

LEGISLATIVE COUNCIL

Tuesday, October 25, 1977

The **PRESIDENT (Hon. F. J. Potter)** took the Chair at 2.15 p.m. and read prayers.

QUESTIONS

PUBLIC SERVICE

The **Hon. C. M. HILL**: I ask leave to make a statement prior to directing a question to the Leader of the Government in the Council about the appointment of outsiders to top positions in the State Public Service.

Leave granted.

The **Hon. C. M. HILL**: On July 20 this year I tried to ask a question on this subject in this Council. I was obstructed somewhat by members opposite, one of whom took two points of order. Other honourable members interjected considerably at the time, but I made the point then as well as I could that many of the most senior positions in the State Public Service were being given to officers who came from other States or from elsewhere outside the Public Service, and I tried to make the point as strongly as I could that I thought this was extremely unfair, as in the Public Service there were dedicated and career South Australians who had been looking forward throughout all their working life to getting to the top of the tree. I said then:

Is it the Government's policy to continue to bring in senior people from outside the State and, if that is the Government's policy, will the Government change the policy to give proper opportunity to dedicated South Australians to reach the zenith in their lifelong careers in the top positions in the Public Service of this State?

In reply, the **Hon. Mr. Banfield** stated:

I am in contact with many public servants, and they have never complained to me about this matter. I suppose the honourable member is claiming that he has information to the contrary. I deal with many top public servants, and I have received no complaints.

After further interjections, the **Hon. Mr. Banfield** stated:

We will continue our policy of getting the best man for the job.

After I asked this question, and just before the most recent State election, the Public Service Association wrote to me thanking me for having asked the question. The association stated that it totally disagreed with the **Hon. Mr. Banfield's** reply, especially the part that stated that he had received no complaints. The association told me, in correspondence, that it had written to the **Hon. Mr. Banfield** in that vein. In the *South Australian Government Gazette* of October 20, there is notification of the appointment of **Mr. David Charles Corbett** as a Commissioner of the South Australian Public Service Board. Professor Corbett, as honourable members know, has been employed at Flinders University for several years. I understand that he came originally from Canada. Indeed, he may still be a Canadian citizen, but I do not know about that. However, he certainly has not been a member of the State Public Service. He joins this force of three Commissioners, one of whom is **Mr. Mercer**, who was brought from Queensland, and another of whom is **Mr. Tattersall**. This action is an appointment from outside the Public Service to an extremely senior position.

The **Hon. C. J. Sumner**: He made the investigation and report on the Public Service some time ago.

The **Hon. C. M. Hill**: What has that to do with it?

The **Hon. C. J. Sumner**: He must have some experience in the field.

The **Hon. C. M. Hill**: I ask the Leader of the Government again whether the Government will renew its policy in this matter and give better opportunities for career men and women in the South Australian Public Service to obtain promotion, rather than bring in outsiders for these most senior positions.

The **Hon. D. H. L. Banfield**: The position has not altered since the honourable member asked the question previously. The Government considers everyone eligible for the position and it appoints the person most suitable for the position.

FESTIVAL CENTRE PLAZA

The **Hon. J. C. Burdett**: I ask leave to make a brief explanation prior to directing a question to the Minister of Health, representing the Premier, concerning the surface of the southern plaza of the Festival Centre.

Leave granted.

The **Hon. J. C. Burdett**: I noticed yesterday and again this morning that there are three extensive excavations in the new paving, which was opened earlier this year, of the Festival Centre. Obviously, each of the excavations has been carried out by authorised workmen, with a jack-hammer having been used to start to break up the surface, including substantial portions of steps and other paving areas, which have been removed. What is the purpose of these excavations into this new paving and what is the estimated cost of the works being carried out?

The **Hon. D. H. L. Banfield**: I shall seek the information for the honourable member.

MARLA BORE

The **Hon. A. M. Whyte**: I ask leave to make a short statement prior to asking a question of the Minister of Lands, representing the Minister of Community Welfare, concerning an Aboriginal community.

Leave granted.

The **Hon. A. M. Whyte**: I have received a letter from the Chairman of the Indulkana community in which he expresses the concern of his community at the granting of a lease to Marla Bore Trading Limited. A lease has been granted to that company as an extension from the pastoral lease of Welbourne Hill, and it is suggested that this leased area will be used for motel accommodation, caravan parks and ancillary facilities. The letter states:

There are two questions. The first is that the community had been assured that it would have priority concerning the establishment of a roadhouse at the junction of the Stuart Highway near Mount Chandler. Obviously, the setting up of a roadhouse at Marla Bore will not make the establishment of a roadhouse run by the Indulkana community possible.

I believe the next point to be most important:

Secondly, and more important, is the question of a liquor licence, which will almost certainly be sought and granted at Marla Bore. The Indulkana community would oppose any liquor licence being granted because of the bad effect this will have on the Aboriginal people who live in the general area.

I am aware of the promises given to the Indulkana community, that it would be consulted on any such matter, especially concerning the granting of a liquor licence in any area close to its established community. Will the Minister confer with his colleague and allow me access to the details of the lease granted at Marla Bore?

The Hon. T. M. CASEY: I shall refer the honourable member's question to my colleague and bring down a reply.

LIVE SHEEP EXPORTS

The Hon. F. T. BLEVINS: I ask leave to make a brief statement prior to asking a question of the Minister of Agriculture regarding live sheep exports.

Leave granted.

The Hon. F. T. BLEVINS: The Council is well aware of reports in newspapers not only in South Australia but throughout Australia, delighting in union clashes and doing their utmost to put the unions in the worst possible light.

The PRESIDENT: Order! What has that got to do with live sheep exports?

The Hon. F. T. BLEVINS: I will tell you: unions are much involved in the export of sheep.

The PRESIDENT: I ask the honourable member to make his remarks relevant to his question.

The Hon. F. T. BLEVINS: They are very relevant, Mr. President. I found last week that an agreement was arrived at by the Meat Industry Union to increase the number of live sheep for export, an agreement that I am certain will assist farmers who have sheep available, particularly in this drought year. However, I was concerned that little, if any, publicity was given by the press to the union's action.

The Hon. R. A. Geddes: It was in the press.

The Hon. F. T. BLEVINS: Yes; I said "little, if any". The space given in the press to the union's action was nowhere near commensurate with the bad news that the press is always publishing about trade unions.

The Hon. C. M. Hill: Perhaps some of the bad news is deserved.

The Hon. F. T. BLEVINS: That is a matter of opinion. Undoubtedly the union—

The PRESIDENT: Order! The honourable member is expressing opinions.

The Hon. F. T. BLEVINS: I am certainly not expressing opinions to the same extent as the Hon. Mr. Hill has been expressing opinions.

The PRESIDENT: I ask the honourable member to shorten his long explanation.

The Hon. F. T. BLEVINS: I hope other explanations will be shortened, too. Can the Minister of Agriculture explain what the action of the Meat Industry Union means to South Australian farmers?

The Hon. B. A. CHATTERTON: I, too, was surprised that the union's action did not receive more publicity, because it is of considerable importance to South Australian farmers. The union agreed that another 200 000 heavy wethers could be exported from South Australia before the end of the year; this figure would be over and above the existing arrangements that had been negotiated within the industry on a ratio basis between carcass meat exports and live sheep exports. The union took its action because, in the prevailing drought conditions, these additional live sheep exports will benefit the farming community.

MAGISTRATES

The Hon. J. C. BURDETT: Has the Minister of Health replies to the two separate questions I have asked on magistrates?

The Hon. D. H. L. BANFIELD: The reply to the honourable member's first question is as follows:

No. The Premier is continuing dialogue with the magistrates. It does not appear that the magistrates wrote the letter for publication.

The Hon. J. C. Burdett: Are many letters written for publication?

The Hon. D. H. L. BANFIELD: It does not matter. In reply to the honourable member's second question, I point out that the Attorney-General made a statement in another place on Wednesday, October 12, 1977, which covers the honourable member's question. I seek leave to have a copy of that statement incorporated in *Hansard* without my reading it.

Leave granted.

Attorney-General's Statement

I wish to take this opportunity to make some further comments concerning the refusal of the Supervising Stipendiary Magistrate, Mr. D. Findlay Wilson, to hear and determine cases involving the State Government. He has taken this action, as members well know, following the reporting of comments I made on an A.B.C. talk-back radio programme. The comments referred to have been reported in the *Advertiser* as follows:

In answer to listeners' questions, Mr. Duncan said he felt the sentences imposed on three doctors for misuse of Medibank moneys had been too light. "Those penalties weren't satisfactory and the penalty that should have been applied in my view should have been significantly greater", he said. Mr. Duncan agreed with a listener's proposition that there seemed to be one law for the rich and another for the poor. However, he said it was generally a dangerous practice to compare sentences.

"I think the sorts of cries for blood that are about at the moment publicly and are being fired around are undesirable," he said. "I don't think that the public generally nor the Government for that matter is in the best position to determine what sentences are to be applied." "The courts", he said, "should be independent and be able to exercise discretion independently."

As I have said previously, Mr. Speaker, I was not misreported in the *Advertiser*, and stand by those statements. I was, however, misreported in the *News* on September 20, 1977, and in the *Australian* of September 21, 1977, wherein the following extract appeared (I think it was the same article in both newspapers):

Mr. Wilson declined to hear State cases in the Magistrates' Court following an allegation by Mr. Duncan that in Mr. Wilson's court there was one law for the rich and one for the poor.

On September 21, 1977, in the *Advertiser* I took the opportunity of denying that I had made that statement. My statement on that occasion was:

I did not say as was reported in the afternoon newspapers that in Mr. Wilson's court there was one law for the rich and one for the poor.

My statement in agreeing with the listener's proposition that there seemed to be one law for the rich and one law for the poor was intended to have general application, and in support of this I refer to my disclaimer of September 21, 1977, and my disclaimer on the day that the original statement was made, that it was generally a dangerous practice to compare sentences and that I did not believe that the Government or the public generally were in the best situation to determine what were the best sentences to be applied.

Throughout this saga at no stage has Mr. D. F. Wilson, S.S.M., sought to discuss this matter with me directly. In

the light of Mr. Wilson's statement from the bench, I took the course which I considered to be most proper, and that was to instruct the solicitors appearing in the matter of *Lawson v. Marion Road Car Sales Pty. Ltd.*, which is the case in which the magistrate had refused to proceed with the hearing, to state clearly in open court that the Government had no objection to the magistrate continuing to hear the matter. It is of interest to note the transcript of the hearing of that matter on October 4, 1977, when Mr. Wainwright, appearing as an officer of the Public and Consumer Affairs Department was asked by Mr. Wilson, "Mr. Wainwright, do you wish to say anything?" The transcript states:

I am instructed, Sir, that the complainant consents to your continuing to hear these complaints. I am not—

His Honour: Do you wish to say anything, Mr. Firth? Regrettably the magistrate did not apparently permit Mr. Wainwright to continue his remarks and the magistrate subsequently again ruled as follows:

I am afraid that what you have said does not remove the ground of disqualification. On each complaint I hold that I am disqualified from further hearing and from determining the complaint, and I desist from further hearing it.

It is interesting to note that both the complainant and the defendant had no objection to the magistrate hearing the matter. In other words, at the hearing both parties did not raise objection to the magistrate hearing the matter and expressed positively their desire that he should continue to hear the complaint. Nevertheless, Mr. Wilson felt unable to do so.

I took the step of instructing the solicitors in the above case to make clear to the magistrate the Government's position that we did not consider him to be biased and that we had no objection to his continuing to hear the case. I did so in light of my regard for the capacity, probity and devotion to duty which he has shown.

As to my agreeing with the listener's proposition that there seemed to be one law for the rich and one law for the poor, that was a comment on the general structure of the criminal justice system as it operates in this society and was not intended as a personal reflection on Mr. Wilson. I would have thought that that was a comment which would have had the support of most persons with any knowledge of the law, and in support of that proposition I quote from the findings of the Royal Commission (the second report) on Law and Poverty in Australia, page 1, as follows:

Lawyers and laymen alike consider it unthinkable that the legal system should discriminate against a person simply because he is poor. Yet even on these uncontentious criteria the law has failed to accord equal treatment to all people and has therefore contributed to the perpetuation of poverty in Australia. This report shows that some people, simply because they are too poor, too ignorant or too frightened, do not have access to the courts nor do they obtain the legal assistance they need to enforce their basic rights and to protect themselves against grievous injustice. It also shows that there are areas of substantive law of considerable importance to the everyday lives of poor people that are heavily weighted against their interests. Certain disadvantaged groups find that the legal system has been slow to adapt to their special requirements, so that for them the law sometimes reinforces inequalities rather than redresses them. Clearly the elimination of poverty requires the law to overcome its bias against poor people. But we think that the principle of equality before the law, in its broadest sense, demands more than the remedying of the most obvious injustices discussed in this report.

This quote, Mr. Speaker, equates my views, and adequately explains the reasons for my statement concerning one law for the rich and one for the poor.

DROUGHT RELIEF

The Hon. N. K. FOSTER: Early in this session—

The PRESIDENT: Does the honourable member seek leave to make a statement?

The Hon. N. K. FOSTER: I do.

The PRESIDENT: What is the subject matter?

The Hon. N. K. FOSTER: Agriculture.

The PRESIDENT: Would the honourable member be more specific than that? How can honourable members be expected to give leave if they do not know the subject matter?

The Hon. N. K. FOSTER: I will talk about Liberals, drought money, pigs, sheep, horses and cattle if I want to. However, on this occasion, I will confine myself to drought relief.

Leave granted.

The Hon. N. K. FOSTER: Early in this session I asked the Minister of Agriculture to correct a statement which emanated from the Federal Parliament in regard to drought relief to South Australian farmers. On that occasion the Minister explained the difference between amounts approved for payment to farmers and actual expenditure. Last week the Federal member for Barker again attacked the South Australian Labor Government for being tardy in regard to this matter. He obviously failed to understand the procedure. Will the Minister again clear up this matter for everybody, including members of the Liberal Party and the National Country Party?

The Hon. B. A. CHATTERTON: It seemed surprising to me that this was not fully understood, because I thought I had explained the situation satisfactorily in this Council. It appears straight forward indeed. The system of carry-on loans for farmers is that applications are put in, and if they meet the criteria and are successful, loans are approved. The actual payment of the loans is made three months in advance for the amount of the estimated deficit in a farmer's budget. There could be a situation where a farmer might apply and be given approval for a loan of perhaps \$10 000, yet the first payment might not be made until December 31 this year, when his budget may have moved into a deficit situation. From that point on he might receive varying amounts, according to the estimated deficit within the budget that he has submitted to the department. A considerable amount of money has been approved in terms of the successful applications, but not all the money that has been approved for expenditure to individual farmers has been paid out. That seems quite a clear and straight-forward explanation as to the difference between the figures, but it seems it is one that has not yet been fully understood by the honourable member for Barker in the Federal Parliament.

PRAWN PERMITS

The Hon. J. A. CARNIE: I seek leave to make a brief explanation, before asking a question of the Minister of Fisheries, concerning prawn permits.

Leave granted.

The Hon. J. A. CARNIE: On July 29 last year the Minister in this Chamber, in reply to a series of questions from the Hon. Mr. Cameron and myself concerning, amongst other things, the issuing of prawn permits to processors, stated:

It has been the consistent policy of the South Australian Government that processors should not own licences, and this policy has been supported by the fishing industry. There have recently been some rumours circulating in the

fishing industry that the department intends to issue prawn permits to processors. Has the Government changed its view since July last year? If not, will the Minister once again state the Government's position on the issuing of prawn permits to processors, and quell the rumours that are causing some concern in the industry?

The Hon. B. A. CHATTERTON: It certainly is the continued policy of the South Australian Government that prawn authorities should not be issued to processors. I can only think that the cause of the rumour was the other view which is taken by the Commonwealth Government, that prawn processors should have the opportunity to apply for new opportunities for prawn authorities and to purchase existing authorities. It is not the view of the South Australian Government that this should happen.

LIVE SHEEP EXPORTS

The Hon. N. K. FOSTER: I seek leave to make a short explanation before directing a question to the Minister of Agriculture about sheep exports.

Leave granted.

The Hon. N. K. FOSTER: It somewhat disturbed me a moment ago to realise what was being said on the other side of the Chamber; it came as a great surprise to me that members opposite who are supposed to represent the rural interests should have made the derisive comments they did about the exporting of sheep. I wonder whether they appreciate the fact that the Meat Industry Employees Union not only bent over backwards to accommodate the situation in South Australia, having in mind the drought conditions, but went beyond the request of the industry in regard to how far it was prepared to go, which is far better than the position obtaining in other States. However, because of an unfortunate accident yesterday morning to the Wallaroo jetty and realising that quite a high percentage of the sheep to be exported from South Australia is being exported from Wallaroo, a port that has been involved in this type of export only in recent weeks, if today's reports are accurate, even stock ships will not be allowed into Wallaroo. Bearing in mind the cost differential, it will represent a direct loss to the growers between the cost of shipment of sheep to Wallaroo by the flock method, by which flocks are droved directly on to the wharf, and the more costly method of railing them to the stockyards and then to the Port Adelaide facilities. Can the Minister prevail upon the Federal Government in this matter, because in the last 24 hours it has said it has the problems of the rural industry at heart, and will it make available senior officers of the Federal Department of Agriculture to investigate the differential in cost between the shipment of sheep to Port Adelaide and delivering them to Wallaroo? Will the Minister take up the matter with the Federal Government so that the Federal Department of Agriculture will investigate the cost differential to ensure that there is no direct loss to the South Australian industry, but more importantly that there is no direct lessening of the profit to the rural sector?

The Hon. B. A. CHATTERTON: I will certainly look into the matter. I understand only one operator has been using Wallaroo as an exporting point for live sheep; I do not think he is one of the major operators in this market. I also understand that, for the last few weeks anyway, he has not been exporting any live sheep to the Middle East and has not indicated his intention to resume in the next few months; so I do not think the immediate impact of the accident at Wallaroo will be very great on the live sheep trade. However, I will certainly look into the variation in costs between exporting from Wallaroo and exporting from Port Adelaide.

GRAND JUNCTION ROAD CROSSING

The Hon. M. B. DAWKINS: I seek leave to make a short statement prior to asking a question of the Minister of Lands, representing the Minister of Transport, about Grand Junction Road.

Leave granted.

The Hon. M. B. DAWKINS: Most honourable members will be aware of serious bottlenecks that occur on Grand Junction Road at the level crossing on the main north railway line, and I think that most honourable members would agree that the overpass which is being constructed at Grand Junction Road will overcome what has been a dangerous and time-consuming bottleneck. I noticed today that the overpass seems to be near completion. Can the Minister say when it will be opened?

The Hon. T. M. CASEY: I will obtain that information from my colleague and bring down a reply for the honourable member.

COURT PROCEDURE

The Hon. J. C. BURDETT: Has the Minister of Health, representing the Attorney-General, a reply to the question I asked on October 6 relating to court procedure?

The Hon. D. H. L. BANFIELD: My colleague reports that any direction given by a law officer of the Crown, or suggested to have been given by a law officer of the Crown or other part of the Crown Law Office, is part of legal proceedings. The legal proceedings are continuing in this case. Therefore, this matter is *sub judice*.

LAND AND BUSINESS AGENTS ACT

The Hon. J. C. BURDETT: Has the Minister of Health, representing the Attorney-General, a reply to the question I asked on October 11 regarding the Land and Business Agents Act?

The Hon. D. H. L. BANFIELD: My colleague reports that section 90 and regulation 44 under the Land and Business Agents Act require agents to make certain inquiries, and, although there is no obligation on local government and other authorities to supply the information sought, most authorities are believed to co-operate with agents in this regard. The problems caused by non-co-operation are known to the Government and, so far as Government authorities are concerned, it is expected that the position will soon be improved by the introduction of better administrative procedures. The system regarding non-government authorities is more difficult, but is being kept under review. If necessary, attention will be given to amending legislation.

LIVE SHEEP EXPORTS

The Hon. A. M. WHYTE: I seek leave to make a short statement before asking the Minister of Agriculture a question regarding the shipment of live sheep.

Leave granted.

The Hon. A. M. WHYTE: I was pleased to hear in the Council this afternoon that the Meat Industry Union has been able to exceed the quota that has always been placed on the export of livestock. However, despite his outburst about Opposition members condemning the union, the Hon. Mr. Foster is the only one whom I have heard discuss the Meat Industry Union in relation to the shipment of livestock. Certainly, I have never referred to it previously,

and I should like to place on record that, if the union has recognised the dire necessity for it to assist with the export of livestock, most primary producers will be grateful, and that they will give praise where it is due, despite what the Hon. Mr. Foster thinks. Will the Minister say whether a quota for the export of livestock has been negotiated and, if it has, with which organisations it was negotiated?

The Hon. B. A. CHATTERTON: The situation is certainly much more complex than that which obtains in Western Australia, where there is a quota on the export of live sheep. That quota is determined by a system of ratios between the total number of carcasses produced in that State and the number of live sheep required for export. That ratio is enforced by a Commonwealth authority, which can make determinations regarding exports. Indeed, persons wishing to export live sheep from Western Australia must obtain permission from the Primary Industry Department. That situation does not apply in South Australia.

The Hon. A. M. Whyte: Western Australia is further ahead in this matter than the other States?

The Hon. B. A. CHATTERTON: It is unique, in that arrangements negotiated in Western Australia are enforced by Federal legislation. In South Australia, there have been meetings, under the chairmanship of the principal livestock officer in my department, between the various parties concerned. These meetings have agreed on a formal basis that the ratio for sheep should be two carcasses for export to one live sheep for export. The big difficulty in this situation is that South Australia acts as a collecting area for Eastern States. It is a convenient place from which to export sheep to the Middle East ports, even though many of the sheep originate in New South Wales or Victoria. For this reason, it has been difficult to identify what sheep are coming from a particular State, and the suggestion was put forward that the calculation of that ratio should be on a national basis, to give maximum flexibility to exporters to be able to export carcasses which they had intended to have slaughtered in some other States. So far, the Federal Government has not agreed to that. I have raised the matter at meetings of the Agricultural Council, suggesting that it should support this arrangement on the same basis as in Western Australia, but the Federal Minister is still considering the matter.

The Hon. A. M. Whyte: Would this be because agreement has never been reached in South Australia, despite what the Hon. Mr. Foster said? There never has been a quota set in South Australia?

The Hon. B. A. CHATTERTON: The agreement was not a quota that has been applied in Western Australia. I believe that the number of sheep that could be exported live from Western Australia has been fixed, but in South Australia the basis of discussions was on a ratio that did not provide the specific numbers involved in setting an actual quota.

DEPARTMENT AMALGAMATIONS

The Hon. C. M. HILL: I ask leave to make a short statement prior to asking a question of the Minister of Lands about the amalgamation of departments.

Leave granted.

The Hon. C. M. HILL: I notice in the Treasurer's Financial Statement reference to the amalgamation and regrouping of divisions in State Government departments. Of the total of eight changes reported for the past 12 months, four concern the Minister's department. They are:

The transfer of the Rural Industries Assistance Branch from the Department of Lands to the Department of Agriculture and Fisheries.

The transfer of the South Eastern Drainage Board and the War Service Land Settlement (Eight Mile Creek) from Department of Lands to Minister of Works—Miscellaneous.

The transfer of vermin control from the Department of Lands to the Vertebrate Pests Control Authority under Minister of Agriculture, Forests and Fisheries—Miscellaneous.

The transfer of Natural Disasters Relief from Minister of Lands Repatriation and Irrigation—Miscellaneous to Minister of Agriculture, Forests and Fisheries—Miscellaneous. Will the Minister bring down a schedule showing what are now the remaining activities and responsibilities of his Lands Department?

The Hon. T. M. CASEY: I shall be pleased to do that.

GOODWOOD ORPHANAGE

The Hon. C. M. HILL: I direct a question to the Minister of Agriculture, representing the Minister of Education, about the recent purchase of and alterations and renovations to the property known as the Orphanage, Goodwood Road, Millswood. I understand that the property was purchased for music and other purposes. I ask the Minister what are the objectives of acquiring and developing this property and what are the purposes to which it will be put. Secondly, can he tell me the total purchase price and the costs of alterations and renovations to that property?

The Hon. B. A. CHATTERTON: I will refer the question to my colleague and bring down a reply.

PREMIER'S DEPARTMENT

The Hon. M. B. CAMERON (on notice):

1. What are the names of the Premier's staff who left the Premier's Department within the past 18 months?

2. What individual amounts were paid to each of these people as terminal payments on their resignations?

The Hon. D. H. L. BANFIELD: The replies are as follows:

1. and 2. K. Crease \$4 924·80; A. Koh \$4 333·80; L. Trowse \$535·18; B. Sumner \$199·81; and J. Templeton \$8 379·86.

ALDGATE PRIMARY SCHOOL

The PRESIDENT laid on the table the report by the Parliamentary Standing Committee on Public Works, together with minutes of evidence, on Aldgate Primary School.

LAND TAX ACT AMENDMENT BILL

The House of Assembly intimated that it had agreed to the recommendations of the conference.

APPROPRIATION BILL (No. 2)

Received from the House of Assembly and read a first time.

The Hon. D. H. L. BANFIELD (Minister of Health): I move:

That this Bill be now read a second time.

It provides for the appropriation of \$969 888 000 and is the main Appropriation Bill for 1977-78. The Treasurer has made a statement and has given a detailed explanation of this Bill in another place. That statement has been made available to honourable members and, rather than repeat it, I seek leave to have it inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

In doing so, I present the Government's revenue budget proposals for 1977-78 which provide for the use of all the Government's available resources in order to meet a forecast deficit on the year's operations of \$18 400 000. The need for this can only be explained in the context of national economic policy.

This Budget is being brought down against a backdrop of a steadily deteriorating national economy with markedly increasing unemployment and no reduction in inflation. These tragic results have been the consequence of the most antiquated economic thinking applied in Australia since the grim days of the depression. Over the past two years unemployment is up by 85 000. All of this has been done in the name of controlling inflation, but inflation in fact has not come down.

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

The Fraser Government's policies of cuts in the public sector and monetary restrictions, however, first put into effect in January, 1976, given a further twist in May of that year and in the tragically misguided 1976 Budget, soon began to have their depressing effect on the economy. Since September, 1976, it has been downhill almost all the way. The promising recovery of early 1976 has been completely cut off and put into reverse. Real output fell in the December quarter of 1976 and again in the March quarter of 1977 and barely showed any growth at all in the most recent June quarter.

We need an output growth of around 4 per cent a year merely to hold the unemployment total steady. The growth in the labour force and job losses due to technical change absorb output expansion of this size in a normal year. Thus, in order to get unemployment down appreciably, we need to be looking for growth rates of around 7 per cent to 8 per cent. Given the depressed base from which we start, this target is well within our grasp at the moment and, indeed, has occurred in numerous past Australian recoveries. Australia was well on target until the Prime Minister switched the policy levers and the recovery was abruptly cut off.

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

They see the same 5.4 per cent unemployment level at the end of this financial year as occurred in June, 1977, but with a "further easing (in the implicit seasonally adjusted sense) to around the end of 1977, followed by a moderate down-trend over the course of 1978". Normal seasonal trends will take that 5.4 per cent figure over the 400 000 mark by next January and the predicted further slip in the underlying labour market trend makes it easy to believe reports that both the Commonwealth Treasury and the Department of Employment and Industrial Relations have been predicting 7 per cent or more (over 425 000) unemployed at the seasonal peak early next year. And, given the Treasury's poor track record in the past, it would not come as a major surprise on present policies to see being realised the forecasts of longstanding Liberal economic advisers like professor Warren Hogan of as much as 8 per cent or nearly 500 000 unemployed early next year.

Such mass unemployment is not only a tragic waste of resources; it is also blighting the prospects of a whole generation of Australians, and is sowing a crop of major social welfare problems. It is now well accepted that there are links between unemployment on the one hand and crime, suicide and decreased mental health on the other. It is a policy with massive costs presently and in the future. It is false economy even in terms of the narrow bookkeeping minds that now seem to dominate Canberra's thinking.

All of this has been put up in the name of controlling inflation. But nothing has been achieved. Since the time the Liberal Government came to power, opportunity after opportunity to achieve a steady reduction in inflation has been wantonly squandered—by the Medibank changes, by devaluation and now by the petrol price increases.

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

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

In fact, of course, we know now that their methods of economic management are based on no more than some old-time religion that the Prime Minister learnt down on the farm at Nareen. His policies are based upon two pieces of pure ideological prejudice, which not even monetarists of the Friedmanite persuasion consider appropriate to the Australian economy in its present difficulties.

First, he has attempted to move Australia in a direction quite opposite to that of almost every other country. He

has tried to cut the real level of public spending at a time of our biggest post-war slump. His policy has not been simply to restrain the real growth of the public sector, such as has been attempted by some other countries. He has actually attempted to cut back in real terms the level of the public sector and, against the strenuous objection of every Premier, Labor, Liberal and National Country Party alike, he has attempted to make the States the instrument of his own misguided economic policies.

Only when the people of South Australia voted in the recent elections, directly on this issue, did Mr. Fraser finally get the message that the people of Australia don't want this sort of nonsense. Less than 24 hours after South Australians had delivered their verdict the Prime Minister announced that he wasn't going to cut Government spending any more. It remains to be seen whether he fulfils his word. He doesn't exactly have an Australia-wide reputation for fulfilling his promises. Nevertheless, an acknowledgment of the damage that cuts in Government spending have inflicted on the Australian economy is welcome and represents the most constructive change in his attitude to date.

The other main obsession of the Prime Minister is with reducing the rate of growth in the money supply. He attributes to M3 monetary growth figures, powers which are nothing short of magical. In his medieval, magical mystery tour, reductions in the money supply somehow cut the inflation rate, lift confidence in consumers and businessmen alike, and thereby float the economy off the rocks. In fact, nothing like this has happened at all. The money supply growth has been reduced, but the only things that have fallen have been output and confidence—not the rate of price increases.

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

Taking the midpoint of this M3 target, there is a gap of some seven percentage points between these two figures. The gap is huge. If there is one thing that most economists have gained from Milton Friedman's work, it is an appreciation of the dangers of stunting output recovery by providing an inadequate money supply. Friedman's researchers, along with those of Anna Jacobson Schwartz, illustrated the importance which reductions in the money supply had in exacerbating the United States slump between 1929 and 1932. Nearer to home we were all taught a pretty sharp lesson by the magnitude of the unemployment which was precipitated by the credit squeeze of late 1973 and the first half of 1974.

And we have had yet another lesson in the past 12 months. A year ago we were told by Canberra to expect about the same combination of inflation and output growth that is now being served up with projected money supply growth of 10 per cent to 12 per cent. Inflation came out very much as predicted at unchanged levels, and the money supply target was fulfilled. But the crunch came with the output forecast. We only got 1 per cent growth in real non-farm output last year, not the 4 per cent and more

that had been confidently predicted by the Federal Treasurer 12 months ago.

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

Credit restrictions show up in yet another way. Many firms with solid performance in the past and good prospects for the future will occasionally strike liquidity problems. They will need to borrow to get them through a sticky patch. In normal times, banks and other financial institutions are capable of helping these firms and thereby assuring continued employment. But with the banks strapped for cash under the strain of the Federal Government's restrictive monetary policy, they are no longer able to assist all the worthwhile firms that come to them for help. The consequence is bankruptcy, output loss and workers thrown on the scrapheap.

In South Australia we have tried to offset the monetary squeeze by helping as many of these worthwhile firms as we could. Each time we have been criticised by the honourable members opposite. Each time they would rather have seen these worthwhile firms go bankrupt and South Australians thrown on the scrapheap. We will not follow that callous policy. To the limits of our ability we will again assist worthwhile firms to maintain and expand their activities in the State.

The Budget which I present to you today is based upon an economic philosophy quite opposite to that followed by the Federal Government presently. South Australians have shown that they do not want the sort of damage inflicted upon them that Mr. Fraser's policies have produced. We have advocated a mild, controlled stimulus to the Australian economy and, in this Budget, we have done our best to play our part here in South Australia.

We have maintained the real value of public services. We have provided money to keep up construction levels. We will continue to assist industry through the South Australian Industries Assistance Corporation. And we have provided additional moneys for the State unemployment relief scheme—the most significant job creation programme in Australia, which presumably explains why members opposite want to do away with it.

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

It is also worth reflecting at this point on the confused meanderings of members opposite. They have consistently said that the State should never have gained the benefit of

the railways money. But when the surplus was built up they wanted to dissipate it in all sorts of ways. Though they thought the money was ill-gotten, they had no moral compunction about squandering it. Their leader organised protest marches to give away the money he said we should never have had. Instead, we carefully put the money away to guard against a rainy day. How difficult our position would be now if we had followed the advice of members opposite.

The 1977-78 Revenue Budget:

The forecast of an \$18 400 000 deficit is after making provision for two special allocations totalling \$34 000 000. Aggregate receipts and aggregate payments are expected to be about \$1 171 000 000 and \$1 189 400 000 respectively and they both reflect certain changes in the presentation of the State accounts to which I will refer later.

The forecast of payments comprises detailed provisions for normal running expenses of \$1 107 400 000 at salary and wage rates as at June 30, 1977, and at price levels with an allowance for inflation, a round sum allowance of \$43 000 000 for the possible cost of new salary and wage rate approvals which may become effective during the course of the year, a round sum allowance of \$5 000 000 for the possible cost of further increases during the year in prices of supplies and services and the special allocations of \$34 000 000.

The necessary detailed appropriations for the bulk of future wage awards will be arranged under a special provision which is included in the main Appropriation Bill each year. In respect to supplies and services, where departments can demonstrate that cost increases are greater than the allowances included in their detailed appropriations, extra funds will be made available from the round sum of \$5 000 000. There is no special provision in the Appropriation Bill to cover this procedure, so that it will be necessary to call on the authority of the Governor's appropriation fund and eventually of supplementary estimates. The latter procedure will be necessary also for a small part of the cost of wage increases.

The special allocations of \$34 000 000 are for two major provisions, one of \$12 000 000 to support the 1977-78 operations of the Loan Account and one of \$22 000 000 to provide for the continuation and some expansion of the State unemployment relief scheme. I shall return to both of these matters in a moment.

The 1977-78 Loan Budget:

As to the Loan Budget, I have re-introduced the public purposes Loan Bill and the Loan Estimates for 1977-78 to the House.

Those Estimates show that proposals for the State's capital programme envisage the use of all new borrowings and all recoveries expected to become available during the year. However, the availability of new funds through general loan programmes supported by the Commonwealth Government is well below the level required to meet expected cost increases. Further, the Commonwealth is holding specific purpose funds to a very low level and in some cases is withdrawing its support entirely. Thus, it has become necessary once again to make a call on revenue account in order to maintain the essential level of public works and support for the building and construction industry, while at the same time providing for a balance on the 1977-78 operations on the Loan Account.

Accordingly, an amount of \$12 000 000 is to be appropriated from Revenue Account in 1977-78 for capital purposes.

Combined Accounts—Revenue and Loan:

Therefore, on its two accounts combined the Government is planning a deficit to the extent of \$18 400 000 on

its 1977-78 operations and is proposing to finance that deficit by using all the available reserves held on those combined accounts at June 30, 1977.

It is appropriate at this stage for me to comment briefly on the Revenue and Loan Account positions at June 30, 1977.

Through a combination of sound financial management and the continuing benefits from the railway transfer agreement, we were able to commence the 1976-77 financial year with an accumulated surplus of \$27 600 000 on Revenue Account.

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

In addition to the round sum allowances, the Budget also provided for two special allocations, one of \$15 000 000 to support the 1976-77 operations on Loan Account and one of \$12 000 000 to augment development and exploration activities in the Cooper Basin.

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

In the event, a small deficit of about \$100 000 was recorded on the year's operations which reduced the accumulated surplus on Revenue Account to \$27 500 000 at June 30, 1977.

There were, of course, a number of variations from estimate in both receipts and payments for 1976-77 and these are documented fully in Attachment 1 to the printed financial statement.

As to Loan Account, the 1976-77 accounts opened with an accumulated deficit of \$8 900 000. The operations for 1976-77 showed a small deficit of about \$200 000 and a detailed explanation of those operations is set out in the Loan Estimates which I have re-introduced to the House.

As a result, the accumulated deficit on Loan Account increased to \$9 100 000 at June 30, 1977.

At June 30, 1977, a bookkeeping transfer was effected to eliminate the accumulated Loan Account deficit of \$9 100 000 and so reduce the recorded balance on Revenue Account to a net amount of \$18 400 000. That is the extent of our reserves available to supplement the 1977-78 operations—\$18 400 000.

Personal Income Tax Sharing:

Members will recall that last financial year saw the introduction of an arrangement between the Commonwealth and the States for the sharing of personal income tax collections, an arrangement which the Commonwealth Government claimed would provide about \$89 000 000 more for the States in 1976-77 than would be yielded by a continuation of the previous financial assistance grants formula. Indeed, the Commonwealth used that claim to justify their actions in reducing specific purpose and loan council funds to a level which was well below the expected level of inflation.

When I gave members a detailed account of those arrangements last year, I drew attention to a number of matters which made me apprehensive about the scheme. I made it quite clear that, whilst the new federalism gave the impression of the States and the Commonwealth working together in some form of national revenue-sharing partnership, I regarded the benefits ascribed to it as largely illusory.

Nothing has occurred since then to cause me to retract or to modify that view, the facts now speak for themselves. They show quite clearly that:—

- (a) In 1976-77, all States, with the exception of Queensland, were back to the equivalent of the old formula arrangement and, indeed, their grants would have been below the formula level had they not had the foresight to insist on guaranteed payments equivalent to the formula amounts. This was because the national economy performed badly and one of the direct results was a shortfall in wages paid and in personal income tax collections.
- (b) The system has introduced an undesirable element into State budgeting and planning which now sees all States having to make a repayment in 1977-78 because the Commonwealth Government over-estimated its collections from personal income tax in 1976-77. In South Australia's case, the repayment amounts to about \$745 000.
- (c) In order to try to overcome the scheme's deficiencies, the Prime Minister has now found it necessary to propose a change in its basis so that entitlements of the States to tax sharing would be based on the personal income tax collections of the previous financial year. Provided the Prime Minister honours the details of the offer which he made on July 1, this arrangement would be acceptable to South Australia. I have already indicated so. This proposal is associated with the offer of a firm amount in 1977-78.

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

It has even less to offer when one considers that stage II of the tax sharing arrangement proposes to vest powers in the States to impose an income tax surcharge or to grant a rebate. This action, which the Commonwealth can take with or without the States' co-operation, holds little joy for

State Governments. Its purpose is patently obvious—it will provide the Commonwealth with the excuse to withdraw further from areas of Commonwealth responsibility and to leave responsibility to the states, using their new taxing powers. This will contribute to a further downgrading of the public sector with consequent ill effects for the private sector and employment.

In 1977-78, South Australia's estimated share of the firm amount of \$4 336 100 000 offered by the Prime Minister will be about \$507 700 000. After allowing for the repayment to which I have referred, the estimated share will be reduced to about \$507 000 000.

Attachment II sets out in some detail the course of events and the main features of the income tax sharing arrangements.

Cooper Basin: Whilst no allocation is proposed from the revenue budget in 1977-78 for Cooper Basin activities, I believe it would be appropriate to give members a brief report on the project as it is one of the major initiatives undertaken by the Government in recent years.

Members will recall that \$17 000 000 was appropriated in 1976-77 to enable the South Australian Government through the pipelines authority, to obtain the Commonwealth Government's equity interest in the Cooper Basin and to increase the level of exploration which needs to be undertaken in order to assess the extent of the reserves of gas and to permit planning of their future use.

We have now made a firm offer for the Commonwealth's interest and this is being considered. The matter is expected to be resolved in the next few weeks.

At the moment, the future of the Cooper Basin Gasfields is probably the single most important factor in the economic development and industrial security of this state and the Government accepts that further allocations of funds will be necessary from time to time for the exploration and development of this valuable State resource. I will inform Parliament as the necessity arises for those allocations.

Unemployment Relief: We all know that unemployment in Australia today is at its highest level since the tragic years of the depression and is showing no signs of abating. It has become a massive problem which not only denies people work opportunities and work experience, but also creates significant social problems.

Whilst the Commonwealth Government's economic policies continue to ignore this problem, the South Australian Government has taken practical and positive steps to reduce the plight of its people, particularly its young people, by providing considerable funds for the operation of a State unemployment relief scheme. Since 1975, when the Commonwealth abandoned its regional employment development scheme, the State has provided \$22 000 000 to finance unemployment relief projects. We propose to provide a further \$22 000 000 in 1977-78, taking the total to \$44 000 000.

The scheme has proved to be most effective. Indeed, the Commonwealth Minister for Employment and Industrial Relations recently expressed interest in the scheme and requested detailed information concerning its operation. I am pleased to say that we were able to report to him that:

- (a) Approximately 8 000 people have been employed under the scheme to date with an average employment period of 21 weeks.
- (b) Of 3 650 people employed during the seven month period to August, 1977, about 1 000 have found permanent employment with their sponsors or other employers.
- (c) About 1 500 people are currently employed and all recruitment is arranged through the Commonwealth Employment Service.

(d) Administration costs have been kept to a minimum and, in fact, they represent less than 0.4 per cent of funds employed.

Further, the scheme is not just one of making jobs. It is providing a host of facilities and services which are of real value to the community. Nor is it confined to construction works. Jobs are being provided in the clerical and administrative area, in social and community work and for many people with professional qualifications.

I believe these facts demonstrate the effectiveness of the Government's action in this area and, hopefully, they may satisfy those negative critics who continually decry the scheme as a waste of taxpayers' money.

Drought Relief: Once again, unfortunately, I must refer to the serious seasonal conditions which South Australia is experiencing. While there have been some useful rains in recent weeks, I have been advised that there are still many areas of the State in desperate straits, particularly the West Coast and the Murray Mallee areas, which are suffering their third consecutive drought year.

The Government expresses its sincere sympathy to all the rural community affected and as a practical token of our concern, we have included in the Budget almost \$12 000 000 for a drought relief programme. We have set up a drought consultative committee comprising representatives of rural industry groups and statutory authorities as well as Government departments and a departmental working party has also been established within the Department of Agriculture specifically to deal with drought relief measures.

We expect to recover all but \$1 500 000 of those funds from the Commonwealth Government under the natural disasters programme.

State Taxation: The extent to which the Government needs to increase, or is able to reduce, its taxation measures is influenced by a number of financial factors of which the most significant is the budgetary policy of the Commonwealth Government.

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

The Commonwealth cost cutting blade has even extended to an area covered by a specific and binding agreement—the sharing of net hospital operating costs. The Commonwealth Budget provides \$5 000 000 less than the obligatory half share of the estimated minimum level of costs which is regarded by the South Australian Health Commission as unavoidable to maintain effective hospital services in this State. I have written to the Prime Minister and objected strongly at the arbitrary decision which his Government has taken in isolation and without reference to those responsible for the delivery of hospital services in this State. I have sought assurances that the Commonwealth's proper responsibility will be met.

While the letter I have now received from the Prime Minister accepts that certain cost increases are beyond the control of the State and says that proper regard to this consideration will be had in reviews of Budgets, the outcome in terms of Commonwealth financial support remains to be seen and some difficult negotiating may yet be ahead of us.

Unfortunately, the climate which has now been created by the Commonwealth Government and which will see the dissipation of all our reserves, has made it difficult for the Government to continue the programme of taxation relief

which it has followed over the past two financial years. During that period we have seen the abolition of the petrol franchise tax, rural land tax and succession duty on property passing to a surviving spouse, a reduction in stamp duties on conveyances, an increase in the exemption levels for pay-roll tax and other relief in succession duties and land tax. Also, in this period, we have given a wide range of incentives to industries wishing to establish or expand their operations in South Australia.

Despite the present difficulties, the Government will introduce legislation during this session to further increase exemption levels under the Pay-roll Tax Act with effect from January 1, 1978. As I have announced previously, the basic exemption level will be increased from \$48 000 to \$60 000, tapering back to \$27 000 at a pay-roll level of \$109 500.

With respect to land tax, it is the Government's intention to ensure that higher valuations of property do not place an undue burden on property owners. By reducing the taxation scale, it is planned to contain receipts from land tax at about \$20 500 000 in 1977-78. This would give a rate of increase over the previous year less than the general rate of inflation.

Effective use of resources: Before turning to the more detailed explanations of the Budget, I would like to comment briefly on the benefits to be obtained from the long term planning of our financial resources, from improved financial management and from reviews of policies and operations.

As members know from my previous reports on this matter, the Government has been planning its capital works on a three year rolling programme for a number of years. Forward planning has been of considerable benefit in achieving the effective use of our resources and, further, has helped us to cushion the adverse effects of recent budgetary decisions taken by the Commonwealth Government.

Last year I informed the House that we intended to develop a two year forward planning programme for Revenue Account with the intention of extending it to a three year programme as soon as possible. I warned members of the complexities of this exercise and, as anticipated, more work needs to be done before meaningful results can be achieved. Treasury officers are working with departments on this matter with a view to having more reliable information in April next about 1978-79 and future years.

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

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

Long term financial stability has been, and will continue to be, one of the major aims of this Government's policies.

We see the firm control of expenditures within the limits approved, the improvement of our financial planning and budgeting, the achievement of economies wherever practicable and the flexibility to cope with changing circumstances as essential elements in the achievement of our objectives. This is particularly so in the present difficult economic climate.

Changes in Responsibility: May I mention briefly a further variation in departmental responsibilities which follows from a change in Ministerial portfolios and which was decided after the Budget papers were finalised. Accordingly, it does not appear in Attachment III. The functions of the Museum and the Botanic Gardens are being transferred from the Department for the Environment to the Education Department.

The Hon. R. C. DeGARIS (Leader of the Opposition): Speaking at such short notice to the most important single Bill to come before the House in the session does place a strain on members to make a worthwhile contribution to the annual Appropriation Bill. However, to be as co-operative as possible, I have given the Leader of the Government an undertaking that the Budget will be fully debated this week. The first inquiry I had from the Minister was whether the Council would debate the Budget at the same time as the debate in the Assembly. My answer to this inquiry was "No".

I do not believe that such a procedure could be justified. I know the Government is desperately keen to get the Budget through as quickly as possible, but the delay in the presentation of the Budget cannot be blamed upon any action taken by the Legislative Council. It is delayed because the Government sought to cut its three-year term short, to capitalise upon a political climate that it thought might not exist for it in March, April or May of 1978. Therefore, I could not see any reasonable grounds for attempting to cut across the normal Parliamentary procedures to debate the Bill simultaneously with the House of Assembly. However, the Opposition in the Council is prepared to facilitate its passage through the Council, even though the attitude of the Government so far in this session has been one of arrogance and belligerence.

This raises the first question, that in publicity in the media and in the policy speech—not I must add in any remarks His Excellency the Governor made on behalf of the Government in opening Parliament—the Government has once again been attacking the constitutional provisions applying to the Legislative Council. I refer to the Government's policy speech, inserted in *Hansard* by the Hon. Mr. Blevins, part of which states:

We seek a mandate for simultaneous elections of the Legislative Council and House of Assembly, and the abolition of the six-year minimum term requirement for the Legislative Council.

Of course, the Government has at its disposal vast media resources not available to members of this Council, so a Premier on the offensive (should I say an offensive Premier), his Ministers and his advisers can constantly attack principles which have existed in our Constitution for many years and which have served the people of South Australia well.

The first piece of false propaganda being peddled is that the Government intends legislating for simultaneous elections for the Legislative Council and House of Assembly. It is not possible for the Legislative Council to go to the people without the House of Assembly. The two Houses cannot get out of phase. The problem seen by the Government is that occasionally when the House of Assembly decides to go to the people for a purely political motive, unless members of the Legislative Council have

completed their constitutional term of six years, Legislative Council members continue to carry out their term until the next House of Assembly election after they have served their minimum six-year term. There is no way the term can be extended by the Legislative Council. I emphasise that point.

It can be extended only by action taken by the Government. If the Government feels that the six-year term should be the limit, then the remedy lies in its hands. If the Government wants to ensure in the Constitution that no Legislative Councillor shall serve more than six years, then there are two remedies. The first is that the Legislative Council shall go to the people in the same way as the Senate; indeed, I would be willing to support, for example, a Legislative Council election every three years on local government polling day. It would have the effect of encouraging a greater voting interest in local government elections, and separate the important differences between a House of Assembly campaign and a campaign to elect the Legislative Council.

Secondly, the Government should complete its three-year term, unless forced to go to the people by any action taken by the second Chamber, in which case both Houses should go to the people. It would be highly undesirable if the majority for the time being in the Lower House, on its own political whim, could force the second Chamber to the people before its members' six-year terms had expired.

Such a constitutional requirement would seriously damage the concept of the bi-cameral system. Of course, if such a provision were enshrined in our Constitution at present, namely, that the House of Assembly had to complete its three-year term (except for certain conditions), then the Government would not be in the present position of trying to force a Budget through both Houses in record time, with little time for solid analysis and examination of the Government's financial policies.

I should like to make a few general comments on the financial policies that have been followed in South Australia in the past 20 or 30 years. During the Playford era, South Australia can be said to have dedicated its policies to economic growth. If one can offer any criticism of the Playfordian dedication to economic growth, it is that the industrial growth may have been a little lop-sided, with concentration in certain industrial areas. It is difficult to condemn the economic growth of South Australia purely on this ground. I believe that our industrial base (and this is generally recognised by most people who examine the position in South Australia) is concentrated too much in some areas. The South Australian population understood the Playfordian programmes and goals laid out for it: low costs, industrial peace, and cheap but good standard housing.

The Hon. J. E. Dunford: Low wages!

The Hon. R. C. DeGARIS: Low wages can be looked at only in relation to the cost structure in this State. There was a low cost structure and a higher standard of living in South Australia compared to any other State during that period.

The Hon. J. E. Dunford: What about long service leave?

The Hon. R. C. DeGARIS: The Hon. Mr. Dunford reminds me of the Irishman playing cricket: there was a match in Dublin in which the first slip took a magnificent catch, which was unfortunately dropped on the replay! I only hope that when the honourable member speaks in the Budget debate as he tried desperately to speak in the Address in Reply, he does not drop it in the replay. South Australia, with limited resources, developed and found her own opportunities during that era, but since the Playford era a new element has developed.

It may be argued that we have developed our capacity

for compassion to a far greater extent than was evident in the Playford era. The art of government, however, must lie between these two demands. I do not criticise what one may describe as the compassionate society, but at the same time one must not overlook that incentive and opportunity must not be driven to the wall by an overdose of emotional compassion. Those comments are fair when we look at them.

In the Playford era we devoted ourselves to economic growth, low costs, and high standards in this State. In the last few years we have turned over to the compassionate society. I believe in South Australia we have tipped the balance too far. The disease of inflation, the acid eating the insides out of incentive and opportunity, partially results from trying to hand out too much too quickly and from Governments' trying to reach goals too quickly ahead of productivity.

In his speech in the Address in Reply debate, the Hon. Mr. Sumner put forward his views for a socialised society, saying that the profit motive was responsible for the decline in democratic institutions and the only way democracy could be saved was the almost religious embracement of a total socialist philosophy. The socialist philosophy has to see the end of the Western democratic tradition as we know it (to survive as a philosophy itself) so the blame for the decline in our democratic tradition must be shifted by socialists to this vague, undefined term—the profit motive.

This State, I believe, has gone far enough down the line of social experimentation. If we are to provide for our people a more rewarding life, combined with a compassionate society, we must be prepared to encourage the American ideal rather than the economic ideals of Great Britain and Europe in recent times. We must remain on the side of those who want opportunities, provide incentive, and take risks.

The early election was called, I believe, because the Government understands that, as inflation falls, new opportunities will open in Australia. As inflation falls, unemployment will also fall and confidence will return. But I believe recovery in South Australia will be slower than in the other States. I think that was the real reason for the early election. Also, that is the real reason why at this stage we are debating a Budget in haste: because the Government wished to capitalise on what it thought might be a declining number of people favouring it in April or May, 1978.

Over the last five or six Budgets, the matters about which I have been speaking have been clear: gradually the Government departments associated with opportunity and production have been overshadowed in their expenditures by departments involved in social welfare, consumer laws, etc. The Government has entered a number of fields of endeavour that would have been better left to the private sector. In this process, the private sector has gradually been forced to compete on terms less favourable than those applying to the Government or semi-government endeavour. It must be borne in mind that the private sector has had to supply the Government with sufficient taxation to enable the Government to embark on its emotional programmes.

So the South Australian Budgets, the financial expressions of Government philosophy, have gradually, but surely, produced the conditions that will slow recovery in this State.

The Hon. J. E. Dunford: You sound as though you are talking about the Federal Budget.

The Hon. R. C. DeGARIS: No. I am talking about recent South Australian Budgets. The papers have been tabled explaining the Government's budgetary policies in

1977-78. The Budget papers predict a budgetary deficit of \$18 400 000. One could begin by asking what has happened to the "Railways Bonanza" we were told about so eloquently in advertisements only two years ago. The Budget papers, having declared a deficit of \$18 400 000, then proceed in a flight of fancy that surely must rank as the most political of statements ever to appear in the presentation of a State Budget. In his Financial Statement, the Treasurer states:

This Budget is being brought down against a backdrop of a steadily deteriorating national economy with markedly increasing unemployment and no reduction in inflation. These tragic results have been the consequence of the most antiquated economic thinking applied in Australia since the grim days of the depression. Over the past two years unemployment is up by 85 000. All of this has been done in the name of controlling inflation, but inflation in fact has not come down.

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

The Fraser Government's policies of cuts in the public sector and monetary restrictions, however, first put into effect in January, 1976, given a further twist in May of that year and in the tragically misguided 1976 Budget, soon began to have their depressing effect on the economy. Since September, 1976, it has been downhill almost all the way. The promising recovery of early 1976 has been completely cut off and put into reverse. Real output fell in the December quarter of 1976 and again in the March quarter of 1977 and barely showed any growth at all in the most recent June quarter.

We need an output growth of around 4 per cent a year merely to hold the unemployment total steady. The growth in the labour force and job losses due to technical change absorb output expansion of this size in a normal year. Thus, in order to get unemployment down appreciably, we need to be looking for growth rates of around 7 per cent to 8 per cent. Given the depressed base from which we start, this target is well within our grasp at the moment and, indeed, has occurred in numerous past Australian recoveries. Australia was well on target until the Prime Minister switched the policy levers and the recovery was abruptly cut off.

Commenting on that remarkable statement, I point out that the inflation figure will be reduced to manageable proportions soon. There is no question that the inflation rate has fallen dramatically. In the next 12 months the rate will be a single-digit figure. If there is to be an economic recovery for this country, inflation must be brought under control. The recent consumer price index figures show that the inflation rate is being cut. Indeed, the Budget deficit is based on a 15 per cent inflation rate—an exaggerated figure on present indications. This indicates that the Budget figures show an abundance of caution. If one takes the figure of 15 per cent and reduces it to what it should be, it means that the Government is not budgeting for a deficit at all, because the deficit figure is based on a projected 15 per cent inflation rate, which will not be achieved. Let me examine another gem, as follows:

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

Since I have been in this place, I have never seen in a Parliamentary Budget Paper a more disgusting attempt at personal denigration of a Prime Minister.

This document, more than anything else, reflects sadly upon the present State Government. The third quote to which I refer states:

First, he has attempted to move Australia in a direction quite opposite to that of almost every other country.

On the contrary, the Prime Minister is taking similar action to that of the Labour Party in Great Britain—an action that should have been taken years ago by the Wilson Government. Mr. Callaghan at least is prepared to grasp, as realistically as any Labor Party person can, the difficult economic nettle, as far as the U.K. is concerned. Yet here, the brilliant political and economic unit advising the Premier writes for him a document criticising similar action taken by the Australian Prime Minister to correct the economic ills of a previous Government. One more quote from the document states:

The moneys so won have insulated South Australia from the worst ravages of an Australian recession during the past two years.

This so-called reserve built up by the sale of the non-metropolitan railways has not saved South Australia, and will not save South Australia, from a very difficult recovery, when the economic recovery does come. As is usual with the Budget Papers, I have made an analysis of the various departments and allocations, and the expenditure undertaken by those departments, and I ask that the table I have prepared be inserted in *Hansard* without my reading it.

Leave granted.

ESTIMATED EXPENDITURE

	1977-78 \$ million	Increase \$ million	Percentage increase
Premier	20.88	+ 5.68	+ 37.38
Chief Secretary	74.40	+ 3.96	+ 5.62
Attorney-General and Prices and Consumer Affairs	15.206	+ 2.12	+ 16.20
Treasurer	45.99	- 6.33	- 12.09
Lands, Repatriation and Irrigation	16.69	+ 0.35	+ 2.15
Works	102.80	+ 9.88	+ 10.64
Education	352.50	+ 30.58	+ 9.50
Labour and Industry	26.48	+ 15.84	+148.90
	(The major increased item is unemployment relief, up \$15 000 000 (216 per cent)).		
Agriculture, Forests and Fisheries	31.20	+ 18.70	+149.70
	(See comments below)		
Environment	7.62	+ 2.04	+ 36.60
Marine	11.77	+ 1.81	+ 18.10
Transport and Local Government	66.67	- 20.30	- 23.40
Community Welfare	35.36	+ 5.10	+ 16.86
Tourism, Recreation and Sport	4.38	- 0.60	+ 15.99
Health	144.60	-107.60	- 42.60
Mines, Energy and Planning	10.4	- 15.60	- 60.00

ESTIMATED RECEIPTS

	1977-78 \$ million	Estimated 1976-77 \$ million	Increase 1977-78 Per cent
State taxation	307.8	+ 28.5	+ 10.2
Public undertakings	113.7	+ 15.8	+ 16.1
Recovery of debt services	70.2	+ 4.5	+ 6.8
Departmental fees	162.2	- 99.3	- 38.0
Territorial	4.9	+ 0.68	+ 16.0
Commonwealth reimbursements	512.1	+ 46.8	+ 10.1
Total Receipts	1 171.0	- 3.02	- 0.26

Adjustment should be made for a further \$107 600 000 which covers previous State hospital revenue and is now funded by the Commonwealth via Medibank. Therefore the total receipts should be:

1 278.6 +116.12 + 9.8

The Hon. R. C. DeGARIS: Departmental fees fall by about \$100 000 000, because fees relating to hospitals are not now included, being directly funded by Medibank. The agriculture increase of 149 per cent (\$18 700 000) deserves further comment and adjustment. Natural disasters relief accounts for \$11 740 000, of which only \$1 500 000 is from State Treasury, so an adjustment of \$10 240 000 needs to be made because that is the amount that comes from the Commonwealth, and \$1 500 000 comes from State coffers. It has been my criticism that in Budgets over the last five or six years the agriculture allocation has not been increased in line with increases in other departments, but it now has a massive increase, which is largely due to the Commonwealth grant of \$10 240 000 for natural disaster relief. A further \$2 380 000 is appropriated for payments associated with the transfer of the Port Lincoln abattoirs to Samcor. This is an internal arrangement which does not add anything to the Budget. Therefore, one needs to adjust the Agriculture Minister's line by deducting \$12 620 000. This reduces the actual increase to \$6 000 000, or about a 50 per cent rise in expenditure.

For a number of years I have criticised the phenomenal increase in expenditure in the non-productive departments and, although the increase in the Agriculture Department expenditure is the highest percentage for at least eight years, the areas of increase are largely related to new administration processes involving pest plants and vertebrate pests boards.

The other large increase is the \$1 750 000 for the brucellosis and tuberculosis eradication programmes. I do not know whether this money is coming from the taxpayer's purse or from the Commonwealth or the Cattle Compensation Fund. Perhaps the Minister will tell me how this \$1 750 000 is being funded so that I can make these analyses correctly. If the \$1 750 000 is not coming from State taxation but is being funded in some other way, there is virtually a small increase in the agriculture allocation this financial year. One can say that the increase would be possibly about 30 per cent over last year's. In view of the increased allocation for the various lines, making all the adjustments regarding disaster relief moneys and the Commonwealth money in relation to brucellosis, etc., it means that the other lines have increased by about 30 per cent in the last year.

The Hon. B. A. Chatterton: I am not sure about that.

The Hon. R. C. DeGARIS: I think that will be about right. The mines and energy allocation has dropped by 60 per cent, and that is explained by the fact that no contribution is required this year for the Pipelines Authority, whereas \$17 000 000 was allocated last year for this purpose. However, the criticism here must lie in the relatively small increase in Mines Department lines and the total lack of any funds for research into alternative energy sources in South Australia. One would have thought that the Government would place a high priority on such a programme. There has been a small increase in allocations to the Mines Department but, once again from the point of view of economic development in South Australia, the increase has been regrettably low.

As I said at the beginning of my speech, I usually make an exhaustive analysis of the Budget, but this year I have been unable to do that. While I am pleased about the increase for the Agriculture Department, if we examine the lines we find that the criticism I have made over the

years is still the same: this Government is still spending tremendous amounts in emotional and compassionate areas rather than looking at the area of the economic development of this State. I have already criticised the Treasurer's preamble to the Budget. Although my analysis of the Budget is not as extensive as usual, the time scale hardly allows for it to be done this year. However, I close with a plea to the Government and the Treasurer that, in presenting to Parliament information for honourable members, it adds nothing to the standard of Parliament or rational debate to have pages of purely political propaganda rather than relevant information. My plea to the Government is to forget about constant division and confrontation and to try to provide Parliament with facts and information, not political claptrap.

The Budget preamble seems to me to give validity to the claim of the Hon. John Burdett that certain appointments to the Public Service are made not to assist the independence of the Public Service, to which we have in the past been accustomed, but to extend the arm of political control of those people employed in the Public Service. I support the Bill.

The Hon. C. M. HILL: First, I pay my compliments to the senior Treasury officers who continue to carry out their responsible duties with their usual skill and dedication. Their task is not easy in economic times such as these. Also, I think they would be somewhat upset on reading the Treasurer's statement in the preamble to this measure. Some of that document has been quoted, quite properly, by the Hon. Mr. DeGaris, because it should be brought to the notice of the public just what a lot of political rubbish and untruths is set out.

I, too, note some of the points stressed by the Hon. Mr. DeGaris when he criticised the Treasurer's speech. To say that there is "no reduction in inflation" (I quote those words from the document) is untrue. Elsewhere, the Treasurer says that, in fact, inflation has not come down. Then he launches his attack on the policies of Mr. Fraser and the Commonwealth Government, and claims that they are based upon "the most antiquated economic thinking". The gem of all the paragraphs in this speech is the one stating:

The Budget which I present to you today is based upon an economic philosophy quite opposite to that followed by the Federal Government presently.

We know exactly where we stand: the present Treasurer's economic policies are opposite to those of Mr. Fraser and the Commonwealth Government.

In regard to Mr. Fraser's policies, let us be quite clear where he stands. Only in yesterday morning's *Advertiser* he was quoted for just a few sentences to make quite clear the whole basis of the Commonwealth Government's approach. Mr. Fraser said in that paper:

Inflation over the past few years has affected people's willingness to make buying decisions. That was why the Government gave priority to winding down Australia's rate of inflation. The Government knew it could not relax its policies to beat inflation and was completely prepared to press on with its economic strategy.

Then the Prime Minister referred to the three steps upon which he insists in all his policies—firm control on Government spending, sensible monetary policy, and wage restraint.

But if I may return to these untruths concerning inflation that the Premier has mentioned in his speech, in the consumer price index figures that were released only last week the inflation rate in this State for the September quarter was 2.5 per cent. In the nine months of this calendar year ended June 30, the total inflation rate for Adelaide was 7 per cent. Surely when figures like this are

issued, we cannot accept the Premier's statement that inflation is not coming down.

I refer to Mr. Dunstan's policies compared with those of the Federal Government. One finds when one looks at the inflation figures in the c.p.i. that the rate in Adelaide always seems to be higher than the Australian average. The rate for the September quarter was 2.5 per cent in Adelaide compared to an Australian average of 2 per cent. The rate for the nine months ended June 30 was 7 per cent in Adelaide compared to the average of the seven capital cities of 6.6 per cent and, for the 12 months ended June 30, the Adelaide rate was 14.7 per cent compared to the average of the seven capital cities of 13.1 per cent.

So, it is wrong to say that inflation is not falling. One sees from a perusal of the figures that, compared to the average of the seven capital cities, the South Australian rate is higher. Mr. Dunstan is alone compared to the other Australian Premiers in relation to the kind of financial and economic policies that he is invoking in this Budget.

I was interested to read that the Tasmanian Labor Premier, Mr. Nielson, in his Budget paper No. 42, said the following regarding the Tasmanian economy:

It is apparent that the rate of inflation fell significantly during 1976-77 from the high level of the previous two years.

With this fall has come tentative but fairly definite signs of some economic recovery in Australia.

That was said by a Labor Premier. In his Budget speech, the Western Australian Premier, Sir Charles Court, said:

As I have consistently maintained, the essential first task of all Governments must be the control of inflation. The task is not easy, and the medicine is unpalatable, but we cannot afford to waver from this aim. To the credit of the Federal Government, it has not wavered despite criticism and its own concern at the slowness of economic recovery.

Finally, the Liberal Premier of Victoria (Mr. Hamer) said in his Budget speech recently:

The Government has consistently stood firm on the need to bring down the rate of inflation as the basis for renewed activity and for a return to greater confidence in the business and farming communities.

The attitude of those Premiers is in line with the policy of the Federal Government, although all seem to be out of step with the Premier and Treasurer of this State. He would do well, in the best interest of this State and of the Commonwealth as a whole, to follow Mr. Fraser's economic policies.

After all, the economic ruin that was inherited by Mr. Fraser and the Federal Government was brought about by the Australian Labor Party. The real catastrophe for Australia was that the A.L.P. capitulated to the militant union movement with its demands for huge wage increases. That was the real catastrophe. This is not only my view: it was also admitted by Mr. Whitlam here in Adelaide on January 17, 1975. A report in the *Advertiser* of that day was as follows:

Excessive union wage demands had caused Australia's unemployment and inflation crisis, the Prime Minister (Mr. Whitlam) said at a conference in Adelaide on Saturday. Mr. Whitlam said this in an address to delegates at the Young Labor Association conference at Lincoln College, Ward Street, North Adelaide.

He said inflation today was primarily and almost solely due to wage claims and increases. "The cause of unemployment is, frankly, the excessive wage demands," he said.

"You cannot blame Vietnam for the inflation in the Western world still," he said. "You cannot blame the oil crisis for the inflation in Australia. You cannot blame the takeovers and the currency rates for inflation in Australia now. You have to place the blame on wage claims."

The Hon. C. J. Sumner: Who said that?

The Hon. C. M. HILL: Mr. Whitlam did. The report continued:

"What has happened in the past 12 months is that profits have been reduced very greatly in every form of activity." Mr. Whitlam continued: "In those industries where employers can put off people and not replace them and not take on new people they will take all these courses because it is not profitable at the moment to do otherwise.

Wage claims in the past 12 months have so greatly reduced the profitability of employers that they have ceased to employ. So long as wage demands continue to cut profits there is going to be unemployment in Australia. Every excessive increase in income for one man takes the job of another man," he said.

Of course, at that time Mr. Whitlam was immediately attacked by Mr. Halfpenny, who was quoted at length in this report. That gentleman was indeed critical of the then Prime Minister. In a situation like that, where the Labor Prime Minister of the day has admitted that it was the excessive wage claims by the militant union movement that were the cause of the trouble, Mr. Dunstan should have cause to take a different attitude towards the Federal Government and Mr. Fraser's policies, and to adopt policies with principles similar to those adopted by Mr. Fraser. Mr. Fraser's policies are succeeding. There are signs that he has got inflation under control. That was the necessary target—

The Hon. C. J. Sumner: What about unemployment?

The Hon. C. M. HILL: —as I am sure the Hon. Mr. Sumner knows, although he would not say so. That was the first necessary priority; Mr. Fraser stood firm and is succeeding. However, Mr. Dunstan says that his policies are completely opposite to Mr. Fraser's, which he believes to be wrong.

Where are Mr. Dunstan's financial policies getting South Australia? That is a question into which I should like to look further. If Mr. Dunstan's policies are so good, what is the end result of them? Where are they getting the people of this State? Looking at the c.p.i. figures, I find that the rate of change in the points between the June, 1977, quarter, and the September, 1977, quarter shows Adelaide as having the highest or equal highest rate of increase in costs of the seven Australian capital cities in the following items.

This means that nowhere else in the other States has there been a faster rate of cost increases in the last quarter. In all these items, South Australia is in the forefront. I am sure that the Minister of Health would be interested in this, because I am referring to items that concern the little people and the necessities of life. They include fruit and vegetables, meals out, take-away foods, soft drinks, ice cream and confectionery, cereal products, men's and boys' clothing, household utensils, furniture and floor coverings, other household items, motor vehicle purchase and operation, and health and personal care. In the total of all these items in the c.p.i. Adelaide's rates for the September quarter were higher than those in any other capital city.

What a record for Mr. Dunstan to have and for members opposite to be proud of! In this document Mr. Dunstan, after he gets through all his personal garbage and criticism that runs through it, states that his Budget is based on an economic philosophy that is quite opposite to that being followed by the present Federal Government. If members opposite do not agree that there must be something wrong with the Treasurer's policy if there are increases of that kind in all the items that I have mentioned, why do they not look at the housing situation in South Australia?

All the political propaganda that Mr. Dunstan and his publicity department has been espousing in the past few

months about our housing costs being low compared to costs in other capital cities is entirely untrue as far as houses, land, and package deals of both houses and land are concerned. The Housing Industry Association issues a cost commentary, and the source of the association's statistics is the Australian Bureau of Statistics, at 3-6 on table 25. A comparison is made of costs in all States for the quarter ended March, 1977, the latest date for which figures are available.

On the average commencing values of houses in Sydney, Melbourne, Brisbane, Adelaide and Perth, the table shows that the cost of the average house in Adelaide is \$30 400, which is higher than the cost in Sydney, Melbourne, Brisbane or Perth. The average size of the house is 141 square metres and the average size for all cities is 142 m². The average value a square metre of house building in Adelaide is \$215. That is higher than the figures for Sydney, Melbourne, Brisbane and Perth, which are \$189, \$202, \$181, and \$192 respectively.

The Hon. J. E. Dunford: Because your friends the builders are ripping people off.

The Hon. C. M. HILL: The honourable member may talk rubbish like that if he wants to, but he cannot deny that the average cost of house building in Adelaide is higher than the cost in those other capitals. The Premier has gone to great lengths recently to rebut these figures, but the statistics in the various issues of the document to which I have referred on average size and average value have been taken direct from publications by the Australian Bureau of Statistics, which must be regarded as the most reliable authority for statistics of this kind.

We have Mr. Dunstan's policies on land costs of which he is so proud and which he says in the Budget document that he will pursue. Where have they got the people of this State, especially young people, who wish to buy land? The latest Housing Industry Association figures, compiled by the Department of Environment, Housing, and Community Development (Mr. Newman's department) were checked on October 21, and show the average land price percentage increases in the Australian capital cities from 1971 to 1977, as follows:

City	Percentage increase
Sydney	100
Melbourne	163
Brisbane	39
Perth	119
Adelaide	232

That is what the young people of this State must face because Mr. Dunstan says that he will pursue his policies and that he disagrees entirely with the Commonwealth policies. He is out of step with Mr. Hamer, Mr. Neilson, Sir Charles Court, and other Premiers. As a result, that kind of increase is foisted on the young people of South Australia. The average cost of a package deal, land plus house, has increased more quickly in Adelaide between 1971 and 1977 than in other mainland State capitals. The figures there are:

City	Percentage increase
Sydney	84
Melbourne	150
Brisbane	86
Perth	127
Adelaide	169

Therefore, not only are we suffering in the whole housing field as a result of Mr. Dunstan's policies, but he also continues to make these false statements in regard to housing costs. I noticed only yesterday that on October 20 in another place, in reply to questions about housing costs, Mr. Dunstan stated:

When we add to those figures the very much lower cost of land in South Australia, which has occurred because of the

action of this Government the creation of the Land Commission, and the elimination from South Australia of speculation in land that has occurred under Liberal Governments elsewhere (look at Victoria at the moment), the fact is that in South Australia the housing package is by far the cheapest. The completed total cost of a house to a purchaser in South Australia is by far the cheapest of any State capital, and we are keeping it that way.

This is a complete misrepresentation of the facts. The latest Housing Industry Association figures, those for October, 1977, show that the average cost of the package house and land in Adelaide is \$38 700, which is \$4 800 more than the average cost of the package in Brisbane, which is \$33 900. In reply to another question, which was asked by Mr. Gunn in another place, about the average figures provided by the Housing Industry Association Vice-President (Mr. John Trowse), the Premier stated:

I am aware of the statement and I dispute it. Mr. Trowse knows perfectly well that it is incorrect.

Why is it that he is the only person right and the Master Builders Association, the Housing Industry Association, the Institute of Quantity Surveyors, the Bureau of Statistics, Mr. John Trowse, and anybody else who disputes his assertion are wrong? In summary, in dealing with the costs confronting people in this State for houses and land as a result of the Treasurer's policies that he says he will continue, Adelaide has the highest cost of any State mainland capital, at \$215 a square metre. People here pay more to build a house than do the people in any other mainland State capital.

We have had the fastest rising building costs since 1971 (155 per cent) of any mainland capital. In the period 1971-77 we have paid the fastest rising land prices (23 per cent) of any mainland State capital. Also in the period Adelaide people have paid the fastest rising costs for their housing package (169 per cent) land plus house of any mainland State capital. We can go on seeing how people in South Australia are bleeding as a result of our Treasurer's policies.

The Hon. J. E. Dunford: You are only wild because you cannot sell that big house.

The Hon. C. M. Hill: No, I am concerned because people are being slugged. I want to know whether the honourable member enjoys the fact that his South Australian constituents must pay more for the items to which I have referred. Why should people here pay more for water rates than people in Perth, Melbourne, and Sydney?

The rate for consumption and excess here is 19c a kilolitre. In Perth it is 12.73c for usage and 15.81c for each excess kilolitre; in Melbourne it is 12.75c for each kilolitre for consumption and excess, and in Sydney it is 16.5c for each kilolitre for consumption and excess.

Why should the Hon. Mr. Dunford's constituents have to pay more to put an average-size car on the road in South Australia? I refer to the cost related to a Holden Kingswood 202. Why should South Australians have to pay more in car registration costs and stamp duties to put such a car on the road than do people in other States? The cost in South Australia is \$331, in Perth it is \$131, in Brisbane it is \$162, in Sydney it is \$280, and in Melbourne it is \$328.90.

I have previously referred to the costs of stamp duty in housing and I do not intend to waste this Council's time in going over those figures again. People buying a lower priced house today pay a higher stamp duty rate than is paid by people in any other Australian city. Such high costs are forced upon the people of this State through the Premier's policies, yet he has the effrontery in this document to describe the Federal Government's policies

as antiquated, out-of-date and policies of which he will take no heed whatever.

In State taxation generally we are the highest among the small States. This claim has been refuted by the Premier in recent months, and I have a table which I seek to have incorporated in *Hansard*, showing estimated per capita taxation for the 1977-78 year. These figures are provided by each responsible State Government and include items designated under State taxation in each State. I ask leave to have this table incorporated in *Hansard* without my reading it.

Leave granted.

Per Capita State Taxation			
	*Population	Total Estimated Taxation \$	Per Capita Taxation \$
Tasmania	410 000	81 000 000	197.56
W.A.	1 183 700	265 619 000	224.39
Victoria	3 373 700	1 122 550 000	297.47
S.A.	1 273 700	307 821 000	241.67
Queensland	2 130 700	409 460 000	192.17
N.S.W.	4 945 200	1 341 507 000	271.27

*The latest estimates to June, 1977

The Hon. C. M. Hill: These figures demonstrate that among the smaller States South Australians pay the highest State taxes, higher than Western Australia, Queensland and Tasmania. This table refutes entirely the lies perpetrated by the Labor Party during the recent State election, that South Australians pay the lowest per capita taxation on the mainland. Despite all these figures the Premier states that his Budget is based on an economic philosophy opposite to that followed by the Commonwealth Government. As I have stated, the Premier is out of step with the other States, or else they are out of step with him.

Referring to the question of unemployment, I was interested to hear the Premier of New South Wales (Mr. Wran) announce a new programme to tackle unemployment in that State. His programme was the complete opposite to the Premier's and the State Government's policy, as enunciated in this document. Mr. Wran's policy was the same as the Liberal Party's policy at the recent State election: to give incentives to industry and commerce through pay-roll tax concessions, to encourage those employers to re-employ retrenched staff. Also, to encourage employers to expand their activities and employ people on a permanent basis; I stress, not in a temporary way as is provided by the Premier's policy. We would provide for more permanent employment, so that people could obtain work, be proud of their work and once again develop pride in their activities. In such a way there would be no doubt that confidence would be gradually restored.

At the time of the recent State election the Labor Government said that that policy was wrong, that its policy was better, that it was going to expand its relief system. I point out that it was never the Liberal Party's intention immediately to cut off the relief scheme—

The Hon. C. J. Sumner: Yes it was.

The Hon. C. M. Hill: The honourable member should check with the explanations given. The Liberal Party intended gradually to phase out the existing relief scheme and get industry and commerce to absorb those people in permanent work. That was our policy. Indeed, it is also the policy of the Labor Premier in New South Wales but, according to the Premier, that kind of policy is antiquated, and will not be adopted by our State Government. These are the reasons why this speech by the Premier deserves the most severe criticism, and there is no doubt about that. Taking the question of unemployment a little further and, in answer to the interjection by the Hon. Mr. Sumner, I point out that the Premier stated:

For the first time in post-war history, in an economic downturn, South Australia has had much lower than average unemployment.

That statement is untrue. The facts are that South Australia's unemployment rate for September, 1977, was 5.21 per cent, whilst the Australian rate for the same month was 5.29 per cent. Therefore it was not much lower than average unemployment at all. Further, that is only half the story. From a perusal of the Commonwealth Employment Service Bulletin one finds that from September, 1976, to September, 1977, unemployment in South Australia increased by 53 per cent—more than twice the rate of any other State.

The rate of unemployment in the past 12 months has been twice as fast as that in any other State. No wonder we had an early State election last month in South Australia. It was evident to anyone looking at those figures that we were on about a par with the Australian average in September, that there was a huge increase in the State's unemployment rate, and that this momentum was carrying on and would show a gloomy picture in this State. Therefore, I reject completely the Treasurer's statement in this document that for the first time in post-war history, in an economic downturn, South Australia has had much lower than average unemployment. Obviously, this speech is political propaganda to dupe members of this Council and the South Australian people—

The Hon. J. E. Dunford: Which speech?

The Hon. C. M. Hill: I am talking about the Treasurer's speech. It suggests that the Labor Party's policies are right and that those of the Commonwealth and the other States are wrong. Throughout this document criticism of the Commonwealth Government continues unabated. At every opportunity Government members and Ministers criticise what they term Commonwealth cut-backs. Every day in the press we find criticism on this basis.

The Hon. C. J. Sumner: Haven't there been Commonwealth cut-backs?

The Hon. C. M. Hill: If Government members examined the matter more closely they would find that the new federalism policy is succeeding to the extent that the time is near when criticism of the Commonwealth Government on the grounds of finance will not be accepted any longer.

The Hon. C. J. Sumner: How can you say that the new federalism policy is working?

The Hon. C. M. Hill: Let us consider untied grants, which have been invoked under the Commonwealth Government's new federalism policy.

The Hon. C. J. Sumner: They existed before.

The Hon. C. M. Hill: They were negligible before. In this current year South Australia will receive \$507 000 000 in untied grants, an increase of 17.4 per cent over the 1976-77 figure of \$432 000 000. South Australians are now asking the Labor Government here, "Why are you complaining about cut-backs in Federal grants under certain headings when you have \$507 000 000 in untied grants to distribute across the board?" No longer will the people accept, for example, the Minister of Education saying that his department is adversely affected by cut-backs. The people will ask the Minister, "How much of this \$507 000 000 will you allocate to education?"

The other day the Hon. Miss Levy was upset by the Federal Government's allocation to the Family Planning Association, but she did not ask herself, "Why does the Premier not provide some of this \$507 000 000 from the Commonwealth Government for the Family Planning Association?" That is the very purpose of the new federalism policy: to allow State initiatives, so that the

States can fix their own priorities, without being leg-roped by the Commonwealth Government. Because the new federalism policy is being implemented and is now beginning to work, henceforth Government members, before they criticise the Federal Government for cut-backs, must tell the people of South Australia where the State Government is allocating its increase of \$75 000 000 this year over the \$432 000 000 of last year.

The Hon. C. J. Sumner: That is 5 per cent in real terms. The cuts in specific grants have been much greater than that.

The Hon. C. M. Hill: No.

The Hon. C. J. Sumner: Check your figures.

The Hon. C. M. Hill: No criticism of the Commonwealth Government in regard to cut-backs should be made without the State Government's disclosing how it is allocating this 17.4 per cent increase in untied grants.

The Hon. C. J. Sumner: It is 5 per cent in real terms.

The Hon. C. M. Hill: It depends on what the inflation rate will be. There is an increase of 19.24 per cent in untied money for local government over that allocated in the previous year. Local government is getting \$14 200 000 from the Commonwealth Government, yet Government members say that the Federal Government's policies are wrong. The State Government's statements are based on an economic philosophy opposite to that of the Commonwealth Government. The Premier of New South Wales (Mr. Wran) is correct in what he says about unemployment, and the Premier of Tasmania (Mr. Nielson) is correct in his Budget comments. Further, the Federal Government is correct in regard to its financial and economic policies.

The Hon. J. E. Dunford: What about the unemployment figure next Christmas?

The Hon. C. M. Hill: That worries everyone. For the benefit of the Hon. Mr. Creedon, I point out that, as part of the new federalism policy, in two years the Federal Government has more than doubled untied Commonwealth funds granted to local government. These funds have increased from \$79 900 000 in 1975-76 under the Whitlam Government to \$165 000 000 in the latest Budget of the Fraser Government. So the preamble to the Treasurer's Financial Statement conveys a totally false picture of this State's financial situation. The emphasis on blaming this State's financial ills on the Commonwealth Government's so-called cut-backs is no longer accepted by South Australians. The Budget documents are scandalous, and honourable members on this side of the Council cannot be expected to accept the slurs made on the Fraser Government's policies. However, the scandals do not end there. In his administration of the arts, the Premier hands out money with rare abandon. It has become a scandalous situation which is highlighted by the allocation to the Jam Factory.

I am being approached by people closely associated with the craft industry who are very upset about what is going on at the Jam Factory. The provision for it in this year's Budget is \$585 000, while last financial year it was \$470 000, although \$570 000 was actually spent. The Auditor-General's Report, at page 375, states:

The name of the South Australian Craft Authority Incorporated was changed to the Jam Factory Workshops Incorporated in June, 1977.

It also states:

During the year the board was reconstituted and currently is comprised of three members in lieu of six under the previous authority.

It mentions significant features for 1976-77:

Grants for the year from Consolidated Revenue were \$570 000 and since inception have aggregated \$1 007 000 . . . There was an operating deficit of \$391 000 for the year, compared with the previous year's deficit of \$222 000 . . . Payments included \$34 800 related to an oversea visit of authority members.

The Auditor-General then gives an income and expenditure statement for the year ended June 30, 1977, listing the expenditures and dividing all the headings. The total expenditure comes to \$540 256; the income was \$149 361, which leaves an excess of expenditure over income of \$390 895. Again, he refers to this most unusual and interesting item of \$34 800:

The payment of \$34 800 arose from an oversea trip by the then Chairman of the authority and his Deputy, and included the payment of a consultancy fee to the latter of \$14 300; the balance of \$20 500 was mainly for the cost of air fares, accommodation and travelling expenses for approximately nine weeks.

I want to stress that I support the policies which assist the arts, as does the Liberal Party. We also support policies which assist the craft industry, particularly members of the Craft Association and individual craftsmen in the industry for whom I have a great deal of respect and admiration. However, the authority's record at the Jam Factory is nothing short of shocking. The blame for this must fall upon the Government because it has known what is going on there. What is the Government going to do about it, and what has it been doing about it?

I have been asking questions about this since September 8, 1976, and to some of those questions I have not had a reply. In replies that the Government has given, it has admitted that it knows the position is not good. However the blame must rest entirely with the Government. For example, on September 8, 1976, I asked:

My question concerns the South Australian Craft Authority, within which, I have been told, there is some dissatisfaction because of, it is claimed, the lack of interest of the Premier or the Premier's Department in the authority's activities. Is the Premier satisfied with the operations and performance of the South Australian Craft Authority? Secondly, does the authority make annual reports to the Premier? Thirdly, as public money is involved in the authority's activities, and as the authority is not a statutory body, will the Premier make available such reports, if any, to Parliament for honourable members' perusal?

I think honourable members will agree that that was quite a reasonable set of questions. The Minister said that he would refer that question to his colleague in another place, and on November 2, 1976, he gave this reply:

The Government believes there is room for improvement in the performance of the South Australian Craft Authority. At present, the Chairman of the South Australian Craft Authority (Dr. Earle Hackett) and a board member (Mrs. Karin Lemercier) are overseas obtaining information on the latest trends in crafts and markets suitable for the South Australian Craft Authority. It is hoped that they will be able to recommend and institute improvements on their return. The report of the authority will be laid on the table as requested.

From there we move to March 30, when I asked another question as follows:

On November 2, 1976, I received a reply from the Minister representing the Premier concerning the Craft Authority in this State. In that reply the Premier admitted that the Government believed that there was room for improvement in the performance of the South Australian Craft Authority. He stated that the Chairman and a board member were then overseas and that it was hoped that, on their return, they

might be able to recommend improvements in the Craft Authority's performance. The Premier also said:

"The report of the authority will be laid on the table, as requested."

That report has not yet been laid on the table. Will the Minister follow up that matter to see that that report is, in fact, laid on the table of this Council?

On April 19 last, I asked my last question on this matter as follows:

On November 2 last I received a reply from the Government dealing with the South Australian Craft Authority and its activity, in which I was told that at that stage the Chairman of the authority (Dr. Earle Hackett) and a board member (Mrs. Karin Lemercier) were overseas obtaining information on the latest trends in crafts and markets suitable for the authority. The Premier stated in the reply that it was hoped that these people, on their return, would be able to recommend and institute improvements. I ask what were the costs to the authority or the Government of those two tours, and I ask whether I could be given a summary of the reports that they have made to the authority as a result of these two oversea trips.

The Hon. Mr. Banfield said that he would refer the matter to his colleague. I have had no reply and no report has been tabled on this matter.

If members of Parliament cannot receive replies to properly worded and courteous questions of that nature in this Chamber, where is Parliament going? It is a disgraceful situation, and I can only assume from the fact that the Government has not brought down replies for me that something is seriously wrong. One must look further into the matter. I have discussed the matter with people in the craft industry who have come to me and complained most bitterly about it.

The Hon. C. J. Sumner: Who are they?

The Hon. C. M. HILL: They are craftsmen; I can assure the honourable member of that. They are most bitter concerning the payment by this Government of \$34 800 to two of the members of the Craft Authority, to enable them to go overseas for nine weeks. According to the Auditor-General, this payment included a consultancy fee of \$14 300. I ask the Government: where is their report, what did they do overseas, and how has that expenditure assisted the authority at the Jam Factory or the craftsmen in this State? Why did the Government allow that kind of expenditure? To make this matter even worse, I am informed that these two people left the authority very soon after their return.

The Hon. D. H. Laidlaw: They got a trip.

The Hon. C. M. HILL: They got a trip for nine weeks, and one of them got an extra \$14 300. The Treasurer must have given his blessing to this trip.

Here, I return to the scandal that must surround this issue. That the Treasurer, who is the Minister responsible for the arts, can permit board members to spend this kind of money overseas and not bring down to Parliament any report, and that he can then stand by them and see them leave this activity soon after their return, is nothing short of a scandal.

The money has been spent wastefully and unnecessarily. People involved in the arts generally in this State are most upset by this, and many of them come to me and say, "Here is an example of the trends in South Australia as far as the artistic elite are concerned." Once somebody who is an artist, holds a senior position and is a friend of the Treasurer of this State and establishes his *bona fides* with him, the cheque book is open, and there are oversea trips to be had. That is a definite example of the new establishment in this State and that is where South

Australia is heading in this area. If no-one else will raise the matter and try to stop it, I certainly shall. To make the whole unfortunate matter worse is the fact that only in today's newspaper we find that the two people concerned are setting up a new gallery. The article in today's paper, headed "Bird-picture scoop for new partnership," states:

Intuition, impulse and a lightning swoop on New York auction rooms has brought to Adelaide "probably the largest collection of Gould bird plates for sale in the world." This exquisite collection of hand-painted lithographs forms the nucleus of offerings for Chesser Prints—Adelaide's newest art dealing partnership, Mrs. Karin Lemercier and Dr. Earle Hackett. The idea germinated from a shared interest in prints and areas of complementary knowledge and skills in the art world.

The Hon. D. H. Laidlaw: If the Government had not paid for the trip, they would have had to pay for the trip themselves.

The Hon. C. M. HILL: That is fair comment. As a responsible representative of the people, whilst putting the total blame for this upon the shoulders of the Treasurer, one has no alternative but to ask, "Were these purchases made during the particular overseas trip for which the State has paid a total of \$34 800?" One can hardly make a "lightning swoop on New York" sitting behind a desk here in Adelaide. It is a most serious matter. I repeat that the blame lies at the door of the Treasurer. It is scandalous that money of this proportion (\$34 800) is paid from the Treasury, that taxpayers' money is paid for people making trips of this kind. I ask the Minister representing the Treasurer in this Chamber in reply to give a full explanation of this whole story. The whole matter should be made perfectly clear; no aspects of it should be hidden. I hope that in future the Treasurer will never permit overseas trips of that kind; they must be condemned by members on both sides of this Chamber.

The Hon. F. T. Blevins: Wasn't this dealt with in the House of Assembly?

The Hon. C. M. HILL: I do not know what goes on in the House of Assembly. There are many other examples of this kind of extravagant expenditure, and the Treasurer has no grounds for complaining of being short of money whilst he allows this sort of thing to continue. This is not a great amount of money compared with the total Budget figure but it is one example which can be multiplied many times when one looks at the overall expenditure on the arts and culture in this Budget.

I conclude by stressing the point that these documents are a sham and laden with falsehoods. The Treasurer's claim that inflation is not reducing is false, and his criticism of the Federal Government is false and unacceptable to the South Australian public. The Government's continuous assertions of cutbacks from Canberra are weak excuses for maladministration, when we look at the huge untied grants we now receive in this State. The Treasurer's handouts of taxpayers' money to his artistic friends must stop. The time is not far off when the South Australian people will reject the policies of the present Treasurer and wholeheartedly support those of Mr. Fraser and the Commonwealth Government.

The Hon. J. C. BURDETT: I support the second reading of this Bill. Considerable comment has been made, and properly so, on the criticisms made by the Auditor-General on Government accounting and control, both generally and in regard to particular departments. It has correctly been said that it is alarming that these criticisms turn up year after year, and it appears that nothing effective is done about them. It would seem that criticism by the Auditor-General is just accepted as one of those things which one expects each year and nothing is done

about it. This approach by the present Government to accounting and control is in marked contrast to the Playford Government's approach, when good house-keeping was a by-word.

I have looked in particular at the accounts for departments in which I am particularly interested. I note that the administrative cost of the Public and Consumer Affairs Department has increased from \$730 000 in the previous year to \$1 694 000 in the year in question, an increase of well over 100 per cent. Some legitimate explanations are apparent from reading the full report (for example, the establishment of the office of the Commissioner for Equal Opportunity) but it is difficult to see complete justification for the increase. I note that during the year the Public Service Board appointed management consultants to undertake a review of the budgetary control procedures of the department. It seems reasonable to conclude that one of the reasons for the appointment of the consultants is the dramatic increase in administration costs. The Auditor-General's Report continues by saying that, as yet, the review has not been completed. This is another common statement in Auditor-Generals' Reports.

I hope that the review may be effective to keep the administration costs within reasonable limits; otherwise, it would appear that the taxpayer, who is the consumer of the services of the Public and Consumer Affairs Department, may need consumer protection against the excessive cost to the taxpayer of that department.

I refer now to the items in the Budget relating to the Highways Department. I intend to make a suggestion which is briefly to undertake as a matter of urgency the reconstruction of Highway 33, the Mannum-Adelaide main road, both on its own merits and as a useful way of providing employment for the retrenched workers from Horwood Bagshaw and other places of employment in Mannum. For this suggestion I would hope to get support from both sides of the Chamber.

I start with a report prepared by a firm of consultants and presented to the Highways Commissioner on December 13, 1968. I appreciate, of course, that that is almost nine years ago, nine years during which almost nothing has been done. The report is, of course, out of date in some respects but it is a good starting point and some of the observations made are even more valid today than they were at that time.

While referring to the report, I shall refer to imperial measurements, as the report itself was so expressed. The report is based on the expected growth of traffic to 1988; it is over a 20-year period.

The track to Birdwood was accessible by bullock team and packhorse until 1868 when two-thirds of the length was macadamised. The whole of the road to Mannum was sealed in 1930; it followed the old bullock team track, and still does. The road reserve is one chain wide with a sealed pavement (and this still applies except between Mannum and Apamurra, eight miles away) of 18ft. and, so the report says, a clear width of approximately 38ft. This is the only part of the report with which I would disagree.

I particularly noticed, travelling down yesterday (and I was not driving so that I had a good opportunity to look), that many parts of the road are cleared to a width of much less than 30ft. Over quite a substantial length, the distance across the road between large gum trees is much less than this.

The report goes on to say that, as compared with the 18ft. and 30ft., the current standard (in 1968) was 24ft. and 40ft. respectively. Comments were also made on the many curves and the impossibility of travelling safely at any speed.

It was reported that at the time there were 25 bridges on the road, 12 of them constructed before 1926, and these latter were substandard in respect to load capacity and/or trafficable width. One of these, the Gumeracha bridge, has been rebuilt following a question asked by me in this Council. However, I am not aware of much other major bridge work since 1968.

Traffic counts are given in the report, and the accident rate is referred to. Comparisons are not made, but it is my opinion that the accident rate is high and the road quite dangerous. The report refers to local industry, including primary industry. As no plans existed in 1968 which fixed the line and level of the then (and present) road, a field survey was carried out to establish the existing road between Tea Tree Gully and Palmer.

The total construction cost of the new road to a standard of 50 miles an hour was estimated at \$3 200 000. Of course, inflation and other factors have taken their toll since then, but the overall cost is obviously not prohibitive.

The report states, in effect, that the road is not of any reasonably high accepted standard of service. In summary, the report says:

Considering the road as a whole, the total discounted benefits exceed the costs of construction to immediately upgrade it to 50 m.p.h. standard.

The conclusions include the following:

The alignment, formation and pavement width of the existing road is below acceptable standards for present day traffic and safe and comfortable driving is not possible on any part of the road.

This was in 1968 and, with the exception of short sections at each end, the road has not been upgraded since. Honourable members will notice reference to a 50 miles an hour standard. At present, this is less than that in fact accepted by the public on a road like this, and almost all users of the road in fact travel at a substantially higher speed.

I understand that a new report is now in process of preparation, and I ask that this be brought down immediately. I believe it is claimed that the original report is now "environmentally unacceptable". This latter term seems to cover a multitude of evils, and I should like some details of this. I assume that what is intended is mainly that the Government does not wish to encourage people to come into the watershed areas, including Gumeracha and Birdwood. An upgraded road would not be likely to encourage more people into these areas on a casual basis. If the Government is afraid of an increased permanent population in these areas, it has of course other means of regulating this.

Nothing of any substance was done following this report and, on August 30, 1973, a few days after I was sworn in in this Council, I asked what was the time table for the reconstruction of the road. The answer, given on September 12, 1973, stated that, subject to finance being available, the programme was: Modbury to Tea Tree Gully, completed by late 1979; Gumeracha bridge, 1974-5-6, and Palmer to Mannum reconstruction, 1973-74 and 1975-76.

On August 19, 1975, I pointed out that only 2.4 km had been constructed, and on September 9 in that year I was informed that, because of lack of funds, no further

reconstruction was programmed until 1977-78 (which is of course this year, so at least we have some work currently programmed). It was said that the remaining 9 km (being the portion to Apamurra) would be repaired and the seal widened. This makeshift job has not been successful, as the widened portion has formed a ridge where it joins the old portion. This ridge is quite dangerous, and may partly account for the many one-car accidents on this section of road. After I had asked subsequent questions, the Gumeracha bridge was reconstructed.

Regarding providing employment for the retrenched workers, it does not matter where the road is. However, irrespective of the employment crisis, there is, in any event, an urgent need for some suitable road. There is not a satisfactory access road to the South-Eastern Freeway. This is a possible alternative, but in my opinion there is a real need for a high standard road on something like the present route.

It is necessary to give access to Port Adelaide for industry to obtain raw materials and ship its products. Not only is this essential to Horwood Bagshaw itself but also the same would apply to any other industry that came to Mannum. To attract a more diverse field of industry is the town's only chance of survival.

The present road gives good access to Port Adelaide via Grand Junction Road and this enables the city area to be by-passed. Primary producers also need access to and from Port Adelaide. The present road also gives primary producers the only satisfactory access to the Samcor service abattoir at Gepps Cross.

I suggest that the construction work be carried out through local government to enable the retrenched workers to be employed. On my information, many of the retrenched workers have the necessary skills. Whatever scheme is adopted, the rest of the Mannum-Palmer section will have to be reconstructed anyway and, as this, according to the answer I previously received, is already programmed for this financial year, I suggest that this work could commence immediately.

In addition to providing work the road would further assist the rehabilitation of the town. An upgraded road would attract more business and increase the tourist trade. Moreover, with a good service road, the town would be well within commuting distance of Adelaide.

As the Hon. Mr. Hill has pointed out, the Government has \$507 000 000 in untied grants. The immediate construction of the road would prevent hardship to many families of retrenched workers and provide a utility which is much needed, anyway.

I ask the Treasurer and the Minister of Transport urgently to consider this matter, and I ask the Minister of Health, as Leader of the Government in the Council, to bring this matter to their notice and, in due course (and I hope this will be a short "due course"), let me have a reply.

The Hon. JESSIE COOPER secured the adjournment of the debate.

ADJOURNMENT

At 4.45 p.m. the Council adjourned until Wednesday, October 26, at 2.15 p.m.