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Title:

Broadcast script (typed) re economic policy of Playford government

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~~12th~~ June, 1960.

Good Evening,

The utter refusal of the Playford Government to obtain for South Australians the benefits from the Commonwealth enjoyed by residents of other States must bewilder anyone who is not acquainted with the Premier's callous indifference to all those problems of peoples everyday lives which are not within the orbit of his own particular interests.

He is interested in geology, in mining development and in industrial development so long as this does not make demands for Government initiative outside strictly confined limits.

But he is not, it seems, interested in schools or education generally, in hospitals in care of the indigent or aged. For on all these things he refuses to spend to the level of other States' expenditure and has consistently deprived South Australia of monies available to this State in Commonwealth Grant if only we had spent the money and claimed the reimbursement.

Let me tell you how this has happened. The processes of working out State Grants appear in the 1956 report

"The steps in the Commission's procedure in arriving at the amounts of the grants to be recommended for payment are:- (1) On the basis of an examination of the audited accounts of the non-claimant States for the latest financial year for which such accounts are available and after making any corrections necessary to preserve comparability of budget results among the States, a budget standard for that year of review is adopted. Corrections to published results may be necessary when (and they set forth the items).

Then they set forth the differential between the various States. It goes on:

An examination is made of the audited accounts of a claimant State for the year of review and, if necessary, corrections are made for the reasons set out in (1) above: adjustments are also measured for differences between the claimant State and the on-claimant States in efforts to raise revenue and in levels of expenditure in providing certain services. This examination and these corrections and adjustments provide the following information; (a) The published budget result; (b) the corrected budget result (that is, the published budget result plus or minus corrections); and (c) the adjusted budget result. In the case of a State with a

net favourable adjustment the significant figure is the corrected budget result - that is, the budget result without any adjustments being made for the differential between the States. In the case of a State with a net unfavourable adjustment the significant figure is the adjusted budget result.

Let us turn to what they find upon their examination of the situation as between the States. They examined the social services expenditure, and they found that the net expenditure per capita on social services for 1954-55 showed New South Wales 332s. 6d. per head; Victoria 313s. 2d; Queensland 327s. 1d; Western Australia 378s. 2d.; Tasmania 389s. 10d.; and South Australia 291s. Compare South Australia with the other claimant States on the Grants Commission. Turning to the adjustment as a result, South Australia spent £13,092,000. There was an allowance for the greater difficulties in the provision of social services in this State compared with the non-claimant States of £786,000, so the expenditure allowed was £11,754,000 and a favourable adjustment of £2,124,000 was available. When there was taken into account our charges and State taxation, we come to the final balance which appears at page 53. There was a social services available adjustment of £2,124,000, a figure for severity of non-income taxation of £400,000 and differential impacts of financial results of State undertakings of £800,000, leaving us with a net favourable adjustment of £133,000.

Now we come to the summary of corrections and adjustments. The corrected budget result for South Australia showed a deficit of £1,134,000, and the adjusted budget result showed an additional deficit of £924,000. That was not taken into account because in our case, since we had a net favourable adjustment, it was the corrected budget result which was taken into account in the case of the other two claimant States, but not in the case of South Australia. The whole result of these figures means that if we had spent the £924,000 we could have got it reimbursed, or if, in addition, we had brought our non-income taxation and the differential impact of our financial results of State undertakings up to the limit of the claimant States we would have got £2,124,00. There would not have been any net favourable adjustment; the adjusted budget result would have been the one taken into account and we would have got a reimbursement, but because we did not spend the money and we had a net favourable adjustment available to us we did not get anything.

That meant that during the year of the Commonwealth Grants Commission's report, without making any change at all in our non-income taxation or our charges on State undertakings we could have got at least £924,000 if we had spent the money and if we had increased taxation and charges to the level of the non-claimant States we could have got £2,124,000. Yet the subsidies to subsidize hospitals are kept as they are. We have less public hospital beds than any other State in Australia, and in addition the Premier is taking £200,000 out of the pockets of the working people of this State of hospital charges. I think that is a fantastic situation and it is a grave reflection upon the financial mis-management of this State.

That process of assessing Commonwealth Disabilities Grants continued in every year until now - with the sole exception of 1957. So that last year the positive adjustment was £2,125,000 - and we did not get any of that.

This year is the last year in which we will get a

disabilities grant, since Sir Thomas Playford chose to accept a new tax reimbursements formula, in return for S. A.'s ceasing to be a claimant State in the Grants Commission.

You will remember the delighted tributes the Premier paid himself - S.A. was no longer a mendicant State, although from submissions made this year the Premier himself told the Grants Commission that South Australia still suffers disabilities such as would justify a disabilities grant.

The result of this foolish deal of the Premier was revealed only last week in the debate on the State Grant's Assistance Bill in the House of Representatives.

So far from being better off, South Australia would have got £400,000 more from the Grants Commission if she had still been a claimant State than she got under the new set-up of a larger tax re-imbusement instead.

So, in addition to substantial underspending on education, hospitals and care of the poor depriving South Australia of money we might otherwise have had, we are going to lose substantial additional amounts through no longer being a claimant State.

These are the joys of existence under our present dictatorship, which is not only morally wrong, but grossly ineffective as well. Sir Thomas Playford's excuse for the gerrymander is that under it South Australia is well governed.

That excuse is now no longer a banner but a collection of shabby tatters.

Good Night.