

## HOUSE OF ASSEMBLY

Thursday 29 August 1985

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

### APPROPRIATION BILL

His Excellency the Governor, by message, recommended to the House of Assembly the appropriation of such amounts out of Consolidated Account as were required for all purposes set forth in the Estimates of Payments for the financial year 1985-86 and the Appropriation Bill (No. 2).

### PETITION: UNSWORN STATEMENT

A petition signed by nine residents of South Australia praying that the House support the abolition of the unsworn statement was presented by the Hon. J.C. Bannon.  
Petition received.

### PETITION: X-RATED VIDEO FILMS

A petition signed by 108 residents of South Australia praying that the House ban X-rated video films in South Australia was presented by the Hon. H. Allison.  
Petition received.

### PETITIONS: PRESCHOOL EDUCATION

Petitions signed by 377 residents of South Australia praying that the House urge the State Government to request the Federal Government not to reduce expenditure on preschool education were presented by Messrs Becker and Mathwin.

Petitions received.

### MINISTERIAL STATEMENT: METROPOLITAN FIRE SERVICE

The **Hon. D.J. HOPGOOD (Deputy Premier)**: I seek leave to make a statement.

Leave granted.

The **Hon. D.J. HOPGOOD**: Yesterday, at Question Time, certain allegations were made in the House about an officer of the Metropolitan Fire Service. I undertook to investigate these allegations and bring a report to the Parliament in short order. This morning, the Chief Officer provided me with a report which forms the substance of what I will now report to the House.

On the night of 29 January this year, a station officer was interviewed by two members of the South Australian police drug squad at Wakefield Street headquarters. It was subsequently claimed in court that, as a result of a search carried out, a quantity of Indian hemp was found in his private motor vehicle located in the basement car park. It is understood that his private residence was also searched and a quantity of Indian hemp located.

The officer was interviewed by an on-duty senior officer, and as a result the fire service was informed that further police action might be forthcoming. This was subsequently confirmed through the Police Department. As police charges were pending and the matter was to be dealt with by the court, it was not appropriate for the fire service to instigate

an internal inquiry under the disciplinary proceedings of the South Australian Metropolitan Fire Service Act 1936-1984. There is no provision within the Act to require any staff member to notify the service of any conviction, and it is only now, as a result of further consultation with the Police Department, that the service has been made aware of the outcome of the charges.

The service and I are now informed that the case was heard in the Adelaide Magistrates Court on 31 July this year. The person concerned was found not guilty of possession of Indian hemp at fire headquarters. He was convicted of possession of Indian hemp at his home address and a fine of \$80 was imposed. The Chief Officer is seeking written confirmation of this verbal information from the Police Department to enable him to consider the relevance of this matter to fire service procedures.

The officer concerned is currently rostered as an officer on shift at a suburban station. There is provision within the fire service Act second schedule for disciplinary proceedings to be taken against any officer or firefighter who breaches paragraphs (m) and (n) of the second schedule. Paragraph (m) provides:

Must not, without proper excuse, render himself unfit, by the consumption of alcohol or the use of any other drug, to carry out his duty under this Act.

Paragraph (n) provides:

Must not consume alcohol or use a drug (other than alcohol or a drug prescribed by a medical practitioner) in the course of performing his duty under this Act.

It is not clear that in this case there has been a breach of either of the circumstances set out above.

The **Hon. Jennifer Adamson**: They have taken a very long time to deal with it though, haven't they?

The **Hon. D.J. HOPGOOD**: I question the honourable member's role in this, by the way.

### MINISTERIAL STATEMENT: RALLY INCIDENT

The **Hon. G.F. KENEALLY (Minister of Transport)**: I seek leave to make a statement.

Leave granted.

The **Hon. G.F. KENEALLY**: In this House yesterday the member for Davenport accused a member of my staff of grabbing him two or three times, pulling him heavily from behind and abusing him with offensive language. I have discussed this matter with the member of my staff, Mr Tyler, against whom the allegations were made.

Mr Tyler has advised me that he is willing to apologise to the honourable member and admit that interjections and comments he made were possibly unwise given his present employment. However, he is adamant that at no stage did he physically assault the honourable member by pulling him or grabbing him as claimed.

The rally outside this House yesterday was of an emotional and turbulent nature: thus it is possible that the honourable member's mistake might have sprung from the confusion that prevailed. I believe it would be appropriate for the honourable member to acknowledge the sincerity of Mr Tyler's action and withdraw the allegation of physical assault.

## QUESTION TIME

### LAND RIGHTS LEGISLATION

Mr **OLSEN**: Will the Premier say whether the South Australian Government will join the Burke Government in Western Australia in a High Court challenge against the Commonwealth's proposed uniform land rights legislation? Federal Cabinet has endorsed the principles for the Com-

monwealth's preferred national land rights model, which will involve considerable interference in existing State legislation. In South Australia's case, the model would force this State to develop a land claims procedure to allow groups to make claims for ownership of former Aboriginal reserve lands and vacant crown lands.

An article in this morning's *Australian* points out some of the implications for South Australia. After Western Australia, South Australia is the State with most land which can be subjected to such a claim. At present, under the Pitjantjatjara and Maralinga land rights legislation, some 16 per cent of the area of South Australia is under the control of about 4 000 people, and the Commonwealth's proposed legislation will expose at least another 20 per cent of the total area of South Australia to land rights claims.

Already, I understand, the Commonwealth's proposals have led to moves to establish land councils to make further land claims. Because of the large area of South Australia already under Aboriginal control, and because the imposition of the Commonwealth's legislation on South Australia is likely to provoke further disputes over land rights, I ask the Premier whether he supports the view of Mr Burke in Western Australia that the federal legislation must not be permitted to override State laws and that High Court action should be initiated to prevent this occurring.

**The Hon. J.C. BANNON:** This matter has been dealt with on a number of occasions in this Parliament. I can only repeat the position that we have taken consistently in response to questions raised in that regard. I recall, for instance, that I answered a question from the Leader of the Opposition on 18 October 1984 concerning this matter. The point I made then—and that point remains—is that whatever problems may be occurring in the Northern Territory, Western Australia, Queensland or wherever in terms of the discharge of responsibilities in relation to land rights, South Australia's record stands very clear. In so far as the federal legislation seeks, by means of overriding powers, to impose certain obligations on the States, in our view these obligations do not apply in the case of South Australia, because, in fact, we have discharged the obligations that the federal legislation seeks to impose as a duty on the States.

As the Leader of the Opposition mentioned in his question, we have the Pitjantjatjara land rights legislation, which has placed the traditional homelands of the Pitjantjatjara people in the hands of the traditional owners. That was seen as one of the key or major achievements of the previous Government. Premier Tonkin, then and since, quite rightly, pointed to that as a major reforming achievement, a discharge of a historical obligation that was initiated prior to his Government but which his Government consummated by the introduction of legislation into this place. Since our election we have taken action on the second part of what I call our historical obligation in relation to the Maralinga Tjarutja lands and, despite an apparent change of heart on the part of the Liberals once in opposition, we were, nonetheless, able to arrive at a legislative framework which had the support of this Parliament and which conferred those rights.

Going back further into the 1960s, our pioneering legislation in relation to the then Aboriginal reserves, the Aboriginal Lands Trust Act, also secured areas of claim in some of those pockets of the State where structures had been established to manage those lands. In all respects we have been well ahead of Commonwealth and territory practice in this area.

It is the Government's view, having discharged those obligations and having established that framework, that the claims of the Aboriginal people in this State have been properly addressed. There is no outstanding claim, and it is unlikely that a successful outstanding claim could be

erected to any other lands. That is the position of my Government. To the extent that the Commonwealth legislation seeks to provide further responsibilities or unilaterally make declarations, we will oppose it. That has been our position, but, as I say, our reading of the Commonwealth's intention and its legislation is that, whatever it is trying to do will not apply to South Australia, because of the action that we have already taken. We have provided the model for Australia in this regard.

Let me conclude by saying that I hope that the Leader's question does not imply that the Opposition is moving a further stage away to distance itself from the action that it took when in government—which was a commendable action. I hope that one thing we can preserve in this community we will preserve, and that is, that we have the most mature, consensus and realistic approach to the whole land rights question of anywhere in Australia. We have done it without major community disruption. Some developments are foreshadowed in terms of access, mining rights, and so on, which I think will clearly demonstrate that we moved in the right direction when we did.

I commend the former Government for the action that it took. The present Government has taken it that second step further, and in fact fulfilled the promise made by Sir Thomas Playford to the Aboriginal landowners when the Maralinga lands were acquired. As far as that community is concerned, Government obligation in that area has been discharged. I do not believe that federal legislation can impact on it. Let me repeat again that, if in fact it does in a way that works against our interest, we will oppose it.

#### LAND VALUERS FEES

**Mr PLUNKETT:** I direct my question to the Minister of Community Welfare, representing the Minister of Consumer Affairs in the other place. Will the Minister undertake a review of scales of land valuers fees with a view to reducing current charges? I raise five points in this respect. First, a constituent was required to obtain a valuation of his property. Secondly, the property was valued at \$80 000, and he was charged a fee of \$760. Thirdly, some years ago the average value of the home was between \$30 000 and \$40 000, and that price has now risen, with the average home price now easily reaching \$80 000. Fourthly, valuers fees are charged on an ascending scale, and this has meant large increases in valuers fees for properties which only five or six years ago were less than half their current value. Fifthly, my constituent is angry that valuers can now charge such large fees for simply inspecting and valuing an ordinary residential property.

**The Hon. G.J. CRAFTER:** I thank the honourable member for his question, and I shall refer it to the Minister of Consumer Affairs for his assessment of whether a review is required. I point out to the honourable member and the House that the recommended charges for land valuations are set out in a fees guide issued by the Australian Institute of Valuers (South Australian division). The recommended basic scale of fees allows for the charges to be made on urban valuations. I think the honourable member referred to an ascending scale, although it is a descending or diminishing scale that applies with respect to valuation fees. Up to \$20 000 the fee is \$160, and for each additional \$1 000, up to \$50 000, a further \$3 is charged. For each additional \$1 000, up to \$150 000, the charge is \$2. Therefore, the fee per \$1 000 under this method in fact reduces as the value of the property increases. Under this scale the basic fee for a valuation of \$80 000, a figure to which the honourable member referred, would be \$310.

However, there is provision for fees to be charged in excess of that in other circumstances. Higher fees apply where the valuation is for acquisition or resumption, and extra charges on an hourly basis are recommended by the institute for additional work in this area. I am not sure how the figure of \$760, as quoted by the honourable member, was arrived at. However, if the honourable member will supply me with details of the claim I will ensure that the matter is thoroughly investigated.

### SOUTH AUSTRALIAN ABORIGINAL LAND COUNCIL

**The Hon. H. ALLISON:** Does the Minister of Aboriginal Affairs support moves for the formation of a South Australian Aboriginal Land Council to enable Aboriginal groups to seek control over more land in South Australia? Last Thursday (22 August) a meeting was held at Port Augusta under the auspices of the Aboriginal Land Rights Movement. It was attended by three State Government officers, including two from the Office of Aboriginal Affairs. Their attendance was despite the fact that the Minister had previously informed the member for Eyre (I believe that would have been in April) that it was not normal practice for Government officers to attend such meetings.

I am informed that the meeting at Port Augusta was not regarded as representative so far as Aboriginal tribes are concerned. Only one elder was present, and he was ignored during the proceedings. Indeed, there seems to be evidence of manipulation of the meeting, because I have a press release recording its decisions which was issued on 21 August—the day before the meeting took place. The meeting decided to push for recognition of the Lands Council to pursue further land rights claims in South Australia. I understand that areas of interest to this group include Copley, Leigh Creek, Ceduna and Nepabunna, among others, so this move has significant implications for a number of areas of the State.

In view of the attendance of Government officers at this meeting, I ask the Minister whether this suggests that the Government supports the move to establish this Lands Council, which clearly intends to seek the application of federal land rights legislation in South Australia so that much more land can be turned over to Aboriginal control?

**The Hon. G.J. CRAFTER:** In relation to officers of the Office of Aboriginal Affairs, the reply that I gave to the member for Eyre related to meetings where there was a dispute between tribal groups about who are the traditional owners of those lands, where that is in dispute, and the resolution of those disputes. I advised that it was not normal for officers of the department to be involved in those sorts of discussions unless there were exceptional circumstances. In the case in question, there was a request by a mining company that wanted to carry out exploration programs for assistance to be given by Government officers in an attempt to resolve that situation. I can assure honourable members that my officers did their level best to try to resolve that situation on behalf of all parties.

I have not received a report from that meeting. Rather than having a hearsay report of what occurred and the resolutions that were taken, I am interested to receive a report on the outcome of that meeting. I point out to the honourable member that there have been claims over the years coming to respective Governments, not by way of any formal land council or claims authority, but from those communities that claim ownership of those lands and are seeking some control over them. That has always happened in the past and I dare say that further claims will be received in the future.

I understand that the federal legislation's intent was to try to set up a more formal mechanism other than that of the Government to respond to those claims. Respective Governments in this State have dealt with that at a Government level. The model in the Northern Territory is for a tribunal to do that. What the honourable member is referring to is a mechanism to deal with such approaches to Government. I do not envisage there being a need for a structure of that type. As the Premier has told the House, we have very successfully dealt with these matters now over the years.

### INCINERATORS

**Mr MAYES:** Will the Minister for Environment and Planning investigate and report to the House on what measures are available to control the location of domestic incinerators in South Australia? I have had several contacts from constituents who are concerned about the location of domestic incinerators, in particular neighbours' incinerators, to the proximity of their fences or properties.

One constituent referred me to an answer that appeared in the citizens advice section of the *Advertiser*, from which I quote:

Section 39 (2) of the Country Fires Act states that during the fire danger season from October until April, a fire may only be lit and maintained in the open air if the area for four metres around and above the fire is cleared of all flammable material, and if there is someone in attendance at all times. It is the responsibility of the person lighting the fire to ensure that it does not get out of control, to remain in the vicinity while the fire is alight, and to ensure that it is extinguished properly at the end. These rules apply to incinerators.

My constituent, who is particularly concerned, wrote to me asking for my assistance with regard to an incinerator in a neighbour's property. I quote from the letter sent to me:

The next door incinerator built of brick (non-removable) is against the fence and 2.8 metres from my carport and rear end of car, and four metres from kitchen windows and should I leave the car out of carport (which is often necessary) only the fence divides the incinerator from the car.

You will no doubt appreciate the problem (not to mention the smoke) and the degree of danger is governed by whoever is renting the premises at any point of time. The neighbouring yard has ample space for the incinerator and I guess in hindsight should not have been built in this position.

I seek the Minister's reply.

**The Hon. D.J. HOPGOOD:** Of course, as we all I think now agree, incinerators are increasingly an anachronism in the urban situation. The best way out of it is not to build one in the first place. However, in terms of the specific controls that apply, it would be normal for there to be a by-law brought down by the local council. Whether or not there is such a by-law in this situation, I do not know. There may be an argument that an appropriate amendment to particular legislation would assist with this problem, because I know it is a problem. In my electorate, people have complained to me about it.

I certainly undertake to get the information for the honourable member and to consider, either directly or through the appropriate one of my colleagues, whether amending legislation is needed. However, one answer is for people to stop using incinerators in the urban situation, given that local government, for the most part, seems to be getting its act in order in terms of removal of household refuse.

### DEMARICATION DISPUTE

**The Hon. E.R. GOLDSWORTHY:** Will the Minister of Marine immediately ask the Storemen and Packers Union to lift a demarcation dispute aimed at disrupting the new

container service between Japan and Port Adelaide? The dispute involves the Waterside Workers Federation and the Storemen and Packers Union. The Waterside Workers Union traditionally have unloaded containers arriving at Outer Harbor. However, Mr Apap, Secretary of the Storemen and Packers Union, has said that in this particular case his union must have the work because its members unloaded containers from Japan when they were railed from Melbourne before the introduction of the direct shipping service.

Mr Apap has intensified the dispute by imposing bans and limitations on the handling of fuel and other items from Outer Harbor. The direct container service from Japan has begun following initiatives by the former Liberal Government, but nothing is more likely to discourage the Japanese from utilising it to the full than an industrial dispute of this kind. We saw recently an example of the uncertainty with the Labor Party's uranium policy.

*An honourable member interjecting:*

**The Hon. E.R. GOLDSWORTHY:** I am not commenting, I am stating a fact. It is as plain as the nose on your face.

**The SPEAKER:** Order! The Chair will decide when the honourable member begins to comment.

**The Hon. E.R. GOLDSWORTHY:** The Minister must call on Mr Apap to end the dispute immediately so that this vital service can get up and running without disruption.

**The SPEAKER:** Order! The Chair has decided that that is sufficient.

**The Hon. R.K. ABBOTT:** The dispute referred to by the Deputy Leader is being handled on a federal level between the federal officials of the Storemen and Packers Union and those of the Waterside Workers Federation. Several meetings have been held. I am not sure of the date for which further consultation has been set down. I have spoken to the State officials of the Waterside Workers Federation in an effort to resolve this demarcation dispute. Everyone will agree that demarcation disputes are the most difficult to settle.

I am a little surprised that the Deputy Leader should raise this issue, because it has had no effect to this stage on direct shipping by the Japanese to the Port of Adelaide. However, I accept that that is a possibility, and we are concerned about it and are treating it as a matter of urgency by trying to resolve the dispute before it has any effect on that direct shipping service.

I am sure that everyone will agree that we have been fighting for eight years to achieve that direct service from Japan to the Port of Adelaide, and it would be outrageous if we lost that service because of industrial disputes. If there are prolonged delays with the turn-around time in shipping, that is a matter on which the Japanese are sensitive, and the trade unions realise this. However, we are making every effort to resolve this demarcation dispute before it affects this service, and we will continue to do that to the best of our ability.

#### ETSA DEPOSITS

**Ms LENEHAN:** Will the Deputy Premier, as Acting Minister of Mines and Energy, raise with ETSA the anomalous situation that currently exists in the Aldinga, Sellicks and Moana areas, in the southern area of Adelaide, concerning the payment of deposits by people who rent semi-furnished, unfurnished or furnished accommodation? It was brought to my attention by an officer of the Emergency Housing Office in Noarlunga, at the opening of that office by the Minister of Housing and Construction on Monday, that people living within those areas in rental accommo-

modation, whether furnished, semi-furnished or unfurnished, are required to pay a deposit of \$75.

My office, on investigating this matter, was told that a new consumer in rented furnished or semi-furnished accommodation who has a bad record of payment or who has no record at all is required to pay \$35 deposit before connection. Anyone within the Aldinga, Sellicks or Moana area who has a good record of payment and settles in this area is not required to pay any deposit. It applies only to those renting such accommodation, and they are required to pay \$75.

The reason given to my office was that a survey was conducted five years ago into the level of bad debts in this area and it was found that they were very high. Therefore, this measure was taken to overcome the non-payment of debts. However, my office pointed out that circumstances had changed dramatically in this area within the past four or five years and questioned whether this was a fair and equitable decision or whether people there were being grossly discriminated against. For these reasons, I ask the Minister to raise this matter with ETSA.

**The Hon. D.J. HOPGOOD:** I thank the honourable member for her solicitude toward my present and future constituents. Naturally, I will take up the matter with ETSA with much enthusiasm.

#### GOVERNMENT ADVERTISEMENT

**The Hon. MICHAEL WILSON:** Will the Premier say whether the advertising that the Government is placing in tomorrow's *Advertiser* and *News* is further Party political advertising to be paid for by the taxpayer?

**The Hon. J.C. BANNON:** I imagine that the advertisement to which the honourable member is referring is the one I foreshadowed when outlining the tax cut package. In relation to the information on those tax cuts, their application, and so on, it is the Government's intention that advertisements shall be placed advising people of those cuts and where they can obtain further information about them. That is consistent with action which was taken by the Government and about which the honourable member was concerned when it also embarked upon tax cuts.

#### SCHOOL COMPUTERS

**Mrs APPLEBY:** Can the Minister of Education enlarge on an announcement that schools will be given greater opportunity to purchase computer equipment? I ask this question to clarify whether this program is in addition to existing commitments and to seek assurance that smaller and disadvantaged schools will receive consideration. Many of the parents in my electorate have put much effort into raising funds for such projects to enable all children to have access to an important aspect of their education.

**The Hon. LYNN ARNOLD:** Yes, I can advise the honourable member about details of the scheme which I announced publicly yesterday. The scheme will enable about \$1 million worth of computers to be bought by school communities over the next three years, two-thirds of that cost being met by the Education Department and one-third being met by school communities. It is a kind of variation of the School Loans Assistance Scheme that has applied for many years to school halls, gymnasias, activity halls, and the like, and we have now developed this new scheme the guidelines for which will be published in the next few weeks in the *Education Gazette*.

In brief, the situation that will apply is this: under this scheme schools can apply for assistance of up to \$10 000 a

school, of which \$6 500 (nearly two-thirds) will be ultimately paid by the Education Department, the balance being paid by the school. The school can pay either by a direct cash contribution or by taking out a loan to meet those amounts. If they choose to invest in a computer network that is more expensive than \$10 000, they can do so by topping up the amount.

The scheme will be available to primary and secondary schools and to all schools in the system, including those that already have a computer network, but priority will be given where there is evidence of need in terms of the financial capacity of the school community: where the need is greater, clearly the school will have some priority under this scheme. Secondly, schools that have no computer at all will have priority under this scheme.

Two other points must be made. First, this scheme will virtually enable 100 schools to have access to considerable computing facilities over the next three years. It might be asked why it is not more than that. The advice I have received from the Education Department is that there would be an over demand situation created on the computer market in South Australia and that would disadvantage schools in terms of getting the best deals from the suppliers. Clearly, if we find that that situation does not apply, that the market can cope with greater demand from schools without forcing up the price in the marketplace, in the next financial year we would look at expanding that sum of money. This is really just to start off the scheme and to guarantee that base purchase value of \$1 million over three years, and we will determine what the market can cope with after that.

At present all secondary schools in South Australia have at least one computer and 100 schools (about two-thirds) have a network: about half of our primary schools have at least one computer and 90 have more than one. While this is the first time that the State Government has put money into hardware for computers in our State schools, it is not the first time that the State Government has been involved in supporting computer education.

We make considerable investment each year in terms of Angle Park, where courses are developed, where professional development is run and where research into computing education is done. We have also the annual cost of salaries for computing advisers, the number of whom has increased under this Government. There are also general professional development programs being sustained, some being run by State funds. There has been a considerable investment of State money into computing education in priority areas, namely, the professional development of our teachers and the development of course ware.

The tragedy is that too often the response overseas to technology in education is for Governments to put a computer in every classroom as an answer to the problem. Within a year or so the computer has gathered dust because the teachers neither know how to use it nor have the course ware to use on it. We in South Australia have traditionally taken the opposite approach with investment in those other vital areas first.

In addition, there is the secondary schools technology project—a State funded project that has been running since this Government came to power. It has been investigating hardware in new technology areas other than basically computing. We believe, unlike any other State in Australia, that it is important to start providing access to hardware in other areas of new technology that will also confront young people upon leaving school to enter the workplace. They must have an understanding of that. It is an innovative program and we are the only State in Australia that runs or funds such a program. We are adding to that with the new scheme that I announced yesterday which will see more students in

South Australia having hands-on access to computers in our primary and secondary school.

### DRUG SQUAD RAID

**The Hon. JENNIFER ADAMSON:** Given the Deputy Premier's statement, will he advise why the officer who was charged with an offence was not suspended pending the hearing of the charge according to the disciplinary procedures under the Act? Why was the fire service not kept informed as to the result of these charges? It apparently took action only as a result of a question being asked in this House yesterday.

**The SPEAKER:** Order! I will allow the question on the basis that the Minister, of course, will not venture opinions on the merits or demerits of the legal system or the administrative system ancillary to the legal system, but simply on the substance on the matter.

**The Hon. D.J. HOPGOOD:** I will not even comment on the merits or demerits of the question, though that itself might be relevant to the proper functioning of this place. No action has been taken at this stage, and it is unlikely that action will be taken. A penalty was applied by the courts in respect of an offence relating to an individual's home. No offence has been proven in court and, specifically, the matter was addressed by the court and the individual was found not guilty of any offence relating to anything that happened at the place of work of that individual. That is where the matter properly begins and ends.

I have asked for an examination of the total disciplinary procedures of the fire service as they might impinge on this case. There was no obligation on the courts or the police to inform the fire service of anything that arose from those court procedures. The fire service was not in a position to know exactly when the matter was going to court or what might have come out of it.

*The Hon. Jennifer Adamson interjecting:*

**The Hon. D.J. HOPGOOD:** It is interesting that this information, inaccurate as it appears to have been in part, as indicated by the court—

*Members interjecting:*

**The SPEAKER:** Order! I ask the Deputy Premier to resume his seat. I call the member for Coles to order and draw the attention of the House to the normal procedure. The honourable Deputy Premier.

**The Hon. D.J. HOPGOOD:** I do not want to speak for very long. I make the point that this information, in part inaccurate, as it was proven to be by a court of law, is something that was brought to the attention of the police by an anonymous phone call. I can only assume that the member for Coles got an anonymous phone call. I think that she should consider the extent to which she is being used by someone who may have a vendetta against someone else.

*Members interjecting:*

**The SPEAKER:** Order! The honourable member for Florey.

### DOG REGISTRATION DISCS

**Mr GREGORY:** I direct my question to the Minister of Transport, representing the Minister of Local Government in another place. Will the Minister take such action as is necessary to ensure that dog registration discs can be easily attached to a dog collar?

*Members interjecting:*

**Mr GREGORY:** It is apparent that members opposite do not register their dogs.

*Members interjecting:*

**The SPEAKER:** Order! It is difficult for me to hear the question, and it does seem to be an interesting one. The honourable member for Florey.

**Mr GREGORY:** Earlier this year when I registered my two dogs (which, apparently, is something that members opposite do not do), I was given two discs and two split rings. I had extreme difficulty in attaching the disc to the split ring and then attaching the split ring to the dog's collar. The reason was that the split ring was made of quite heavy gauge spring steel. I consulted with some elderly constituents who own dogs about how they attach the discs. They told me that they go out and buy their own split rings.

I raised this matter with the Town Clerk of the Corporation of the City of Enfield, and he advised me that the discs and the split rings are supplied to the council by either the Department of Local Government or a supplier who tenders to the Department of Local Government. Many elderly citizens keep dogs as pets, and, as they have difficulty attaching these discs and rings to dog collars, I would appreciate it if the Minister could take the necessary action to ensure that a far easier attaching process is used in future.

**The Hon. G.F. KENEALLY:** I shall certainly be pleased to refer the honourable member's question to the Minister of Local Government. I am aware of the matter that has been raised by the member for Florey. I know that people can have difficulty attaching a disc, especially to the collar on a small dog, and if one is elderly, this can be a fairly traumatic experience, particularly if one is living alone and has no relatives or friends nearby to help attach the disc to the collar.

It is a matter of concern that an elderly person who perhaps may suffer from arthritis in the hands may have difficulty in attaching a disc to a dog collar. I hope that members opposite will treat this question with the sincerity it deserves. I recall that, when I was Minister of Local Government, the member for Florey raised this matter with me, and I referred it on. On this occasion I shall refer this matter to the Minister of Local Government so that the situation can be remedied.

**GLENELG NORTH SPORTS CENTRE**

**Mr BECKER:** Can the Minister of Recreation and Sport say when the proposal to build a multi-sports centre at Glenelg North was put to the Commonwealth Department of Civil Aviation, and whether formal approval has been given by that department for the project to proceed and, if not, why not? I was told this morning by the Assistant Regional Director of the Department of Civil Aviation that the first he knew of the building of this centre was on reading today's *Advertiser*. It is his understanding that no formal request has been put to the Department of Civil Aviation for approval to be given.

Before any development in the Glenelg North or West Beach area can proceed, approval for that work must be given from the Department of Civil Aviation. Further, the department has an obstacle limitation surface chart, which defines building heights within approaches and flight paths of Adelaide Airport. This proposed sports centre sits right in the flight paths and close to proposed extensions to the runway.

I understand that the Minister is aware that I have given full support over many months to the Joint Hockey Council's application for grants to establish a synthetic pitch. In fact, during my recent Address in Reply speech, I expressed great enthusiasm for the building of a hockey stadium on land over which the department has an option at West Beach.

In view of the Minister's sudden announcement, I ask him what consideration has been given to the effects of safety requirements of the airport, future expansion of the runway across Tapleys Hill Road, lighting requirements in view of aircraft landing at and leaving Adelaide, building height regulations in the area, major concerns relating to noise pollution, and the anticipated reaction of the international hockey circuit to periodic obnoxious smells emanating from the sewage treatment works on which the complex will be built? It would be a tragedy if this important project failed because of hasty announcements made without adequate consultation. Minister, I do not want a repeat of the aquatic centre saga.

**The Hon. J.W. SLATER:** The member for Hanson has asked a series of questions regarding the announcement made yesterday in relation to the Glenelg North multi-sports complex. I think it would be appropriate if I obtained that information.

*Members interjecting:*

**The Hon. J.W. SLATER:** It appears that we are having a repeat of the problems faced by the Opposition.

*Members interjecting:*

**The Hon. J.W. SLATER:** I will tell you what is wrong with me—I think it is wrong with you, the member for Alexandra. I thought that, rather than the member for Fisher, the member for Alexandra would be the appropriate person to run a cake stall. I think that is about the extent of his capabilities. I will present a report for the member for Hanson on the series of questions he has asked regarding the multi-sports complex.

**COUNCIL RATES**

**Mr TRAINER:** Can the Minister of Transport ask the Minister of Local Government to examine a scheme used by a New South Wales suburban council whereby ratepayers who pay their council rates early are eligible to win a free overseas trip? Apparently, the scheme is intended to assist councils with their cash flow situation by encouraging prompt payment of rates. A report in the *City News* (I think it was last month's edition) produced by the Adelaide City Council under the heading 'Prizes for rates' reads as follows:

Following an investigation of a promotion by suburban Waverly council in which ratepayers were offered the chance of a free trip for two to Hawaii, the State's Local Government Department has said that all NSW councils can now offer similar schemes.

The free trip was provided by the travel department of a local bank and went to a ratepayer whose name was drawn from a list of those who had paid their rates within 30 days of the posting of rate notices.

According to the NSW Local Government Association many councils would consider similar schemes. It is understood that such schemes are not prohibited under the South Australian Local Government Act.

**The Hon. G.F. KENEALLY:** I would have thought it appropriate for the council in New South Wales to provide a free trip for two to South Australia rather than Hawaii. I am sure that the recipients of the prize would have enjoyed immensely a trip to South Australia. I will refer this question to my colleague, who is not only Minister of Local Government but also Minister of Tourism. I do not imagine that she will be very supportive of a scheme which sends South Australians out of the State or overseas.

If I were still in that portfolio, I would want to talk to the Local Government Association about it, as I imagine my colleague will do. Certainly, the idea has some advantages that spring readily to mind. I am sure that the Minister is aware of the scheme and of the possibilities, and I would be delighted to have a report prepared for the honourable member and to bring it down in this House.

### ELECTION DATE

**Mr OSWALD:** In view of increasing speculation by the public and the media in response to recent announcements by the Premier, and bearing in mind his repeated assurances that a State election will not be held before November, will the Premier rule out the possibility of the State election being held on Saturday 26 October?

**The Hon. J.C. BANNON:** I know that certainly since early this year the Opposition has been confidently predicting an imminent State election and ignoring everything that has been said about the timing of such an election. I can understand honourable members who are frantically trying to campaign their days away. Meanwhile, the Government is getting on with its job of governing the State and the election will be called at the appropriate time.

### CITY AND CYSS OFFICES

**Mr M.J. EVANS:** Will the Treasurer make available additional funds to the CITY (Community Improvement Through Youth) program to enable it to open an additional branch office at Elizabeth? The only branch office of CITY in the northern region is at Salisbury, and many young people in the Elizabeth area have indicated to me that that service is inadequate to cope with a significant number of unemployed young people in the Salisbury, Elizabeth, Munno Para and Gawler areas.

The local CYSS (Community Youth Support Scheme) management committee has come forward with an ambitious project to enable it to open a combined CITY-CYSS office in the Elizabeth City Centre where it would be much more readily accessible to young people in the area. Will the Treasurer make available additional funds to the CITY program to enable those people to open that office, because I understand that they are unable to do so due to lack of funding?

**The Hon. J.C. BANNON:** I cannot respond without notice to the honourable member, but I am certainly aware of the work of CITY. Indeed, I take some close personal interest in it myself because the concept of the Community Improvement Through Youth project arose from a task force on youth unemployment (of which I was convener) established by the then South Australian Government in 1976.

One of the initiatives that emerged from that was CITY which, of course, has developed and expanded. Under this Government, for the first time it moved into regional areas having been based only within the square mile of the city of Adelaide, although it serviced youth from a number of other areas. It was seen that that initiative of extending its scope was certainly productive and it was able to make available its services to a much wider group.

There has been a review of CITY and the various other initiatives in the area of youth unemployment and maintenance. Regional operations of CITY are part of that subject matter. I know what the honourable member said about needs in Elizabeth: I will certainly give them attention and consult with my ministerial colleagues about what possibilities there are in that area.

### STUDENT COUNSELLOR

**Mr ASHENDEN:** Will the Minister of Education please explain why an advisory counsellor has had his position terminated in the northern region? Last week the Minister stated publicly that no advisory positions within the Education Department would be removed. Despite this, I was

contacted on Tuesday of this week by a constituent who is a high school counsellor.

He advised me that the advisory counsellor for the northern region has been informed that his present position is terminated. This is despite an earlier assurance that the position would be continued into 1986. Now, without any consultation, he has been told that his position is dispensed with forthwith. This means there is no support for student counsellors in the northern region and my constituent is concerned that this action has been taken to allow additional administrative positions to be created.

My constituent has also indicated that his effectiveness and that of all student counsellors will be severely reduced. He cannot understand how this has been allowed to occur in the light of the Minister's earlier assurances. My constituent wants to know why this position has been removed and what support will be provided for him and other student counsellors in the Northern Region. Will the Minister therefore say why the adviser counselling position has been removed in the Northern Region despite earlier assurances that the position would be continued to 1986 and despite his public utterances last week? Further, will he say how many other advisory positions are listed for this Government's axe?

**The Hon. LYNN ARNOLD:** Clearly, we must provide a reading course or something similar for certain members in this place so that they can read my reply concerning advisory teachers. Obviously, the honourable member did not listen to what I said in reply to a question last week, and I will repeat that reply. The total number of advisory positions in 1986 will be no less than that in 1985: in fact, it will be marginally more. However, I also said that we will continue the trend that we are continuing in 1985 and will see that the number of positions in the areas increases and the number in the central office decreases.

I have already said that there will be a continuing ebb and flow of positions over time where some positions are not continued and other new positions are created, but that the sum total of positions not continuing will equal the number of positions created. That is what I said last week, and I cannot see how one can increase the number of area positions and decrease the number of central positions, or how one can terminate some subject advisers and create other subject advisers and then say that I said that no advisory position would be terminated. It is not what the record says in this place or what I have said in my press statements or at public meetings that I have addressed on this matter. I have given a guarantee (and I waver not one iota from it) that the number of advisory teachers in 1986 will be no less than the number in 1985. I have given a guarantee in this House and publicly that I will provide the lists of names and positions for 1985 and the lists of positions for 1986 so that people may see that I am not playing games with figures and so that they can equate one with the other and determine whether or not I am telling the truth.

I come back to my previous point (and obviously the honourable member did not hear or was not capable of reading my reply): there will be changes in new positions from year to year and, before coming to what will happen in 1986 in respect of advisory support for school counsellors, I remind the honourable member, and other members who may not recall, of what was attempted in 1981 with respect to 1982 and the school counsellor advisory position under my predecessor. He, in fact, proposed to eliminate that position, and it was only after some extensive opposition by me, among others including school counsellors throughout the State, that the Minister finally and grudgingly reinstated it. In 1986 the department is looking at new ways of providing adequate support for counselling services in our schools, and there are now in every area of the Education

Department people who are known as officers responsible for school and community services (SACS for short). That is a new position that has not existed previously. It will exist in this area.

Extensive work is being done by officers of my department concerning the best way of coordinating the various community services that schools provide, and counsellors play an important part in that function. It will be especially the responsibility of SACS officers in each area to provide support for school counsellors in schools. That is a considerable improvement on what is happening in 1985 and on what has happened previously when there was one advisory position, not in a region or an area, but over the whole of the State to provide support for school counsellors. Now, active support will be available in every area of the department.

I remind the House that that information will be made available to this place. It will be public information and will prove that, unlike the former Government which saw fit to reduce by 92 the number of advisory positions in the Education Department, this Government has not only not reduced the number but has increased it, and there will be a slight increase again in 1986 over the 1985 figure.

#### TEACHER'S SALARY

**Mr PETERSON:** Will the Minister of Education investigate the tardiness with which relieving teachers are receiving their pay cheques? A constituent has written to me regarding his plight, which has been caused by the delay in his being paid by the Education Department. His letter states:

In the period 11 June to 28 June 1985, I worked the following days both as a contract teacher and T.R.T. The S.A. Education Department subsequently took approximately six weeks to forward my first pay cheque a time period which I might add is unacceptable, in terms of my previous experience with employers and the accepted norm among other employers. My problem lies in the fact that during this period in the 1984-85 financial year I earned well below the taxable threshold, and therefore I am entitled to receive any money paid in tax back to me as a rebate. However, due to the fact that the S.A. Education Department bureaucracy took so long to forward my first cheque, the money actually earned in the 1984-85 financial year does not appear on that group certificate, but will appear on the 1985-86 group certificate.

After spending three years training for my profession and then having to accept whatever work is available, I feel I am being victimised due to the inefficiency of the Education Department's pay system. The fact is this money was earned in June (the old financial year) and not July (the new financial year), and I am entitled to my rebate, which I will not receive next year, because I will then be above the taxable threshold due to my subsequent earnings.

Will the Minister of Education have this situation investigated?

**The Hon. LYNN ARNOLD:** I will certainly investigate this situation for the honourable member. I, too, am concerned to hear of the case that he has cited. The situation concerning the payment of salaries in the Education Department has been difficult, as I remember from the days when I was a contract teacher and there were considerable delays. Over the years, numerous improvements have been made to the system, but more work can be done yet. Soon after becoming Minister, I approved work on a computing package in the department to determine the best form of computing services to meet the needs of departmental finances and the disbursement of those finances more efficiently. After a detailed consultancy conducted on behalf of the department, we received a report and are at present starting to implement new computing systems in the department which, among other things, should result in improved payment of salaries, and the like.

In this respect two issues must be considered. First, the department is a large employer in its own right, employing

18 000 full-time or part-time teachers, 4 000 full-time or part-time school assistants, 850 or 860 public servants, and so on. That is a large organisation. However, in addition to those on the normal payroll, there are people, such as the person mentioned by the member for Semaphore, who present special difficulties: those who are relieving or contract teachers and who may be there for only a short time. They suffer the greatest problems, and we are trying to address those problems. If the advice is not forwarded to the department from the school post haste about someone serving as a TRT, the information may not get through to the pay section in time, and that is often the cause of problems: there has been a breakdown in communication at that point. There is the possibility that someone who is caught in a financial situation can ask for support from the school concerned, and a cheque is drawn by the school. I will investigate the situation.

#### COMMUNITY POLICE OPERATIONS

**Mr S.G. EVANS:** Will the Deputy Premier guarantee that, when the new community based police operations are implemented, the Blackwood police station hours will not be reduced but, in fact, extended to 24 hours, by making Blackwood one of the new suburban stations?

In today's *News* the Minister has announced that 16 more community-based stations will be created. I have had some fights over the years and people have commented to me that I have lost because the station was reduced from a 24 hour station to a limited hour operation a few years ago, even though I attempted to make the right representation to have it continued. I ask the Minister what will be the position of that station in the future.

**The Hon. D.J. HOPGOOD:** The honourable member has certainly been frank in indicating that he did not have too much success with his own Party when it was in government in relation to this matter, but I assume that that was not through any lack of advocacy or vigour on his part. I have indicated the general outline of the new situation, but I have also indicated that I will not move immediately in the way that the honourable member fears in this particular matter and that we will ensure that the proper implementation of the new strategy is carefully considered before the overall reallocation that we have announced takes place. I can give some assurances to the honourable member that I will not be moving precipitately in relation to this matter, but I must say that the overall outline of the new scheme is unlikely to be amended drastically.

#### PERSONAL EXPLANATION: RALLY INCIDENT

**The Hon. D.C. BROWN (Davenport):** I seek leave to make a personal explanation.

Leave granted.

**The Hon. D.C. BROWN:** Following the ministerial statement by the Minister of Transport concerning an incident on the steps of Parliament House, I wish to make a personal explanation. I accept the apology given by the Minister's officer, Mr Tyler. This morning, an independent witness made a statement confirming every detail of my account of events yesterday. However, in view of the apology, the matter is now finished as far as I am concerned.

#### PAPERS TABLED

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



*By command—*  
 Estimates of Payments, 1985-86.  
 Ordered to be printed (Paper No. 9).  
 Estimates of Receipts, 1985-86.  
 Ordered to be printed (Paper No. 7).  
 Treasurer's Financial Statement, 1985-86.  
 Ordered to be printed (Paper No. 18).  
 The South Australian Economy.  
 Ordered to be printed (Paper No. 11).  
 Employment Aspects of the 1985-86 Budget.  
 Ordered to be printed (Paper No. 30).  
 Impact on Women by the 1985-86 Budget.  
 Ordered to be printed (Paper No. 81).  
 Certificates required under Standing Order No. 297.

## APPROPRIATION BILL

**The Hon. J.C. BANNON (Premier and Treasurer)** obtained leave and introduced a Bill for an Act for the appropriation of moneys from Consolidated Account for the financial year ending 30 June 1986; to authorise the Treasurer to borrow money for public purposes; and for other purposes. Read a first time.

**The Hon. J.C. BANNON:** I move:

*That this Bill be now read a second time.*

Its purpose is to appropriate funds from Consolidated Account to meet expected payments, both recurrent and capital, in 1985-86.

The Budget for the coming year is based on a balanced result on both recurrent and capital transactions and, of course, a balanced result overall.

It represents the culmination of a carefully designed and integrated set of policies which have been pursued during the Government's term of office. In particular, it marks the end of the undesirable practice of financing recurrent deficits by the use of capital funds. This practice was used by the previous Government to avoid the necessity of making responsible and difficult decisions concerning the State's revenue base. The end of this practice and the presentation of a balanced Budget, with a reduction in the accumulated deficit and a package of taxation concessions, is an achievement of which my Government is most proud.

Before turning to the details of the Budget, it is appropriate to review the economic context in which the Government's financial strategy has been formed and the longer term financial objectives which the Government has had before it in devising not only this Budget but also its Budgets for the previous two financial years.

### Economic Context

In accordance with the practice of recent years, I am tabling with the Budget a paper which analyses economic conditions and trends in some detail. The analysis shows very clearly that the South Australian economy is performing strongly.

Employment in South Australia has grown substantially in the last two years and the current trend remains very firmly upward.

Total employment grew by 3.4 per cent in the twelve months to July, 1985 as against 2.3 per cent for Australia as a whole. Some 18 900 jobs were created—12.7 per cent of the national jobs increase. Full time employment grew by 2.5 per cent in South Australia and 1.9 per cent nationally.

According to Australian Bureau of Statistics' surveys, this employment growth has been particularly strong in the private sector.

Unemployment fell by 8.5 per cent in the twelve months to July, 1985 compared with a drop of 5 per cent for Australia as a whole. This improvement occurred despite increased participation in the workforce in South Australia. The increased participation rate is perhaps one of the cle-

arest indications of the improvement which has occurred and which is still occurring in the labour market in this State.

The A.N.Z. Bank's indicator of job advertisements in this State was some 30 per cent higher in June, 1985 than a year earlier and was at its highest level since October, 1974.

Building activity remains at very high levels.

Approvals for new dwelling units in South Australia rose by 11.6 per cent over the financial year 1984-85, following the extraordinary increase of over 50 per cent in the previous year.

Non-dwelling building approvals have been showing even stronger growth, with the value of such approvals increasing by 43 per cent in the financial year just passed.

Significantly, growth in the building industry is largely taking place in the private sector. Private sector dwelling approvals in 1984-85 were the highest since 1975-76.

Non-dwelling building approvals for the private sector in 1984-85 were nearly double the previous year.

All indications are that private sector capital spending will remain strong through the coming year.

The Australian Bureau of Statistics' survey of expected private business capital expenditure shows an increase of 43 per cent over 1984-85 expectations, well above the national increase of 24 per cent.

Given the continued significance of the motor vehicle industry in this State, it is pleasing to be able to note that registrations continue at very high levels. In the June quarter, Australia-wide registrations (seasonally adjusted) were running at an annual rate of 698 000—up 9 per cent on a year ago.

The Government is confident that the improvement in the South Australian economy will continue in the coming year. This will have significant benefits for all South Australians—for persons seeking jobs, for families and for business. It will also provide direct benefit to the South Australian community through the added strength it gives to the State's financial base.

As I have explained on previous occasions, virtually all of the State's revenues are based on economic activity. The good results of the past two years have meant that the Government has been in a position to return directly to the people the benefits of the recovery, while at the same time reducing the borrowings of the State and thus easing the burden on future generations.

In the context of the Budget for 1985-86, it has meant that the Government is better able to respond to the many demands that have been placed upon it for new services and expenditure, while still ensuring that the basic needs of the community are met.

### Longer Term Financial Objectives

My Government came to office to be faced with a financial crisis which was caused, but unfortunately not disclosed, by the Government we replaced. The growing seriousness of the problem was reflected in the ever-increasing amounts of capital funds which were diverted to meet recurrent expenditure, and by the large and growing deficit which was building up in the Consolidated Account.

We laid down four basic objectives:—

- first, to arrest the alarming deterioration in Consolidated Account;
- second, to reduce the accumulated deficit in that Account;
- third, to reduce, and if possible eliminate, the practice of using capital funds to offset recurrent deficits;
- fourth, to do so in such a way as to ensure that the urgent needs of the community were met and that account was taken of the special demands placed on the Government during a period of economic stress.

The task of meeting those objectives was made even more difficult by the series of natural disasters which hit the State in the early part of 1983. However, I am now able to report—quite simply and without qualification—that those objectives have been met.

The accumulated deficit in Consolidated Account has been reduced from \$63.2 million at June, 1983 to \$51.1 million at June, 1985.

Recurrent operations have been turned around from deficits of \$61.2 million and \$109 million in 1981-82 and 1982-83 respectively to the point where a surplus of \$13.7 million was achieved in 1984-85, and we are now able to budget for a balanced recurrent result in 1985-86.

We no longer have to set aside capital funds each year to offset recurrent deficits. This is of significance not just in some theoretical sense. It has very real practical results. It means that the State is in a position either to devote more of its resources to capital spending, thus adding to the stock of long term community investment, or to reduce its net borrowings below what they would otherwise be, thus saving on interest costs.

In 1984-85 and 1985-86 the Government has adopted a combination of these approaches.

The results for 1984-85 confirm the effectiveness of the policies the Government has pursued in meeting the objectives it set itself on coming to office.

Members will recall that the Budget introduced twelve months ago was based on a recurrent deficit of \$25 million, offset by a surplus of the same amount on capital transactions. In the event, a surplus of \$13.7 million was achieved on recurrent operations and, with capital operations in balance, an overall surplus of the same amount resulted, thus reducing the accumulated deficit in Consolidated Account.

Variations between Budget estimates for 1984-85 and the actual result are set out in Attachment II. I have continued the practice introduced last year of providing greater detail than previously and in what I believe is a useful tabular form.

I have already mentioned the improvements in our receipts due to increased economic activity. In particular, stamp duties were higher than expected as a result of the boom in the real estate sector which accompanied the general recovery.

Recurrent receipts improved during 1984-85 by \$21.5 million. This amount does not include a special entry of \$19.6 million under stamp duty collections, which relates to semi-government financing and which was completely offset by a payment of an identical amount.

In relation to the amount the Government expected to receive by way of taxation in 1984-85 the figure of \$21.5 million represents an increase of 2.8 per cent.

On the payments side of the Budget, after taking into account all allowances for round sums and the special stamp duty payment which was offset in receipts, recurrent payments were some \$17 million below estimate. The reduction in recurrent payments particularly reflects special factors detailed in Attachment II, but is also a result of the very tight control procedures which the Government has put in place to ensure that departmental budgets are not exceeded except for truly unforeseen or unavoidable reasons. This control meant that no Supplementary Estimates were required in 1984-85.

This is the first time that recurrent payments have been less than the Budget estimate since 1978-79—the last year of the Dunstan/Corcoran Governments. It is a target towards which we have been working during our three years of office and one which the former Liberal Government had never come close to achieving.

On the capital side, payments overall were very close to Budget which meant that, as there was no recurrent deficit

to be offset, borrowings could be reduced by \$26 million, thus cutting future interest costs.

This highlights yet again the hidden costs of the former Government's policies of borrowing to pay their recurrent costs and the very real benefits to the South Australian community, both now and in the future, of the elimination of this practice.

It is to be noted that the results for 1984-85 to which I have referred were achieved after providing for a special allocation to ETSA of \$11 million as part of the Government's program of tariff restraint, to which I refer in more detail later.

In summary, the results for 1984-85 have created a sound foundation on which the Budget for 1985-86 can be based.

#### Overall Budget Strategy for 1985-86

The overall Budget strategy for 1985-86 is based on four key elements:—

- first, to return to the community the benefits of economic recovery, while at the same time sustaining that recovery by reducing major State taxes and electricity charges. While decisions concerning a tax reduction package have already been announced and relevant legislation introduced, this Budget sets out the next stage of this policy by committing the Government to maximum restraint, and in almost all cases, reductions in real terms in the area of State charges;
- second, further strength will be built into the State's finances through a balanced result on both recurrent and capital operations;
- third, in response to the real economic growth that has taken place and the genuine needs of the community which have developed during the past few years of necessary restraint, the Budget proposes a responsible increase in expenditure;
- fourth, the expenditure priorities of the Government have been ordered so as to give greater emphasis to expenditure which promotes or facilitates economic growth, or which adds to the community's capital base.

#### Revenue

I have already introduced into the Parliament legislation which gives effect to the substantial taxation relief package announced earlier this month. The full year cost of that package will be \$30 million, to which must be added in 1985-86 the special rebate to the Electricity Trust of South Australia of \$11 million.

The details of the cuts that have been made are contained in both my previous public statements and in the legislation to which I have referred. In summary, the package includes an increase in the exemption level for payroll tax as well as an extension of the taper zone; a change to the land tax scale and the incorporation of a general exemption level of \$40 000; an increase in the exemption level on stamp duty for first home buyers from \$40 000 to \$50 000 and a modification of the rates of duty applying to other properties and transactions; the abolition of stamp duty on workers' compensation premiums for employees under 25 years of age, and the removal of the liquor licence fee for holders of a producer's licence in respect of sales of their product. A number of other stamp duties were also abolished.

These concessions were carefully chosen by the Government so that as many people as possible receive direct benefit, while ensuring that economic activity and the economic recovery are assisted.

Taxation receipts are estimated to increase by \$38 million from \$814 million in 1984-85 to \$852 million in 1985-86.

Even after excluding the special stamp duty collections of \$19.6 million in 1984-85 in respect of public authority transactions, this represents an increase of 7.3 per cent which is less than the expected inflation rate. In other words, as a result of our tax package, total taxation collections are expected to be reduced in real terms.

The Government now wishes to move to the second stage of its policy of returning the benefits of recovery to the community by addressing the question of Government fees and charges.

Earlier this year water and sewerage charges were increased by amounts well below expected cost increases in 1985-86 and well below the level of the CPI. Similarly, increases in wharfage rates have also been kept down. Both these actions represent a cut in real terms in the charges for providing those services.

The Government now commits itself to a freeze during 1985-86 in State Transport Authority fares, motor vehicle registration fees, drivers' licences, fuel franchise rates, irrigation charges and Housing Trust rents for those tenants paying full rental. This represents a very substantial cut in real terms in charges to the community for the utilisation of these services. All other Government charges will not be adjusted at a rate greater than the cost of providing those services in line with the policies we have pursued over the past three years.

The Government believes that this second stage of its revenue policy will further contribute to the economic well-being of the State, as well as boosting business activity and consumer confidence.

On the general question of the Government's policy in this area, I would point out to the House that while the Government increased the rates of certain taxes in August, 1983 there has been no increase in the rate of State taxation since that time.

There were no increases in the 1984-85 Budget and in this Budget for the coming financial year there are significant cuts.

I would also stress again to the House that the State's revenue collections—in particular State taxation—are to a large extent dependent on economic activity. Indeed the strong increase in our revenues over the past two years stands as a clear sign of the recovery of our economy and the strength which has been put back into our finances.

This has benefited the community, both directly through the concessions to which I have referred, and indirectly through the scope it gives the Government to improve both the quality and the range of services. To deride the fact that the State's finances have gained strength as the recovery has proceeded is in effect to call for a return to the financially crippling years between 1979 and 1982 when the State was unable to meet its obligations to the community and increasing amounts of capital funds were drained off to pay for financial irresponsibility.

Of the growth in taxation revenues since 1982-83, only 11.8 per cent is attributable to our revenue decisions. The remainder is due solely to the recovery that has taken place and the increase in values of property and other transactions which that recovery has brought about.

This year revenue will be returned directly to the South Australian taxpayer under the tax cut package and in 1984-85 \$13.7 million was put towards paying off the accumulated deficit my Government inherited. The latter action also presents tangible benefits for taxpayers, both now and in the future, as it reduces the interest burden on the State.

In addition, the benefits of the reductions in tax rates will continue in successive financial years. I believe that this confirms that the Government was correct in 1983 to take the decisions it did, which have resulted in a stronger

economy, a balanced State Budget and a reduction in the accumulated deficit.

The Government intends to build further strength into the State's finances by budgeting for a balanced result for both recurrent and capital operations in the coming financial year.

#### **Expenditure—Social and Economic Priorities**

The Government is aware that over the past few years it has been unable to meet many of the demands placed upon it by the community due to the difficult economic circumstances which affected all States of Australia. Given the real economic growth that has taken place, the Government proposes in this Budget to take advantage of an expected continued strengthening of the State's revenue to further improve and extend the services it provides. In particular, now that the State is freed from the necessity to put aside capital funds to support recurrent operations, the Government proposes a significant increase in capital works expenditure, not only to provide basic infrastructure for developing areas and the continuation of the housing program, but also to address the important issue of the maintenance of existing community assets.

In Budget supported agencies, after allowance for accounting changes as explained in detail in Attachment I, the estimated increase in payments for 1985-86 is 9.8 per cent for recurrent purposes and 18.1 per cent for capital, giving an overall increase of 11 per cent. Based on an expected CPI movement of approximately 8 per cent over the course of 1985-86, this represents a real increase in recurrent payments of less than 2 per cent and an overall increase of approximately 3 per cent. The Government regards this as a responsible and moderate approach.

As a major example of the Government's efforts to contain expenditures, the increase allowed in Departmental budgets for expenditure on goods and services (as distinct from salaries and grants) is generally 5 per cent, which is well below the expected inflation rate of around 8 per cent. While this provision in part takes into account the impact on agencies of the real reductions in charges for Government services they use, it is mainly an economy measure to be accommodated by agencies in expenditure items such as travel, attendance at conferences, telephone expenses and use of motor vehicles, etc.

Details of expenditure programs are contained in Attachment III, however, I believe it would be appropriate to summarise the main initiatives the Government proposes for 1985-86 under the broad headings of the Economic Development of the State, the Provision of Services to the Community, the Physical Development of the State, and Justice and Community Security.

#### *Economic Development of the State*

The economic development of the State and the creation of jobs for all of its citizens who seek work is the first priority of the Government. This Budget contains a number of key programs to further that aim.

As a major initiative to strengthen our efforts to develop industry and provide long term job opportunities in the State, the Government is establishing a new assistance and incentive scheme to be known as the South Australian Development Fund.

The Fund is designed to both assist existing industry within the State and attract new ventures to South Australia. It also establishes special programs to improve our competitiveness in national and international markets and to ensure the continued development of South Australia as a centre of technological excellence.

The sum of \$12 million is provided for industry incentives in 1985-86, with a full year effect expected to be \$14 million.

The second key initiative involves direct action by the Government to establish a three year program which will significantly increase employment and training opportunities for South Australians. In this year the program will provide approximately 6 300 additional employment and training opportunities, of which approximately 70 per cent will be for young people and the remaining 30 per cent for those in the mature age bracket.

It is estimated this program will cost \$4.8 million this year and \$23 million over three years. The program will be linked to other development initiatives and the needs of industry to ensure the community as a whole will benefit.

The package recognises the changing nature of the South Australian labour market. It incorporates support to individuals, community groups, Local Government and service clubs with special help for the young, disabled, women, Aborigines and mature aged unemployed.

There is an emphasis on linking training with employment, providing for both short and long term opportunities.

The program the Government has developed to win for South Australia the major part of the work associated with the Royal Australian Navy's Submarine Replacement Program has been extremely successful so far. The Government regards funds provided in this area as an investment in the future development of the State and strong support for the project is continued in the Budget.

In conjunction with its policies of assisting existing industries the Government, in concert with the trade union movement and the private sector, has recently established the Manufacturing Advisory Council. The Council will provide a forum for effective consultation on manufacturing policy, problems and opportunities. To ensure the Council can operate effectively, provision is made for an independent secretariat to provide administrative and research backup.

Tripartite co-operation has also been demonstrated by the establishment of the Industrial Supplies Office to ensure that South Australian companies are given a fair and equal opportunity to bid for contracts within the State.

Related to the Office is the proposed Manufacturers' Data Base which will be operated by the Department of State Development. This will assist manufacturing industry to maximise their involvement with major new development projects in South Australia, particularly resource development projects such as Roxby Downs.

The importance of the small business sector has been recognised by the Government with the establishment last year of the Small Business Corporation. The Corporation's programs have proved to be extremely successful and additional funding is provided in the Budget for consultation grants so that the Corporation can meet the growing demand for its assistance.

Technology Park has established itself as a centre for high technology development in Australia. The Government believes that its decision to construct Innovation House played a major part in the success of Technology Park and is now providing funding for a further multi-tenant facility, Innovation House West.

The development of the State's port facilities is also a vital part of our overall economic development program. Following the successful commencement of a direct container link with Japan, additional funds have been made available for dredging and \$3.5 million of capital funds have been allocated for the acquisition of a second container crane.

The importance of primary industries to the economic well-being of South Australia is also recognised within the Budget. Additional funds have been provided to allow for increased operating time of the new fisheries research vessel and the research projects of the Department of Agriculture will also be strongly supported. An amount of \$6.7 million

from capital funds will be advanced to re-establish fire damaged forests in the South East.

Regional development also plays a crucial part in the overall economic progress of the State.

\$8.8 million will be spent over the next three years to assist industry and employment in Whyalla under the Steel Regions Assistance Scheme.

Significant support has also been provided for the restructuring of the fruit processing industry in the Riverland. An amount of \$7.5 million is provided for capital restructuring of the Riverland Cannery, and a further \$300 000 is provided for the operation of the Riverland Development Council.

The development of our tourism industry is a major element of the Government's strategy for future development of South Australia. The allocation for tourism has again been significantly increased, and the State's promotional effort has been further supported by additional funding for international marketing campaigns and for the marketing of the new Adelaide Convention Centre.

Essential aspects of the State's tourism development plan are the Australian Formula I Grand Prix, the Casino and Convention Centre, the celebrations associated with Jubilee year and the Lincoln Cove Project at Port Lincoln. The considerable benefits to the State of the Grand Prix are well known. The Jubilee 150 celebrations will add to these benefits and \$6.1 million has been allocated in line with our commitment to make this event memorable and of lasting value to the community.

#### *Provision of Services to the Community*

The community has the right to expect the highest possible standard of health, education and welfare services. The Government accepts this responsibility without question. It also recognises that the State's greatest assets are the skills and expertise of its people and that expenditure on health, education and other community services represents a vital investment in the future.

High priority has been given to the provision of health facilities including the Lyell McEwin Hospital, a new Port Adelaide Community Health Centre, redevelopment of the Wallaroo Hospital and the Noarlunga Health Village which will be commissioned later this year. Funds have also been made available for additional surgical beds, an additional operating theatre and a pain clinic at the Flinders Medical Centre.

The Government will also establish an adolescent health centre to be known as the 'Second Story'. In addition, the Government will significantly upgrade the Drug Education Program in conjunction with the Commonwealth Government and will provide further resources towards a comprehensive strategy to combat Acquired Immunity Deficiency Syndrome.

In line with its policy of the last two years, the Government will retain within Government schools those resources that have become available due to declining enrolments. This will enable the commencement of a number of new initiatives including a program to provide language teaching in all primary schools by 1995, additional teacher librarians in primary and junior primary schools and the maintenance of class sizes in both the primary and secondary areas.

The allocation for education also includes additional funding to match increased enrolments in non-government schools and to enable upgrading within the Model School Formula.

The Department of Technical and Further Education will play a major role in the Government's new employment training package. Additional funding has been provided in the Budget for expanded apprenticeship and pre-vocational training, provision of traineeships in accordance with the

Commonwealth Government's implementation of the Kirby Report and to provide new opportunities in Technical and Further Education for women and disadvantaged groups.

In addition, the Government's policy objectives of improving child care and tourism services in the State are reflected in provisions to extend TAFE training programs in both these fields.

The Government also recognises the need to provide additional places for nurses' education within the South Australian College of Advanced Education. A decision to fund 50 places at the Sturt Campus has already been made and the Budget now provides for an additional 110 places, including 60 in the new course to be provided at the Salisbury Campus and a further 50 at the Sturt Campus.

The establishment of the Children's Services Office was a major achievement of the Government in 1985 and funds have been allocated in the Budget to ensure that the Office can fully carry out its responsibilities.

The Government has been concerned for some time that cuts in Commonwealth funding in the pre-school area would disadvantage South Australian families. Consequently, we will act to increase funding to cover the shortfall caused by the Commonwealth Government's decision. Our ability to take this action is a direct result of the increased strength in the State's finances and, in particular, the improvement in our revenues as a result of increased economic activity.

I particularly draw that to the attention of Honourable Members who would wish to deny the Government the ability to raise the revenue that community services require.

In addition, the capital program will allocate further funding for kindergartens and child-care centres so that work can continue on 8 major projects and there can be a commencement of a further 11 new projects.

A caring community also has the responsibility to provide for those in need. The Budget for 1985-86 substantially increases resources to the Department for Community Welfare to provide for several new initiatives including additional social workers at the Noarlunga District Office, increased funding for community and neighbourhood services and budget advice services as part of a community poverty strategy. An allocation for grants for the aged, a substantial increase in youth and child protection services and additional funds to combat petrol sniffing amongst Aboriginal youth in remote communities is included.

The Government also recognises the important role played by non-government welfare agencies, and is providing additional funds for welfare grants and for the initial underwriting of the United Way Fund.

This Government took the important initiative immediately it came to power of implementing substantial concessions on electricity rates for pensioners. We led Australia in this major concession. Since 1983, \$13.1 million has been spent on this concession and a further \$5.6 million is provided in 1985-86.

The Government is planning to introduce a taxi transport subsidy scheme for the transport of disabled people who are permanently unable to use public transport. Features of the scheme will include:—

- operation of multi purpose taxis by taxi companies with the State Government contributing to the cost of the vehicle and the cost of each trip undertaken by a registered person;
- establishment of a unit to manage the scheme under the supervision of a Management Committee;
- initial operation in Adelaide, with extension to country towns to be examined.

While the Jubilee Year marks the commencement of British settlement in South Australia, the Government also recognises the vital role played in the development of the State by people from other communities and other societies.

The Budget provides for a major increase in funding for the Ethnic Affairs Commission, which reflects the Government's continuing commitment to support ethnic communities in South Australia. In particular, resources have been provided to increase health interpreting services.

South Australia has long been recognised for its pre-eminence in the arts. This has been recognised by the Government's funding for this important area. The allocation includes \$900,000 for the 1986 Adelaide Festival of Arts, bringing the Government's support for the Festival to a total of \$1.4 million. The allocation also provides for the commissioning of a new Natural Sciences Complex within the South Australian Museum and the provision of staff to enable Carrick Hill to open officially in March, 1986.

The Government's commitment to the local film industry is reflected in the allocation of \$710,000 to establish a South Australian Film and Television Financing Fund, additional funding for the annual production of Government films and an operating grant for the first time to the South Australian Film Corporation.

We have also provided funding for the completion of feasibility studies in relation to a Living Arts Centre and the relocation of the Jam Factory workshops to the D. & J. Fowler site.

The Government has called for Registrations of Interest in the establishment of an Entertainment Centre in Adelaide. A number of preliminary enquiries received so far indicate that there is considerable interest in making submissions.

The Commonwealth has recently announced a range of measures so that Youth share fully in the benefits of economic recovery and growth.

Our Youth Policy will build upon the Commonwealth initiatives with a comprehensive and integrated approach to the specific needs of young South Australians.

#### *Physical Development of the State*

The physical infrastructure of the State provides a network within which the economy in general, and the private sector in particular, can operate.

Expenditure in the area of housing and construction has major implications for economic activity. Housing has been, and remains, a key priority of my Government. The target the Government set itself of adding 9,000 dwellings to the Housing Trust rental stock is expected to be met within this financial year. Concessional housing loans for the State Bank will continue at the rate of 60 per week.

The Government is also aware of the concern that has developed in the community regarding the standard of maintenance of Government assets, especially school buildings. It has therefore decided to increase its efforts in this area through the creation of a special Jubilee 150 maintenance program which will be run over three years commencing this financial year. The program will involve expenditure exceeding \$90 million over those three years to cover maintenance, minor repair of buildings and replacement of equipment.

The provision of adequate water supplies in a State such as South Australia is always a high priority. The Capital Works program provides for the continuation of the Northern Towns and Happy Valley Water Filtration Programs as well as the extension of water and sewer mains in the developing suburbs.

I have already made reference to the ability the Government now has to meet high priority needs of the community. For the same reasons as I outlined before, the Government is now in a position, following strong representations it has received from the local community, to give a positive commitment to the sewage treatment works at Finger Point.

South Australia's road network plays a vital part in the commercial life of the State. Recently the Commonwealth Government reduced its support towards the Roads Program of all the States. Consequently, an additional \$12 million will be made available to ensure that our Road Program can be continued at a satisfactory level. In addition, \$2.9 million will be provided to assist local government under the Jubilee 150 Road Assets Plan. A large increase of capital funds will also be made to the State Transport Authority to enable it to fulfil its commitments in relation to railway signalling and essential projects associated with accommodating the ASER Project.

A significant aspect of the physical development of South Australia is the City of Adelaide and in particular its parklands. The Government has made significant moves to return land around the City to its original parkland use. In particular, it has committed itself to the relocation of the Hackney Bus Depot and an allocation is made within the Budget towards fulfilling that commitment.

#### *Justice and Community Security*

The security of individuals and families within the community is a major concern of the Government and additional funds have been provided to the Police Department to enable it to implement a new program of community policing and crime prevention.

Additional resources have also been made available for road safety initiatives and to combat the disturbing increase in organised crime.

Additional funds will also be made available to provide for a continuation of the innovative Community Mediation Service and for the first time support will be given to the Victims of Crime Service Incorporated.

A substantial amount has also been allocated in the Budget to provide for the continuing development of the Justice Information System.

The Adelaide Remand Centre will be commissioned this financial year and will ease the strain on accommodation at Adelaide Gaol. Funds have been allocated for staff to operate the Remand Centre. Other initiatives related to past reviews of the Department of Correctional Services, including the Royal Commission and the Public Accounts Enquiry, will also be funded.

#### **Women's Budget**

This year for the first time the Government of South Australia, as part of its Budget process, has conducted an exercise designed to extract comprehensive information on the range and impact of its expenditures on women. A special Budget paper entitled "The 1985-86 Budget and its Impact on Women" summarises this work.

#### **Public Sector Employment**

The Government's policy throughout its term of office has been to maintain employment in the public sector.

Departmental employment grew by 0.7 per cent in the year to June, 1985 while total public sector employment grew by an estimated 1.9 per cent.

A separate paper entitled "Employment Aspects of the 1985-86 Budget" contains more details of direct employment by the South Australian Government. However, it should be noted that the number of people employed in the public sector as a percentage of total persons employed within South Australia has continued to decline over the term of office of the Government.

As outlined in last year's Financial Statement, it is the Government's policy to streamline the upper levels of the Public Service in line with the Review of Public Service

Management. As a result, the rate of growth in the Executive and Administrative Officer ranges was cut by half in 1984-85 and will be further restricted in the coming financial year.

#### **Commonwealth-State Financial Relationships**

Detailed information on developments in Commonwealth-State financial relationships is to be found in Attachment IV to this Statement. However, I will briefly mention two major changes which have been made for 1985-86 and the next two financial years.

First, the link between the total level of the general revenue grants and Commonwealth taxation collections—introduced by the Fraser Government in 1976—has been abandoned in favour of a system under which the grants will increase each year basically in line with inflation. My Government supported this change.

Second, in accordance with recommendations of the Commonwealth Grants Commission, a re-distribution of the grants as between the States is to take place. Unfortunately, the recommendations of the Grants Commission were originally released in a highly confused manner. However, when subsequently put together in a more meaningful fashion they involved a reduction in this State's share of the grants equivalent to approximately \$34 million in respect of 1985-86. After considerable negotiation, I am pleased to be able to report that the Commonwealth Government recognised the special financial requirements of this State by agreeing to what amounts to a phased reduction in our share through provision of supplementary grants of \$34 million in 1985-86 and \$17 million in 1986-87. The Commonwealth also has provided a direct grant of \$5 million towards the cost of staging the Grand Prix.

There have continued to be improvements in the way Loan Council regulates public sector borrowings, and, with fairly minor exceptions only, South Australia is content with present arrangements in this area.

#### **Superannuation Costs**

As mentioned in recently introducing the Supply Bill, a new system was implemented for charging departments for superannuation costs. Departmental accounts will in future show estimates of superannuation liabilities incurred as a consequence of employing present staff rather than the cost of paying pensions in respect of ex-employees. To tidy up the accounting arrangements associated with the new system, minor amendments to the Superannuation Act and the Police Pensions Act are desirable and these are contained in Bills which I am presenting with the Appropriation Bill.

#### **Government Owned or Sponsored Financial Institutions**

The Government has given particular attention over the past year or so to the development of the range of financial institutions which it owns or has sponsored in various ways. These institutions include SAFA, the State Bank, Beneficial Finance, SAMIC and Enterprise Investments Limited. We regard it as essential that these institutions are well capitalised. Of particular significance is the increase in the State Bank's capital from \$43.6 million to \$200 million which was achieved through the restructuring of previous debt relationships.

We expect this strengthening to be reflected, over time, in increased returns to the Government through taxation and dividend payments.

#### **Debt and Borrowing Arrangements**

There continue to be major improvements in public sector debt, borrowing and investment arrangements. These

are explained in detail in the Third Annual Report of the South Australian Government Financing Authority which is being tabled as one of the Budget papers.

The main change affecting the Budget is that, from June, 1985, SAFA has assumed the debt obligations of the Government to the Commonwealth under the Financial Agreement and specific purpose loan arrangements.

SAFA has proved to be a remarkably effective, innovative and commercially successful organisation and it will continue to be fully supported by the Government.

#### Review of Government Financial Management Arrangements

The Government has released the 12 reports it received progressively over 1984-85 from this Committee, which was chaired by the former Under-Treasurer, Mr. Ron Barnes.

The Reports have been under close study and, following an adequate period for comment, the Government will be considering the many useful recommendations of the Committee. Many have already been acted upon and some have been taken up in this year's Budget.

#### Concluding Comments

The Attachments and Appendices to this Statement contain more detailed data and comment on various aspects of the State's financial position and the Budget. They largely follow the format of last year.

The clauses of the Appropriation Bill, 1985 are in similar form and give the same kinds of authority as the Act of last year.

A great deal of information has been collated and developed. I pay a tribute to the Under Treasurer and his staff for the efforts they have put into compiling this year's Budget and for their work during the year.

This Budget is being brought down at the end of a period of economic difficulty for South Australia. There are now clear signs of recovery and more significantly, evidence that the recovery will continue.

The Budget also marks the end of a period of rebuilding our State's financial strength and overcoming the problems left for us by the irresponsibility of the former Government. Most significantly it sets the framework for building on this recovery and using our financial strength to benefit all South Australians: to create job and training opportunities; to assist industry; to improve our schools and help those in need.

Three years ago, I pledged the Government to use all the powers at its disposal to develop South Australia and ensure that once again we enjoyed a pre-eminent place among the States of the nation.

That pledge remains unaltered. It has been honoured in the Budgets of the two previous years and is renewed in the Budget I now commend to the House.

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

Leave granted.

### ATTACHMENT I

#### CONSOLIDATED ACCOUNT

#### SUMMARY

The following table provides a summary of the Estimated and Actual Receipts and Payments for the year ending 30 June, 1985 and the Estimated Receipts and Payments for the year ending 30 June, 1986.

	1984-85		1985-86
	Voted \$	Actual \$	Proposed \$
Recurrent:			
Receipts .....	2 598 840 000	2 639 933 976	2 967 538 000
Payments .....	2 623 840 000	2 626 237 458	2 967 538 000
Surplus/(Deficit) .....	(25 000 000)	13 696 518	—
Capital:			
Receipts .....	439 820 000	414 471 366	489 000 000
Payments .....	414 820 000	414 500 872	489 000 000
Surplus/(Deficit) .....	25 000 000	(29 506)	—
Consolidated Account:			
Surplus .....	—	13 667 012	—

The accumulated balance of the Consolidated Account has been, and is projected to be, as follows:

	\$
30 June, 1984—deficit of .....	64 778 951
30 June, 1985—deficit of .....	51 111 939
30 June, 1986—estimated deficit of .....	51 111 939

The following table is designed to assist in making meaningful comparisons of receipts and payments for 1985-86 with those in 1984-85 by taking into account the effects of accounting and similar changes which will occur between the years.

**CONSOLIDATED ACCOUNT—COMPARISON BETWEEN 1984-85 AND 1985-86**

	1984-85	1985-86	Percentage Increase	
	\$ million	\$ million (est)	Unadjusted	Adjusted for Accounting Changes
<b>Recurrent:</b>				
Receipts .....	2 639.9	2 967.5	12.4	9.3
Payments .....	2 626.2	2 967.5	13.0	9.8
Surplus .....	13.7	—	n.a.	n.a.
<b>Capital:</b>				
Receipts .....	414.5	489.0	18.0	18.1
Payments .....	414.5	489.0	18.0	18.1
Surplus .....	—	—	n.a.	n.a.
Overall Surplus .....	13.7	—	n.a.	n.a.

n.a. = not applicable

The main items of an accounting or similar nature affecting comparisons between 1984-85 and 1985-86 lie in four areas—superannuation costs, debt-servicing arrangements, special stamp duty receipts and the extent to which capital payments are funded from Consolidated Account as against other sources such as Deposit Accounts or reserves held by semi-government authorities.

Changes in the accounting for superannuation costs were explained in the second reading speeches on Supply Bills Nos. (1) and (2) 1985. From 1985-86, all agencies are making payments for superannuation costs reflecting liabilities accruing in the year. This change has the effect of adding to recurrent receipts by \$91.2 million and recurrent payments by \$85.2 million, the difference reflecting receipts in respect of activities funded through the capital side of Consolidated Account or Deposit and Trust Accounts.

Changes in debt-servicing arrangements revolve largely around the financial relationships between the Government and the South Australian Government Financing Authority (SAFA) which are explained in some detail in the Third Annual Report of that body which is tabled with the Budget.

The main matters affecting the Budget (i.e. Consolidated Account) are as follows:—

- (1) Under an agreement between the Treasurer and SAFA, the latter has assumed responsibility, from 30 June, 1985, for the debt-servicing obligations of the State to the Commonwealth under the Financial Agreement and under various specific purpose loan arrangements. The Government has become indebted to SAFA to an equivalent amount. This arrangement has had the following consequences for Consolidated Account:—

- interest and sinking fund contributions previously shown as payable to the Commonwealth under the Financial Agreement from specific appropriations shown under the Special Acts section of the Estimates are not so shown in 1985-86;
- interest shown as payable by the Government to SAFA under Treasury Department appropriations (Program 6) is increased substantially in 1985-86;
- discounts and expenses associated with the borrowings under the Financial Agreement, previously shown as a recurrent payment under Treasury appropriations, are no longer payable by the Government (now to be paid directly by SAFA);

- the discount element in the issue of Commonwealth securities has also previously been shown as a capital receipt and, for the same reason, that is again no longer relevant.

- (2) Consistent with earlier decisions concerning principal repayments by ETSA and with the above arrangements, certain sinking fund recoveries from agencies previously credited to recurrent operations are, from 1985-86, being credited to capital operations; the amount involved is \$6.5 million.
- (3) As a result of a change in SAFA's accounting procedures, recurrent receipts shown under "Recoveries of Debt Services" are now included under "Treasurer—Miscellaneous—Return on capital provided to SAFA".
- (4) As a result of a re-arrangement of indebtedness of the State Bank to the Government under concessional housing arrangements (described in detail in SAFA's Annual Report) the return to the Government on capital provided to SAFA is \$19.6 million higher than it would otherwise be, offset by an equivalent payment in respect of its interest obligations by the Government.

The effects of the superannuation and debt servicing changes on the Consolidated Account results (both recurrent and capital) are almost completely offsetting. Treasury estimates that there is a net unfavourable effect on recurrent operations of approximately \$1 million and a net unfavourable result on capital operations of about \$4 million, with a net effect overall of \$5 million. In other words, in the absence of these changes the budgeted results would have been more favourable.

In 1984-85, stamp duties amounting to \$19.6 million on documents related to special financing transactions undertaken by SAFA, ETSA and LGFA were paid by the Government, thus resulting in exactly offsetting payments and receipts on recurrent operations. These transactions were of a one-off nature and account needs to be taken of them in comparing 1984-85 and 1985-86.

Allocations from capital funds can vary from year to year depending on the extent to which various semi-government authorities, deposit accounts, etc. have funds available from other sources (e.g. internal reserves). Comparability is best obtained by concentrating on gross capital payments by relevant agencies rather than sources of funds.

Adjustments to take account of these four matters have been made to arrive at the figures quoted in the above table.



Making the same adjustments, the increase in recurrent and capital spending combined is estimated at 11 per cent. This represents an increase in real terms of the order of 3 per cent.

## ATTACHMENT II

### THE YEAR 1984-85

Last year the Government budgeted for a balanced Budget involving a deficit on recurrent operations of \$25 million offset by an equivalent surplus on capital operations—achieved through borrowings from the South Australian Government Financing Authority (SAFA). The accumulated deficit of \$64.8 million was to be retained under this plan.

The outcome showed a considerable improvement on the Budget, some of the main features being:—

- an overall surplus on Consolidated Account of \$13.7 million. This reduced the accumulated deficit to \$51.1 million.
- a reduction in borrowings from Statutory Authorities (mainly SAFA) of \$26.1 million as compared with Budget with consequent benefits to future Budgets in terms of reduced interest costs.
- a payment to ETSA of a special rebate of \$11 million to benefit the community, industry and the State generally through restraint in future electricity rate levels.

Recurrent operations returned a surplus of \$13.7 million, an improvement of \$38.7 million on the budgeted deficit of \$25 million. The improvement occurred predominantly in receipts.

The improvement in receipts was \$41.1 million, which was offset by an increase in payments of \$2.4 million (including the special rebate of \$11 million to ETSA).

The recorded result on capital operations is a balanced result, the \$25 million budgeted to support recurrent operations not being required. This factor, together with a further minor improvement on capital operations, enabled borrowings from SAFA to be reduced by \$26.1 million from the budgeted level of \$150.6 million to \$124.5 million.

#### Recurrent

The dramatic improvement in recurrent receipts above estimated levels resulted largely from the effects of levels and values of activity in the real estate market substantially exceeding expectations. This particularly impacted on Stamp Duties on Conveyances and Mortgages (\$15.4 million and \$2.9 million respectively above estimate) and Lands Department receipts (\$2.5 million above estimate).

Putting to one side a special receipt of \$19.6 million related to financial transactions of Public Sector Authorities (which was offset on the payments side), the variations in Stamp Duties were as follows;

	1984-85 Budget \$ million	1984-85 Actual \$ million	Variation \$ million
Annual Licences (insurance) . . . . .	36.3	36.7	(+) 0.4
Conveyances on Sale . . . . .	81.5	96.9	(+) 15.4
Credit and rental . . . . .	7.0	7.1	(+) 0.1
Cheques . . . . .	5.7	5.6	(-) 0.1
Mortgages . . . . .	9.7	11.7	(+) 2.0
Registration of Motor Vehicles . . . . .	36.6	39.4	(+) 2.8
Other . . . . .	10.2	10.2	—
	187.0	207.6	(+) 20.6

The Budget anticipated the return to Consolidated Account of \$29.6 million in debt servicing recoveries from the State Bank and the South Australian Housing Trust in respect of welfare housing for 1983-84 and 1984-85. In the event, only such recoveries in respect of 1983-84 (\$10.7 million) were credited to Consolidated Account. The amount in respect of 1984-85 (\$18.8 million) was, in accordance with policy established in 1979, held in the Departmental Working Account pending a decision as to allocation to either the Advances for Housing Account or Consolidated Account.

A recoup to Consolidated Account from the Highways Fund in respect of Police traffic services (\$7.7 million) was incorporated in the Budget. When this matter was last considered by Parliament, the Highways Act was amended such that the recoup was changed from being a percentage of motor vehicle registration fees to a money amount to be determined annually and administered by regulation. A regulation required in respect of the 1984-85 and 1985-86 recoups will be made during 1985-86 but, pending that regulation, the recoup of \$7.7 million can not be formalised.

Recurrent payments deteriorated by \$2.4 million after the special rebate to ETSA of \$11 million was made. Putting to one side that special rebate and the payment of Stamp Duty on behalf of Statutory Authorities (\$19.6 million) which is offset in receipts, there was an improvement of \$28.2 million. This was comprised as follows:

	\$ million
Portion of Allowance for Increased Wage and Salary Rates and Other Contingencies not required. The extent to which the provisions within the Allowance were not called upon is as follows:—	
• wage and salary award increases . . . . .	0.5
• restructuring of the Riverland cannery . . . . .	1.7
• fuel prices—State Transport Authority . . . . .	1.5
• terminal leave payments . . . . .	1.0
• welfare concession payments . . . . .	0.8
• cost and usage of electricity and chlorine—Engineering and Water Supply Department . . . . .	0.7
• various other (net) . . . . .	2.5
	8.7
Underspending against Special Acts (after allowing for variations to Highways Fund transfer which is offset in Highways Department payments) . . . . .	8.0
Reduced net cost of the South Australian Health Commission resulting from:—	
• increased revenue collections and Medicare compensation . . . . .	12.6
• a net impact of variations in payments and cash balances . . . . .	0.8
	11.8
Variations in other Departments and Agencies (net) . . . . .	(-) 0.3
	28.2

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

#### Capital

Capital payments in 1984-85 were only marginally below the estimate.

On the capital receipts side, it was possible to reduce by \$26.1 million the amount raised by borrowings from Statutory Authorities principally because the budgeted \$25 million support for recurrent operations was not required.

Loan Council borrowings and capital grants were as included in the estimates. As in the previous year, the whole of the loan raisings were nominated for housing purposes at a concessional interest rate.

Additional borrowings provided to cover discounts on the issue of Commonwealth bonds amounted to \$8.9 million, \$1.9 million above the anticipated figure.

The receipts were boosted also by \$1.1 million, covering the writing up of the principal on indexed loans taken up from Statutory Authorities.

The actual repayments and recoveries obtained from all State sources were \$30.3 million, some \$0.9 million below the estimate, while receipts from the Commonwealth for specific purposes were, at \$45.7 million, \$1.5 million below the estimate.

Details of the variations in these areas are shown in Table 3.

Details of the variations in the payments are shown in Table 4. As can be seen from that table, there were a number of areas where payments were less than anticipated, but these were offset by additional payments elsewhere.

**Employment**

The average employment level for all departments in 1984-85 was 46,144 FTE's (full time equivalents) which,

when adjusted for the transfer of the Magill Home from the Department for Community Welfare to the Health Commission during the year, resulted in the overall average employment being under Budget by approximately 36 FTE's.

The closeness of the outcome to the overall workforce Budget reflects a significant improvement in workforce management and control by Government Departments.

The average employment variation from the Budget reflects the following:—

- several departments experienced delays in staffing new initiatives during the financial year;
- attrition in the weekly paid area increased in part because of the improvement in private sector employment opportunities, and
- additional employment in the Department of Woods and Forests to carry out re-establishment and maintenance of the burnt forest areas.

The actual employment level as at the end of June 1985 was 47 102 FTE's and is above the 1 July, 1982 level in line with Government policy.

**TABLE 1**  
**1984-85 RECEIPTS—VARIATIONS FROM BUDGET**

	1984-85				Comments on variation between Budget and Actual
	Budget \$000's	Actual \$000's	Variation on Budget \$000's	%	
<b>Taxation</b>					
Property—Land Tax	32 800	33 226	426	1.3	• Cost of exemptions from land tax for principal places of residence and land used for primary production were lower than anticipated.
Gambling	46 091	45 715	-376	-0.8	• The recoup from the Recreation and Sport Fund in respect of grants to associations for recreation and sporting purposes was less than planned.
Motor Vehicles	66 400	63 313	-3 087	-4.6	• Largely reflects timing of processing motor vehicle registration fees and drivers' licences.
Pay-roll Tax	251 000	253 788	2 788	1.1	• Largely results from a greater than estimated increase in employment (including both numbers employed and hours worked).
Financial Institutions Duty	28 500	28 774	274	1.0	
Stamp Duties	187 000	207 575	20 575	11.0	• Due to boom in real estate activity, a dramatic increase in property values and an increase in motor vehicle prices above anticipated levels. • The extent to which growth in the factors effecting Stamp Duty levels for conveyances on sale of real property and motor vehicle registrations and transfers were greater than estimated are as follows: Percentage Increase Between 1983-84 and 1984-85 Assumption Incorporated in Budget Estimate %      Actual % Conveyances on Sale —activity ..... 5.0      8.7 —average duty .. 15.0      30.4 Motor Vehicles —activity ..... 6.0      6.0 —average duty .. 9.0      16.3
Stamp Duty on documents relating to financing transactions of Public Sector Authorities	—	19 566	19 566	—	• Relates to borrowings entered into by SAFA. This item is offset by a payment under Treasury Department.
<b>Business Franchises</b>					
—Gas	4 012	4 030	18	0.4	
—Liquor—Publicans and other licences	31 000	30 666	-334	-1.1	• Receipts in respect of quarterly instalments due on or before 1 July 1985 were lower than expected.
—Petroleum	43 500	48 487	4 987	11.5	• Due to increase in sales of petroleum products above budget and a dramatic reduction in outstanding tax payments from \$3.6 m at 30 June 1984 to \$0.4 m at 30 June 1985.
—Tobacco	38 500	38 507	7	—	
Fees for regulatory services	6 238	6 868	630	10.1	• Nurses Board fees and expenses brought in through the Budget. Originally expected the Board would retain its fees and meet its expenses (\$427 000).

**TABLE 1**  
**1984-85 RECEIPTS—VARIATIONS FROM BUDGET—continued**

	1984-85				Comments on variation between Budget and Actual
	Budget \$000's	Actual \$000's	Variation on \$000's	Budget %	
<b>Statutory Corporation Contributions:</b>					
—Electricity Trust of South Australia—levy on sales . . . . .	24 600	25 655	1 055	4.3	<ul style="list-style-type: none"> <li>• Increase in building activity resulted in higher than expected revenues from construction notification fees (\$394 000).</li> <li>• Increase in fees, above budget, from fauna permits and Clean Air regulations (\$183 000).</li> <li>• Department of Public and Consumer Affairs fee increases in line with inflation were anticipated in the budget estimate. No increases have been made (—\$499 000).</li> </ul>
—State Bank of South Australia—payment in lieu of income tax . . . . .	7 204	7 353	149	2.1	<ul style="list-style-type: none"> <li>• Reflects impact of tariff increases on 1 November 1984.</li> </ul>
<b>Total Taxation</b>	<b>766 845</b>	<b>813 523</b>	<b>46 678</b>	<b>6.1</b>	
<b>Public Undertakings</b>					
Marine and Harbors . . . . .	34 000	37 121	3 121	9.2	<ul style="list-style-type: none"> <li>• Due largely to above average grain harvest and greater than expected throughput at Port Bonython.</li> </ul>
Waterworks and Sewers (includes Irrigation) . . . . .	197 200	203 761	6 561	3.3	<ul style="list-style-type: none"> <li>• Largely reflects increase in revenues due to higher than expected additional water usage.</li> </ul>
<b>Total Public Undertakings</b>	<b>231 200</b>	<b>240 882</b>	<b>9 682</b>	<b>4.2</b>	
<b>Recoveries of Debt Services</b>					
Interest on investments . . . . .	13 000	14 179	1 179	9.1	<ul style="list-style-type: none"> <li>• The level of funds available and interest earned were both higher than originally anticipated.</li> </ul>
Sinking Fund . . . . .	11 349	10 105	—1 244	—11.0	<ul style="list-style-type: none"> <li>• Decision taken to fund replacement vehicles for 'Government Car Pool' from income on hire of vehicles rather than from further capital advances (—\$616 000).</li> <li>• Reflects the decision to recall any repayments from Woods and Forests Department to the capital budget (—\$598 000).</li> </ul>
Other Interest . . . . .	101 392	62 779	—38 613	—38.1	<ul style="list-style-type: none"> <li>• The contribution to Consolidated Account by SAFA is reflected under Treasurer—Miscellaneous (—\$39.3 m).</li> <li>• Interest on SAFA overdraft with Government (\$6.7 m).</li> <li>• Interest from revised debt servicing arrangements for State financial institutions, offset by a reduction in payments by Treasury Department (—\$1.4 m).</li> <li>• State Government loans to 'old' State Bank for general purposes, converted to equity in 'new' State Bank (—\$5.2 m).</li> <li>• Interest on State Government loans to the Local Government Financing Authority advanced earlier than originally expected (\$758 000).</li> </ul>
<b>Total Recoveries of Debt Services</b>	<b>125 741</b>	<b>87 063</b>	<b>—38 678</b>	<b>—30.8</b>	
<b>Other Departmental Fees and Recoveries</b>					
Treasurer					
Miscellaneous . . . . .	42 322	62 292	19 970	47.2	<ul style="list-style-type: none"> <li>• The contribution to Consolidated Account by SAFA was budgeted under Recoveries of Debt Services but actually credited to Treasurer—Miscellaneous (\$39.3 m).</li> <li>• The estimate included recoveries of State funds previously advanced for welfare housing and repaid by the S.A. Housing Trust and State Bank in respect of 1983-84 and 1984-85. Recoveries in relation to 1983-84 were recouped to Consolidated Account during the year. The amount in respect of 1984-85 (\$18.6 m) was held in the Treasury Department Working Account pending a decision as to allocation to either the Advances to Housing Account or Consolidated Account.</li> </ul>
Minister of Emergency Services					
Police Department . . . . .	15 240	7 289	—7 951	—52.2	<ul style="list-style-type: none"> <li>• Regulation specifying the amount to be recouped from the Highways Fund for the cost of police traffic services in 1984-85 will now be made in 1985-86 (—\$7.7 m).</li> <li>• Traffic Infringement Notice Scheme (—\$423 000).</li> <li>• Reimbursements for police services greater than anticipated (\$172 000).</li> </ul>

**TABLE 1**  
**1984-85 RECEIPTS—VARIATIONS FROM BUDGET—continued**

	1984-85				Comments on variation between Budget and Actual
	Budget \$000's	Actual \$000's	Variation on \$000's	Budget %	
Attorney-General					
Courts Department .....	10 735	11 069	334	3.1	• Reflects general increase in the level of fines imposed at the discretion of the judiciary under subordinate jurisdiction.
Minister of Corporate Affairs					
Department of the Corporate Affairs Commission .....	7 394	7 913	519	7.0	• Reflects higher than anticipated level of new company registrations brought about by greater than expected improvement in the State's general economy.
Minister of Lands, Minister of Forests and Minister of Repatriation					
Department of Lands .....	12 432	15 018	2 586	20.8	• Reflects boom in real estate activity.
Department of Services and Supply .....	6 840	6 225	-615	-9.0	• Reflects shortfall against budget in revenues from cross-charges for forensic, chemistry and supply services.
Minister of Housing and Construction and Minister of Public Works					
Miscellaneous .....	10	404	394	—	• Due to recovery of surpluses on accommodation cross-charges.
Minister of Agriculture					
Miscellaneous .....	12 398	13 978	1 580	12.7	• Reflects increase in level of repayments of loans, made under the Natural Disasters arrangements, above original expectation.
Other .....	30 259	29 636	-623	-2.1	
<b>Total Other Departmental Fees and Recoveries</b>	<b>137 630</b>	<b>153 824</b>	<b>16 194</b>	<b>11.8</b>	
<b>Territorial</b>					
Minister of Lands, Minister of Forests and Minister of Repatriation					
Department of Lands .....	1 833	1 829	-4	-0.2	
Minister of Mines and Energy					
Department of Mines and Energy —Royalties .....	30 663	26 802	-3 861	-12.6	• Reflects shortfall against budget in royalties from petroleum products due to delays in sales brought about by technical problems encountered in the transport and production of those products.
—Other .....	1 521	1 855	334	22.0	• Revenues from exploration licences and annual rentals for the rights to mine were higher than expected.
<b>Total Territorial</b>	<b>34 017</b>	<b>30 486</b>	<b>-3 531</b>	<b>-10.4</b>	
<b>Commonwealth</b>					
(a)—Specific Purpose Funds					
Minister of Education, Minister for Technology, Minister of Employment and Minister Assisting the Minister of State Development					
Primary and Secondary Education .....	44 900	48 649	3 749	8.3	• Reflects increased funds for specific purpose Schools Commission programs (\$2.7 m) and cost supplementation (\$1.0 m).
Technical and Further Education .....	17 060	18 268	1 208	7.1	• Reflects greater than estimated Technical and Further Education Commission grant, funding for Adult Migrant Education Program, and new moneys under the 'Skills in Demand' program for child care training.
Minister for Community Welfare and Minister of Aboriginal Affairs					
—Child Care Services .....	2 902	4 980	2 078	71.6	• Expanded funding under the Family Day Care Scheme.
—Senior Citizens' Centres .....	1 069	567	-502	-47.0	• Reflects timing of expenditures under the program.
—Supported Accommodation and Assistance Program .....	—	1 018	1 018	—	• New Commonwealth-State scheme involving increased funding for accommodation assistance to the community.
Minister of Agriculture					
Bovine Brucellosis & Tuberculosis Eradication .....	2 767	2 354	-413	-14.9	• Requirement for expenditures, in particular compensation payments for diseased animals lower than expected.
Other .....	53 960	54 396	436	0.8	
<b>Total Specific Purpose Funds</b>	<b>122 658</b>	<b>130 232</b>	<b>7 574</b>	<b>6.2</b>	

**TABLE 1**  
**1984-85 RECEIPTS—VARIATIONS FROM BUDGET—continued**

	1984-85				Comments on variation between Budget and Actual
	Budget \$000's	Actual \$000's	Variation on \$000's	Budget %	
<b>(b)—General Purpose Funds</b>					
Payment pursuant to Financial Agreement .....	1 408	1 408	—	—	
Health Grant .....	182 241	182 239	—2	—	
Tax sharing entitlement .....	997 100	1 000 280	3 180	0.3	• The entitlement for 1984-85 was related to the CPI for Adelaide and the increase in this index between the twelve months ended March 1984 and the twelve months ended March 1985 was slightly higher than estimated.
<b>Total General Purpose Funds</b>	<b>1 180 749</b>	<b>1 183 927</b>	<b>3 178</b>	<b>0.3</b>	
<b>Total Commonwealth</b>	<b>1 303 407</b>	<b>1 314 159</b>	<b>10 752</b>	<b>0.8</b>	
<b>Total Recurrent Receipts</b>	<b>2 598 840</b>	<b>2 639 937</b>	<b>41 097</b>	<b>1.6</b>	

TABLE 2  
RECURRENT PAYMENTS 1984-85

Agency	Budget 1984-85 \$000's	Actual 1984-85 \$000's	Variation \$000's	Wage and Salary Increases \$000's	Price Increases Beyond Provision in Agency Budget \$000's	Vari- ations Offset by Increased Common- wealth and Other Receipts \$000's	Other Variations \$000's	Explanation of Variation
								Main Elements of 'Other Variations'
Special Acts .....	364 891	374 720	9 829	340	—	—	9 489	<ul style="list-style-type: none"> <li>• South Australian Superannuation Fund-Pursuant to Superannuation Act-Payments lower than expected (-\$812 000).</li> <li>• Transfer to Highways Fund-Pursuant to Highways Act and Business Franchise (Petroleum Products) Act was higher due to a revision in accounting arrangements, increased payments in the Highways Department and the Motor Registration Division of the Department of Transport, and lower than expected revenues (\$16.4 m).</li> <li>• Interest on Bonds, Bills and Stock Pursuant to Public Finance Act (-\$5.9 m).</li> <li>• Contribution to National Debt Sinking Fund-Pursuant to Financial Agreement Act and Public Finance Act (-\$1.2 m).</li> </ul>
Legislative Council .....	461	457	-4	4	—	—	-8	
House of Assembly .....	957	966	9	6	—	—	3	
Parliamentary Library .....	313	333	20	6	—	—	14	
Joint House Committee .....	529	571	42	13	—	—	29	
Electoral Department .....	806	850	44	2	—	—	42	
Parliamentary Standing Com- mittee on Public Works .....	65	75	10	—	—	—	10	
Legislature Miscellaneous .....	3 382	3 254	-128	—	—	—	-128	
State Governor's Establishment .....	450	466	16	13	—	—	3	
Premier and Cabinet .....	7 528	6 468	-1 060	26	—	—	-1 086	<ul style="list-style-type: none"> <li>• Grants to organisations for the Jubilee 150 celebrations were lower than anticipated (-\$1.1 m).</li> </ul>
Public Service Board .....	6 144	6 076	-68	26	—	—	-94	
Premier Miscellaneous .....	708	1 099	391	—	—	—	391	<ul style="list-style-type: none"> <li>• Mainly reflects an advance for the Australian Formula 1 Grand Prix (\$500 000).</li> </ul>
Treasury .....	91 862	111 107	19 245	30	—	19 566	-351	<ul style="list-style-type: none"> <li>• Debt servicing costs payable to SAFA and other Statutory Authorities (-\$3.9 m).</li> <li>• Expenses of conversion and public loans (\$2.5 m); \$2.9 m increase in debt to cover discounts on, and indexation of, loans offset by \$400 000 savings on expenses associated with loans.</li> <li>• Interest on Trust Funds and other moneys (\$629 000).</li> <li>• Refunds and remissions (\$371 000).</li> </ul>

TABLE 2  
RECURRENT PAYMENTS 1984-85—continued

Agency	Budget 1984-85 \$000's	Actual 1984-85 \$000's	Variation \$000's	Wage and Salary Increases \$000's	Price Increases Beyond Provision in Agency Budget \$000's	Variations Offset by Increased Common- wealth and Other Receipts \$000's	Other Variations \$000's	Explanation of Variation
								Main Elements of 'Other Variations'
Treasurer Miscellaneous . . . . .	47 620	56 517	8 897	—	—	—	8 897	<ul style="list-style-type: none"> <li>• Automatic Data Processing-Operation, maintenance and development of systems (\$341 000).</li> <li>• Other minor variations (—\$292 000).</li> <li>• Reimbursement to the State Bank of S.A. for interest and expenses of administration on loans under various Acts (—\$1.5 m).</li> <li>• Contribution to ETSA—Special Rebate (\$11 m).</li> <li>• Contribution to ETSA—for subsidies in country areas (—\$199 000).</li> <li>• Insurance of cash, motor vehicles etc. and transfer to Government Insurance Fund for the payment of claims in respect of government buildings etc. (—\$171 000).</li> <li>• Contribution to Commonwealth pursuant to Housing Agreements between State and Commonwealth Governments (—\$167 000).</li> </ul>
State Development . . . . .	14 639	13 294	—1 345	12	—	—	—1 357	<ul style="list-style-type: none"> <li>• Lower claims than expected under the Pay-roll Tax and Land Tax Rebate for Decentralised Industry Scheme (—\$466 000).</li> <li>• Lower claims than expected under other industry incentive schemes (—\$801 000).</li> </ul>
State Development Miscellaneous . . . . .	5 675	4 091	—1 584	—	—	—	—1 584	<ul style="list-style-type: none"> <li>• Reflects a deferral of restructuring the Riverland Cannery to July 1985 together with an absence of operating losses in 1984-85 (—\$1.6 m).</li> </ul>
Arts . . . . .	5 645	5 687	42	18	—	—	24	
Arts Miscellaneous . . . . .	20 355	20 892	537	2	—	—	535	<ul style="list-style-type: none"> <li>• Reflects mainly the provision of an operating grant to the S.A. Film Corporation (\$550 000) and an increased deficit of the Adelaide Festival Centre Trust (\$140 000), offset by savings in debt servicing charges for various bodies (—\$221 000).</li> </ul>
Environment and Planning . . . . .	22 572	22 796	224	130	—	—	94	<ul style="list-style-type: none"> <li>• Several fires in 1984-85 resulted in operating costs and overtime paid to departmental officers being in excess of the amount provided in the departmental allocation (\$420 000).</li> <li>• Transfer to Planning and Development Fund was lower than anticipated due to higher than expected contributions from private developers and strata title fees (—\$210 000).</li> <li>• Port Pirie Lead Program was transferred to the Health Commission (—\$395 000).</li> </ul>

TABLE 2  
RECURRENT PAYMENTS 1984-85—continued

Agency	Budget 1984-85 \$000's	Actual 1984-85 \$000's	Variation \$000's	Wage and Salary Increases \$000's	Price Increases Beyond Provision in Agency Budget \$000's	Variations Offset by Increased Common- wealth and Other Receipts \$000's	Other Variations \$000's	Main Elements of 'Other Variations'
Environment and Planning								<ul style="list-style-type: none"> <li>• Seven weekly paid employees were transferred from Engineering and Water Supply to the National Parks and Wildlife Service (\$103 000).</li> <li>• Other minor over-expenditures (\$176 000).</li> </ul>
Miscellaneous .....	508	502	-6	—	—	—	-6	
Auditor-General .....	2 836	2 758	-78	14	—	—	-92	
Police .....	118 774	119 942	1 168	467	—	—	701	<ul style="list-style-type: none"> <li>• Increased costs incurred during the Roxby Downs protest (\$919 000).</li> <li>• Salary increments for Police Officers (\$499 000).</li> <li>• Salary savings due to increases in workers' compensation payments met by Government Insurance Fund (-\$240 000).</li> <li>• The Government contribution under the Police Pensions Act was lower than expected (-\$471 000).</li> </ul>
Emergency Services								
Miscellaneous .....	6 643	6 643	0	—	—	—	0	
Attorney-General .....	7 785	8 357	572	76	—	—	496	<ul style="list-style-type: none"> <li>• Additional expenditure arising from compensation for injuries resulting from criminal acts (\$371 000).</li> <li>• Terminal leave payments exceeding budget estimate (\$73 000).</li> </ul>
Courts .....	18 936	19 219	283	192	—	—	91	
Attorney-General								
Miscellaneous .....	783	1 095	312	—	—	—	312	<ul style="list-style-type: none"> <li>• Ex-gratia payment to Mr. and Mrs. E. C. Splatt (\$300 000).</li> </ul>
Public and Consumer Affairs ..	13 334	13 065	-269	91	—	-65	-295	<ul style="list-style-type: none"> <li>• The variation was principally due to staffing vacancies in the Department (in particular the Casino Inspectorate) which will now be filled early in 1985-86.</li> </ul>
Corporate Affairs								
Commission .....	3 487	3 510	23	13	—	—	10	
Lands .....	27 479	27 740	261	132	—	—	129	<ul style="list-style-type: none"> <li>• Sundry minor variations.</li> </ul>
Services and Supply .....	9 672	9 737	65	42	—	—	23	
Lands Miscellaneous .....	852	940	88	—	—	—	88	
Marine and Harbors .....	21 359	22 215	856	68	—	—	788	<ul style="list-style-type: none"> <li>• Increase in maintenance dredging and civil works offset by savings on Capital (\$404 000).</li> <li>• Overseas travel and hosting of Japanese visitors not anticipated (\$121 000).</li> <li>• Additional cost associated with loading grain (\$70 000).</li> <li>• Terminal leave payments greater than anticipated (\$134 000).</li> </ul>



TABLE 2  
RECURRENT PAYMENTS 1984-85—continued

Agency	Budget 1984-85 \$000's	Actual 1984-85 \$000's	Variation \$000's	Wage and Salary Increases \$000's	Price Increases Beyond Provision in Agency Budget \$000's	Variations Offset by Increased Common- wealth and Other Receipts \$000's	Other Variations \$000's	Explanation of Variation
								Main Elements of 'Other Variations'
Marine Miscellaneous . . . . .	1 420	1 518	98	—	—	—	98	<ul style="list-style-type: none"> <li>• Repayment to Electrolytic Zinc Co. for overpayment of wharfage not anticipated (\$64 000).</li> <li>• Cost of writing off preliminary investigations (\$103 000) and other minor variations.</li> </ul>
Health Miscellaneous: —S.A. Health Commission . . . . .	486 870	496 978	10 108	20 416	—	1 552	—11 860	<ul style="list-style-type: none"> <li>• Increased cost of terminal leave payments (\$1.2 m).</li> <li>• Deferred workers' compensation premium (—\$1.6 m).</li> <li>• Lower than expected superannuation costs (—\$427 000).</li> <li>• Increased revenue collections (—\$6.9 m).</li> <li>• Cost of operating Magill Home after transfer from Department for Community Welfare (\$1.1 m).</li> <li>• Transfer of Port Pirie Lead Program funding to new Health Miscellaneous line (—\$341 000).</li> <li>• Increased compensation received under the Medicare Agreement and other increased funding for Commonwealth Programs (—\$5.7 m).</li> <li>• Planned savings from 1984-85 new initiative funding (—\$1.7 m).</li> <li>• Increase in opening balance of cash on hand (\$3 m).</li> <li>• Sundry other variations (—\$492 000).</li> <li>• Port Pirie Lead Program largely offset by savings in Health Commission, Environment and Planning, Education and Community Welfare Departments (\$1.3 m).</li> <li>• Savings from abolition of subsidies to Private Nursing Homes etc (—\$239 000).</li> </ul>
—Other lines . . . . .	1 110	2 613	1 503	—	—	380	1 123	
Education . . . . .	577 811	583 660	5 849	3 454	—	1 852	543	<ul style="list-style-type: none"> <li>• Comprises mainly costs associated with the upgrading of departmental computer accounting systems (\$250 000) and the settlement of accident claims in excess of Budget allocation (\$330 000).</li> </ul>
Technical and Further Education . . . . .	85 118	85 718	600	601	—	—	—1	
Office of the Ministry of Technology . . . . .	810	850	40	3	—	—	37	
Education Miscellaneous . . . . .	62 357	63 271	914	250	—	—	664	<ul style="list-style-type: none"> <li>• State commitments towards funding 50 places at the S.A. College of Advanced Education for Nurse Education (\$142 000).</li> <li>• Cost of salary increments paid to Kindergarten Union staff and employees of the Education Department Child/Parent centres (\$182 000).</li> <li>• Other minor variations (\$340 000).</li> </ul>
Transport . . . . .	25 518	26 049	531	196	20	—	315	<ul style="list-style-type: none"> <li>• New positions for various Road Safety initiatives (\$75 000).</li> <li>• Motor Registration Division on-line computer project consultant fees (\$40 000).</li> </ul>

**TABLE 2**  
**RECURRENT PAYMENTS 1984-85—continued**

Agency	Budget 1984-85 \$000's	Actual 1984-85 \$000's	Variation \$000's	Wage and Salary Increases \$000's	Price Increases Beyond Provision in Agency Budget \$000's	Variations Offset by Increased Common- wealth and Other Receipts \$000's	Other Variations \$000's	Explanation of Variation
								Main Elements of 'Other Variations'
Highways .....	34 282	14 486	-19 796	286	—	—	-20 082	<ul style="list-style-type: none"> <li>● Increased administrative costs in the Motor Registration Division due to increased activity (\$300 000).</li> <li>● Delays in purchase of equipment and plant (-\$93 000).</li> <li>● Mainly due to a change in accounting for Commonwealth funded projects (-\$20.6 m) and other minor variations (\$531 000) offset by increased payments under Special Acts with no impact on the Consolidated Account.</li> </ul>
Transport Miscellaneous: —State Transport Authority	74 900	77 489	2 589	2 183	89	—	317	<ul style="list-style-type: none"> <li>● Cost of relocation (\$1 m) offset by increased revenue from greater than anticipated interest and from rent received for the Railway Building.</li> </ul>
Mines and Energy .....	15 449	15 038	-411	49	—	—	-460	<ul style="list-style-type: none"> <li>● Drilling and engineering expenditure was lower than expected principally due to higher than anticipated demand for the reimbursed services of the department (-\$236 000).</li> <li>● Oilfields (Exploration and Development) savings due to delays in engaging contract engineers early in the financial year, and deferment of initial computer software purchase to 1985-86 (-\$337 000).</li> </ul>
Mines and Energy Miscellaneous .....	793	851	58	1	—	—	57	
Community Welfare .....	39 326	40 045	719	1 645	—	—	-926	<ul style="list-style-type: none"> <li>● Savings in Children's payments (-\$350 000).</li> <li>● Terminal leave payments (\$200 000).</li> <li>● Emergency financial assistance (\$60 000).</li> <li>● Transfer of Magill Home to Health Commission from 1 February, 1985 (-\$1.1 m).</li> <li>● Other minor variations (\$264 000).</li> </ul>
Aboriginal Affairs .....	494	473	-21	1	—	—	-22	
Community Welfare Miscellaneous .....	39 657	42 186	2 529	17	—	2 378	134	<ul style="list-style-type: none"> <li>● Increased payments for Local Government concessions offset, in part, by other minor savings.</li> </ul>
Engineering and Water Supply	110 002	111 621	1 619	394	—	—	1 225	<ul style="list-style-type: none"> <li>● Mainly reflects greater amount of electricity used for pumping than anticipated due to drier than normal year (\$1.4 m).</li> </ul>
Water Resources Miscellaneous .....	1 581	1 641	60	3	—	—	57	
Recreation and Sport .....	4 568	4 315	-253	10	—	-270	7	
Housing and Construction ...	41 571	42 833	1 262	120	—	—	1 142	<ul style="list-style-type: none"> <li>● Cost of writing-off working account balances (\$360 000).</li> <li>● Cost of losses resulting from 'Fair Market Price' agreements (\$530 000).</li> <li>● Over expenditure on maintenance to deal with high level of breakdowns (\$1.5 m).</li> </ul>

TABLE 2  
RECURRENT PAYMENTS 1984-85—continued

Agency	Budget 1984-85 \$000's	Actual 1984-85 \$000's	Variation \$000's	Wage and Salary Increases \$000's	Price Increases Beyond Provision in Agency Budget \$000's	Variations Offset by Increased Common- wealth and Other Receipts \$000's	Other Variations \$000's	Explanation of Variation
								Main Elements of 'Other Variations'
Housing and Construction and Public Works Miscellaneous	1 076	1 091	15	—	—	—	15	• Payments for salaries and other operating activities less than anticipated and other variations (—\$1.2 m).
Labour .....	46 542	48 784	2 242	165	—	—	2 077	• Reflects a temporary transfer of \$2 m to the Government Insurance Fund due to an increase in workers' compensation costs.
Agriculture .....	33 776	35 006	1 230	334	—	—413	1 309	• Plague locust control program (\$577 000). • Fruit fly outbreaks (\$362 000). • Conversion of computer accounting system (\$196 000). • Increased analysis performed by Chemistry Division (\$141 000).
Agriculture Miscellaneous .....	6 226	7 038	812	9	—	—	803	• Payment of a subsidy to the Barley Board for barley purchased and bagged in S.A. (\$905 000) offset by other minor variations.
Fisheries .....	3 918	3 959	41	53	—	80	—92	
Fisheries Miscellaneous .....	98	94	—4	—	—	—	—4	
Correctional Services .....	24 796	26 016	1 220	740	—	—	480	• Delays in the completion of Yatala Labour Prison capital works required manning of towers beyond budgeted expectations (\$211 000). • Higher prisoner numbers and other minor variations (\$269 000).
Correctional Services Miscellaneous .....	323	310	—13	5	—	—	—18	
Tourism .....	7 400	7 626	226	19	—	—	207	• Advance of 1985-86 tourism marketing funds (\$256 000).
Local Government .....	9 338	9 606	268	251	—	—	17	
Local Government Miscellaneous .....	9 660	9 633	—27	55	—	—	—82	• Comprises mainly a grant of \$224 000 to the Outback Areas Community Development Trust, offset by savings on debt servicing costs.
Sub-Total .....	2 573 840	2 626 240	52 400	32 983	109	25 060	—5 752	
Allowance for increased wage and salary rates and other contingencies .....	50 000	—*	—50 000					
TOTAL .....	2 623 840	2 626 240	2 400					

\* Actual payments are included in figures for departments concerned.

**TABLE 3**  
**CAPITAL RECEIPTS 1984-85**  
**VARIATIONS FROM BUDGET**

Agency	Budget	Actual	Variation	Main Explanation for Variation
	\$'000	\$'000	\$'000	
<b>Repayments from State Sources</b>				
Premier and Cabinet .....	320	—	-320	Repayment of advances to Special Projects Unit deferred until 1985-86
Environment and Planning .....	300	1 032	732	Additional receipts from property sales
Police .....	4 050	3 430	-620	Lower receipts from the sale of motor vehicles
Lands .....	690	1 284	594	Additional receipts from the sale of Crown lands
Services and Supply .....	1 980	1 407	-573	Lower receipts from the sale of motor vehicles
Marine and Harbors .....	1 170	833	-337	Land sales lower than anticipated
S.A. Health Commission .....	—	384	384	Sale of property
Engineering and Water Supply .....	9 100	9 657	557	Increased receipts from water service and sewer connection fees
Housing and Construction .....	11 220	9 899	-1 321	Reduced repayment of working capital
All Others .....	2 370	2 413	43	
	<u>31 200</u>	<u>30 339</u>	<u>-861</u>	
<b>Receipts from the Commonwealth for Specific Purposes</b>				
Engineering and Water Supply—				
River Torrens Works .....	1 000	722	-278	Receipts less than expected
Waterworks, Sewers and Irrigation .....	13 700	15 160	1 460	Increased provision by Commonwealth
Recreation and Sport .....	2 850	2 093	-757	Slower progress than anticipated on Aquatic Centre
Housing and Construction—				
Primary and Secondary Schools .....	13 900	14 255	355	Additional funds for Aboriginal schools projects
Technical and Further Education Buildings .....	14 400	12 250	-2 150	Expenditure on building projects less than expected
All Others .....	1 300	1 211	-89	
	<u>47 150</u>	<u>45 691</u>	<u>-1 459</u>	

**TABLE 4**  
**CAPITAL PAYMENTS 1984-85**  
**VARIATIONS FROM BUDGET**

Agency	Voted	Actual	Variation	Main Explanation for Variation
	\$'000	\$'000	\$'000	
Premier and Cabinet .....	600	1 670	1 070	Contribution to 'South Australia' yacht syndicate
State Development .....	3 000	144	-2 856	Progress on Lincoln Cove project slower than expected
Environment and Planning .....	6 440	8 447	2 007	Purchase of surplus State Transport Authority property at Henley and Grange
Lands .....	3 600	12 350	8 750	Property acquisition as part of parklands resumption program
Services and Supply .....	6 050	4 442	-1 608	Re-arrangement of funding for Government Car Pool motor vehicle purchases
Marine and Harbors .....	12 100	7 097	-5 003	Delay in ordering second container crane
S.A.H.C. ....	18 450	16 300	-2 150	Delays in implementation of works program
Education .....	4 160	1 152	-3 008	Contractual arrangements for school bus purchases revised
Highways .....	2 900	5 150	2 250	Additional expenditure for Jubilee 150 Roads Program
State Transport Authority .....	19 000	17 000	-2 000	Reduced funding requirement following sale of Henley and Grange property
Mines and Energy .....	3 515	585	-2 930	Work on Roxby Downs infrastructure did not proceed as expected
Engineering and Water Supply .....	66 730	69 397	2 667	Additional works approved during year
Office of Housing .....	146 400	156 400	10 000	Transfer to Advances for Housing Account.
Housing and Construction—				
Education Department Buildings .....	20 000	21 975	1 975	Increases in building costs
Technical and Further Education Buildings .....	21 000	20 057	-943	Delays in ordering equipment for major projects
Other Government Buildings .....	42 380	36 866	-5 514	Slippage in works program, particularly for Correctional Services
Local Government .....	3 200	1 604	-1 596	Progress on effluent drainage projects slower than anticipated
All Others .....	35 295	33 865	-1 430	
	<u>414 820</u>	<u>414 501</u>	<u>-319</u>	

**TABLE 5**  
**AVERAGE EMPLOYMENT 1984-85**

Department	Budget	Outcome	Outcome by Category of Employment			
			Public Service Act	Weekly Paid	Other	Major Non-Public Service Act
Electoral	16.4	15.8	13.8	—	2.0	—
Premier and Cabinet	136.1	135.2	108.6	1.9	24.7	—
Public Service Board	187.1	186.7	180.6	—	6.1	—
Treasury	259.5	260.9	260.9	—	—	—
State Development	64.0	57.9	55.7	0.6	1.6	—
Arts	167.4	165.0	117.4	44.4	3.2	—
Environment and Planning	728.5	729.1	468.1	208.4	52.6	—
Auditor-General	90.0	84.5	83.5	—	1.0	—
Police	3 837.7	3 827.4	396.8	75.8	3.4	3 351.4
Attorney-General	182.5	185.0	175.5	—	9.5	—
Courts	547.2	559.6	405.4	10.5	143.7	—
Public and Consumer Affairs	433.3	421.6	414.7	4.2	2.7	—
Corporate Affairs	96.0	97.4	97.0	—	0.4	—
Lands	923.5	927.5	898.8	25.3	3.4	—
Services and Supply	791.0	813.7	596.5	194.2	23.0	—
Woods and Forests	1 467.0	1 483.9	254.1	1 229.8	—	—
Marine and Harbors	796.5	792.6	271.9	518.6	2.1	—
Education	18 172.9	18 138.3	869.5	—	2 453.6(a)	14 815.2
TAFE	2 385.2	2 380.1	505.1	436.8	—	1 438.2
Ministry of Technology	16.6	18.9	17.8	—	1.1	—
Transport	501.0	503.7	485.6	5.8	12.3	—
Highways	2 756.0	2 776.3	964.0	1 728.0	84.3	—
Mines and Energy	423.0	415.9	294.3	117.6	4.0	—
Community Welfare	1 331.8	1 292.6(b)	1 143.2	119.8	29.6	—
E. & W.S.	4 855.0	4 823.4	1 567.9	3 225.6	29.9	—
Recreation and Sport	62.6	60.9	57.8	2.5	0.6	—
Housing and Construction	2 202.0	2 191.1	854.7	1 276.5	59.9	—
Labour	372.0	368.6	331.0	17.6	20.0	—
Agriculture	1 089.6	1 093.0	868.3	222.7	2.0	—
Fisheries	97.3	98.8	96.9	1.9	—	—
Correctional Services	773.7	765.7	750.1	7.6	8.0	—
Tourism	119.9	115.4	111.4	2.0	2.0	—
Local Government	354.0	357.1	277.7	76.3	3.1	—
<b>TOTALS</b>	<b>46 236.3</b>	<b>46 143.6</b>	<b>13 994.6</b>	<b>9 554.4</b>	<b>2 989.8</b>	<b>19 604.8</b>

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

Average employment is the sum of actual employment levels at regular time intervals (months) divided by the number of intervals (12 months in this instance).

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

(a) Includes weekly paid employees and school assistants.

(b) Reflects transfer of Magill Home to the Health Commission during 1984-85 (Budget should be reduced by 56.5 F.T.E.S. to compare with the outcome).

## ATTACHMENT III

## THE 1985-86 BUDGET

It is planned to achieve a balanced result on Consolidated Account in 1985-86, including a balance on recurrent operations.

## RECURRENT ACTIVITIES

The planned balance on recurrent operations represents a very substantial reduction on the planned deficit in 1984-85 of \$25 million consistent with the Government's long term financial objectives.

The other key features of the planning of recurrent activities are:—

- substantial taxation concessions, as recently announced, amounting to \$27.5 million in 1985-86 (beyond the \$11 million special rebate to the Electricity Trust of South Australia made in 1984-85 in respect of future rate levels), and \$30 million in a full year;
- strong restraint in Government fees and charges, including water, sewerage and electricity rates, motor charges and bus fares such that substantial real reductions will occur;
- increased Government expenditures aimed primarily at furthering economic development, providing job opportunities in the State and meeting priority requirements for improved and expanded social and other services such as in health, education and community welfare.

The economic growth which the State has enjoyed in the recent period is expected to continue. This Budget seeks to further underwrite that growth while ensuring that the community generally shares in its benefits.

## RECURRENT RECEIPTS

It is estimated that recurrent receipts will increase 12.4 per cent from \$2 639.9 million in 1984-85 to \$2 967.5 million in 1985-86.

However, after taking account of revised accounting arrangements as explained in Attachment I that increase is expected to be 9.3 per cent.

These figures reflect:—

- the extensive tax concession package, introduced to Parliament earlier this month, which has a cost to revenues of \$27.5 million in 1985-86 and \$30 million in a full year;
- restraint in increases in Government fees and charges below the rate of growth in the Consumer Price Index— in many cases there is no increase planned at all;
- the impact of continued growth in the regional economy, particularly in the real estate/housing market and in employment;
- a further substantial increase in royalties from the Cooper Basin, and
- significant contributions from the State's financial institutions.

## Taxation

The estimated receipts for land tax in 1985-86 of \$38 million take into account the recently announced tax concessions. The strong growth in real estate values which occurred in 1984-85 would have had a very substantial impact on these collections in 1985-86 through the revaluation of properties. The concessions introduced by the Government will greatly moderate that effect, saving taxpayers about \$8 million in 1985-86.

The new Casino is expected to open to the public in December, 1985 and the contribution from its operations

in 1985-86 is estimated at \$4 million, although the uncertainty attached to this estimate should be noted.

The transfer from the Hospitals Fund is expected to be \$43.5 million in 1985-86, an increase of \$3.5 million on the 1984-85 transfer. This growth is due to the expected increase in contributions from the Lotteries Commission and Totalizer Agency Board.

Revenues from motor registration fees, drivers' licences and sundry motor charges are expected to be \$70 million in 1985-86 compared with actual receipts of \$63.3 million in 1984-85. This increase mainly reflects:—

- a carryover into 1985-86 of fee increases introduced in October, 1984;
- the continued growth in the number of new and six monthly registrations, and
- the effect of the three year cyclical billing for licences.

Revenues from payroll tax are expected to be \$262 million in 1985-86. The estimate reflects:—

- the proposed extension of the existing taper zone;
- a continued growth in employment;
- the impact of anticipated national wage increases in October, 1985 and April, 1986, and
- the cost of increasing the general exemption to \$250 000 from 1 July, 1985.

The estimated growth in revenues from FID of \$2.2 million from \$28.8 million in 1984-85 to \$31 million in 1985-86 largely reflects the impact of inflation.

Stamp duty receipts are expected to be \$227.5 million in 1985-86, an increase of \$19.9 million on 1984-85 revenues.

The estimate reflects:—

- the impact of the tax concessions;
- levels of activity in the real estate market and in motor vehicle sales commensurate with the high levels experienced in 1984-85, and
- the impact of inflation on stamp duties.

Liquor licensing fees are estimated to bring in \$31.1 million in 1985-86 compared with \$30.7 million in 1984-85. The estimate for 1985-86 takes in to account—

- the recently announced tax concession applying from 1 January, 1986, and
- the new Licensing Act introduced last financial year which formalised the reduction in licence fees from 12 per cent to 11 per cent and the abolition of fees for low alcohol content beverages.

The Estimates of Payments include provision for appropriate rebates associated with achieving price reductions from the date of the announcement (prior to the commencement of the new licensing year).

The following table depicts the net tax collections to the Government after taking account of the Government assistance necessary to comply with the tax rate of 12 per cent (and 2 per cent for low alcohol content beverages) under the former legislation.

	\$ million	
	1984-85	1985-86
Gross tax collections .....	30.7	31.1
Less—Government assistance .....	2.6	1.1
Net tax collections .....	28.1	30.0

Revenues of \$46 million expected under the Business Franchise (Petroleum Products) Act represents a reduction of \$2.5 million on the 1984-85 collections of \$48.5 million.

That net reduction has two main elements, the first being a dramatic reduction in outstanding tax payments during 1984-85 from \$3.6 million as at 30 June, 1984 to \$0.4 million as at 30 June, 1985. The second is the estimated growth in petroleum product sales of 2 per cent in 1985-86 compared with 1984-85.

The estimated receipts from tobacco licences for 1985-86 are \$40 million. This compares with \$38.5 million for 1984-

85. The estimate reflects the impact of inflation on the wholesale prices of tobacco products which form the base for calculating licence fees.

#### Statutory Corporation Contributions

It is expected that the contribution from ETSA will be \$28.5 million in 1985-86 compared with \$25.7 million for 1984-85. That growth represents the full year effect of tariff increases implemented on 1 November, 1984 and takes account of the decision to reduce electricity tariffs by 2 per cent as from 1 November, 1985. The estimated contribution from the State Bank of South Australia in 1985-86 of \$12.5 million represents a payment in lieu of income tax in respect of its 1984-85 profits. This compares with a contribution of \$7.4 million in 1984-85 which represented a contribution out of the 1983-84 profits of the former Savings Bank of South Australia and State Bank.

The increased contribution is due to an expansion in the overall borrowing and lending program by the State Bank of South Australia and the improved profitability arising out of the economies achieved by amalgamation.

#### Public Undertakings

The Department of Marine and Harbors is expected to receive about \$39 million in 1985-86. This includes the full year benefit of a 5 per cent fee increase from 1 July, 1985 and the benefit of increased throughput of containers at Port Adelaide as a result of the re-opening of the direct South Australia—Japan shipping link. Some reduction in grain throughput is anticipated to reflect average seasonal conditions.

The revenues of the Engineering and Water Supply Department are expected to be \$209.7 million in 1985-86 compared with \$203.8 million in 1984-85. This reflects normal seasonal expectations and the rate increase introduced from 1 July, 1985, the main elements of that increase being:—

- water rates up by 4 per cent on average;
- sewer rates up by 3.5 per cent on average, and
- the price of water up from 53 cents to 56 cents per kilolitre.

#### Debt Services

Recoveries of debt services are expected to decrease from \$87.1 million in 1984-85 to \$77.1 million in 1985-86. Almost all of that decrease is due to the revised treatment of Sinking Fund payments, which is explained in Attachment I.

#### Other Departmental Fees and Recoveries

The expected receipts under Treasurer—Miscellaneous in 1985-86 are \$200.6 million compared with \$62.3 million in 1984-85.

That increase largely reflects:—

- the revised accounting arrangements for superannuation costs which will see all agencies reflecting the accrued liability incurred in respect of their employees and the payment of those amounts (\$91.2 million in 1985-86) to Treasurer—Miscellaneous from 1 July, 1985;
- the recovery of the Government's superannuation contributions in respect of the new Children's Services Office (\$550 000) to Treasurer—Miscellaneous from 1 July, 1985;
- the receipt of \$18.6 million in 1985-86 being recoveries from the State Bank of South Australia and South Australian Housing Trust in relation to past advances for welfare housing. This compares with the receipt of \$10.7 million in 1984-85, and
- transfer of recoups from the Primary Producers Assistance—Farmers Assistance Fund to Agriculture—Miscellaneous from 1 July, 1985. The recoups

from this Fund to Treasurer—Miscellaneous in 1984-85 amounted to \$4.6 million.

It is estimated that receipts under Minister of State Development—Miscellaneous will be \$7.6 million, reflecting mainly an estimated \$5.5 million to be realised on the wind-up of Riverland Fruit Products (Investments) Pty. Ltd. (RFPI) - Receivership and the recovery of \$2 million in relation to the sale of assets of RFPI.

The receipt estimate for the Police Department (\$23.8 million) includes a recoup from the Highways Fund for police traffic services in respect of both 1984-85 and 1985-86.

Receipts under the Minister of Consumer Affairs and Minister of Ethnic Affairs are expected to be \$6.4 million in 1985-86 compared with \$5.4 million in 1984-85.

The increased revenues in 1985-86 largely relate to increased cost recoveries from the Public Trustee and Residential Tenancies funds due to increases in salary and wage payments, superannuation costs, accommodation and services and other operating expense items.

Children's Services Office receipts include those previously received by the Kindergarten Union for its services and by the Department for Community Welfare to meet the cost of administering the Family Day Care Program. The estimate also includes an amount of about \$650 000 anticipated from the liquidation of some assets previously held by the Union.

It is anticipated that Transport Department receipts will increase in 1985-86 by about \$1.2 million due largely to the increased recoup from the Highways Fund of expenditures on road safety and increased commissions for collections made by the Motor Registration Division on behalf of other agencies.

Receipts under the Department of Agriculture are expected to increase to \$3.7 million in 1985-86. This increase principally reflects the recovery of the costs of the Department's Rural Assistance Branch from the new Rural Adjustment and Development Fund for the first time in 1985-86 (\$850 000).

Estimated recoveries under Minister of Agriculture—Miscellaneous are expected to decrease from \$14 million in 1984-85 to \$9 million in 1985-86. The reduction is largely comprised of the following elements:—

- repayments of funds advanced under natural disaster arrangements are expected to be \$4 million in 1985-86 compared with \$12.6 million in 1984-85;
- from 1 July, 1985 recoveries of superannuation costs in respect of the Woods and Forests Department and the Metropolitan Milk Board (about \$1.2 million) will be paid to Treasurer—Miscellaneous. The recovery made in respect of these two institutions in 1984-85 was \$1.1 million, and
- offsetting the above reductions are recoveries from the Primary Producers Assistance—Farmers Assistance Fund in relation to repayments by the State of loans received from the Commonwealth Government for natural disaster relief, which were previously included in Treasurer—Miscellaneous receipts. The recovery for 1985-86 is estimated to be \$5 million.

#### Territorial

Petroleum and mining royalties under the Minister of Mines and Energy are expected to increase by \$25.5 million to \$52.3 million. This growth largely reflects full scale production of liquids from the Cooper Basin in 1985.

## Commonwealth

### *Specific Purpose*

Under the Medicare Agreement, the Commonwealth advances funds on the basis of projected bed-day occupancies and adjustments to advances are made when the actual utilisation becomes known in subsequent financial years. A sum of \$690 000 has been received in respect of 1983-84 and will be taken into the Budget to offset State support of the Health Commission's deficit in 1983-84. This compares to an amount of \$10.8 million in respect of 1983-84 which was brought into the Consolidated Account in 1984-85.

Commonwealth funds in the area of welfare will be substantially increased, specifically for Capital Subsidies for Senior Citizens Centres (\$1.3 million) and an additional \$2.1 million under the Supported Accommodation and Assistance Program.

The Commonwealth's decision to cease its block grant for pre-schools from 1 January, 1986 is reflected in the Children's Services Office Commonwealth receipts. The cost to the State is about \$2 million this year and \$3.7 million in a full year.

Commonwealth funds for the Community Employment Program will be significantly reduced in 1985-86—by about \$9.4 million.

### *General Purpose*

Commonwealth general purpose grants are expected to increase by 7.1 per cent from \$1 183.9 million in 1984-85 to \$1 268.4 million in 1985-86. The 1985-86 general purpose funds comprise \$196.2 million for identified health grants and \$1 072.2 million for general revenue grants which includes special revenue assistance of \$34 million. Further detail on Commonwealth general purpose grants is included in Attachment IV.

## RECURRENT PAYMENTS

The total provision in this Budget for recurrent payments is \$2 967.5 million, including \$91.6 million provided for increases in salary and wage awards and other contingencies.

Allocations to agencies provide for the first time for the superannuation costs of employees on the basis of accruing liability. The total of such provisions under recurrent operations is \$85.2 million and these are also included in the Receipt Estimates under Treasurer—Miscellaneous.

Agency allocations include provision for price increases. This year 5 per cent has been provided in most agencies, about 3 per cent less than the present estimated variation in the Consumer Price Index. This level of provision has been chosen in the knowledge that Government rates and charges which impact on all agencies have been significantly reduced or restrained and as a general economy measure within the public service.

### **Special Acts**

\$130.8 million has been provided to cover payments under Special Acts.

The provision for the Government's contribution to the South Australian Superannuation Fund has been increased from \$61 million to \$66 million. Part of this increase arises from pensions being increased in line with the Consumer Price Index. This provision reflects the emerging cost of the Government's superannuation commitments rather than the accrued liability in a year and as such will increase from year to year. In money terms, the provisional estimates for the three years commencing 1985-86 are \$66 million, \$72 million and \$80 million (based on forecast inflation rates over the next two years).

The transfer to the Highways Fund in 1985-86 is expected to be \$52.2 million, a decrease of \$7.7 million on the actual transfer in 1984-85. This results mainly from legislative

changes in the area of accounting for project costs where Commonwealth funding is involved. The resulting decrease in the transfer is offset in part by projected revenues being \$6.7 million higher than 1984-85 actual revenues.

Under an agreement between the Treasurer and the S.A. Government Financing Authority, the latter has assumed responsibility, from 30 June, 1985, for the debt-servicing obligations of the State to the Commonwealth under the Financial Agreement. The Government has become indebted to SAFA to an equivalent amount and those costs are now reflected in the Treasury Department's budget. Further details are provided in Attachment I.

## Development of the State

### *State Development*

As a major initiative to strengthen further our efforts to develop industry and provide long-term job opportunities in this State, the Government is establishing a new industry assistance and incentive scheme to be known as the South Australian Development Fund. The scheme is designed to attract industry to this State and to improve our competitiveness in national and international markets. \$12 million is provided for industry incentives in 1985-86 and the full year cost in the future is expected to be \$14 million.

There will be further improvements made to South Australian overseas representation in South East Asia and by the provision of an office on the West Coast of the United States.

A major development initiative of this Government has been our effort to attract the submarine contract. This is to be increased as the final phase of negotiations for the contract begins. \$150,000 has been provided to support this effort.

The Government, in conjunction with the trade union movement and industry, has recently established the Manufacturing Advisory Council to provide a forum for effective consultation on manufacturing policy, problems and opportunities. To ensure the Council can operate effectively, an independent secretariat has been created to handle administration and research. \$127 000 has been provided for the full year's operation of the Council.

To ensure South Australian firms are given a fair and equal opportunity to bid for contracts and to see they are not precluded by the purchasing practices adopted in major projects and more generally within the State, a South Australian Industrial Supplies Office is being established to act as intermediary between major purchasers and sellers of manufactured goods. \$230 000 has been provided for this Office.

Related to the Industrial Supplies Office initiative is the establishment of a Manufacturers' Data Base in the Department of State Development. This will assist manufacturing industry in this State in maximising the potential benefits of the major new and proposed developments in South Australia such as Roxby Downs, ASER, the Grand Prix and the Submarine project. An amount of \$180 000 has been provided to establish this data base.

Last year the Small Business Corporation was established and has been successful in supporting small business in this State. The provision of an additional \$50 000 for consultancy grants for small business will allow the Corporation to meet the growing demand for assistance.

Significant support has been provided for the restructuring of the fruit processing industry in the Riverland. An amount of \$7.5 million is provided for capital restructuring of the Riverland Cannery. It is anticipated that the majority of this will be recovered this year and has been taken into account in the Receipt Estimates. As well, \$300 000 is provided as assistance to the Riverland Development Council.



Technology Park has enjoyed considerable success and a further multi-tenant facility, Innovation House West, is under construction. Additional funding of \$547 000 is included in this Budget for Technology Park and the Adelaide Innovation Centre.

#### *Mines and Energy*

An amount of \$18 million is provided for the Department of Mines and Energy, an increase of \$2 million on 1984-85 payments after taking into account the amalgamation of the Miscellaneous lines with those of the Department this year. This includes \$655 000 for consultancy studies into the exploration and development of oilfields aimed at maximisation and conservation of oil and liquids reserves. This will ensure that optimal recovery of reserves is obtained through efficient development and sound production practices.

An amount of \$300 000 has been provided for the Cooper Basin consultancy which will concentrate on computer software development and purchase, advice on specific gas field problems, development of an independent production scheduling capability, training and advice on contractual matters relating to gas.

The Department's allocation includes \$309 000 for the Government Energy Management Program. This initiative was commenced in 1983-84. Savings of \$696 000 have been taken into account in the recurrent allocations to departments and agencies as a first stage of this initiative.

#### *Agriculture*

The provision of \$36.6 million for the Department of Agriculture represents an increase of \$1.6 million over payments by that agency in 1984-85.

The Budget provides additional funding for resource protection projects on the Eyre Peninsula and in the Northern regions (\$137 000), for water resource management projects (\$168 000), for research into the control of millipedes (\$84 000) and for horticultural marketing development (\$34 000).

The allocation for Minister of Agriculture—Miscellaneous in 1985-86 of \$11.3 million considerably exceeds 1984-85 payments due to the transfer of the payment to SAFA in respect of the Natural Disaster Relief Agreement between State and Commonwealth Governments (\$5 million in 1985-86) from Treasurer—Miscellaneous.

The allocation also includes \$345 000 for the payment of a subsidy for the bagging of barley purchased in South Australia.

#### *Fisheries*

The Budget allocation of \$4.5 million for the Department of Fisheries includes provision for the continuation of the Upper Spencer Gulf Environmental Study, operating costs for the new research vessel, "Ngerin", and increased patrol time for the Department's fleet of vessels.

#### *Tourism*

The allocation for Tourism has again been significantly increased. In 1985-86 its allocation is \$9.2 million. The Government has given tourism a high priority as is reflected in the ASER project, including the Convention Centre, Casino, Grand Prix and Lincoln Cove project at Port Lincoln.

The State's promotional effort has been further supported by the provision of additional funding for international marketing campaigns particularly in the markets of Japan and South East Asia and for the marketing of the new Adelaide Convention Centre. Substantial promotional expenditure is also planned for the Jubilee 150 and the Grand Prix.

To further develop tourism facilities, the Department's budget includes a substantial increase in development funds (\$427 000) and provision for the computerisation of booking services in the Department's offices here and interstate (\$180 000).

#### **Business Undertakings**

##### *Marine and Harbors*

The allocation of \$23.8 million provides for an increased port maintenance program and the promotion of port facilities and related industrial estates.

Negotiations with Japanese representatives have resulted in the re-introduction of a direct container link with Japan. The Department will continue to promote the use of this service with local industries and seek further improvements in other shipping arrangements e.g. with Korea, New Zealand and the East Coast of North America. Improvements to services and increased trade facilitate the growth and development of the State's economy.

##### *Water Resources*

The provision of over \$125.7 million to the Engineering and Water Supply Department includes additional recurrent funding for:—

- increased works associated with the River Murray Commission (\$510 000), and
- commissioning of new capital works during 1985-86 (\$416 000), including:
  - Morgan Water Filtration Plant (\$235 000)
  - Little Para Water Filtration Plant—additional chemical costs (\$125 000), and
  - additional chlorination plants (\$36 000).

The Department plans to increase the level of resources devoted to water resource management, to further increase the efficiency of existing operations to maintain the standard of services provided, and contain increases in water and sewerage rates.

#### **Community Services**

##### *Electoral*

The allocation of \$2.5 million to the Electoral Department includes \$1.8 million for the conduct of a general State election during the course of 1985-86.

##### *Justice*

The allocation for the Attorney-General's Department of \$10.2 million provides for the continued development of the Justice Information System, the recent attendance by Members of Parliament at the Australian Constitutional Convention, extra assistance to the Disability Information Resource Centre to commission their new complex in Gillies Street and a payment, in concert with the other States, to the Australian Institute of Judicial Administration.

Under Attorney-General—Miscellaneous, the Government will continue to provide financial assistance to the Norwood Mediation Service, established to bridge the gap between the legal and welfare systems in the resolution of disputes between parties. Support will be given for the first time to the Victims of Crime Service Incorporated.

##### *Public and Consumer Affairs*

The allocation for Public and Consumer Affairs in 1985-86 of \$16.2 million is an increase of \$3.2 million over the actual expenditures in 1984-85. New initiatives for which provision has been made include:—

- establishment of the Casino Inspectorate (\$288 000);
- administering standards associated with the sale of unleaded petrol (\$80 000);
- implementation of the new Commercial Tenancies Act (\$310 000);

- licensing of second-hand dealers—transferred from the Police and Courts Departments (\$92 000);
- licensing second-hand vehicle dealers (\$73 000);
- increased resources for the Public Trustee (\$62 000);
- Hairdresser Licensing Administration (\$103 000), and
- Consolidated Interest Indemnity Fund (\$66 000).

A large portion of the costs of these initiatives is offset by revenues or recoups. The Casino is expected to contribute significantly to the State's tax base.

Funding for Ethnic Affairs has been increased by 23 per cent above the actual level of payments in 1984-85, reflecting the Government's ongoing commitment to support ethnic communities in South Australia. In particular, resources have been provided to increase health interpreting services.

### Health

The proposed allocation for 1985-86 is \$533.4 million. A number of initiatives were commenced in 1984-85 including some by re-allocation of resources within the Health Commission's allocation. The proposed level of funding provides for the full year cost in 1985-86 of initiatives, which included:—

- community based accommodation for the operations of the Intellectually Disabled Services Council;
- the provision of 16 additional surgical beds, an additional operating theatre and a pain clinic at Flinders Medical Centre;
- upgrading the accident/emergency, paramedical, and support services at Lyell McEwin Hospital;
- Aboriginal health, adult public dentistry, and child and adolescent psychiatric service initiatives, and
- the introduction of a 38 hour week into the health system.

The Government has decided to continue the improvement to health services in South Australia and the proposed allocation for 1985-86 has been significantly increased to enable the following initiatives to be commenced:—

- the provision of an adolescent health centre to be known as the "Second Story";
- significant upgrading of the drug education program in conjunction with the Commonwealth Government;
- further resources directed towards the AIDS Strategy;
- the provision of a brain injury unit in South Australia;
- the upgrading of Prison Clinical Services and the commissioning of the infirmary at the Yatala Labour Prison, and
- introduction of the Home and Community Care Program in conjunction with the Commonwealth Government.

In 1985-86, the Noarlunga Health Village will be commissioned and an amount of \$1.4 million has been allocated for this purpose.

### Primary and Secondary Education

For 1985-86 the Government has allocated \$638.1 million for payments by the Education Department.

It is anticipated that the enrolment decline in Government schools of recent years will continue in 1986 with the fall being experienced in both primary and secondary sectors. It is the Government's policy that resources will be retained in Government schools despite falling enrolments. In practice the application of a constant pupil teacher ratio has the effect of notionally "freeing up" teaching and associated resources as enrolments decline and these are to be utilised to effect improvements in the educational program in Government schools.

The allocation for 1985-86 reflects both the full year cost of new initiatives begun last year using teacher salaries

"freed up" in this way as well as resources that will be "freed up" during 1985-86 to finance new initiatives in Government schools.

These will include:—

- the beginning of a program planned to provide language teaching in all primary schools by 1995;
- additional teacher librarians in primary and junior primary schools;
- the maintenance of class sizes in both primary and secondary school systems despite enrolment decline;
- additional ancillary staff for the establishment of school/community libraries;
- improvements to education offerings for isolated students and students in remote areas, and
- the retraining of teachers to meet needs in new curriculum areas (e.g. technology, languages).

The Government has responded to pressures now emerging as a result of the pattern of teacher employment over the last 20 years by providing additional funds for the replacement of teachers on long service leave.

Once again the levels of funding for Government schools, both per capita grants and those provided under the Government Assisted Scholars Program, will be maintained in "real terms" during 1986.

The allocation under Minister of Education—Miscellaneous includes \$29.5 million for distribution as per capita grants to non Government schools. This total includes additional funding to match increased enrolments in the sector but also includes \$1.7 million to enable upgrading within the model school formula in line with improvements that have occurred in the Government sector as enrolments have declined.

### Technical and Further Education

For 1985-86 the Government has allocated \$97.8 million for the Department of Technical and Further Education.

The increase in the Department's allocation for this year reflects both the continued growth in demand for education and training in this sector and provision for commissioning new facilities in Colleges as part of an expanded service.

A significant new initiative to be financed from the allocation is the T.A.F.E. element of the Government's Employment and Training Package. A sum of \$2.6 million has been provided in 1985-86 for the following:—

- expanded apprentice and prevocational training;
- provision of traineeships in accordance with the Commonwealth Government's implementation of the Kirby Report, and
- new opportunities in TAFE for women and disadvantaged groups.

In addition, the Government's policy objectives of improving child care and tourism services in this State are reflected in additional funding of T.A.F.E. training programs in these fields.

The Government has responded to pressures now emerging as a result of the pattern of employment in the Department of Technical and Further Education over the last 20 years by providing additional funds for long service leave for lecturing staff.

### Tertiary Education

The allocation for Minister of Education—Miscellaneous includes \$689 000 for nurse education.

In late 1984 the Commonwealth Government made an offer of assistance to the States with the costs of transferring nurse education, primarily provided at present in hospital based courses, to the education sector.

For 1985 the Government decided to provide funding for 50 additional intake places in the Nurse Education course at the Sturt campus of the South Australian College of

Advanced Education (S.A.C.A.E.). The costs of the second year of that intake are included in the allocation for 1985-86.

For 1986 the Government has decided that it will support an additional 60 intake places in a new course to be provided by the S.A.C.A.E. at the Salisbury campus and a further intake of 50 at the Sturt campus.

#### *Children's Services*

On 1 July, 1985, the Children's Services Office commenced operations. This new agency, established to co-ordinate and plan all early childhood care, education and development services, has been allocated \$34.1 million.

The Office has assumed responsibility for services previously provided by the Kindergarten Union, the Department for Community Welfare and the Education Department. These services include:—

- the operation of kindergartens;
- the Family Day Care Program;
- provision and licensing of child care facilities (Early Childhood Care Branch, Department for Community Welfare);
- toy libraries and playgroups;
- Out of School Hours and Vacation Care Programs, and
- Remote and Isolated Children's Services Program.

Funds provided include \$3.8 million for grants to the Education Department for Child/Parent Centres.

The Government will restore the cut in Commonwealth funding for pre-school education to ensure there is no detrimental effect to the provision of these services and this is included in the allocation. This will cost the State \$1.9 million in 1985-86 and \$3.7 million in a full year.

#### *Community Welfare*

The allocation for the Department for Community Welfare in 1985-86 is \$85.1 million. This represents a substantial increase in resources and provides for the expansion of services and grants and several new initiatives including:—

- increased funding for Community and Neighbourhood Houses and Budget Advice Services;
- the implementation of a non-government welfare strategy including additional funds for welfare grants;
- a substantial increase in youth and child protection services including the provision of an additional specialist family and children's social worker for each region, the maintenance in real terms of children's payments and assistance to a non-government agency conducting a pilot Intensive Foster Care Program;
- the development of a Special Needs Placement Unit to find and support families for the children who are most difficult to place;
- further increases in staff for the office of the Commissioner for the Ageing and an allocation of \$150 000 for the Funds for Seniors Scheme;
- funds for a Co-ordinator of Programs to combat petrol sniffing amongst Aboriginal youth in remote communities;
- continuation of participation with the Commonwealth in the Supported Accommodation and Assistance Program to aid the homeless;
- additional social workers at the Noarlunga District Office, and
- additional funds provided to implement the recommendations of the Migrant Welfare Task Force.

#### *Labour*

The issues of employment and unemployment, especially of young people, are of major importance. The creation, earlier this year, of two new portfolios of the Minister of

Employment and Minister of Youth Affairs is a recognition of the priority this Government believes these issues have.

As a major initiative the Government has adopted a three year program which will significantly increase employment and training opportunities for South Australians. In this year the program will provide approximately 6 300 additional employment and training opportunities. (Approximately 70 per cent of these opportunities will be for young people).

It is estimated this program will cost \$4.8 million in 1985-86, \$23 million over three years and create 18 000 employment and training opportunities. The program will be linked to other development initiatives and the needs of industry to ensure the community as a whole will benefit.

The program recognises the changing nature of the South Australian labour market. It incorporates support to individuals, community groups, local government and service clubs with special help for the young, disabled, women, Aborigines and mature aged unemployed.

There is an emphasis on linking training with employment, providing for both short term and long term opportunities.

The Government has also proposed significant reforms to the South Australian Workers' Compensation system. The reforms aim to achieve:—

- improved rehabilitation of injured workers;
- a more financially secure and equitable system of benefits for injured workers;
- a substantial reduction in premiums;
- an improved climate for business to invest in this State, and
- the creation of additional employment opportunities.

As a first step we will set up a Task Force in the Department of Labour to implement the proposed reforms.

The Government is also committed to rapid improvements in occupational health and safety. It is planned to introduce new legislation to improve control of in-plant practices and establish an Occupational Health and Safety Commission.

As part of International Youth Year and in recognition of the contribution made in the community by youth organisations there will be grants provided to these organisations for activities for young people in 1985. The Government recognises the problems and issues which particularly affect young people in our State. The Government will ensure that the particular needs of young people are addressed and co-ordinated across all areas of government activity.

#### *Correctional Services*

The Adelaide Remand Centre is due for commissioning in 1985-86 and will ease the strained accommodation situation at the Adelaide Gaol. The proposed allocation includes \$2.9 million to staff and operate the Remand Centre in 1985-86. A significant number of new jobs will be created in relation to this initiative, although the net increase may be reduced later after the proposed Mobilong Medium Security Prison is opened and Adelaide Gaol is closed.

The proclamation of the Correctional Services Act will enable for the first time, the payment of an allowance to remandees. This has been provided for in the Department's allocation.

A number of other initiatives, many related to past reviews of the Department (including a Royal Commission and the Public Accounts Committee Enquiry), will be undertaken. These are expected to create an additional 20 jobs in 1985-86.

The Government continues to recognise the need to upgrade Correctional Services and is proposing to increase resources to the Department in 1985-86 by some \$3.5 mil-

lion, about 11.5 per cent beyond ongoing commitment levels.

### Emergency Services

#### Police

The proposed allocation of \$129.5 million will enable the Department to implement new approaches to the provision of police services, such as:—

- democratic communal policing based on defined community areas, including active community support in crime prevention initiatives;
- the deployment on a divisional basis of CIB units, Divisional Training Officers, Prosecutors and Collators;
- the redeployment of general patrol and traffic personnel as teams within the sub-divisions or defined community areas;
- a revised crime enquiry function;
- expanded Prosecution Services;
- road safety initiatives, and
- additional resources to combat organised crime.

These, and a number of other initiatives, will result in the creation of 50 additional jobs in 1985-86. In addition, the Government will consider the allocation of further resources to the Police Department and other agencies for Random Breath Testing and Red Light Cameras (currently under consideration).

#### Country Fire Services

The Government's contribution to the net cost of the Country Fire Services in administering the Country Fires Act in 1985-86 is \$2.7 million. The Government has supported an upgrading of the communications system, as recommended by the Coroner as a result of the Ash Wednesday disasters, and additional training resources to provide greater emphasis upon personal safety and the handling of hazardous substances. A guaranteed minimum level of funding for the payment of subsidies has been given for three years to facilitate priority setting and financial planning by brigades and councils.

#### Metropolitan Fire Services

The State Government is required to contribute 12½ per cent of the net operating cost of the Metropolitan Fire Service. The Government has approved a budget for 1985-86 which includes:—

- an additional 20 firefighters as the continuing implementation of the Cox Report;
- an additional 26 staff resulting from the introduction of a shorter working week into the Fire Service, and
- an additional 5 staff for other essential initiatives.

The Government's contribution in 1985-86 will be \$4.5 million—\$494 000 higher than in 1984-85.

### Other Activities

#### Premier

The allocation of \$12.1 million includes \$6.1 million for the Jubilee 150 celebrations in line with our commitment to making this event memorable and of lasting value to the community.

The budget of the Department of the Premier and Cabinet also provides for:—

- expanded protocol and hospitality services associated with the major events and Royal visits planned for this year (\$215 000);
- increased support for the Working Women's Centre (\$27 000);
- establishment of a Domestic Violence Council (\$48 000), and

- the proclamation of recent amendments to the Equal Opportunity Act (\$62 000).

#### Treasurer

The provision for Treasury Department is \$275.4 million higher than 1984-85 payments. The increase is largely explained by revised arrangements for the Government's debt servicing obligations.

As explained previously (refer Attachment I), under an agreement between the Treasurer and the S.A. Government Financing Authority, the latter has assumed responsibility, from 30 June, 1985, for the debt-servicing obligations of the State to the Commonwealth under the Financial Agreement. The Government has become indebted to SAFA to an equivalent amount and those costs are now reflected in Treasury Department's budget. In addition, discounts and expenses associated with the borrowings under the Financial Agreement, previously provided for under Treasury Department, are no longer payable by the Government.

A revision in the treatment of the State Bank of South Australia's debt to the Government under Concessional Housing arrangements requires the Government to meet debt servicing costs of \$19.6 million. This will be offset by a return to the Government on capital provided to SAFA being \$19.6 million higher than it would otherwise have been.

The Government has decided to make a further special allocation for high priority maintenance requirements of \$1.5 million in 1985-86. This amount is less than the \$3 million special allocation in 1984-85 because resources of the departments involved will be fully utilised in the maintenance and capital programs provided in this Budget, the aggregate of which is considerably increased compared with 1984-85.

#### Arts

The Department for the Arts has been allocated \$30.8 million in 1985-86, of which \$7.4 million relates to the operation of the Department and \$23.4 million is for grants for artistic purposes.

The proposed increase in Departmental expenditure relates principally to the commissioning of the new Natural Sciences complex within the South Australian Museum and the provision of staff to enable Carrick Hill to open officially in March, 1986.

With respect to the allocation for grants, the Government has recognised the importance of the 1986 Adelaide Festival of Arts in providing \$900 000 for that purpose in this Budget, bringing to a total of \$1.4 million the level of Government support for the Festival, including a "Challenge Grant" of up to \$100 000.

The Government's commitment to the local film industry is reflected in the allocation of \$710 000 (to be coupled with \$40 000 advanced in 1984-85) to establish a South Australian Film and Television Financing Fund of \$750 000, a further increase of \$150 000 to \$750 000 for the annual production of Government films and, for the first time, a grant to the South Australian Film Corporation for operating purposes (\$578 000). These allocations will assist in ensuring the future viability of the industry in this State.

Additional funds allocated to Carclew Youth Performing Arts Centre include \$79 000 for executive assistance to the ASSITEJ IX World Congress and General Assembly which will be held in Adelaide in 1987. ASSITEJ is an international association promoting the development of theatre for young audiences around the world. This will be the first time that this international gathering of some 600 visitors and artists has occurred in the southern hemisphere.

Funds have also been made available to the various cultural trusts for necessary staff appointments, including an Aboriginal Community Arts Officer at Ceduna.

### *Environment and Planning*

The allocation to this Department of \$25.4 million represents an increase of \$2.6 million over actual expenditure in 1984-85. Significant resources have again been provided for the State's National Parks and for the protection of our Aboriginal, European and natural heritage.

An additional \$1 million has been provided for the implementation of Vegetation Retention/Clearance Controls and associated compensation.

An allocation of \$795 000 under Environment and Planning Miscellaneous represents an increase of \$293 000 over actual expenditure in 1984-85. The increase is primarily reflected in the Grant to the Royal Zoological Society of South Australia for Adelaide Zoo operations—in part for the provision of security measures.

### *Corporate Affairs*

Following a review of the Corporate Affairs Commission's functional responsibilities the Government decided to upgrade the Corporate Finance Branch particularly to ensure that companies considering settling in South Australia are given the appropriate service.

In addition to the provision of funds for these purposes, the Commission's allocation of \$4.5 million includes \$494 000 for the continued redevelopment of the existing ADP system necessary for the national administration of companies.

### *Lands*

The allocation of \$30.5 million for the Department of Lands reflects in part the resources necessary to maintain the level of service associated with real estate activity at 1984-85 levels.

Computerisation is playing a major role in streamlining departmental operations and facilitating effective management of all aspects of land administration. The Government is pursuing the continued development of computerised land information systems. The Department's allocation also provides for expansion of the mapping program.

### *Transport*

An allocation of \$28.8 million is proposed for the Department of Transport.

This allocation reflects the Government's endeavour to upgrade the promotion of road safety, to improve statistical data collection and increase research to facilitate the development of initiatives to promote road safety.

It is proposed to implement a number of road safety initiatives during 1985-86, including:—

- pre-licence off-road motorcycle training;
- red light cameras at traffic signals;
- a "Young Driver of the Year" award;
- high-mounted brake lights for Government and taxi fleets, and
- promotion of the use of bicycle helmets.

Further development of the on-line computer system in the Motor Registration Division is also provided for together with additional costs to implement new driver licence arrangements associated with Random Breath Testing.

The provision for the Highways Department of \$27.3 million forms part of the total funds available for road purposes in 1985-86 of \$199.3 million.

The variation in this provision over 1984-85 reflects mainly the impact of revised arrangements to account for expenditure on projects funded by the Commonwealth Government. These arrangements have no impact on the Budget as this increase of about \$13 million is offset by a reduction in the level of the transfer to the Highways Fund under Special Acts.

The total funds available for road purposes (\$199.3 million) reflects the recent annual level of operations, after

taking into account the abnormally high carryover of funds into 1984-85.

The provision for the State Transport Authority's deficit is \$83.8 million. It provides for the full year cost of implementing a 38 hour week for bus and tram personnel (\$2 million), the carryover of salary and wage increases awarded during 1984-85 (\$1.5 million), a provision for price inflation (\$923 000), a carryover of fuel price increases incurred during 1984-85 (\$1.7 million) and additional interest and lease payments associated with new and replacement assets (\$2.5 million). The provision is some \$6.3 million above the level of funds provided in 1984-85.

### *Recreation and Sport*

The proposed allocation for 1985-86 is \$5.9 million—an increase of \$1.3 million above the budget for the previous year and provides for the introduction of a new computing strategy for the Department.

### *Housing and Construction*

The provision for the Department is \$44.3 million, compared with expenditure of \$42.8 million in 1984-85. This includes an additional allocation of \$1.5 million in 1985-86 as part of a significantly increased maintenance program to be undertaken over the next three years to upgrade school and other Government buildings. This increased provision, together with the increased productivity which is planned following the recent review and rationalisation in this area, can be expected to lead to a substantial increase in the volume of maintenance work carried out.

When comparing the proposed maintenance expenditures with 1984-85—both salaries and wages, and goods and services—the following factors should be taken into account:—

- \$500 000 has been transferred in 1985-86 to capital following a revision of the nature of certain asset replacement expenditures;
- \$400 000 is now provided in the Miscellaneous line "Community and Aboriginal Projects Unit", and
- the 1984-85 expenditures included an additional provision of \$1.5 million for additional maintenance including a greater than expected level of breakdowns, and \$442 000 which was a carryover from a special maintenance provision made in 1983-84.

### *Local Government*

Funds have been allocated to the Department of Local Government to enable the establishment of a Public Records Office. The proposal entails commissioning a shared facility with the Commonwealth and is in concert with the opening of the Mortlock Library of South Australia.

It is anticipated that the new Office will be the State's repository for official Government documents etc. while collections of individual archival materials will form part of the Mortlock Library.

The Department's allocation provides for the staff necessary to operate both the new Public Records Office and the Mortlock Library.

A further fourteen new libraries will also be established under the Public Libraries Capital Development Program.

### **1985-86 Workforce**

For 1985-86 the Budget provides for a slight increase in public sector employment of less than 1 per cent (0.7 per cent) as a result of new initiatives and expansion of services in a number of areas.

Major areas of increase are:—

- Arts—Museum redevelopment and the opening of Carrick Hill;
- Attorney-General's—implementation and expansion of the Justice Information System;

- Correctional Services—staffing of the new Adelaide Remand Centre and expansion of essential support services;
- Police—metropolitan policing, prosecution services, the fighting of organised crime and aboriginal support services;
- Transport—road safety initiatives.

Also as a result of the employment and training package, there will be some increase in staff in both the Department of Technical and Further Education and the Department of Labour (115 FTE's).

#### CAPITAL ACTIVITIES

The plan for 1985-86 is to achieve a balanced result on capital transactions.

Total payments from the Consolidated Account for capital purposes are forecast as being \$489 million. While this figure is considerably above the 1984-85 result of \$414.5 million, direct comparisons between the two are misleading. This is because some of the agencies allocated funds for capital purposes from the Consolidated Account will be supplementing those funds from reserves and other sources of funds. As a consequence the allocation of Capital Funds

from the Consolidated Account is not a measure of the Government's overall works program.

In addition there are a number of authorities, including the Electricity Trust, which receive no capital funds from the Budget.

As indicated in Attachment I, the estimated increase in capital payments from the Consolidated Account in 1985-86 after allowing for accounting changes, is 18 per cent.

This large increase needs to be viewed in the wider context of the overall capital outlays by all Government agencies. In this regard, two aspects are important, namely:—

- the gross expenditure, and
- the net capital outlays.

The use of the national accounting approach in reviewing overall capital expenditures was explained and utilised in the budget papers for 1984-85. That approach provides the net capital outlays.

The essential difference between that approach and gross figures is represented by the sale and disposal of assets during the year.

The following table indicates the overall position in terms of the national accounting approach.

**SUMMARY OF CAPITAL OUTLAYS<sup>(a)</sup>  
NATIONAL ACCOUNTING BASIS**

	1983-84		1984-85		1985-86 (Est.)	
	\$ million	\$ million	Percentage Increase <sup>(f)</sup>	\$ million	Percentage Increase <sup>(f)</sup>	\$ million
Government Departments <sup>(b)</sup> .....	387	390	1.0	432	10.7	
Budget-Supported Semi-Government Authorities <sup>(c)</sup> .....	211	251	18.9	304	21.3	
Sub Total .....	598	641	7.2	736	14.8	
Commercial Authorities <sup>(d)</sup> .....	204	138	-32.4	160	16.1	
Total .....	802	779	-2.8	896	15.0	

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

(b) Includes expenditures from trust funds, deposit accounts, etc.

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

(d) Comprises ETSA, PASA and the Timber Corporation.

(e) Due to adjustments to the method of tabulation, direct comparison with the figures shown in the 1984-85 budget papers is not possible.

(f) Percentage increases are based on unrounded figures.

This table indicates that in aggregate terms, capital outlays are forecast to grow by 15 per cent in 1985-86. However, annual movements in capital expenditures can be heavily influenced by the timing of payments for the provision of major infrastructure, particularly by authorities such as the Electricity Trust.

In this regard, the actual figures for 1984-85 for both the Government Departments and the Commercial Authorities were well below expectations. Some expenditures planned for that year were delayed and have carried over into 1985-86.

The growth rate over the 2 year period from 1983-84 to 1985-86 is expected to be 11.8 per cent, which is equivalent to 5.7 per cent per annum compounded.

Implications of the capital program are discussed further in the paper "Employment Aspects of the 1985-86 Budget".

#### CAPITAL RECEIPTS

At the meeting of the Australian Loan Council in May, 1985, the Commonwealth announced that the program for State works and services which it would support in 1985-86 would be the same as in 1984-85 in cash terms.

Thus South Australia's share of the program will remain at \$203.9 million.

Of this amount, \$72.7 million will be by way of capital grants, while \$131.2 million will be by way of loans subject to repayment and interest.

The State Government has nominated the whole of the borrowing component for housing so as to obtain it at the concessional rate of interest offered by the Commonwealth.

Specific purpose capital grants totalling \$51.8 million are expected from the Commonwealth, compared with \$45.7 million in 1984-85. This year's figure has been boosted by special grants of \$12 million from the Commonwealth towards the water filtration program and \$4.4 million for hospital equipment. On the other hand a \$5.1 million reduction is anticipated in the grants for Technical and Further Education buildings though this is partly due to work on the Adelaide College approaching completion.

Repayments and recoveries from State sources are expected to provide \$37.7 million compared with \$30.3 million last year. However, this year's figure is boosted by an accounting change with respect to sinking fund payments which will have the effect of increasing capital receipts by \$6.5 million,

with a corresponding decrease in the recurrent area. With the size of the Loan Council program not changing in cash terms, the desired overall works program will thus be achievable only through a massive 56 per cent increase from \$125.6 million to \$195.6 million in the borrowings from Statutory Authorities.

This increase led to the Government examining the capital works proposals of agencies in considerable detail before determining the program for 1985-86.

#### CAPITAL PAYMENTS

In 1984-85 the Government placed increased emphasis in its capital works program on the areas of transport and correctional services. Commitments made over the last twelve months will lead to high expenditure levels in those areas both in 1985-86 and for the next two to three years.

The 1985-86 capital works program will achieve a responsible balance between these requirements and the need for funds in other sectors, especially in relation to the provision of basic infrastructure for developing areas and the continuation of the housing program.

#### Deputy Premier and Minister for Environment and Planning

The preservation of flora and fauna through the State's parks system together with the provision of adequate recreation and open space areas and suburban redevelopment works are continuing and important programs.

The total provision for the programs in 1985-86 is \$10.8 million, the same as last year's actual expenditure, with funding coming from special sources such as the Inner Western Suburbs Development Fund as well as the Consolidated Account.

#### Minister of Emergency Services

Extra capital funds are being provided in 1985-86 in order to provide the additional vehicles and equipment required by the Police Department in order to mount the new initiatives announced by the Government.

#### Minister of Lands, Minister of Forests and Minister of Repatriation

##### *Lands*

The allocation of \$8.4 million provides not only for ongoing expenditures on the purchase of plant and equipment for the Department of Lands, but also provides funds for:—

- the development of industrial estates;
- the program of resumption of parklands;
- the purchase of land for other new Government initiatives.

##### *Woods and Forests*

The State's forestry program did not require an injection of capital funds from the Consolidated Account in either 1983-84 or 1984-85. However, the costs of re-establishing fire-damaged forests has led to \$8 million being required in 1985-86.

#### Minister of Marine

##### *Marine and Harbors*

The provision of \$9.5 million allows for the completion of the acquisition of a second container crane for the Port of Adelaide.

The responsibility for managing the Government's commitments with respect to the provision of marina and associated engineering service infrastructure for the Lincoln Cove (Porter Bay) Development has been assigned to the Department of Marine and Harbors.

Expenditure on the project in 1985-86 is expected to be \$6.5 million.

#### Minister of Health

##### *South Australian Health Commission*

The program level of \$31.7 million is considerably above last year's figure of \$18.8 million. The major reasons for this are:—

- the provision of \$4.4 million from the Commonwealth for the purchase of plant and equipment for hospitals;
- the high ongoing commitment arising from projects commenced in 1984-85, including
  - Lyell McEwin Hospital Redevelopment,
  - a new Port Adelaide Community Health Centre and
  - Wallaroo Hospital Redevelopment (design only in 1984-85);
- high priority being given to a series of new works totalling \$6.3 million.

An allocation of \$28.8 million is required to meet the program level; the remainder is to be funded from other sources, including \$2.5 million towards the re-equipping of the Central Linen Service.

#### Minister of Education, Minister for Technology, Minister of Employment, Minister of Children's Services and Minister Assisting the Minister of State Development

##### *Teacher Housing Authority*

The allocation of \$2 million together with funds on hand and receipts anticipated during the year will enable the Authority to mount a \$6.6 million works program in 1985-86.

##### *South Australian College of Advanced Education*

An allocation of \$0.6 million has been provided for the purchase of equipment and for building works as part of the Government's initiatives with respect to increased emphasis on nurse education.

##### *Children's Services Office*

Following the establishment of the Children's Services Office, capital funds will be provided directly to the Office for the purchase of furniture, equipment and vehicles.

Funding for the allied building program will be under the control of the Minister of Housing and Construction and Minister of Public Works as is the case with Education and TAFE buildings.

#### Minister of Transport

##### *Highways*

As a consequence of reduced Commonwealth support towards the State's roads program, a \$12 million supplement to the Highways Fund from the Consolidated Account is proposed in order that this important program can be continued at a satisfactory level.

In addition \$2.9 million will be provided to meet commitments made in 1984-85 under the Jubilee 150 Local Government Road Assets Plan.

##### *State Transport Authority*

The capital allocation for the Authority of \$33.7 million is a large increase on last year's figure. This is due to a combination of:—

- commitments to works in progress, especially on the railway resignalling program;
- less funding being available from internal and other sources, primarily because of the intentional run-down of cash reserves in 1984-85.

In the light of the ongoing commitments to the resignalling program, the purchase of new railcars and to the completion of the North East Busway, few new works are planned

other than essential projects associated with accommodating the ASER project.

### Minister of Mines and Energy

#### *Mines and Energy*

A provision of \$1 million has been included for infrastructure facilities to be provided by the Government at Roxby Downs. The extent of additional funds that will need to be provided to this project during the year will depend upon the date of formal commitment to the project by the Joint Venturers.

### Minister of Water Resources

#### *Engineering and Water Supply*

An allocation of \$61.9 million is being provided for waterworks, sewers and irrigation projects.

Much of the department's expenditure continues to be on long-term projects which have been in progress for some years, including:—

- Northern Towns Filtration;
- Happy Valley Water Filtration Plant.

At the same time, the department will be laying water and sewer mains in the developing suburbs as part of the government's orderly development of new areas.

### Minister of Recreation and Sport

#### *Recreation and Sport*

The allocation of \$4.8 million allows for:—

- completion of the State Aquatic Centre;
- work on the running track at the Olympic Sports Field and
- grants towards the provision of local recreation and sporting facilities.

### Minister of Housing and Construction and Minister of Public Works

#### *Office of Housing*

Over the last few years the State has been faced with an increasing demand for Housing Trust rental housing. With a view to containing this increase, the Government set out to achieve a minimum increase of 9 000 over three Budget years in the level of the Trust's rental stock.

In 1983-84, the target was 3 100 units.

In setting the same target for 1984-85, the Government noted the marked upturn that had occurred in the building industry and the need to avoid overheating.

Due to the pressures in the industry, the completion times for houses tended to lengthen in 1984-85 and the 3 100 units target was not achieved by 300.

In the light of this experience, the target for 1985-86 has been set at 2 900 units plus the 300 carryover from 1984-85 which will be completed early in the new financial year.

The target for approvals under the concessional loan scheme conducted by the State Bank of South Australia will be maintained at 60 loans per week.

As has been indicated previously, the whole of the borrowing element of the Loan Council works allocation will be nominated for housing and, hence, will be received at a concessional interest rate. However, the Government is concerned that the Commonwealth has indicated an intention to reduce the size of the concessional element in future years. The Government is concerned also that the Commonwealth has retained at the 1984-85 level its support for housing under the Commonwealth- State Housing Agreement.

The implications for the future housing program are serious if the Government cannot persuade the Commonwealth to adopt a more helpful approach.

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

HOUSING PROGRAMS				
	1984-85		1985-86	
	\$ million Actual		\$ million Proposed	
Commonwealth:—	73.2		73.1	
State:—				
Consolidated Account . . . . .	156.4		144.5	
Balances from Advances to Housing Account . . . . .	1.9 cr	154.5	10.0	154.5
Total . . . . .	227.7		227.6	

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

#### *Education Buildings*

The allocation of \$26 million for 1985-86 provides for:—

- the continuation of 13 major projects currently in progress, including works at the following schools:—
  - Aberfoyle Park High
  - Aberfoyle Park Hub Primary
  - Coorara Primary
  - Gawler East Primary
  - Munno Para Primary
  - Parafield Gardens North West Primary;
- the commencement of 6 new projects involving additions and upgradings at existing schools, including:—
  - Ernabella
  - Moana Primary
  - Salisbury Heights Primary;
- the investigation and design of 9 new projects, including 3 new primary schools for developing areas.

#### *Technical and Further Education Buildings*

The allocation of \$11.4 million for 1985-86 represents a marked reduction in expenditure in this area partly due to work on the new Adelaide College approaching completion.

Other works in progress include:—

- Port Pirie Community College Redevelopment;
- Naracoorte Multi-Purpose Workshop.

New works to be commenced in the year include:—

- alterations and additions to the Port Augusta College;
- extensions to the Regency Park College.

#### *Children's Services Buildings*

In conjunction with the establishment of the Children's Services Office to co-ordinate the provision of day care facilities for pre-school children, the provision of capital funds for the associated buildings program has been consolidated into the one program.

The allocation of \$4.2 million for 1985-86 on kindergartens and child care centres is for:—

- continued work on 8 major projects;
- commencement of 11 new projects.

#### *Other Government Buildings*

The proposed allocation of \$51.9 million is a considerable increase on the 1984-85 figure of \$36.9 million. It includes \$24.8 million on works associated with Correctional Services Department (\$9 million last year).

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

- Stage I of the Museum Redevelopment Project;
- Adelaide Remand Centre;



- major upgrading of the Yatala Labour Prison, and
- repairs to and the restoration of the facade of Treasury Building.

New projects to commence in 1985-86 include:—

- renovations of Carrick Hill;
- new Woodville office for the Department for Community Welfare;
- new Security Hospital at Hillcrest to enable the existing Northfield Hospital to be integrated into the Yatala Labour Prison complex, and
- many works of a lesser nature for a number of departments.

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

#### ATTACHMENT IV

#### DEVELOPMENTS IN COMMONWEALTH-STATE FINANCIAL RELATIONSHIPS

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

More detailed background and statistical material is to be found in Commonwealth Budget Paper No. 7— "Payments to or for the States, the Northern Territory and Local Government Authorities 1985-86".

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

Payments to the States represent about one third of Commonwealth Budget outlays. The balance between such payments and other kinds of Commonwealth expenditure is important both to the Commonwealth and to the States. The following table gives relevant figures.

**Commonwealth Budget Outlays**  
Percentage Increase over Previous Years

	Money Terms <sup>(a)</sup>		Real Terms <sup>(b)</sup>	
	"Own" Purposes <sup>(c)</sup>	Payments to States	"Own" Purposes <sup>(c)</sup>	Payments to States
1978-79	10.7	4.8	3.8	-1.8
1979-80	10.8	6.1	1.1	-3.2
1980-81	16.4	11.2	5.6	0.9
1981-82	15.0 <sup>(d)</sup>	8.5	2.9 <sup>(d)</sup>	-3.0
1982-83	21.1 <sup>(d)</sup>	16.7	8.7 <sup>(d)</sup>	4.8
1983-84	16.2	14.1	7.8	5.8
1984-85	14.9	8.6	8.0	2.1
1985-86 <sup>(e)</sup>	9.2	6.5	2.1	-0.5
Increases over 8 years	189	107	47	5

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

(b) That is, after allowing for the estimated effects of inflation. The method of 'deflation' based on the implicit price deflator for non-farm GDP, being the same method as used in the table on page 371 of Commonwealth Budget Paper No. 1, 1985-86.

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

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

(e) Budget estimates.

It will be seen that, over the last eight years, payments to the States have consistently grown more slowly than other Commonwealth outlays and the real level of payments to the States in 1985-86 will be at only a slightly higher level than it was seven years ago.

This trend is expected to continue in 1985-86, with payments to the States estimated to grow by 6.5 per cent, compared with 9.2 per cent for all other Commonwealth outlays. In real terms, payments to the States are expected to fall slightly in 1985-86.

The trends referred to above have resulted in a significant decline in the proportion of the Commonwealth's Budget outlays devoted to the States, as shown in the following table:—

#### Proportion of Total Commonwealth Budget Outlays

	"Own" Purposes %	Payments to States %
1977-78	62.7	37.3
1978-79	63.9	36.1
1979-80	64.9	35.1
1980-81	66.0	34.0
1981-82 <sup>(a)</sup>	67.3	32.7
1982-83	68.0	32.0
1983-84	68.3	31.7
1984-85	69.5	30.5
1985-86 <sup>(b)</sup>	70.0	30.0

(a) Adjusted for additional pay-day effect.

(b) Budget estimates.

#### Composition of Commonwealth Payments to the States

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

Relevant data are shown in the following table:—

#### Commonwealth Payments to the States

	General Purpose Payments		Specific Purpose Payments	
	\$b	% of Total	\$b	% of Total
1972-73	2.7	74	0.9	26
1975-76	4.4	53	3.9	47
1980-81	7.3	58	5.3	42
1981-82 <sup>(a)</sup>	9.2	67	4.5	33
1982-83 <sup>(a)</sup>	10.2	64	5.8	36
1983-84 <sup>(a)</sup>	11.4	62	6.9	38
1984-85 <sup>(a)</sup>	12.0	61	7.8	39
1985-86 <sup>(a/b)</sup>	12.9	61	8.2	39

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

(b) Budget estimates.

It will be noted that the trend towards a greater emphasis on general purpose funds which had been evident for several years up to 1981-82 was reversed in 1982-83. The propor-

tion of funds coming to the States in "untied" form is considerably lower than in the early 1970's. The estimates for 1985-86 show little change over 1984-85.

### General Revenue Grants

General revenue grants are by far the most important of the various forms of Commonwealth payments to the States (representing about 46 per cent of the total of such payments in 1985-86). They are "untied" and intended to assist the States to finance recurrent expenditures generally.

The rather complex developments which took place in relation to these grants up to and including 1984-85 were explained in Attachment IV to last year's Financial Statement and corresponding material in earlier years.

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

The Commonwealth Grants Commission had been asked to report on the tax sharing relativities that should apply to the States and the Northern Territory after 1984-85. The Commission released the results of its review of these relativities at the end of March, 1985.

In order to understand the sequence of events thereafter, it is necessary to realise that the Commission had no knowledge of the Commonwealth's intentions with respect to identified health grants after 30 June, 1985. Therefore, it was obliged to make certain assumptions about the future of those grants.

For the purposes of recommending the relativities which should apply to tax sharing grants (now called financial assistance grants) the Commission assumed that identified health grants to South Australia would be significantly reduced. This was not unreasonable in view of the comparatively generous treatment which this State was receiving as a result of the agreement which it had signed with the Commonwealth some ten years previously.

Since the Grants Commission, in effect, treats identified health grants and tax sharing grants as interchangeable forms of assistance, the logical consequence of this assumption was a relativity factor for tax sharing grants more favourable to South Australia than would otherwise have been the case. More precisely, the recommended factor would have produced an increase of \$15.6 million (in 1984-85 dollars) in this State's tax sharing entitlement.

On this basis, the State would then have been required to negotiate independently with the Commonwealth over the future level of identified health grants, although with the presumption that some reduction would be appropriate.

After receiving these recommendations, and without consultation with the States, the Commonwealth Government sought from the Commission supplementary calculations based on the assumption that the existing distribution of identified health grants would remain unchanged. Not surprisingly, the tax sharing relativities calculated on this assumption were much less favourable to South Australia, since they were predicated on a more generous share of identified health grants. More precisely, the recommended relativity factor produced a decrease of \$32.1 million (in 1984-85 dollars) in this State's tax sharing entitlement.

The Commonwealth designated these supplementary calculations "the new preferred relativities". However, it is significant to note that these same calculations appear in the working papers accompanying the Commission's first recommendation as supplementary calculation number 23. Clearly, they were not originally preferred by the Commission and became relevant only because the Commonwealth chose not to re-negotiate the level of identified health grants to South Australia.

At the Premiers' Conference of 30 May, 1985, it was decided that the former tax sharing grants would be replaced by financial assistance grants and payment of separate identified health grants would continue. For 1985-86 each of these grants would be increased in line with the increase in the CPI for the six State capitals (combined) in the year ending the March 1986 quarter over the preceding year. This means total grants for the six States combined will be held to the same real level as in 1984-85.

In the following two years (1986-87 and 1987-88) total general revenue grants (financial assistance and identified health grants) will be increased by 2 per cent in real terms for the six States combined.

These arrangements will provide a more appropriate and more certain basis for determining State entitlements than the former tax sharing arrangements. There never was much logic in relating State revenue grants to the growth in Commonwealth tax collections and the 10 year history of tax sharing demonstrates graphically the unsuitability of such a volatile measure as a basis for meeting the comparatively predictable expenditure needs of the States. This change was therefore supported by South Australia.

It was further decided to continue identified health grants as separate payments for the next three years in the expectation that they would be absorbed into the main general revenue grants for the succeeding period. The total available for financial assistance grants, determined by CPI movements as just described, will be distributed between the States in each of the three years in accordance with the new preferred relativities. This decision was a heavy blow to South Australia since it meant the difference between gaining \$15.6 million (in 1984-85 dollars) and losing \$32.1 million (in 1984-85 dollars). For 1985-86 the difference was \$51 million, representing the estimated benefit to South Australia of our generous identified health grants arrangements.

This was recognised by the Commonwealth and, to help smooth the transition to the new relativities, the following special assistance was offered:—

- in 1985-86, an amount equal to two-thirds of our relative advantage under the identified health grants arrangements—\$34 million;
- in 1986-87, an amount equal to one-third of our relative advantage under the identified health grants arrangements—\$17 million.

Neither amount will form part of the base for determining financial assistance grants in future years.

The total available for identified health grants, determined by CPI movements as mentioned previously, will be distributed between the States in future years on the basis of the per capita relativities of the 1984-85 grants. Thus South Australia will retain its relative advantage in the distribution of these funds.

For 1985-86, general revenue assistance to South Australia is expected to be as follows:—

	\$m
Financial Assistance Grant .....	1 038.2
Special Assistance Grant .....	34.0
Identified Health Grant .....	196.2
	1 268.4

This represents an increase of 7.3 per cent over 1984-85, marginally less than the expected CPI movement of 7.6 per cent. The combined effect of the immediate application of the new preferred relativities, which redistributed funds away from South Australia, and the special assistance grant of \$34 million has been to provide this State with slightly less than sufficient funds to maintain the real level of Commonwealth general purpose assistance received in 1984-85.

For 1986-87 and 1987-88 the combined totals of financial assistance grants and identified health grants for all States are to increase by 2 per cent in real terms. However, for South Australia the effects of the application of the new relativities and the rapid phasing out of special assistance are expected to be such as to do little more than maintain the real level of general purpose Commonwealth funds.

In view of the fact that the Grants Commission's recommended relativities have been applied immediately, the Commonwealth has indicated that it does not propose to pay any annual special grants to States which might be recommended after investigation by the Commission. It has proposed a further review of relativities based on data for the three years ending in 1986-87. Consultations will be held with the States on the terms of reference for this review, the results of which the Commission will be asked to present for consideration no later than the end of March, 1988. It is significant in this context that, although the Commonwealth has agreed to continue for the next triennium to provide assistance to the Northern Territory outside the States' grant arrangements, it has voiced the expectation that, for purposes of the general revenue grants arrangements to apply from 1988-89 onwards, the Territory will be included in the pool of grants available to the States. Clearly, it will be important at that time to ensure that the pool is enlarged sufficiently to permit the entry of the Territory without adverse effects on the entitlements of the States. The principal danger for the States is that the comparatively rapid population growth of the Territory will draw funds away from the States rather than the Commonwealth once the Territory is in the pool.

Medicare compensation grants will continue as separate grants. The operation of the Medicare Agreements will be extended for an extra year to 30 June, 1988, with the arrangements being reviewed during 1987-88 for report no later than the end of March, 1988.

### Loan Council

Important changes have taken place in this area in recent years.

The corresponding Attachment in the Financial Statements for 1983-84 and 1984-85 outlined the various regulatory decisions taken by Loan Council in 1982, 1983 and 1984 which had been supported, without qualification, by South Australia. The further changes made at the May 1985 meeting of Loan Council were of a relatively minor nature.

Under current arrangements, all forms of financing by semi-government authorities (including, for example, lease transactions, deferred payment schemes and the like) rather than merely their "conventional" borrowings have been brought within the purview of Loan Council under a voluntary system of "global limits". Borrowings by or for government-owned companies (such as South Australian Oil and Gas Corporation) are also included.

The following table summarises the borrowing programs for the State, semi-government and local authorities in 1985-86 and compares that with actual borrowings (including "off Loan Council" financings) in the three preceding years.

#### South Australia New Money Borrowing Programs

	1982-83	1983-84	1984-85	1985-86
State Government				
Loan Council Borrowings <sup>(a)</sup>	119.3	127.6	135.9	131.2
Capital Grants	59.6	63.8	67.9	72.7
"Off Program" Financings <sup>(b)</sup>	55.0	169.7	5.5	—
	233.9	361.1	209.3	203.9

	1982-83	1983-84	1984-85	1985-86
Semi and Local Government Authorities and Government Owned Companies				
Loan Council Programs as Approved				
Electricity Trust	177.3	64.0	3.7	—
SAFA and Other Authorities <sup>(c)</sup>	52.9	85.5	358.2	360.0
Local Authorities <sup>(d)</sup>	19.7	24.0	131.1	40.0
	249.9	173.5	493.0 <sup>(e)</sup>	400.0 <sup>(e)</sup>
"Off Program" Government Owned Companies				
Other	105.5	42.2	—	—
	33.9	95.7	—	—
	139.4	137.9	—	—
Aggregate for Government and Authorities	623.2	672.5	702.3	603.9

(a) Includes amounts nominated for welfare housing on concessional terms.

(b) Excluding borrowings by the Government from SAFA as these are included below.

(c) Comprises borrowings by or on behalf of all semi-government authorities other than ETSA.

(d) Includes amounts borrowed by LGFA.

(e) These are the global limits applying to all forms of financing by semi-government authorities and government owned companies.

Although the aggregate new money borrowing capacity of the State public sector in 1985-86 will, based on the assumptions built into the foregoing table, be substantially less than the amount raised in 1984-85, this is attributable to special factors such as borrowings in 1984-85 by the South Australian Oil and Gas Corporation. The capacity available in 1985-86 is fully adequate to meet the State's financing requirements.

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

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

	Money Terms	"Real" Terms*
1978-79	—	-9.3
1979-80	-13.2	-22.5
1980-81	+5.0	-6.4
1981-82	—	-10.6
1982-83	+5.0	-5.7
1983-84	+7.0	-0.3
1984-85	+6.5	—
1985-86	—	-6.6

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

The Commonwealth has stated that amounts can be nominated by States out of their Loan Council borrowing programs for housing purposes which will be provided on the concessional terms applicable under the Commonwealth/State Housing Agreement. This involves an interest rate of

4.5 per cent. South Australia nominated the whole of its borrowing program in 1983-84 and 1984-85 under these arrangements and has done so again with respect to its 1985-86 program of \$131.2 million. The Commonwealth has indicated that the proportion of the program which may be nominated in this way will be reduced to 60 per cent in 1986-87 and 30 per cent in 1987-88 (with the position beyond then not stated). Such changes would have a major adverse effect on the State's ability to fund an adequate public housing program and the State will be making further representations to the Commonwealth on this issue through the year.

### Specific Purpose Payments

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

In 1985-86, South Australia will receive specific purpose recurrent and capital assistance under more than 40 separate programs. There is a considerable variation in the levels of assistance provided under these programs. The following table, based on estimates shown in Commonwealth Budget papers, shows that the bulk of the specific purpose assistance provided to the State is provided under five headings—Education, Health, Housing, Roads and Local Government.

#### Estimated Specific Purpose Payments to South Australia

	1984-85	1985-86 <sup>(a)</sup>	Percentage
	\$ million	(\$ million)	Increase
Education .....	327.0	343.3	5.0
Health .....	116.8	119.9	2.7
Housing .....	71.1	70.9	-0.3
Roads .....	95.4	97.6	2.3
Local Government .....	41.8	46.0	10.0
Employment Creation .....	31.4	22.7	-27.7
All Other .....	61.5	73.8	20.0
<b>Total .....</b>	<b>745.0</b>	<b>774.2</b>	<b>3.9</b>

(a) Estimates are as included in the Commonwealth's Budget papers and do not in all cases coincide with amounts expected by the State.

These payments are made available under a wide variety of arrangements between the Commonwealth and the States, some formalised in Agreements but the majority not. Details of these arrangements can be found in Commonwealth Budget Paper No. 7 and the reports of individual State agencies and are not given here.

There follows, however, a brief summary of some of the major areas of change.

### Education

The Commonwealth Treasurer's Statement of 14 May, 1985, on Expenditure Savings Measures included four decisions that will affect the level of Commonwealth assistance to the State for Education in 1985-86.

Grants to the State for Pre-Schools will be terminated from 31 December, 1985. In 1985-86 this will mean a reduction of \$1.9 million and in a full year \$3.7 million in funds available to the State for this purpose.

The Commonwealth had previously allocated funds for the Participation and Equity Program for the three years to end 1986. It has now decided to extend the Program, but within the original funding level, with the effect of spreading the planned funding level for 1986 over two years. In 1985-86 this will mean a reduction of \$1.6 million and of \$3.4 million in a full year in the funds available for the Program in both Schools and TAFE.

Planned outlays on the TAFE capital program will be reduced in 1985-86. In the case of South Australia this will mean a reduction of \$5.2 million on funding levels for

1984-85 and will have the effect of requiring a rescheduling of the capital program.

From the beginning of 1986 the Libraries element of the Schools Commission capital grants program will be discontinued. In 1985-86 this will mean a reduction of \$600 000 in the level of funding to the State and \$1.2 million in a full year.

The State Government has been required to take account of these funding cuts in formulating its Budget.

The Commonwealth Government in 1984 established the Quality in Education Review Committee to examine, and develop strategies for, Commonwealth involvement in primary and secondary education. The report of the Committee was presented to the Commonwealth Minister in April, 1985. It has recommended, inter alia, changes to the financial arrangements for the Commonwealth program for schools, that, if implemented, would have significant implications for the States.

In particular, it has been recommended that the hitherto general purpose recurrent grants to Government and Non-Government schools should be directed, by means of negotiated agreements, towards areas of educational priority to the Commonwealth. The general purpose grants are the bulk of the Commonwealth funds received by the States for schools. The State approach to any negotiations with the Commonwealth over the proposed resource agreements will be based on the need to avoid an undesirable and unnecessary degree of direction from the Commonwealth as to the manner in which these funds are utilised by the State to finance programs in schools.

### Local Government

In May, 1984 the Commonwealth Minister for Territories and Local Government announced a national inquiry into local government finance, the principal focus of which is the local government tax-sharing arrangements. The Committee is expected to submit its report within the next few months.

In the meantime, as part of its May, 1985 Expenditure Savings package, the Commonwealth Government announced that, for 1985-86, the local government tax sharing grants would increase in real terms by 2 per cent rather than in accordance with the growth in personal income tax collections as then provided for in legislation. This reduced the grants payable in 1985-86 by \$62 million below what they would otherwise have been (\$5.5 million for South Australia).

The arrangements for 1986-87 and beyond will be determined in the light of the report of the review committee referred to above.

### Aboriginal Affairs

The Commonwealth and the States have agreed to review on a bilateral basis the present arrangements for financing programs of assistance to Aboriginal people. In South Australia the review will be wide-ranging and will have as a central objective the clarification of the division of financial responsibilities between the Commonwealth and State.

### Commonwealth and State Taxation Powers

A number of reviews and studies relevant to Commonwealth and State taxation powers have been initiated in recent years.

The session of the Australian Constitutional Convention held in Adelaide in 1983 gave bi-partisan support to the proposal for amendments to the Constitution to enable "interchange" of legislative powers between the Commonwealth and State Parliaments. This proposal was relevant to the matter of State taxation powers because it would have opened up the possibility of reference of "excise" powers by the Commonwealth to the States. Unfortunately,

when this proposal was put to referendum by the Commonwealth in conjunction with the 1984 Federal election, the bi-partisan support given at the Adelaide meeting was no longer evident (it being opposed by the Liberal/National parties) and it was defeated.

The Fiscal Powers sub-committee established by the Standing Committee of the Constitutional Convention submitted a report to that Standing Committee in July, 1984.

This Report put forward a number of recommendations which would generally have the effect of increasing the fiscal powers of the States vis-a-vis the Commonwealth, chief amongst these recommendations being that section 90 of the Constitution be amended to permit the States to levy duties of excise.

This Report was considered at a meeting of the Constitutional Convention held in Brisbane in July/August 1985. All the recommendations of the Report were adopted by the Convention although, in the case of the section 90 issue, unfortunately without the support of Commonwealth Government delegates.

One of the recommendations so adopted was that "investigation of a restructured federal financial system be commenced as soon as practicable, with a view to providing new arrangements for taxation, revenue transfers, fiscal equalisation and borrowing..." It is unclear as to how this recommendation is to be pursued.

At the 30 June/1 July, 1983 Premiers' Conference it was decided to establish a working group of Commonwealth, State and Northern Territory Treasury officers "to examine without commitment longer term issues of the distribution of taxation powers between the Commonwealth and State Government". A sub-committee of State Treasury officers prepared a report in accordance with this decision, which was made available late in 1983-84. The Commonwealth advised that it did not wish to participate in the preparation of the report, which thus stands as a joint State Treasury document.

At the May, 1985 Premiers' Conference it was agreed that the question of Commonwealth-State taxation powers would be further examined by Treasury officers, but only after the results of the National Tax Summit were clear.

The South Australian Government's submission to that Summit, held in the first week of July, 1985, put forward the view that questions of the relationships between Federal and State taxes—for example issues associated with payroll tax and taxes on financial transactions—should be taken up as part of the Tax Summit review. Although there was some discussion on these matters at the Summit, they were not pursued in any substantive fashion.

The Government will be monitoring developments in this area with considerable care to ensure that any opportunities which may arise for productive reform in the direction of giving the States a wider range of taxation and other fiscal powers than they have at present are grasped.

#### Concluding Comment

There has continued to be quite significant change in various aspects of Commonwealth-State financial relationships over the last year and further changes are likely, but they have generally been in the detail of arrangements, not in fundamental structure.

Decisions taken at various sessions of the Constitutional Convention and Premiers' Conferences in recent years have held out some hope for more fundamental reform in relation to the States' fiscal powers. All previous attempts over the last four decades to achieve basic reform in Federal-State finances have led to disappointing results. While it is difficult to see tangible prospects for major reform in the immediate future, the objective and well-considered analysis which is now available confirms the need for such reform

and, in the view of the South Australian Government, it would be premature to abandon the quest for it despite the obvious difficulties.

#### ATTACHMENT V

#### ALTERNATIVE PRESENTATIONS OF THE BUDGET

The "traditional" presentation of the Budget result has measured the change in the cash balance in the Consolidated Account. Under this method, borrowings are included with the cash receipts.

The "alternative" presentation contained in this Attachment focuses instead on the total amount of financing required to fund the Budget, whether that financing is arranged through borrowings or from a rundown in the holdings of cash and investments. This alternative presentation has for many years been used by the Commonwealth Government in measuring its Budget result. In addition to established usage elsewhere, it is considered that this presentation assists in the interpretation of Budget results since it eliminates differences in Budget outcomes that are due entirely to differences in financing arrangements. By defining the Budget result in terms of the total financing requirement, attention is focused on the relationship between Budget expenditures and revenue-raising effort, including grants received from the Commonwealth.

The following table applies this alternative presentation to the Consolidated Account for the last two years and for the Budget year 1985-86.

#### CONSOLIDATED ACCOUNT

#### SUMMARY OF ESTIMATED EXPENDITURE, REVENUE AND FINANCING<sup>(a)</sup>

	1983-84 \$ million	1984-85 \$ million	1985-86 (estimated) \$ million
<b>Expenditure—</b>			
Recurrent <sup>(b)</sup> .....	2 167	2 603	2 968
Capital .....	389	415	489
<b>Total .....</b>	<b>2 556</b>	<b>3 018</b>	<b>3 457</b>
<b>Revenue—</b>			
Commonwealth grants .....	1 205	1 433	1 506
Taxation .....	664	814	852
All other .....	454	553	773
<b>Total .....</b>	<b>2 322</b>	<b>2 800</b>	<b>3 131</b>
<b>Financing—</b>			
Net increase in borrowings <sup>(c)</sup> .....	232	232	325
Change in Consolidated Account balance .....	2	(14)	—
<b>Total Net Financing Requirement</b>	<b>234</b>	<b>218</b>	<b>325</b>

(a) Details may not add to totals because of rounding. Comparisons between years are in some cases significantly affected by accounting changes, a significant example of which is referred to in footnote (c).

(b) The 1983-84 and 1984-85 figures reconcile with those shown in the "normal" presentation by taking account of sinking fund payments. See footnote (c).

(c) Equals the State Government's Loan Council borrowing program for the year plus other borrowings. Prior to a change in accounting treatment in 1985-86, explained in more detail in Attachment I, sinking fund payments—including those paid by the Commonwealth in respect of the State's debt—were deducted from borrowings. The Commonwealth payments in respect of the State's debt were also included as grants. The effect of the change in treatment is to overstate by \$29 million the increase in net borrowings in 1985-86 as compared with 1984-85.

The Budget outcome should also be viewed in the wider context of total public sector finances. Although obviously a major component, the Consolidated Account represents only part of the financial transactions of the State public sector as a whole. Many receipts and expenditures take place through deposit and trust accounts and through the accounts of the large number of statutory corporations established by the State. The table below shows consolidated data for the public sector as a whole for the years 1981-82 through to 1985-86 estimates. For an analysis of public sector finances over the preceding decade to 1980-81, statement users are referred to two Information Papers published by Treasury in 1981 and 1982 respectively. Similar information for past years can also be obtained from public finance bulletins prepared by the Australian Bureau of Statistics.

Some of the key features of the State's finances as projected for 1985-86 which come out of this table are summarised below.

It should be noted that because of differences in coverage and classification, the figures in this table are not directly comparable with those appearing elsewhere in conventional Budget presentations.

In aggregate, public sector outlays are estimated to increase by 14.8 per cent in 1985-86, compared with 10.0 per cent in 1984-85. The faster increase in 1985-86 is attributable largely to stronger growth in capital outlays relative to 1984-85, and to a lesser extent, larger operating deficits for public trading enterprises. Recurrent outlays, in contrast, are estimated to increase more slowly in 1985-86 than in 1984-85.

On the receipts side, the estimated 1985-86 increase of 8.0 per cent is approximately half the growth rate experienced in the previous year. Commonwealth grants are estimated to grow by 4.3 per cent, compared with 12.0 per cent in 1984-85; however, grants totalling some \$17 million,

although in respect of 1985-86 expenditures, were received in 1984-85. After adjustment for this timing effect, 1985-86 Commonwealth grants are expected to grow by 6.1 per cent. Taxation receipts are estimated to grow by 7.0 per cent. This represents a faster increase than the 4.7 per cent shown in the conventional Budget presentation which includes taxation payments by departments. Under the national accounts presentation, payments and receipts which are internal to the public sector are netted out in order to disclose the true extent to which taxation impacts on the private sector. 'Other' receipts, although accounting for less than 8 per cent of total public sector receipts, are estimated to increase strongly in 1985-86 by 61.5 per cent, mainly on account of statutory contributions from financial institutions (S.A. Government Financing Authority and State Bank), higher royalty payments and growth in interest on investments.

Reflecting the stronger growth forecast for public sector spending relative to receipts, the net public sector borrowing requirement is estimated to increase strongly in 1985-86. It is notable, however, that in 1985-86 net borrowings are estimated to be substantially lower than they were three years ago in 1982-83. The expected large increase in the net borrowing requirement in 1985-86 compared with 1984-85 can best be regarded as a return to a more 'normal' level after a dip in the requirement in 1984-85, due to unusually strong revenue flow relative to outlay growth.

The borrowing requirement will be financed partly through borrowings and partly from the utilisation of the high level of cash and reserves that were built up in the previous year, when net borrowings and other forms of financing, (i.e. net of offsetting movements in cash and reserve holdings) fell by almost 37 per cent.

#### STATE PUBLIC SECTOR FINANCES 1981-82 TO 1985-86—SUMMARY

	1981-82	1982-83	1983-84	1984-85		1985-86 (estimated)	
	\$ million	\$ million	\$ million	\$ million	Percentage increase <sup>(f)</sup>	\$ million	Percentage increase <sup>(f)</sup>
<b>Outlays—</b>							
Recurrent .....	1 610	1 872	2 046	2 369	15.8	2 688	13.4
Capital .....	599	798	802	779	-2.8	896	15.0
Net operating deficit of public trading enterprises .....	115	171 <sup>(d)</sup>	148	146	-1.5	200	36.6
<b>Total .....</b>	<b>2 324</b>	<b>2 840</b>	<b>2 996</b>	<b>3 294</b>	<b>10.0</b>	<b>3 784</b>	<b>14.8</b>
<b>Receipts—</b>							
Commonwealth grants .....	1 333	1 594	1 796	2 010	12.0	2 098	4.3
Taxation .....	493	543	656	783	19.4	838	7.0
Other receipts <sup>(a)</sup> .....	90	96	86	152	77.2	245	61.5
<b>Total .....</b>	<b>1 916</b>	<b>2 233</b>	<b>2 537</b>	<b>2 945</b>	<b>16.1</b>	<b>3 180</b>	<b>8.0</b>
<b>Financing—</b>							
Depreciation and other provisions <sup>(b)</sup> .....	116	152 <sup>(c)</sup>	134	144	7.1	184	27.9

	1981-82	1982-83	1983-84	1984-85	1985-86 (estimated)		
	\$ million	\$ million	\$ million	\$ million	Percentage increase <sup>(f)</sup>	\$ million	Percentage increase <sup>(f)</sup>
Net borrowings and all other financing arrangements <sup>(c)</sup> . . . .	292	456	325	206	-36.6	419	103.8
Total . . . . .	408	607	459	349	-23.8	603	72.6

<sup>(a)</sup> Comprises mining royalties, land rent, interest, statutory contributions from banks and other financial institutions, and other minor items.

<sup>(b)</sup> Comprises depreciation allowances and other allocations to internal reserves.

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

<sup>(d)</sup> Includes extraordinary costs arising from the Ash Wednesday fires in 1983 amounting to \$27 million.

<sup>(e)</sup> Includes extraordinary provisions arising from the Ash Wednesday fires in 1983 amounting to almost \$20 million.

<sup>(f)</sup> Percentage increases are calculated on unrounded figures.

#### ATTACHMENT VI

#### REPORT OF THE AUDITOR-GENERAL FOR THE YEAR ENDED 30 JUNE 1984

#### RESPONSES BY DEPARTMENTS

Auditor-General's Report page reference	Auditor-General's Comment	Action Taken	Present Position
61	<p><b>Department of Correctional Services</b> <i>Prison Industries</i></p> <p>The lack of accountability over resources used in, and the products of, prison industries has been raised with the Department over a number of years by both audit and private consultants.</p> <p>The Department has undertaken a review of the method of accounting for goods and services by prison industries with the object of developing a system whereby institutions are charged for all items of departmental production which they use. It is anticipated that the development and implementation of revised systems will be completed within the next two years.</p>	<p>Further development of cross charging between industries within the Department and within institutions. A position of Cost Clerk has been recently filled at Yatala Labour Prison. Finance Branch developing a cost accounting system on an individual industry basis.</p>	<p>Continuing to design a cost accountability system for each industry and for each institution.</p>
61	<p><i>Prisoners, Staff and Cost of Salaries and Wages, Callbacks and Overtime</i></p> <p>The cost of callbacks and overtime increased by \$400 000 to \$2 million and represented 11.4 per cent (10.2 per cent) of total cost for salaries and wages. The Department continues to be concerned at the high level of callbacks and overtime and proposes to improve budgetary control and management information.</p>	<p>A new staffing structure at Yatala Labour Prison was introduced in November 1984 eliminating fixed posts. Certain offsets achieved in negotiation for 38 hour week which will eliminate some overtime and replace some overtime with normal time. Institutions for the first time have been allocated a quota of overtime. This has been on an estimate basis and will be more accurately allocated in 1985-86. A daily monitoring system for callbacks and overtime has been introduced in April 1985.</p>	<p>Monitoring position and with available resources continue to develop systems, procedures and strategies to control the costs of callbacks and overtime.</p>
67	<p><b>Education Department</b> <i>Audit Findings and Comments</i> <i>Ancillary Staffing Costs</i></p> <p>A review of ancillary personnel in schools revealed that better financial control needed to be exercised over individual schools' ancillary staffing costs.</p>	<p>Auditor-General's comments have been acted on with improved control aspects being introduced.</p>	<p>The matter of staffing costs has been reviewed in the context of:</p> <ul style="list-style-type: none"> <li>• overall management of the ancillary staffing program and</li> <li>• the position of individual schools.</li> </ul>

Auditor-General's Report page reference	Auditor-General's Comment	Action Taken	Present Position
	The matter was referred to the Department and to date a reply has not been received.		This has been undertaken in terms of resource allocation (average full-time equivalent staffing) rather than costs since the skill profile of an individual will have an impact on the cost. At a macro level introduction of resource reports which measure the level of staffing being used relative to budget has enabled a greater level of control over individual areas and ultimately schools. This will be further improved by responsibility for staffing and the costs relating thereto being devolved to Area level.
70	<p><i>Overpayment Recovery System</i></p> <p>The recovery of overpayments of salaries, wages and allowances operates through a sub-system of E.D.M.I.S.</p> <p>A follow-up review of issues (as reported last year) with respect to the incidence of salary overpayments revealed that there had been no significant reduction in the extent of overpayments although the Department had introduced a system of fortnightly certificates regarding bona fide employment.</p> <p>In response, the Department advised that efforts were being made to reduce salary overpayments through—</p> <ul style="list-style-type: none"> <li>● the transfer of the payroll and leave recording functions to Area offices as part of the Departmental reorganisation;</li> <li>● the establishment of a project team to identify delays in documentation flows;</li> <li>● further refinements to the bona fide certificate system.</li> </ul> <p>The balance of overpayment as at 30 June 1984 was \$226 000 (\$205 000) of which \$136 000 was on account of current employees. Debts written off totalled \$3 208 (\$8 563), for amounts overpaid in previous years.</p>	Salary overpayments are being continuously monitored with action being taken wherever possible to reduce incidence.	Introduction of the system of bona fide certificates is one element of the efforts being made to reduce the incidence and level of overpayments. Review of the effectiveness of the bona fide system is presently being undertaken. Transfer of the payroll and leave functions from Head Office to Areas will be undertaken in the early part of the 1985-86 financial year after confirmation that the consolidated pay functions and computing changes necessary for remote processing will function correctly. Consolidation of the previously separate gross pay and net pay functions into single units within Area operation is expected to reduce overpayments in the longer term.
78	<p><b>Department of Technical and Further Education</b></p> <p><i>Personnel/Salaries System</i> (E.D.M.I.S.)</p> <p>During the past two years, audit reviews of operating subsystems, considered critical to the efficient and effective operation of the Personnel/Salaries System disclosed that—</p> <ul style="list-style-type: none"> <li>● management approved clerical procedures were adequate, but were not being complied with by some operating and supervisory personnel;</li> <li>● clerical operations did not ensure the prevention or detection of invalid or inaccurate information processed to the Personnel/Salaries System.</li> </ul> <p>Last year, it was reported that the Department had developed and implemented revised clerical procedures relating to the Award File and Authorisation and Update subsystems.</p>		



Auditor-General's Report page reference	Auditor-General's Comment	Action Taken	Present Position
80	<p>During 1983-84 a further review revealed that although the revised Common Operating Procedures had been promulgated throughout the Department, they were not complied with in certain critical areas. This matter was again referred to the Department which has advised that action has been taken to further refine the clerical procedures and also to ensure that they are complied with by clerical staff.</p> <p><i>Other Reviews</i></p> <p>The status of matters referred to in last year's Report is—</p> <p><i>Review of Supply Operations</i>—The lack of effective control over stores at some Colleges was first reported in 1978-79. Following further criticism in 1979-80, the Department engaged the State Supply Division to undertake a review of the Departmental Supply Function. A detailed report issued in December 1981, criticised inadequacies in system procedures and general management of the purchasing and stores functions in Colleges.</p> <p>An audit review of stores at Regency Park Community College revealed an unsatisfactory situation. In reporting that matter to the Department, concern was expressed also at the time taken to address and implement the findings contained in the State Supply Division's Report of December 1981.</p> <p>The Department acknowledged the inadequacies of College stores systems and advised that it was endeavouring to overcome those deficiencies, but that the rate of progress was dependent on its ability to redeploy resources from other areas.</p> <p>As this matter has remained unresolved for several years, the low priority accorded by the Department to instituting effective control over stores with a value of many thousands of dollars is of concern.</p>	<p>Clerical procedures have been revised and updated. A formal process has been established for identifying and assessing the need for further revision.</p>	<p>Approved procedures are being followed.</p>
81	<p><i>Review of Supply Operations</i>—The lack of effective control over stores at some Colleges was first reported in 1978-79. Following further criticism in 1979-80, the Department engaged the State Supply Division to undertake a review of the Departmental Supply Function. A detailed report issued in December 1981, criticised inadequacies in system procedures and general management of the purchasing and stores functions in Colleges.</p> <p>An audit review of stores at Regency Park Community College revealed an unsatisfactory situation. In reporting that matter to the Department, concern was expressed also at the time taken to address and implement the findings contained in the State Supply Division's Report of December 1981.</p> <p>The Department acknowledged the inadequacies of College stores systems and advised that it was endeavouring to overcome those deficiencies, but that the rate of progress was dependent on its ability to redeploy resources from other areas.</p> <p>As this matter has remained unresolved for several years, the low priority accorded by the Department to instituting effective control over stores with a value of many thousands of dollars is of concern.</p> <p><i>Asset Control System</i>—During the past three years the Department has been developing a computerised Asset Control System to provide a data base for the management of major equipment.</p> <p>To date, data on equipment has been collected at all except one College while physical stock checks using information produced by the System have been conducted at 18 Colleges.</p> <p>During 1983-84, an attempt was made to evaluate the System. However, incomplete documentation and the requirement of further system refinements resulted in the audit review being deferred to 1984-85.</p>	<p>Supply manual developed to provide Colleges and Branches with policy and guidelines in all aspects of supply.</p> <p>Head Office Purchasing cell now established to provide effective control over Department's purchasing. Cataloguing project commenced as a prerequisite to establishing inventory control systems.</p> <p>A Supply Branch has now been established with resources provided to satisfy most supply needs of the Department.</p>	<p>Consultants have been engaged to assist the Department in the development and implementation of a supply and inventory control system.</p> <p>Operative with sufficient levels of personnel to perform resource function.</p> <p>Regency Park almost completed with some items in other Colleges being identified and catalogued also.</p> <p>With the exception of inventory control most aspects of the 1981 Review have now been addressed and recommendations implemented.</p>
110	<p><b>Highways Department</b></p> <p><i>Audit Findings and Comments</i></p> <p>An examination of passenger vehicle utilisation at Head Office indicated that the number of vehicles appeared to be high in relation to daily demand. A report was forwarded to the Department and the Senior Internal Auditor subsequently</p>	<p>To date the number of vehicles based at Walkerville has been reduced by 13 vehicles.</p>	<p>Vehicle number and utilisation is being continually monitored and reviewed as an ongoing process.</p>

Auditor-General's Report page reference	Auditor-General's Comment	Action Taken	Present Position
	<p>investigated the situation and recommended a reduction in vehicle numbers held; this proposal is being considered by departmental management.</p>		
166	<p><b>Public Buildings Department</b>  <i>Audit Findings and Comments</i>  <i>Major Contract Administration</i>            The matter of variation orders on major contracts was brought again to the attention of the Department. In response, the Department advised that following an internal review, amended policies and procedures would be implemented during 1984-85.</p>	<p>Proposed policies and procedures for the issue, valuation, negotiation and agreement of variation orders have been circulated.            External organisations invited to comment by 21 June, 1985 on the proposed policies and procedures.</p>	<p>Proposed policies and procedures to be in use from December 1985.</p>
178	<p><b>Department of Recreation and Sport</b>  <i>State Aquatic Centre</i>            In November 1983, approval was given to establish a State Aquatic Centre by redeveloping the Adelaide City Council's swimming centre at North Adelaide, at an estimated cost of \$5.1 million.            Following the receipt of tenders for the main building a revised estimate of \$7.2 million was approved. To 30 June payments amounted to \$1.5 million with \$750 000 being provided by the Commonwealth, \$510 000 from the Soccer Football Pools funds and \$252 000 from Consolidated Account.            The Commonwealth Government has agreed to provide \$3.7 million.            In addition, the State Government will meet any increased operating deficit, in real terms, over the existing level for a period of 10 years. There has been no attempt to quantify this cost.</p>	<p>An operating budget for 1985-86 has been prepared.</p>	<p>Negotiations are proceeding with the Adelaide City Council as to the basis for meeting the operating deficit.</p>
181	<p><b>Department of Services and Supply (Transport Services Branch)</b>  <i>Audit Findings and Comment</i>  <i>Transfer of Vehicles to Pool</i>—Eight months after commencement of operations a number of Departments and Authorities have not transferred any or all of the vehicles identified in the proposal as being available to the pool.            At 30 June, 408 vehicles out of 810 vehicles identified had been transferred. A further 53 vehicles were transferred from the S.A. Health Commission on 1 July, 1984.</p>	<p>Negotiations have continued with all agencies covered by the Cabinet approval. Letters were forwarded to these agencies in September and December, 1984 seeking details of vehicles not yet transferred and requesting compliance with Cabinet direction.            A reconciliation of the fleet, which includes all transfers, indicated that as at 28 February, 1985, there were only 78 potential transfers outstanding.</p>	<p>Negotiations are continuing with each individual agency having not yet fully complied with the Cabinet approval.            It is anticipated that all available transfers will be achieved by 30 June, 1985.</p>
	<p><i>Parking and Home to Office Usage</i>—            A long term commitment was entered into with the State Government Insurance Commission as the owner for the provision of 390 parking bays for vehicles used on Government business at the State Centre Car Park at a cost of \$27 300 per month.</p>		

Auditor-General's Report page reference

Auditor-General's Comment

Action Taken

Present Position

	<p>Surveys conducted at varying times of the day and week during July, 1984 showed that occupation by authorised pool vehicles varied between 78 and 207 bays.</p>	<p>The figures of a variation from 78 to 207 resulted from a survey by the Auditor-General's Office (the low figure of 78 was recorded on a Sunday). Approximately 50 spaces are rented to government agencies for parking private and other authorised vehicles which would not be in the State Centre Car Park on Sunday.</p> <p>The aim of the car pool is to increase utilisation. Logically then, one would expect that the usage of parking spaces would be low if utilisation was high.</p>	<p>Following detailed review of parking needs, negotiations with S.G.I.C. have resulted in a significant change to the parking arrangements in the State Centre Car Park. The number of spaces leased by the fleet has been reduced by 101 (from 398 to 297) and at the same time transferring the location of the government operation from the east to the west sector of the car park.</p>
182	<p>The low number of vehicles housed in the car park, particularly at night and on weekends, together with the high proportion of vehicles on permanent hire, indicated that the under utilisation of parking resulted from more home to office travel than anticipated as well as delays by some Agencies in participating in the pool.</p> <p><i>Participation by Agencies</i>—The benefit of the proposal relies on participation of all nominated Agencies to the extent identified.</p> <p>Non-participation will reduce the economic viability and overall effectiveness of the pool operation.</p> <p>To achieve the objectives of pool operations, it is essential that outstanding vehicles be transferred promptly to pool operations and that management of Agencies take action to ensure usage of vehicles is restricted to essential requirements.</p> <p>Guidelines on circumstances under which vehicles may be issued on a long-term hire basis are being reviewed by the Public Service Board for issue to Heads of Departments.</p> <p>The matter raised will be monitored early in 1984-85.</p>	<p>The question of use of government vehicles outside normal business hours is a difficult one. The Transport Services Branch is a service oriented operation and does not have a brief to determine the authority for hire beyond requiring the presentation of the appropriate Authority Card issued by the Branch to agencies. The justification rests within the agency itself. Evidence suggests that the number of short term hire vehicles involved in 'overnight home to office travel' only is very small indeed.</p>	<p>There is a continuing scrutiny of requests for long term hire vehicles. Whilst the proportion of long term hire to short term hire appears high, it is difficult to determine precisely just what the ratio ought to be. Every effort is taken to continually review agency transport portfolios with a view to reducing the number of long term hire vehicles. Recent hire rate changes are structured to induce a swing to short term hire.</p> <p>Discussions are continuing with the Public Service Board on this matter.</p>
187	<p><b>(Government Computing Centre Division)</b></p> <p><i>Operations</i></p> <p>The policy of the Centre is to fix charges for services at competitive rates sufficient to recover all costs and provide for the acquisition of further equipment.</p> <p>The deficit on operations of \$354 000 does not include liability accruing for superannuation or cost of accounting services provided by the Support Services Division. These costs will be phased in from 1 July, 1984.</p> <p>It will take further time before income generated from services provided will be sufficient to meet additional costs incurred to improve the range and quality of services to clients. These costs related mainly to—</p> <ul style="list-style-type: none"> <li>• the upgrading of the Centre's computer equipment and operational software; and</li> </ul>	<p>Guidelines have been reviewed however no changes have yet been determined.</p>	

Auditor— General's Report page reference	Auditor-General's Comment	Action Taken	Present Position
	<ul style="list-style-type: none"> <li>the employment of additional personnel and reclassifications of a number of officers following restructuring of the organisation in 1983.</li> </ul> <p>Departments are allowed to use either the Centre or other processing means based on a departmental assessment of the cost and level of services provided. In justifying development of in-house services in preference to using common services, some Departments are not incorporating all the costs that apply to the Centre. This makes it difficult for the Centre to attract custom and meet the full cost of operations.</p> <p>It has led to under-utilisation of expensive equipment.</p> <p>There is a need for improved awareness by management of the principles of financial evaluation.</p>	<p>As a consequence of discussion held between the Director-General, Data Processing Board and Treasury Officials, Treasury Circular 149 of 17 January, 1985 (General Guidelines for the Costing of Services and Projects) was issued to all Government Agencies. Notwithstanding this advice, the Centre's three Business Analysts, through continuous contact with client agencies, are developing an awareness of the need to incorporate all contingent costs when considering the benefits of providing 'in house' computing services.</p>	<p>In recent months the Centre has provided information to clients to enable them to prepare and submit business cases to the Data Processing Board. The Data Processing Board appears to be using the Treasury guidelines as an essential criterion to make recommendations.</p>
252	<p><b>Country Fire Services Board</b> <i>Audit Findings and Comments.</i></p> <p>A further review of the financial management of the Board was undertaken during the year. Again it was necessary to report to the Treasurer an unsatisfactory position in that financial reporting to the Board and to operating management was inadequate. I suggested that a person with appropriate financial management skills be attached to the organisation as a matter of priority.</p> <p>A senior officer of the Department of the Public Service Board was seconded to the Country Fire Services Board on a full-time basis on 4 June, 1984.</p> <p>The Country Fires Act specifies qualifications for membership of the Country Fire Services Board and also for the Director. I also suggested to the Treasurer that it would seem appropriate for those qualifications to give some emphasis to business and financial management skills, in addition to other professional skills and sectional interests.</p>	<p>Steps have been taken to upgrade the accounting and financial management reporting of CFS expenditure and income to the Board.</p> <p>Senior officer from Public Service Board commenced 4 June, 1984.</p> <p>Interim Board of Chairman and four members formed in October, 1984. Members of the Interim Board possess business and financial management skills.</p>	<p>In-house accounting package being developed and is expected to be in operation as from 1 July, 1985.</p> <p>Present senior officer from PSB seconded until 31 December, 1985.</p> <p>Interim Board continuing to meet.</p>
411	<p><b>South Australian Timber Corporation</b> <i>Financial Position</i></p> <p>While it is appreciated that the Corporation needs time to establish its markets, I am nevertheless concerned by the magnitude of the losses it has accumulated since it commenced operations in 1979.</p> <p>The Corporation has no equity base and interest payments have become a significant part of its operating costs. It carried the financial burden of Punwood Pty Ltd, originally formed to establish an export wood chip venture.</p> <p>The Corporation is currently reviewing and restructuring some of its operations and investments.</p>	<p>The Corporation's investments are being directed into ventures which are profitable or have profit potential. It has ceased some operations and disposed of assets without significant losses.</p>	<p>For the year 1984-85, interest payments would be about \$1 280 000.</p> <p>Income from investments is expected to be \$1 500 000.</p>

Auditor-General's Report page reference	Auditor-General's Comment	Action Taken	Present Position
473	<p><b>Roseworthy Agricultural College</b>  <i>Audit Findings and Comments</i>  <i>College Cellars</i></p> <p>The matter of commercial performance of the Winery was referred to the College. A Winery Review Panel was established by the College in February, 1984, and its findings were considered by the Council of the College in June, 1984. Steps have been taken to improve management of the Winery.</p>	<p>A new Winery Board of Management, chaired by the Manager of the Wine and Brandy Producers' Association of S.A., was established. Crush for the 1985 Vintage was minimised to meet teaching needs and to minimise build-up of wine stocks.</p> <p>Winery staff were integrated with the teaching department. Wine sales were made the prime responsibility of the Winery Board of Management. There was an overall reduction in staffing of 1 person.</p>	<p>Sales thus far during 1985 are at a satisfactory rate. Additional marketing stimulus has commenced.</p>
	<p><i>Asset Management</i></p> <p>The matter of inadequate control over plant and equipment was referred to in the 1983 Report. An asset management system designed to provide effective control over those assets is currently being implemented by the College and is expected to be fully operational in the latter half of 1984.</p>	<p>An asset and equipment register was set up and existing records were put onto word processor. Funds for equipment have been provided in 1985 for installation of an accounting system through the VAX 11/750 mainframe computer.</p> <p>Part of the accounting system software will include maintenance of the existing asset and equipment register.</p>	<p>Lists of equipment held by departments have been checked by Department Heads and returned to the central register for updating.</p>

**ATTACHMENT VII**

**TRANSFERS OF FUNCTIONS AND DEPARTMENTAL REGROUPINGS**

Regrouping of Departments and transfers of functions and staff which have taken place since the last Budget was presented on 30 August, 1984. These changes are reflected in the Estimates of Receipts and the Estimates of Payments.

Function	From	To	Staff (FTE)	Comments
Vehicle Inspection	Education	Transport	2.0	Resulting from the implementation of the Mandatory Bus Maintenance scheme
Vehicle Structures	Highways	Transport	2.0	As part of centralisation of vehicle inspection activities
Data Processing of Traffic Accident Records	Highways	Transport	12.0	To centralise Road Safety activities
Magill Home	Community Welfare	S.A. Health Commission	134.2	A review of the future use of this nursing home and aged care centre concluded that it would be more appropriately located under the responsibility of the Minister of Health
Micrographics Unit at Adelaide Gaol	Services & Supply	Correctional Services	2.0	As the unit undertakes work exclusively for Correctional Services, it is more appropriately located in this Department
Forensic Division	Police	Services & Supply	6.0	Transferred as a result of the Cramond Report, in order to consolidate Forensic Science services in the Forensic Science Division
Licensing of Second Hand Dealers	Police Courts	Public & Consumer Affairs	1.0	} Transferred under the Second-hand Goods Act, 1985.
		Public & Consumer Affairs	0.5	
Document Reproduction at Adelaide College of Technical & Further Education	Technical & Further Education	Services & Supply	22.0	As part of rationalisation of small 'in-house' printing facilities
Collection of contributions for Long Service Leave (Building Industry) Fund	Treasury	Labour	1.5	To centralise the administration of this Fund and remove duplication of services
Judge's Secretary	Public & Consumer Affairs	Courts	1.0	Resulting from changes to the Licensing Act
Port Pirie Lead Project (part)	Environment & Planning	S.A. Health Commission	1.0	} Responsibility for this project was centralised in the Health Commission to improve accountability and general administration of the project
	Community Welfare	S.A. Health Commission	1.0	
Family Day Care Kindergartens & Related Services	Community Welfare	Children's Services Office	76.0	} Amalgamation of Early Childhood Services in line with the recommendations of the Coleman Report
	Kindergarten Union	Children's Services Office	790.3	
Early Childhood Care Branch	Community Welfare	Children's Services Office	8.5	
Early Childhood Education Advisory Committee	Education	Children's Services Office	4.0	

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

## SITTINGS AND BUSINESS

**The Hon. D.J. HOPGOOD (Deputy Premier):** I move:

That the House at its rising adjourn until Tuesday 10 September at 2 p.m.

Motion carried.

AUSTRALIAN FORMULA ONE GRAND PRIX ACT  
AMENDMENT BILL

The Legislative Council intimated that it had disagreed to the House of Assembly's amendment.

Consideration in Committee.

**The Hon. G.J. CRAFTER:** I move:

That the House of Assembly insist on its amendment.

I do so for reasons that I explained in the debate on this measure previously. When this matter was being debated in another place, the Hon. Mr Griffin sought an absolute assurance from the Confederation of Australian Motor Sport (commonly known as CAMS) regarding the ownership of the title 'Australian Grand Prix' in motor sport. I then read into *Hansard* a telex that had been received by the Government from Mr. J.A. Keefe (Chief Executive Officer, CAMS). That confirms the undertaking given to the South Australian Government by that body and it is believed that that satisfies the request sought by the Hon. Mr Griffin. Therefore, it is only proper that the words 'Australian Grand Prix' be included in the Bill.

Consequently it is also the Government's view that the words 'Adelaide Grand Prix', it being the only Grand Prix in motor sport bearing that name, should be protected by the legislation. Therefore, the amendment inserted in this place should be insisted on.

**Mr INGERSON:** I repeat what I said on the second reading: the Opposition supports the removal of these names from the Bill because it believes that the two names 'Australian Grand Prix' and 'Adelaide Grand Prix' are words of common usage, and any entrepreneur using such words should be protected and not brought under this licensing agreement.

Motion carried.

## SUPERANNUATION ACT AMENDMENT BILL

**The Hon. D.J. HOPGOOD (Deputy Premier)** obtained leave and introduced a Bill for an Act to amend the Superannuation Act 1974. Read a first time.

**The Hon. D.J. HOPGOOD:** I move:

*That this Bill be now read a second time.*

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

## Explanation of Bill

This Bill was foreshadowed in the budget speech. It enables the completion of revised accounting arrangements in respect of superannuation. As referred to in the budget speech, from 1 July this year departments are paying to Treasury each month contributions to cover the accruing superannuation liability in respect of their current staff. This system will result in departmental accounts showing a better estimate of current total employment costs and will enable departments to more accurately assess the cost of existing and proposed programs.

Section 130 of the Superannuation Act has required that departmental accounts show the employer share of pensions

paid to its ex-employees. These figures were never helpful in measuring employment costs, for they related to people previously employed (in some cases many years ago). Now that departmental accounts are to show superannuation costs in respect of current employees, there is no need for each department to also show superannuation costs in respect of previous employees. (Government accounts will continue to show the total cost in respect of all ex-employees). The Bill removes this requirement by revoking section 130.

Clause 1 is formal. Clause 2 repeals section 130 of the principal Act. The amendment removes the requirement that departmental accounts show the Government share of pensions and benefits paid in respect of ex-employees.

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

## POLICE PENSIONS ACT AMENDMENT BILL

**The Hon. D.J. HOPGOOD (Deputy Premier)** obtained leave and introduced a Bill for an Act to amend the Police Pensions Act 1971. Read a first time.

**The Hon. D.J. HOPGOOD:** I move:

*That this Bill be now read a second time.*

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

## Explanation of Bill

This Bill, which was foreshadowed in the budget speech, brings accounting for police superannuation into line with that of other Government superannuation schemes. The other Government schemes (State scheme, Parliamentary scheme, Judges' scheme and Governors' scheme) provide within their own Acts for the appropriation of general revenue to pay the Government's share of benefits paid. However the Police Pensions Act requires that the Government's share of benefits be paid out of moneys provided by Parliament.

In the past, the cost of police benefits has been included in the Police Department appropriation, but as a result of introducing the revised accounting arrangements for superannuation, it is included in a Treasurer—Miscellaneous appropriation for 1985-86.

The purpose of this Bill is to complete this revision of accounting arrangements by having the future appropriations for police benefits provided within the Police Pensions Act. This will bring the accounting arrangements for all Government superannuation schemes into line and make the superannuation components in Government accounts easier to follow.

Clause 1 is formal. Clause 2 provides that the measure is to come into operation on 1 July 1986.

Clause 3 amends section 9 of the principal Act which makes provision for contributions by the Government to the Police Pensions Fund. The amendment replaces the requirement that the Government's share of police pension benefits be paid out of moneys provided by Parliament with a requirement that it be appropriated out of General Revenue.

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

## LEGAL PRACTITIONERS ACT AMENDMENT BILL (No. 2)

**The Hon. G.J. CRAFTER (Minister of Community Welfare)** obtained leave and introduced a Bill for an Act to amend the Legal Practitioners Act 1981. Read a first time.

**The Hon. G.J. CRAFTER:** I move:

*That this Bill be now read a second time.*

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

### Explanation of Bill

The Commonwealth Government has substituted the statutory corporate entity of the Australian Government Solicitor for the personal office of Commonwealth Crown Solicitor. It is therefore no longer appropriate for State legislation to refer to the Commonwealth Crown Solicitor or Deputy Commonwealth Crown Solicitor. The Legal Practitioners Act presently contains such references in the areas of entitlement to practise and right of audience. This amendment makes the necessary and appropriate changes to provide for the position of the Australian Government Solicitor.

Clause 1 is formal. Clause 2 inserts a definition of 'Australian Government Solicitor'. Clause 3 amends section 21 (3) (w) of the principal Act to remove a reference to the Crown Solicitor of the State and include a reference to the Australian Government Solicitor. Clause 4 amends section 51 of the principal Act in two respects in relation to rights of audience before any court or tribunal established under a law of the State. The amendments will confer a right of audience on the Australian Government Solicitor instead of the Crown Solicitor of the Commonwealth and on a legal practitioner acting on the instructions of the Australian Government Solicitor.

**The Hon. H. ALLISON** secured the adjournment of the debate.

## JURIES ACT AMENDMENT BILL

**The Hon. G.J. CRAFTER (Minister of Community Welfare)** obtained leave and introduced a Bill for an Act to amend the Juries Act 1927. Read a first time.

**The Hon. G.J. CRAFTER:** I move:

*That this Bill be now read a second time.*

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

### Explanation of Bill

In November 1984 Parliament passed substantial amendments to the Juries Act. The amendments made several major changes including changes in the area of eligibility for jury service. The categories of persons who are ineligible for jury service were narrowed so that only the following persons would be ineligible for service: The Governor, the Lieutenant-Governor and their spouses; Members of Executive Council and their spouses; Members of Parliament; members of the judiciary or magistracy and their spouses; Justices of the peace who perform court duties and their spouses; legal practitioners actually practising as such; members of the Police Force and their spouses; persons employed in a department of the Government that is concerned with the administration of justice or the punishment of offenders; Persons employed in the administration of courts or in the

recording or transcription of evidence taken before courts. All other persons are eligible for jury service. A question has arisen over the proper interpretation of the following words:

persons employed in a department of the Government that is concerned with the administration of justice or the punishment of offenders.

The question arose in the context of considering the position of the forensic science officers who are located in the Department of Services and Supply. The Crown Solicitor has advised that the whole of the Department of Services and Supply will be ineligible for jury service as the presence of forensic science officers within that department is sufficient to concern that Department with the 'administration of justice'.

It was not foreseen that a small unit of officers in a department could have the effect of excluding that whole Department from jury service. Quite obviously there are many people in the Department of Services and Supply who have no concern with 'the administration of justice'. In addition, it was considered that there are officers in many departments who are involved in the investigation of offences—for example, officers in Fisheries, Highways and Consumer Affairs—who should not be eligible for jury service, and so it is thought to be appropriate to provide for the exclusion of such officers. Accordingly, this amendment is designed to overcome both the issue raised in the opinion of the Crown Solicitor (that is, that a whole department could be excluded from jury service due to the involvement of a small part of that department in the 'administration of justice') and the case of investigating officers in Government departments. The amendment will require an assessment of the duties of a particular officer rather than an assessment of the function of a particular department.

Clause 1 is formal. Clause 2 provides for the commencement of the measure. Clause 3 alters the category of persons who are ineligible for jury service by reason of their employment in particular government departments so that the category will now relate to persons whose duties of office are connected with the investigation of offences, the administration of justice or the punishment of offenders.

**The Hon. H. ALLISON** secured the adjournment of the debate.

## SOUTH AUSTRALIAN HERITAGE ACT AMENDMENT BILL

Adjourned debate on second reading.  
(Continued from 15 August. Page 338.)

**The Hon. D.C. WOTTON (Murray):** The Opposition supports the Bill but, in Committee, will move amendments which are about to be circulated to members. Although it is not within my right at this stage to discuss those amendments, I hope that the Government will be sympathetic in its approach to them. Most of the changes contained in the Bill are in the nature of machinery changes: for example, the provision for the use of the word 'environmental' rather than 'physical' throughout the Act. I support that amendment. Indeed, during my term as Minister I was approached with a request that such an amendment be made, and it was one that we intended to make at the time of the change of Government. I support it strongly.

The Bill also provides for the payment of a prescribed fee for a copy of the register of State heritage items. I am not sure about that provision: I believe that more people should know about the heritage register and should understand and recognise the number and types of building on



it. It is a pity that the Government is considering a charge for an inspection.

However, perhaps the Minister might indicate at the appropriate time what the charge will be. I hope that it will be a reasonably nominal fee and that, as pointed out in the second reading debate, people will still be able to inspect the register at the department free of charge.

The Bill repeals the section providing for shipwrecks to be items of State heritage, the Historic Shipwrecks Act, which was passed in 1983, making this section redundant. I could spend much time talking about the Historic Shipwrecks Act because I do not think the Government is doing anywhere near enough in regard to the protection of shipwrecks, and that is—

**The Hon. D.J. HOPGOOD:** We've amended the Act.

**The Hon. D.C. WOTTON:** That is a fat lot of good if you are not administering it properly, and that is a concern I have. There is legislation but next to no-one is administering it. Many problems are occurring in relation to the Act and I have written to the Minister about them. Also, I have received copies of letters other people have written to the Minister about the Act.

By far the most significant amendment to the legislation provides for the declaration of conservation orders. I am of the opinion that there is a need for such orders. There were times when I was Minister that I wished that I had the opportunity to put on such an order in urgent situations. I would suggest that in the three years I was Minister that might have been the case no more than twice, but I certainly recognise the fact that such legislation could be abused. I do see the need for conservation orders to be issued. I see many problems about the six months period and I will refer to them later on.

What I find incredible is the fact that the Government is being two faced in this matter. We are looking at bringing down conservation orders, yet the Government is having a field day in doing what it wants to do when it suits it to do so, and I only need to refer to two examples which relate to the same institution, namely, Yatala, where A Division disappeared and only in the past few weeks the stables have disappeared. If that is not one law for the people and one law for the Government, I do not know what is. I know the Minister will say that proclamations brought down exempt most of the Yatala Labour Prison area and that the demolition of those buildings was exempt under the Planning Act. I know the Minister will say also that we need to look at security and all the other matters, but the fact is that the public generally has been concerned about the sneaky way in which the Government has gone about this.

At least in regard to the demolition of A Division (and I guess that was because the media got on to it at an early stage) the Government was prepared to indicate that a decision had been made because it was important that that structure be removed. We had a fair bit to say about that at the time. It was again a matter of lack of consultation, and the Minister at the time and the Government refused to listen to people who wished to put other points of view in regard to retention of that building. They went along in their own sweet way and demolished what was known to be one of the oldest colonial buildings in this State, a building that was on the State and national registers and recognised by all of the authorities which have any say whatsoever in the preservation of our heritage in this State. Particular concern was expressed about that building.

I could refer to other examples, going back a little, such as the Penfolds land. I know that the Minister can come back and say all sorts of things about the previous Liberal Government, but it was our intention to have portion of that land retained. What makes people wild about the Government's actions in this regard is that before the 1982

election the Minister presented his policy in front of television cameras at the gate of the Grange vineyard. If the policy is read thoroughly it will be seen that it does not actually state that the whole of the property would be retained, but it was certainly presumed from the way the Minister presented the policy that that would have a high priority and would happen.

**The Hon. D.J. HOPGOOD:** You know that we made every legal move we could make.

**The Hon. D.C. WOTTON:** I am not suggesting that you did not but you led the people down the path—the suggestion being that you, the Minister, would retain it. The Minister and the Government made a big song and dance about the need to retain the area and made it an important plank at the time the Government announced the election, but that was not to be: houses are now being built on that land.

In regard to the demolition of the stables at Yatala, the Minister can say that a proclamation was prepared and the Government in fact ordered the demolition within the time of the proclamation, although there is still a fair bit of doubt about that. When I asked the Minister of Housing and Construction about the actual timing, he was not prepared to say when it was demolished. I still understand that it was demolished late in the evening of the day before the proclamation was revoked and in fact it was still being demolished after that proclamation had been revoked. The sneaky way in which it was done would suggest that the majority of people can have no confidence in the Government in relation to heritage matters.

Many people feel sensitive about the matter of heritage. People who own private properties that are on the heritage list understand what their responsibilities are. Some of them are more concerned, I believe, than they need to be about what they can and cannot do with their properties, but the fact is that they are required to adhere to the Act. When they are in that position and then see the Government doing as it wishes knocking a building down if it does not suit its purposes, I can understand how so many people in this State have lost confidence in the Government over heritage matters. I have contended for a long time that the Crown should be bound under heritage legislation.

If the Government is fair dinkum about the need to preserve and retain heritage items, it has to be prepared to adhere to the legislation, as would any other person. I will move an amendment at the appropriate time to do just that—to bind the Crown. The majority of people would strongly support that course, particularly given many of the recent actions we have seen take place under the responsibility of the Minister.

Further, I am concerned about the lack of consultation. We saw two pieces of legislation last night on which no consultation had taken place; the repealing of section 56 of the Planning Act was involved. I have repeatedly requested that the Minister listen to organisations within the industry that are concerned about the legislation. We also dealt with amendments to the Heritage Act and the major involvement of local government in that regard. The Minister was only too happy to lead blindly and simply ignore the requests for consultation being made from this side. I have a letter that refers to the South Australian Heritage Act Amendment Bill (No. 2) as it relates to the Native Vegetation Management Bill. The Local Government Association in this letter expresses its grave—

**The Hon. D.J. HOPGOOD:** On a point of order, Sir: do I understand that the honourable member is about to read a letter to the House relating to legislation that was passed in this House last evening rather than the measure currently before the House? I would have thought that that was not allowed under Standing Orders.

**The ACTING SPEAKER (Mr Peterson):** It is not clear whether the honourable member intended to read that letter but, if he refers to it, he will be out of order as it pertains to a previous debate.

**The Hon. D.C. WOTTON:** Thank you, Mr Acting Speaker. I will certainly refer to it. The point of order reflects the Minister's sensitivity on the subject. He does not want the matter referred to. He obviously feels very sensitive about it. It was not my intention to read the whole letter as it goes into much detail and I would rather spend the time in this debate talking about the current legislation rather than going into this. However, I make the point that the Local Government Association found it necessary to write a four-page letter to those who might have some interest in the legislation. Copies went to three members of the Upper House, the Minister of Environment and Planning, the Minister of Tourism and a number of members on both sides of this House.

The letter expresses grave concern on the part of the Local Government Association at the impact of that legislation and the effect it will have on members of the association. I suggest that that could have been avoided had there been consultation. As far as I can gather, there has been little consultation on the Bill before us—and that is being kind to the Minister. Certainly, there has not been the consultation that there should have been with those people in the development industry who will be very much involved with the legislation. Very few of them know what it is about and few had the opportunity to discuss some of the ramifications of the legislation with either the Minister or officers of his department. I suggest to the Minister that, as he now has the added responsibility of being Deputy Premier, it would be a grave mistake if he believes that he is too busy to listen to people who have concerns about such matters. This is the third piece of legislation with which we have dealt in two days in regard to which major concern has been expressed about the lack of consultation.

One body that has expressed concern about this Bill is the Urban Development Institute of Australia. The institute wrote to the Minister and I have a copy of that letter. The institute states that it objects strongly to sections of the South Australian Heritage Act Amendment Bill. The institute believes that the Bill, as presented, totally avoids the need to plan ahead and compile a register of heritage items and instead provides a piecemeal approach to the problem, causing uncertainty to both property owners and developers. It seems that the proposed conservation order would apply over and above the provisions of the Planning Act despite the provisions of section 57 of the Act which prescribe that the law governing planning decisions shall be the law enforced at the time the application was made. Consequently a planning decision properly made could subsequently be overridden by an order made pursuant to the new provisions proposed by the Bill.

The institute believes that the Bill provides an opportunity to halt any development, whether it be proposed or commenced, through any person or group persuading the minister that an item or area of environmental, social or cultural significance is involved. It does not seem to matter that planning approval has been granted or a development application lodged. The looseness and speed with which these items or areas can be placed on an interim list and be left there for a period of up to six months is alarming, particularly as there are no provisions for compensation to either the owner or the developer during the period of investigation, nor are there any rights of appeal.

I admit that I have real concerns about that. The cost involved if a development was delayed for six months could be astronomical. I am sure that the Minister will appreciate that. A number of examples have been put to me over the

past couple of days during consultation on the legislation, and it was suggested that hundreds of thousands of dollars could be lost as a result of development being held up.

The institute believes that the powers in the Bill are unwarranted and that the existing Planning Act provides adequate protection. Where an item has been listed in the proper manner, any demolition or building work in respect to it constitutes an act of development and requires planning consent. Before such consent can be granted the Minister must be consulted. Again, the institute reiterates that this Bill is totally unacceptable to the UDIA and indeed unnecessary in that, if a complete heritage register was compiled, current legislation would adequately protect heritage items or areas.

I have had discussions with that body since that letter was sent to the Minister. I do not know whether the Minister has had discussions. I would be interested to know whether he has gone back to the institute, spoken to its members or allayed any fears expressed in that letter. I hope that he has had discussions, although I doubt that that is the case.

I have certainly talked to these people involved about the need to amend the legislation, as I have with other members of the development industry, and those people who are vitally concerned about the need to preserve the heritage of this State. I do not think that it is necessary for a conservation order to last for six months. I believe that the necessary investigations could be undertaken and action taken within a couple of months. I do not think that it needs to be as long as six months, although I suggest that an opportunity should be provided for the Planning Appeal Tribunal to extend that period if necessary to a maximum period of six months. I can see no reason at all why a decision cannot be made within 60 days to determine whether or not an item should be placed on the interim list.

The Opposition will also seek to amend the legislation so that a conservation order cannot be placed on a building for at least 12 months following planning approval having been granted for the development to proceed. The decision whether a building or an item is placed on the interim list should be made when an application is received by the appropriate planning authority. If it is the South Australian Planning Commission, it will have the opportunity to obtain the necessary expertise from the Department of Environment and Planning Heritage Unit for an inspection to be made of the building. If a local council is the authority responsible for making these decisions, it can do the same. If a development is to involve the demolition of a building, an application could be made to the Heritage Committee to determine the worthiness of the building and whether it should be placed on the heritage list, prior to any further decision being made in relation to it. I suggest that that could be done.

I also have some problems in relation to the duties of inspectors. The legislation provides in Division III:

The Minister may appoint a suitable person as an inspector for the purposes of this Part.

Details of the conditions of appointment and responsibilities of inspectors are set out. The responsibilities of inspectors are pretty wide in relation to action that an inspector can take if he feels that a heritage item is being interfered with. One of these powers relates to taking possession of any vehicle, machinery or equipment, or any material or substance that an inspector suspects is being used in or in connection with an offence under this Part.

I believe that that provision is totally unacceptable, and the Opposition will seek to delete it. I do not believe that it is necessary or right that such an inspector should be able to take possession of a person's vehicle. I agree with the other provisions in relation to inspectors.

There are other matters on which I would like the Minister's comments. Some concern has been expressed by the Registrar-General about the noting of registered items. It has been maintained that there is a problem in doing that at present, and I understand that the Registrar-General has refused to do it. I believe that it is appropriate that the Registrar-General should carry out that responsibility. The Minister may care to comment on this matter.

The Opposition supports the legislation at the second reading, but during Committee we will seek to amend it significantly to make it acceptable to the majority of people with whom I have consulted. I think it is necessary to have conservation orders, but in a restricted fashion. The Government may not be prepared to agree to the amendments that the Opposition will put forward during Committee, but certainly a future Liberal Government would amend the legislation along those lines.

I have referred to a number of matters of concern, including the Government's attitude to the responsibility that it has in protecting heritage items. I believe that it is necessary to bind the crown, and that is another matter in relation to which the Opposition will move an amendment at the appropriate time. The Opposition supports the legislation.

**Mr GUNN (Eyre):** I have one or two things to say about this Bill. My first concern is in relation to what will happen to citizens in this State when certain areas of their properties are suddenly placed on the heritage list, when the Minister places an order on that property. It is all very well to talk about preserving our heritage and about conservation measures, but there is a cost involved. I want a clear indication from the Minister what discussion and consultation will take place and what rights owners will have when an order is imposed.

The second reading explanation indicates that the inspectors will be armed with the most draconian powers which, in my judgment, will be quite unnecessary and improper. Such powers should never be given, except in relation to a court order. Officers in the Police Department are trained in relation to matters concerning the public, which is not the case as far as some of these fellows moving around the country are concerned. To give someone the authority to seize a person's motor vehicle is a very serious matter. I want to know what will happen in relation to constituents in the isolated areas (which I represent). I shall give an example of how some of these irresponsible fellows carry on in relation to their duties as inspectors.

**The Hon. D.J. HOPGOOD:** The scourge of the Public Service!

**Mr GUNN:** No, I am not the scourge of the Public Service. I have a very good relationship with the great majority of public servants. They do their job well, but unfortunately they are locked into a system which stifles some degree of initiative. However, I am totally opposed to these people who masquerade around the countryside as inspectors. I shall give an example of this. An unfortunate constituent of mine was apprehended in relation to a matter under another Act. The first thing that the inspector concerned said to him was that his utility would be confiscated, even though under the provisions of the Act under which he was working he had no authority to do so. What will happen when these fellows do have that authority? Will a person be left stranded in the bush? What happens if a person is on site and his vehicle is impounded by one of these inspectors? What arrangements will be made to get him back to a place where he can reasonably look after himself?

I agree with the member for Murray's comments. I am concerned about the inclusion of an item on the interim list without a public notice first being issued, in cases where it is necessary to provide immediate protection. Before that

occurs, will the owner or occupier of the premises be notified or consulted? Such an order may prevent a person living in a pastoral or agricultural area going to a watering point or another part of his property. What action will be taken to protect people's existing rights in relation to normal day to day activities?

I do not need to say any more about this measure, except that it is one of a number of Bills concerning environmental legislation now coming before the House. If commonsense prevails and there is some reason for them, that is well and good, but if these matters are placed in the hands of people who are not used to dealing with the public or have no commonsense, then I think we are creating a monster which is going to get completely out of hand.

I do not advocate the irresponsible knocking down of buildings or altering areas which are of significance to the State, but I think that a great deal of commonsense and understanding has to be displayed before tying up these areas for ever and a day. I think that the exercise which has just taken place at Brougham Place, North Adelaide, is the sort of situation in which we may find ourselves and I think that is a foolish state of affairs and the public will pay dearly for that. As I understand the situation at North Adelaide, that building would be best knocked down to be replaced by something functional. If that is the way we are heading, I think we are travelling down a rather bumpy road. I support the second reading and I will be supporting amendments moved by the member for Murray.

**Mr BECKER:** Mr Acting Speaker, I draw your attention to the state of the House.

*A quorum having been formed:*

**The Hon. D.J. HOPGOOD (Deputy Premier):** I move: That the sittings of the House be extended beyond 5 p.m.

Motion carried.

Bill read a second time.

In Committee.

Clauses 1 to 5 passed.

New clause 5a—'Crown to be bound.'

**The Hon. D.C. WOTTON:** I move:

Page 2, after line 10—Insert new clause as follows.

5a. The following section is inserted in Part I of the principal Act after section 4.

4a. This Act binds the Crown.

I make the point that I am particularly disappointed that the Minister has not seen fit to respond in the second reading speech. I know that he does not have to, but it is usually as a matter of courtesy that he does so.

A number of questions were asked of the Minister and a number of points were raised that I would have expected him to pick up. Obviously, he has decided to ignore those. I do not think it is appropriate to not respond to those matters, but I cannot do anything about that if that is the mood that the Minister is in.

**Mr Becker:** Can't he answer them?

**The Hon. D.C. WOTTON:** Perhaps he does not know the answers. In many cases when I was asking questions the Minister was talking about other things.

**The CHAIRMAN:** Order! The Chair cannot allow the honourable member—

**The Hon. D.C. WOTTON:** No, Sir, I will not go on with that, but I am rather disappointed. This amendment in fact binds the Crown under the principal Act. I have indicated that we feel rather strongly about this, particularly in the light of some of the actions taken by the Government. I have referred to some of those actions and it is not my intention to repeat them, but if the Government is quite genuine in wanting to preserve our heritage, to conserve our heritage, then I suggest that it would appreciate the need to

bind the principal Act. That is what this amendment does and I hope that the Committee will support it.

**The Hon. D.J. HOPGOOD:** I have no desire to overly prolong proceedings this afternoon. It seemed to me not inappropriate that the honourable member would be able to ask his substantial questions as we arrived at the various clauses. Here is an example. He has moved an amendment, my attitude to which I will indicate shortly, but in relation to the charges made by the honourable member against the Government in the second reading, most of those were not really relevant either to what he is urging upon the Committee at this stage, or to the Heritage Act generally.

It was the member for Murray who wrote section 6 into the legislation. We have never had quite explained to us the circumstances under which he would have used section 6 and, in any event, section 6 has now gone the way of all flesh (and perhaps unlamented).

The other aspect of this whole matter is that he raised the matter of the Grange vineyard. Again, that is not really relevant to what we are talking about here. The Government has pursued all legal avenues open to it, short of acquisition, in relation to that matter. We did not at any stage commit ourselves to acquisition as a means of preserving that area, but we committed ourselves to taking all other steps under various legislation. We lost in the court, just as we lost in the court in what has led to the scheme of the legislation that we have been talking about for the last couple of days. The courts eventually set the limits on these matters. That really is the gravamen of the matters raised by the honourable member in his second reading speech in relation to alleged perfidy on the part of this Government. However, I fully support the honourable member's amendment.

New clause inserted.

Clauses 6 to 14 passed.

Clause 15—'Insertion of new Part V.'

**The Hon. D.C. WOTTON:** I move:

Clause 15, page 5, line 35—Leave out 'six months' and insert '60 days', or such longer period (not exceeding 6 months) as is fixed by the Planning Appeal Tribunal under subsection (3).'

As I mentioned earlier, while there is strong support for the legislation from the majority of conservation bodies, certainly some concern has been expressed by the development industry, particularly as it relates to the six month period over which a conservation order can apply. I have mentioned the problems of associated costs. There is no appeal procedure or compensation available. I would have thought that 60 days would have provided ample time for the investigations and necessary work to be carried out in relation to determining whether or not this should be a heritage item placed on the register.

**The CHAIRMAN:** Is it the wish of the Committee that we take the amendments separately?

**The Hon. D.J. HOPGOOD:** It might be slightly theoretical in terms of what I want to put to the Committee. I am not averse to what the honourable member suggests, but it would produce an inconsistency that would require a consequential amendment.

To be fair to the Committee, I have a draft in front of me, but I want to have an opportunity to distribute it. My suggestion would be, and I will move it, having canvassed it, that we report progress. We could then move to the Valuation of Land Act Amendment Bill, if the honourable member can find his colleague who will respond in that matter. Having dealt with that Bill, we can then return to the Committee stage of this Bill.

In order to obtain support for the proposition I urge on the Committee, I indicate what I have in mind. We would need a consequential amendment to section 12 (3) (b) (iv), which would read something along the lines:

specify the day, being a day not earlier than one month after the publication of the notice in the *Gazette* by which such objections are to be made.

The provision would allow the same period of time for receipt of public objections as is provided under section 14 (2) (b) (iii), which enables removal of an item from the register of State heritage items. That would seem to me to introduce an admirable consistency.

That is the appropriate way to proceed, because it will enable the appropriate draft of the amendment to be put on file and then we can come back in Committee to consider that further matter.

Progress reported; Committee to sit again.

## VALUATION OF LAND ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 22 August. Page 499.)

**The Hon. P.B. ARNOLD (Chaffey):** The Opposition supports this measure. There is not a great deal that needs to be said, as far as we are concerned. It is in line with our approach in relation to the valuation of agricultural land, where the policy or philosophy is that land should be valued on the basis for which it is being used. In other words, agricultural land that was in close proximity to a town and that had potential to be used for more extensive development than for agricultural purposes created a situation in which excessively high valuations pertained to that land, thus making it very difficult for people genuinely involved in agricultural pursuits.

Here we have exactly the same situation: if a person owns a property that is subject to the South Australian Heritage Act, it would be totally unreasonable to expect that person to pay rates and charges based on a valuation determined on potential use of that land when there is no chance whatsoever of that potential ever being realised. We are totally in support of this move. It is unjust to leave things as they are and the sooner this legislation goes through the sooner it will rectify a situation that cannot be supported or sustained here in South Australia if we are serious about protecting the State's heritage.

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

## NATIVE VEGETATION MANAGEMENT BILL

Returned from the Legislative Council without amendment.

## STOCK DISEASES ACT AMENDMENT BILL

Received from the Legislative Council and read a first time.

## SOUTH AUSTRALIAN HERITAGE ACT AMENDMENT BILL

Adjourned debate in Committee (resumed on motion).

(Continued from page 731.)

Clause 15—'Insertion of new Part V.'

**The Hon. D.J. HOPGOOD:** I support the amendment moved by the member for Murray.

Amendment carried.

**The Hon. D.J. HOPGOOD:** I seek your guidance in this matter, Sir. I have given notice that I wish to amend section 12 (3) (b) (iv) of the Act to read:

(iv) Specify the day, being a day not earlier than one month after the publication of the notice in the *Gazette* by which such objections are to be made.

Should I move that at this stage, Sir, and if not can I be guided as to when it should be moved? That will remove the anomaly created by accepting the honourable member's amendment.

**The CHAIRMAN:** I confess that the Chair is a little confused. Could the Minister explain to the Chair where his amendment comes in clause 15?

**The Hon. D.J. HOPGOOD:** It does not; it is not related to the schedule of amendments before us. It is an amendment to section 12 of the Act, which has become necessary because of the amendment to clause 15 which we have just approved.

**The CHAIRMAN:** Section 12 is referred to in clause 7. The Minister will have to move for reconsideration of clause 7 after we have considered the remaining clauses. The member for Murray will move the rest of his amendments to clause 15.

**The Hon. D.C. WOTTON:** Most of them are consequential until the Committee reaches page 6, after line 13, 'insert new section as follows'. The penultimate amendment on page 6 concerns the 12-month period. I suggest that, until page 6, after line 13, where a new section is inserted, the rest of the amendments are consequential. I move:

Page 5, line 41—Insert new subsection as follows:

(3) The Planning Appeal Tribunal may, on the application of the Minister, extend the period referred to in subsection (2) (b).

**The Hon. D.J. HOPGOOD:** This amendment is consequential on the one that we have just carried and I support it.

Amendment carried.

**The Hon. D.C. WOTTON:** I move:

Page 6, lines 8 and 9—Leave out all words in these lines and insert:

revoke after it has been made—the order is not confirmed within the required period.

The matter of planning approval being given for a development to proceed which may require the demolition of a building, together with the ramifications of the conservation orders on that approval, is one of concern to many people, particularly in the development industry. I have moved this amendment because it has been put to me strongly that a conservation order should not be placed within 12 months of an approval being handed down by the Planning Authority for a development to proceed.

Within that 12 months much work can be done on site works and the arrangement of finance in connection with the development. As I mentioned in my second reading speech, examples have been given to me of substantial costs being involved during that period and surely, if the process has been followed where approval has been given for a project to proceed, it is totally unfair for a conservation order to be made within 12 months of that approval being given. I believe that it is quite inappropriate for this amendment not to be recognised in the legislation.

Amendment carried.

**The Hon. D.C. WOTTON:** I move:

Page 6 after line 13—Insert new section as follows:

23a. If, when an order is made under this Division, a planning authorisation under the Planning Act 1982, had been in force in relation to the Item or State Heritage Area concerned for less than 12 months, this Part, and any regulation made under this Part, does not derogate (if at all) from the operation of the planning authorisation until the expiration of 12 months from the date on which the planning authorisation was granted.

**The Hon. D.J. HOPGOOD:** I oppose the amendment as it has the power to take away the whole effect of urgent conservation orders and I do not believe that the Committee should agree to it. Planning authorisation under the Planning Act requires work to be substantially commenced within 12 months, so inclusion of this provision would effectively prevent operation of the urgent conservation laws for 12 months, thereby rendering the whole purpose ineffective. I do not see how the Committee can agree to such an amendment without rendering virtual nullity to the whole of the Bill before us. I urge the Committee to reject the amendment.

**The Hon. D.C. WOTTON:** I have some real problems about this and I have the opportunity to seek advice during the Committee stage. The point I am trying to make in this amendment is that, surely, if approval is to be given by an authority, for example, the council, for a development to take place, and if a building is to be demolished, surely, when we reach the stage where approval is required, if the building is of some significance the authority should at that stage take advice from the heritage unit as to whether the building should be retained or placed on the register.

It is quite wrong, if approval is given for a building to be demolished to enable a development to take place, for a conservation order to be imposed within 12 months. I have real problems with that, as have a number of people, particularly those in the development industry, as I indicated earlier. In line with the advice I have been given today, I will have the opportunity to seek further advice on that matter between now and when the matter goes before another place. It is my intention to clarify the matter before it goes to debate in the other place.

Amendment negated.

**The Hon. D.C. WOTTON:** I move:

Page 7, line 29—Leave out 'vehicle'.

I referred to this amendment earlier in the debate, as did my colleague, the member for Eyre. The powers of the inspectors are far too wide. I hope that the Minister will take this opportunity to indicate how the inspectors are to be selected, the type of people they will be and whether they must have some other authority. If we are to give Joe Brown the responsibility of being an inspector under this Act out in Woolloomooloo, or wherever, it is most inappropriate that he should have this power. I do not object to the other responsibilities he would have, but certainly I have reservations about his being able to take possession of a vehicle that he suspects has been used in or in connection of an offence under this Parliament.

I am sure that if there had been wider consultation on this legislation many people in the community would share that concern. It is not necessary. If that was the case, there would be an opportunity for a person with the appropriate authority, for example, a police officer, having that power, to take possession of that vehicle. As we have no idea who is likely to have such responsibility or what type of person will be involved, that sort of power is quite inappropriate.

**The Hon. D.J. HOPGOOD:** The member for Murray asked me about the sort of people who would be used for this inspectorial function. They will be people who are well used to the exercise of an inspectorial function. They could be police officers, conservation rangers, rangers under the National Parks and Wildlife Act or inspectors under that Act. A range of public servants are well versed in handling the delicate matters of operating with the public in these aspects of administration.

I assure the honourable member that we will not simply drag in people off the street, given them a badge or card and let them go ahead. It is important that the inspector have the power to confiscate vehicles used in the commission of an offence. It would make the job of an inspector very

difficult and could render prosecutions problematical. In some cases it is absolutely necessary and I draw honourable members' attention to page 6, proposed section 25 (1) (a) (ii), which refers to the bringing of vehicles, machinery or equipment or materials or substances of any kind onto an item or State heritage area.

To strike out the reference to 'vehicles' would make both detection and prosecution very difficult indeed. I urge the Committee to reject the amendment.

The Committee divided on the amendment:

Ayes (18)—Mrs Adamson, Messrs Allison, P.B. Arnold, Ashenden, Baker, D.C. Brown, Chapman, Eastick, S.G. Evans, Goldsworthy, Gunn, Ingerson, Lewis, Mathwin, Meier, Oswald, Wilson, and Wotton (teller).

Noes (21)—Mr Abbott, Mrs Appleby, Messrs L.M.F. Arnold, Bannon, Crafter, M.J. Evans, Ferguson, Gregory, Groom, Hamilton, Hemmings, Hopgood (teller), Keneally, and Klunder, Ms Lenehan, Messrs McRae, Ma, yes, Plunkett, Slater, Trainer, and Whitten.

Pairs—Ayes—Messrs Becker, Blacker, and Olsen. Noes—Messrs Payne, Peterson, and Wright.

Majority of 3 for the Noes.

Amendment thus negatived.

Progress reported; Committee to sit again.

#### AUSTRALIAN FORMULA ONE GRAND PRIX ACT AMENDMENT BILL

The Legislative Council requested a conference, at which it would be represented by five managers, on the House of Assembly's amendment to which it had disagreed.

The House of Assembly agreed to a conference, to be held in the House of Assembly conference room at 5.45 p.m. this day, at which it would be represented by the Hons. J.C. Bannon and G.J. Crafter and Messrs Groom, Gunn and Ingerson.

#### SOUTH AUSTRALIAN HERITAGE ACT AMENDMENT BILL

Debate in Committee (resumed on motion).

**Mr M.J. EVANS:** I move:

Page 8—

Line 22—After 'may' insert 'subject to subsection (2)—'

After line 27—Insert subsection as follows:

(2) An inspector must give reasonable notice to the occupier of a dwelling before entering the dwelling pursuant to subsection (1).

Like other honourable members I am concerned about the breadth and scope of the powers to be vested in the inspectors appointed under this legislation. In fact, I have made it my business to compare and contrast the powers conferred under this Act with those relating to the Controlled Substances Act. I would have thought that if any legislation in this State required draconian powers of search and seizure, it would be the Controlled Substances Act. However, I have found that in many ways one has greater rights under the law if one is using one's house to manufacture heroin than if one's property is under a conservation order of the South Australian Heritage Act.

Although the Minister has given a partly satisfactory explanation in this regard, I believe that some additional protection is needed for people. In relation to my proposed new subsection (2) of proposed new section 25e, I think that this stipulation is necessary because an owner of a dwelling, subject to a conservation order, is entitled to notice before an inspector uses his powers to enter the premises. I am convinced that significant and draconian

powers are needed in the Act to protect South Australian heritage. In other respects I think that the Bill is worthy of the approval of the House. The safeguard that I am proposing is a modest one and I commend it to the House. It will provide a safeguard to those who happen to live in a dwelling that forms part of the State's heritage.

**The Hon. D.C. WOTTON:** I support the honourable member's amendments.

Amendments carried; clause as amended passed.

Clause 16 passed.

Clause 7—'Entry of Items in the Register'—reconsidered.

**The Hon. D.J. HOPGOOD:** I move:

Page 2, after line 44—Insert new paragraph as follows:

and

(d) by striking out from subparagraph (iv) of paragraph (b) of subsection (3) the passage 'three months' and substituting the passage 'one month'.

Amendment carried; clause as amended passed.

Title passed.

Bill read a third time and passed.

[Sitting suspended from 5.41 to 10.15 p.m.]

#### AUSTRALIAN FORMULA ONE GRAND PRIX ACT AMENDMENT BILL

At 10.15 p.m. the following recommendation of the conference was reported to the House:

That the Legislative Council do not further insist on its disagreement to the House of Assembly amendment.

Consideration in Committee of the recommendation of the conference:

**The Hon. G.J. CRAFTER:** I move:

That the recommendation of the conference be agreed to.

I thank the members who participated in the conference, which we all believed would be very brief and which turned out to be otherwise. It is quite surprising how long one can debate four words for exclusion from an amendment. Indeed, that was the problem and there was a good deal of legal argument about the interpretation of those words.

However, we are agreed that it is in the interests of the State that in some nine weeks time the Grand Prix takes place and that the maximum benefit should be obtained for all the people in this State from this quite magnificent event that will be staged here this year and, hopefully, for many years to come. We do not want to see the effectiveness and maximisation of income to this State deterred in any way by ambiguities in the legislation.

The Premier will make a statement to the House on some undertakings that he has given to the committee of managers with respect to this matter. However, I am pleased to say that agreement has now been reached and I am sure that all honourable members wish the Grand Prix every success in bringing fruits that are so richly deserved to the entrepreneurship that has been shown by a wide cross-section of this community in welcoming this most historic event.

**Mr INGERSON:** I am most concerned that we have had to go through this sham in relation to this Bill and, in particular, the conference. If the Bill had been drafted originally to correctly take up proper licensing rules, this situation would not have occurred. It is a pity that we have had to wait some 10 months, after the board has been licensed for some five or six months, before it was realised that the original licensing procedure would not work. There is no question that it has been messed up properly.

Whether that is because of the board or as a result of instructions given to PBL, or whatever, it has been an

absolute mess. The tragedy is that small business in this State has been again messed up by this Government. It is a pity that we do not have broad acceptance of the use of the three names, unlike the situation in relation to 'South Australia—Enjoy', a symbol introduced by the Liberal Government to advertise the tourist advantage of being in this State. Having been involved in the retail world, I clearly understand the need for licensing laws. I also understand the board's difficulties with the parent legislation.

It is important to recognise that this legislation will not have a great deal of effect on the forthcoming Grand Prix, because I am sure the board will have a great deal of difficulty in attempting to monitor the use of the words, and that is a pity.

**The Hon. J.C. BANNON:** I feel obliged, because of the way in which the conference was conducted, to make a short statement. It seems that on this issue two matters have been caught up. The first is the intent of the legislation and the powers conferred upon the board. When Parliament considered the Australian Formula One Grand Prix Act it was intended that the name be protected and that the board would have rights to that name. That was certainly understood, not only by those on the Board, but also by the Confederation of Australian Motor Sport, the Formula One Constructors Association, the Federation Internationale Du Sport Automobile, and all those involved in Grand Prix racing.

To the extent that the Act did not close all loopholes obviously meant that some correction was necessary. That is what the Bill put before this Parliament was addressing. The fact that there were loopholes suggests not that it was poorly drafted or that the Government was not vigilant—it went through two Houses and there was ample opportunity for members opposite as well as those in the Government to point out deficiencies—but that we were under an impression as to its power and force. That proved not to be so.

The second question relates to licensing and the way in which the board administers its powers under the legislation. A number of matters have been raised in the course of the debate which are worthy of consideration. I certainly undertake to discuss with the board its obligations in relation to the granting of licences. Charged with the duty of putting on a formula one race for the first time ever in Australia—a sporting event the dimensions of Commonwealth Games or events of that magnitude (in fact, ticket sales have outstripped those of the Commonwealth Games)—meant that the board had to recruit as in a few short months the best expertise it could in this country in order to do it properly, efficiently and effectively. I believe it has done so. Therefore, it is a great pity that its efforts to stage a premium world class event given that time scale have been greeted by a lot of carping criticism and denigration. It ill befits those who indulged in that denigration and certainly puts down the members of the board in whom Parliament should have every confidence.

It is not the role of Parliament to go into the detailed day-to-day administration of contractual arrangements, as the board is charged with that responsibility. Of course, we can make comment on it. The experience of this year will be drawn on and I am sure we will be able to do it even better next year. If one looks at the size and scope of the event and the incredible organisation that has gone into it, surely one can only have admiration for the efforts of the board, its officers and all those that it has licensed and recruited. That issue is separate from this Bill and, therefore, I think the House of Assembly was quite right to insist upon the proper and full protection of the name in this instance. Not to do so would have undermined our Grand Prix in South Australia.

So, while supporting the report of the conference, which came to a proper decision, these other matters will certainly be taken up and certainly we will do something about them. However, we should look at this whole thing in a spirit of support and cooperation and not find ways in which to undermine or denigrate those involved in it.

**Mr GUNN:** Having had the opportunity of participating in the conference, I wish to make one or two brief comments. The conference was a lengthy legal battle and, for one who is not particularly keen on legal argument, it was difficult at times to sit through it. However, I am pleased that some progress was made.

*An honourable member interjecting:*

**Mr GUNN:** That will be debated in another place. I do not know that I am permitted to discuss what went on at the conference, and I do not think that is wise so late in the evening. I am not particularly pleased at being kept here until 10.30 on Thursday evening.

The Opposition supports the Grand Prix. I want to reject the nonsense that was put forward by the member for Mawson, who a few moments ago was interjecting out of her seat. In view of the fact that the member for Torrens initiated the earlier discussions of the project, of course we would like to see the Grand Prix as a success, benefiting all people of this State. If the board were a little more flexible and understanding, this problem would never have arisen. The Liberal Party tried to ensure that all people in the business community of South Australia had the opportunity to participate in this exercise. That is not an unreasonable course of action, and I am disappointed that certain people who want to participate are being denied the opportunity. I think that if the board had been a little more understanding and not so heavyhanded, this matter would not have been brought to the attention of Parliament.

I am pleased that the Premier made the suggestions that he did. I sincerely hope that the board is receptive to those suggestions, because, if it is not, I can see that those matters will be raised in this Parliament on many occasions and I think that would be unfortunate. I want to see this project developing into one of the great events of South Australia. It is certainly going to benefit the tourism industry and the economy of this State, and we all support that.

I understand why it is necessary to protect the names in question, but I believe that some of the problems raised were brought about by the board itself. I hope that the matter can be proceeded with as quickly as possible and that the board can get on with running the Grand Prix. I wish everyone associated with it good luck.

Motion carried.

## STOCK DISEASES ACT AMENDMENT BILL

Second reading.

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

*That this Bill be now read a second time.*

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

**Honourable members:** No.

**The DEPUTY SPEAKER:** Leave is not granted.

**The Hon. LYNN ARNOLD:** I was given advice that leave would be granted to insert it.

*Members interjecting:*

**The DEPUTY SPEAKER:** Order! I understand the position that the Minister is in, but, under the Constitution, although leave has been refused, the Minister does not have to give a second reading explanation. Therefore, I take it that the Minister has simply moved the second reading.

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

The Hon. E. R. GOLDSWORTHY: On a point of order, Mr Deputy Speaker: how can the Minister seek leave to incorporate in *Hansard* a speech that he does not have?

*Members interjecting:*

The DEPUTY SPEAKER: Order! There is no point of order. Obviously, the Minister of Education does not have the second reading explanation with him and, having been refused leave to insert it in *Hansard* without his reading it, he does not have to read the second reading explanation. There is no point of order.

[*Sitting suspended from 10.32 to 11.4 p.m.*]

#### AUSTRALIAN FORMULA ONE GRAND PRIX ACT AMENDMENT BILL

The Legislative Council intimated that it had agreed to the recommendations of the conference.

#### ADJOURNMENT

At 11.5 p.m. the House adjourned until Tuesday 10 September at 2 p.m.