

HOUSE OF ASSEMBLY

Thursday, September 2, 1971

The SPEAKER (Hon. R. E. Hurst) took the Chair at 2 p.m. and read prayers.

PUBLIC PURPOSES LOAN BILL

His Excellency the Governor, by message, intimated his assent to the Bill.

QUESTIONS**SCHOOL SPORT**

Mr. MILLHOUSE: Will the Minister of Education say what action, if any, the Government intends to take to encourage the playing of sport in secondary schools? In the last few weeks there has been much public discussion about the playing of sport in secondary schools and about the fact that it has been found difficult to obtain the services of sufficient teachers to supervise team games, for coaching, and so on. The number of children playing sport has, apparently, been dropping. As the Minister will probably guess, my question is prompted by the article in this morning's paper by John Miles, in which he canvasses the situation and discusses one solution (or we hope it is a solution) that is being tried at the Norwood High School of having sport during the week rather than on Saturdays. Of course, this is at one school only, and is only one solution. I think it is unnecessary for me to point out the many reasons for the importance of organized sport: physical fitness, the encouragement of competition, and the qualities that go with sportsmanship. Therefore I ask the Minister, as the member of the Government primarily responsible, what the Government's views may be about this problem and what action, if any, it intends to take.

The Hon. HUGH HUDSON: The matter is being considered.

Mr. MILLHOUSE: Can the Minister say when it is likely that a decision will be made on the matter of sport in secondary schools? He has given me an uncharacteristically short reply in saying that the matter is under consideration. This, if I may say so, does not satisfy me on this matter, which is of considerable public importance and interest. If it is being considered, presumably a decision will be reached sooner or later. This decision will be awaited with great interest. I know this is difficult—

The SPEAKER: Order! The honourable member is commenting.

Mr. MILLHOUSE: —and I do not wish to try to avoid that, but I ask the Minister whether he will reply to this question so that we may know (and the public may know) where we are going.

The Hon. HUGH HUDSON: In reply to the member for Mitcham's uncharacteristically short question, I should have thought that my previous reply would indicate to the honourable member that a decision should be reached in the relatively near future. I cannot say precisely when a decision will be made on the matter: I can only assure the honourable member that the consideration of which I spoke is being proceeded with urgently.

PRICE CONTROL

Mr. SLATER: Can the Premier explain why certain commodities (for instance, pies and pasties) which are under price control and for which a maximum charge can be made, can be sold at sporting fixtures, and I believe at the Royal Show, above the normal price fixed for such commodities?

The Hon. D. A. DUNSTAN: No, I cannot, but I will inquire of the Prices Commissioner.

KANGAROO ISLAND FERRY

The Hon. D. N. BROOKMAN: Has the Minister of Roads and Transport any statement to make about the future of the Kangaroo Island ferry service? As I pointed out previously, when a deputation met the Minister some weeks ago he said that he was likely to receive a report within two weeks (that was his estimate) and after that he would be able to make a firm statement on the future of the service. As more than two weeks has now elapsed, and as great interest has been created in this subject among people living on the island, can the Minister now make a statement?

The Hon. G. T. VIRGO: The matter is being discussed by the Government at present. Some investigations and negotiations are taking place in an endeavour to ensure that we are able to give effect to the assurances that we have given to the people of Kangaroo Island that transport to the island will not be interrupted. These discussions are at the stage where it would be most unwise for a public announcement to be made about them. When I can make a statement I will make it to the House if it is sitting or, if it is not, I will make the statement publicly.

MOUNT GAMBIER HOSPITAL

Mr. BURDON: Will the Attorney-General ask the Chief Secretary to ascertain what progress is being made on constructing the fourth floor of the Mount Gambier Hospital and when this floor will be ready for use?

The Hon. L. J. KING: I will obtain that information for the honourable member.

JUVENILE COURT

Mr. CUMBE: Because of the introduction of the Juvenile Courts Bill yesterday and the keen public interest that has been evinced in the work of the juvenile court, can the Attorney-General say whether the magistrate of the juvenile court has forwarded his report to the Minister and when this report is likely to be available to members, as it has been distributed in the past? Further, will he say whether it will be possible, before the debate on the Juvenile Courts Bill is resumed, to distribute to members this report for the year just concluded? I point out that the report would be of great interest to members during the debate.

The Hon. L. J. KING: The report to which the honourable member refers is a report to the Minister and it consists, in part, of statistics concerning the operations of the juvenile court in the past year and, in part, of comments by the magistrate on matters of policy regarding juvenile courts and juvenile administration. The statistics will be available and, in response to the honourable member's specific request, I will see that they are available to members before the debate on the Juvenile Courts Bill is resumed. It is not intended to publish the comments made by the magistrate on matters of policy.

HOLDEN HILL SEWERAGE

Mrs. BYRNE: Has the Minister of Works a reply to my recent question about sewerage an area at Holden Hill, including such streets as Wananga Drive?

The Hon. J. D. CORCORAN: Arrangements have been made to write to the owners of the houses on allotments Nos. 84 to 91 Wananga Drive, Holden Hill. It will be stressed to the persons concerned that all owners should reply indicating whether they want sewerage to be connected to their premises. If there is full support, the Engineering and Water Supply Department will proceed with its examination of the scheme.

EDEN HILLS SEWERAGE

Mr. EVANS: Has the Minister of Works a reply to the question I recently asked him about sewerage a section of Eden Hills?

The Hon. J. D. CORCORAN: Following representations from the Mitcham council, the Engineering and Water Supply Department has examined the area and has prepared a scheme, which will be considered soon. Because of the topography, Miranda Street and Parham Road cannot be drained by gravity, and a pumping system is required. A temporary pumping system just to serve these streets could not be justified, as they drain to the west through streets that are fully built up, where requests for extensions could be expected if only Miranda Street and Parham Road were sewerage. The streets concerned could be sewerage only by the construction of sewers to serve a large area with two pumping stations, one on each side of the railway line. It is not practicable to sewer Miranda and Parham Streets without also sewerage a large part of Eden Hills, which was not included in the first or second priorities as originally determined in conjunction with the Mitcham council. It is proposed that this matter will be discussed in detail with the officers of the Mitcham council, as it must be appreciated that, if the scheme is approved at this stage, it will considerably delay the approved Blackwood-Belair scheme. The department is reluctant to depart from the priorities as determined in conjunction with the Mitcham council, and considerable objections could be expected from other areas, such as Sun Valley, where sewers are urgently needed, particularly if sewers have to be laid through areas where there is no urgency. I suggest that it may be desirable for the honourable member to be present at the proposed meeting with officers of the council, so that he can be fully informed of the problems involved.

SMOKING

Mr. RODDA: In view of the question asked yesterday by the member for Florey in which he requested that smoking be permitted in this House, I ask the Minister of Environment and Conservation whether, before a decision is made on this issue, he will arrange to have screened for the benefit of all members the film recently shown on *Four Corners* regarding the hazards of smoking. I think it is fair to say that all members of the House do not share the great love of smoking that the member for Florey has. This film puts on the line the grave hazards associated with

what I call the filthy habit of smoking. As I am sure that if we were to look at this film it would do all of us good, even the member for Florey, I ask the Minister to give his diligent attention to my request.

The Hon. G. R. BROOMHILL: The honourable member will certainly be aware that pollution comes in many forms. I shall be pleased to find out whether this film is available and, if it is, whether it can be arranged for the honourable member, and any other honourable member who may be interested, to see it.

Mr. MATHWIN: Will you, Mr. Speaker, ask the Standing Orders Committee to consider banning smoking in the members' dining-room? This habit causes much nuisance to members.

The SPEAKER: This is a question for the Joint House Committee rather than for the Standing Orders Committee.

ORANGE JUICE

Mr. WARDLE: Will the Minister of Works ask the Minister of Agriculture whether 30,000gall. of orange juice or, for that matter, any other quantity, was imported into South Australia from Spain earlier this year and, if it was, what was the price at which it was landed? Although I cannot say for certain whether orange juice has been imported into South Australia from Spain, a constituent has informed me that he believes it has been.

The Hon. J. D. CORCORAN: I will inquire of my colleague and bring down a report for the honourable member.

PARLIAMENTARY SALARIES

Mr. SIMMONS: Can the Premier say whether the determinations of the Parliamentary Salaries Tribunal are in any way subject to the approval of Parliament and, if they are not, whether any moderately competent or honest political commentator could reasonably publish the following statement:

But these warnings will have a hollow ring when the Parliamentarians vote themselves an expected 30 per cent pay increase later in the session.

That statement appeared in an article headed "More Taxes in State Budget", which was written by Onlooker and which was published in the *Sunday Mail* of August 28.

The Hon. D. A. DUNSTAN: The answer to both questions is "No". Parliamentarians have no influence whatever on the decisions of the Parliamentary Salaries Tribunal and

they have no power at all to vote themselves salaries. That must have been known to anyone who was a reasonably competent commentator on public affairs in South Australia. In fact, the press comment is commensurate with the degree of ignorance of State finances demonstrated in the whole of the rest of that article.

FUND INTEREST

Mr. VENNING: Can the Treasurer say what interest, if any, is being earned on the Cattle Compensation Fund and the Swine Compensation Fund? According to the most recent report of the Auditor-General, the former stands at \$321,246 and the latter at \$509,345, making a total of about \$830,000. Section 11 (2) (c) of the Cattle Compensation Act provides:

To the credit of the fund there shall be paid interest at such rates as the Treasurer from time to time determines on amounts from time to time standing to the credit of the fund.

The Hon. D. A. DUNSTAN: Trust funds are held in the Treasury, but whether interest payments are made on them and, if so, at what rate I cannot say offhand. However, I will inquire. Certainly, it is the Treasury's habit to let out all moneys in its hands on to the short-term money market in order to make as much money as possible with the funds in hand.

ROSEWORTHY COLLEGE

Dr. EASTICK: Can the Minister of Education make an authoritative statement on the future Ministerial control of Roseworthy Agricultural College? Accepting the direction given to the House so often by Ministers that one should not accept at face value press reports on matters such as this, I consider it essential that the authoritative statement come direct from the Minister. The Minister will be aware that currently a restructuring of the staff is taking place at Roseworthy and that applications for that restructured staff have been called in the name of the Agricultural College Department, which is under the control of the Minister of Agriculture. Unfortunately, however, to confuse the issue even further, statements are said to have been made that the Ministerial control will change soon.

The Hon. HUGH HUDSON: The Minister of Agriculture, in releasing the report of the Committee of Inquiry into Agricultural Education, Research and Extension, made clear in a subsequent statement that Roseworthy

Agricultural College would in future be governed by its own council and become an autonomous tertiary institution. This also implies that the college will come under the general framework of the Board of Advanced Education, which it is intended to establish for this State. This will bring the college under the Minister of Education rather than under the Minister of Agriculture, but it will not be part directly of any Government department as it is at present. At present the college is a separate Government department, with the Principal of the college (Mr. R. I. Herriot) being the head of that department and reporting direct to the Minister of Agriculture, whereas the committee of inquiry suggested that consideration should be given to the incorporation of the college with the Institute of Technology.

However, because of the geographical separation of Roseworthy, which is a considerable distance from the institute, we considered that the arrangement we had suggested was more suitable and that the necessary co-ordination and co-operation between Roseworthy and the institute in certain areas could be achieved through the Board of Advanced Education and the normal informal arrangements that develop between the two institutions, rather than bringing Roseworthy formally under the institute. The consideration being given by, I think, the Public Service Board to the staffing structure at Roseworthy can proceed, although inevitably, once the college becomes autonomous and operates under its own Act of Parliament, it will be in a different position with respect to its own staff establishment. The members of the academic staff of Roseworthy College can have nothing to fear from the proposed change. As far as I can see, the only likely expectation they can have is one of improved status.

CAR TRIALS

Mr. GOLDSWORTHY: Will the Minister of Local Government say whether district councils can legally prohibit use of public roads by members of car clubs for trials and rallies? The question is related to, although not the same as, one asked by the member for Light recently. Yesterday I received a letter from the Sedan council, expressing concern that extensive damage had been done to roads in the council area, especially after rain. The council desires to know whether it can legally prohibit use of the roads. It has received a request from a car club that desires to conduct a trial on September 11, but whether

the road will be wet at that time cannot be known in advance. There are several roads of this type in the area, and I think they are attractive to the car clubs. If the Minister cannot give complete information at the moment, I would appreciate his ascertaining the position.

The Hon. G. T. VIRGO: I am having this matter examined and, although, as the honourable member has said, this question is not the same as the one asked by the member for Light, it is certainly closely related. I will expedite a reply and, in view of the date the honourable member has mentioned for the trial, I will, if possible, give him the information during the recess and perhaps I will also give the council the information I obtain.

POLICE PENSIONS FUND

Mr. BECKER: Can the Treasurer say when legislation will be introduced to amend the Police Pensions Act? On February 24 last, when I asked the Treasurer a similar question he said:

When the alterations to the Superannuation Act were announced and enacted last year, I said that the Police Pensions Fund was under review and that I intended, during this part of the session, to introduce a Bill relating to that fund and to back-date the pension increases to the dates that applied to other Government pensions.

On March 30 last, I asked a further question, this time on notice, and the Treasurer replied:

Legislation to amend the Police Pensions Act will not be introduced during the present session, as the drafting of amendments cannot be completed within the time remaining. However, the amendments will be made retrospective to May 1 to ensure that the delay will not adversely affect any prospective pensioner.

In view of the long delay that has occurred since I asked those questions, can the Treasurer say how much longer police pensioners will have to wait for this overdue increase?

The Hon. D. A. DUNSTAN: The legislation will be introduced this session, and there will also be legislation in relation to the State Superannuation Fund that will make a cost of living adjustment.

KIMBA MAIN

Mr. GUNN: Has the Minister of Works a reply to my recent question regarding work on the Kimba main?

The Hon. J. D. CORCORAN: Late in July, I told the honourable member the trunk main was scheduled to be completed by March, 1974, and that this date might be bettered by

three months if funds could be made available and there were no material delays. However, it is very difficult to vary the timing greatly. The whole project, with its machinery and electronic contracts, pumping stations, tanks and pipeline, must be co-ordinated as a whole, and is so scheduled. Funds already spent and scheduled to be spent this year are as follows:

	\$
Expenditure to June 30, 1970	763,000
1970-71	677,000
1971-72	856,000

Total Loan funds planned to be spent on Eyre Peninsula during the current financial year exceed \$3,000,000, which is already a disproportionately high figure, and there is little chance that additional funds could be made available or could be justified.

SOUTH ROAD MEDIAN STRIP

Mr. HOPGOOD: Will the Minister of Roads and Transport ask the Highways Department to have the maintenance crew titivate the median strip when the crew is next near Jordan Drive, on the main South Road? A bus stop on the western side of South Road in this area is used by people who live on the eastern side of the road and travel by bus to Adelaide. The median strip is in rather poor condition, particularly after the recent wet weather, and it has been suggested to me that a few shovelfuls of gravel and one or two other pieces of surgery would improve the condition of the strip, thus assisting ladies who have pushers, and so on, and use that bus stop.

The Hon. G. T. VIRGO: If a little titivation will help the ladies, I shall be pleased to have it done for them.

FAMILY PLANNING CLINICS

Dr. TONKIN: Will the Attorney-General ask the Minister of Health whether his department intends to take a more active or direct part in establishing family planning clinics? A recent report has shown that the Family Planning Association is concerned about establishing a family planning clinic at Port Adelaide and, perhaps, at the Adelaide Children's Hospital (so that mothers could attend while their children were attending the outpatient department at the hospital). It is reported that about \$5,000 is required for this work. I heard on a news service last evening that 70,000 babies had been born in Australia in the first three months of this year, which was an all-time record for this country. I

have no doubt that the record will be passed regularly year by year. This matter is important to the future of this country and this State and, if the department is not taking practical action in this regard, will the Attorney ask his colleague to consider making more finances available?

The Hon. L. J. KING: I will refer the question to the Minister.

PROSPECT SCHOOL

Mr. COUNBE: Has the Minister of Education a reply to my recent question about the Prospect Demonstration School?

The Hon. HUGH HUDSON: It is intended to construct a six-teacher open unit at the Prospect Demonstration School, and the call target for tenders is March, 1972. The construction of this unit will permit the removal of some timber rooms and will assist in upgrading the school. This is not part of the development scheme which is being discussed with the Prospect City Council. This plan includes the closing of part of Boyle Street between the Prospect Infants and the Primary Schools and the acquisition of houses by both the Education Department and the council. Unless the acquisition of these houses for demolition is compulsory, then it will be a considerable time before the plan between the Education Department and the Prospect City Council can come to fruition. As I said on August 31, it is not intended to proceed with compulsory acquisition, but negotiations will be undertaken to purchase from willing vendors.

RAILWAY EMPLOYMENT

Dr. EASTICK: Is the Minister of Roads and Transport aware of any opportunity under the Railways Department regulations or the Railways Commissioner's other powers to re-employ a person who has been discharged earlier as a result of his being convicted for the offence of larceny as a servant? The Minister will accept, I believe, that having been convicted the person has paid his debt to society and, as he has done so, it would be unfortunate for this conviction to be held against him for the rest of his life.

The Hon. G. T. VIRGO: The South Australian Railways Commissioner's Act vests in the Commissioner the power to hire and fire. Therefore, the question the honourable member is asking is one which the Commissioner should discharge in the normal course of his duties, and he would discharge it. The Government's attitude concerning the principle

behind the question has been clearly stated many times. We do not subscribe to the view that society requires a person to pay a penalty twice for the same offence.

EDUCATION STATEMENT

Mr. GOLDSWORTHY: Has the Minister of Education any objection to the Commonwealth Minister for Education and Science writing to all State schools in South Australia stating the Commonwealth Government's decision on financial aid for education? In his reply to a question I asked on Tuesday, the Minister indicated that he had sent to all schools in South Australia a document in which frequent references were made to the Commonwealth Government's attitude concerning finance for education. I point out that three schools in my district had asked me to take up the matter of needs in the schools, and I was pursuing these matters through normal channels. The Minister sent a document to all schools (including about 30 in my district), and the Commonwealth Minister may wish to reply to some of the rather provocative statements the Minister made in this political document.

The SPEAKER: Order! The honourable member is commenting.

Mr. GOLDSWORTHY: Has the Minister any objection to the Commonwealth Minister's replying to this document?

The Hon. HUGH HUDSON: This is a perfectly free country, and the Minister for Education and Science in the Commonwealth Parliament can do exactly what he wants to do on this kind of matter. Many letters were received as a result of the Norwood Town Hall meeting. The letters varied, some expressing concern to get immediately some direct participation of the Commonwealth Government in the implementation of the national survey, an implementation to which they believed the Commonwealth was at least morally committed. Other letters described special problems of certain schools, and some of these special problems were of a general nature. In other words, they were repeated in school after school: for example, matters relating to the provision of ancillary staff, matters relating to halls in primary schools, and a whole series of things in this kind of category. The question arose as to how best to reply, and this general reply was prepared.

The honourable member may not believe that the Commonwealth Government has any responsibility in relation to the national survey,

but I do, and I am certain that other colleagues of the honourable member also believe that the Commonwealth Government has certain responsibilities in relation to this matter which it is not discharging at present. I am sure that ex-colleagues of the honourable member in the teaching profession in South Australia believe that, as education is a matter of national importance, it should have a high national priority and that the Commonwealth Government also has a responsibility in the matter. Therefore, I am surprised to find the honourable member occupying himself with this rather pettifogging question on the matter, because I should have thought he would serve the interests of the children and teachers in this State more effectively if he concentrated his efforts both in public and—

Mr. Goldsworthy: I don't want a sermon. Just reply to the question.

The SPEAKER: Order!

The Hon. HUGH HUDSON: Mr. Speaker—

Mr. Goldsworthy: If you have no objection, you may as well sit down.

The SPEAKER: Order! The member for Kavel has asked his question.

Mr. Venning: He wants it answered!

The SPEAKER: Order! Interjections are out of order, particularly when the Speaker is on his feet. The honourable member should extend to the Minister of Education the same courtesy as that extended to him. He has asked a question and the Minister is entitled to reply. Interjections must cease. The honourable Minister of Education.

Mr. GOLDSWORTHY: On a point of order, Mr. Speaker. Standing Orders provide that the Minister in his reply—

The SPEAKER: Order! There is no point of order. I am telling the honourable member that his interjections must cease, and I call on the Minister of Education to reply.

Mr. Millhouse: Surely the honourable member is entitled to take a point of order, and that is what he was doing.

The Hon. J. D. Corcoran: What is it?

Mr. Millhouse: That he was not given a chance to explain his point of order.

The SPEAKER: Order! The member for Mitcham is entirely out of order and if he tries that again I will deal with him. The honourable Minister of Education.

Mr. MILLHOUSE: I take a point of order, Mr. Speaker.

The SPEAKER: What is your point of order?

Mr. MILLHOUSE: My point of order, and I thought it would be plain even though I did not use that form of words—

The SPEAKER: Order! What is your point of order?

Mr. MILLHOUSE: My point of order is that the member for Kavel rose on a point of order but you sat him down before he could take it. I ask you whether you will allow him to explain his point of order.

The SPEAKER: If the honourable member wants to take a point of order he can write it out, because all that honourable members are doing is standing up and delaying the proceedings of the House.

Mr. MILLHOUSE: I take another point of order, Mr. Speaker.

The SPEAKER: Will you write it down?

Mr. MILLHOUSE: I ask you, on a point of order, what is your authority for telling members that they must write down their points of order, when you have repeatedly stated that their points of order must be taken immediately.

The SPEAKER: That is so. I find that members get up to take a point of order and take no point of order but ramble on with other matters; they then argue about what has been said. I want matters to be dealt with more specifically.

Mr. MILLHOUSE: Are you telling me to write down my point of order now and the member for Kavel to write down his point of order now, and do you intend to wait while we do so?

The SPEAKER: That is not a point of order.

Mr. MILLHOUSE: Sir, this is a most important matter and, if you insist on making it a point of order, I ask whether you are directing members that, if they take a point of order, it has to be written down. Taking a point of order, I ask you now whether or not that is so.

The SPEAKER: I think we can waste the least amount of time if the member for Kavel would now state his point of order.

Mr. Millhouse: Hear, hear!

Mr. GOLDSWORTHY: My point of order was that the Minister was commenting in a way that is not allowed under Standing Orders. I asked a question, and he was not trying to answer my question; he was, contrary to Standing Orders, commenting and stating that I was asking pettifogging questions, and he

was making other comments irrelevant to the reply.

The SPEAKER: It is traditionally the custom for the Chair generally to allow greater latitude to Ministers replying to questions than is allowed to members when asking questions. I repeat that this has been the tradition. The honourable Minister of Education.

The Hon. HUGH HUDSON: The member for Kavel asked a fairly straight-forward question but proceeded to make comments in his own explanation of it. You, Mr. Speaker, with your normal lenient attitude, allowed him to make those comments. In concluding my reply to the honourable member, I was attempting to say that I believed he would be serving the interests of the children and of his former fellow teachers in this State much more adequately if he examined the position with respect to the national survey, the way in which it arose, and the actions that have been taken in relation to it; and, if he has reached the conclusion that Government Education Departments have a legitimate right to expect additional assistance from the Commonwealth Government, he should support the case for that assistance in the interests of the children, the teachers, and the State generally.

RURAL RECONSTRUCTION

Mr. RODDA: Has the Minister of Works received from the Minister of Lands a reply to my recent question about rural reconstruction?

The Hon. J. D. CORCORAN: The Minister of Lands states that, although he is conversant with Commonwealth proposals for a scheme complementary to the rural reconstruction scheme to provide retraining assistance to farmers who have to leave rural industry, details have not yet been formally announced. It would appear, however, that some cases will involve unsuccessful applicants under the rural reconstruction scheme who would have already filled in the application form to which the honourable member has referred. It is understood that others will not be required to fill in that form, but will have to make a straight-out application for retraining assistance. When details of the retraining scheme have been finalized, the Minister of Lands will be glad to inform the honourable member. Whilst it is true that the rural reconstruction scheme application form contains 23 pages, the Minister again points out that it is a comprehensive form designed to cover all

forms of primary production and it is extremely unlikely that any one applicant would have to complete every page.

This is similar, I take it, to the financial assistance provided under the Primary Producers Emergency Assistance Act, 1967. In that case, the application form consisted of about 19 pages but covered every aspect of primary production, and it did not necessarily follow that every applicant had to complete the 19 pages. In fact, in many cases, while there were general questions, other questions applied specifically to the type of production in which the applicant was engaged.

MURRAY BRIDGE WATER SUPPLY

Mr. WARDLE: Has the Minister of Works a reply to my recent question about the Murray Bridge reticulated water supply?

The Hon. J. D. CORCORAN: Water supply systems west of the White Hill tank site will be supplied with water from the Murray Bridge to Onkaparinga main through pressure reducing valves. With the introduction of the new main, the opportunity is being taken to improve supply systems to Murray Bridge and other towns *en route* as well as mains supplying country lands, including those covered by the honourable member's question.

VALLEY VIEW WALKWAY

Mrs. BYRNE: Will the Minister of Works examine a problem that has arisen concerning the closure of a walkway between Flockhart and Vacluse Avenues, Valley View, dividing lots 344 and 348 from lots 345 and 347, in which area the Engineering and Water Supply Department has installed a trunk sewer? As the property owners who have erected fences and structures on this land acted in good faith, I ask the Minister to ascertain whether a solution to this problem can be found and a sympathetic compromise reached. A petition from the property owners concerned requesting the closure of the walkway was submitted to the Corporation of the City of Tea Tree Gully late in 1967. It is alleged that a verbal reply was given, stating that approval was a mere formality and that there was no harm in erecting fences in the area referred to in the petition. One petitioner paid his estimated share of the cost, which it is alleged was accepted by the council, while other petitioners waited for a final account.

Frequent inquiries were made but the formalities were not finalized. A change then occurred within the council office. About 18

months ago, the council considered a proposal to close the walkway but, in view of an objection lodged by the E. & W.S. Department, the matter was deferred. The council made representations to the department with a view to having the objection withdrawn but was informed by the department on February 26, 1971, that it was not willing to permit the walkway to be closed, even though easement rights might be granted as part of the closing order. Therefore, on April 27 last, the council passed a resolution to the effect that, as this walkway is a public road as defined in the Roads (Opening and Closing) Act, 1932-1946, all fences, barriers and structures so erected must be removed within six months of the date of notice.

The Hon. J. D. CORCORAN: I will have the matter examined, although I have no doubt that the objection taken by the department is a valid one. It seems that people took too literally the council's view that the matter was only a formality, and evidently went ahead and erected the structures referred to, but now they find that the position is not quite as was stated by the council. I take it that this was only a verbal arrangement, and I point out that there is always a great danger when dealing on the basis of such an arrangement.

PORT BROUGHTON AREA SCHOOL

Mr. VENNING: Has the Minister of Education a reply to the question I asked some time ago about the Port Broughton Area School?

The Hon. HUGH HUDSON: It cannot be stated at this stage when a new replacement school will be provided at Port Broughton, but the need for such a school will be carefully considered during the periodical reviews of the design list. If we could get more financial assistance from the Commonwealth Government for the school-building programme, the Port Broughton school would be replaced a little earlier. I give the same information to the member for Rocky River as I gave the member for Kavel earlier this afternoon.

ESTIMATES OF EXPENDITURE

His Excellency the Governor, by message, recommended the House of Assembly to make appropriation of the several sums for all the purposes set forth in the Estimates of Expenditure by the Government for expenditure during the year ending June 30, 1972.

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

That the Speaker do now leave the Chair and the House resolve itself into a Committee of Supply.

Motion carried.

THE BUDGET

In Committee of Supply.

The Hon. D. A. DUNSTAN (Premier and Treasurer): The Revenue Budget I present to the Committee today forecasts aggregate payments of \$453,968,000, aggregate receipts of \$446,622,000, and accordingly a current deficit of \$7,346,000. This present estimate of a deficit somewhat greater than I would wish to contemplate should be considered against a background of changes in Commonwealth-State financial relationships and an accumulated deficit on Revenue Account despite the achievement of a nominal surplus last year. It also has to be considered in the light of a rather uncertain future, particularly as to the possible extent of increases in wage and other costs and the possible extent of further Commonwealth support not yet firmly promised. Twelve months ago I reported to the Committee the results of a major conference held between the Commonwealth and the States to work out new arrangements for taxation reimbursement grants and the sharing of national financial resources for a further five-year period. This followed the completion of a five-year arrangement determined in 1965, itself a variation on a previous six-year arrangement determined in 1959. It was at the 1959 meeting that South Australia had secured taxation reimbursement grants of an order which enabled it to become a "non-claimant" State.

At the June, 1970, meeting improvements to the sharing of financial resources which affected all States generally were as follows:

- (1) For 1970-71 an amount of \$40,000,000 added to the grants calculated under the old formula and built into the base for future years.
- (2) The old "betterment" factor increased from 1.2 per cent to 1.8 per cent for 1971-72 and future years.
- (3) A grant determined towards debt charges on a portion of State debt to be taken over eventually by the Commonwealth.
- (4) A grant determined in lieu of interest-bearing loans to finance portion of the States' capital works programmes.

South Australia specifically was affected by the Commonwealth's refusal to grant special additional assistance, the need for which was

clearly demonstrated. Following the Prime Minister's statement that, if we were not satisfied, we could apply to the Commonwealth Grants Commission (sneeringly uttered to this State, I may say), the Treasury made a submission to the commission and thus, after a break of 11 years, we returned to "claimancy" and received a special grant of \$5,000,000 in 1970-71 on the commission's recommendation. After having regard to these and other relevant factors, I presented to the Committee a Revenue Budget which forecast a deficit of \$4,896,000 for 1970-71. As deficits had accumulated to the extent of \$4,579,000 by June 30, 1970, it was expected that the accumulated deficit by June 30, 1971, might be about \$9,500,000 plus the then unknown net costs of new salary and wage awards in 1970-71, less consequential increases in Commonwealth grants.

Early last financial year it became apparent that the new financial arrangements made in June, 1970, would not enable any State to continue to function effectively, to meet the reasonable demands made on it for improved extent and standard of services, to cover the higher costs of salaries and wages as new awards became effective, and to provide against other rises in costs. By mid-year the situation had become critical in all States, and a series of conferences took place with the Commonwealth to work out how the problems should be tackled. Eventually the Commonwealth offered a supplementary grant of \$43,000,000, and towards the end of the year the calculation of the taxation reimbursement grants showed that they would be increased much more than earlier expected by the operation of the "wage level" element in the formula. As a result of these two factors and a firm control of expenditures, all States were able to improve their Budget results from the critical prospect at mid-year. In South Australia our situation was also improved by a number of revenue measures announced in Parliament in February last. A full review of our 1970-71 finances appears as an attachment to this statement and explains in more detail how the factors I have mentioned enabled us, in the event, to record a nominal surplus of \$21,000, a major improvement on the original estimate, and an even greater improvement on the critical mid-year prospect.

It would be reasonable and prudent, of course, to look carefully at last year's experience to assess whether the five-year arrangements for taxation reimbursement grants have broken down irretrievably in the first year,

whether 1971-72 is likely to see a recurrence of last year's problems, and whether the improvement late in the year may be taken in any way as a guide to prospects for 1971-72. At the conference between Commonwealth and State Ministers in June last it was made very clear that all States foresaw problems in 1971-72 and beyond far greater than they had actually faced in 1970-71. The Commonwealth, convinced by the submissions of the seriousness of State problems, agreed to make further improvements to the States' share of national Governmental resources to help meet in part the financial problems foreseen by everyone. The Commonwealth offer was in a package deal of which the three main parts were as follows:

- (1) To give the States access to a growth tax under which they could vary the rates having regard to their responsibilities to provide services. As a result the States are to take over pay-roll tax collections next month on salaries and wages payable from the beginning of this month. The taxation reimbursement grants are to be reduced by amounts corresponding to the yield foregone by the Commonwealth on a 2½ per cent pay-roll tax levy.
- (2) To add back to the taxation reimbursement grants a special contribution of about \$22,400,000, which is payable in 1971-72 and will form part of the base grant to be escalated by the three factors of increase in population, increase in wages, and betterment in 1972-73 and future years.
- (3) To make a special supplementary contribution of \$40,000,000 towards the particular problems of 1971-72 only, problems such as the carry-over cost of salary and wage awards effective for part only of 1970-71. This supplement is comparable with that of \$43,000,000 determined late in 1970-71.

At this point I make two comments. The first comment is that the necessity for the Commonwealth to make supplementary grants in each of the first two years of the new five-year arrangement, and to make other adjustments after only one year of the five has elapsed, shows that the vital objective of an equitable sharing of financial resources between Commonwealth and States, a sharing which attempts to balance resources and responsibilities,

has not yet been achieved. I foresee the necessity for further supplementary grants in 1972-73 and beyond, until this question is resolved satisfactorily. The second comment is that the inadequacy of the 1971-72 proposals is pointed up by the fact that during the June conference all Premiers saw that an early increase in the rate of pay-roll tax would be unavoidable in order to provide further revenues in areas under the States' own control, and accordingly they agreed, before leaving the conference table (and this within minutes of the acceptance of the Commonwealth offer), that immediately on assumption by the States the rate should be raised from 2½ per cent to 3½ per cent.

Mr. Venning: The States or the Commonwealth?

The Hon. D. A. DUNSTAN: The States agreed between themselves. The Commonwealth had left the conference table but the States all agreed that the Commonwealth's position in this, that it would merely allow us to take over pay-roll tax and deduct exactly revenue from pay-roll tax from our State reimbursement grants, was ridiculous. There was no improvement in State finances from the proposal. We were then invited by the Commonwealth Prime Minister to increase rates, if we wanted to do better in our own areas in order to provide the services to which we were already committed and to which honourable members opposite have demanded that we should be committed. That was why we had to increase the amount. If the honourable member believes we should not increase it, perhaps he will show us where we should cut the State taxes from which we provide services: perhaps he would say that we should cut finances that provide services to his district.

The Commonwealth also offered to meet the cost of freeing local government authorities from the obligation to pay the pay-roll tax on their non-business activities, and the taxation reimbursement grant is being increased to cover that cost. The estimated receipts of State pay-roll tax will, of course, be diminished correspondingly by this concession to local government. A further minor effect on the Commonwealth grant will be a small addition to cover the administrative cost involved in levying and collecting a State pay-roll tax. The manner in which all of these arrangements are expected to affect South Australia in 1971-72 was explained in my introduction of the pay-roll tax legislation. The same points are covered

again later in this document in the sections dealing specifically with State taxation and Commonwealth grants.

The other aspect of Commonwealth assistance particularly relevant to South Australia is the special grant determined on the recommendation of the Commonwealth Grants Commission. In 1970-71, the grant received was \$5,000,000. For 1971-72, the commission has recommended, and the Commonwealth has budgeted for, a special grant of \$7,000,000.

Members will be well aware from previous explanations of the role of the commission that South Australia cannot ordinarily expect grants sufficient to meet its deficits in full, irrespective of the level of financial effort we make to help ourselves. Under the commission's procedures we may expect a recommendation for grants sufficient to put us in much the same position as the "standard" States, presently New South Wales and Victoria, provided that our overall efforts in raising revenues and in providing services are comparable with theirs. It follows that if those two States are placed in a difficult situation because of Commonwealth policy, then the claimant States of South Australia and Tasmania will also face a comparably difficult situation. If we wish to provide services of a level comparable with the standard States and not record deficits any greater than theirs, we must be prepared to tax and to charge overall equally as heavily. If we wish to hold revenue deficits to levels below those of the standard States, we must be prepared to tax and charge more heavily or to provide social services and otherwise function more economically.

After having regard to the probable revenues from Commonwealth grants of all kinds, to the likely extent of State revenues, including a pay-roll tax at 3½ per cent, and the full year's carry-over effect of those measures announced last February, to the genuine needs for improved extent and standard of service in education, health, law and order, and social welfare, to the full year's carry-over costs of wage and salary awards that became effective during 1970-71, to the cost, only partly known, of further awards certain to become effective in 1971-72, and to a comparison of our levels of services and charges with those of the standard States, the Government decided that further revenue-raising measures would be essential if the prospective deficit were to be kept within manageable limits. Accordingly, the estimates

of receipts include the expected revenues from: (1) a wide range of increased stamp duties on documents estimated to yield about \$4,150,000 in a full year and about \$2,250,000 in 1971-72; and (2) increased hospital fees expected to yield about \$900,000 in a full year and about \$600,000 in 1971-72.

The estimates of grants to tertiary educational institutions have been adjusted to take account of higher fees which are expected to operate from the beginning of 1972 and which should save in grants about \$500,000 in a full year and \$250,000 in 1971-72. Likewise, the appropriations for grants to subsidized hospitals are adjusted by some \$300,000 to take account of their probable revenues from the higher hospital fees. An attempt to estimate whether these further efforts of our own may be sufficient to leave us in a reasonable Budget situation at June 30 next, whether there may be an improvement during the year, as occurred last year, or whether there may be an actual deterioration, depends to a large degree on three important but uncertain factors.

The first of these is the future movement in salary and wage levels and the net cost to the Budget after allowing for the effect on the taxation reimbursement grant. The Commonwealth's estimate of grants, included in its Budget and adopted by me for the purposes of the Budget, assumes an increase in the average level of wages throughout Australia of 9½ per cent between the relevant dates of March 31, 1971, and March 31, 1972. This estimate has regard to increases likely to flow from awards and other factors not yet effective. However, in accordance with established practice, the South Australian departmental appropriations include provision only for rates of pay effective as at the middle of last month. The Appropriation Bill, to be introduced at the close of the Budget debate, will provide, as is customary, for automatic appropriation of any additional payments arising from subsequent award increases in wages and salaries I estimate that an allowance for about a further \$4,750,000 of wages and salaries beyond present departmental provisions would be consistent with the Commonwealth's estimate of grants. Accordingly, I have included an allowance of that amount specially in the Budget summary on page 3 of the Estimates of Revenue and it has been taken into account in arriving at the estimate of a revenue deficit of \$7,346,000 for 1971-72. Any additional

cost of new awards beyond the \$4,750,000 adopted could be expected to be covered only partly, probably to the extent of only about 30 per cent to 40 per cent, by resultant increases in the taxation reimbursement grant. It is rather salutary to pause at this point and recollect that last year certificates given by departments under the special section of the Appropriation Act showed that the gross direct costs of salary and wage awards subsequent to the framing of the Budget were close to \$9,500,000. Allowing for the effect on grants to bodies outside the Budget, the cost was closer to \$10,500,000.

The second uncertain major factor is the prospect of supplementary Commonwealth assistance if all States suffer severe Budget deterioration later in the year. Last year the Commonwealth refrained from offering such assistance until a special conference in April. Earlier in the year we were warned that we would not get anything in April, but there had been a change of Prime Ministers and Treasurers in the meantime and we received more than we expected. This year the Commonwealth has agreed to a supplementary grant right from the beginning of the year. It may be thought in some quarters that this early indication of support, and the knowledge of other pressures on the Commonwealth in the areas of social services and rural problems, would reduce the prospects of a second supplementary grant later in the year. Nevertheless, I believe that in the last couple of years the Commonwealth has come to appreciate a little more the critical problems the States have in providing services basic to our continued development. I further believe that, if all States suffer severe Revenue Budget problems in 1971-72, despite reasonable efforts to help themselves in raising revenues and controlling expenditures, the Commonwealth will be prepared to reconsider the situation and possibly to help again.

The third uncertain major factor is the extent of an adjusting grant that may subsequently be recommended by the Commonwealth Grants Commission in aid of the 1971-72 accounts after the final results are known. The commission has not yet conducted a detailed examination of our accounts, but it will be doing so during the course of this year in relation to the accounts of 1970-71. I believe that the commission, in recommending an advance grant of \$7,000,000 this year, would have taken a rather conservative view of our needs, and I am hopeful that a full review that will have regard to our standards of effort, including our efforts in further taxation

and charges as outlined above, will lead the commission in due course to recommend some further assistance by way of a "completion" grant for both 1970-71 and 1971-72. However, there is no full assurance that such further assistance will be forthcoming, and, in any case, it is unlikely to be more than a portion of the 1971-72 deficit now in prospect.

ESTIMATES FOR 1971-72

RECEIPTS

The estimate of receipts on Revenue Account for 1971-72 is \$446,622,000, an increase of \$59,763,000 above the amount received in 1970-71. The components which make up this total are as follows:

	\$
Taxation.....	91,319,000
Public works and services .	180,134,000
Territorial.....	3,170,000
Commonwealth.....	171,999,000
	<hr/> \$446,622,000

Taxation: For State taxation the estimate of \$91,319,000 is \$32,575,000 in excess of last year's receipts. I will now give comparative figures, which illustrate certain abnormal changes. Regarding pay-roll tax, however, that is not a straight comparison because we have taken over this tax and lost a commensurate amount of Commonwealth financial grant. The figures are as follows:

	1970-71	1971-72 (Est.)
	\$	\$
Pay-roll tax . .	—	24,200,000
Receipts duty	2,756,000	
Other taxation	55,988,000	67,119,000
	<hr/> 58,744,000	<hr/> 91,319,000

If the State were simply to take over pay-roll tax, under conditions and at the rate imposed by the Commonwealth, from September 1, 1971, it would receive in 1971-72 about \$21,200,000 in respect of wages and salaries paid in the period September 1, 1971, to May 31, 1972. Included in this figure, however, would be about \$300,000 paid by local government authorities on their non-business activities and some \$3,600,000 paid by State Government departments (other than Highways and Motor Vehicles Departments). As neither of these groups is to be asked to continue paying the tax, the best estimate of revenue receivable by the State at the rate of 2½ per cent would now be about \$17,300,000. The further 1 per cent new proposed would increase that figure by two-fifths to about \$24,200,000, and that is the amount included in the Estimates of Revenue.

Receipts duty is, of course, no longer in operation and what arrears remain to be

collected are expected to be paid under Commonwealth legislation and then transferred to the State as a Commonwealth grant. The amount collected as State taxation in 1970-71 was in respect of only part of the year, with the balance made up by way of reimbursement from the Commonwealth. The Government has completed a comprehensive review of the rates imposed by the Stamp Duties Act and intends to introduce legislation shortly to increase the rates on a variety of documents. I shall outline the major proposals, which together with a number of minor changes, are expected to yield \$4,150,000 in a full year and \$2,250,000 in 1971-72.

(1) The duty on applications to register a motor vehicles will be effectively slightly lower for values up to \$1,000, as the new rate is proposed at \$1 for each \$100 or part thereof, instead of \$2 for each \$200 or part thereof. Beyond \$1,000 there will be a graduated increase replacing the present flat \$2 for each \$200 with \$2 for each \$100 for that portion of the value which exceeds \$1,000 but does not exceed \$2,000 and \$2.50 for each \$100 on that portion of the value in excess of \$2,000.

(2) Duty on conveyances of real property with a value no greater than \$12,000 will remain unaltered at 1¼ per cent, but beyond \$12,000 conveyances will attract a graduated rate at 3 per cent upon that portion of the value in excess of \$12,000. At present the excess beyond \$12,000 attracts 2½ per cent duty up to \$15,000 total value, and thereafter the rate remains at a flat 1½ per cent upon total value.

(3) Conveyances of marketable securities will attract duty at .6 per cent instead of .4 per cent.

(4) The rate on instalment purchase and credit arrangement contracts will be increased from 1.5 per cent to 1.8 per cent.

(5) Stamp duty on cheques will be increased from 5c to 6c.

(6) Mortgages in excess of \$10,000 will be subject to a duty of .35 per cent on the excess instead of .25 per cent as at present.

The opportunity will also be taken to update certain minor charges which have not been altered since the Act was consolidated in 1923. Honourable members will see that, in each of these impositions, unlike the situation outlined in Victoria yesterday by Sir Henry Bolte, the rates are not overall rates of increase, but are graduated in order to ensure that people who are on average wage standards within the community will have the least possible impost on them.

Motor vehicle taxation is expected to produce \$19,500,000 in 1971-72, some \$3,873,000 more than was collected last year. Of this, about \$2,800,000 is expected from the increased registration fees which took effect from July 1 last, \$250,000 from the full year's effect of the \$1 increase in licence fees, and the balance from an increase in volume of transactions. Revenue from land tax is estimated at about \$10,000,000 this year, an increase of \$2,450,000 over the 1970-71 figure. The tax will, for the next five years, be based on valuations of urban land as at July 1, 1970, and on valuations of primary-producing land as at June 30, 1971. In view of the present depressed state of primary industry generally and the consequent decline in land values, the Government decided it would be more equitable to adopt the later valuation of land used for primary production. The greater part of the revenue from this tax is paid on urban land and so, although the 1971 rural assessments have not yet been completed, it is possible to estimate the probable total yield without any great degree of error.

The amendments to the Succession Duties Act that were passed late in 1970 had little effect on revenue last year because of the time taken in rendering returns and making assessments and the time allowed for payment. Accordingly, the estimate for 1971-72 (\$10,250,000) is greater than actual receipts last year by almost the full amount expected from the increase in rates. I do not think it prudent to budget on much increase this year from increased value of successions. The increase in the rate of commission payable on bookmakers' turnover as from April 1, 1971, will apply for all of 1971-72, and this, together with a small increase in the number of race meetings and an expected greater volume of betting with bookmakers, is expected to raise revenue from commission on bets by almost \$100,000 to about \$650,000.

Public works and services: An increase of \$19,299,000 to \$180,134,000 is expected from public works and services in 1971-72. The changes are estimated to be as follows:

The operation of public undertakings—	\$	\$
Normal receipts from services, etc. . . .	6,513,000	
Transfer items which do not affect the Budget result	5,000,000	
	—	11,513,000
Recoveries of interest and sinking fund		1,820,000
Other departmental fees and recoveries.....		5,966,000
		<u>\$19,299,000</u>

Public undertakings: I have placed a figure of \$7,700,000 on the Estimates for receipts from marine and harbour services, which would be an increase of \$239,000 over last year's actual revenue. The incidence for a full year of the higher charges introduced during 1970-71 would normally have produced an increment somewhat greater than this, but the effect may be partially offset by a decline in the quantity of wheat handled. This same factor has also been taken into account in arriving at an estimate of receipts for the railway undertaking. Carriage of grain has been particularly high in each of the past two years but, in the light of storages and production quotas, some decline in carriage may be expected. However, it is expected that there will be an increase in the volume of general merchandise carried by railways, while the volume of Broken Hill concentrates last year was adversely affected by industrial problems and should rise this year. These two factors, together with a full year's effect of higher fares and freight rates, are expected to raise receipts to \$35,000,000 in 1971-72.

Water and sewer rates and charges for excess water are estimated to yield \$34,500,000 in the coming year. In arriving at this estimate it has been necessary to make allowance for three separate factors; an increase in the price of rebate water, a new assessment which will operate for 1971-72, and the normal annual increase from extended services. The new assessment will increase rates and rebate water entitlements and would, in the absence of other factors, reduce revenue from excess water charges, but the rebate price increase will offset the latter effect. The overall effect is expected to be an increase in receipts of about \$2,797,000 above last year. The recent increased activities and sales of the forestry undertaking have made it practicable to budget for an additional \$300,000 contribution in 1971-72. The full year's contribution from the Electricity Trust of South Australia of 3 per cent of gross revenue is expected to amount to \$2,150,000 in 1971-72, while the State Bank contribution of 45 per cent of its 1970-71 profit will be about \$614,000.

Recoveries of debt services: In total, recoveries of interest and sinking fund are estimated to increase by \$1,820,000 to \$32,347,000. The major increases will be from the large semi-governmental authorities and in particular from the State Bank which, pursuant to the new housing arrangements, is expected to pay into Revenue \$475,000 of interest which

would previously have been payable to the Commonwealth upon moneys newly advanced to the Home Builders Account.

Other departmental receipts: As from June 1, 1971, a new schedule of rates for the registration of companies was introduced and the effect of this for a full year and of the normal annual increase in registrations is expected to raise receipts from this source to \$1,200,000. Recoups by the Commonwealth to the State for Education Department services are expected to increase from \$482,000 to \$960,000 in 1971-72, with the changes occurring mainly in the field of migrant education. The first recoveries from the Commonwealth under the recently introduced child migrant scheme will be credited to revenue this year as will recoveries under the adult migrant scheme which have previously been handled through a deposit account. Hospital fees and charges were raised during 1970-71, and the full year's impact of those increases was expected to lift receipts of Government hospitals significantly this year. Subsequent to those changes, however, most of the other States raised their charges to levels well above the new South Australian rates and so the Government, after consultations with representatives of the major benefit funds who undertook to meet the proposed further increases without altering their contribution tables, announced a higher scale of fees more in line with those charged elsewhere and more in line with increased costs.

We have not gone to the extent of the other States but, nevertheless, we have to come into line with them, and have been able to do it without increases in contribution costs to the funds. This will improve our position before the Commonwealth Grants Commission. The full effect of these two increases will be to raise receipts of Government hospitals from patients' fees from \$7,115,000 to about \$9,000,000. Members will recall that an amendment to the Highways Act was passed last year to authorize appropriation of up to 6 per cent of gross motor vehicle registration fees toward meeting the rapidly increasing costs of police road traffic services. About \$1,000,000 is expected to be reimbursed from the Highways Fund for these purposes in 1971-72.

Hospitals Fund: Contributions to the Hospitals Fund from the Totalizator Agency Board, the Lotteries Commission and stamp duty on third party insurance policies, together with a small sum from on-course totalizators,

amounted to \$4,656,000 last year, while payments towards Government and subsidized hospitals totalled \$4,644,000. This year contributions are expected to reach \$5,150,000, mainly as a result of increased T.A.B. turnover, and of this amount \$3,400,000 is planned to be used to assist subsidized hospitals, and \$1,750,000 to help meet the costs of Government hospitals.

Commonwealth grants: The Commonwealth Budget brought down two weeks ago provided for a tax reimbursement grant to South Australia of \$156,100,000. In arriving at this estimate the Commonwealth has calculated on the bases that the percentage increase in State population will be the same this year as last year and that average wages for Australia as a whole will rise by 9½ per cent. It has also taken into account the new "betterment factor" of 1.8 per cent, which is somewhat higher than the 1.2 per cent used since 1965-66. However, in addition to these relatively simple formula calculations, a number of other factors have to be taken into consideration this year and for the future. The application of the formula to the 1970-71 grant would on the assumptions used by the Commonwealth, produce a figure of about \$167,000,000. To this must be added an amount on account of receipts duty lost to the State. The best estimate of what would have been received from this duty last year had Commonwealth legislation operated for the full year has been updated by application of the formula. This special addition to the grant has now lost its separate identity and will continue to escalate as part of the main grant.

Then a deduction from the grant is to be made to the extent that pay-roll tax at the rate of 2½ per cent will be paid to the State in the last nine months of 1971-72 instead of to the Commonwealth. At this stage there is added to the grant the South Australian share of the special Commonwealth contribution of \$22,400,000, an amount to compensate for the freeing by the State of local government non-business undertakings from pay-roll tax, and an amount to cover the State's cost of administration and collection of that tax. The Commonwealth's final estimate of the grant after all these factors have been considered is \$156,100,000. This has been adopted for the purposes of the South Australian Budget. The Commonwealth Grants Commission has recommended an advance grant of \$7,000,000 for 1971-72, and this has been included in the Estimates of Revenue,

while debt service reimbursement will double to become \$2,991,000 now the Commonwealth has taken responsibility for the second instalment of State debt. Of the supplementary Commonwealth grant of \$40,000,000 specifically towards the particular problems of 1971-72 only, South Australia's share is expected to be about \$4,300,000.

PAYMENTS

Provision is included in the Estimates of Expenditure for:

	\$
Payments for which appropriation is contained in special legislation.....	99,830,000..
Payments for which appropriation will derive from the Appropriation Act.....	349,388,000
	<hr/>
	\$449,218,000

The allowance of \$4,750,000 made for further wage and salary awards takes the total of estimated payments to \$453,968,000. Before dealing with the separate major sections and departmental provisions, I would point out two factors which have general application. First, with the exception of the Highways and Motor Vehicles Departments, the provisions for pay-roll tax included in the Estimates of Expenditure are for the amounts expected to be paid to the Commonwealth, and are at the rate of 2½ per cent and for one-sixth of the year only. For the two departments named pay-roll tax will continue to be levied in accordance with the new State legislation, and additional provision has been made at the rate of 3½ per cent for five-sixths of the year. Secondly, the recent Commonwealth Budget increased the charges for post office services and the excise tax on petrol and distillate. These increases will affect adversely in some measure the running costs of all State Government departments. The departmental allocations determined early in August have not been increased specifically to cover these costs. The Government expects all departments to make every reasonable effort to absorb these increases within the allocations now before members by making economies elsewhere.

Special Acts: In 1970-71, for the first time, the Commonwealth made available a proportion of the States' allocations determined by the Australian Loan Council for works and housing as interest-free capital grants, rather than as loans subject to both interest and sinking fund. As the grant portion in effect replaced loans which would have been raised late in the year,

this had little effect on the interest commitment of last year, but has the effect this year of holding interest payments to a figure below what they would otherwise have been. Despite this, interest payments are expected to rise by \$7,364,000 to a total of about \$70,000,000, and the contribution to the National Debt Sinking Fund by \$880,000 to \$12,554,000. Increases in interest payments are still one of the major adverse influences on the Budget, and with the States being required since May, 1970, to pay at the rate of 7 per cent per annum on all new long-term borrowings and conversions, these increases will continue to have a heavy impact. Under the new housing arrangements with the Commonwealth gross payments for debt services under special Acts will increase significantly in future years, though they will be offset by recoveries from the Housing Trust and from lending institutions, and by special grants from the Commonwealth replacing the previous interest subsidy. As the increased Loan funds for housing will probably not be arranged formally in loan issues until late in the year, the new arrangements are not expected to have much effect on the 1971-72 interest payments.

Education Department: The proposed allocation for the Education Department this year is \$97,676,000, which is nearly 25 per cent higher than the \$78,324,000 spent in 1970-71. In order to give an accurate picture of the extent of the increase in expenditure, however, it is necessary to remove pay-roll tax from the two figures, as provision for only two months' payments is included in the 1971-72 estimate. Provision other than for pay-roll tax has increased by \$20,477,000, or 26½ per cent, from \$76,755,000 to \$97,232,000, and almost \$19,500,000 of this increase is accounted for by salaries and wages. No less than \$13,200,000 is required simply to meet the effect of known salary award increases, increases in student-teacher allowances, and an extra pay which falls in 1971-72, while the balance has been provided to meet the cost of staff expansion, purchase of equipment and materials, and other increased running costs of schools.

As from July 1, 1971, student-teacher allowances were increased by amounts ranging from \$80 for first-year students to \$200 for graduates who decide to undertake teacher training. Boarding allowances, allowances for dependents, and special living allowances were also increased, while the application of the mature age allowance was extended. An additional sum has been provided to cover

the cost of an extra \$2 in the book allowance which will be paid to secondary pupils in both State and independent schools from the beginning of the 1972 school year. These allowances will then be \$20 for each of the first three years, \$28 for the fourth year and \$30 for the fifth year. The cost for the increased allowance and increased enrolments is estimated at about \$280,000. It is expected that \$200,000 will be required this year to meet the Government contribution towards the cost of bringing lecturers and teachers from interstate and overseas. The increase of \$130,000 in this item is principally the result of the Government's teacher-recruitment programmes in the United Kingdom, the United States of America, and Canada.

Independent Schools: Last year the Government announced the appointment of a committee to investigate the needs of independent primary schools and to recommend how additional assistance of \$250,000 in 1971 should be distributed. About two-thirds of this amount was paid to the schools during 1970-71 in respect of the first two terms of the 1971 school year. A full \$250,000 will be paid this year along with about two-thirds of an additional \$150,000, which the Government will distribute, on the committee's recommendations, to independent primary and secondary schools in the 1972 school year. The provision for assistance to independent schools, including the established per capita grants, has therefore been increased to \$885,000.

Tertiary education: The provisions for the University of Adelaide, the Flinders University, and the Institute of Technology have regard to the present grants arrangements between the Commonwealth and the State as provided in Commonwealth legislation, and also to proposals for additional grants towards the recent unusually heavy costs of increases in non-academic salaries and wages. The estimates of grants required also take account of the probable increased revenues to be received in 1972 from an increase of about one-sixth in fees which the Government proposes to recommend to the three councils. This will reduce the extent of State grants which would otherwise have been required to support the three institutions by about \$250,000 this year and \$500,000 in a full year. We have, however, provided an additional \$40,000 this year, making \$150,000 in all, so that special assistance may be given to avoid hardship on the part of students who do not hold Commonwealth scholarships or have their fees paid by

employers under cadetships and similar schemes. The three institutions will also have available increasing sums being returned in repayment of loans approved previously by the Fees Concession Committee, and these repayments may be used again in granting further assistance.

Hospitals: It is anticipated that expenditure by the Hospitals Department will increase by \$6,768,000 from \$35,403,000 to \$42,171,000. As this department has been exempt from pay-roll tax entirely since 1968-69 (and partly before that), this comparison gives a true indication of the extra amount being made available. Provision has been included to meet the increasing cost of the operation of existing hospital services, for the opening of new services at the Queen Elizabeth Hospital, for the further occupation of the Strathmont Centre, and for the occupation of additional accommodation at Whyalla, Port Augusta, and Mount Gambier Hospitals. Sessional payments for visiting medical specialists at the four teaching hospitals, Royal Adelaide, the Queen Elizabeth, Adelaide Children's and Queen Victoria, commenced on January 1 last, and a total of \$1,330,000 has been provided for the continuation of these payments for a full year in 1971-72. It is proposed to establish a new Personnel and Training Division in the Hospitals Department so that when new staff members are appointed to a hospital they may be better informed as to the operations of a modern hospital and the administrative structure of the department. The automatic data processing section of the department is to be developed and the work to be undertaken will include advanced computer studies related to the planning and operation of the new Flinders Medical Centre as well as the routine functions of pay-rolls and accounting.

Other medical and health: For the Public Health Department, with pay-roll tax removed from both years, the comparative expenditure figures for 1970-71 and 1971-72 are \$1,664,000 and \$2,064,000 respectively, an increase of \$400,000. In the General Public Health Section, additional staff will be engaged in the campaign to prevent drug abuse and in hygiene training courses conducted as part of the Aboriginal health programme. The Occupational Health Section will concentrate its efforts on work designed to combat air pollution. A further group of 16 dental therapists will complete their training and take up duty as staff attached to the School Health Services. Almost two-thirds of the moneys to be paid from the

Hospitals Fund this year are proposed to be as subsidies for non-government hospitals and institutions. Appendix II to the Estimates of Expenditure sets out individual proposals for grants totalling \$10,478,000, of which \$3,400,000 will be provided from the Hospitals Fund and \$7,078,000 from the Chief Secretary—Miscellaneous vote.

Provision is made under Chief Secretary—Miscellaneous for \$260,000 for continuing emergency grants at the rate of up to \$1 a bed a day to approved non-profit nursing homes for the remainder of the financial year as may be necessary. The State Government in March last approved such emergency grants until September 30, 1971, in anticipation that the Commonwealth would by then have raised its contribution rate. No supplementary provision was made for this purpose in the recent Commonwealth Budget, and therefore the State has no alternative other than to continue its support for a further period notwithstanding that this is primarily a Commonwealth responsibility. Strong representations to the Commonwealth are continuing from the administrations of non-profit nursing homes with the full support of the Government. That is a fairly mild statement. I have written to the Prime Minister in the strongest possible terms about the gross dereliction of Commonwealth duty in this area. There is not the slightest doubt that the Commonwealth has a responsibility to these nursing homes. It has refused to increase its contribution, with the result that, unless the State Government continues its contribution (though it is not its primary responsibility), these nursing homes will be closed down and the poor old people in them will be thrown on to the street. That desperate situation has faced these nursing homes, and it is shocking that the Commonwealth Government, having made changes in its Budget in respect of the provisions for health and medical services, should have utterly ignored the needs of these nursing homes.

Mr. Millhouse: Do you know the reason?

The Hon. D. A. DUNSTAN: I have not been given any reason.

Mr. Millhouse: You are giving only one side of the question.

The Hon. D. A. DUNSTAN: The one side I am giving has been put to the Commonwealth Government by members of the Commonwealth Parliament who are members of the honourable member's own Party, but they have been similarly ignored. If the honourable member thinks there is some defence in this

connection, he should ask the Rev. Keith Seaman, who has been in the forefront of a campaign by these nursing homes to get assistance from the Commonwealth Government. If there is a defence, we have not been told what it is.

Law and order: It is expected that about 100 police cadets will complete their training this year and transfer to the force while new recruits should be sufficient in number for the Police Department to reach its target of 450 trainees. For the Prisons Department most of the increase in funds provided will be required to cover the cost of salaries under a new Prison Officers' Agreement, the employment of additional probation and parole officers and new staff for the remodelled Port Augusta gaol.

Welfare services: The Social Welfare and Aboriginal Affairs Department was exempted from pay-roll tax early in 1970-71 and, with the small amount of tax paid in that year excluded, this year's provision of \$7,445,000 is \$1,104,000 (or 17½ per cent) greater than the comparable figure last year. Expenditure on public relief is estimated to increase by about \$453,000 partly as a result of a proposed reduction from 13 weeks to six weeks in time deserted wives and other women in similar circumstances must wait before qualifying for greater relief and partly as a result of higher rates to follow the announced rise in Commonwealth pension rates. The reduction in the qualifying period is planned to commence on January 1, 1972. Provision has also been made to increase foster care rates and payments for necessitous children in voluntary children's homes. The increased cost this year will amount to \$59,000.

In the miscellaneous votes under the Minister of Social Welfare and Minister of Aboriginal Affairs a new allocation of \$100,000 is included for capital grants to community organizations for facilities for children and young people. I am very glad to be able to announce the commencement of this programme for providing recreational facilities for children and young persons.

Public undertakings: The estimate for expenditure by the Engineering and Water Supply Department includes an amount of \$550,000 for South Australia's share of the estimated cost of maintenance incurred by the River Murray Commission, \$1,000,000 to meet the cost of electricity for pumping water through the three major mains, and \$15,121,000 for expenses incurred in the normal operation and maintenance services of

the department. Of the sum provided specifically for electricity for pumping, it is expected that about \$345,000 will be required for the Mannum-Adelaide main, \$555,000 for the Morgan-Whyalla to Iron Knob main and \$100,000 for the Swan Reach to Stockwell main. Pumping through the Mannum-Adelaide system will be necessary to augment the supply to the higher level eastern suburbs, where consumption generally exceeds the capacity of the Kangaroo Creek and Millbrook reservoirs, which serve that area, though costs for this particular purpose are not likely to be much in excess of last year's, and, given a continuation of the present favourable conditions, could even be less. With pay-roll tax excluded, normal departmental provisions are expected to increase by \$1,153,000 above last year's payments. This year's appropriations include provision for the effect of salary and wage awards, higher laboratory costs and preliminary costs to be incurred in conversion of equipment, etc., in the change to a metric system.

Revenue expenditure by the Marine and Harbors Department, other than pay-roll tax, is expected to rise by \$434,000. The department is planning for a rather greater concentration on its maintenance programme in 1971-72. A considerable saving will be made by the Railways Department now its obligation for pay-roll tax has been removed but an increase of \$4,924,000 is anticipated in other expenditures. Of this amount, about \$3,200,000 will be required simply to meet the carry-over cost of awards brought down last year and those announced recently, more than \$1,000,000 will be needed to cover the increasing cost of the normal operations of the department, including South Australia's share of the expenditure incurred in operating the Crystal Street station at Broken Hill, and \$552,000 has been allocated for deferred maintenance. At the end of 1969-70 there was a balance of \$555,000 available in a deposit account for deferred maintenance but this was drawn on to the extent of \$348,000 during 1970-71. To permit this essential work to be expanded a further appropriation is required this year, to supplement the \$207,000 available in the deposit account.

Highways Department: The balance available for roads purposes at the beginning of 1970-71 was \$1,688,000 and, with State contributions of \$17,316,000, Commonwealth grants of \$23,500,000 and local government repayments of \$917,000 during the year,

the Highways Department had access to funds totalling \$43,421,000. Expenditure on the construction and maintenance of roads and other payments incidental thereto reached \$40,298,000 leaving a balance of \$3,123,000 at the end of the year. It is estimated that \$21,220,000 will be available from State sources in 1971-72, \$25,500,000 from Commonwealth grants and \$680,000 from repayments by councils, and that these funds, together with \$1,100,000 of the balance on hand, will be used to finance works and services costing \$48,500,000. Included in this total are \$900,000 for a reimbursement to Loan Account in respect of the Kangaroo Island ferry project and about \$1,000,000 to reimburse Revenue Account for the cost of police road traffic services.

These activities have no net impact on the Revenue or Loan Budgets. Receipts from motor vehicle registration and drivers' licences fees are initially paid into Revenue Account but after a deduction has been made for the administrative expenses of the Highways and Motor Vehicles Departments and for debt services met from Revenue and for certain services provided by other departments, the balance remaining is paid into the Highways Fund where, along with road maintenance charges paid direct to the Highways Department, it makes up the State contribution. Payments from the Highways Fund for police services do no more than reimburse Revenue Account for certain expenditures incurred for purposes connected with roads.

Public parks: Members will recall that the Land Tax Act Amendment Act passed last year imposed a surcharge of 1c for every \$20 of unimproved value on all metropolitan land in order that funds of about \$600,000 a year should be available to assist in the provision of parks, reserves, and open-space areas. This surcharge is effective from the commencement of this financial year, and the revenue derived from it will be used to the extent of \$300,000 for public parks for which provision is made under the Minister of Local Government—Miscellaneous section and to the extent of a

further \$300,000 by transfer to the Planning and Development Fund, for which provision is made under the Premier's Department. In addition to these funds the Government intends to make available \$300,000 each year from the Loan Account for national reserves, while the State Planning Authority will have power to arrange semi-governmental borrowings of up to a further \$300,000 for utilization by the Planning and Development Fund. In all, there should be \$1,200,000 available for public parks this year and in future years, in addition to funds in hand and receipts from subdividers required under the Planning and Development Act.

We are particularly fortunate in this State in having as our Treasury officers the most competent, admired and, indeed, envied Treasury officers in Australia. The envy is not of their position in this State: it is envy of this State for having them. Anyone who knows the activities of Treasury officers, who has attended Loan Council meetings or Premiers' Conferences and has been involved in the preparation of Revenue or Loan Estimates, knows the worth of Mr. Seaman, Mr. Barnes, Mr. Carey and the other officers in the Treasury. The State owes a deep debt of gratitude to them for the work they do for the State. They are excellent and effective accountants; they maintain an effective control over State expenditure; they give excellent advice to the Treasurer and to this Chamber; and I am sure that every one of us is deeply indebted to them for the work they do and for the manner and clarity with which they produce the Treasury Estimates. I move the adoption of the first line.

Progress reported; Committee to sit again.

PAY-ROLL TAX BILL

The Legislative Council intimated that it had agreed to the request contained in the House of Assembly's message.

ADJOURNMENT

At 3.51 p.m. the House adjourned until Tuesday, September 14, at 2 p.m.