Centre. The proposed allocation provides for the creation of a Task Force to plan the commissioning of the Mobilong Prison.

Local Government

The allocation to the Department of Local Government includes provision for the staffing and operation of the Youth Bureau, which was transferred from the Department of Labour during the course of 1985-86.

The Department is critically reviewing all the areas of its responsibility with the aim of meeting some high priority initiatives without a substantial net increase in resources. Some initiatives to be undertaken in this manner include a strengthening of the Youth Bureau, the promotion of local council elections and the continuation of efforts to attract contributions to the Mortlock Library of South Australia through the employment of a field officer.

The Public Libraries Capital Development Program will continue in 1986-87 with a further 3 libraries being established, bringing the total number to 129.

Recreation and Sport

The allocation proposed for Recreation and Sport for 1986-87 is \$6.2 million which includes \$1.2 million from the Recreation and Sport Fund—an increase of about \$200 000 over 1985-86.

Emergency Services*Police*

The proposed allocation to the Police Department of \$139.9 million in 1986-87 incorporates carryover costs associated with 1985-86 initiative funding—and particularly includes costs incurred in accommodation upgrading. The allocation also includes \$1.8 million for the implementation of a 38 hour week for police officers from February 1987. An amount of \$292 000 has been provided towards upgrading equipment required under the Metropolitan Policing Plan.

In addition, the Budget includes provision for:—

- increasing the effectiveness of Random Breath Testing;
- implementing Red Light Cameras at a number of metropolitan intersections;
- establishing a Transit Squad in relation to security on the public transport system.

The resources actually required for these initiatives will be determined as precise plans are finalised in the forthcoming months.

Due to the expected implementation of the 38 hour week and because of high attrition rates in 1985-86, funds have been included in this Budget for extra staff required at the Police Academy.

Country Fire Services

The Government's contribution to the net cost of administering the Country Fires Act by the Country Fire Services in 1986-87 will be \$3.7 million. The Government has supported a continuation of the upgrading of the Service through initiatives which include:—

- training of volunteers;
- regionalisation of operations;
- publicity and promotion;
- bushfire prevention;
- revision of subsidy procedures;
- improved communications.

Metropolitan Fire Services

The Government contributes 12.5 per cent of the net operating cost of the Metropolitan Fire Service in addition to subsidising the local government contributions of the Port Adelaide and Port Pirie Corporations and meeting the cost of the Marine Station at Port Adelaide. The Budget approved by the Government for 1986-87 includes:—

- an additional 23 firefighters as the fifth and final increase recommended in the Cox Report;
 - an additional 6 staff for other essential requirements.
- The Government's contribution in 1986-87 will be \$4.9 million.

Business Undertakings*Engineering and Water Supply*

The provision of \$133.2 million to the Engineering and Water Supply Department includes:—

- staff and other costs associated with commissioning the Morgan Water Filtration Plant (\$1 million);
- implementation of major new computer systems, including Computer Aided Design and the Digitised Facilities Information System (\$679 000).

The allocation also reflects a reduction of about \$1.3 million brought about by an accounting change whereby construction and workshop administration costs are now charged as an overhead against cost centres rather than directly to recurrent operations. Appropriate adjustments have been made in the capital allocation to accommodate this change. Ongoing productivity gains in this Department are to be directed to maintaining operating and maintenance expenditures. Growth in demand for maintenance due to the ageing of the overall network and the continuing need for new services in developing areas will be provided for in this way. The Department will also continue to redirect appropriate resources towards water resources management projects.

Marine and Harbors

The allocation of \$25.7 million to the Department of Marine and Harbors provides for the additional maintenance associated with a growth in the number of assets controlled by the Department as well as for ongoing promotion of the port facilities and related industrial estates.

Promotional effort will be directed towards improving the existing Japanese and United Kingdom/European shipping links and improving other shipping arrangements with the East Coast of North America, Korea and New Zealand. To further enhance container handling at Outer Harbor provision has been made for commissioning the second container crane currently under construction.

Other Activities*Premier*

The allocation of \$9.3 million includes \$3.5 million to complete our Jubilee 150 celebrations which, measured by community involvement in events organised, have been very successful to date.

Increased funding is provided for the South Australian Council of the Bicentennial Authority to enable further preparations to be made to celebrate Australia's 200th Anniversary in 1988.

A provision of \$920 000 is included to meet the Government's further payment to the International Three Day Equestrian Event.

The Government Management and Employment Act, proclaimed on 1 July 1986, provides a new framework for management within the South Australian public sector.

The new Act established the Government Management Board and the Commissioner for Public Employment and abolished the Public Service Board. Ministerial responsibility for Part III of the Act, including the activities of the Commissioner for Public Employment is held by the Minister of Labour under delegated authority from the Premier.

The allocations for the Government Management Board in its Office and the Department of Personnel and Industrial Relations (responsible to the Commissioner) are \$1.5 million and \$6.7 million respectively.

Included in the Government Management Board's budget provision is \$200 000 to support management improvement activities throughout the public sector.

Treasury

Expenditure under Treasury Department in 1985-86 was \$412.6 million, compared with a proposed allocation for 1986-87 of \$468.4 million. In comparing these figures, separate consideration should be given to normal agency operating expenditures and debt servicing costs.

The proposed allocation for the former represents a decline in real terms of about \$400 000 on actual outlays in 1985-86, after adjusting for the impact of national wage case increases. The real reduction reflects stringent restraints on salaries and wages and operating expenses.

The latter includes debt servicing costs on borrowings from statutory authorities (including SAFA) and interest paid on trust and deposit account moneys lodged with the Government. The growth in payments between 1985-86 and 1986-87 of \$56.3 million largely reflects the full year's interest cost of borrowings in 1985-86 and part year cost of borrowings proposed in 1986-87 (both to support the level of capital expenditures including the welfare housing program) and the full year effect of a special interest bearing deposit of \$162 million lodged by ETSA in early 1986.

Payments under Treasurer—Miscellaneous were \$16.3 million in 1985-86 compared with \$4.7 million proposed for 1986-87.

This reduction largely reflects:—

- a decrease in subsidy payments for country electricity undertakings from \$2.8 million in 1985-86 to \$1.8 million in 1986-87 due to the transfer of management of Eyre Peninsula undertakings from local authorities to ETSA in 1985-86. This transfer enabled a 10 per cent cut to be made in tariffs to those consumers;
- the discontinuation of a special allocation for high priority maintenance work (\$1.3 million);
- transfer of the Government's contribution to the Police Pensions Fund to Special Acts as from 1 July 1986;
- a decrease in the transfer to the Government Insurance Fund, on account of expenditure on fire damaged Government owned buildings, from \$3 million in 1985-86 to \$800 000 in 1986-87.

Arts

The importance of the arts in South Australia is recognised in the allocation of \$31.3 million in 1986-87 for departmental activities and grants.

The substantial growth of previous years, occasioned mainly by the commissioning of new facilities and venues, is difficult to sustain in the current circumstances. However, through the careful distribution of funds, the arts allocation provides for many initiatives, including the opening of the Maritime Museum in December 1986, increased support for regional theatre, an increase in funding for the 1987 Come Out Festival and the development of a regional touring exhibition program.

Environment and Planning

The proposed allocation for the Department of Environment and Planning in 1986-87 is \$27.3 million.

That allocation represents a marginal real increase in overall expenditure on last year and, by reallocation, provides for:—

- the appointment of 5 additional National Parks and Wildlife Service staff;
- an increase in payments to farmers under the Native Vegetation Management Scheme from \$645 000 in 1985-86 to \$1.2 million in 1986-87.

Auditor-General

The allocation to the Auditor-General (\$3.3 million) includes funds for the purchase of an advanced computer system to be used for auditing and office automation purposes.

Corporate Affairs

The proposed allocation for the Department of the Corporate Affairs Commission of \$4.3 million includes provision for costs associated with Australian Growth Resources litigation and the continued development of computerisation.

Lands

The allocation of \$32.4 million for the Department of Lands represents a slight decrease in real resources for land resource management when compared with 1985-86.

Delivery of services to the public will not be affected as the introduction of computerisation over the past few years is now playing a major role in streamlining departmental operations and facilitating effective management of all aspects of land administration and management.

Transport

The allocation of \$30.2 million proposed for the Department of Transport includes funds for staff previously engaged by the Road Traffic Board which have been transferred to the Division of Road Safety.

This allocation reflects the Government's continuing endeavour to promote greater road safety.

Provision is made for the introduction of pre-licence training for motor cyclists and the compulsory inspection of heavy interstate vehicles from January 1987.

A taxi service for disabled people will be established during the year to enable greater mobility for this group throughout the metropolitan area. An amount of \$550 000 has been proposed to fund the establishment and subsidy costs of this scheme.

A 'Vehicle Security Register' will be established at an approximate net cost of \$130 000. The objective of this register is the protection of consumers and it is being developed in line with similar schemes in other States.

The efficiency of the Motor Registration Division will be greatly enhanced when a new 'online' computerised Registration and Licence system is in place. A further \$985 000 is provided for the continuing implementation of this system.

The proposed allocation of \$25.4 million for the Highways Department forms part of the total available for road purposes in 1986-87 (\$213 million). This level of funding provides for a similar level of operations as in 1985-86 after taking into account a reduction in real terms for Commonwealth funded projects.

The provision for the deficit of the State Transport Authority is \$84.8 million, \$3.4 million above the level of funds provided in 1985-86. It has regard to additional revenue from fare increases (\$5.2 million), less income from investments (\$800 000) due to a lower level of cash balances, reduced fuel prices (\$1.2 million) and a change in the method of funding the principle portion of lease payments (\$2 million—now to be accounted for as a capital payment). Additional payments of an unavoidable nature amount to

about \$8.1 million, including the carryover of salary and wage increases awarded during 1985-86 (\$1.1 million), a provision for price inflation (\$849 000), additional interest payments associated with new and replacement assets (\$5.7 million) and the carryover cost of extended and new services associated with the Salisbury Interchange and Busway (\$489 000).

The Government is anxious to contain the deficit in this area and keep fare levels as low as possible. It is therefore proposed to review carefully the services and the cost structure of the STA—particularly poorly patronised and costly services and ways of increasing efficiency. Our objective is to ensure efficient services are provided at a cost the community can afford.

Housing and Construction

The provision for the Department of Housing and Construction is \$48.5 million compared with expenditure of \$45.4 million in 1985-86. This includes a further additional \$1 million as part of a three year Jubilee Maintenance Program, commenced last year, to increase maintenance work being undertaken on school and other Government buildings.

1987 will be the International Year of Shelter for the Homeless and to promote and stimulate initiatives in this area an allocation of \$80 000 has been provided.

1986-87 Workforce

For 1986-87 the Budget provides for a consolidation of public sector employment numbers and commitments given in 1985-86. Due to the considerable financial pressures which have emerged for this financial year and are likely to continue in subsequent years, departmental employment is planned to be at approximately the same level in June 1987 as the actual level of employment in June 1986.

Major areas of increase are:—

- Community Welfare - in the areas of child protection, crisis care and aboriginal youth development;
- Correctional Services - staffing of the new Adelaide Remand Centre and a task force for the planning and development of the Mobilong Prison;
- Police - the introduction of the 38 hour week and the maintenance of police active strength;
- Public and Consumer Affairs - implementation of additional consumer protection measures in a range of areas;
- Technical and Further Education - particularly in the area of apprentice training as part of the second year of the Youth Employment Scheme.

Major areas of reduction are:—

- Engineering and Water Supply - the lower level of subdivision work and the impact of Government's general savings initiatives;
- Highways - the finalisation of the Stuart Highway Project and the impact of Government's general savings initiatives;
- Housing and Construction - the impact of Government's general savings initiatives and the level of the planned works program for 1986-87;
- Woods and Forests - reflects the industry downturn and winding down of activities following the Ash Wednesday bushfires.

CAPITAL ACTIVITIES

The plan for 1986-87 is to achieve a balanced result on capital transactions.

Total payments from the Consolidated Account for capital purposes are forecast as being \$566 million. While this figure is considerably above the 1985-86 result of \$501.7 million, as has been pointed out in previous years, direct comparisons between the two are misleading.

One reason for this has been the inclusion in previous years of financial transactions (such as the provision of capital to the Local Government Finance Authority) in the capital payments figures.

In order to reduce the distortion that the inclusion of such transactions can create, a policy decision has been made to arrange these transfers direct from SAFA or elsewhere rather than through the Consolidated Account.

While this approach will lead to the total capital payment from the Consolidated Account more closely reflecting the size of the actual works programs of the agencies funded from the Account, direct comparisons from year to year will continue to be misleading. This is because some of the agencies allocated funds for capital purposes from the Consolidated Account will be supplementing those funds from reserves and other sources of funds. Hence, the allocation of capital funds from the Consolidated Account is not a measure of the Government's overall works program.

The other and more significant reason why Consolidated Account figures do not indicate the full size of the program is that approximately half of the program is financed other than through the Consolidated Account. The two major agencies funded in this manner are ETSA and the Highways Department.

The national accounting approach to reviewing overall capital expenditures was explained and utilised in the Budget papers for 1984-85 and further developed last year. The approach provides net capital outlay figures for the whole State sector.

The following table indicates the overall position in terms of this approach:—

SUMMARY OF CAPITAL OUTLAYS(a)

	1984-85	1985-86	1986-87	
	\$ million	\$ million	% Increase	% Increase
Government Departments (b)	376	419	11.4	9.5
Budget-Supported Semi-Government Authorities (c)	237	285	20.3	-2.5
Sub Total	613	704	14.8	4.7

SUMMARY OF CAPITAL OUTLAYS(a)

	1984-85	1985-86	1986-87	
	\$ million	\$ million	% Increase	% Increase
Commercial Authorities (d)	137	127	-7.3	55.9
Total	751	831	10.7	12.6

(a) Because of differences in classifications, the data in this table cannot be directly compared with other figures shown in this Statement. The classifications are broadly based on those adopted by the Australian Bureau of Statistics.

(b) Includes expenditures from trust funds, deposit accounts, etc. but excludes Woods and Forests Department.

(c) Includes Housing Trust, State Transport Authority, Health Commission, advances by State Bank for concessional housing, Colleges of Advanced Education, Universities and other authorities which depend heavily on the Government for financial support.

(d) Comprises AMDEL, ETSA, PASA, SA Timber Corporation, SA Urban Land Trust and Woods and Forests Department.

(e) Due to adjustments to the method of tabulation, direct comparison with the figures shown in previous Budget papers is not possible.

Component figures may not add to totals due to rounding.

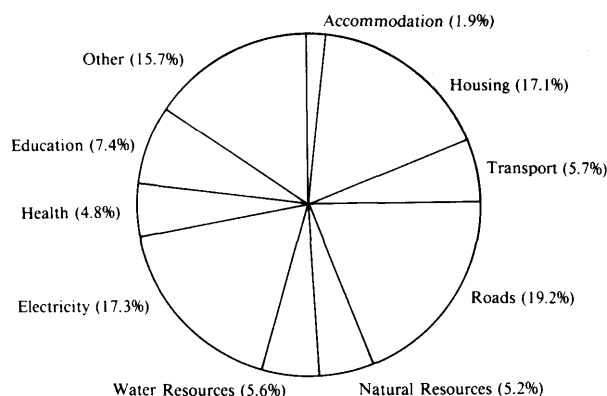
This table indicates that in aggregate terms, capital outlays are forecast to grow by 12.6 per cent in 1986-87. However, annual movements in capital expenditures can be heavily influenced by the timing of payments for the provision of major infrastructure, particularly by authorities such as the Electricity Trust.

In this regard, the actual figures for 1985-86 for both Government Departments and commercial authorities were well below expectations. Some expenditures planned for that year were delayed and have carried over into 1986-87.

The substantial increase in the anticipated outlays by commercial authorities is primarily due to the 62 per cent expected increase in the outlays of ETSA (from \$100 million to \$162 million). Work on the interconnecting power line from Mount Gambier to Portland will be a major contributor to that increase.

A functional dissection of aggregate capital outlays proposed in 1986-87 is set out below.

Aggregate Capital Outlays—1986-87



CAPITAL RECEIPTS

At the meeting of the Australian Loan Council in June 1986, the Commonwealth announced that the program for State works and services which it would support in 1986-87 would involve a drastic reduction in cash terms on the 1985-86 level.

South Australia's share of the program was reduced by \$47 million to \$156.9 million. Of this amount, \$56 million will be by way of capital grants, while \$100.9 million will be by way of loans subject to interest and repayment.

The State has nominated the whole of the borrowing component for housing so as to obtain it at the concessional

rate of interest offered by the Commonwealth. Nevertheless the amount being obtained at the concessional rate will be \$30.2 million less than the \$131.2 million received in 1985-86.

The Commonwealth is expected to make \$45.4 million available by way of specific purpose funds, a reduction on the 1985-86 figure of \$49.5 million.

Repayments and recoveries from State sources are expected to provide \$49.4 million compared with \$67.3 million last year. However last year's figure was boosted by a special \$19.3 million repayment from ETSA.

With all these sources of capital funds reducing in cash terms, it became evident that a massive increase in the level of borrowings from Statutory Authorities would be necessary in order to fund the works program for 1986-87. This led to a vigorous reassessment of the proposed program.

The budgeted program of \$566 million together with the aim of balancing on the capital side will necessitate a borrowing of \$314.3 million from Statutory Authorities, a 74 per cent increase on the figure of \$181.1 million for 1985-86.

CAPITAL PAYMENTS

The increased emphasis placed by the Government in recent years on capital expenditures in the areas of transport and correctional services will lead to peak expenditures in those areas in 1986-87. There are also high levels of commitments in other areas arising from the 1985-86 capital program.

In view of these commitments and the need for overall restraint, considerable attention has been paid to the relative priorities of new programs and projects for inclusion in the capital works program for 1986-87. Important projects which have had to be deferred out of the program include:—

- Holden Hill Courts Complex;
- Oil Tanker Berth at Port Adelaide.

In addition, funding levels sufficient to permit only site acquisition and design and documentation to proceed in 1986-87 have been provided for a number of major projects, including:—

- Entertainment Centre;
- Lyell McEwin Hospital Stage 2.

The planned capital works program will achieve a responsible balance between the conflicting pressures for new projects in areas of high Government priority and the need for financial restraint.

Premier

An amount of \$5 million has been provided for works associated with the Bicentennial Commemorative program.

Environment and Planning

The provision of adequate recreation and open space areas and suburban redevelopment works are important and continuing programs.

The total program for 1986-87 is \$12.4 million, an increase on last year's actual expenditure of \$10.6 million with additional funding coming from special sources such as the Inner Western Suburbs Development Fund as well as Consolidated Account.

Police

The purchase of new communications equipment for the Police will continue on accordance with long term strategy.

Engineering and Water Supply

An allocation of \$61 million is being provided for waterworks, sewers and irrigation projects, a small decrease on last year.

Work will continue on:—

- the Happy Valley Water Filtration Plant;
- water and sewer main extensions to serve developing areas, particularly Golden Grove and Morphett Vale East.

The Wattle Park storage will be lined and roofed.

Attorney-General

The allocation of \$6.7 million is for capital outlays associated with the establishment of the computer-based Justice Information System.

Lands

The allocation of \$7.9 million provides for:—

- the development of industrial estates;
- the purchase of plant and equipment for the department;
- work on the State Primary Geodetic Survey.

Woods and Forests

The re-establishment of fire-damaged forests will lead to large capital expenditures by the department for some years. A draw of \$7.9 million from the Consolidated Account will be required in 1986-87 to supplement the department's other sources of funds.

Marine and Harbors

Progress on the second container crane in 1985-86 was slower than anticipated. The allocation for harbour facilities and services of \$12.5 million allows for the completion of that acquisition and also the reconstruction of No. 1 berth, Outer Harbor.

An allocation of \$5.3 million has been provided for further infrastructure work associated with the Lincoln Cove development scheme.

Health

The level of the South Australian Health Commission's works program continues to increase, with major expenditures in 1986-87 on works in progress, including:—

- Lyell McEwin Hospital Redevelopment;
 - Wallaroo Hospital Redevelopment.
- Work will begin in 1986-87 on:—
- Modbury Hospital—Redevelopment of Outpatients and Casualty areas;
 - Adelaide Children's Hospital—Redevelopment Stage 4.

This work will be part-funded by the Hospital.

The total program level will be \$36.2 million compared with expenditure of \$28.7 million in 1985-86.

State Development

The allocation of \$2.1 million will complete the acquisition of a ship lift at Port Adelaide.

Tertiary Education

An allocation of \$4 million has been provided for capital works associated with the transfer of nurse education to the tertiary sector.

Highways

As a consequence of further reductions in Commonwealth support towards the State's roads program, a \$14 million supplement to the Highways Fund from the Consolidated Account is proposed.

State Transport Authority

The capital allocation for the Authority of \$44.6 million is again a large increase on the previous year.

The increase is due to a very high level of commitment to works in progress, including:—

- railway resignalling;
- acquisition of new railcars;
- ticketing system;
- North East Busway.

No significant new project is to commence in 1986-87.

The allocation of \$6.5 million for the North East Busway will enable nearly all of the earthworks for the last section from Darley Road to Tea Tree Plaza to be completed in the year.

Mines and Energy

An allocation of \$13 million has been included for the provision of Government infrastructure facilities at Roxby Downs.

Housing

In 1983-84, the Government, faced with an increasing demand for Housing Trust rental housing, set out to achieve a minimum increase of 9 000 in the level of the Trust's rental stock over three Budget years.

That increase was achieved.

As foreshadowed last year, the implications for the housing program arising from the Commonwealth reducing support to the program are serious. Not only has the Commonwealth direct support under the Commonwealth-State Housing Agreement remained virtually unchanged in cash terms since 1984-85, but also the Commonwealth has reduced the amount of funds which the State can receive at a concessional interest rate for housing.

In the light of these restrictions, the maintenance of an overall housing program at the levels achieved over the previous three years is beyond the State's resources.

Accordingly the targets set for 1986-87 are:—

- 2 800 additions to Housing Trust stock plus 100 units carried over from 1985-86;
- 54 loans per week under the concessional loan scheme conducted by the State Bank of South Australia.

The level of State funds necessary to achieve these targets is, at \$180 million, a 25 per cent increase on last year's Budget provision.

The following table indicates the new funds being allocated for housing:—

SUPPORT FOR HOUSING PROGRAMS

	1985-86 \$ million Actual	1986-87 \$ million Proposed
Commonwealth	73.1	73.5
State:—		
Consolidated Account	149.5	180.0
Balances from Advances to Housing Account	10.0	—
TOTAL	232.6	253.5

This table does not include funds generated internally by the State Bank and by the Housing Trust or minor allocations for the administration of specific arrangements. It does include funds for the Mortgage and Rent Relief and the Families in Crisis programs.

Education

The allocation of \$26 million for Education buildings in 1986-87 provides for:—

- the continuation of 8 major projects currently in progress, including works at the following schools:—
 - Black Forest Primary;
 - Elizabeth Aboriginal;
 - Hallett Cove Primary—Stage 1;
 - Moana Primary—Stage 2;
 - Salisbury Heights Primary—Stage 2,
- the commencement of 3 new schools:—
 - Golden Grove Primary;
 - Noarlunga Downs Primary;
 - Mintabie Rural.
- the commencement of 7 new projects involving additions and upgradings at existing schools, including:—
 - Alberton Primary;
 - Brighton High;
 - Craigburn Primary.

Technical and Further Education

The allocation of \$16.3 million for Technical and Further Education buildings in 1986-87 includes provision for continuation of works at:—

- Eyre Peninsula Community College;
- Port Augusta College of TAFE;
- Regency Park Community College.

Children's Services

The allocation of \$4.5 million for 1986-87 on pre-schools and child care centres is for:—

- continued work on 4 projects;
- commencement of 12 new projects.

Other Government Buildings

The allocation of \$56.6 million for 1986-87 includes \$26 million on works associated with the Department of Correctional Services.

Large expenditures will be incurred on major projects in progress, including:—

- Museum Redevelopment—Stage 1;
- Hillcrest Security Hospital;
- Mobilong Prison;
- Yatala Labour Prison upgrading.

New projects to commence in 1986-87 include:—

- Festival Centre Plaza repairs and improvements;
- Supreme Court upgrading;
- West Beach Marine Laboratory;

● a number of works of a lesser nature, for various departments.

Tourism

The allocation of \$9.5 million allows for:—

- purchase of equipment for the Convention Centre;
- land acquisition and design work for the Entertainment Centre.

Recreation and Sport

The allocation of \$5.5 million allows for the commencement of:—

- New Hockey complex;
- Small Bore Shooting facility;
- Athletics track.

Further details of the works programs of major agencies can be found in Appendix I to the Estimates of Payments of a Capital Nature.

ATTACHMENT II

FINANCIAL ASPECTS OF THE BUDGET AND THE TOTAL PUBLIC SECTOR

The presentation of the Budget should facilitate the answering of key questions including the following:—

- how much is being spent in total?
- how are receipts being raised?
- how is the difference between outlays and receipts proposed to be financed?

The following table provides, in very abbreviated form, such a presentation of the Consolidated Account for 1986-87 and for the previous two years. Comparable presentations for earlier years are available in Attachment V of previous years' Financial Statements. The basis of this approach is to focus on the net financing requirement of the Budget.

CONSOLIDATED ACCOUNT

SUMMARY OF ESTIMATED OUTLAYS, REVENUE AND FINANCING (a)

	1984-85 \$ million	1985-86 \$ million	1986-87 (estimated) \$ million
Outlays—			
Recurrent	2 603 (b)	2 955	3 213
Capital	415	502	566
Total	3 018	3 457	3 779
Revenue—			
Commonwealth Grants	1 433 (c)	1 504	1 586
Taxation	814	836	922

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

	1984-85 \$ million	1985-86 \$ million	1986-87 (estimated) \$ million
Other Receipts	553	816	848
Total	2 800	3 156	3 356
Financing—			
Change in Consolidated Account Balance	(14)	(11)	7
Net Increase in Borrowings (d)	232	312	415
Total Net Financing Requirement	218	301	423

() indicates a positive balance (ie. cash surplus)

(a) Details may not add to totals because of rounding.

(b) Excludes sinking fund payments which are treated as an offset to borrowings. From 1985-86, this adjustment is not required since sinking fund payments no longer are recorded in the Consolidated Account.

(c) The specific purpose Commonwealth grant in respect of sinking fund on State debt is included in Commonwealth grants; an equivalent amount is also deducted from borrowings. Comparable adjustments are not required beyond 1984-85; see (b).

(d) Equals the State Government's Loan Council borrowing program for the year plus other borrowings. For 1984-85, sinking fund payments, including those paid by the Commonwealth in respect of the State's debt, were deducted from borrowings. This adjustment is not required for subsequent years since sinking fund payments no longer are recorded in the Consolidated Account.

Traditionally, the Budget has been assessed by reference to the change in the cash balance in the Consolidated Account. As the above table shows, the cash balance position represents only a partial view of the level of financing required to support the Budget. Typically, the more substantial component is the level of borrowings.

In the traditional presentation, borrowings have been included as 'revenues' along with funds from Commonwealth grants, taxes and other receipts. Borrowings are, however, obviously sufficiently different in nature and implications from these revenues to warrant separate categorisation and consideration. The most important difference, of course, is that borrowings commit the Government to future outlays in the form of debt servicing charges.

International practice, and the practice followed for many years by the Commonwealth, is to focus attention not on cash balances but rather on the total net financing requirement of the Budget—ie. net borrowings plus movements in

cash and other financial reserves. It is this measure of the 'net financing requirement' that broadly corresponds to the measure of the 'deficit' in the Commonwealth's Budget. The net financing requirement has for many years consistently exceeded the change in the Consolidated Account balance.

For similar reasons, the accumulated deficit is an inadequate measure of the financial position of the State. The net financing requirement is the more relevant measure of the Budget, and total net debt reflects the overall position more meaningfully.

In order that the two approaches may be viewed side by side however, the following table provides a summary of the Consolidated Account focusing on the 'cash result', but the presentation given at the beginning of this Attachment is clearly the more meaningful statement from a policy analysis point of view.

CONSOLIDATED ACCOUNT

CASH RESULT

	Voted \$	1985-86 Actual \$	1986-87 Proposed \$
Recurrent:—			
Receipts	2 967 538 000	2 966 345 286	3 205 250 000
Payments	2 967 538 000	2 955 350 087	3 212 550 000
Surplus/(Deficit)	—	10 995 199	(7 300 000)
Capital:—			
Receipts	489 000 000	501 819 306	566 000 000
Payments	489 000 000	501 713 905	566 000 000
Surplus/(Deficit)	—	105 401	—
Consolidated Account Surplus/(Deficit)	—	11 100 600	(7 300 000)

The accumulated balance of the Consolidated Account is summarised below:—

30 June 1985—deficit of	\$51 111 939
30 June 1986—deficit of	\$40 011 339
30 June 1987—estimated deficit of	\$47 311 339

THE BUDGET AND THE PUBLIC SECTOR

Very significant spending and revenue raising within the public sector takes place outside the Budget. Nevertheless, the level of outlays approved in the Budget has a dominant impact on the total level of public sector spending.

A large component of outlays from Consolidated Account represents transfers either to other public accounts (ie. trust and deposit accounts) or to semi-government authorities and agencies but there are, as noted, also very significant revenue and spending activities in the public sector which occur outside the Budget. Thus, to obtain an overall view of public sector spending it is necessary to go beyond the Consolidated Account. This is particularly so in the area of capital spending, where semi-government authorities, such as ETSA, have an important and sometimes major impact on total public sector capital spending through programs financed from borrowings outside of the Consolidated Account. Similarly, on the receipts side, the Consolidated Account gives only a partial view of the total revenue sources available to the public sector as a whole. In the past, for example, a large proportion of specific purpose Commonwealth grants has been administered through accounts other than the Consolidated Account.

A broad overview of the total finances of the State public sector for recent years, together with estimates for 1986-87, is given in the accompanying table entitled 'State Public Sector Finances, 1981-82 to 1986-87 (Estimated) Summary'.

The State public sector is defined to include the operations of Government that are recorded in the Public Accounts (ie. deposit and trust accounts as well as the Consolidated Account) together with the activities of semi-government authorities. An indication of the coverage of semi-government authorities can be obtained in the Treasury Information Paper, 'Trends in the Indebtedness of the South Australian Public Sector, 1950 to 1985' (issued in September 1985).

This comprehensive approach takes account of the changing composition and structure of the public sector. For these reasons, comparisons between years can be influenced by structural adjustments, including various financing rearrangements arising from the formation of the South Australian Government Financing Authority.

The table draws to some extent on internationally accepted classification concepts developed for the presentation of National Accounts by Government. These concepts are also observed by the Australian Bureau of Statistics in its preparation of public finance statistics. Extensive treatment of the concepts employed can be found in a variety of publications including the following:—

United Nations, Department of Economic and Social Affairs, 'A System of National Accounts'. (New York 1968)

ABS, 'Australian National Accounts—Concepts, Sources and Methods'. (Cat. No. 5216.0)

ABS, 'Classifications Manual for Government Finance Statistics, Australia' (Cat. No. 1217.0)

The purpose of the approach is to give a consolidated picture of the impact of public sector activity on the rest of the economy. Transactions between individual units which comprise the public sector are eliminated in order to focus attention on the net impact of public sector spending on the private sector. The classification distinguishes between three major classes of transaction: outlays, receipts and financing.

Within each of these categories, various levels of more detailed categorisation exist. For example, on the outlay side, distinction is drawn first between recurrent and capital outlays, while the operating results of trading enterprises are also shown separately from the spending activity of general Government units. On the receipts side, grants from the Commonwealth are distinguished from taxation revenues and from other receipts such as interest earnings, land rents and royalties. Within the financing group of transactions, depreciation and other allocations to internal reserves are distinguished from borrowings and all other forms of financing.

The presentation given in this Attachment is limited to the broadest levels of categorisation outlined above. Finer classifications of transactions are also possible, details of which are comprehensively covered in the reference publications cited above. Some of the key features of the State's finances, as projected for 1986-87, are summarised below. It should be noted that because of differences in coverage and classification, the figures in this presentation are not directly comparable with those appearing elsewhere in conventional Budget presentations.

In aggregate, public sector outlays are estimated to increase by 11.0 per cent in 1986-87, compared with 13.7 per cent in 1985-86. Recurrent outlays are anticipated to grow more slowly in 1986-87 than in 1985-86. Capital outlays, in contrast, are expected to increase more rapidly in 1986-87 than in 1985-86, reflecting in large part the capital program of ETSA. Overall, public trading enterprises are likely to record larger deficits in 1986-87 relative to 1985-86.

On the receipts side, there is a significantly slower growth anticipated in 1986-87, relative to the previous year, reflecting much lower growth in revenue from non-tax sources including, amongst other things, an absolute reduction in royalty yields. Commonwealth grants are expected to increase by 6.2 per cent which, although higher than the very low figure of 4.2 per cent recorded in 1985-86, nevertheless fails to match expected inflation growth; as a consequence, revenue from Commonwealth grants will fall in real terms as in 1985-86. Taxation revenues are estimated to grow by 9.8 per cent. In aggregate, total receipts from all sources are estimated to grow by only 6.4 per cent in 1986-87, compared with 10.4 per cent in 1985-86.

Reflecting the stronger growth forecast for public sector spending relative to receipts, the net public sector financing requirement is forecast to increase strongly from \$397 million in 1985-86 to \$594 million in 1986-87. A small part of this overall increase will be represented by a higher level of depreciation and other provisions; to a large extent, however, the *net* borrowing requirement of the State public sector will need to expand to finance the shortfall between growth in outlays and receipts. This follows relatively modest levels of net borrowings particularly in 1984-85, and to a lesser extent in 1985-86 reflecting the high level of cash and reserves that were built up in these years. Consequently, for the last three years, the level of net indebtedness per head of population has declined in real terms (that is, after adjusting for inflation); further details can be obtained in the Treasury Information Paper referred to earlier.

In 1986-87, a small real increase in per capita levels of net indebtedness is likely to occur. Nevertheless, at the end of the present financial year (ie. June 1987) the net indebtedness of the South Australian public sector, in real per capita terms, is likely to be slightly less than four years ago (ie. June 1983).

STATE PUBLIC SECTOR FINANCES 1981-82 TO 1986-87 (Est.)—SUMMARY

	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87 (Est.)	
	\$m	\$m	\$m	\$m	\$m	percent- age increase	percent- age increase
Outlays—							
Recurrent	1 619	1 873	2 052	2 371	2 705	14.1	2 966
Capital (a)	536	678	774	751	831	10.7	936
Net operating deficit of public trading enterprises	113	171 (e)	148	150	182	21.3	226
Total	2 268	2 722	2 974	3 271	3 718	13.7	4 127
Receipts—							
Commonwealth grants	1 333	1 594	1 796	2 010	2 095	4.2	2 224
Taxation	493	542	656	783	825	5.4	906
Other receipts (b)	97	106	102	132	210	59.1	193
SAFA surplus	—	—	5	83	190	128.9	210
Total	1 924	2 242	2 559	3 007	3 321	10.4	3 533
Financing—							
Depreciation and other provisions (c)	115	148 (f)	131	148	170	14.9	183
Net borrowings and all other financing arrangements (d)	230	332	285	116	227	95.7	411
Total	345	480	416	264	397	50.4	594

(a) Loans to authorities, corporations or persons outside the public sector, which were previously shown as capital outlays, are now treated as purchases of financial assets and included (as a negative item) in "Net borrowings and all other financing arrangements".

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

(c) Comprises depreciation allowances and other allocations to internal reserves which are charged to operating expenses.

(d) Comprises Loan Council borrowings, advances from the Commonwealth and statutory authorities, semi-government borrowings, transactions resembling borrowings such as leases, the overall increase/decrease in the financial assets of the Treasurer and semi-government authorities; movements in amounts outstanding to or from creditors and debtors and other residual financing items (including errors and omissions). A decrease in cash and investments or other financial assets is thus entered into these figures as a positive item.

(e) Includes extraordinary costs arising from the Ash Wednesday fires in 1983 amounting to \$27 million.

(f) Includes extraordinary provisions arising from the Ash Wednesday fires in 1983 amounting to almost \$20 million.

Note: Components may not add to totals due to rounding.

SAFA = South Australian Government Financing Authority.

ATTACHMENT III

THE YEAR 1985-86

The Budget objective for 1985-86 was for a balance in both the recurrent and capital elements of Consolidated Account and hence for an overall balanced "cash" result.

The result for the year in the event has been significantly better than planned, the main features being:—

- an overall surplus on Consolidated Account of \$11 million, reducing the accumulated deficit to \$40 million. This resulted mainly from the timing of national wage decisions varying from those assumed in preparing the Budget;
- a reduction of \$26 million in the contribution to recurrent operations from SAFA's surplus, after a debt restructuring is taken into account. This increased retention by SAFA has improved its capital base;
- a balance was recorded on capital operations and the borrowing from SAFA required to support the Budget was less than planned, down \$15 million to \$179 million.

RECURRENT OPERATIONS

Receipts

Overall, receipts came in very close to budget (only \$1.2 million below estimate). There were, however, significant variations to some receipt items which were offsetting.

The most significant variation was in stamp duties, where actual collections (\$205 million) were about \$22.5 million below estimate. The variations in stamp duties were as follows:—

	1985-86 Budget \$ million	1985-86 Actual \$ million	Variation \$ million
Annual Licences (insurance)	40.1	41.8	(+)1.7
Conveyances or Transfers on Sale	104.0	84.5	(-)19.5
Credit and Rental	8.3	7.9	(-)0.4
Cheques	5.6	5.8	(+)0.2
Mortgages	13.1	11.1	(-)2.0
Registration of Motor Vehicles	45.3	41.2	(-)4.1
Other	11.1	12.7	(+)1.6
	227.5	205.0	(-)22.5

Payroll tax collections were greater than estimated, reflecting the continuing strength in employment during 1985-86 in the State. Water and sewer rate collections were also higher than budgeted due to the dry season experienced in 1985-86.

Recoveries of Interest Earned on Investments were \$14.6 million above budget, due mainly to the investment by Treasury of large deposits by ETSA of temporary surplus funds. This was offset on the expenditure side by an increase in interest payments to ETSA.

As a result of a re-arrangement of the indebtedness of the South Australian Housing Trust to the Government under concessional housing arrangements (described in detail in the SAFA Annual Report), recoveries from the SAHT provided in the original Budget under Recoveries of Interest from Statutory Authorities (\$4.8 million) and Other Departmental Fees and Recoveries—Minister of Housing and Construction and Minister of Public Works Miscellaneous (\$34.3 million) were paid to SAFA.

The re-arrangement had no net effect on the Budget as interest payments of \$34.1 million that would have been received from SAHT were credited to Consolidated Account by way of a return to the Government on capital provided to SAFA and the Government was relieved of the obligation to make principal repayments of \$5 million to SAFA under Minister of Housing and Construction and Minister of Public Works Miscellaneous appropriations.

Payments

Recurrent payments were \$12.2 million less than provided for in the Budget.

Savings of \$33.7 million were achieved against the round sum allowance for increased wage and salary rates and other contingencies, due mainly to the two national wage increases handed down during the year commencing somewhat later than anticipated.

Against this there were unbudgeted payments (\$29.9 million) as follows:—

- debt servicing payments associated with a debt re-arrangement between the Government, ETSA and SAFA (\$18.5 million);
- interest payments to ETSA in respect of temporary surplus funds lodged at Treasury (\$9.8 million);
- increased interest payments on various trust accounts due to higher than expected interest rates and balances (\$1.6 million).

These amounts were offset by increased Receipts under Recoveries of Interest.

The improvement in recurrent payments against Budget (\$12.2 million) was comprised as follows:—

	\$ m	\$ m	\$ m
• Savings in the Allowance for Increased Wage and Salary Rates and Other Contingencies—			
Allowance provided		91.6	
Less—			
Wage and Salary Increases	-49.1		
Other Expenditures Provided for in the Allowance—			
Provision in respect of the impact of devaluation on the cost of drugs and medical/surgical supplies	-4.7		
Fruit fly eradication	-0.6		
Extra terminal leave payments in Education Department	-0.6		
E & WS additional pumping	-0.8		
Other	-2.1	-57.9	33.7
• Payments Offset by Variations in Commonwealth and Other Receipts—			
Increased debt servicing costs offset by increased interest recoveries		-29.9	

	\$ m	\$ m	\$ m
Special Acts (Highways Fund)	-1.1		
TAFE (Commonwealth)	-1.7		
Education (Commonwealth)	-1.8		
Agriculture (Commonwealth)	-1.3		
Other	-0.1	-6.0	-35.9
• Net Underspending by Departments and Agencies			14.4
Improvement in recurrent payments against Budget			12.2

Tables 1 and 2 set out the variations from Budget for recurrent receipts and payments respectively.

CAPITAL OPERATIONS

Capital payments in 1985-86 were \$12.7 million above Budget. Despite this result, it was possible to reduce by \$14.9 million below the Budget figure the amount of funds raised by borrowings from Statutory Authorities, while achieving almost an exact balance on the capital side.

Receipts

Loan Council borrowings were as included in the estimates, with the whole of the loan raisings being nominated for housing and being received at a concessional interest rate.

Receipts in the form of Commonwealth specific purpose grants were \$2.3 million below estimate.

The actual repayments and recoveries obtained from all State sources were \$67.3 million, considerably in excess of the budgeted figure of \$37.7 million. The major reason for the increase was an unbudgeted repayment of \$19.3 million from ETSA associated with a debt re-arrangement between the Trust and the Government.

Further details of the variations between budgeted and actual receipts are shown in Table 3.

Payments

The major item leading to the capital payments being \$12.7 million in excess of Budget was a capital advance of \$7.2 million to establish the Rural Assistance Fund.

Further details of the variations between budgeted and actual payments are shown in Table 4.

EMPLOYMENT

The overall *actual* employment level at end June 1986 was 48 662 FTE's (full-time equivalents).

The *average* employment level for all Departments and the Children's Services Office in 1985-86 was 47 446 FTE's, which resulted in the overall *average* employment level being over Budget by approximately 22 FTE's.

This minor overall variation from Budget reflects a number of factors including:—

- Education Department employment increasing to reflect additional Commonwealth funded programs; an extra school week in 1985; higher than expected incidence of workers' compensation, and the conversion of temporary staff to permanent status;
- many departments experiencing delays and difficulties in staffing initiatives as early as provided for in the Budget;
- separation rates for most of the major employment groups increasing, due in part to the improvement in private sector employment opportunities.

TABLE 1
1985-86 RECEIPTS—VARIATIONS FROM BUDGET

	1985-86				Comments on major variations between Budget and Actual	
	Budget \$000's	Actual \$000's	Variation on Budget \$000's %			
Taxation						
Property—Land Tax	38 000	38 477	477 1.3		• Outstanding tax payments at 30 June 1986 lower than expected. Adjustments to tax on account of changes in ownership and exemptions for principal place of residence and land used for primary production lower than anticipated.	
Gambling	54 220	56 039	1 819 3.4		• Higher than anticipated levels of revenue from Commission on bets, licences, service fees, small lotteries application and licence fees (\$583 000). • Contribution from Casino operations higher than expected (\$1.2 m).	
Motor vehicles	70 000	71 061	1 061 1.5		• Due to greater than anticipated growth in total number of vehicles registered between 1984-85 and 1985-86 and move to 5 year licensing period.	
Pay-roll tax	262 000	265 565	3 565 1.4		• Employment growth in 1985-86 higher than expected, offset in part by delays in national wage case increases.	
Financial Institutions Duty	31 000	31 128	128 0.4			
Stamp Duty	227 500	205 034	-22 466 -9.9		• Due to a marked decline in real estate activity and a fall-off in motor vehicle sales, especially for new vehicles during 1985-86, combined with lower than anticipated increases in average duty per transaction. The extent of the decline in factors affecting Stamp Duty collections for conveyances on sale of real property and motor vehicle registrations and transfers compared with Budget estimates is depicted in the following table: Percentage Increase Between 1984-85 and 1985-86	
					Assumption Incorporated in Budget Estimate %	
					Actual %	
				Conveyance on sale		
				—activity	—	-21.4
				—average duty	+10.0	+8.1
				Motor vehicles		
				—activity	—	-3.3
				—average duty	+16.0	+8.1

TABLE 1
1985-86 RECEIPTS—VARIATIONS FROM BUDGET—continued

	1985-86				Comments on major variations between Budget and Actual
	Budget \$000's	Actual \$000's	Variation on \$000's	Budget %	
Business Franchises:					
Gas	4 823	4 822	-1	—	
Liquor—Publicans/Other licences	31 100	31 092	-8	—	
Petroleum	46 000	46 448	448	1.0	● Largely reflects reduction in level of outstanding tax payments due between 30 June 1985 and 30 June 1986.
Tobacco	40 000	38 857	-1 143	-2.9	● Reflects lower than expected increases in prices for tobacco products.
Fees for regulatory services	6 454	6 480	26	0.4	
Statutory Corporation Contributions:					
—Electricity Trust of South Australia	28 500	28 208	-292	-1.0	● Due to milder than expected summer.
—State Bank of South Australia	12 528	12 528	—	—	
Total Taxation	852 125	835 739	-16 386	-1.9	
Public Undertakings					
Waterworks and Sewers	209 700	216 820	7 120	3.4	● Largely reflects higher than expected water usage and a larger than anticipated reduction in arrears of irrigation charges.
Marine and Harbors	39 000	40 007	1 007	2.6	● Reflects higher than expected grain throughput and volume of bulk handling.
Total Public Undertakings	248 700	256 827	8 127	3.3	
Recoveries of Interest					
From investments	24 000	38 612	14 612	60.9	● Reflects higher than expected levels of funds available for investment and interest rates earned on those funds. The higher level of funds available for investment was due largely to significant temporary surplus funds lodged by ETSA in early 1986 and the improvement in the Consolidated Account result above budget for the year.
Other	53 113	63 199	10 086	19.0	● ETSA/SAFA debt restructuring— offset by increased interest payments to SAFA and other State-owned financial institutions under Treasury Department (\$16.9 m). ● SAHT/SAFA debt restructuring (Concessional housing funds)—see text above (- \$4.8 m).

TABLE 1
1985-86 RECEIPTS—VARIATIONS FROM BUDGET—continued

	1985-86				Comments on major variations between Budget and Actual
	Budget \$000's	Actual \$000's	Variation on \$000's	Budget %	
Total Recoveries of Debt Services	77 113	101 811	24 698	32.0	<ul style="list-style-type: none"> ● State Bank—conversion of portion of loan to equity— no impact as State Bank correspondingly increased the payment made to the Government as a return on capital under other Departmental Fees and Recoveries—Treasurer—Miscellaneous (— \$707 000). ● Group Laundry—interest payment to Government deferred until 1986-87 due to the heavy cash demands resulting from the re-equipping program (— \$460 000). ● ETSA—debt of about \$9 million taken over by the Government in conjunction with transfer of responsibility for funding of Eyre Peninsula electricity undertakings to the Trust—offset by savings in subsidies to country electricity undertakings under Treasurer—Miscellaneous (— \$388 000). ● LGFA—reflects revised timing of capital advances to the Authority (— \$302 000).
Other Departmental Fees and Recoveries					
Treasurer					
Miscellaneous	200 557	206 297	5 740	2.9	<ul style="list-style-type: none"> ● SAFA—increased return on capital—see text above (\$8 m—an increase of \$33.7 m as part of SAHT/SAFA debt restructuring (Concessional housing funds) offset by an increased retention of surplus by SAFA of \$26 m). ● State Bank—increased return on capital—offset by reduced interest payments to the Government—refer to above comment under Recoveries of Interest (\$733 000). ● Superannuation recoups lower than expected (— \$2.4 m). ● Guarantee fees lower than anticipated (— \$251 000). ● Other minor variations (— \$337 000).
Attorney-General					
Court Services Department	11 350	12 476	1 126	9.9	<ul style="list-style-type: none"> ● Due to introduction of common fee within subordinate jurisdiction, higher than expected level of fines by Judiciary and an increase in the number of traffic infringement notices going to court.
Minister of Corporate Affairs					
Department of the Corporate Affairs					
Commission	8 387	8 952	565	6.7	<ul style="list-style-type: none"> ● Reflects higher than expected volume of registrations.

TABLE 1
1985-86 RECEIPTS—VARIATIONS FROM BUDGET—continued

	1985-86				Comments on major variations between Budget and Actual
	Budget \$000's	Actual \$000's	Variation on \$000's	Budget %	
Minister of State Development					
Miscellaneous	7 550	9 138	1 588	21.0	• Proceeds on finalisation of the Riverland Fruit Products Co-op Ltd receivership were higher than expected.
Minister of Education and Minister of Aboriginal Affairs					
Education Department	2 900	2 586	-314	-10.8	• Largely reflects lower than anticipated level of proceeds from sale of surplus equipment.
Minister of Housing and Construction and Minister of Public Works					
Miscellaneous	34 842	1 264	-33 578	—	• Reflects SAHT/SAFA debt restructuring (Concessional housing funds)—see text above.
Minister of Agriculture					
Department of Agriculture	3 712	4 278	566	15.2	• Largely reflects increased recovery from the Rural Adjustment and Development Fund for rural adjustment expenditure.
Miscellaneous	9 004	9 405	401	4.5	• Higher than expected level of repayments by primary producers of disaster loans.
Other	73 843	74 401	558	0.8	
Total Other Departmental Fees and Recoveries	352 145	328 797	-23 348	-6.6	
Territorial					
Minister of Lands and Minister of Repatriation					
Department of Lands	1 753	1 944	191	10.9	
Minister of Mines and Energy					
Department of Mines and Energy					
—Royalties	52 268	57 293	5 025	9.6	• Greater than anticipated well-head value for Cooper Basin gas and liquids production due to higher than expected levels of production and price received in \$A (because of devaluation).
—Other	1 867	2 214	347	18.6	• Largely due to mining rent received from Roxby Downs operation which was not anticipated in the Budget.
Total Territorial	55 888	61 451	5 563	10.0	

TABLE 1
1985-86 RECEIPTS—VARIATIONS FROM BUDGET—continued

	1985-86				Comments on major variations between Budget and Actual
	Budget \$000's	Actual \$000's	Variation on Budget \$000's	%	
Commonwealth					
Specific Purpose Funds					
Minister of Health					
Home and Community Care Agreement	3 052	695	-2 357	-77.2	• Reflects development and implementation of initiatives at a slower rate than was anticipated in negotiating the agreement with the Commonwealth.
Minister of Community Welfare and Minister of Aboriginal Affairs					
Home and Community Care Agreement	1 823	660	-1 163	-63.8	• The administration of the Senior Citizen's Centres program has been consolidated within the Home and Community Care program. The actual Commonwealth contribution for 1985-86 reflects those revised administrative procedures and the timing of payments.
Supported Accommodation Assistance program ..	3 079	3 696	617	2.0	• Reflects a decision by the Commonwealth and State Governments to process funding for "general homeless" through the State's Budget and supplementation.
Minister of Employment and Further Education					
Technical and Further Education	18 259	18 976	717	3.9	• Largely reflects greater than expected Technical and Further Education grant and increased funding for Adult Migrant and Pre-vocational Education programs.
Minister of Education and Minister of Aboriginal Affairs					
Primary and Secondary Education	48 400	50 798	2 398	5.0	• Increased funds for specific purpose Schools Commission programs and higher than anticipated cost supplementation for the general purpose grant component.
Minister of Agriculture					
Bovine Brucellosis and Tuberculosis Eradication .	2 274	1 697	-577	-25.4	• Lower than expected expenditure under the program in particular compensation payments for the destruction of stock.
Vine Pull	—	1 000	1 000	—	• Commonwealth Government's contribution to expenditure on new Vine Pull Scheme in 1985-86.
Other	36 280	36 937	657	1.8	
Total Specific Purpose Funds	113 167	114 459	1 292	1.1	

TABLE 1
1985-86 RECEIPTS—VARIATIONS FROM BUDGET—continued

	1985-86				Comments on major variations between Budget and Actual																												
	Budget \$000's	Actual \$000's	Variation on Budget \$000's	%																													
General Purpose Funds																																	
Health Grant	196 200	195 890	-310	0.2	<ul style="list-style-type: none"> • Reflects lower than expected population figure (as at 31 December 1985) for S.A., offset in part by higher than anticipated increase in the C.P.I. (six capitals) for the 12 months ended March 1986 on the 12 months ended March 1985. 																												
General Revenue Grants	1 072 200	1 071 371	-829	-0.1																													
					<table border="0"> <tr> <td></td> <td align="center" colspan="2">Increases</td> <td></td> </tr> <tr> <td></td> <td align="center" colspan="2">Incorporated</td> <td></td> </tr> <tr> <td></td> <td align="center" colspan="2">in the</td> <td></td> </tr> <tr> <td></td> <td align="center" colspan="2">Budget</td> <td></td> </tr> <tr> <td></td> <td></td> <td align="center">%</td> <td align="center">Actual</td> </tr> <tr> <td></td> <td></td> <td align="center">1.0</td> <td align="center">0.68</td> </tr> <tr> <td></td> <td></td> <td align="center">7.6</td> <td align="center">7.98</td> </tr> </table>		Increases				Incorporated				in the				Budget					%	Actual			1.0	0.68			7.6	7.98
	Increases																																
	Incorporated																																
	in the																																
	Budget																																
		%	Actual																														
		1.0	0.68																														
		7.6	7.98																														
Total General Purpose Funds	1 268 400	1 267 261	-1 139	-0.1																													
Total Commonwealth	1 381 567	1 381 720	153	—																													
Total Recurrent Receipts	2 967 538	2 966 345	-1 193	—																													

TABLE 2
RECURRENT PAYMENTS 1985-86

Agency	Budget 1985-86 \$000's	Actual 1985-86 \$000's	Variation \$000's	Explanation of Variation				Main Elements of 'Other Variations'
				Wage and Salary Rates \$000's	Budget Allowance for Increased Costs Other Contingen- cies \$000's	Offset by Variations in Commonwealth and Other Receipts \$000's	Other Variations \$000's	
Special Acts	130 756	137 706	6 950	362		1 061	5 527	<ul style="list-style-type: none"> • Transfer to the Highways Fund was higher than budgeted, mainly due to savings against Highways recurrent payments (\$3.4m). • The Government's contribution to the South Australian Superannuation Fund higher than expected (\$1.9m).
Legislative Council	760	774	14	15			-1	
House of Assembly	1 327	1 367	40	25			15	
Parliamentary Public Accounts Committee	193	198	5	4			1	
Parliamentary Library	372	386	14	8			6	
Joint House Committee	579	617	38	28			10	
Parliamentary Standing Committee on Public Works	73	71	-2	1			-3	
Legislature Miscellaneous	3 615	3 561	-54	0			-54	
State Governor's Establishment	605	630	25	13			12	
Premier and Cabinet	12 099	11 811	-288	113			-401	<ul style="list-style-type: none"> • Mainly reflects timing in issuing Grants for Jubilee 150 projects (-\$373 000).
Public Service Board	7 723	7 739	16	147			-131	<ul style="list-style-type: none"> • Unusually high level of vacancies (-\$165 000)
Premier Miscellaneous	256	915	659	0			659	<ul style="list-style-type: none"> • Contribution to the World Three Day Equestrian Event (\$710 000).

TABLE 2
RECURRENT PAYMENTS 1985-86—continued

Agency	Budget 1985-86 \$000's	Actual 1985-86 \$000's	Variation \$000's	Explanation of Variation					
				Budget Allowance for Increased Costs		Offset by Variations in			Main Elements of 'Other Variations'
				Wage and Salary Rates \$000's	Other Contingen- cies \$000's	Commonwealth and Other Receipts \$000's	Other Variations \$000's		
Treasury	386 500	412 582	26 082	146		29 871	-3 935	<ul style="list-style-type: none"> • Lower than expected debt servicing costs in relation to Government indebtedness to SAFA and other State-owned financial institutions (-\$3.5m). • Refunds and remissions including Liquor Industry lower than anticipated (-\$352 000). 	
Treasurer Miscellaneous	14 059	16 280	2 221	0		-527	2 748	<ul style="list-style-type: none"> • Increased transfer to the Government Insurance Fund on account of expenditure on fire damaged Government owned buildings (\$2.9m). 	
Arts	30 848	30 891	43	118	329		-404	<ul style="list-style-type: none"> • Lower than anticipated accommodation costs in respect of commissioning the Natural Sciences Block (-\$650 000). 	
Environment and Planning	25 385	26 294	909	451	252	94	112	<ul style="list-style-type: none"> • Maintenance of ex State Planning Authority reserves previously funded from the Planning and Development fund (\$280 000)—offset by a repayment by the Authority to SAFA • Compensation payments under the Native Vegetation Act were lower than anticipated (-\$310 000). • Costs associated with revised Ministerial responsibilities (\$67 000). • Higher than expected Terminal Leave payments (\$60 000). 	

TABLE 2
RECURRENT PAYMENTS 1985-86—continued

Agency	Budget 1985-86 \$000's	Actual 1985-86 \$000's	Variation \$000's	Explanation of Variation				Main Elements of 'Other Variations'
				Budget Allowance for Increased Costs		Offset by Variations in Commonwealth and Other Receipts \$000's	Other Variations \$000's	
				Wage and Salary Rates \$000's	Other Contingen- cies \$000's			
Environment and Planning Miscellaneous	795	779	-16	0			-16	
Auditor-General	3 042	2 973	-69	61			-130	• Departmental staffing level and Terminal Leave payments lower than expected.
Police	129 499	132 019	2 520	2 632	195		-307	• Attrition in the Police Force higher than anticipated resulting in salary savings (-\$759 000). • Terminal Leave payments higher than expected (\$577 000).
Emergency Services Miscellaneous	8 012	7 984	-28	0	1		-29	
Engineering and Water Supply	125 698	128 180	2 482	1 804	759		-81	
Water Resources Miscellaneous	1 761	1 803	42	19			23	
Attorney-General	10 209	10 065	-144	162			-306	• Implementation of the Justice Information System at a slower rate than provided for in the Budget (-\$241 000).
Electoral Department	2 518	2 824	306	17			289	• Requirements under the new Electoral Act increased the cost of the 1985 State Election.
Court Services	22 454	23 178	724	313	93		318	• Extra support staff to meet increased court activity (\$155 000). • A compensation payment not provided for in the Budget (\$65 000).
Attorney-General Miscellaneous	895	895	0	0			0	

TABLE 2
RECURRENT PAYMENTS 1985-86—continued

Agency	Budget 1985-86 \$000's	Actual 1985-86 \$000's	Variation \$000's	Explanation of Variation				Main Elements of 'Other Variations'
				Budget Allowance for Increased Costs	Offset by Variations in	Other Variations		
				Wage and Salary Rates \$000's	Other Contingen- cies \$000's	Commonwealth and Other Receipts \$000's	Other Variations \$000's	
Public and Consumer Affairs	16 218	16 189	-29	287		-108	-208	<ul style="list-style-type: none"> • Mainly reflects savings on various initiatives (-\$401 000), including the Licensing of Hairdressers, Regulation of Commercial Leases and Second Hand Dealers offset partly by a higher level of Liquor Licence refunds than anticipated (\$111 000).
Corporate Affairs Commission	4 479	4 133	-346	72			-418	<ul style="list-style-type: none"> • Delay in implementing E.D.P. Computer system, pending an assessment of similar systems introduced by interstate counterparts (-\$396 000).
Lands	30 541	31 680	1 139	561			578	<ul style="list-style-type: none"> • Maintenance costs associated with the Department's aircraft engines beyond amount budgeted (\$170 000). • Terminal Leave exceeded budget estimate (\$200 000). • Establishment of the Minister of Land's Office including the transfer of resources (\$115 000). • Additional resources to cope with the high levels of real estate activity early in the period (\$65 000).
Lands Miscellaneous	318	317	-1	0			-1	

TABLE 2
RECURRENT PAYMENTS 1985-86—continued

Agency	Budget 1985-86 \$000's	Actual 1985-86 \$000's	Variation \$000's	Explanation of Variation				Main Elements of 'Other Variations'
				Budget Allowance for Increased Costs	Offset by Variations in	Other Variations \$000's		
				Wage and Salary Rates \$000's	Other Contingen- cies \$000's	Commonwealth and Other Receipts \$000's		
Marine and Harbors	23 794	25 346	1 552	345	30	687	490	<ul style="list-style-type: none"> • Dredging fleet workforce being engaged on maintenance projects during maintenance of dredge (\$220 000)—offset by reduced capital expenditure. • Removal of silt at O'Sullivan's Beach (\$38 000). • Repairs to the container crane (\$45 000). • Terminal Leave exceeded estimate (\$50 000).
Marine Miscellaneous	1 580	1 565	-15	0			-15	
Health Miscellaneous								
—S.A. Health Commission	526 183	550 350	24 167	19 309	4 817		41	
—Home and Community Care Program ..	3 779	549	-3 230	0			-3 230	<ul style="list-style-type: none"> • The development and implementation of initiatives progressed at a slower rate than was anticipated in negotiating the agreement with the Commonwealth.
—Special Grants	651	759	108	0			108	
—Port Pirie lead decontamination	2 810	1 975	-835	16			-851	<ul style="list-style-type: none"> • The program proceeded at a slower rate than expected.
Community Welfare	84 573	84 619	46	681	30	-414	-251	<ul style="list-style-type: none"> • Water and Sewer Rate concessions (-\$109 000) and Children's Payments (-\$170 000) lower than anticipated. • Higher Terminal Leave payments (\$122 000).

TABLE 2
 RECURRENT PAYMENTS 1985-86—continued

Agency	Budget 1985-86 \$000's	Actual 1985-86 \$000's	Variation \$000's	Explanation of Variation				Main Elements of 'Other Variations'	
				Budget Allowance for Increased Costs		Offset by Variations in Commonwealth and Other Receipts \$000's	Other Variations \$000's		
				Wage and Salary Rates \$000's	Other Contingen- cies \$000's				
State Development	16 686	15 743	-943	55	160		-1 158	<ul style="list-style-type: none"> ● Claims made under the newly established S.A. Development Fund were lower than expected (-\$945 000). 	
State Development Miscellaneous	11 497	9 365	-2 132	9			31	-2 172	<ul style="list-style-type: none"> ● Mainly reflects direct payments by the Receiver of Riverland Products to Berrivale Fruit Juices in lieu of payment through the Consolidated Account (-\$2.0m)—offset by an equivalent decrease in the level of receipts. ● Berri Fruit Juices marketing plan payment deferred to 1986-87 (-\$250 000).
Technical and Further Education	97 750	101 632	3 882	1 840			1 700	342	<ul style="list-style-type: none"> ● Terminal Leave payments greater than expected (\$306 000).
Office of the Ministry of Technology	1 012	1 009	-3	17			70	-90	
Transport	28 824	29 092	268	273	43			-48	
Highways	27 319	24 331	-2 988	430				-3 418	<ul style="list-style-type: none"> ● The level of works undertaken against Commonwealth funds and other funding sources were greater than anticipated (-\$3.1m). ● Terminal Leave payments exceeded estimate (\$300 000). ● Deferrment of planned minor works (-\$300 000) and some consultancy contracts let later than planned (-\$300 000).

TABLE 2
RECURRENT PAYMENTS 1985-86—continued

Agency	Budget 1985-86 \$000's	Actual 1985-86 \$000's	Variation \$000's	Explanation of Variation				Main Elements of 'Other Variations'
				Budget Allowance for Increased Costs		Offset by Variations in Commonwealth and Other Receipts \$000's		
				Wage and Salary Rates \$000's	Other Contingen- cies \$000's			
Services and Supply	10 597	10 852	255	204	129		-78	
Transport Miscellaneous —State Transport Authority	83 796	81 400	-2 396	2 145			-4 541	<ul style="list-style-type: none"> • A carried forward balance of funds on hand at 30 June 1985 was not reflected in the Budget (-\$3.1m). • Increased revenue receipts from traffic operation, investments and other sundry items (-\$1.4 m). • Higher interest payments on borrowed funds (\$800 000). • Costs associated with the introduction of the Busway and other new services (\$300 000). • Other payments lower than expected (-\$1.1m) including Third Party insurance (-\$320 000), long service leave (-\$200 000), fuel and power costs (-\$150 000).
—Other	931	872	-59	0			-59	
Mines and Energy	17 965	17 438	-527	252			-779	<ul style="list-style-type: none"> • Mainly reflects savings in operating costs which resulted from delays in acquiring a geotechnical computing system (-\$506 000), and drilling and engineering expenditure being lower than budgeted (-\$143 000).

TABLE 2
RECURRENT PAYMENTS 1985-86—continued

Agency	Budget 1985-86 \$000's	Actual 1985-86 \$000's	Variation \$000's	Explanation of Variation				
				Budget Allowance for Increased Costs Wage and Salary Rates \$000's	Other Contingen- cies \$000's	Offset by Variations in Commonwealth and Other Receipts \$000's	Other Variations \$000's	Main Elements of 'Other Variations'
Education	638 065	656 141	18 076	12 788	793	1 799	2 696	<ul style="list-style-type: none"> • Additional expenditure due to there being one more school week than anticipated in the Budget (\$2m). • Extra Teaching staff provided in schools (\$400 000). • Upgrading of accounting systems (\$510 000).
Office of Aboriginal Affairs	516	842	326	4			322	<ul style="list-style-type: none"> • Reflects funding for the Pitjanjatjara Road Maintenance Program (\$350 000)—offset by savings on capital.
Education Miscellaneous	43 118	43 124	6	58			-52	
Children's Services Office	34 131	34 895	764	627	125	299	-287	<ul style="list-style-type: none"> • Net salary savings (-\$129 000) due to delays in filling new positions. • Lower than anticipated Terminal Leave payments (-\$46 000).
Housing and Construction	44 302	45 352	1 050	413	46		591	<ul style="list-style-type: none"> • Costs associated with transportable classrooms—offset by reduction in Capital (\$250 000). • Terminal leave higher than estimate (\$230 000).
Public Works Miscellaneous	37 330	34 522	-2 808	0			-2 808	<ul style="list-style-type: none"> • Debt restructuring of S.A.H.T./State Bank Concessional Housing program (-\$5.3m). • Interest rate subsidy to Building Society borrowers (\$2.6m).

TABLE 2
RECURRENT PAYMENTS 1985-86—continued

Agency	Budget 1985-86 \$000's	Actual 1985-86 \$000's	Variation \$000's	Explanation of Variation				Main Elements of 'Other Variations'
				Budget Allowance for Increased Costs		Offset by Variations in		
				Wage and Salary Rates \$000's	Other Contingen- cies \$000's	Commonwealth and Other Receipts \$000's	Other Variations \$000's	
Labour	43 962	42 731	-1 231	235			-1 466	<ul style="list-style-type: none"> • Carryover commitments from 1984-85 by State Government agencies for C.E.P. employment projects were lower than anticipated (-\$465 000). • Implementation of 'YES' employment programs did not incur anticipated expenditure (-\$352 000). • Number of eligible applications under the Self-Employment Venture Scheme were below expectation (-\$160 000). • Delays in implementation of Worker's Compensation Act review pending legislative changes (-\$154 000).
Correctional Services	34 123	33 378	-745	593	43		-1 381	<ul style="list-style-type: none"> • Commissioning of the Adelaide Remand Centre occurring later than provided for in the Budget (-\$1.1m). • Savings on plant and equipment (-\$198 000).
Correctional Services Miscellaneous	355	478	123				123	<ul style="list-style-type: none"> • Grant to Offenders Aid Rehabilitation Service was increased during the year in order to eliminate operating deficits to 30 June 1986 (\$143 000).
Tourism	9 168	9 179	11	76			-65	

TABLE 2
RECURRENT PAYMENTS 1985-86—continued

Agency	Budget 1985-86 \$000's	Actual 1985-86 \$000's	Variation \$000's	Explanation of Variation					
				Budget Allowance for Increased Costs		Offset by Variations in Commonwealth and Other Receipts \$000's		Other Variations \$000's	Main Elements of 'Other Variations'
				Wage and Salary Rates \$000's	Other Contingen- cies \$000's				
Local Government	21 015	21 509	494	269	24		201	• Terminal Leave payments higher than estimate (\$152 000).	
Agriculture	36 617	39 315	2 698	914	770	1 293	-279	• Savings against budget under the Bovine Brucellosis and Tuberculosis Eradication Scheme, in particular compensation payments for the destruction of stock (-\$307 000).	
Agriculture Miscellaneous	11 343	11 102	-241	52			-293	• Subsidy paid to the Barley Board for barley purchased and bagged in S.A. was lower than estimated (-\$195 000).	
Fisheries	4 645	5 101	456	63	129	38	226	• State contribution towards an approved C.E.P. project to create an artificial reef at Whyalla (\$139 000). • Costs associated with monitoring toxic spills in the Port and Murray Rivers (\$50 000). • Terminal Leave payments exceeded estimate (\$50 000).	
Recreation and Sport	5 912	5 943	31	43	20		-32		
Total	2 875 938	2 955 350	79 412	49 070	8 788	35 894	-14 340		

TABLE 3
CAPITAL RECEIPTS 1985-86
VARIATIONS FROM BUDGET

Agency	Budget	Actual	Variation	Main Explanation of Variation
	\$'000	\$'000	\$'000	
Receipts from State Sources				
Police	3 895	3 414	-481	Lower receipts from sales of motor vehicles.
Engineering and Water Supply	12 110	17 462	5 352	Additional receipts from property sales and repayment of working capital.
Lands	2 750	2 428	-322	Land sales lower than anticipated.
Health Commission	130	4 905	4 775	Repayment of advances to Central Linen Service.
Electricity Trust of S.A.	—	19 260	19 260	Repayment of advances.
Housing and Construction—				
Education Department Buildings	2 675	1 998	-677	Lower receipts from sales of land.
Other Government Buildings	3 645	6 951	3 306	Sale of Frozen Food Factory and other property.
S.A. Housing Trust	1 105	—	-1 105	Account transferred to SAFA.
All Others	11 410	10 869	-541	
	<u>37 720</u>	<u>67 287</u>	<u>29 567</u>	
Receipts from the Commonwealth for Specific Purposes				
Engineering and Water Supply—				
River Torrens Works	1 380	1 000	-380	Expenditure on works less than expected.
Technical and Further Education—				
Plant and Equipment	1 400	1 730	330	Additional purchases of equipment.
Housing and Construction—				
Education Department Buildings	15 435	14 320	-1 115	Receipts less than expected.
Recreation and Sport—				
National Sports Facilities	1 070	579	-491	Non-availability of grant—receipt deferred to 1986-87.
All Others	32 495	31 875	-620	
	<u>51 780</u>	<u>49 504</u>	<u>-2 276</u>	

TABLE 4
CAPITAL EXPENDITURE 1985-86
VARIATIONS FROM BUDGET

Agency	Budget	Actual	Variation	Main Explanation of Variation
	\$'000	\$'000	\$'000	
Premier and Cabinet	2 000	755	-1 245	Delays in Bicentennial Commemorative projects.
Treasurer	15 000	18 000	3 000	Provision of working capital.
Arts	2 559	148	-2 411	Provision for Entertainment Centre transferred to Tourism.
Police	10 871	9 900	-971	Delay in communications equipment and motor vehicle purchases.
Woods and Forests	8 000	3 000	-5 000	Increased revenue from sales and delays in re-forestation program.
Marine and Harbors	16 700	18 387	1 687	Progress on Lincoln Cove Development faster than expected.
Health Commission	28 814	24 900	-3 914	Delays to major projects including Lyell McEwin and Wallaroo.
State Development	—	6 405	6 405	Purchase of ship-lift at Port Adelaide.
Highways	18 150	21 373	3 223	Increased allocation to Highways Fund to cover delay in receipt of Commonwealth funds.
State Transport Authority	33 700	36 700	3 000	Overestimation of receipts of Commonwealth funds.
Mines and Energy	2 950	1 702	-1 248	Delay in ordering geotechnical computer.
Housing and Construction:				
Office of Housing	144 500	149 500	5 000	Progress on housing program greater than anticipated.
Technical and Further Education Buildings				
.....	11 428	12 884	1 456	Progress on Port Augusta College of TAFE more rapid than expected.
Children's Services Buildings	4 220	2 986	-1 234	Delays in commencement of Child Care Centres.
Tourism	3 537	2 643	-894	Delay in ordering equipment for Convention Centre.
Agriculture	1 400	9 858	8 458	Advance to Rural Assistance Fund and payments under Natural Disasters Relief Scheme not included in Capital budget.
Recreation and Sport	4 800	3 362	-1 438	Commencement of Hockey complex delayed.
All Others	180 371	179 211	-1 160	
	<u>489 000</u>	<u>501 714</u>	<u>12 714</u>	

TABLE 5
AVERAGE EMPLOYMENT 1985-86

Department	Budget	Outcome	Outcome by Category of Employment			
			Public Service Act	Weekly Paid	Other	Major Non-Public Service Act
Premier and Cabinet	160.5	162.1	119.3	2.0	40.8	—
Public Service Board	199.4	194.0	187.2	—	6.8	—
Treasury	295.1	270.7	266.6	2.9	1.2	—
Arts	181.5	193.1	139.8	49.2	4.1	—
Environment and Planning	742.8	740.4	480.6	204.1	55.7	—
Auditor-General	86.5	82.6	81.6	—	1.0	—
Police	3 884.8	3 890.3	413.5	78.2	2.8	3 395.8
E. & W. S.	4 811.0	4 801.6	1 573.6	3 195.7	32.3	—
Attorney-General	207.9	200.9	192.0	—	8.9	—
Court Services	574.5	574.4	407.9	10.7	155.8	—
Electoral	18.0	20.7	14.3	—	6.4	—
Public and Consumer Affairs	462.0	448.3	443.3	3.1	1.9	—
Corporate Affairs	106.1	100.9	100.2	—	0.7	—
Lands	939.5	935.0	910.4	22.4	2.2	—
Marine and Harbors	788.5	770.6	265.1	505.2	0.3	—
Woods and Forests	1 426.5	1 391.7	253.6	1 138.1	—	—
Community Welfare	1 166.5	1 155.3	1 073.2	52.0	30.1	—
State Development	68.5	68.1	66.3	0.7	1.1	—
Ministry of Technology	20.5	20.9	20.5	—	0.4	—
Technical and Further Education	2 444.0	2 486.4	554.1	425.4	—	1 506.9
Transport	524.8	522.6	504.5	3.4	14.7	—
Highways	2 734.5	2 740.6	950.9	1 702.5	87.2	—
Services and Supply	860.6	843.0	601.0	219.5	22.5	—
Mines and Energy	421.8	416.6	292.3	120.5	3.8	—
Education	18 151.0	18 343.6	860.4	—	2 545.3(a)	14 937.9
Children's Services Office	892.6	916.5	—	—	—	916.5
Housing and Construction	2 157.3	2 103.0	811.6	1 227.0	64.4	—
Labour	394.1	387.0	354.5	14.8	17.7	—
Correctional Services	941.5	912.9	892.2	10.5	10.2	—
Tourism	123.7	124.3	116.4	2.0	5.9	—
Local Government	360.5	357.3	286.4	68.0	2.9	—
Agriculture	1 109.0	1 094.4	878.3	214.3	1.8	—
Fisheries	97.5	106.5	101.7	4.8	—	—
Recreation and Sport	71.1	71.9	66.6	5.2	0.1	—
TOTALS	47 424.1	47 448.2	14 279.9	9 282.2	3 129.0	20 757.1

These employment levels comprise all departmental employees, including those funded from sources outside the Consolidated Account e.g. Trust Funds.

Average employment is the sum of actual employment levels at regular time intervals (months or pay days) divided by the number of intervals (12 months or 26 pay days).

All numbers quoted above are expressed in full-time equivalents. The full-time equivalent of a number of employees is the estimated number of full-time personnel whose total work hours per week would be the same as that of existing full-time and part-time employees.

(a) Includes Weekly Paid employees and School Assistants.

ATTACHMENT IV

DEVELOPMENTS IN COMMONWEALTH-STATE FINANCIAL RELATIONSHIPS

The purpose of this attachment is to summarise some recent developments in Commonwealth-State financial relations and their implications for South Australia.

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 1986-87'.

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	16.2	14.1	7.8	5.8
1984-85	14.9	8.6	8.0	2.1
1985-86	11.1	6.6	3.8	-0.4
1986-87 (e)	7.5	5.5	0.6	-1.3
Increase over 9 years	216.0	118.0	50.0	4.0

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

(b) That is, after allowing for the estimated effects of inflation. The method of 'deflation' based on the implicit price deflator for non-farm GDP, being the same method as used in the table on page 347 of Commonwealth Budget Paper No. 1 1986-87.

(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 nine years, payments to the States have consistently grown more slowly than other Commonwealth outlays and the real level of payments to the States in 1986-87 will be at only a slightly higher level than it was eight years ago.

This trend is expected to continue in 1986-87, with payments to the States estimated to fall by 1.3 per cent in real terms, compared with a small increase for all other Commonwealth outlays.

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	68.0	32.0
1983-84	68.3	31.7
1984-85	69.5	30.5
1985-86	70.3	29.7
1986-87 (b)	70.7	29.3

(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)	11.4	62	6.9	38
1984-85 (a)	12.0	61	7.8	39
1985-86 (a)	12.9	61	8.2	39
1986-87 (a)(b)	13.7	62	8.5	38

(a) So-called 'identified health grants' and amounts nominated by the State 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. The estimates for 1986-87 show little change over 1985-86.

South Australia's Share of Total Commonwealth Payments to the States

The following table shows that, in recent years, there has been a decline in South Australia's share of total Common-

wealth payments to the States. Although a decline of (say) 1 per cent in that share may not appear large, it is equivalent to over \$200 million.

Commonwealth Payments to South Australia —Share of Six States' Total

	Payments to Six States (1) \$ million	Payments to South Australia (a) (2) \$ million	(2) as a Proportion of (1) %
1975-76	8 357	951	11.4
1982-83	15 690	1 723	11.0
1983-84	17 909	1 908	10.7
1984-85	19 453	2 110	10.8
1985-86	20 732	2 183	10.5
1986-87 (b)	21 876	2 291	10.5

(a) Net basis—ie. after deducting principal repayments on Commonwealth loans to the States.

(b) Budget estimates.

This reduction reflects a number of factors, including:—

- implementation of recommendations of the Commonwealth Grants Commission in relation to general revenue grants;
- a very large reduction in the State Government Loan Council programs (including capital grants), in which area South Australia receives a particularly high share of the funds;
- a phased reduction in South Australia's share of housing grants.

General Revenue Grants

General revenue grants are by far the most important of the various forms of Commonwealth payments to the States (representing about 56 per cent of the total of such payments in 1986-87). 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 1985-86 were explained in Attachment IV to last year's Financial Statement and corresponding material in earlier years. There have been no subsequent changes in the arrangements.

Loan Council

Important changes have taken place in this area in recent years.

The corresponding Attachment in the Financial Statements for 1983-84 and 1984-85 outlines the various regulatory decisions taken by Loan Council in 1982, 1983 and 1984 which had been supported, without qualification, by South Australia. Further changes made at the May 1985 and June 1986 meetings of Loan Council were of a relatively minor nature.

Under current arrangements, all forms of financing by semi-government authorities (including for example, lease transactions, deferred payment schemes and the like) rather than merely their 'conventional' borrowings have been brought within the purview of Loan Council under a voluntary system of 'global limits'. Borrowings by or for government-owned companies (such as South Australian Oil and Gas Corporation) are also included. At the June 1986 meeting it was decided to extend the coverage of this limit to include borrowings by the State Governments themselves (other than the approved Loan Council programs as shown in the table below).

The following table summarises the borrowing programs for the State, semi-government and local authorities in 1986-87 and compares that new money with actual borrowings (including 'off Loan Council' financings) in the three preceding years.

South Australia New Money Borrowing Programs

	1982-83	1983-84	1984-85	1985-86	1986-87
State Government					
Loan Council Borrowings (a)	119.3	127.6	135.9	131.2	100.9
Capital Grants	59.6	63.8	67.9	72.7	56.0
'Off Program' Financings (b)	55.0	169.7	5.5	—	—
	233.9	361.1	209.3	203.9	156.9
Semi and Local Government Authorities and Government Owned Companies—Loan Council Programs as Approved					
Electricity Trust	177.3	64.0	3.7	140.0	15.0
SAFA and Other Authorities (c)	52.9	85.5	358.2	214.5	289.0
Local Authorities (d)	19.7	24.0	131.1	45.5	46.0
	249.9	173.5	493.0(e)	400.0(e)	350.0(f)
'Off Program'					
Government Owned Companies	105.5	42.2	—	—	—
Other	33.9	95.7	—	—	—
	139.4	137.9	—	—	—
Aggregate for Government and Authorities	623.2	672.5	702.3	603.9	506.9

(a) Includes amounts nominated for welfare housing on concessional terms.

(b) Excluding borrowings by the Government from SAFA.

(c) Comprises borrowings by or on behalf of all semi-government authorities other than ETSA.

(d) Includes amounts borrowed by LGFA.

(e) These are the global limits applying to all forms of financing by semi-government authorities and government owned companies.

(f) This is the global limit applying to all semi-government authorities and government-owned companies and, following a decision of the June 1986 Loan Council meetings, borrowings by the Government itself other than its approved Loan Council programs shown above.

Although the aggregate new money borrowing capacity of the State public sector in 1986-87 will be substantially less than in previous years, it is adequate, especially when taken in conjunction with the flexibility available to the State as a result of the structure and operations of the South Australian Government Financing Authority (SAFA), to meet the State's requirements in 1986-87.

One of the functions of Loan Council, under the Financial Agreement, is to formally determine 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 most recent years as shown in the following table:—

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

	Money Terms	'Real' Terms (a)
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	-0.3
1984-85	+6.5	—
1985-86	—	-7.0
1986-87	-23.0	-28.0

(a) 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 nominated the whole of its borrowing programs in 1983-84, 1984-85 and 1985-86 under these arrangements and has done so again with respect to its 1986-87 program of \$100.9 million. The Commonwealth had indicated at the May 1985 meeting of Loan Council that the proportion of the program which may be nominated in this way would be reduced to 60 per cent in 1986-87 and 30 per cent in 1987-88 (with the position beyond then not stated). At the June 1986 meeting the Commonwealth agreed to representations by this State that this reduction not take place in 1986-87 with respect to those States (namely Western Australia and South Australia) which had been nominating 100 per cent of their programs. The position to apply in 1987-88 and subsequent years has not been determined. The large reduction which has occurred in the level of the programs which may be nominated for concessional funding in this way, and the threat of a reduction in the proportion which may be nominated, is of very great concern to the State given the crucial importance of the public housing program, in terms of both welfare needs and the building and related industries.

Specific Purpose Payments

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

In 1986-87, 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			
	1985-86	1986-87 (a)	Percentage
	\$ million	\$ million	Increase
Education	344.7	356.4	3.4
Health	119.9	126.7	5.7
Housing	63.7	64.1	0.6
Roads	97.3	97.3	—
Local Government	46.1	49.9	8.2
Employment Creation	22.7	15.9	-30.0
Rural Purposes	10.5	19.7	87.6
All Other	55.7	70.8	27.1
Total	760.6	800.8	5.3

(a) Estimates are as included in the Commonwealth's Budget papers and do not in all cases coincide with amounts expected by the State.

These payments are made available under a wide variety of arrangements between the Commonwealth and the States, some formalised in Agreements but the majority not. Details of these arrangements can be found in Commonwealth Budget Paper No. 7 and the reports of individual State agencies and are not given here.

The overall increase of 5.3 per cent represents a decline of about 1.5 per cent in real terms. There are particularly severe reductions, in real terms, in the important areas of Education, Housing and Roads.

Concluding Comment

There have been no significant changes in the structure of Commonwealth-State financial relationships in recent years. What has emerged, however, is a reduction in real terms in the overall level of Commonwealth payments to the States, requiring substantial adjustment in State budgets.

ATTACHMENT V
TRANSFERS OF FUNCTIONS

Transfers of functions and staff which have taken place since the last Budget was presented on 29 August 1985. These changes are reflected in the Estimates of Receipts and the Estimates of Payments.

Function	From	To	Staff (FTE)	Comments
Ministerial Officers	Various Departments	Various Departments	4	Resulting from the July 1985 variations to Ministerial portfolios. Transfer of staff engaged on water resources projects.
Water Resource Investigations	Mines & Energy	Engineering & Water Supply	2	
Office of Employment & Training	Labour	New Agency	108	Establishment of Office in conjunction with establishment of new Ministry of Employment and Further Education.
Youth Bureau	Labour	Local Government	10.5	To consolidate with agency responsible to Minister of Local Government and Youth Affairs.
Staff of the Road Traffic Board	Highways	Transport	8	Due to the abolition of the Road Traffic Board and consolidation of remaining activities in the Road Safety Division of the Department of Transport.
Office of the Ombudsman	Premier & Cabinet	Attorney-General's	9.5	Resulting from changes in Ministerial responsibility in February 1986.
Office of the Commissioner for Equal Opportunities	Premier & Cabinet	Public & Consumer Affairs	14	Resulting from changes in Ministerial responsibility in February 1986.
Office of Aboriginal Affairs	Community Welfare	Education	6	Resulting from changes in Ministerial responsibility in December 1985.
S.A. Government Financing Authority	Treasury	S.A. Government Financing Authority	13	To separately identify staffing levels in the S.A. Government Financing Authority.
Department of Personnel and Industrial Relations	Public Service Board	New Agency	141.3	
Office of the Government Management Board	Public Service Board	New Agency	23.8	Changes associated with the proclamation of the new Government Management and Employment Act.
Staff associated with the implementation of the Treasury Accounting System & the Software International General Ledger System	Public Service Board	Treasury	4	
Co-ordination of Human Services Project Staff	Public Service Board	Premier & Cabinet	3	

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

ROAD TRAFFIC ACT AMENDMENT BILL (No. 2)

Returned from the Legislative Council without amendment.

SITTINGS AND BUSINESS

The Hon. D.J. HOPGOOD (Deputy Premier): I move: That the House at its rising adjourn until Tuesday 16 September.

Motion carried.

MINISTERIAL STATEMENT: DTX AUSTRALIA LIMITED

The Hon. LYNN ARNOLD (Minister of State Development and Technology): I seek leave to make a statement. Leave granted.

The Hon. LYNN ARNOLD: In giving this ministerial statement I apologise to Opposition members that no copy is available. The statement is a further response to the question asked by the Deputy Leader of the Opposition at the beginning of Question Time. I have received some further information. I can advise of a number of factors about the situation. Questions are being asked by my department regarding the unpaid invoices referred to by the Deputy Leader, but certain other matters have come to my attention that I should share with members.

First, I have been advised that about a month ago, as a result of unpaid group tax in Western Australia, a petition to wind up the DTX was taken out but that then resulted in discussions and a successful resolution of the matter. The case was regarded as resolved, and I understand that the petition to wind up was not proceeded with. I can further advise that, as a result of the inquiries relating to Mr Blom being an undischarged bankrupt in another country (namely, South Africa), that has precluded him from being a director of the company, and I am advised that he is no longer a director of the company.

Furthermore, I can say that no money has been paid out of the State Development Fund to DTX. As normally applies with incentives provided under the South Australian Development Fund, they are performance-based incentives and paid only on the actual achievement of results that have been set down in the incentive payments. At this stage no money has been paid from the State Development Fund, nor will it be paid until certain employment levels as promised have been achieved.

About two months ago, Mr Blom visited the Department of State Development to seek further assistance, and on that occasion officers of the department said that further assistance was most unlikely and pointed him towards conventional sources of investment finance, including such places as AIDC. At the same time, they asked for details of DTX's current trading figures and, as that information was not forthcoming, a follow-up telex request was made, to which no response has yet been received.

Finally, I advise members of the nature of the incentives that were indicated might be payable to DTX as a result of the Industries Development Committee's report to the Government. The amount approved was \$500 000 and was promised upon a projected capital expenditure by DTX of \$5 million and upon a projected increase in employment by

DTX in South Australia of 140 people. The purpose of the grant was for a relocation to South Australia and expansion to produce computer hardware. As further information becomes available, I will advise the House accordingly.

STATUTES AMENDMENT (PAROLE) BILL

The Hon. M.K. Mayes, on behalf of the Hon. FRANK BLEVINS (Minister of Correctional Services), obtained leave and introduced a Bill for an Act to amend the Correctional Services Act 1982, the Criminal Law Consolidation Act 1935 and the Justices Act 1921. Read a first time.

The Hon. M.K. MAYES: I move:

That this Bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

This Bill proposes amendments to the Correctional Services Act 1982, the Criminal Law Consolidation Act 1935 and the Justices Act 1921. The amendments deal with aspects of the parole and remissions systems currently operating in this State.

The legislation dealing with parole was significantly amended in 1983. The changes resulted in a greater degree of certainty in the parole system. Under the present system parole is not available for sentences of less than 12 months duration. The Correctional Services Act 1982 provides for courts to determine non-parole periods at the time of sentencing. At the expiration of the non-parole period less any remissions for good behaviour, a prisoner is automatically released on parole on conditions set by the Parole Board. The conditions of parole must be observed for the duration of the parole period, i.e. up to the expiration of the head sentence. Failure to comply with parole conditions can result in cancellation of parole for a period up to three months.

Under the current legislation a maximum of 15 days remission of sentence for good behaviour can be earned each month. Remissions are not credited where a prisoner's behaviour has been unsatisfactory except where such behaviour can be dealt with under any other provision of the Correctional Services Act or any other Act or law.

The major strength of the current system is that the function of imposing a sentence and determining the limits of the sentence is within the hands of the court system. One consequence of the new scheme has been an increase in the non-parole periods set by the courts. In fact for most serious offences such as murder, non-parole periods have increased significantly. Despite the general increases in the periods being served by prisoners, there has been criticism of the leniency of some sentences. Where it has been considered appropriate the Government has instituted appeals against inadequate sentences.

The new parole system has gained general acceptance among parole officers, prisoners, parolees and correctional officers. The Department of Correctional Services has been able to adopt a systematic approach to sentence planning and management of prisoners.

The Government acknowledges that the whole area of parole and remissions is complex with consideration needed of many factors including protection of the community, community faith in the sentencing process, prison management and the rehabilitation of prisoners.

The Government recognises the community's concerns in the area and has undertaken a review of certain aspects of

the existing system. Before the December 1985 election, the Government announced that it would amend the relevant legislation:

- (1) to give courts greater power to decline to set a non-parole period;
- (2) to give courts wider powers to extend non-parole periods; and
- (3) to ensure that remissions are lost if prisoners are guilty of other offences or misbehaviour while in prison.

The Bill currently before Parliament seeks to address community concerns and is in accordance with the policy commitments made prior to the election.

Many of the complaints from the community regarding parole stem from the difference between the head sentence imposed and the actual time of release of the prisoner. Nevertheless, the courts are charged with responsibility for the sentencing process and as part of that process the judiciary determines the time a prisoner will spend in prison and the time the prisoner will spend in the community under supervision. One problem which has arisen in this area is the effect of remissions on the sentences imposed by courts. The intention of the original legislation was that the court would take into consideration the remissions a prisoner can earn on his or her non-parole period when determining sentences. However, the courts have taken the view that the Judge is precluded by law from taking into account the likelihood of good behaviour remissions during the sentencing process. The new Bill specifically addresses this problem and provides for an amendment to the Criminal Law Consolidation Act to empower Judges to consider the effect of good behaviour remissions during the sentencing process.

The Bill also provides for the Correctional Services Act to be amended so that when crediting remissions the Permanent Head is no longer precluded from taking into account unsatisfactory behaviour which is likely to be dealt with under other provisions of the Correctional Services Act or any other Act or law. This amendment will remove the seeming anomaly whereby prisoners can continue to earn good behaviour remissions even though they have further breached the law.

Under the proposed amendments, the reasons for a court to decline to set a non-parole period are specified. The court may decline to set a non-parole period if it considers it would be inappropriate to do so by reason of the gravity of an offence, the criminal record of the person, the behaviour of the prisoner during any previous period of parole and other reasons thought to be sufficient by the court. Further, courts will be given a greater power to extend non-parole periods on the application of the Crown. In reviewing the non-parole periods the courts will continue to look at factors such as the likely behaviour of the prisoner if he was to be released and the behaviour of the prisoner while in prison. In addition, the court will be required to have regard to the question of protecting the public. However, it will no longer be necessary for the Crown to prove that the release of a prisoner would endanger a person or the public generally.

The Bill also provides for a dual system of cancellation of parole. At present section 74 of the Correctional Services Act provides that a person who breaches a condition of parole is liable to have the parole cancelled for a period not exceeding three months. The Bill provides for the Parole Board to designate conditions, a breach of which will result in complete revocation of parole. A breach of other parole conditions will result in cancellation of parole for a period not exceeding six months. The amendments will also enable the Parole Board to deal with a breach of conditions even

after the period of parole has expired. At this time the board can only issue a warrant for a breach of parole while the prisoner is actually on parole. Therefore, a parolee can breach conditions and avoid the consequences of the breach by absconding until the parole period has expired. In addition, the Bill provides for the release of a prisoner on parole to be subject to the condition that the prisoner shall not carry an offensive weapon without the permission of the Parole Board.

The Bill also provides that a person who commits an offence in prison during a period of cancelled parole will be required to serve the balance of the sentence in respect of which he was on parole. This will make the consequence of committing an offence in prison during a period of cancelled parole the same as for committing an offence during a period of release on parole, being an offence for which a sentence of imprisonment is imposed.

Further, the right of a prisoner to apply to a court for a non-parole period to be set has been clarified. For example, a person who commits an offence interstate while on parole to South Australia and who is extradited back to serve the balance of the South Australian sentence will now be able to apply to a court in South Australia to have a new non-parole period set even though a non-parole period had been previously fixed on the sentence. This removes the current anomaly whereby a parolee in such a situation cannot obtain a new non-parole period and so is required to serve the unexpired portion of his sentence.

The amendments to the Correctional Services Act will also allow a prisoner to elect not to be released at the expiration of a period of cancelled parole. The Parole Board has advised that some prisoners elect not to be rereleased on parole because of their unwillingness to meet parole conditions. This places the Parole Board, the parolee and the parole officer in an untenable position.

Under the current provisions of the Correctional Services Act the Parole Board is required to interview certain long-term prisoners in person when they are due for annual review and also when a prisoner is returned to prison on the cancellation of parole upon a further sentence of imprisonment. The board has sought a discretion as to personal interviews, as some prisoners refuse to be interviewed and the board has indicated that there is no benefit in forcing a prisoner to attend such interviews. Therefore, a general power has been given to the board to interview a prisoner in person at any time, with a requirement that, at the request of a prisoner, the board must interview the prisoner at least once a year.

Amendments are also proposed to the Criminal Law Consolidation Act to provide that where a sentence of imprisonment is imposed for an offence committed by a convicted person during a period of release on parole the court shall direct that the sentence is to be cumulative upon the sentence in respect of which the convicted person was on parole. This will apply to sentencing in the Supreme Court, the District Court and courts of summary jurisdiction. Such a direction may not significantly increase the period of imprisonment served by the prisoner, depending on the new non-parole period set by the court, but will increase the second period of parole the person will be required to serve. The amendment also makes it clear that the general power to order cumulative sentences applies to courts of summary jurisdiction as well as to the District Court and the Supreme Court. This is not the case under the present provision. The amendment to the Justices Act is consequential to the amendment to the Criminal Law Consolidation Act.

Clauses 1, 2 and 3 are formal.

Clause 4 provides a definition of 'designated condition' for the purposes of clause 11.

Clause 5 provides the Parole Board with a general power to interview any prisoner at any time. A prisoner may request such an interview but the board is not obliged to interview the prisoner pursuant to his request more than once a year.

Clause 6 is consequential upon clause 5.

Clause 7 amends the provision relating to the fixing of non-parole periods by the courts. Subsections (1), (2), (3) and (4) are re-enacted in simpler form. Subsection (4) provides that the obligation to fix a non-parole period still only arises where the total period of imprisonment that the prisoner is liable to serve (as at the day on which the matter is being determined by the court) is one year or more. If a prisoner's life sentence is 'reactivated' as a result of a further sentence of imprisonment being imposed by a court of summary jurisdiction for an offence committed while on parole from that life sentence, the court that imposed the life sentence is given the task of fixing (or extending) a non-parole period. The matters that a court must have regard to in deciding whether to decline to fix a non-parole period are spelt out. The court may direct the Parole Board to prepare a report on any person before the court for the purpose of the fixing or extending of a non-parole period. Where the Crown applies to a sentencing court for the extension of a non-parole period, the court must have regard to the question of whether some particular person or the public generally should be protected from the likely behaviour of the prisoner should he be released on parole, but the court may extend a non-parole period even if protection of other persons is not necessary.

Clause 8 provides a further mandatory parole condition of not possessing an offensive weapon without the permission of the board. The board is given the power to designate certain parole conditions as being conditions the breach of which will result in automatic cancellation of parole.

Clauses 9 and 10 effect consequential amendments.

Clause 11 provides for the automatic cancellation of parole if a parolee breaches a designated parole condition. The parolee must in such a case serve the balance of his sentences unexpired as at the day the breach was committed.

Clause 12 provides that a parolee may be returned to prison for breach of condition notwithstanding that, by the time the breach is proved before the board, his parole has expired or been discharged. The maximum period for which a parolee can be returned to prison by the board under this section is increased to six months. A parolee returned to prison under this section can elect to remain in prison to serve the balance of his sentence if he does not want to go through a period of parole again. If he commits an offence while in prison pursuant to this section then he must serve the balance of his sentence in prison.

Clause 13 is a consequential amendment.

Clause 14 contains some consequential amendments and also provides that the Permanent Head, when crediting remission in respect of a prisoner, can take unsatisfactory behaviour into account notwithstanding that the behaviour has been, or is likely to be, otherwise dealt with under the Act or some other Act or law.

Clause 15 is a consequential amendment. Clause 16 is formal.

Clause 17 inserts a definition of 'court' in the Criminal Law Consolidation Act, providing that the expression covers all courts except where a contrary intention is indicated.

Clause 18 provides that a court shall take the remission system into account when sentencing a person to imprisonment or in fixing or extending a non-parole period.

Clause 19 provides that a court must make a sentence of imprisonment cumulative if it is imposed for an offence committed by a person while on parole. This of course cannot apply if one of the sentences is a sentence of life imprisonment.

Clause 20 is formal.

Clause 21 makes an amendment to the Justices Act, by striking out the provision that is held to limit a court of summary jurisdiction to making only one sentence of imprisonment cumulative. The provision in the Criminal Law Consolidation Act giving a court an unfettered power to make any number of sentences cumulative now applies to courts of summary jurisdiction.

Mr BECKER secured the adjournment of the debate.

ANIMAL AND PLANT CONTROL (AGRICULTURAL PROTECTION AND OTHER PURPOSES) BILL

Adjourned debate on second reading.
(Continued from 26 August. Page 608.)

Mr GUNN (Eyre): The Opposition supports the Bill. In government, the Liberal Party was involved in the early considerations of this proposal. The measure is long overdue. As a matter of principle, we are happy to support the amalgamation of two statutory authorities into one, I hope, more efficient, more lean and more effective organisation. It is necessary to protect our agricultural industries from the effects of noxious weeds and vermin. Therefore, it has been found to be necessary to have a statutory organisation to carry out these functions. Local government has been involved on a local basis at the forefront of administering the necessary measures. Councils have spent a great deal of their time working in cooperation with the boards that operated under the old legislation. I recall that when speaking in 1975 on a similar measure on behalf of the Opposition I made a number of comments at that time and foreshadowed the Liberal Party's attitude to the measures which on that occasion were not successful.

From the outset let me say that, in government, the Liberal Party will ensure that now that we have abolished two organisations and set up a new authority it must not grow to exceed the number of personnel that we are currently employing. We do not believe that large organisations are, (a) necessary, (b) more efficient, or (c) that they act in the interests of the industries concerned. The industries affected by this legislation are those that have laid the framework for the development and prosperity of this State. It is sad that they have received such scant attention in the budget that the Premier has just presented to the House. Only some seven or eight lines in the Premier's financial statement refer to our most important export industry. I sincerely hope that this measure and others that will come before the House will be given far more attention by the Government.

The Opposition wants to be constructive in its comment on this measure. The Opposition also wants to ensure that the interests of all people concerned are taken care of—from local government to the average farmer. Many of the 77 clauses in this Bill are direct lift-outs from the previous legislation. However, the Bill does go a little further because, as I understand the arrangements, this legislation will pick up some of the responsibilities in relation to quarantine arrangements currently handled by the Commonwealth Government. I think it is absolutely essential that all mem-

bers understand how important it is to the welfare of the agricultural industry in this State that we have strong and effective quarantine laws, and that we ensure that we do not allow the import into this State or nation, animals or plants that are likely to affect any of our agricultural industries. Therefore, every care and caution should be taken in this regard.

This measure, which is fairly complicated in some of its explanations, needs some improvement. I foreshadow some amendments that I believe will improve it. The personnel structure of the proposed organisation will be similar to that which exists in many other organisations. However, it appears that it will be the policy of the Government wherever possible to involve the Department of Environment and Planning in all activities in this State. I would ask the Government to tread cautiously when allowing the Department of Environment and Planning to get involved with practical agriculture. Many of the officers are well meaning but, may I say, often misguided and not clearly cognisant of the full ramifications of their decisions. Let me say to the House that people in the rural community are most reasonable people to get along with if left to their own devices and treated with a little courtesy. The last thing that they want is to be approached, harassed or annoyed by environmental officers, particularly those dressed up in a fancy uniform and who do not know what the word 'courtesy' means.

If that is the hallmark of the proposed organisation, the officers involved will certainly not get the cooperation of farmers. Further, I note that the Local Government Association has been given the right to nominate a panel of persons. That is quite reasonable and sensible, because local government, within the incorporated area of the State, has the responsibility of nominating representatives of local organisations to run this new authority. In talking about local government, I point out that I sincerely hope that the situation does not arise in which we have two organisations administering the one authority.

If this happens, there will be State officers and local officers and the last thing that the rural community and, I believe, local government want is State officers attempting to unreasonably enforce their view upon local communities. Therefore, it is my view that the central office administering this Act would only need to be reasonably small. It should purely exist in an advisory capacity, and it would not be necessary, in my judgment, to have dual control. In relation to the other persons who will be members of this authority, the United Farmers and Stockowners Association appears to have been excluded. I admit that the Bill indicates that there must be four farmers on the authority, but there is no requirement to elect persons representing the United Farmers and Stockowners.

It is my understanding that the two bodies that had the greatest input in discussions leading up to the formulation of this legislation were the Local Government Association of South Australia, representing district councils and certain corporations, and the United Farmers and Stockowners, representing the agricultural and grazing industry in this State. It appears to me to be anomalous that the Local Government Association is named but that the United Farmers and Stockowners Organisation is not. I hope that the Minister will respond on the matter. I believe that in selecting people for the board it would be appropriate for some person from the pastoral industry to be appointed, because the authority will be administering the Act in those areas. There are a number of people who have all the experience and skills required and who could make a considerable contribution to this authority. As they also have

to work in cooperation with the Dog Fence Board, perhaps someone from that board could be involved as well.

I note in clause 27 that inspectors are given very wide powers of entry. Such powers should be handled with a great deal of care and caution; indeed, these sorts of draconian rights, which occasionally officious people can unfortunately abuse, should be handled with great care. It is my view that the amendments that I have foreshadowed and circulated will greatly improve this measure. I believe that the Parliament has to be very careful when it hands its authority to people who can invade the privacy of ordinary citizens and/or break into their homes or buildings. Clause 27 (2) requires that a person must have the authority of a warrant issued by a justice before exercising the power conferred by subsection (1) (a) or (b). We all know that it is not very difficult to get a justice of the peace to sign a warrant, and I believe that this matter ought to be given further consideration.

Of course, there are the normal provisions, which talk about hindering people. We all know what happens if a person goes onto a farm and gives fairly direct instructions: he will get certain treatment! The matter of the contribution made by councils has been brought to my attention in the past. The current arrangement provided in the legislation is that the council can be called upon to pay up to 4 per cent of its rate revenue. Clause 36 (2) provides:

The commission shall, on the basis of an estimate received from a board under subsection (1), determine in respect of the constituent council or each constituent council of that board the sum of money (if any) to be contributed by the council to the board's fund in respect of the following year.

It goes on later to say what action is available to the Minister if a council does not make that contribution. I believe that councils should have a little more say in relation to contributions made. I believe that in this matter they should be able to make a direct appeal to the Minister.

We have to be very careful when setting up these authorities that they do not become empires. It is a natural tendency for people to want to have available to them as much money as possible, so it is natural that there are disagreements. Councils, like all forms of government in this country, must be aware that taxpayers are being taxed to the very limit of not only their tolerance but also their ability to pay, and it is important to be reminded that local government is not used as a tax collecting agent for the State Government, instrumentalities or authorities. Therefore, local councils and corporations should at least have an opportunity to go to the Minister if necessary, and say that, for certain reasons, it is beyond their capacity to pay, or that they have not had meaningful discussions or someone would not listen to them. I believe that that right should exist.

The Bill could go on to say that the Minister shall set up an appeals tribunal and create another authority but, as I said earlier, we already have too many statutory authorities and organisations in this State. I am a generous fellow and will pass this matter back to the Minister in the hope that he will get someone in the department, or some other responsible person, to mediate in relation to that particular matter.

Part III of the Bill relates to the control of animals. Clause 40 gives the Governor wide powers by proclamation to do certain things in relation to moving, keeping and possessing animals. We all know that that reference to the Governor means the Minister and the Government. My colleague the member for Victoria will be having more to say about this matter and about concerns expressed to him by people who own deer and have them running free on their properties. I have been approached by people who breed goats and

who are concerned that there may be unnecessary or unreasonable restrictions placed upon them. I say to the Minister that we are all aware of the importance to ensure that undesirable types of feral animals are contained, controlled and eradicated.

However, it is important that these interest groups who are concerned about these matters be given an opportunity for full, fair and frank discussions and negotiations with the authority, and with the Minister if necessary. I understand the problems here. There are many feral animals in my electorate. It is necessary that those animals be controlled and that we make sure that we do not create other problems with domestic animals escaping, breeding and getting out of control. That is a problem. People have expressed this concern, and I believe that it is appropriate that I raise this matter here because Parliament from time to time unfortunately hands over its authority to Ministers or allows Ministers to act by proclamation or regulation, and the Parliament then has little or no say in relation to the actions that the Government takes.

Clause 44, which applies to the release of animals and refers to my comments on deer and goats, provides:

A person shall not release an animal of a class to which this section applies . . .

These clauses are very broad and give the new authority extensive powers. I hope that the Government will take up these matters as a matter of urgency with the groups concerned to ascertain whether their concerns and problems can be overcome.

The Hon. M.K. Mayes: We are.

Mr GUNN: That is good. I have raised this matter on a general basis, but the member for Victoria has some particular instances to raise later. Owners of angora goats have spoken to me in the past few days expressing concern about this matter. I appreciate and fully support all attempts to eradicate goats in the Flinders Ranges, in my area and other parts of the State, but I understand that people have been using some of the feral animals to build up their herds and I think that that has worked quite well. If that arrangement can continue, it may be of benefit to all concerned.

The Hon. M.K. Mayes interjecting:

Mr GUNN: I am pleased to see that the Minister will. This Bill contains the normal exemption of persons from liability provisions and that is reasonable, but it also contains a clause that allows officers to enter farms for the purpose of carrying out surveys. I believe that, not only is it common courtesy but also an absolute necessity that, when these officers enter properties, they should give written notice to the landholder that it is their intention to enter the property and for whatever purpose. No action will get a grazier or farmer more offside than to see a Government vehicle driving around his property, or someone driving up the driveway who has not had the courtesy to call and say where they are going and what they want to do. I hope that the Minister will give an instruction to that effect. I intend to move an amendment to that clause which, I think, will improve greatly the operation of it. I believe that the amendment will be of benefit to all concerned. I hope that the Minister, in his response, will address that matter.

The Bill is lengthy, but most of it is of a machinery nature. I do not think that the Opposition at this stage will take up any more time of the House. There are 77 clauses in the Bill and it will be necessary to raise a number of these matters in the Committee stage, when we will obtain direct responses from the Minister. At that stage I hope that some of the concerns that have been expressed can be allayed. I am pleased to see that this Bill binds the Crown, because for a long time many members in this House have

moved amendments in an attempt to bind the Crown and on those occasions it has been interesting to watch the reaction of Ministers. I suppose that the organisation that will first be affected by these provisions will be the National Parks and Wildlife Service.

I want to know what sort of direction the Minister will give to his officers in relation to the National Parks and Wildlife Service because, if ever there was a group that does not quite understand what land management is all about, I am afraid it is certain people in that organisation. I have more complaints on that topic from constituents who adjoin national parks than perhaps any other topic that is brought to my attention as a member of Parliament who represents 80 per cent of the State. I have a number of national parks in my electorate and it is essential that, if productive landholders are to be forced to comply with this provision, particularly to control rabbits and weeds, then the national parks as well as the Government have to set an example and do the right thing. Having flown regularly over the north, I know that there are real problems, but the national parks will have to carry out a program of ripping and bulldozing the burrows, as well as allowing rabbit trappers to go in there. It will also have to conduct programs involving myxomatosis and proper baiting. I sincerely hope that the Government will act with an even hand and treat the national parks in the same fashion as it treats other landholders in this State.

I sincerely hope that other Ministers agree to similar amendments in other Acts so that the national parks are made to take sensible and constructive fire prevention action. If that were the case, we would go a long way towards relieving some of the animosity that exists between that authority and the productive rural sector of this State. I have made a number of comments in relation to this matter. I have had discussions with the United Farmers and Stockowners Association and I understand that on 31 July it approached the Acting Chief of the Pest Plants Commission and made a number of recommendations. As I understand it, most of those were incorporated in the legislation, so that was a worthwhile exercise, because I believe that the widest possible consultation should take place prior to any legislation being introduced. One of the unfortunate courses of action is that, once a Bill is introduced in this House, Governments of all persuasions, even though most people outside can see the reason for an amendment, are very hesitant to accept it. I am pleased to see that course of action being adopted. Further, I understand that there have been lengthy discussions with the Local Government Association.

As I understand it, the Community Employment Program intends to make available in this period \$529 000 to create some 40 jobs in rural areas. I wonder how this money will be allocated. Will it go straight to the new authority, and will the Minister give an undertaking that it might be used in some of these national parks to rid them of rabbits and vermin? What will take place? This matter was brought to my attention in a press statement that was released by the Minister for Primary Industry (Mr Kerin) and the Minister for Employment and Industrial Relations (Mr Willis) on 20 August. The press report stated:

A campaign to control feral animals is to receive a grant of \$529 251 under the Community Employment Program (CEP). The campaign, which will create 40 new jobs in rural centres, was announced today by the Minister for Employment and Industrial Relations, Ralph Willis, and the Minister for Primary Industry, John Kerin.

Mr Willis said the Feral Animal Control Campaign has been funded under the 1985-86 Commonwealth element of the CEP and would provide worthwhile job opportunities with long-term

benefits to the Australian community as a whole, and the rural community in particular.

Mr Kerin said the campaign had been targeted to areas of high rural unemployment where high concentrations of feral animals have been identified. He added that feral animals are responsible for considerable agricultural and environmental damage. They cause livestock losses, kill native wildlife, contribute to soil erosion . . .

I shall be interested to see how much of that money comes to South Australia and where it will be spent.

This measure has been under discussion for a long time. I sincerely hope that it meets the wishes and aspirations of the agricultural industries in this State, and I wish those involved in it every success. The Opposition will be watching the administration of this new authority very closely and how it copes with some of its difficult tasks. When coming to government, we will look at this organisation as well as a number of others to ensure that they are carrying out the functions that Parliament laid down and to ensure that they are not cumbersome and that they are acting in the best interests of rural South Australia and the State as a whole, because the last thing we want to see is an excessive number of statutory authorities or boards. I sincerely hope that this organisation is efficient, lean and effective and that the sole reason for keeping it in operation is to improve and protect agriculture and to ensure that our agricultural industries are able to compete on the international market without having to deal with problems of vermin and noxious weeds. I support the second reading and look forward to the discussions in Committee.

Mr ROBERTSON (Bright): I, too, wish to support the Bill. As has the member for Eyre, I will select some clauses from the Bill that I deem to be worthy of special comment, mainly because many of them, in my view, comprehensively cover the needs of the rural industries in this State and, of course, the attendant needs of native animals and plants which we also have a brief to protect.

Clause 13 sets out the functions of the Animal and Plant Control Commission (the new body to be set up under this legislation). It has a number of roles that are worth noting. The commission is to conduct and direct research into the control of animals and plants to which the legislation applies, and that involves pest plants and pest animals, which the Bill is designed to control. Further, the commission is to collate and maintain a record of the various species and their population density and distribution within the State, and to record the effects of those pest animals and pest plants on agriculture and native animal populations. It has also to develop, implement and advise on programs of control or destruction of pest animals and pest plants. The commission will take on board the responsibility for the destruction and control of animals and plants on unalienated Crown lands. That is a problem to which the member for Eyre referred.

The damage wrought on native populations of animals and plants and, indeed, on the agricultural industry by a number of infamous pest species in this State is quite well known, but it is cause for concern for all of us that the control programs that were implemented in the past have not always worked particularly well.

I will consider the effect of some of the vertebrate pests on both the rural industries in this State and on native plant and animal populations. In my view, the hierarchy of 'bad-dies' in the effect on both agriculture and native animal and plant populations would be led by the clearance of native vegetation: that is probably the major cause of decline of native animal and plant species, and it is followed closely and in that order by cats and goats. Of course, there are other pests, such as foxes, donkeys, horses, camels, cattle,

and one or two other species which in their own right are a major cause for concern in agricultural regions.

Members would be aware that the problem of the effect of cats on wildlife is relatively new. The impact has increased even in the past few months. Research carried out in the eastern States suggests that populations of feral cats may be carriers of the deadly animal disease toxoplasmosis. Research suggests that the impact on native animal genera, such as the dasyurids, pseudomys and bandicoots and similar omnivores among our native species, is quite severe and that toxoplasmosis is a major threat. A major vector in the transmission of toxoplasmosis is the feral cat. It seems to me that one of the species we must consider controlling in the near future, and in a very finite way, is the cat. We really must get on top of that problem.

Members would also be aware of the rapid spread of rabbits into our agricultural regions in the latter half of the last century. Rabbits spread alarmingly, similar to the spread of cats and goats. The spread of rabbits caused probably more surprise at the time than did the more latter effects of feral cats and goats. I understand that wild rabbits first established themselves in the Geelong area of Victoria in the 1860s. By the 1880s they had reached the Adelaide Plains and, 10 years later, they were in the northern Flinders Ranges, courtesy of good years throughout the 1880s. Rabbits can spread with amazing rapidity. It seems that by about the turn of the century they had reached the limit of their range. However, as members would know, major disasters have occurred whenever drought situations like that of the 1930s prevailed. The rabbit population has been a bit slow to die. A population boom of rabbits, which carries over into drought years, can be alarming in terms of native vegetation, pastoral species and farmers' crops. The rabbit is another pest that must be examined closely, and we must support any measure designed to either eradicate or control rabbit populations.

People who travel in the Flinders Ranges would be aware of the problem of feral goats. I understand that the first goats were released in that region probably in the early years of this century, but they were not deemed to be a major problem until the 1950s. I recall that goats were reasonably rare in the northern Flinders Ranges as late as the early 1970s. It surprised me greatly, when I visited Wilpena early this year, to find that feral goats were alive and well, leaping around the heights of St Mary's Peak. They seem to have spread almost with catlike speed. There are effects on both domestic species of undulants, grazing animals and similar native animals that occupy the same ecological niche. We must consider control of the goat population, as well as the problem of donkeys, camels and horses—basically, the beasts used in transporting agricultural and mining produce in the latter part of the last century.

The donkey population is probably not a major problem. Donkeys have been present in the northern Flinders Ranges since the 1870s, when a few donkeys escaped from trains that hauled copper ore from Blinman and Sliding Rock down to the railheads at Parachilna and railheads on the plains west of the Flinders Ranges. Inevitably, grazing donkeys escaped and bred. Travellers in the northern Flinders Ranges would be familiar with the sight of donkeys at Nepabunna, Balcanoona, and other places.

A little further out travellers to the area see camels, but it seems that the camel problem is not as great as the donkey problem. Camels seem to be a little better adapted to survival in semi arid areas. Their hooves do not cause as much physical erosion as the hooves of donkeys, and in the main camels are probably less of a pest. But they are there, and they are capable of taking feed from sheep, cattle and other

species used for commercial purposes. We should make every effort to eliminate and control the camel population in the northern Flinders Ranges.

Clause 13 provides for the control of those animal species. Clause 13 (1) (i) makes it mandatory for the commission to implement programs devised for the control of other species, that is, native species that are also a problem to the agricultural industries at times. At the same time, one of the briefs of the commission is to control and protect native animals and plants. Thus the commission has a dual role: it must eliminate excess population numbers in species like kangaroos and wallabies at certain times, and it must protect those species of endangered status being wiped out.

Several other clauses in the Bill cover the aims of the commission. Under clause 30, the Dingo Control Fund is retained. The fund is aimed at controlling species numbers of dingoes, which are recognised to be a wild animal of Australia (but not a marsupial—as most members would know). It is necessary, particularly when dingoes co-exist with cattle, to control dingo numbers. I am sure that all efforts of the new commission will be directed to that end. Part III specifies how various populations of animal are to be controlled. Clause 41 deals with the movement of animal species throughout the State and provides that a person shall not bring a pest animal of a specified class into a control area. So, the commission can designate an area as a controlled area and control the flow of animals into that area. That clause deals with the movement of animals into prohibited areas.

Clause 42 prohibits people keeping a designated species of animal in a controlled area. So, if an area is designated as free, for example, of cats, rats or any other species, it shall be an offence to keep such animal as a pet or for any other reason in a controlled region. Clause 43 deals with the sale of such animals and provides that it shall be an offence for a person to sell such an animal that is designated a pest species. It shall also be an offence to release an animal that is a pest species. All these provisions make good sense. The penalty in most cases is \$2 000, which should prevent the flouting of this provision.

Clause 44 provides that any costs or expenses incurred by the commission in the control, capture or destruction, of any released animal can be recovered from the owner, and that is only fair. Clause 46 deals with the obligation on the landholder to notify the commissioner or the board of the presence of any designated pest species on his or her land. This provision has been picked up from the previous legislation. The landholder shall continue to be obliged to notify the control board or the commission of the presence of a pest species within seven days of having seen it and failure to do that will incur a fine of \$1 000.

Under clause 47, the owner of land within a controlled area is obliged to destroy or control, depending on which is the more practicable, all animals of a designated pest species on that land. Obviously, it is in the interests of most landholders to control such species that are a threat to their livelihood, and we have no worry that such species will be destroyed. However, if a species is designated to be a pest species, the landholder shall be obliged to control or destroy that animal population. The second part of clause 47 provides that the landholder must keep that species population under control. The landholder's obligation under the legislation is clear.

Turning to the effect on native animal populations, clause 49 provides that, if a landholder takes any measures for the control of animals other than measures specified in a notice issued by the authority, officer, that landholder shall be guilty of an offence and liable to a penalty not exceeding

\$2 000. The object of that provision is to protect the illegal killing of native animals. Anyone wishing to kill native animals must first get permission from the commission, and failure to get such permission will incur a penalty.

It remains illegal under clause 50 to lay poison or set traps for any native animals where permission to do has not first been obtained. Any landholder who controls animals by poisoning or trapping without first obtaining permission will have to face the sanctions imposed by the Bill.

Concerning the control of plants, similar provisions apply to designated pest plants under the legislation. Clause 42 prohibits the movement of designated species. This applies to the transport of pest species plants into or out of a designated areas where such species is deemed to be a pest. Sanctions are imposed against transporting any designated species of plant or any animal, plant, soil, vehicle, or farming implement that may carry the seeds or the spores of such plant species. That provision should reasonably ensure that the spread of pest plants can be contained.

The species that are being considered in this respect vary from area to area. For instance, in my part of the world saffron thistles, sapphires, sapphire thistles, burrs, scotch thistles and wild oats were the major agricultural pest species. The pest species vary from area to area, but the general aim of the legislation is to oblige landholders not to permit onto their property any machinery, plants or animals that may carry the seeds of specified species of pest plants.

Clause 53 prohibits the transporting of animals from one part of the State to another in certain circumstances. The intention of this clause is much the same as that of the previous clauses. Clause 54 prohibits the sale of plants, produce or goods that may carry such specific pest species of plants. In fact, the clause provides that a person shall not sell any animal, plant, soil, vehicle, farming implement or other produce or goods carrying a designated species of pest plant.

Clause 56, which is similar to the clause dealing with vertebrate pests, deals with the case of an owner of land within a controlled area becoming aware of the presence a prohibited species of plants on that land. Such owner must, within seven days, notify the board or the commission of the presence of such plants. Clause 57 imposes a similar obligation on the landowner to control or destroy a species of plant that is designated to be a pest species, and this, too, is parallel to the provision dealing with vertebrate pests. The emphasis throughout is on the obligation of the landowner to control pest plants on his property. Where this is not done and where the commission or a control board must eradicate the plants concerned on his land, the board, under clause 58, has the right to recover any costs or expenses incurred from the owner of the land if he does not undertake to control or eliminate such pest plants.

Clause 60 provides that the board may recover costs of controlling plants on road reserves from the owners of adjoining land. It is clear from the legislation that the obligation lies with the landholder adjacent to the road reserves to control pest species on the reserve.

In Part V of the Bill, clause 61 deals with the various exemptions that may be made by the commission. These provisions are not as draconian as the member for Eyre might have us believe. There is considerable scope under the Bill for persons to be exempted under certain conditions in relation to various parts of the legislation. In fact, clause 63 should be a positive help to landowners because it imposes various sanctions on people who leave gates open and makes this an offence. Section 64 makes it obligatory on landholders not to destroy vegetation where such destruction cannot be justified. For example, it is not really justifiable for a

pastoralist to clear a forest in search of a rabbit, and it is clear that, the control measures undertaken must be commensurate with the degree of infestation by the pest concerned. For landowners to use this Bill as an excuse for clearing land is out of order and in contradiction to the native vegetation controls that we have.

The DEPUTY SPEAKER: Order! The honourable member's time has expired.

Mr BLACKER (Flinders): As the member for Eyre has said, this Bill is worthy of support because it brings together two presently operating Acts of Parliament and two commissions under the one umbrella. There appears to be a logical explanation for bringing the two together, especially under the one Minister. Formerly, the Pest Plants Commission operated under the Minister of Agriculture, while the Vertebrate Pests Act was administered by the Minister of Lands. I should have thought that any reasonable person would consider that this was an appropriate way to bring legislation together.

There are a few matters that I wish to bring to the attention of the House and I did not intend to speak in the second reading debate, because a Bill of 77 clauses and schedules is obviously a Committee Bill and needs to be considered as such. However, there are a few points of concern which can eventuate in some cases with over-zealous officers, and I would like to think that we could get closer understanding between the commission and the landholders, which will bring about greater cooperation.

I regret that in years gone by a stand-off attitude has developed, and some of the blame for that can probably be sheeted home on both sides. That stand-off attitude has disadvantaged the cause and intention of the Bill and the original reason for which it was set up. I am hoping for a renewed attitude and closer cooperation, because I believe that there is more general acceptance within the farming community and the community generally of the need to control pest vines and particularly vertebrate pests. Although I said 'particularly vertebrate pests', I meant both, because they can both be equally important.

I would like to use this opportunity to raise a query that has come to my attention. I would like to know where the legal responsibility lies in an instance where a noxious weed has been spread—and evidently this has been quite effectively proven—by a contractor well before the establishment of the Pest Plants Commission. Because of the alleged break in responsibility, the original body which was to accept the responsibility for the outbreak cannot be traced back. It is now falling on the landholder, when it was not his fault.

To that end, I see that a similar situation could apply in this instance, where we are now cutting off one board and re-establishing another. Are we negating any legal responsibility of action and eradication control that should have been carried out by the former Pest Plant Commission or, before that, in some cases district councils? I would like to quote to the House an example that has arisen. I will read into *Hansard* a letter that was sent to the Minister. In doing so, I do not mean to be critical of the Minister, although it is some six weeks old. I will leave out the two landholders' names. The letter reads as follows:

Dear Sir, I have been contacted by . . . with a query in relation to the operation of the Pest Plants Control Board and the demand that the Pest Plants Control Board is making for costs of eradication of False Caper adjacent to their properties.

For the sake of the House, 'False Caper' is a noxious weed. The letter continues:

From the position as I understand it, some nearly 25 years ago when the road was under construction False Caper was brought to the area on construction equipment. The presence of this weed

was first brought to the attention of the landholder when the then weeds adviser, Mr Ray Alcock, called on him and asked whether he knew that he had False Caper adjacent to his property. The owner denied any knowledge of this and then together with Mr Alcock inspected the area and located a small patch of False Caper that was growing in a mound pushed up by a bulldozer. There were three different patches similarly growing in mounds of dirt.

It was the undertaking at that time that the weeds be treated by the district council, and one could only assume that the weeds were not treated as promised or there were incorrect chemicals or spraying procedures adopted in treating the plants. In any event the weeds continued to grow and have spread for some considerable distance along the property. Furthermore, the weeds have now encroached onto the properties and the Pest Plant Control Board is demanding that an account of \$98.72 be paid for the eradication of this plant. The owner subsequently appeared before the Pest Plants Board and set out his case and without knowledge, the Pest Plants Board made approaches to Mr Ray Alcock, presently an agronomist with the Pest Plants Commission.

On 25 February 1982 Mr Alcock responded to the Pest Plants Board, advising them that the owners assessment of the original arrangement with the district council of Lincoln for the outbreak of False Caper to be treated at no cost to the adjoining landholder was correct. He also indicated his surprise that some 20 years later the False Caper had not been eradicated and indeed had been permitted to spread into the neighbouring property. It is quite obvious from this that there was an undertaking that the district council of Lincoln treat the outbreak of False Caper, for it was clearly established to be the responsibility of the council and the Highways Department's earthmoving equipment. With reference to the account mentioned above, that account was tendered—

The names are given here. A similar account was also tendered to the gentleman's brother, and it referred basically to False Caper but also mentioned Salvation Jane. The letter then goes on to say:

I would be grateful if you could have this matter investigated for it is clear that there was an arrangement made that the False Caper be eradicated at no cost to the landholder, both on the road and in the paddock, and the Pest Plants Control Board now appears as though they want to dishonour that undertaking.

I understand that the False Caper, once on the property, has been sprayed once by the Pest Plants Control Board but has not been touched for the last two years. The Pest Plants Control Board is now saying that it is the responsibility of the landholder. It has now become apparent, that because of either the lack of spraying or ineffective spraying, False Caper has been allowed to spread to not only the road reserve but also into adjoining properties.

Both owners are adamant that the responsibility lies with the authorities and not with themselves. Because of the undertakings given to the owners and in particular in light of the confirmation by Mr Ray Alcock, formerly the weeds inspector for the district council and now an agronomist with the Pest Plants Commission, I believe the cost of eradication of the False Caper from the landholders property should not be at the landholders expense.

In raising this issue with you, I wish to make clear that my comments relate exclusively to the problem of False Caper and not to Salvation Jane and other weeds that may be in the area.

I raise this issue because it brings home to me a position that can occur when we cut off one authority and recreate another. Does the new authority carry on the undertakings of the previous body? In that instance, it would appear, in the eyes of the Pest Plants Commission, that that is not the case. By raising the matter with the Minister at this time, I am not endeavouring to pre-empt or embarrass him because he did not respond to my correspondence; it is just that the issue relates to the legislation that we are debating and needs to be brought to the Minister's attention now.

My other real concern for the overall community relates to the proper control of vermin and noxious weeds. I have said before, and I say it again, that my greatest fear for this State is the possible outbreak of an exotic disease, whether in plant life or in the animal population. Within this State we have a tremendous number of feral animals, such as feral goats and pigs, that could quite effectively be carriers of foot and mouth disease and some of the more exotic

diseases that could totally ruin this State financially and certainly all its stock industries.

Mr Gregory interjecting:

Mr BLACKER: I will take the point made by the member for Florey and say that it could ruin Australia totally. Coming from the Eyre Peninsula, I understand that if an outbreak of foot and mouth disease were to occur in an area just south of Lock, for example, three-quarters of the stock population on the peninsula would have to be destroyed. That sounds dramatic. I hope that it would never occur, but the consequences of that are indeed frightening.

I do not think that any Government can be overcautious in the control of stock and feral animals when it comes to keeping exotic diseases out of the country. In this regard the mobility of the general population concerns me. These days people can be in a certain country on one day, which could be subject to a disease, and then within 24 hours they can be back here walking on our land and the potential carriers of an exotic disease. I do not believe that the quarantine procedures at our international airports are anywhere near strong enough. I believe that they could be much more severe and security conscious than they are. I have a very genuine fear about what could happen if an outbreak of one of these diseases occurred. There was a scare in Victoria two or three years ago. Fortunately, on that occasion it did not involve an exotic disease. However, the scare was there and animal producers were fearful, as was the community generally.

I understand that local governments will be required to contribute to the respective boards and the commission. However, inequalities can occur in this respect, and this is another instance of where country councils are obliged to pick up the cost of providing a community service inequitably. The councils in the areas that are most affected are those that must pick up the tab. Nevertheless, those councils are providing a State-wide service in the prevention of the spread of disease or of undesirable animals or plants, and this is to the benefit of the whole community and not just of those directly involved.

The Hon. M.K. MAYES (Minister of Agriculture): I move:

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

Motion carried.

Mr BLACKER: There are potential inequities with rural councils picking up the tab in complying with the requirements of this legislation for the benefit of the State and the nation. A similar example occurred with the legislation involving the Native Vegetation Management Authority, where only those councils that were directly involved were obliged to finance a rate remission. This applied only to councils that happened to have native vegetation in their area.

We are endeavouring to protect a State-wide asset, and I do not believe that it is fair that only certain councils should be obliged to pick up the tab. Just because a council is fortunate enough or unfortunate enough, depending on how one looks at it, to have a large area of native vegetation within its boundaries, it should not be obliged to carry the can for that on its own. The cost of protecting a State asset should be shared equally amongst all councils. The same argument applies in this instance. Only rural councils will be required to pick up the tab. Yet, those councils are providing protection for the whole community.

Another argument that is always open to question concerns access to private properties by the various inspectors who will be involved. I hope that the abject antagonism

that has occurred in the past will no longer occur. I believe that it is now more generally accepted that there is greater need for tight control in relation to pest plants and vertebrate pests. I hope that anyone who is given the responsibility of undertaking the duties of an inspector will at least display the utmost courtesy towards landholders. I think it is fair to say that, if a landholder is treated with courtesy and respect, in the majority of cases that respect will be reciprocated, to the benefit of all concerned. So, I make the plea that, when inspectors are given the power to enter properties, and so forth, they show due respect to landholders.

I also hope that landowners will show the same respect. I recognise that areas of conflict do arise, and I can only hope that the Minister responsible for this legislation impresses on the officers who have been delegated responsibilities under this measure that they should treat landholders as being joint managers of the area.

I will not say any more, other than I agree with the Bill in principle. It is appropriate to bring together the two existing commissions. I see the same sorts of questions arising in relation to the new commission being set up as have occurred in the past. The same applies to the pest plant boards, although they have been in operation for some time. Different queries have been raised due to different circumstances applying in various areas. However, overall those problems can be ironed out with the proper approach.

Mr D.S. BAKER (Victoria): Generally, the Opposition agrees with the Bill. We intend to speak primarily on the clauses when the Bill is in Committee. I agree with the amalgamation of the two authorities. I just hope that when both those authorities are under the Minister of Agriculture we do not see the formation of a huge bureaucracy. I hope that the Minister has more success in trimming senior public servants from this combined authority than he had in relation to the sport and recreation area. I refer to some of the other problems that the Minister has had today.

My problem with this Bill generally is that many of the powers are vested in the Minister for Environment and Planning. The problems in the rural areas generally in relation to the scrub clearance land legislation, under the control of the Minister for Environment and Planning, are evident and, unfortunately, at present there is considerable resentment to the authority that administers those provisions.

I will question this matter closely in Committee, but I hope that, somewhere further down the line, care will be taken in relation to where the officers who will check on the regulations in this Bill will come from. I am afraid that, whether we like it or not, at present the rural community has a deep feeling against the authority. It is factual, and it will be brought out in the House at a later date, that the scrub clearance legislation has had the effect of bankrupting and potentially bankrupting quite a few primary producers in this State.

Anyone whose livelihood is affected to the extent that has occurred under the scrub clearance legislation will be considerably resentful. This legislation will have to be administered quite delicately, because the feelings that presently exist will not just go away. I agree that local government is still the major controlling authority and that that makes for an opportunity to prune costs. Further, I think the rating effect of 4 per cent on the country people and 1 per cent in the urban area is fair and reasonable.

Control over entry and movement, and the keeping of all vertebrate species except fish, worries me. We will be seeking in Committee a concise definition of 'fish', because one of the dangers is that the Department of Agriculture, in

trying to stem new ventures coming into the State, will hold things up for either a short or lengthy period. I totally support such new ventures and am working on one at the moment. Some of these species could be included in the schedule, and we would then not be able to bring them into the State. I will be asking for a concise definition of 'fish' to ensure that it does not include some of the species that are to be brought into the State in the near future. There are some species of fish that we do not want in this country and we will want those defined also, so we will be seeking definitions.

One of the great problems with this Bill is that all feral animals can be proclaimed as pests, and this is worrying people with goats. The shadow Minister of Agriculture has had a number of talks with these people. The Australian Deer Association, in the South-East, is breeding deer in captivity but is worried that, because of this Bill, deer breeders will not be able to release those animals into the wild, as the regulations under this Bill mean that they will be under precise controls. Deer bred by the association are released onto surrounding properties because they serve a hunt function, which is the sporting side of that association. I have received a considerable number of telephone calls and representations from these people to make sure that the Minister is fully informed of their problem. This is something that we will tackle in Committee. I think it is most important that, while we are controlling vertebrate pests generally, we do not include as pests animals which, in fact, are not pests and which have never been considered to be pests in this State: we will be pushing that matter forcefully.

The other thing that worries us considerably is that many of the clauses in the Bill involve introduction by proclamation. We will be pushing for the Minister to change those to introduction by regulation so that people in this place will be able to debate matters and the people affected will be able to put their views to members and to the Minister. One finds on reading the Bill that many things will be done by proclamation, and we will be detailing this matter in Committee.

Part II of the Bill deals with administration. Clause 13 (1) (c) refers to one of the functions of the commission, which is to make recommendations in relation to the making of regulations. We want to know whether that covers all the recommendations that the commission might make. Clause 13 will be debated at length in Committee, because we see it as being the clause that will have the most effect on people who have interests other than merely controlling vertebrate pests and pest plants. This clause will have the greatest effect on the Australian Deer Association and on goat owners.

The member for Eyre covered at length the problems one could have with the officers who will be enforcing this Act, and I reiterate what he said. Nothing upsets the rural community more than having these people come onto their properties, often unannounced and often racing around a property without permission. I am sure, as the member for Flinders said, that most rural people are very reasonable, but they become upset when unauthorised people, or even authorised people, come onto their properties without first making contact. This has led to confrontation in the past with various Government organisations and with the union movement.

I hope that it will be clearly stated in the Bill which department the authorised officers will come from. We will be moving amendments to reduce the draconian powers provided under this Bill and to ensure that officers can carry out investigations with some sort of rapport with

landholders. I was interested to hear the comments of the previous speaker in relation to the problem with cats. I note his concern, but I point out that the problems we have with pest plants and vertebrate animals, both in the South-East and over the whole of the State, are of major concern. That is one of the reasons why we will be supporting this Bill.

I think it is reasonable to provide strict control, not only of pest plants but also of vertebrate animals. However, I can see that our greatest problem will be ensuring that enforcing the legislation does not interfere with landholders' activities in general. Local government has managed well to avoid this interference in the past. In most rural areas people have been concerned about the two Acts presently in place, and no doubt the Minister has received representations from people expressing their concern about problems that have occurred. I am sure that, if our amendments to this Bill are accepted, it will be better for the State in general; and, if our questions are answered in Committee and our amendments accepted, the Minister will gain our full support. I reiterate the fear of people who are breeding animals that may be proclaimed under the legislation and hope that the Minister has been listening to the fears that we have expressed.

Mr GREGORY (Florey): I support this important Bill, which will bring about some rationalisation to ensure that the two pest control boards in existence work as one, thus saving money for people in country areas. Having listened to members' contributions to the Bill today, I am amazed. On the one hand, members from the other side indicate that landholders are responsible people but should not be subjected to immediate entry and search for exotic animals, because they do not want people wandering around their properties; while, on the other hand, the same people want the Vertebrate Pest Control Board and the Pest Plant Control Board combined so that they will be more efficient. They are also the people who want those boards to work when their neighbours are careless and allow pest plants and animals to multiply and interfere with neighbouring properties.

When listening to these people I am amused and a little amazed when they carry on about it and, at the same time, stand there and say that other vertebrate feral animals in our country should not be considered a pest, but that they should just be let loose so that somebody can have the distinct pleasure of going out and shooting them on someone else's property and not caring that those animals may carry tuberculosis and other bovine diseases which can infect their own cattle herds. There was an example recently where two people who moved into the area of grazing deer had to have their entire herds destroyed, because the herd was infected with tuberculosis—I am not sure about brucellosis and leptospirosis, which are the two other diseases which usually infect cattle. If we did what some of these people wanted us to do, we would be paying compensation constantly for diseased animals or, rather, they would, because it comes out of their funds. I do not think that we should trust them in this area, because these boards are administered by local people and should take appropriate measures. From time to time allegations are made that some of the boards are not as effective as they could be because of local political pressure. Whenever I hear these allegations, I am most concerned and, on checking, on some occasions I find that they are not true and on other occasions that there is some measure of truth in them. If the Minister has overall control in this area, when those allegations are raised it will ensure that appropriate action can be taken and, if there are any defects in the application of the Act, that can be very quickly cleared up.

I am very concerned about the keeping of exotic animals because there are unscrupulous people in our community who, for some reason or another, want to keep exotic animals in aviaries or in compounds so that they can have the pleasure of looking at them and possibly breeding from them. They do this without any concern for the effect that it may have upon the livelihood of hundreds of thousands of people within South Australia and, indeed, Australia. The member for Flinders made the point that, if foot and mouth disease were to break out in an area in his electorate, it would just about mean the total decimation of the animal herds in the best part of Eyre Peninsula and would ruin the livelihoods of townspeople, farmers, and a lot of workers who depend for their living on the supply of equipment to these areas. It would also affect abattoir workers. It would mean a considerable drain on our ability to export to overseas markets because, once there is an outbreak of these diseases, the only way that a country can get back its export certificates is to prove that it is disease free.

The member for Bright referred to the need to control exotic animals (that is, camels, donkeys and goats) in areas that are out of the hundreds and not in local government areas and he is quite right because, if there were an outbreak of foot and mouth disease in the Far North, those animals would be the conduit by which the disease would be introduced into the more settled areas of South Australia. If we are assiduous in our control of these pests, the conduit is no longer there. I am fearful that, if we run into a situation like that in the future, the measures taken to control our animals will be such that they will destroy a whole genesis of native species, because it will be done in such a way that the destruction will be total and we will see small mammals as well as avian creatures disappear from our Mid North, because of the poisoning of water holes and anything else that they can get into. I think that is something that we must fear.

I was amazed when the member for Eyre suggested that there be a United Farmers and Stockowners Association representative on the governing board. That organisation does not contribute at all to the cost of the boards—not one cent. If we did as the member for Eyre suggested, it would elevate them to the same level as the local government organisations that do contribute a considerable amount of money, but I am of the belief also that the United Farmers and Stockowners Association will have a *de facto* representation on the board, because the Bill provides for four primary producers to be members of the board and I would think that those four primary producers would be selected on the basis that they are leading people within their appropriate communities and I believe that leading primary producers in the community will also be leading people within the United Farmers and Stockowners Association. So, in a sense, it would have a *de facto* involvement just like the member for Eyre seems to be the United Farmers and Stockowners Association spokesman in this sphere in a *de facto* sort of way.

One thing that caused concern was that members opposite had this irrational fear that officers of the board might want to break into a house or enter premises without notice. It is a little like telling a forger by knocking on the door and saying, 'Here is a letter. The police officer will be around in seven days to inspect your premises in order to locate the printing plates, the papers and everything else. During that time, please do not destroy any of the evidence or send it away somewhere. Please just wait for us to come back in seven days time.' What a load of nonsense!

I have just outlined to the House what can happen when unscrupulous people bring exotic animals into Australia. I

am also mindful of what can happen in this area, and I will just quote Newcastle disease. That is a disease that affects the upper respiratory tracts of domestic fowls. There was an outbreak of that disease in Victoria and it meant that, within the immediate vicinity of that outbreak, every fowl had to be destroyed. That course of action has to be adopted because, if it is not, the disease becomes rife and egg production ceases. The situation then becomes intolerable. Australia is free of many diseases that plague the Northern Hemisphere and we should keep it that way. I suspect—and I am sure that officers from the Victorian Department of Agriculture suspect also—that Newcastle disease was introduced into Victoria because somebody was foolish enough to smuggle in fertilised eggs from overseas so that they could improve the egg laying ability of their fowls. When that happens, it can cause tremendous damage. I am of the view that, if we want to keep our country free of these diseases, we have to take fairly dramatic action at times. The Act gives authorised officers fairly dramatic powers.

I have a quaint belief that most people in our community are responsible citizens and, knowing what is good for the country and their businesses, they would ensure that they conduct their farms and properties in a proper manner. On many occasions they need assistance and guidance, and that is available from the various departments, but there are always one or two people who are prepared not to be responsible citizens and responsible farmers. Consequently, they do what they want to do without bothering very much about the effect that their actions will have on their neighbours. In essence, that is what this Act attempts to control. It will enable the Government, as well as local government, to take the appropriate action when someone contravenes the Act. If a person does not comply with the orders of the board, they will have the work done and be charged for it. If they do not pay the bill, eventually they will have their property sold to pay it. I think that, if people are prepared to disregard the law, then they should suffer the consequences.

The member for Eyre mentioned the National Parks and Wildlife Service and he said that all the weeds and vertebrate pests come from the conservation and recreation parks and somehow or other infest all the farms. That is not the first time that I have heard the member for Eyre say that. I have heard him say that repeatedly. I do not know what his experience is. Perhaps one day in the House he will tell us about all the infestations that have been caused on all the farmlands and parks, one by one. In my travels around the State and from my involvement with the National Parks and Wildlife Service, I find that the officers have been fairly keen and responsible.

I have had a fairly intimate knowledge of the management of national parks in this State and I know that, when fires occurred, many landowners would let them run into national parks saying, 'We are not going to bother to stop them going in there', but complaining when they burnt out the other end. The farmers did not even assist. There has been constant abuse of parks officers on the basis that they do not know about land management. I wonder how many of the farmers to whom the member for Eyre referred have studied land management. I do not think too many have undertaken such studies: land management has only recently been incorporated in courses of colleges of advanced education. It is a recent innovation. I know that there will be a greater movement towards land management. If we do not manage our land properly, we will not have any left.

The grinning member for Victoria could point to many areas in the South-East that have become less productive,

and I could point to large areas of the north where nothing grows now—not even good grass to attract kangaroos—because farmers farmed uneconomic land. When the first wind came, the soil blew away. We must be realistic about land management. Poor land management on Eyre Peninsula has resulted in valuable topsoil drifting away in bad years. It takes years to replace humus in soils so that it can produce once again.

If people were to undertake studies of how much topsoil is left compared with the amount 20 years ago, they would be surprised and concerned. And they would be more concerned if they went to some areas of America that have been devastated by poor land management practices. It is only now that some members of the farming community are starting to realise that actions taken in the past and in good faith have not been the best actions. If vertebrate pests are not controlled properly, plagues, such as rabbit plagues, could occur. In the past graziers and farmers have had to compete not only with drought and lack of water but also with rabbits: they have had to beat the rabbits to the scarce feed.

One of the advantages of modern technology has been that in drought situations rarely do people move their stock along the roads, as occurred in 1945 and 1946. I believe there are several reasons for that. First, there has been good control of rabbits and, secondly, drought affected stock has been moved rapidly from one area of the State to another by motor transport, which was not previously available. The control of vertebrate pests such as rabbits has been of tremendous advantage to the farming community in Australia generally, and we should take our hats off to the scientists who developed the virus to that end. I hope that they can develop another virus to control rabbits in more arid areas where known methods are not effective in transmitting disease from rabbit to rabbit.

I do not know whether a huge bureaucracy will be required to operate this legislation but, whatever is needed, it will be essential to ensure that the legislation works properly. Despite what some country members think, South Australia does not revolve around a few people squatting and working on farms: it revolves around the State as a whole. We all have a responsibility to ensure that we leave this State in a better condition than we found it. The bureaucracy to be established by this measure will be necessary. Given the attention that the Bannan Government gives to the use of the Public Service, I am sure that the legislation will work effectively and efficiently. I will be interested to hear in Committee whether the member for Victoria can say how a bureaucracy operated by local government is different from or cheaper than that operated by central Government. I suppose he might say, 'My Party has control of local government' but members opposite do not have control in the State sphere. The reason that they did not get into the State sphere is that during their three year term in government they did not manage very well, so the people told them to go away and not come back again. They had another go, but they were told to nick off for some time.

I believe that this Bill is very important: it is essential. It will ensure that our primary producers can produce their crops in weed free conditions, that our grain can attract the best price on the world market because it is weed free, and that our slaughtered animals and livestock can be sold on the world market on the basis that our country is weed free. More importantly, it will mean that the agricultural areas will be more productive. Production will not be hindered by pests, either vertebrate or plant.

Ms GAYLER (Newland): I too support this Bill, for a range of reasons. In particular, I believe it is very important,

particularly at times of economic constraint, that we take whatever measures we can to rationalise this sort of legislation. The member for Florey referred to the former Liberal Government. I recall that, when I conducted an investigation in 1980 when I was working in the Public Service, one of the areas of deregulation that I recommended to the former Liberal Government was this area of animal and plant pest legislation. It is unfortunate that we have had to wait for the Labor Government to pick up this measure. I believe it is a sign that we are prepared to look at this kind of legislation and its objects, and work out how we can do it better—and actually get on with the job.

As a member who comes from the country, I am also interested in ensuring that we leave our land in a better condition than we found it, as the member for Florey suggested. I have also had a long interest in national parks and the pastoral area. I have travelled from the Far North-east of the State in the pastoral areas around Kungie Lake as far as the South-East, whence I come. It is quite distressing to see the condition of some of the country, not so much in the South-East (which has suffered from overclearance of land) but particularly in the Far North of the State and to some extent in the Mid North and the more marginal areas. The pest plants, soil erosion and dust storms and the animals that are such a pest in that part of the country are distressing to see. These measures should go some way towards continuing our attack on those problems.

I was particularly concerned to hear once again the attack by the member for Eyre on the national parks system and national parks land management. It is interesting to contrast that view with the cooperation that can apply. For example, in my district the Anstey Hill area is under the control of the National Parks and Wildlife Service.

Coincidentally, one of my constituents happens to be the Deputy Leader of the Opposition, who quite graciously raised with me in the corridors the possibility that we might have a look at the weeds in and abutting the Anstey Hill regional park and the adjoining Anstey Hill water filtration plant before next summer, and I was more than happy to do that. In fact, he was quite pleased with the measures that have been taken in the Anstey Hill regional park under the control of the National Parks and Wildlife Service to introduce sheep on the boundary area of that park to keep the weeds down so that the ground fuel could be reduced in the lead-up to the summer fire season.

I have taken up with the Minister for Environment and Planning the Deputy Leader's suggestion that we do that once again and reduce the weeds along the national park boundary and the water filtration plant boundary. So, there is just one example of the kind of cooperation that can occur. I wonder whether the member for Eyre does not generate some of the confrontation between local farmers and national parks officers for his own purposes.

Returning again to the northern part of the State, I recall seeing rabbit and goat infestations in and around the Flinders Ranges area, and I would like to draw the member for Eyre's attention to a very successful undertaking which has taken place there in conjunction with the Aborigines from the Nepabunna community. Over the past two years the Nepabunna Aborigines have removed something in the order of 50 000 goats from the Gammon Ranges National Park in a very successful operation. The problem now is that the neighbouring lessees in and around the Gammon Ranges National Park were not prepared to do likewise. The Aborigines in Nepabunna were prepared to do this on a very cost-efficient basis, and did so for national parks, but for some curious reason the adjoining pastoral lessees were not prepared to take up the same offer and apply it on their

properties, which has resulted in the goats coming back into the Gammon Ranges National Park. Perhaps the member for Eyre ought to try a more constructive approach and actually make some positive suggestions to the farmers with whom he comes in contact.

In the last term of the present Government we had a series of allegations about farmers being at risk because of vast fires from national parks entering farming properties. The facts tell a different story. In fact, the ratio is the reverse, and quite markedly so—it is an 80:20 ratio. By that I mean that 80 per cent of the fires escaped from adjoining farming properties into national parks. When you look at that you wonder what kind of basis the member for Eyre rests his case on. We also wonder why fires can escape through the sort of carelessness such as sparks from headers and burning off of stubble on farms adjoining national parks, even on days of extreme fire risk. I remember such an instance. It would be very helpful if there was a more mutually cooperative attitude from the farmers in this regard.

I would also like to point out that the National Parks and Wildlife Service has produced a weeds policy document and a field manual for those hands-on staff of the National Parks and Wildlife Service. Also, position papers have been developed on the problem of feral cats and their effect and rabbit control developments.

In addition, in relation to fire hazard reduction, major steps should have been taken in recent years, especially since the Ash Wednesday fires, to undertake a regular fuel reduction process. This is evidence of the responsible land management that is being applied by the National Parks and Wildlife Service, and it can be applied by farmers around the State. Further, the staff of the National Parks and Wildlife Service are also responsible for issuing permits for destruction of certain species when it can be demonstrated that substantial land management—

Mr GUNN: On a point of order, Mr Speaker, for some time the honourable member has not been relating her remarks to the matter under debate. I would normally have let her go but, seeing that she is making wild allegations that are not correct, I ask you, Sir, to direct the honourable member to confine her remarks to the Bill.

The SPEAKER: Order! There is no point of order. The honourable member for Newland has been referring to the Bill, and I ask her to continue her remarks.

Mr GUNN: On a further point of order, the honourable member has been relating her remarks to the management of national parks in this State.

Ms Gayler: To questions that you raised.

Mr GUNN: If I may be allowed to continue: this Bill deals with the amalgamation of the pest plants and the vertebrate pest authorities of this State. It does not deal with the administration of national parks, the issuing of permits by that administration, or controlled burning off in those parks, to all of which the honourable member has referred. She has not related her remarks to the matter before the House. If the debate had been conducted in a reasonable manner, I would not have taken this point of order.

The SPEAKER: Order! I shall repeat myself: there is no point of order. The honourable member for Newland is currently rebutting remarks that were made earlier by other members, and the various members who have been in the Chair have allowed a wide ranging discussion in this debate. The honourable member for Eyre will get an opportunity, both in Committee and on the third reading, if necessary, to raise his concerns. There is no point of order.

Ms GAYLER: Thank you, Sir. Returning to the points that I was making about improving land management in

this State, it is worth pointing out that for various land management reasons permits are granted to farmers to assist them in the process, especially in cases of damage to pasture, orchards, crops and fences. In fact, these matters are relevant to improving land management within this State.

On this point, I believe that landowners, whether public or private, have an obligation not only to maintain but also to improve land management practices as they relate to animal and plant pests. It is simply not good enough to pass the buck or to blame one party or another. I personally look forward to improved cooperation between the various public authorities and their adjoining farmer neighbours.

I now turn to the role of local government in relation to this Bill. It was somewhat curious that the member for Flinders queried the notion of local councils having responsibilities to oversee these matters at the local level. After all, in this House I have often heard it argued that local government is closest to the action and to the land that it has various responsibilities to oversee. Indeed, it is closest to the pests and the weeds.

Control of pest plants and animals is in the interests of the State and the nation but it also seems to me that local government can play a very important role in this. Therefore, it seems quite appropriate that this Bill recognises that role and that it puts the appropriate responsibility in the area where it can be most effectively exercised in terms of local land management, and this includes the commission in its rationalised form. I agree with the comment of the member for Flinders that the acceptance of tighter controls over land management is now gaining greater community acceptance. That is a welcomed acknowledgment that the land and resources that we have are very important to South Australia for not only its economically productive future but also the future of our native plant and animal species that we would all agree must be conserved for future generations.

In summary, I support the rationalisation of this legislation, the deregulation that it brings with it, and the greater efficiency that will result in terms of less expense for the public purse. I welcome the expanded role of local government in this area. I reject the alleged notion that national parks in this State are not doing an increasingly better job in relation to their land management responsibilities.

The Hon. M.K. MAYES (Minister of Agriculture): I thank members for their contributions, particularly those who put forward their contributions under some difficulties. As each and every member has indicated, this is a very important Bill for not only the rural community in this State (and I think primarily its implementation has captured the imagination of those in the rural community) but also the entire South Australian community, as it affects the control of exotic species which threaten the native environment as well as the domestic environment of the community. The Bill extends the ambit of the previous Acts that have been in operation to control the entry, movement and keeping of all vertebrate species, except fish and protected native animals. I think it is important to note that as a backdrop to this Bill.

Two Bills are being incorporated, which in many ways will rationalise the application of the legislation. This Bill comes at a time when there is Australia-wide agreement on these matters. The Australian Agricultural Council recently agreed to have uniform legislation and a uniform approach to the control of exotic species. In itself, that is significant. The classification system adopted also means that for the first time feral animals will be able to be proclaimed as pests. As the member for Eyre indicated, this will be of

significant benefit to his electorate, both from the point of view of native animals and the domestic rearing of feral animals in that district. This also has implications for every other electorate in South Australia.

While the legislation will involve the commission in the control of many more species of animals than was previously the case, most of those will be confined to zoos and the responsibility for the boards of control will be confined mainly to those animals traditionally regarded as vertebrate pests. I think this is an extensive and significant step for Parliament to take. The benefits that come from this legislation will forever and a day be etched into the community as a whole.

I shall refer briefly to the history of this matter, as some members have referred to this. I refer specifically to the shadow Minister's raising this matter in the Parliament before last. The first draft Bill was prepared by Parliamentary Counsel in 1982 when the shadow Minister was a member of the Government at that time. The draft Bill was not placed before Cabinet or Parliament, I understand because of financial implications involved with it. Until now many councils have not operated within pest plant controlled areas, that is, they have not had pest plant control boards or vertebrate control boards. Therefore, it was a question of finance to bring them under the umbrella of this Bill. That is part and parcel of having the new control commission. Under that, boards will be established within the rural council areas. I use that phraseology rather than refer to district council areas because this relates to rural council application.

Under the provisions all rural councils, except Lameroo and Pinnaroo, have formed boards and therefore the costs of the boards will be brought within the framework of this legislation. It is important to note that the amalgamation arrangements pertaining to this Bill have been a significant achievement. The 1982 draft legislation has been changed significantly in the formation of this Bill. I think it is worth noting that. Changes have been made in the area of penalties, the provisions of the constitution of the commission, the secretary to the board, and funding, as the shadow Minister has already indicated.

I also make some reference to what I see as being distinct and specific advantages that this Bill provides within the structure of the legislation that will actually operate. This measure provides one piece of legislation instead of the present two Acts—that is obvious. There will be one statutory authority responsible to the Minister administering the legislation. That is another advantage. Further, some significant cost savings will be involved in this case. That is another factor that must be borne in mind and it has not necessarily been highlighted.

To have one local animal and plant authority to deal with pest matters at the local level will be a significant advantage as well. Further, the new legislation includes provisions to manage private zoos, aviaries, etc. These legislative responsibilities are being handed over to the States by the Commonwealth. As I have already indicated, this was agreed to by way of resolution 33 at the 115th Agricultural Council meeting. It is important to note those advantages.

I shall now address questions raised by members, particularly those raised by the member for Eyre. A matter of concern to him was the UF&S representation on the commission itself. This Bill specifically spells out representation from the local government; the honourable member mentioned that and used that to sustain an argument that there should be representation on the commission of the UF&S in particular. I point out that the thrust behind this is that

local government is making a financial contribution. I can assure the honourable member that the UF&S will be consulted in regard to the appointment of the panel.

In addition, the Bill has the safeguard of stipulating that there must be rural representation and it stipulates a particular number; from memory, I think it is four. So, in fact, it is guaranteed that the commission will have rural representation and I have given the undertaking that I will consult with the UF&S with regard to the composition of the panel. I shall speed up my comments, because I know that members have heard these matters raised before. I shall address the matter of powers in particular, because the shadow Minister referred to this point. Paragraphs (a) and (b) of clause 27 (1) relate to the powers of authorised officers. Paragraph (a) does not confer additional powers on an authorised officer beyond those presently conferred under the Pest Plants Act.

In my opinion, this clause should definitely be retained because it gives those powers. This was not the point that the honourable member was making, because subclause (1) (b) is probably the one he is concerned about—the power to allow an officer entry. Fundamentally, I believe that that is designed to allow a quick response when the presence of a prohibited exotic animal is reasonably suspected. The removal of this clause from the Bill would, in my opinion, inhibit the operation of the Bill and would allow illicit trade and the effects of vertebrate pests to continue unchecked in our community.

It should be pointed out that the powers of clause 27 (1) (a) and (b) are not to be exercised with respect to dwelling houses except on the authority of a warrant issued by a justice: that power is contained in subclause (2) of clause 27. The member for Florey made reference to that matter and emphasised the need to catch people who are endeavouring to abuse what I believe is a community privilege, thereby threatening the wellbeing of rural and domestic animals and native animals.

Finally, a point was raised in relation to clause 44 which the member for Eyre highlighted in his comments. I believe that clause 44 is vital to the Bill and should be retained at all costs. In my opinion, it is essential that the provisions contained in this Bill are passed by the House. There are many other points which I could make and to which I will refer in Committee. I am delighted that members, in general, supported the principles of this Bill.

Bill read a second time.

In Committee.

Clause 1 passed.

Progress reported; Committee to sit again.

RACING ACT AMENDMENT BILL (No. 2)

Returned from the Legislative Council with the following amendment:

Page 3 (clause 8)—After line 14 leave out subsection (1) and insert new subsections as follows:

(1) the Totalizator Agency Board—

- (a) may conduct totalizator betting on the results of any Australian Formula One Grand Prix motor car race;
- (b) may conduct totalizator betting on the results of any America's Cup yachting race or series of America's Cup yachting races conducted in Australia;
- (c) may conduct totalizator betting on the results of any international cricket match or series of international cricket matches conducted in Australia;

and

- (d) may, with the approval of the Minister, conduct totalizator betting on any other major sporting event or combination of events.

(1a) The approval of the Minister shall not be granted under subsection (1) (d) except in pursuance of a resolution passed by both Houses of Parliament.

Consideration in Committee.

The Hon. M.K. MAYES (Minister of Agriculture): I move:

That the Legislative Council's amendment be agreed to.

Mr MEIER: I think that I have said sufficient on this Bill, particularly during the second reading debate, for my views to be known, so I will not repeat them. I am disappointed to see that this amendment opens the TAB to a wider range of areas. New subsection (1) (d) in the Legislative Council's amendment states:

... may, with the approval of the Minister, conduct totalizator betting on any other major sporting event or combination of events.

Therefore, the sky is virtually the limit in South Australia. The one small, positive thing is that it must be passed by both Houses of Parliament. It is a clear example of the Government's deciding to bring the whole lot in initially, being defeated in the other place and then deciding to take second best, which is not a bad second best at that. With

those comments, I indicate my opposition to this amendment.

Mr INGERSON: I support the amendment and thank the Minister for seeing the reason that was put forward the other night, particularly in relation to the general extension to other sporting events. In principle, I support the extension of betting to the Grand Prix and to the other events. I am happy that the Minister has accepted that all other events ought to come back to this House for approval.

Motion carried.

GOVERNMENT FINANCING AUTHORITY ACT AMENDMENT BILL

Returned from the Legislative Council without amendment.

ADJOURNMENT

At 6 p.m. the House adjourned until Tuesday 16 September at 2 p.m.