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ADDRESS BY DON DUNSTAN, PREMIER OF SOUTH AUSTRALIA, TO THE BRISBANE
PRESS CLUB 15/8/75

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MR. TOM BURNS,

LADIES AND GENTLEMEN:

Thank you for inviting me here today.

I am in a sense, returning a visit. During the recent South Australian State elections we had a great number of political visitors from this side of Australia - all thumping in to assist in defeating the Socialist ogre of South Australia.

That is to say, me.

One of the most vigorous of these visitors was your - inimitable - Premier. He came to assist in the National Country Party's campaign to beat Labor which was, apparently, to be by the curious process of winning seats from its National coalition partners, the Liberals. (Or at least, that's how it seemed to us since most of his campaign time was spent in country electorates held by the Liberal Party.) The result, of course, was not very heartening for the NCP, though some might have said it was predictable. With a field of thirteen candidates - five more than in 1973 - the NCP's vote fell from 3.9% to 2.7% of the vote.

But enough of the South Australian elections as such: the point I am making is that this visit is in return to Mr. Bjelke-Petersen's to South Australia, during which he spoke to the Adelaide Press Club. Thank you again for this opportunity.

One of the things which your Premier's visit did underline was the peculiar situation we have in Australia of, on the one hand, the community's rising expectation of an adequate or desirable level of services, and the system's increasing inability to pay for those services, at least in the short and medium term.

The situation was in fact expressed by implication in the political tub (or should it be peanut-barrel?) thumping at the time. Your Premier came into South Australia. The State was bankrupt, he said. It had been sold out for a mess of Canberra pottage, or thirty pieces of silver, or something. This was the reason we wanted to sell the State Railways.

Disaster faced the people of the State. We lurched from financial crisis

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Now while we did not feel that this was a particularly penetrating attack, it did for the moment throw into relief this problem of current community pressures for the provision of services by Government. The demands are increasingly expensive and can only be funded by an increased tax burden. A reasonable balance has always to be sought. It is rarely to be found.

Australians have, on the whole, a very well developed expectation of services from Governments. It is an expectation that results not so much from Government action in areas that Labor Party Policy has advanced, as from a gradual accretion of services provided through the policies being implemented.

Governments in Australia provide, or are involved in, an immense range of services - from International Airlines to tourist kiosks - from nuclear reactor research facilities to major teaching hospital systems. Railways, the public telegraph system, inner-city public transport, telephones, electricity supply, broadcasting, forestry, meat and fish processing, orderly marketing of staples, laundry and catering, tourism and accommodation - are all areas catered for by Governments in Australia. On one regards the provision of these services - or the Governments involved in them - as part of a 'Socialist Conspiracy' - except in those areas that appear to be profitable.

The old Country Party notion of "Capitalizing gains; socializing losses" has not been forgotten. In other words, there is still a large school of thought that believes Governments should only be involved in enterprises which, on the one hand, are losing money, and/or which, on the other, are buying votes. And there is no end of confusion in this, often arising, in the media, from a fairly indistinct understanding of the general community problems raised by arguments for economic rationalisation as opposed to decentralisation or regional economic stability.

For instance, three or four weeks ago a small abattoir in the South East of South Australia closed down. This action threw a hundred people out of work in a town whose total population was only four and a half thousand.

The reason advanced by the management for the closure was that the South Australian State Government would not allow the works to have

an increased share of the Adelaide meat market, most of which is served by the South Australian Meat Corporation, but which also involves other suppliers. But the fact was that the operators of the works had started up without too much backing, had got into trouble, and had been assisted by the State Industries Assistance Corporation to the tune of \$300,000 together with an agreed share in the Adelaide meat market. When even those two assistance programmes did not help they asked for more.

The Government could not oblige. To have done so would have jeopardised the operational stability of its major abattoirs investment, SAMCOR. Not to help was the rational thing to do. The viable public investment was supported; the smaller private and uneconomic operation went under.

But the immediate result was that the Mayor of the town came up to Adelaide demanding that the Government so order its priorities that the small works survive. He did this so often and so long that ultimately it looked in the media as if the State Government had itself somehow decided to close the works, and was refusing to budge no matter what social dislocation occurred.

As I said, it is a curious thing. Confusion, political expediency and this case, rural protectionism all joined to argue for Government intervention in an area of predictable commercial loss. We were asked to socialise a debt.

This course may not seem strange in Queensland where the ample urban bosoms of this state give such lasting suckle to the National Country Party's electoral interests. But the matter should be deliberately mentioned here. The NCP has constantly rejected Government involvement in services on the grounds that this interferes with some notion of economic individualism and freedom - while at the same time it has been constantly rural-protectionist in its general ideology.

In fact, Jack McEwenism is another way of saying that the only way you can have your cake and eat it, is to choke on it.

I believe it is now time for Australia properly to examine the level of services capable of being funded by its Governments - that is, capable of being funded without radically or regressively increasing the pay tax burden on wage earners, nor affecting re-investment capacity and stability of the economy. It has to be done. We have to cut back

or level off at some point.

It was on this basis that I urged the Federal Government to look once again at its National Compensation Scheme. For no matter how desirable it might have been to pay a housewife who had broken her leg \$50.00 per week, plus medical expenses and overall compensation, the community simply could not afford such massive cost, multiplied as it would be when spread across the nation.

However, this does not mean that the daunting problems involved in balancing community benefit and financial viability should be used as an excuse for the non-provision of services, as it would appear they have been in Queensland.

The record in this State is quite extraordinary. Apart, that is, from planning for a ministerial bomb shelter or the establishment of a nuclear strike force capability, I have the impression that your cabinet would like to see the issue of community services quietly fade away and stop bothering the political process, which is presumably only that of clinging to office.

In social services expenditure, the per capita contrast between South Australia and Queensland is quite amazing. In the year 1973/74 our recurrent expenditure in Education was \$129.67, per capita: Queensland's was \$100.28.

In Health it was \$61.23, per capita: Queensland's was \$56.57.

In Community Welfare it was \$12.06, per capita. Queensland's was \$10.28.

For the same year, in capital expenditure, this story is again told: With Education, the South Australian figure is \$38.37, per capita, as opposed to \$32.49; with Health and Welfare, the South Australia figure is \$24.04, per capita, as opposed to \$10.32.

The Schools Commission Report in June of this year told an equally impressive story. There, using a base of one hundred, South Australia's use of recurrent educational resources by Primary School systems was 75 compared with Queensland's 101; while with all Secondary School systems, again using a base of one hundred, the use of recurrent educational resources was 113 as compared with Queensland's 95. The only Government statistical unit to overreach this achievement was the

Australian Capital Territory, where the expenditure on such services is supported by the largesse of the National Parliament.

When, after some thirty-three years of conservative Liberal-Country Party Governments in South Australia, Labor won office in 1965 we were faced with a situation in which our predecessors had underspent in essential services like health and hospitals and education to the total detriment of the State. As a consequence, not only had a whole generation of school children suffered, but ordinary standards of health care were desperately lacking. There was a callous disregard in such areas - as there was in other vital matters such as recreation and open space planning, town and rural planning, welfare and housing. To redress the balance has taken us some eight years, or ten if you include Steele Hall's two year 'interregnum'.

But the result has been worth it. Our hospital programme, even before Medibank, was expanding at a spectacular rate.

Between March 1973 and May 1975 we completed a total of forty-six hospital projects, and embarked upon the massive Flinders Medical Centre which will shortly be one of the Nation's foremost teaching hospitals. In our community health programme, decentralised community health centres providing a very wide range of medical and health advisory services have been established throughout the State in places close to where their users live. With education we lead Australia in the provision of new open space class rooms, and high quality teaching facilities.

And that is what State Labor in South Australia is all about. It offers the people of our State a range of services, a standard of planning, and a level of facilities of a kind people in Australia now demand and which the community can afford.

And that is the rub. For I will not deny that State charges in South Australia are marginally higher than in Queensland. The community has to pay for community services in some way. But we believe, and our

electoral system even with its country bias has shown, that the people of South Australia are prepared to support community services and not leave children untaught, the poor uncared for, the sick untended.

When, however, we reached the stage at which we felt it was not possible to stretch State taxation sources further - and in the light of the persistent refusal of both Liberal and Labor Governments in Canberra to return to the States sufficient funds to allow the State to supply community services equal with those provided for the citizens of Canberra I negotiated the railways agreement.

Our State railways - like all State railways - have run at an increasing loss for the past forty years. No State has escaped this. Each State has a crippling burden.

In South Australia, for instance, our relatively small railway system would have cost us \$800 million loss to run over the next ten years. We did not bother to estimate the figure after that period elapsed. It simply would have continued to escalate. However, the deal we negotiated with the Commonwealth fully protects the existing State advantages far beyond the current railway assets and liabilities. So it is hardly a matter of 'Centralism', which is what your Leader claimed. Rather, it is simply one of good Government and a proper ordering of priorities in the management of Government owned services.

It seems to me that Queenslanders should consider State Government in these terms. It is State Labor that is most capable of so ordering priorities that high standards are achieved in the areas most affecting people's lives - and especially in such areas as health, hospitals, community welfare, education and the planned urban and rural environment. Vain, empty shibboleths such as 'socialist conspiracy' are as pathetic and redundant as the visionless people who utter them. The job of Government is to respond to the desires and demands of the community, and this is what we've been able to do in South Australia.

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