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GOOD EVENING:

AS YOU KNOW, OVER THE LAST  
FEW WEEKS THE ECONOMY HAS  
BEEN THE MAJOR TALKING  
POINT THROUGHOUT AUSTRALIA.

THE PRIME MINISTER HAS SAID  
THAT HE WANTS TO SCALE DOWN  
PUBLIC SPENDING - AND IT IS  
CLEAR THAT HE WANTS THE  
STATES TO CUT THEIR SPENDING  
VERY MUCH MORE THAN THE  
COMMONWEALTH WILL CUT ITS.

~~IT'S THE OLD DON'T DO AS WE~~

~~DO, DO AS WE SAY POSITION~~

FOR THE PEOPLE OF THE STATES,

THE PROBLEM IS THIS:

THE MAJOR AREAS IN WHICH  
THE STATES HAVE BEEN SPENDING  
EXTRA MONEY ARE IN EDUCATION,  
HEALTH AND HOSPITALS.

MAKE WHAT ECONOMIES THEY LIKE,  
EDUCATION, HEALTH AND  
HOSPITALS ARE THE ONLY AREAS  
WHERE CUTS IN EXPENDITURE  
COULD BEGIN TO COME CLOSE TO  
THE DEGREE ALL STATES'  
ACCOUNTS ARE RUN DOWN.

IN SOUTH AUSTRALIA WE'RE  
BETTER OFF THAN THE OTHERS.

OUR BUDGET LAST YEAR WAS A  
CAUTIOUS ONE - WE CONTROLLED  
OUR EXPENDITURE AND WE SPENT  
WISELY. BUT WHAT WE'RE NOW  
FACED WITH IS THIS:

IN FEBRUARY AND JUNE LAST YEAR  
WE JOINED WITH THE OTHER  
STATES IN AN ATTEMPT TO  
NEGOTIATE A PROPER SHARING  
OF REVENUE WHICH WOULD ALLOW

STATES, TO DO THEIR VARIOUS  
JOBS.

THE COMMONWEALTH IMPROVED  
THINGS A BIT THEN - BUT ALL  
PREMIERS LEFT CANBERRA KNOWING  
THAT THE SLIGHTLY IMPROVED  
POSITION WOULD STILL NOT  
ALLOW THEM TO FINANCE AN  
ADEQUATE RANGE OF ESSENTIAL  
SERVICES.

WHEN WE DREW UP THE BUDGET

WE TOOK INTO ACCOUNT ~~THE~~ NEW  
MONEY FROM THE COMMONWEALTH,  
<sup>WE GOT FROM</sup>  
THE EXTRA MONEY ~~FROM~~ THE  
GRANTS COMMISSION, OUR OWN  
REVENUE RAISING MEASURES, AND  
THE MINIMUM NEEDS OF SCHOOLS,  
HOSPITALS AND ESSENTIAL  
SERVICES. IT STILL LEFT US  
\$5M. IN THE RED, HAVING TAKEN  
INTO ACCOUNT <sup>KNOWN</sup> ~~FORTHCOMING~~  
WAGE INCREASES.

AND THEN CAME THE CRUNCH.

ADDITIONAL UNEXPECTED WAGE

AND SALARY AWAR

E IN.

AND THEN THE ARBITRATION  
COURT BROUGHT IN ITS 6%  
INCREASE ACROSS THE BOARD.  
AND WHEN ALL THE OLD AND THE  
NEW INCREASES IN WAGES WERE  
ADDED UP, THEY CAME TO A TOTAL  
INCREASE OF ABOUT \$18½M.,  
WHICH WHEN EVERYTHING IS  
SUBTRACTED LEAVES US WITH AN  
FURTHER  
ADVERSE AMOUNT OF ABOUT \$26½M.  
EXTRA  
THAT'S HOW MUCH WE'RE IN THE  
RED THROUGH RISING WAGES AND  
SALARIES. THE TOTAL'S \$11½M.  
THE SAME KIND OF THING HAS  
HAPPENED TO ALL STATES.  
INSTEAD OF BEING IN THE RED TO  
AN AMOUNT OF \$36M. THE STATES'  
COMBINED DEFICIT IS NOW THREE  
TIMES AS MUCH AT ABOUT \$110M.  
BUT DESPITE THIS, THE  
COMMONWEALTH HAS DECIDED THAT  
THE STATE BUDGETS SHOULD BEAR  
THE BRUNT OF THESE WAGE RISES  
EVEN

T MEANS THA THE

STATES CUT BACK ON THE SOCIAL,  
HEALTH AND EDUCATIONAL  
SERVICES THEIR VOTERS WANT  
THEM TO PROVIDE.

IN OTHER WORDS THE  
COMMONWEALTH DECIDED NOT TO  
PROVIDE ANY MORE MONEY AT ALL,

ALTHOUGH FOR SPECIAL  
POLITICAL REASONS - NAMELY  
THE ELECTIONS IN NEW SOUTH  
WALES AND WESTERN AUSTRALIA -  
IT HASN'T WRITTEN ITS  
DECISION DOWN. IT SIMPLY  
TOLD THE PREMIERS SO IN  
PRIVATE, AND SAID THE CUT-  
BACK WOULD END INFLATION.

THE STATES ALL POINTED OUT  
THAT BECAUSE THEIR YEAR'S  
SPENDING WAS ALREADY  
COMMITTED THERE WOULD BE NO  
INFLATIONARY EFFECT IF THEIR  
BUDGETS WERE BALANCED <sup>BY INCREASED GRANTS,</sup> BUT

THE P.M. WAS ADAMANT. IT

WAS A CASE OF: WHEN IN DOUBT,

LOOK TOUGH EVEN IF YOU  
DON'T KNOW WHY YOU FEEL IT.  
AND SO ALTHOUGH THE PRESS  
(WHO WEREN'T THERE BECAUSE  
ONLY SOUTH AUSTRALIA WANTED  
THEM TO SEE WHAT REALLY  
HAPPENED) SAID AFTER THE  
PREMIERS' CONFERENCE THAT  
THERE MIGHT BE SOME MORE  
MONEY IN APRIL, NOTHING  
COULD BE FURTHER FROM THE  
TRUTH.

SO WHAT ARE WE TO DO?  
WELL, IN SOUTH AUSTRALIA  
WE WON'T DO WHAT THE PREMIER  
OF QUEENSLAND SAID HE WAS  
GOING TO DO - CUT BACK  
EXPENDITURE IN EDUCATION AND  
HEALTH, NURSES AND TEACHERS.  
THIS GOVERNMENT PROMISES  
YOU SINCERELY THAT WE WILL  
NOT SELL-OUT LIKE THAT.  
BECAUSE THROUGH CAREFUL

IN FINANCES IS QUITE SIGNIFICANTLY LESS THAN IN THE OTHER STATES, WE WILL BE ABLE BY AND LARGE TO HOLD OUR OWN BY FIRSTLY, INSISTING ON REAL ECONOMIES IN PUBLIC SERVICE STAFFING AND NON-ESSENTIAL WORKS.

BUT EVEN WITH REAL ECONOMIES, GIVEN THAT THE COMMONWEALTH WILL NOT COVER WITH FURTHER MONIES THE PROVISION OF ESSENTIAL SERVICES, IT HAS BEEN NECESSARY TO LOOK AT THOSE RELATIVELY MINOR REVENUE AREAS THAT ARE STILL LEFT TO US AS A STATE GOVERNMENT. AND SO THE NEW TAXES THE GOVERNMENT HAS ANNOUNCED TODAY WILL BE SOMEWHAT WIDER IN THEIR EFFECT THAN THOSE IN OUR LAST

BUDGET. BUT THERE IS AN



PRINCIPLE INVOLVED IN THE  
NEW MEASURES.

WE GET HELP FROM THE GRANTS  
COMMISSION. BUT WE CAN ONLY  
MAXIMISE THAT HELP IF WE MAKE  
OUR TAXES AND CHARGES  
REASONABLY COMPARABLE WITH  
THOSE OF VICTORIA AND  
NEW SOUTH WALES.

TO COVER BOTH THE AWKWARD  
SITUATION THE COMMONWEALTH  
HAS PLACED US IN, AND TO SUIT  
THE CONDITIONS LAID DOWN BY  
THE GRANTS COMMISSION WE  
HAVE DECIDED ON THE  
FOLLOWING MEASURES:

THERE WILL BE A LEVY EQUAL  
TO 3 PER CENT OF THE GROSS  
REVENUES OF THE ELECTRICITY  
TRUST.

MOTOR VEHICLES REGISTRATION  
FEES WILL BE INCREASED BY  
20 CENTS IN THE DOLLAR, BUT  
WITH EXEMPTION TO PENSIONERS.

THE TAX ON BOOKMAKERS TURNOVER  
WILL BE INCREASED FROM 1.8  
TO 2 PER CENT.

A LEVY OF BETWEEN SEVEN AND  
EIGHT CENTS ON ~~AMOUNTS~~ <sup>CHARGES WHICH ARE</sup> OVER THE  
DOLLAR FROM PERSONS AND  
AUTHORITIES LICENSED TO  
PROVIDE PUBLIC ENTERTAINMENT

WILL BE APPLIED. THERE WILL BE

AN INCREASE OF 5 CENTS ON THE  
FOURTH, FIFTH, EIGHTH AND NINTH  
SECTIONS OF TRAM AND BUS FARES,  
WITH EXEMPTION TO PENSIONERS,

~~THERE~~ WILL BE AN INCREASE OF  
RAILWAY PASSENGER FARES SO  
THAT THEY ARE BROUGHT INTO  
LINE WITH BUS AND TRAM FARES,  
WITH THE PENSION CONCESSION  
REMAINING AT 50% OF THE FARE.  
AND ALSO RAILWAYS FREIGHT  
RATES WILL BE SUBJECT TO A  
REVIEW BY THE RAILWAYS

AN INCREASE IN VALUATIONS FOR  
WATER AND SEWER RATING WHEN  
THEY ARE BELOW THE FULL  
PRESENT DAY VALUES, TOGETHER  
WITH A 5 CENT INCREASE IN THE  
WATER REBATE CHARGE OPERATIVE  
FROM THE NEXT FINANCIAL YEAR.

THESE MEASURES WILL GIVE US  
ABOUT \$6,000,000 IN A FULL  
YEAR. BUT HAVING REGARD TO  
THE FACT THAT A FULL YEAR'S  
COSTS OF NEW AWARDS WILL ADD  
FURTHER COSTS, ALL STATES WILL  
HAVE TO EXPECT CONTINUING

DEFICITS.

WHAT WE INTEND TO DO HERE

IS THIS. WE WON'T CUT BACK  
ON ESSENTIAL WORKS AND SOCIAL  
SERVICES.

WE WILL, HOWEVER, MEET THE  
RECURRENT COSTS INVOLVED BY  
POSITIVE REVENUE RAISING  
MEASURES.

I'M SURE YOU WILL AGREE WITH  
THIS COURSE. SOUTH  
AUSTRALIA SHOULD NOT BE  
STAMPEDED INTO A PROGRAMME  
OF CUTTING AND SLASHING  
SERVICES WHICH WOULD LEAVE  
OUR SICK UNTENDED AND OUR  
CHILDREN UNTAUGHT.