

HOUSE OF ASSEMBLY.

Thursday, October 21, 1954.

The **SPEAKER** (Hon. Sir Robert Nicholls) took the Chair at 2 p.m. and read prayers.

ASSENT TO ACTS.

His Excellency the Governor's Deputy intimated by message his assent to the following Acts:—Anatomy Act Amendment, Food and Drugs Act Amendment, and Health Act Amendment.

QUESTIONS.**PAYMENT FOR ANNUAL LEAVE.**

Mr. O'HALLORAN—Has the Premier any further information concerning the question I asked on previous occasions relating to payment for annual leave to Government employees prior to their commencing such leave?

The **Hon. T. PLAYFORD**—I have now received a report from the Public Service Commissioner in which he makes a recommendation that I think entirely covers the points the honourable member has raised. I think he recommends payment for the full period of the leave due prior to an officer going on leave. It will be necessary for this matter to be formally dealt with by Cabinet next Monday, but I have no doubt that the honourable member's representations will be agreed to.

MARION ROAD MAIN.

Mr. FRANK WALSH—Has the Minister of Lands, in the absence of the Minister of Works, a reply to the question I asked recently about a water main for the Marion Road?

The **Hon. C. S. HINCKS**—I have received a reply on behalf of the Minister of Works, which reads as follows:—

The deliveries of the 30in. mild steel cement-lined pipes for the Marion Road job will commence at the middle of November, and a construction gang will be available to start the laying by the end of November.

BULK HANDLING AT WALLAROO.

Mr. McALEES—Some weeks ago the Public Works Committee visited Wallaroo and took evidence on the proposed bulk handling of wheat at that port. The committee was told that there were about 350 men employed on the wharf, and on every street corner one can hear people saying that bulk handling will be used at Wallaroo. I ask the chairman of the committee whether it has considered the position of those who will be thrown out of work and who have homes in Wallaroo? They

will have to go to the metropolitan area to look for work and it will be hard for them to get homes there.

Mr. SHANNON—It is rather a difficult question to answer, and I do not propose to try to answer it fully, but when the committee visited Wallaroo it took evidence from people who are gainfully employed on the wharves. I can say that the committee is at least not unsympathetic to the position that these men will be placed in if their employment should cease entirely. The committee is considering a plan for the bulk handling of wheat at Wallaroo which will not mean the dismissal of all these men. I cannot say at this stage how many of those who are members of the Waterside Workers' Federation at Wallaroo will gain employment, but the plan envisaged, if it is finally adopted, will not make any major alterations either to port or railway installations. It is probable that many of the men at present working on the waterfront will continue to do so.

MUSEUM FIRE HAZARD.

Mr. QUIRKE—This morning I had the pleasure of visiting the Adelaide Museum by invitation and, while the visit was instructive and highly interesting, I was appalled by the conditions under which the employees there worked. A hotch-potch of sheds and ancient buildings is cluttered to the ceiling with various items that should be exhibited. Although a new building will undoubtedly be necessary, I am not at this stage advocating that because I know that other buildings may have priority. I was appalled, however, by the fact that the Museum is entirely unprotected against fire, by which irreplaceable exhibits could be lost forever. Surely the immediate protection of the museum against fire is not outside the bounds of possibility, and I ask whether, in view of the value to posterity of irreplaceable exhibits, the Government is prepared to consider immediately the protection of that building, which has only two fire proof doors, against the hazard of destruction by fire?

The **Hon. B. PATTINSON**—Like the honourable member I had the privilege and pleasure a few weeks ago of making an exhaustive examination of the museum building and its contents, and I agree with much of what he has said. It is inevitable that in the future a new building will be erected for either the museum or the Public Library, and the question is merely one of precedence. Although the museum is nominally under my control, the

question of the building and its protection against fire is a matter for my colleague, the Minister of Works, and the Architect-in-Chief, with whom I am prepared to take up the question of fire protection.

EDUCATION DEPARTMENT REGULATIONS.

Mr. WILLIAM JENKINS—One of the Education Department regulations prohibits teachers from approaching any member of Parliament regarding their profession. As I believe this condition is undesirable, will the Minister of Education review the regulations with the idea of deleting it?

The Hon. B. PATTINSON—There is such a regulation, but from my limited experience I think it is honoured more in the breach than in the observance. In fact, members of the teaching profession have the Teachers Institute, the Public Schools Committees Association, the High Schools Councils Association and 59 members of Parliament to speak for them. I am prepared to consider the matter, but not to say at the moment that I favour the deletion of the regulation.

WHYALLA TECHNICAL SCHOOL.

Mr. RICHES—Has the Minister of Education a reply to my recent question regarding additions to the Whyalla Technical School?

The Hon. B. PATTINSON—As I stated recently a substantial sum was placed on the Loan Estimates last year for the construction of this building, but it was superseded by another that was considered by the department to be more urgent. However, sketch plans and estimates of costs for the proposed additional classrooms for the Whyalla technical high school have been prepared for submission to the Public Works Committee, and these are now with the officers of the Education Department for examination before recommending them in their present form. I see no objection to allowing members of the high school council and the honourable member to inspect those plans. Indeed, it may be of some benefit if they do so and offer us their advice and suggestions, because it will be a substantial building of four classrooms, two drawing rooms, a science demonstration room, and a standard woodwork centre at an estimated cost exceeding £50,000.

LOXTON HIGH SCHOOL.

Mr. STOTT—Has the Minister of Education a reply to my recent question regarding the proposed high school at Loxton?

The Hon. B. PATTINSON—This is one of a considerable number of schools for which it is proposed to prepare plans and estimates for this financial year with a view to the work being placed before the Public Works Committee as soon as possible. It had been originally thought that a wooden school could be erected here, but this proposal has been abandoned and plans are being prepared for a permanent structure. I do not expect that a start will be made on erection before the year 1955-56.

KEYNETON ELECTRICITY SUPPLY.

Mr. TEUSNER—Residents in the Keyneton district in my electorate desire to be connected with an electricity supply. Will the Treasurer take up this matter with the Electricity Trust?

The Hon. T. PLAYFORD—Yes.

LICENSING ACT AMENDMENT.

Mr. HUTCHENS—I have been approached by people who claim that they have been advised that the Government intends to amend the Licensing Act this session. Can the Premier say whether that is so, and if so, in what direction?

The Hon. T. PLAYFORD—No specific amendments have yet been approved by the Government. The matter is being examined and I will advise the House in due course.

ADELAIDE-MORGAN RAIL SERVICE.

Mr. MACGILLIVRAY—A short time ago I felt able, on behalf of people in the Upper Murray area, to congratulate the Minister of Railways on the excellent new Budd-type railcar that had been placed on the Adelaide-Morgan line and the consequent improved service. Unfortunately I had only one trip in that railcar, and now I understand that it has been withdrawn and that it is doubtful whether it will be placed on that service again. Will the Minister representing the Minister of Railways ascertain whether we can look forward to the restoration of that railcar or whether it will be withdrawn altogether?

The Hon. M. McINTOSH—I do not think it has been withdrawn altogether but a fault developed in the transmission gear, which, I think was imported in accordance with a French patent. A defect occurred and it has been taken in to be remedied. I think the car will be in service again in the very near future.

**PETERBOROUGH, TEROWIE AND
YONGALA WATER SUPPLIES.**

Mr. O'HALLORAN—Has the Minister of Works any further information to give the House regarding the proposed modified scheme for supplying water to Peterborough, Terowie and Yongala, which has been, I understand, receiving the consideration of the Engineer-in-Chief?

The Hon. M. McINTOSH—As I indicated before, the cost of providing the modified scheme as compared with the original scheme was very high indeed, and is still about £500,000. The alternative is to find an underground source. The Engineer-in-Chief's and the Mines Departments are combining towards that end. I want to have two alternatives to place before Cabinet and, in due course, the Public Works Committee. At present, even with the best intentions in the world, the modified scheme, unfortunately, does not seem to offer any real reduction in cost.

NEALE'S FLAT WATER SUPPLY.

Mr. MICHAEL—Earlier this year a water supply was offered to constituents in my district in the Neale's Flat area and the offer was accepted by the settlers concerned. Will the Minister of Works ascertain when it is likely that the work will be put in hand?

The Hon. M. McINTOSH—Yes.

**EDUCATION DEPARTMENT
PSYCHOLOGIST.**

Mr. HUTCHENS—In recent years the psychologist section of the Education Department has given great service, particularly to industries established in my electorate. I understand the staff has been reduced recently owing to a resignation and there is some concern as to whether a replacement will be made with a person qualified to do the work. Can the Minister of Education say whether it is the intention of the department to fill the vacancy caused by the resignation of Mr. A. B. Whitford with a qualified psychologist?

The Hon. B. PATTINSON—The Public Service Commissioner has called for applications to fill the vacancy. It has been done by circular within the Public Service and by advertisement in the press. I have not seen either the circular or the advertisement, but I understand the applicant must have a degree in psychology and experience in guidance and teaching.

ABATTOIRS AT PORT AUGUSTA.

Mr. RICHES—I thank the Minister of Agriculture for the information he gave recently concerning the investigation made into the number of stock that might be available for slaughter at an export abattoirs at Port Augusta. As the information given then was not complete, has he further information to give now?

The Hon. A. W. CHRISTIAN—I have obtained some figures regarding the sale and slaughtering of cattle at the Metropolitan Abattoirs. I felt that they would be a good guide as to the number we could expect to go through an abattoirs established, say, at Port Augusta for export purposes. I find that the beef exports are modest indeed and would not support a proposal for works at Port Augusta. Sales of cattle through the abattoirs market for the year ended June 30 last totalled 103,229. Of that number those sold for slaughter totalled 78,681 and the number sold as stores and to country butchers and small goods factories 24,548. The number slaughtered for consumption mainly in the metropolitan area was 92,416. In that figure there was 15,000 odd purchased outside the abattoirs market. The number treated for export totalled 1,803, and that represents the full volume of the beef exports. The honourable member can see that it is very small indeed and until the number is greatly increased there can be no justification for the establishment of works at, say, Port Augusta, for the treatment of beef for export.

BUDD-TYPE RAILCAR FOR MOONTA.

Mr. McALEES—Some time ago there was a trial run of the Budd-type railcar as far as Kadina and I gather that it proved a great success, but the run did not go as far as Moonta, which was promised. Will the Minister representing the Minister of Railways consider putting the car on the Moonta line instead of the Morgan line, which move was not thought of when I asked my first question on the matter?

The Hon. M. McINTOSH—I have a tentative reply, but prefer to get a considered one. I do not think a promise has been broken: I do not think any statement was made on that matter by the Railways Commissioner. I will bring down a further reply. I think I said that the honourable member's district would get a high priority.

LAMB SLAUGHTERINGS.

The Hon. Sir GEORGE JENKINS—Has the Minister of Agriculture any figures relating to the slaughtering of lambs at the Metropolitan Abattoirs and the Port Lincoln works during this season?

The Hon. A. W. CHRISTIAN—I have some up-to-date figures in regard to the slaughterings and I am very pleased with the performance at both the Metropolitan Abattoirs and the Port Lincoln works. Up to the present the Metropolitan Abattoirs has slaughtered 480,000 lambs as against 138,000 at this time last year. The Port Lincoln works have slaughtered 78,000 as against 40,000 last year. The better figures are due in a large measure to the very much earlier opening this year and to the satisfactory performance on the part of the people operating the works.

ADVANCES FOR HOMES ACT.

Mr. QUIRKE—The maximum amount of money at present advanced under the Advances for Homes Act is, in my opinion, inadequate and completely unrealistic. Because of Housing Trust costs today, young people desiring to take advantage of that Act and build their own homes must have from £1,000 to £1,250 before they can do so. There are a number of people in my own district who would be able to build their own homes if the maximum advance were somewhat larger. Can the Premier say whether it is the Government's intention to increase the statutory maximum amount advanced?

The Hon. T. PLAYFORD—In respect of Housing Trust homes, a new agreement with the Commonwealth is under consideration at present and so far as sale houses are concerned, if the provisions of that agreement are approved, the amount of advance will be increased substantially. It is not the Government's present intention to submit to Parliament amendments to the Advances for Homes Act. The amount of finance available is fully taken up at the moment and if we increase the advances to any applicants it will mean that some will get more and others less or none at all. There is a big call upon advances provided under this Act. I think the purposes the honourable member has outlined will be met if the Commonwealth-State agreement is amended in the manner I think will be approved in the near future.

MINOR SCHOOL WORKS.

Mr. HUTCHENS—Yesterday, in reply to a question asked by the member for Angas

relating to minor repairs at schools, the Minister of Education referred to the Architect-in-Chief's Department and said:—

I think there are well over 1,000 jobs that have been approved by the Education Department but not completed by the Architect-in-Chief's Department. It is not only the actual construction of the job; every job, however small, seems to require plans and specifications and estimates of cost.

Recently, regulations were gazetted enabling school committees to spend up to £100 on minor repairs. Will the Minister consider amending the regulations to enable minor works to be carried out by school committees?

The Hon. B. PATTINSON—The previous amendment to the regulations was an innovation and the maximum amount school committees were permitted to expend on minor repairs—not their own funds, but Government funds—was increased from £40 to £100, but it related to urgent repairs and not to new construction works which this proposal relates to. I think we would be going too far if we allowed control to be taken out of our hands and placed in the hands of school committees. I would like first to give this new system a trial. I think it will have a beneficial effect. All we require, as I said yesterday, is a plan and an estimate of cost, and it would help if one or two contractors would put in a price. We should have control so that there can be an inspection of the work and consideration of the price. I do not feel prepared to recommend any further innovations at the moment. I would prefer innovations to be introduced by stages.

COMPENSATION FOR QUORN RESIDENTS.

Mr. RICHES—A few weeks ago the Premier said he would place before Cabinet a suggestion concerning compensation to the people of Quorn. He said he would favourably consider setting up a fund into which would be paid the saving in freight rates on coal from Leigh Creek to Port Augusta and that it would be used for the purposes of encouraging industries to Quorn or providing services for the district as compensation for the loss suffered as a result of the altered railway policy. Has Cabinet approved of his suggestion and, if so, has the fund been set up? Also, will consideration be given to improving the road between Quorn and Port Augusta to enable railway employees to live in Quorn even though their work may be transferred to Stirling North?

The Hon. T. PLAYFORD—No coal is coming over the new route at present, so the matter has not been taken any further than the suggestion I made in answer to an earlier question by the honourable member. I will refer the question of improving the road between Quorn and Stirling North to the Minister of Roads.

STUDENTS' BOOK ALLOWANCE.

Mr. RICHES—Has the Minister of Education had time to consider a request placed before him by way of question a few weeks ago to increase the amount allowable to school children for the purchase of school books? It was requested that the actual cost of books should be advanced, as was done some years ago, rather than that a limited amount be made available. The Minister said he would examine the regulations to see whether anything could be done.

The Hon. B. PATTINSON—I have examined the regulations and I have received requests from several bodies—the Public School Committees' Association, I think the Teachers' Institute, and various other bodies—and have obtained reports from the Director of Education on the matter but have not yet decided what to do. One recommendation was for a slight increase, which I do not think would be very helpful. I may be recasting the whole of that regulation in the near future and in due course will let the honourable member and the House know the position.

RAIL CARS FOR MOUNT GAMBIER SERVICE.

Mr. CORCORAN—Like the member for Wallaroo, I am disappointed that rail car services have not been provided on many country lines, and there seems little prospect of their being inaugurated in the near future. A rail car should be run daily to and from Mount Gambier. We have a daily steam service now, but that is not justified in view of the comparatively few passengers that usually travel on it, and the running of a rail car would be more economical. Can the Minister representing the Minister of Railways say when the rail cars will be run?

The Hon. M. McINTOSH—I will get a reply from my colleague, but the hold-up has been the non-delivery of the Pancake type of engines on order. The chasses were built at Islington, and I think the railways would be up to schedule there, but importation of plant is a difficulty and sometimes out of our control.

PORT AUGUSTA-WOOMERA ROAD.

Mr. RICHES—Will the Minister representing the Minister of Roads ascertain the department's intentions regarding the improvement of the road between Port Augusta and Woomera? I understand that a sum is made available by the Commonwealth Government for expenditure on this road. Can the Minister ascertain what amount has been made available for this year, and what work is proposed?

The Hon. M. McINTOSH—I will direct the question to my colleague and bring down a reply as early as possible.

SUPPLY BILL (No. 3).

Returned from the Legislative Council without amendment.

APPROPRIATION BILL (No. 2).

A message was received from His Excellency the Governor's Deputy recommending the House to make appropriation of the several sums set forth in the accompanying Estimates of Expenditure by the Government during the year ending June 30, 1955, for the purposes stated therein.

Referred to Committee of Supply.

THE BUDGET.

In Committee of Supply.

The Hon. T. PLAYFORD (Premier and Treasurer)—In the Estimates for the year ending June 30, 1955, I have budgetted for a deficit of £1,933,000. The total payments for the year are estimated at £52,982,000, whilst receipts are expected to amount to £51,049,000. I am forced to budget for a deficit of this amount because the grant recommended by the Commonwealth Grants Commission, pursuant to section 96 of the Commonwealth Constitution, has been reduced by £3,850,000. The grant for 1953-54 was £6,100,000; and for 1954-55 £2,250,000 has been recommended. I emphasize, however, that the necessary requirements of the departments have not been cut down. In my opinion the amounts provided will be adequate to maintain a reasonable standard of service comparable to that provided by the non-claimant States. Some few years ago at the request of the Commonwealth Grants Commission I agreed that while the State was assessed for grant on a balanced budget basis, any surpluses which might accrue to Consolidated Revenue account would be available from year to year to meet deficits when such should occur. On the other hand the Grants Commission when it has reviewed the year's

accounts in which we have incurred a deficit has made a recommendation to the Commonwealth Government for reimbursement to the State of the amount of that deficit. This procedure was followed by the commission in respect of the years 1948, 1949, and 1950, since when the State has had a surplus in each of the years 1951 to 1954.

The surpluses attained for these years were as follows:—

	£
1950-51	230,000
1951-52	89,000
1952-53	25,000
1953-54	1,810,000

a total accumulated surplus of £2,154,000

It will be seen that in no year since 1949-50 has the State experienced a deficit so that the surpluses from year to year have not been required to aid Consolidated Revenue account in accordance with my arrangement with the Grants Commission. We have now come to a year when the accumulated surpluses in Consolidated Revenue account are required to assist the Budget and the actual deficit for this year, which I estimate at £1,933,000, will be financed from the four accumulated surpluses which total £2,154,000. What the Grants Commission has, in effect, said in its report this year is that the grant recommended is £2,250,000, which, with the amount of surplus held by the State on Consolidated Revenue account, is considered by the commission to be the amount necessary to meet the financial needs of the State for 1954-1955. There is always a lag of two years in the Grants Commission procedure. The grant for 1954-55 is based on a review of the State's accounts for the year 1952-53. The commission examined the accounts for this year, satisfied itself as to the standards and comparability of our receipts and payments on account of consolidated revenue, and made appropriate adjustments for any differences. For 1954-55 the commission brought to account surpluses accumulated by the State over the last four years. On the other hand it has, in the past, reimbursed the State for deficits on Revenue Account. Under the present procedure, involving as it does, a two year lag, adjustments for either surpluses or deficits will be made from time to time. In a changing economy it is inevitable that these adjustments will, on occasions, be very substantial. The surpluses accumulated amount to £2,154,000; £1,933,000 of this is estimated to be required to finance the deficit for this

year. At June 30, 1955, the surplus in Consolidated Revenue Account is, therefore, estimated at £221,000.

THE YEAR 1953-54.

Receipts for the year amounted to £52,376,000, and payments to £50,566,000. The result was a surplus of £1,810,000. When introducing the Budget for 1953-54 I estimated that the surplus would be £10,000. This forecast was based on estimated receipts of £51,355,000, and estimated payments of £51,345,000. Actual receipts for the year amounted to £52,376,000, exceeding the Budget estimate by £1,021,000. Actual payments at £50,566,000, fell short of the Budget estimate of £51,345,000 by £779,000. The main variations from the Budget are set out in Appendix 1 to the Budget papers for the information of members. I offer the following comments on these variations.

Receipts from State taxation amounted to £6,537,000, which was £636,000 in excess of the Budget estimate. The increase in State taxation receipts arose principally from increased receipts from succession duty, stamp duty, and betting tax. Succession duty receipts were £393,000 in excess of the estimate, whilst betting taxation, consisting of the turnover tax and the winning bets tax, yielded £566,000, which was £76,000 in excess of the estimate. Receipts from public works and services were £26,485,000—£331,000 in excess of the estimate. Railways revenues were very buoyant and exceeded the estimate by £206,000. Interest recoveries bettered the estimate by £100,000, and, due to recovery from the Electricity Trust of cost of boring operations at Leigh Creek, Mines Department revenue was £76,000 in excess of the estimated figures. During the year labour turnover increased in most departments. Some materials were also in short supply. These two factors combined to prevent the achievement of targets which had been set for maintenance and extensions of services in various departments. These two factors had a major effect on the payments from consolidated revenue during the year, with the result, as I have already pointed out, that payments from revenue account during the year were £779,000 less than the Budget estimate. In several of the larger departments such as Engineering and Water Supply, Public Works, Education, Irrigation and Drainage, Mines, and Harbors, the payments were below estimate. This was particularly so with Hospitals and Railways, where the payments were respectively £275,000 and £400,000

below the estimates. In Hospitals it was largely due to inability to secure the desired complement of nursing and domestic staff. In the Railways Department, some of the saving was due to inability to carry out the full programme of maintenance which was envisaged when the Budget was presented, but a very large measure of this saving arises from an improvement in operating costs. In these times this is a most noteworthy achievement, and the Railways Commissioner and his staff are deserving of the highest commendation on their efforts, which have proved so successful.

PUBLIC DEBT.

The Public Debt (stock, bills and debentures) of the State as at June 30, 1952, 1953, and 1954, and the increases from year to year were:—

	£	Increase. £
1952	173,436,000	25,048,000
1953	194,853,000	21,417,000
1954	214,723,000	19,870,000

A summary of the public debt transactions for 1953-54 is as follows:—

	£	£
Loans raised—		
New money	22,038,000	
Conversion purposes	22,382,000	
		44,420,000
Less—		
Conversion and/or redemption of matured securities and treasury bills, etc.	22,368,000	
Redemptions by National Debt Commission ..	2,182,000	
		24,550,000

Net increase in public debt £19,870,000

New borrowings for the year were obtained from the following sources:—

(1) Raised by the Commonwealth Government on behalf of the State pursuant to the Financial Agreement .. .	£ 22,026,000
(2) Invested by the Parliamentary Superannuation Fund trustees	9,000
(3) Investment by the Silicosis Committee	3,000

In addition to the borrowings under the heading of public debt, the Treasurer also has at his disposal trust funds borrowed pursuant to the Public Finance Act. At June 30, 1954, these funds amounted to £4,130,561. The principal moneys held in trust funds are the operating funds of the Leigh Creek coalfields, South Australian Housing Trust, and a number of superannuation funds and funds of charitable and patriotic bodies.

NATIONAL DEBT SINKING FUND.

Under the provisions of the Financial Agreement contributions are made annually by the Commonwealth and State Governments to the National Debt Sinking Fund. These contributions are used for the purchase and redemption of Commonwealth stock, bonds, and debentures. The moneys paid to and earned by the commission on behalf of this State during 1953-54 amounted to £2,034,000, made up as follows:—

	£
Contributions by Commonwealth	438,000
Contributions by State	1,587,000
Interest earned by the fund ..	9,000

On June 30, 1953, the commission held on behalf of the State £720,000 which, added to the income, made a total of £2,754,000 available to the commission for use on behalf of the State pursuant to the National Debt Commission Act. During the year the commission purchased and redeemed on behalf of South Australia securities at a cost of £2,519,000, leaving a balance of £235,000 in the hands of the commission at June 30, 1954, for further redemption of State debt.

ESTIMATES FOR 1954-55.

The principal items of estimated receipts and payments for 1954-55, compared with actual receipts and actual payments on similar items during 1952-53 and 1953-54, are set out in Appendix 8 of this financial statement, and for the information of members I will comment briefly on the principal variations.

RECEIPTS.

The total estimated receipts on Consolidated Revenue account for 1954-55 are £51,049,000, which is £1,327,000 less than actual receipts last year. This reduction is due to a substantially lower special grant from the Commonwealth Government. Succession duties, at £1,425,000, is £168,000 lower than last year. Last year was a year in which there was a far greater than average number of individual successions of over £10,000. It is likely that this was a peak in such occurrences and that the incidence of such successions will not be maintained this year. The Government has decided to liberalize exemption from succession duty in the case of widows and children under 21 years of age and also in the case of widowers and adult children, and to adjust the scale of duty in these cases. This will mean a substantial loss of revenue, but will relieve certain cases of hardship. It is also proposed to amend the Act to provide that duty shall be assessable on the amount of a legacy without taking into account the nature of the exoneration from

duty. This will of course, also decrease the amount to be collected from this source. A Bill to give effect to these amendments will be introduced shortly. Under this Bill the exemption from duty in the case of widows and children under 21 years of age will be increased from £2,800 to £3,500 and the exemption for widowers and adult children will be raised from £500 to £1,500. In addition there will be consequential reductions for legacies not exceeding £5,000 to persons within these classes.

Other miscellaneous receipts are estimated to produce £37,000 less than last year, and the principal reason for this decrease is that last year the Mines Department received payment from the Electricity Trust for boring operations carried out by the department at Leigh Creek, and this year it is expected that the drilling programme at Leigh Creek will be completed before December.

The largest reduction in estimated receipts occurs in respect of the special section 96 grant from the Commonwealth which, for 1954-55, will be £3,850,000 less than the £6,100,000 received last year. I have already referred to the procedures adopted by the Commonwealth Grants Commission in assessing the amount of annual grant recommended for the State. Motor vehicle taxation is expected to yield £633,000 more than last year because of the operation for a full year of the increased motor vehicle registration and other charges which became effective as from January 1, 1954. Stamp duties receipts and receipts from racing taxation are expected to again increase this year. Social service recoveries are expected to increase, particularly under the heading of Medical and Health, where increased payments will be made to the State by the Commonwealth in pursuance of the tuberculosis arrangement.

Public Utilities.—Railways receipts (excluding Treasury transfers) are estimated at £13,100,000, which is £294,000 more than last year. The increase in operating efficiency of the Railways, to which I have earlier made reference, will permit the Treasury subsidy to the Railways to be reduced by no less than £800,000 from £4,000,000 to £3,200,000. It is a source of gratification to me to note the improvement in Railway operating results. Harbours receipts will increase as a result of increased charges which came into operation on September 1, 1954. Water supply and sewerage receipts are expected to increase this year by £223,000. A Bill proposing an amendment to the construction rates on country lands so that these rates may be increased will be

introduced for consideration by the House. Interest and sinking fund recoveries are expected to yield £3,789,000, which is £777,000 in excess of last year's receipts. In large measure these increased receipts follow the increase in loan moneys made available to the Electricity Trust, the Leigh Creek coalfield, the Housing Trust, and the Tramway Trust. In the case of the Housing Trust, moreover, the trust recoups the Government in full for interest and sinking fund payments made to the Commonwealth pursuant to the Commonwealth-State Housing agreement. Increased interest recoveries are also expected in respect of loan moneys used in connection with the Radium Hill project, which is rapidly approaching the stage where the mine and its associated treatment plants are scheduled to go into full production.

PAYMENTS.

The second part of Appendix 8 summarises the Estimates under headings which relate to the nature of the payments. The total estimated payments for 1954-55 are shown at £52,982,000, which is £2,416,000 higher than actual payments in 1953-54. Payments in respect of social services are estimated at £13,602,000, which is £648,000 in excess of payments made for similar purposes last year. This group includes payments in respect of—

Education, Science, Art, and Research, £6,474,000, an increase of £381,000 over last year, due primarily to increased provision for the Education Department. Intensive efforts are being made to recruit additional teachers, even to the extent of endeavouring to attract them from England. Provision is made in the Estimates to meet the cost of bringing teachers to Australia, and for payment of their salaries as soon as they take up appointments.

Law, Order, and Public Safety, £1,893,000, an increase of £67,000. Increased provision is made to meet the necessary expenses of the Police Department, the Gaols and Prisons Department, and for the maintenance of police, courthouse, and prison buildings.

Medical, Health, and Recreation, £4,613,000, an increase of £365,000. The commissioning of the first part of the Queen Elizabeth Hospital, and the expanded requirements of the other Government hospitals, and of the Department of Public Health, necessitate increased provision in 1954-55. Grants and subsidies to hospitals, and for other health purposes, which last year accounted for £839,000, are estimated this year to require £966,000.

Social Amelioration, £622,000, a decrease of £165,000.—Last year's expenditure under this category included £203,000 being the grants made towards provision of additional accommodation in homes for aged persons. The Government's offer to subsidize capital additions last financial year was accepted eagerly by the religious and other bodies which have accepted the responsibility of caring for the aged, with the result that practically every denominational home of any size participated in the scheme. These people are fully committed at present in meeting their financial responsibilities on approved schemes, and it is not likely that they will be able to embark on further schemes this year. There are some smaller homes, whose schemes were not fully formulated last year, which may be in a position to go ahead this year. If this is the case the Government will consider representations from these people. The State scheme for this purpose will not be affected by the announcement that the Commonwealth will sponsor a similar scheme.

Public Utilities.—Estimated payments for public utilities for 1954-55 amount to £18,460,000, an increase of £584,000 over last year. Payments in connection with railway operation and maintenance are estimated at £14,629,000, which is only £264,000 or less than 2 per cent in excess of last year's expenditure. This increased provision is required to meet labour and material costs occasioned by a further expansion of business, and for maintenance work on locomotives, rollingstock, and permanent way. Harbours expenditures are estimated at £1,461,000, an increase of £153,000 over last year, which is mainly due to the necessity for overtaking maintenance, much of which was deferred from last year and earlier years. Engineering and Water Supply, £1,758,000, a increase of £142,000. Provision has been made for operation and maintenance of three pumping stations on the Mannum-Adelaide Pipeline, and for operation and maintenance of bores, both of which measures are required to augment the metropolitan water supply. The rapid expansion of new housing and industrial areas, whilst increasing the assessment and the revenue earning capacity of the Adelaide Water District, also necessitates the provision of additional funds for maintenance of the water and sewerage systems. Provision has also been made for costs of operation of the new Salisbury sewerage scheme, and for maintenance, cement lining, pumping, and silt cleaning work in the various country water districts.

Interest, £7,706,000; and Sinking Fund, £1,801,000.—These are the amounts which it is estimated will be required to meet debt servicing obligations this year. They exceed actual expenditures last year by £1,093,000 and £183,000 respectively.

State Resources, £4,352,000, an increase of £749,000.—This heading includes payments made in connection with the Lands, Agriculture, Mines, and Highways Departments, and includes amounts transferred to the Highways Fund from the proceeds of motor taxation. The amount to be so transferred this year is estimated at £2,450,000, an increase of £586,000 over last year, which is due to the fact that the increase in motor taxation, which became effective from January 1, last, will operate for a full year during 1954-55. Provision is also made for the Mines Department in connection with the search for new uranium prospects and for the testing of samples of ores from such prospects.

Financial Transfers.—I have already commented on the reduction of subsidy made to the Railways Department of recent years, which is shown clearly in Appendix 8. An amount of £600,000 is provided as a contribution towards the working expenses of the tramways. This is £100,000 less than was paid last year, and is based upon the annual operating expenses budget of the trust for 1954-55.

GENERAL FINANCIAL AND ECONOMIC MATTERS.

In my last Budget speech I referred to the fact that the minor recession in employment and activity during 1952-53 was even less severe and of shorter duration in South Australia than elsewhere. This was the result in part of the steady uninterrupted operation of Governmental development works and particularly of the Housing Trust, and, without doubt, partly because of the inherent stability of our people and industry. The past year has been one of steady progress, improving prosperity, and, at the same time, stability in prices. The inflation, which was the unfortunate accompaniment of development in previous years, appeared well under control during the past year, which will therefore be regarded as one of the most satisfying for many years, if not in the whole history of the State.

When we look back a period of 20 years we cannot fail to be impressed with the amazing change in the industry, attitude, and outlook in South Australia. South Australia had, for many years, been regarded as a poor State, dependant for the maintenance of

frugal standards of social services and struggling industry upon assistance from the more prosperous and populous States. It suffered more severely from variations in economic activity and from seasonal variations than did other States. The State was losing population to other States and seemed faced with a future as dismal as its recent past. There was even evidence of defeatism, particularly so far as industrial expansion was concerned. All the new developments seemed to go elsewhere, and even some old established industries contemplated transfer.

The transformation over the past 16 years or so has been extraordinary. South Australia has a value of production per head in primary and secondary industries together actually greater than any other State, and has a net income per head practically equal to that of Victoria and above every other State. Both public and privately-financed development in South Australia has, for years, been the most extensive and best sustained in Australia. The preliminary figures from the census taken on June 30 last show a striking reflection of the change in the State's outlook. Over the seven years from the previous census the population increased by 23½ per cent, as compared with 18½ per cent for Australia as a whole. The State, so far from losing population to other States, has attracted a disproportionately high number of overseas migrants, together with a steady inflow of people from other States. The census of June 30 last shows that we had received an additional population of about 23,000 from other States which had previously not even been recorded.

The disclosure that the South Australian population had increased even more rapidly than official records had previously disclosed has prompted me to make a marked revision of the Revenue Estimates. Members will know that the formula for determining the distribution among the States of the tax reimbursement payments depends primarily upon the relative total populations, and, in part, upon proportion of children in the population. Original estimates suggested that the tax reimbursement payment to this State for 1954-55 would be £12,924,000. I now estimate that this will be greater to the extent of about £350,000 based upon the figures of the recent census.

There has been comment in some quarters which has regarded as something to be deplored the recent reductions in the special grant recommended by the Commonwealth

Grants Commission. This, I suggest, is somewhat similar to the man with a rising income deploring that his income tax has increased. The commission has reduced its recommendations for South Australia because its prosperous economy has so improved the Government's finances that it no longer needs so much to balance its Budget. We have the commission's assurance that so long as our standards of budgeting compare reasonably with those of other States, they will recommend grants under present circumstances which will ensure a balanced Budget. Members may properly regard the reduced grant therefore as an indication from the Commonwealth Grants Commission that the State's finances are in good shape and being rapidly improved.

My one serious complaint in this connection, and it is not a complaint against the Commonwealth Grants Commission or its methods, is that the State finances seemed to be precluded from additional benefit arising out of the greatly improved state of our economy. We can be assured of a balanced budget so long as we budget for both revenues and expenditures upon a basis reasonably comparable with other States. But we are not permitted a better result. If, for any reason, we should become entitled to increased tax reimbursement payments, the grant recommended by the Grants Commission correspondingly reduces. The State, though it can reckon on a balanced budget cannot, so long as it is a claimant State, do better. New South Wales, Victoria, and Queensland, not being claimant States in fact do better and have been able to secure Budget surpluses and appropriate them for such desirable purposes as building up reserves, writing out old losses, and reducing debt. It is the continuance of the uniform income tax arrangements in the hands of the Commonwealth which has created the position. If the State had recourse to its own income tax on anything like the pre-war basis, or even if the reimbursement payments were revised upon a more realistic basis, South Australia would have no need for recourse to the Commonwealth Grants Commission. Then the State would be in a position to reap some of the fruits of its expansion and prosperity by way of income tax, instead of it all going to the Commonwealth. The State Government has borne the main brunt of the developmental expenditure which has been necessary to make possible the expansion and prosperity, and it has to bear a very considerable burden of interest

and losses on developmental works. Whilst the interest and the losses are far more than balanced by additional income taxes paid to the Commonwealth Treasury, the State Treasury does not receive any such direct compensating benefit.

The seasonal outlook at the present time, though not disastrous, is less favourable than it has been for many years. We have, in fact, had an extraordinarily long series of good seasons. Owing to lack of spring rains the prospect is that the forthcoming grain harvests will be much reduced. Some falls and uncertainty in primary produce prices are also matters for concern. These arise in part from accumulating surpluses in other countries, and, in part, from the changeover, particularly in Britain, from Governmental to private buying of primary produce. It is vital that both the costs and efficiency of production of primary producers be very closely watched and improved, for the time is over when an unsatisfied market offered a ready demand at a high price for almost any produce, and again we must sell in open competition with producers in other countries. At present negotiations are proceeding to revise our trading relations with other countries, and particularly Great Britain. It is important to our primary industries that these should be successful.

In the field of secondary industry the outlook is good indeed. Employment has fully recovered, production and activity are at new record levels, prices are stable and costs well controlled. Most raw materials are coming forward smoothly and in satisfactory volume and productive efficiency is consequently at a high level. So long as care is exercised to keep costs stable and avoid inflationary pressures, this excellent state of affairs should continue.

We must not rest content with the progress already achieved in this State, and thereby let other and even greater opportunities pass us by. Past progress has been achieved not

by richness of our natural resources, but rather from ability and determination to make the best of our limited resources and to make up for the limitations in rainfall and natural endowment. It has been the history of other civilizations that the greatest achievements have been made by those peoples to whom their climatic conditions and surroundings were a challenge to their industry and resourcefulness, whilst the least progress was achieved when things came easily. The recent experience of this State is just another example of that lesson of history. The achievements of the past are in themselves a demonstration that an even greater future can be anticipated for South Australia, and that the State will take an even more prominent part in the Australian economy. So long as we continue our striving and maintain our faith in ourselves, the past achievements may be regarded as an earnest of even greater progress in the future.

I pay a tribute to Mr. Drew, Mr. Seaman, Mr. Carey, and other members of the Treasury staff, and the Government Printer for the excellent and efficient manner in which they carry out their functions in preparing the Budget papers. The Grants Commission, which has the duty of investigating not only the finances of the claimant States but the finances of the non-claimant States in order to get a comparison of their economic position, has, from time to time, publicly stated to me their appreciation of the service and high standard of accountancy maintained by the State Treasury. In this State we have officers of the highest calibre who give to the utmost of their ability in the service of the State. As Treasurer, I realize how much the Government, and Parliament through the Government, relies upon their services. I move the adoption of the first line of the Estimates.

Progress reported; Committee to sit again.

ADJOURNMENT.

At 3.29 p.m. the House adjourned until Tuesday, October 26, at 2 p.m.