

HOUSE OF ASSEMBLY.

Tuesday, September 17, 1957.

The SPEAKER (Hon. B. H. Teusner) took the Chair at 2 p.m. and read prayers.

NEW MEMBER FOR WALLAROO.

Mr. Lloyd Clarence Hughes, to whom the Oath of Allegiance was administered by the Speaker, took his seat in the House as member for the district of Wallaroo in place of the late Mr. L. R. Heath.

QUESTIONS.**SNOWY RIVER AGREEMENT.**

Mr. O'HALLORAN—In recent weeks I have asked the Premier a number of questions about the position that has arisen under the Snowy River scheme, particularly as to what success has attended his efforts to sight a copy of the agreement and to learn to what extent the interests of South Australia may be prejudiced or advantaged by that agreement. Has the Premier any further information to give the House on this matter?

The Hon. Sir THOMAS PLAYFORD—The only direct information I can give is that my request to the Prime Minister for an opportunity to study the agreement was refused and that, in reply to a question in the Commonwealth Senate, South Australian senators were told by the Minister in charge of this matter there that a copy of the agreement would not be made available to this State prior to its being signed. This Government has anxiously considered this matter because the future of this State is becoming more and more wrapped up in the use of River Murray water. We now rely almost entirely on it for our domestic supplies throughout the whole length of the mainland of South Australia, and our future opportunities for expansion, particularly regarding irrigation, are almost solely bound up in the use of River Murray water. It was for this purpose that this State entered into the River Murray Waters Agreement and, although under that agreement South Australia did not have the same quantity of water provided to it as did either New South Wales or Victoria, certain assurances were nevertheless given us under the agreement concerning the water that would be available to us. As it appears to the Government—and I say "as it appears" because I have no direct information, and some of what I shall say is only surmise—the Commonwealth Government is most anxious to get the agreement signed without preliminary

investigation into the use of electricity, and preliminary consultation with the States has not taken place. It seems that the Commonwealth has no constitutional authority to carry out the scheme anyhow and no binding arrangement with the States for the use of electricity that will be generated. We believe that under those circumstances the Commonwealth is negotiating with Victoria and New South Wales in order to reach an agreement and to achieve that end is freely giving away all sorts of rights with regard to the use of Murray waters. That is the only conception that we can place upon the fact that we, as a partner, have been completely refused any information on what is contained in that agreement, except the meagre information that we have had and which I have passed on to the House, that there was some alteration in the agreement on July 5 to make clear South Australia's position, but what was made clear we have not been told.

We gave earnest consideration to this matter, especially when we learned, notwithstanding a denial, that the Commonwealth had briefed eminent counsel to appear for it. My Government has obtained the best legal opinions it can on this matter, and they are to the effect that we would be negligent of our rights if we did not take action to have the opportunity of seeing what is contained in this agreement before it becomes an accomplished fact, and that the works now being undertaken infringe the River Murray Waters Agreement. Under those circumstances I have written to the Prime Minister suggesting that we should have a copy of the agreement made available to us this week. I have also informed Sir Philip McBride that if the Prime Minister desires to discuss this matter I will seek leave of the House to go over and discuss it with him this week. If we cannot get any conclusions this week the Crown Solicitor will be instructed, in conjunction with Mr. D. I. Menzies of Victoria, to take necessary action next week.

VISIT OF H.M.A.S. MELBOURNE.

Mr. JENKINS—An article that was published in the *Advertiser* recently said that in the second week of October H.M.A.S. *Melbourne* would be visiting South Australian waters. Will the Premier approach the Minister for the Navy and ascertain whether he is prepared to allow the *Melbourne* to anchor for about two hours off Victor Harbour or, if he is not agreeable to that, to authorize it to steam past as near as possible to that coast?

The Hon. Sir THOMAS PLAYFORD—Yes.

AIRCRAFT PRODUCTION.

Mr. FRANK WALSH—A short paragraph in this morning's press indicated that the Commonwealth Aircraft Corporation would probably continue with the production of Sabre Jets and, if possible, increase their speed. Has the Premier any information from the Commonwealth Government that it intends continuing the production of aircraft in this country and whether some parts will continue to be made by South Australian firms?

The Hon. Sir THOMAS PLAYFORD—The honourable member asked a similar question some weeks ago, particularly regarding production by Chrysler (Australia) Limited, which had to curtail employment on aircraft production. A reply I received from the Commonwealth Government expressed great appreciation of the quality of work that had been done by this firm, and there was a general assurance that the matter would be investigated as far as this firm was concerned. If the honourable member has not had a copy of that reply I will see that he gets one. I will refer the question he asked today to the Prime Minister forthwith.

TOMATO FAILURES.

Mr. CUMBE—It has been reported to me that growers of glasshouse tomatoes in the metropolitan area have been experiencing partial failures of their crops since the use of River Murray water has been increased. Will the Minister of Agriculture ascertain whether that is the case and, if so, suggest a remedy?

The Hon. G. G. PEARSON—Frankly, I am astounded that the growing of tomatoes, or any other vegetable or flower for that matter, should be adversely affected by the use of Murray water which, I understand, contains less harmful mineral content than any other water in the State. I should think that practically every bore on the Adelaide plains would contain far more harmful material than Murray water, but if there are failures or problems associated with the growing of tomatoes I feel sure that the department will have some knowledge of them. I will inquire as to the damage caused by disease, if any, and make a report available to the honourable member.

PARINGA BRIDGE.

Mr. STOTT—Before the Show adjournment I asked the Premier a question regarding the urgency of repairing the Paringa Bridge, and I now ask him whether, following his visit to the area, he can say when the work will be put in hand?

The Hon. Sir THOMAS PLAYFORD—Prior to my going to the area the Minister of Roads gave me a report about the bridge, which was to the effect that the specifications had been prepared and that tenders would be called for the work within a few days. Probably that has already been done. How quickly the work can be undertaken will depend to a certain extent on the capacity of the successful tenderer to complete the work.

OSBORNE SOOT NUISANCE.

Mr. TAPPING—When I raised the question of the soot nuisance emanating from the Osborne Power Station recently the Premier told me that Mr. Milne, of the Electricity Trust, had gone overseas and would there try to ascertain ways and means of combating this problem. I shall now read portion of a letter that I have received from a resident of Lady Gowrie Drive, Largs Bay North, who is over two miles from the Osborne Power Station. It states:—

Like most other residents in this area we have from time to time in recent months been subjected to the falling of soot from the powerhouse. However, on this occasion, and it appears to have fallen during the early hours on the morning of 10th September, 1957, we have had deposited on our home an oily film substance which I consider will necessitate the painting of the whole woodwork structure of our premises. This will involve washing down and repainting at a considerable cost, and I feel that this unfortunate business should be brought under the notice of the authorities.

As Mr. Milne has returned from overseas, can the Premier say whether he has prepared any progress report on this problem?

The Hon. Sir THOMAS PLAYFORD—Mr. Milne's report is not yet available and I am told that some considerable time will elapse before it is presented. It is not an easy problem to solve and the work would be costly. When the report is available I shall advise the honourable member.

HILRA LEVEL CROSSING.

Mr. JOHN CLARK—My question relates to the fatal accident that occurred during the week-end at the Hilra level crossing, where there are stop signs but no warning devices of any sort. Warning signals have been repeatedly advocated by the Salisbury Council, the Salisbury North Progress Association and me without result. Indeed, at a recent conference between the council, the police, the Royal Automobile Association and the Railways Department, the department reported it was not prepared to spend £2,500 to install lights at the crossing as it was not considered as dangerous as many in the metropolitan area.

This information may or may not be correct, but the fact is that three people have been killed at the crossing in about the last 12 months. The life of the humblest of us is worth much more than £2,500. Will the Minister of Works ask the Minister of Railways to regard this as an urgent matter and investigate the possibility of providing some type of warning signal at the crossing as soon as possible?

The Hon. Sir MALCOLM McINTOSH—In anticipation of this question the Minister of Railways secured the following information from the Railways Commissioner:—

1. There are 114 level crossings between Adelaide and Port Pirie.

2. Of these crossings 10 are equipped with flashing lights or other similar warning devices.

3. Subject to priorities and availability of funds, present proposals envisage the installation of warning devices at one additional level crossing.

4. At six level crossings stop signs have been installed.

5. The visibility at the Hilra crossing is as follows:—

(a) Along the Adelaide-Port Pirie line visibility is available to the limit of vision in either direction.

(b) On the tracks to Penfield in the direction of Adelaide, to the limit of vision, towards Penfield one-half mile.

Three reliable witnesses state that the car ignored the stop sign.

Mr. John Clark—Will the Minister direct my further remarks to the Minister of Railways?

The Hon. Sir MALCOLM McINTOSH—Yes.

DIESEL FUEL CHARGES.

Mr. LAUCKE—Can the Premier clarify the position in regard to current charges for diesel fuel, having in mind the varying uses for which the fuel is purchased? I understand that since September 13 all consumers, primary producers, industry generally and transport operators, are being charged a common price, which includes the increase of one shilling per gallon imposed to secure revenue for road maintenance from diesel powered transport. I assume that users other than transport operators will be rebated later. A system under which declaration as to intended usage would enable purchase at the appropriate rate would appear to be a more satisfactory and efficient arrangement.

The Hon. Sir THOMAS PLAYFORD—I will take up the matter with the Prime Minister. Although the Commonwealth announced

its intention to increase the cost of the road use of diesel, the machinery for providing rebates has not yet been put into operation. All diesel fuel has been increased by about 1s. a gallon to meet the new Commonwealth impost. I will ask the Prime Minister to consider the honourable member's suggestion, and in any case to take action promptly.

ROSEWORTHY RAILWAY COTTAGE.

Mr. HUTCHENS—For some time I have been making a plea for services and repairs to be provided for railway cottages. Last night it was brought to my notice that the Australian Railways Union had been making appeals and declaring that a cottage at the Roseworthy station was in a state of disrepair and was dangerous. This had been denied by the Chief Engineer of the Railways who said that the cottage was sound and not dangerous. Recently, due to a structural collapse of the building, a little child, the daughter of the occupants, was injured. In view of the injury to the child, and the dangerous state of the cottage, will the Minister representing the Minister of Railways ascertain if compensation can be paid?

The Hon. Sir MALCOLM McINTOSH—The question cannot be answered offhand because the circumstances will have to be considered. The honourable member's remarks will have to be submitted to the Minister of Railways who in turn will confer with the Railways Commissioner, and then, if necessary, he will report to Cabinet on the matter.

HILTON BRIDGE.

Mr. LAWN—For some years Mr. J. F. Walsh, as the representative of the old district of Thebarton, raised in this House the question of the safety of the Hilton Bridge. Last year I raised it during the Address in Reply debate and asked the Government to rebuild the bridge. Since then fatal accidents have occurred there, and three or four people in the one family were killed. I have raised the matter again this year and the Minister has refused to take any action. Last weekend there was another accident, which could have proved fatal. Will the Premier call for a report from competent authorities as to the safety of the bridge and give the matter his personal attention?

The Hon. Sir THOMAS PLAYFORD—I will discuss this matter with the Minister concerned and get a report. I understand

the first accident occurred because the vehicle crashed through the guard rail on the side of the bridge.

Mr. Lawn—Only a bit of tin was there.

The Hon. Sir THOMAS PLAYFORD—If a vehicle is travelling at a high speed the type of side wall does not matter; there is always likely to be a fatal accident. I will get a report and when it is to hand I shall discuss the matter with the honourable member.

WALLAROO GRAIN DISTILLERY BUILDING.

Mr. HUGHES—Has the Premier anything further to report about the large manufacturing firm of international standing that is interested in sub-leasing part of the Wallaroo grain distillery building?

The Hon. Sir THOMAS PLAYFORD—This firm was dealing with the Housing Trust. I believe it decided not to go to Wallaroo, but I will obtain a report from Mr. Ramsay and let the honourable member have it, probably tomorrow.

FIRE HAZARD IN TEMPORARY HOMES.

Mr. JENNINGS—Last night another disastrous fire occurred in a temporary Housing Trust home and I remind the Premier that there have been numerous fires in similar homes in the last couple of years. Will he have a proper independent investigation made into the fire hazards of temporary Housing Trust homes?

The Hon. Sir THOMAS PLAYFORD—The coroner, who always investigates serious fires, is, of course, a completely independent authority. I point out that any structure will burn if a fire is left unattended therein and in a dangerous situation.

MURRAY RIVER FLOOD DAMAGE.

Mr. BYWATERS—Can the Premier say whether there is any truth in the rumours that the salinity of the River Murray in its lower reaches has increased extensively of late and that damage was done to the Goolwa barrages?

The Hon. Sir THOMAS PLAYFORD—I have a report which indicates that at Murray Bridge the total chlorides are 17 grains a gallon, at Point McLeay 16 and at Milang 26. Flood damage at the barrages during the flood was only of a minor nature. Approach roads were flooded, making access difficult, but little damage resulted to the roads. Some damage was done to the stone pitching on the

embankments at Tauwitchere and Ewe Island barrages. This has since been repaired.

PORT MACDONNELL FORESHORE DAMAGE.

Mr. CORCORAN—Some months ago a storm ravaged Port MacDonnell and severely damaged the foreshore. Representations have been made to the Government for assistance and the council is anxious to obtain financial support to enable it to undertake the necessary repairs, particularly as the time is now opportune. Inspections have been made of the area by the Minister of Local Government and by the Minister of Agriculture. I accompanied the latter on his inspection. Can the Premier indicate whether the Government proposes to give financial assistance and when?

The Hon. Sir THOMAS PLAYFORD—Several departments are involved and consequently there has been a delay in fully considering this matter. The Highways Department will undertake certain road repairs in the area at no charge to the district, but the Harbors Board refuses to assist in foreshore restoration works as it considers such work beyond its jurisdiction. However, the Tourist Bureau will make a pound for pound subsidy to enable work to be undertaken, but only a limited sum can be provided.

Mr. Corcoran—What amount?

The Hon. Sir THOMAS PLAYFORD—I am not sure what the total amount will be, but I believe the Government's assistance will have to be confined to £750 this year as the vote could not stand more. The member will receive a communication relating to this matter within the next few days.

PORT PIRIE WHARVES.

Mr. DAVIS—Two years ago I was advised by the Government that about £1,500,000 was to be spent on the harbour at Port Pirie, that certain wharves would be repaired, a curve taken out of part of them, and that Federal Dock would be filled in. As I have noticed recently that the western end of Federal Dock is under repair, can the Minister of Marine say whether that indicates that the work promised two years ago is being further delayed?

The Hon. Sir MALCOLM McINTOSH—As the engineering part of this work does not come under my immediate notice, I will obtain a report from the Harbors Board and bring it down as early as possible.

TRANSCIVERS FOR POLICE IN OUT-BACK.

Mr. RICHES—It has been reported to me that from time to time search parties are sent out by the police for people who find themselves in difficulty or become lost in the north and north-west of South Australia, but that there is no means of communication between base and the search parties. I believe that one such instance happened only recently. Will the Treasurer ask the Police Commissioner whether it would be advisable to fit some of the police cars in the far northern division with mobile transceiver sets so that search parties might keep in constant communication with the radio base at either the police station or the Flying Doctor Service station?

The Hon. Sir THOMAS PLAYFORD—I will examine this matter and advise the honourable member.

SECONDHAND CAR DEALERS.

Mr. O'HALLORAN—For some time Labor members have received requests from citizens and organizations in various parts of the State asking that something be done to protect the purchasers of secondhand motor cars from the consequences of misdescription of vehicles regarding their general condition, road-worthiness, etc. Can the Premier say whether this matter has been brought to the notice of the Government recently or whether investigations have been made, other than those carried out 12 months ago when I raised this question last? If nothing further has been done, will he inquire whether some practicable scheme can be evolved to protect purchasers from the results of such misdescription? Generally speaking, the vendors of secondhand motor vehicles are honest and give their clients a reasonable deal, but from recent press reports we have learned there are some go-getters from whom the public should be protected.

The Hon. Sir THOMAS PLAYFORD—From the tone of his question the honourable the Leader apparently realizes the difficulties attaching to this problem, for he asks whether a practical solution can be found. This is a difficult problem and, if we could make the public at large realize that their best protection is to deal with reliable people, we would undoubtedly be doing them a good turn, for if they deal with reliable and well-established firms, they will be better protected than if they deal with people who have not those qualities.

Mr. Lawn—How is the purchaser to distinguish between dealers?

The Hon. Sir THOMAS PLAYFORD—Reliability may be fairly well established. On the general question raised by the Leader, the best person to consult is probably the Police Commissioner and I will see whether there is any possible solution to this problem. I repeat, however, that nothing will protect a person if he does not take adequate precautions to see that the firm he is dealing with is reliable and well established.

MACCLESFIELD SCHOOL OPENING.

Mr. JENKINS—Can the Minister of Education say whether the new Macclesfield Primary School has been completed and whether it is intended to hold an opening ceremony there before Christmas?

The Hon. B. PATTINSON—The school has been completed and I shall be pleased to have an official opening ceremony if that is the wish of the school committee, the headmaster and staff, and the honourable member.

FACADE FOR MARION HIGH SCHOOL.

Mr. FRANK WALSH—My question relates to concrete cladding slabs involving the use of a sprayed sand and cement in combination with marble chippings. I am informed that this process is to be used on the facade of the new Marion High School, and probably some other schools, and that the department intends to import the marble chippings from New South Wales. As large deposits of red marble suitable for this work exist at Angaston, will the Minister of Works obtain a full report on the matter and see whether South Australian marble can be used instead of imported marble?

The Hon. Sir MALCOLM McINTOSH—I take it that the specifications set out certain requirements which might make it difficult to reverse any decision already given, but I will get a full report and bring it down as early as possible.

NEW BRIDGE OVER MURRAY RIVER.

Mr. STOTT—Can the Chairman of the Public Works Standing Committee say whether his committee has finished taking evidence concerning the new bridge over the Murray River and when he expects the committee's report on this project to be tabled in Parliament?

Mr. SHANNON (Chairman of the Public Works Standing Committee)—The taking of evidence on this project is nearing completion. We are awaiting further departmental evidence on the productive potential of the lands east of the Murray River so that we can get a clear

picture of what will be required for the transport of produce from that area to market. When that information is to hand the committee will analyse the voluminous evidence taken; many witnesses have been heard and there are nearly as many opinions as witnesses on certain aspects of the project. It is not an easy question, but I think that, unless something unforeseen happens, we shall be able to let Parliament have a decision some time in December.

PORT RIVER CRUISES.

Mr. STEPHENS—The following article appeared in the *News* of September 3:—

A Port Adelaide man hopes to run paddle steamer cruises along the Port River this summer. He is Mr. Roy Bascombe, who has the option to buy the 112ft. Mildura showboat *Avoca*. Mr. Bascombe said today Port River berthing space was his main problem. It is understood the Harbors Board will not approve a site sought near Birkenhead Bridge. Mr. Bascombe said the *Avoca* had a big dance floor, sun deck and lounge, with ample seating accommodation. Alcohol would not be permitted on board during cruises. Mr. Bascombe is seeking suggestions for a suitable berth handy to land transport.

Pleasure cruises are run in many other States, and even on the Murray and the Torrens, yet apparently we cannot have one at Port Adelaide. I took up this matter with the Harbors Board, which is doing a wonderful job in many ways, but it cannot find a berth for this 112ft. steamer. A special effort should be made to make a berth available, for we want our interstate visitors and our own people to be able to see the wonderful work being done along the Port River.

The SPEAKER—The honourable member should not debate the question.

Mr. STEPHENS—I am explaining my question. Will the Minister of Marine take up this question with the Harbors Board and ask it to make a special effort to find a berth for this vessel?

The Hon. Sir MALCOLM McINTOSH—I was glad to hear the honourable member's comments about the work the Harbors Board has done. It certainly has done wonderful work in regard to the wharves at Port Adelaide, which compare favourably with any others in Australia. The honourable member's question is not unknown to me, for I saw the article to which he referred and took it up with the board, but there is great difficulty in finding a low berth that would be suitable for this vessel without interfering with other vessels that have, over many years, established

their rights to certain berths. When I received a report from the board it was an adverse one and I sent it back for further consideration along the lines suggested by the honourable member to see whether something could not be done to overcome the difficulty. I have not yet received a further report, but when I get it I will follow it up in an endeavour to find a solution to the problem.

ADELAIDE TO GAWLER ROAD.

Mr. JOHN CLARK—On August 27, following on a notification by letter from the Minister of Roads that in the works programme for this year there would be certain provision for some work to be done on the widening of the Gawler Road, I sought details of the work that was to be done, and I now ask the Minister representing the Minister of Roads whether he has any further information.

The Hon. Sir MALCOLM McINTOSH—I have received the following report from my colleague, the Minister of Roads:—

Before the actual roadwork can be undertaken, certain drainage works in the vicinity of Gepps Cross will have to be carried out. Plans for the drainage works have been completed by the Highways Department, and it is expected that this work will be commenced in the near future. After that the roadworks will be commenced and carried out in a northerly direction from Gepps Cross.

GOVERNMENT MEDICAL OFFICERS' SALARIES.

Mr. LAWN—Can the Premier give any information to the House about the terms of settlement of the recent dispute over the salaries of resident medical officers in Government hospitals?

The Hon. Sir THOMAS PLAYFORD—The Public Service Commissioner has recommended certain increases for medical staff at the Royal Adelaide Hospital. There was one minor query that rendered it necessary to send the matter back to the Commissioner. Increases were recommended by him and they were accepted by Cabinet, except that the Government considered that the salary of one technical officer should be adjusted. I think the matter will be finalized this week.

Mr. Lawn—Have you any idea of the salary range?

The Hon. Sir THOMAS PLAYFORD—There were quite a number of salary ranges and I would be only guessing if I tried to tell the honourable member what they were. I assure him that all relevant factors were

taken into account in fixing the ranges and I think the new salaries will be considered to be adequate.

POORAKA RAILWAY HOUSE.

Mr. JENNINGS—Has the Minister representing the Minister of Railways a reply to the question I asked recently about the tenancy of a railway house at Pooraka?

The Hon. Sir MALCOLM McINTOSH—The Minister of Railways has supplied me with the following information:—

The Railways Commissioner has reported that the house in question is provided for the use of the station master. When it was vacated it was allotted to one of the station clerks stationed at Pooraka, and this officer is under agreement to vacate the house should it be required by another station master in the future. It is necessary to allot this house to a traffic officer because when the station is closed, at certain hours of the night, it is essential to have at hand an available traffic officer who can be called upon to open up the station should such action be required for train working.

SEWERAGE REGULATIONS.

Mr. LOVEDAY—Can the Minister of Works say when the Sewerage Regulations will be printed and, if the work is not in hand, will he have it expedited?

The Hon. Sir MALCOLM McINTOSH—I have conferred with the Engineer for Sewers (Mr. Murrell). I think that the working specifications were to be printed straight away, and consolidation of the regulations were discussed too. For some time there has not been, in my opinion, a proper regard paid to alterations in conditions. For instance, under the old regulations there was a period, I think, of six years for apprenticeship. I think that under modern conditions that is probably too long, and questions such as those have been raised from time to time with the board. I think that all the difficulties have been ironed out and the regulations should be ready for printing in the not distant future.

FILM ROBBERY UNDER ARMS.

Mr. RICHES—Early this year the J. Arthur Rank organization made a colour film *Robbery Under Arms* and was afforded considerable assistance by the Government, and by the Premier in particular. I understand that the film will be released shortly and I ask the Premier whether he will use his good offices in an endeavour to secure a simultaneous release of the film at Adelaide and Port Augusta when it is released in London? If it could be arranged it would give much satisfaction to the people in my district.

The Hon. Sir THOMAS PLAYFORD—I will refer the matter to the appropriate members of the organization to see if it can be arranged.

YATALA LABOUR PRISON BRICK PRODUCTION.

Mr. TAPPING (on notice)—

1. What quantities of bricks were manufactured at Yatala Labour Prison for each of the financial years from 1952-53?

2. Who were the main purchasers?

The Hon. Sir THOMAS PLAYFORD—The replies are:—

1. Cement bricks manufactured by prison labour—

Year ending—	Yearly total— all types.
30/6/53	724,272
30/6/54	1,745,688
30/6/55	1,977,295
30/6/56	3,914,226
30/6/57	2,355,441

Total 10,716,922
Per cent.

2. Sales 1953-1957 distributed as under—

South Australian Housing Trust . .	66
Architect-in-Chief's Department . .	20
Engineering and Water Supply Department	9
Various other Government depart- ments	5
	100

STATE BANK REPORT.

The SPEAKER laid on the table of the House the report and balance-sheet of the State Bank of South Australia for the year ended June 30, 1957.

Ordered to be printed.

AUDITOR-GENERAL'S REPORT.

The SPEAKER laid on the table of the House the Auditor-General's report for the financial year ended June 30, 1957.

Ordered to be printed.

THE BUDGET.

In Committee of Supply.

(Continued from September 4. Page 596.)

Legislative Council, £10,630.

Mr. O'HALLORAN (Leader of the Opposition)—Unfortunately the presentation of the Budget took place during my absence from the House through indisposition and I did not have the opportunity to listen to the Treasurer. However, I read his remarks and I was struck

forcibly by the change in the tempo of his opinion of the prosperity of the State. He said:—

The seasonal outlook in this State is also such that the immediate future cannot be confidently predicted . . . Rains since the opening have been barely adequate . . . Consequently, there is an urgent necessity for follow-up and late Spring rains. An early warm spell of any long duration could wreak havoc in rural areas, whilst good rains, well timed and spaced, could still ensure a season approaching normal.

In opening Parliament this session the Governor said:—

In primary production the season of 1956-1957 was notable for a number of remarkable records, some of which are these:—A record harvest of grain (73,000,000 bushels); a record sheep population (15,000,000); a record number of beef cattle (365,000); a record total of dairy and beef cattle (630,000); the highest wool production in our history (187,000,000 lb.); and the highest number of lambs marked (4,930,000). These results are attributable not only to good seasonal conditions but to the application of science and improved methods to primary production.

Although the Government was too modest to say it, the reference to the prosperity in the Governor's Speech carried the implication that the Government had much to do with it, but in his Budget speech the Treasurer apparently realized that Providence had much to do with it. It has much more to do with it than the Government of the day. During the last 12 years the seasons, in connection with prices and production, have been such that any Government could have kept the State going. I agree with the Treasurer that there is reason for concern about the present seasonal conditions, but no need for panic. I am surprised that some evidence of panic is to be seen. There are fears of heavy stock losses unless rain falls quickly.

Mr. Heaslip—Don't you think the fears are justified?

Mr. O'HALLORAN—Some are, but they are not sufficient to justify the present panic. I have had much to do with primary producing districts where droughts are more prevalent and disastrous than in the better rainfall areas. The country north of Spalding is in as good heart as in any normal season in the past.

Mr. Heaslip—There will be bigger losses this year unless rains come.

Mr. O'HALLORAN—I cannot see the possibility of losses there for many months to come. The land is covered with dry feed and there is good germination of green feed. For many months stock in the area will be

able to carry on with the feed in sight at present. Also, in that area there is always the possibility of a summer thunderstorm to cause a continuance of adequate supplies of fodder. There is no need to panic in the north, but there may be some need in the inside country, to which I shall refer later. I am concerned about the growing number of unemployed in this State, particularly in the metropolitan area. The Budget contains no suggestion of a comprehensive nature to provide work for unemployed persons. We will be hard pushed to carry on normal services at the same tempo as now, so we will not be able to find work for them.

The Treasurer referred to the special Commonwealth Grant to the State under section 96 of the Commonwealth Constitution. Throughout his Budget speech—and it is to be found in all speeches he makes—there were differences in tempo. In one place he said South Australia was the most prosperous State in the Commonwealth, but in other places he was not so sure. He has said that our prosperity is such that the State has attracted more migrants than other States, and that we have more of this and more of that, but if that is so why does the State need a special Commonwealth grant? We all know that South Australia lags behind the three main States, New South Wales, Victoria, and Queensland, and that she joins Tasmania and Western Australia as a claimant State. In his Budget remarks the Treasurer said:—

South Australia is still dependent upon a special grant recommended by the Grants Commission, though with its progress in recent years the State's relative dependence thereon has been consistently reducing. So long as the special grant is determined in accordance with the present principles of the Commonwealth Grants Commission any reduction therein is no matter for concern but rather one for considerable satisfaction, for it means that the State is still progressing more rapidly than Australia as a whole.

The Treasurer's statement that owing to its progress in recent years the State's relative dependence thereon has been consistently reduced is not borne out by facts or by the figures published in appendix I of his speech—a table of special grants made to South Australia under section 96 of the Constitution from 1929 to 1936. The plain facts are that the special grant this year has only been exceeded in three previous years. In 1952-53 the grant was £6,343,000; in 1953-54, £6,100,000; last year £5,800,000 and this year it is £5,700,000. In 1954-55 it was only £2,250,000 and in 1955-56, £5,400,000. That

does not support the contention that as much prosperity abounds in South Australia as the Treasurer would have us believe.

He then referred to the question of uniform taxation in terms very different from what he used when the Labor Government led by the late Mr. Chifley was in power in Canberra. Almost every Budget speech and, indeed, every principal speech then was used as a means of criticizing uniform taxation. The Treasurer recently said, "The recent decision of the High Court would appear to have done little to change the situation." It has done nothing to solve the problem of State and Federal finances. The Treasurer said that there would be no double tax in South Australia. He would not accept what the High Court said; that a State could impose its own taxation if it wished. Members know what the consequences of that would be. The State would impose taxation, the Commonwealth would not reduce its taxation and we would forfeit our right to a reimbursement of the amount collected by the Commonwealth from South Australian taxpayers. I venture to suggest that at the ensuing elections there would be a big change in the personnel of this Parliament. In view of his past pronouncements, the Treasurer then made what can only be described as an amazing statement: "I do not suggest we are badly treated." I do not agree with that statement. I consider that all States are badly treated by the Commonwealth today and something more positive than is suggested at the moment should be done in order to adjust the position. The Treasurer also said, "It is hoped that the Commonwealth may see fit to meet the States and endeavour to work out new arrangements." If we are not badly treated, why is it necessary to meet to work out new arrangements? Is it not a fact that the Premier of Victoria, Mr. Bolte, suggested a meeting for such a purpose, but our Premier declined to attend any such meeting? In referring to the possibility of a deterioration in the Budget situation the Treasurer said:—

When State revenues are buoyant and predictable . . . the State can finance a deficit of small or moderate proportions pending the Commission's review. If, however, the State should experience a serious disaster such as a drought . . . the lack of actual funds to finance temporarily a large deficit may create a most difficult situation.

In the present situation, where loan funds are barely adequate to meet the essential works and development programme, it is not practicable to finance a substantial revenue deficit even temporarily from that source. Because of the risks involved in the present situation, particularly as it is possible for the seasonal

outlook to deteriorate seriously, I regard an estimated deficit of £520,000 on the assumption of a reasonably good season as the limit to which I am justified in budgeting.

South Australia has not faced for 12 years a season with such threatening possibilities to its rural economy . . . real comfort can be taken in the fact that over the last two decades rural South Australia has been able to build up *substantial reserves* against such a catastrophe.

I would like to know where these substantial reserves that have been built up by rural South Australia are. There has never been a period in the State's history when there has been less stored fodder in the country districts. One can travel from here to Port Augusta or from here to Peterborough and not see a decent stack of hay and can learn by inquiry that there is very little surplus grain outside of that held by the various marketing authorities. This is the situation following a year when almost unlimited quantities of hay could have been cut, baled and stored. There was never a season in my memory when the opportunity to store up fodder against future lean seasons was better than last year. Not only did much of rural South Australia fail to store fodder, but during this year the pernicious policy of burning off was again resorted to. It almost made me cry when I was travelling north in the autumn to see fires ranging all over the country with stubble, and even grassland, being burnt off: I was under the impression that agricultural experts believed that if fodder could not be cut it should be allowed to rot into the ground and provide humus to increase the fertility of the soil. I venture to suggest that many of the people who this year have been burning off are in the category mentioned earlier today by Mr. Heaslip. They would be very pleased if they had that stubble and grass now to use as roughage for their stock.

I said earlier that there was no need to panic. I had at the back of my mind the announcement made by the Minister of Agriculture that the Abattoirs Board is prepared to treat store stock for which there is no market elsewhere and pay the owners 3s. 6d. a head and return the skins to them. That may seem reasonable as an economic possibility, but it has a dangerous side. It will have the effect of helping to destroy the store stock market in country areas.

Mr. Heaslip—You can't sell store stock in the country now.

Mr. O'HALLORAN—At Peterborough a fortnight ago over 18,000 sheep—practically all store sheep—were sold at very good prices.

respect because in a State like South Australia, where we must always expect a lean year or two, unless we provide for it we will run into disaster.

In his Budget speech the Treasurer said:—

In latter years, moreover, the balanced development of the State in secondary industries of all kinds has so broadened and strengthened the economy that the repercussions of a drought will be neither so widespread nor anything like so severe as was the case before the war.

However, that will not be borne out by the results should we have a real drought. Our secondary industries that are supposed to have broadened and strengthened our economy will feel the impact of a drought the same as our primary industries, for primary producers, who are the customers of our secondary industries, will not be able to buy secondary products if they run into lean times and we will again have the spectre of unemployment raising its ugly head. The Treasurer continued:—

There is still a gratifying volume of inquiries from projected new undertakings considering establishing in this State. These include several very large projects which could form a valuable basis for an even wider and more balanced development.

I wish to remind honourable members, however, that a little over a fortnight ago the press reported the possibility of a large industry from overseas going to Wallaroo, but the Treasurer's reply this afternoon to a question by the member for Wallaroo (Mr. Hughes) puts a different complexion on the prospect. In his Budget speech the Treasurer went on to say:—

In the light of these achievements I have every confidence that progressive effort of the people of this State will ensure that the next 12 years will record accomplishments even more extensive than those of the immediate past.

I am pleased to see that the Treasurer at least gives some credit to the people and does not take all of it to the Government.

We learn that in the metropolitan area and in the country fares are to be increased by an overall 12½ per cent and I take it that when the fares are disclosed the increase in suburban fares will be somewhat greater than 12½ per cent and in country fares somewhat less because of the usual practice of slightly tapering fares in accordance with the greater distance travelled. I am concerned, however, that the only people using the railways for travel today are those who cannot afford alternative means of transport. In the metropolitan area the only people using public transport are those who cannot afford to ride in a motor car, and as the same applies in the country I point out that the least affluent

section of the community will contribute the additional amount to the revenue of the railways department. The Treasurer takes some pleasure from stating that railway loadings were above normal for June and July. I have been unable to get the figures for that period as they have not been published, but it is interesting to note that the traffic on the Broken Hill line has increased to a somewhat greater extent in recent years than has the traffic on other lines, as is disclosed by the following table:—

Year.	Total freight.	Broken Hill ore traffic.	
		Tonnage.	Per cent of total.
1951-52	3,966,000	520,000	13
1952-53	4,172,000	623,000	15
1953-54	4,457,000	723,000	16
1954-55	4,497,000	779,000	17
1955-56	4,436,000	784,000	18

Despite this increase in the Broken Hill ore traffic carried over that narrow gauge line, it is the Cinderella of the South Australian railway system. Although this Government is spending enormous sums on diesel locomotives and new rolling stock for the broad gauge system, the locomotives operating on the Port Pirie-Broken Hill line are, apart from 10 Garratts, all "T" class, the newest of which was built in 1918. In 1949 when the Standardization of Gauges Agreement was signed, Mr. Ward (the then Federal Minister for Transport) said that this line would be one of the first standardized, and more recently the Wentworth Committee advocated its standardization. Both these conclusions are understandable because there is great advantage in providing more modern haulage facilities between Broken Hill and Port Pirie: the journey between South Brisbane and Kalgoorlie could be shortened by about 500 miles. When I recently asked the Treasurer a question about the standardization of this line, however, he said that he did not favour it, but that he favoured the standardization of the Melbourne-Adelaide line. He also said the Victorian Government wanted the Albury-Melbourne line standardized. I point out, however, the increasing tonnages of freight being carried over the Broken Hill-Port Pirie line and that they are likely to increase still further. Serious consideration should be given by the Government to an approach to the Commonwealth Government for money to be made available to standardize this line in accordance with the terms of the 1949 agreement.

I now turn to the general financial position of the State as disclosed by the Loan figures provided in an appendix to the Budget. We

hear much from members opposite of their refusal to believe in Socialism. They say that the Playford Government is not a socialistic Government; they profess to hate Socialism; they say, "Perish the thought that the Playford Government should ever be involved in anything socialistic." I ask members, however, to see how the Loan money has been spent in the last nine years. I have taken that period because 1948 was the first reasonably normal year after the war. The State's Loan indebtedness over those years is as follows, the figures being in terms of millions:—

Item.	As at 30/6/48.	As at 30/6/57.	Increase.
State Bank	6	14	8
Afforestation	1	3	2
Railways	34	49	15
Harbors	8	13	5
Water & Sewers	25	58	33
Land & Buildings	5	23	18
Housing	4	27	23
Electricity	2	45	43
Uranium Production	—	5	5
M.T.T.	3	7	4
All other	28	34	6
Total	116	278	162

The table shows that the State Bank's Loan indebtedness rose from £6,000,000 to £14,000,000, and everyone knows that the State Bank is involved in building and financing homes, and providing assistance to primary and secondary industries. They are all socialistic undertakings. The item "Land and Buildings" is the only non-socialistic item in that list, though it might be partly socialistic because some of the cost of purchasing land for soldier settlement or closer settlement might be included in those figures. Even if we exclude the additional £24,000,000 on land and buildings and "all other," we find that £138,000,000 has been spent on socialistic ventures by an anti-socialistic Government during the nine years.

The interest and sinking fund payments are also interesting if we compare the figures for 1947-48 with those for the current financial year. In 1947-48 they were £5,000,000, but this year they are £14,000,000. Revenue for 1947-48 was £19,000,000, and estimated revenue for this year is £71,000,000, an increase of about 270 per cent. Of course, when revenue rises by that much we can afford to look upon the increase in sinking fund and interest payments with some equanimity, but what will happen if we continue to increase our capital liability and interest and sinking fund payments at this rate for the next nine years? Where is the additional revenue coming from

to meet and service this capital debt? I know I am "cutting off King Charles's head," but I shall raise this matter again and again. Sooner or later the sheer weight of servicing capital debts required to finance the railways, Harbors Board undertakings, reservoirs and other projects will become so great that we shall be faced with the necessity to accept the alternative that the Labor Party has always put forward, namely, that permanent and reproductive works should be financed by national credit. We had no compunction in financing war expenditure by that method, though few people knew that it was being done in that way. The sooner we accept that solution of the problem the better it will be for the progress of this State and for future taxpayers.

Water supplies and cognate questions have been prominently before the public in recent months, and they will assume greater importance in the coming months if we are not favoured with good rains soon. A few years ago the Treasurer vehemently stated on more than one occasion that water rates would not be increased. He thought he was making a wise statement, and said that the Government would be able to achieve its purpose in another way, but all he succeeded in doing was to trick himself. The Act defines "water rates" as follows:—

Water rate includes every rent payable and every reward or payment to be made, whether under agreement or otherwise, to the Commissioner for a supply of water from the waterworks for any purpose whatever.

Therefore, any charge, irrespective of the manner in which it is imposed, comes under that classification of "water rate." Every time the charge for water is increased water rates are increased, and they are increased every time assessments are increased too. Assessments have been increased during the last few years, and only in the technical sense—as a percentage of assessment—have rates not been increased. Even in that sense sewer rates have been increased from 1s. to 1s. 3d. in the pound for the metropolitan area. Some other provisions of the Waterworks Act are:—

Section 66 (2)—Notice of the making of the assessment shall be published by the Minister in the *Government Gazette* so soon as he conveniently can after it has been made.

Section 67 (1)—The assessment shall be made according to the full, fair and average estimated annual value of the land and premises assessed in the manner provided by section 70.

Section 70 (1)—The annual value of vacant land shall be estimated at five per centum on the capital value of the fee simple.

(2)—The annual value of land and premises (other than vacant land) shall, if the whole of the land and premises are assessed together, be estimated at three-fourths of the gross annual rental at which the whole would let for a term of seven years or at five per centum on the capital value of the fee simple.

Section 76—Any person rated or liable to be rated under this Act may, within one month after the publication in the *Government Gazette* of the notice of assessment, appeal from such assessment upon the ground that any land or premises—(a) are assessed above their full and fair annual value. . . .

Mr. Jennings—How would he know that he had a right of appeal?

Mr. O'HALLORAN—I have quoted those sections to show what the procedure is. When the Minister has an assessment made it is published in the *Government Gazette*, but how many people read the *Government Gazette*? Unless the appeal is made within one month of publication it stands, and most people do not know that their property has been re-assessed until they get their account for water rates some months later. Section 67 states that the assessment shall be made according to the full, fair and average value, but what is meant by that? Section 70 (2) states that it "shall be estimated at three-fourths of the gross annual value at which the whole would be let for a term of seven years or at 5 per cent on the capital value of the fee simple." Why do we not stick to one principle or the other? Why have a double barrelled gun? The unfortunate ratepayer does not know which barrel will go off, so he has no opportunity to assess the extent of the damage likely to be done to him.

Mr. Shannon—He knows he will be shot by one barrel or the other.

Mr. O'HALLORAN—Yes, and I think the Act should be examined. We should have a proper method of assessing, and we have been trying to get Parliament to accept a policy of uniform assessments for all purposes. We have tried to get a land valuation board established to value land for all purposes for taxation in South Australia. That is the only solution of the problem. Mr. Jennings raised the question of appeal against assessments. The Minister told us last year that some appeals against increased assessments were made two years ago. Of course there were only a few appeals, for not many people knew that their assessments had been raised until months later, by which time their right of appeal had expired. There has been some juggling with assessments, for some went up and then came down and later went up again.

Mr. Jennings—They went up and down like a yo-yo.

Mr. O'HALLORAN—Yes. During his explanation of the Budget the Treasurer said:—

This year the Engineering and Water Supply Department will complete its revision of assessments of rated properties in line with post-war increases in property values. It is expected that metropolitan and country town assessments will increase by about 14 per cent, and this will result in increased revenues for water works and sewers of about £300,000 as a contribution toward added costs of extending and maintaining these essential supplies and supplementing water supplies by pumping from the River Murray.

We should not have this juggling of assessments in order to provide extra money for this, that and other purposes. We are really turning the Engineering and Water Supply Department into a revenue collecting instrument so that when revenues are buoyant we do not increase charges for water but when they are less buoyant the charges are raised.

Mr. Shannon—It won't show as much profit this year.

Mr. O'HALLORAN—It cannot hope to show a profit while this Government's policy of building satellite towns on the Adelaide plains and pumping water from the River Murray to them continues. If a satellite town had been established at Murray Bridge or Tailem Bend that huge cost could have been avoided. During the Gawler centenary celebrations the Premier blithely suggested that we would have to make provision for 1,000,000 people between Adelaide and Gawler within the next 20 years. I think public opinion will take a hand in it long before that. The whole proposal is fundamentally unsound. When an assessment is increased individual notices should be sent out in the same manner as notices are sent out when the land tax assessment is increased, and a person's right to appeal against an assessment should be fully explained.

The Hon. Sir Malcolm McIntosh—I will give the honourable member an assurance that if any person feels aggrieved I will give him an opportunity to appeal.

Mr. O'HALLORAN—I may do so myself. A moment or two ago I referred to the question of pumping water over the Adelaide Hills. The impact of that on the Engineering and Water Supply Department's finances is tremendous. I have a table relating to that department's financial results since 1948 and I ask leave to have the table incorporated in *Hansard*.

Leave granted.

Mr. O'HALLORAN—The table is:—

Water Supply—Financial Results for Eight years 1948-9 to 1955-6.

(Figures quoted are to the nearest £1,000.)

S: Surplus.

D: Deficit.

Year.	Adelaide. £	Country. £	Total. £
1948-49	150,000 S	538,000 D	388,000 D
1949-50	102,000 S	609,000 D	507,000 D
1950-51	49,000 S	739,000 D	690,000 D
1951-52	92,000 S	818,000 D	726,000 D
1952-53	61,000 S	812,000 D	751,000 D
1953-54	24,000 D	778,000 D	802,000 D
1954-55	372,000 D	850,000 D	1,222,000 D
1955-56	218,000 D	948,000 D	1,166,000 D
Total	£160,000 D	£6,092,000 D	£6,252,000 D
Average	£20,000 D	£761,000 D	£781,000 D

If we are to have socialistic enterprises to provide water, transport and so forth, all of which improve the value of privately owned land, we should tax the land value created by these enterprises. Such a tax could help meet the capital cost of the schemes. Recently in the press I read that two ordinary building blocks in one of our desirable suburbs were sold for over £4,000 each. That land as a grazing proposition might have been worth £100 an acre. The provision of transport, water and sewerage has added to the value of that land and the private owner derives the benefit therefrom.

I said earlier that I was not happy with the position of State and Federal finance. I do not think that anyone who considers the position could be happy. The Federal Treasurer is budgeting for a surplus of £119,000,000 this year. He has had surpluses of over £100,000,000 for many years. The Commonwealth is providing money from revenue for all manner of public works. For instance the Snowy River scheme is being financed from revenue and South Australian taxpayers are contributing to that revenue. I agree with the Treasurer's comments concerning South Australia's entitlement to a share of the additional water made available from this scheme. Revenue is also providing for the new standard gauge railway from Stirling North to Marree as well as to all other Commonwealth installations throughout Australia. What is done with the surplus for which the Federal Treasurer is budgeting? It is loaned back to the States at five per cent interest. The Commonwealth rips the money off us through excessive taxation and then lends it back and demands interest on it. There was a time in the early days of Federation when the Commonwealth had to disburse to the States 75 per cent of the revenue it collected. I do not suggest we

could return to that system because we have experienced since then wars and all manner of things for which the Commonwealth has had to make provision. However, when the Commonwealth has a surplus some of it should be apportioned to assist the States.

It has been suggested that action be taken to dismember the Commonwealth Bank. This institution has been the lodestar in the financial firmament of Australia since its establishment. It first took its rightful place as the national bank in World War I, carried on admirably between the wars and again played a commendable and prominent part in World War II. Had it not been for the Commonwealth Bank we could not have financed the huge marketing schemes for the disposal of our primary products which, in some cases, had been stored for years before they could be shipped and sold overseas. The bank has had a stabilizing influence on the finances of the country and has done much to produce that degree of financial stability that exists at present. Why is the bank to be dismembered and turned from one homogeneous organization into four separate organizations? I suggest no ordinary citizen has asked for it. Who has asked for it? The directors of the private banks! Why have they asked for it? The answer can be found in the published account of the Commonwealth Bank's activities for the last 12 months which reveals that it made a profit of £20,000,000, of which £10,000,000 went to the national debt sinking fund and the remainder to assist the various purposes of the Commonwealth. That money was made for the benefit of the people of Australia and that is what the directors of the private trading banks want to get their hands on.

Mr. Jennings—I thought they believed in competition.

Mr. O'HALLORAN—Yes, but the trouble is that the competition is too efficient and they want to eliminate it so they can again increase overdraft rates and interest rates and sponsor another depression in this country. I hope, even at this late hour, that there will be sufficient members in the Commonwealth Parliament to appreciate the position and frustrate this savage action of sabotage on our national financial structure. I have the largest constituency in South Australia. It is five times larger than Tasmania and contains 4,000 square miles more than the British Isles.

Mr. Frank Walsh—Are you provided with air travel?

Mr. O'HALLORAN—Outside the streets of a few towns there is not one mile of sealed road in that vast area. People living near Peterborough and beyond to Orroroo for years have asked for the road from Jamestown northwards to be sealed. The people in Quorn have sought the sealing of the road from Stirling to Quorn. This latter proposal is urgent because many Commonwealth railways employees with homes in Quorn have been transferred to Stirling and Port Augusta to work and if a good road were provided they would retain their homes in Quorn and drive to and from work, thus avoiding the expenditure involved in providing homes for them elsewhere. Three years ago the Minister promised that the first two miles of the road from Stirling would be sealed in the following year. However, before the work was commenced we experienced the disastrous Murray flood and as Highways Department funds were limited that work was postponed. In May last the Minister paid a visit to Quorn and met the councils concerned. He was courteous and had a frank discussion with them on the question of sealing the road and replacing a bridge known as Madman's Bridge. The Minister promised us that, after the matter had been considered in the light of the money available, we would be advised, but up to the present I have not been advised, although I understand that the council has. I do not know the effect of that advice, but I learned from press reports that Madman's Bridge is to be replaced, although there is no suggestion of sealing the two miles of road. I suggest that that be placed on the urgent programme of road works and that the other road through Jamestown North to Mannanarie be treated as urgent because it serves not only the people in the north, but also a large volume of traffic from the north-east and Broken Hill. I hope the Minister will urgently and sympathetically consider these matters so

that we may get some relief soon. I support the first line.

Mr. SHANNON (Onkaparinga)—I do not want to make a long statement on the first line, but owing to information concerning certain projects that came to me recently I thought it wise at least to warn the department concerned that certain steps must be taken before the Government spends fairly large sums. I wish to say a word or two in general about a department, certain aspects of which have worried me, as chairman of the Public Works Standing Committee, for a long while. The committee has projects before it that are awaiting the good offices of the Hospitals Department, the officers of which may appear before the committee to answer certain queries we have raised.

Last night I had the honour of meeting for the first time Professor Robson, Professor of Medicine at the Adelaide University. In discussing various matters the subject of the Royal Adelaide Hospital cropped up, and I have his authority to quote him as my source of information. He in turn quoted a doctor whom I shall not name, but from whom he received the information that the Hospitals Department intended to proceed with the construction of a women's block at the Royal Adelaide Hospital. That project has not been referred officially to the Public Works Standing Committee for investigation, although it was mentioned when the committee dealt with the orthotron block that will soon be opened by His Excellency the Governor. It was referred to by the department as part of the planning of the Hospitals Department and the committee was told that it was planned to put a women's block in a series of floors above the radiotherapy section—known as the orthotron block. At the time the committee expressed no view on the suggestion and in its report referred to the expansion of the Hospitals Department, pointing out that at that stage it did not intend to comment on the proposal. It stated, however, that when the project was put before the committee it would be fully considered. Hence I was rather perturbed to hear from Professor Robson that the Hospitals Department had gone so far as to prepare plans for this block.

I wish to say something about Royal Adelaide Hospital because it is high time somebody spoke out on a few things that are crying out to be done there, but in so doing I do not want to offend anybody. We are labouring under grave disabilities in teaching our medical

graduates at the hospital, and to show how grave those disabilities are I will quote Professor Robson himself. I asked him whether he would put his ideas on paper and he has done so; I propose to quote him because my language would not be nearly as effective as his. The Royal Adelaide Hospital is probably the most out-of-date general Government hospital in the Commonwealth. Everybody knows it has grown like Topsy and some of us are fearful that the Topsy period will continue and that we will still go on patching up the hospital. We should all have a pride in our hospital, for only 20 years ago the medical school at Adelaide University was looked on as one of the finest in Australia, whereas today many of my medical friends say we have slipped and are already at the bottom of the Australian tree in this regard. That is rather a devastating picture which has been largely brought about by the shortage of professorial staff, which means that graduates cannot be given a proper understanding of what their duties will be when they leave to practise medicine in the field.

Let me quote one instance showing how highly medical students from the Adelaide University were regarded during the 1920's and early 1930's. A large, well-known hospital in England invited applications from overseas graduates for post-graduate work, and a friend of mine applied for a post at the hospital. He was told that no vacancies remained, but after he explained to the superintendent that he came from Adelaide and was anxious to work at that hospital he was told that a place would be found for him. He thereupon secured positions for five other Adelaide graduates, although only 12 vacancies were available at that hospital that year. In other words, Adelaide graduates filled half the vacancies because at that time the Adelaide medical school was looked on, even in the Old Country, as first-class. That should be a cause of great pride to any people. Adelaide earned that high encomium, but unhappily today we are at the other end of the scale. According to the best opinion, I learned that graduates from our University today are not competent, after getting their degree, to give an ordinary anaesthetic without somebody supervising them. If that is so, it is a dreadful state of affairs.

I asked Professor Robson what percentage of students from his school ultimately did post-graduate work and after some consideration he said the figure would be about 5 per cent of the total. In the halcyon days, however, when Adelaide stood high in the medical world it

was common for the graduate to think firstly of what experience he could get in the post-graduate field. If he had any thought at all of private practice, it was not until he had had some post-graduate experience to give him the confidence he should have. But what is happening today? Without any post-graduate experience the graduate goes into sparsely settled areas and takes his experience from the people who have to consult him because there is nobody else to consult.

Mr. Hambour—He takes his inexperience with him.

Mr. SHANNON—Yes; it is accepted in the medical profession today that the spirit abroad is not conducive to high standards, and Professor Robson puts his finger on the trouble fairly accurately. For instance, it was common in the 1920's and 1930's for a graduate to have almost personal attention from an honorary, for usually one honorary looked after two graduates; but today the position is entirely different. In those days perhaps 14 students entered the medical school each year, whereas today the corresponding figure is 80 and next year is expected to be almost 100. In those days we had a Professor of Medicine and, although today we still have a Professor of Medicine, he has no assistants. True, we have some honoraries who assist part-time and I will give some comparative figures to enlighten members on some matters to which public funds should be devoted in the interests of the people in this State.

Regarding Royal Adelaide Hospital and its reconstruction, I claim that the hospital cannot be remodelled. It needs to be bulldozed out of existence and rebuilt. I have travelled around Australia and have seen what is being done in this field. I believe that planners should consider the land now occupied by the Royal Adelaide as vacant land and disregard entirely the buildings standing on it.

Mr. Bockelberg—What would you do about hospital services during the interim?

Mr. SHANNON—There would be no need to bulldoze everything down willy-nilly forthwith; no planner would envisage such a step. It would be done piece by piece, according to an overall plan. We would have to plan on the assumption that we had 17 acres to put our new hospital on without any hindrance. I firmly believe that the first consideration in designing a new Royal Adelaide Hospital should be its importance as a teaching institution. I know that some people say that the welfare of the patients should come first, but to be a first

class teaching institution it must be a first class hospital. To be a first class teaching institution it must be equipped with the best and most modern services, so the people who go there for treatment will get the best service and attention. No other State has such a golden opportunity for establishing an excellent medical school as South Australia, for the University is next door to the hospital. I want the Government to consider calling for competitive designs for a new Royal Adelaide Hospital. We called for competitive designs for the Adelaide Boys High School.

Mr. John Clark—The result was good.

Mr. SHANNON—The Public Works Committee chose what was in its opinion the best design submitted, and today we have a fine school. I point out that the Architect-in-Chief's department is overloaded with work. It is short of staff for the amount of work it has to cope with in maintaining and constructing Government institutions. For instance, the Minister of Education has a headache in keeping the desks up to the children coming into his schools. Therefore, I am not criticising the Architect-in-Chief's Department in suggesting that we should call for competitive designs for a new Royal Adelaide Hospital. Indeed, the Architect-in-Chief and his deputy are capable officers. The Public Works Committee recommended the building of the Queen Elizabeth Hospital in 1948 at a total cost of about £1,300,000. Construction was started shortly after and it is now nearing completion, but it will cost over £5,000,000. Similarly it will cost millions of pounds to construct a new Royal Adelaide Hospital that will be adequate as a teaching institution. Surely if we can afford millions for a hospital we can afford a few thousands in getting the best brains to design it. We need not confine competitive designs to architects in Australia only.

Mr. Riches—Haven't you sent your experts overseas to investigate hospital design? Haven't they brought anything back?

Mr. SHANNON—I have explained that I have not had the benefit of a trip overseas, but I have seen hospitals in other States.

Mr. Riches—The Minister and the Director have been overseas. Weren't their trips of any value?

Mr. SHANNON—I do not know whether their officers can design institutions such as I have suggested. When the Queen Elizabeth Hospital project was before the Public Works Committee a pavilion type building was recommended by the Hospitals Department. The Daws Road Repatriation Hospital is of the

pavilion type and probably the honourable member has seen this type of hospital in country districts. However, the Public Works Committee rejected the Hospitals Department recommendation and asked that the building be re-designed on modern lines. Who is taking all the credit now for the marvellous institution that we have at Woodville and saying it is the best design in the Southern Hemisphere? I believe the Hospitals Department is taking the credit, but it was forced to plan a hospital on modern lines. The Public Works Committee said that if it did not design such a hospital it would not approve of its plans. The committee put the department on the rails, and I am duty bound to protect my own members in seeing that we do not again have put before us a plan that has not been properly considered. At present the committee has certain projects before it—one is for a new casualty block at the Royal Adelaide Hospital and the other is for alterations and additions to the Morris Hospital at Northfield.

Mr. Frank Walsh—Do the plans come from the Architect-in-Chief's Department?

Mr. SHANNON—The Architect-in-Chief has to do what he is told. He is told to design a building for such and such a site to accommodate so many patients for such and such a purpose. The authority that decides what is to be done as a matter of policy is the Hospitals Department, not the Architect-in-Chief. We have asked the department to put before us a complete plan of what it is aiming at as regards the Royal Adelaide Hospital, but we have not been able to get the information. We cannot even get a statement on the number of patients that the department thinks the hospital should be designed to cater for. However, we have had evidence from experts, and when I told Professor Robson that it seemed that 800 should be the maximum he said that I was right on the mark if the hospital was to be a first class teaching institution.

Mr. Hambour—Has Dr. Rollison given you any evidence since his return from overseas?

Mr. SHANNON—No, and we are waiting for more evidence from him. The Queen Elizabeth Hospital is now nearing completion, and we must soon make a decision on the board of management. I have a fear that the existing Royal Adelaide Hospital Board will be charged with the responsibility of administering both institutions, but I deplore even the thought of such a thing. It would be entirely wrong from every angle. We have a great opportunity to get a lift in the quality of the services which our hospitals can render,

and we can get this by having these institutions managed separately, for then there would be keen competition between them. I am not fearful that Royal Adelaide Hospital will suffer by comparison with Queen Elizabeth, but Royal Adelaide will have to pull its socks up because it will be forced to keep up with Queen Elizabeth.

I believe that economies would accrue to the department if a new set up was adopted in regard to hospital supervision and management. Each Government institution should have its own board appointed from local people who know something about local conditions. They could be under the supervision of a central authority of about three men. I would not have more than one medical man on that panel. For another I would like a man of the integrity and ability of Mr. Roland Jacobs. We were most unfortunate to lose his services on the Royal Adelaide Hospital Board. He could not put up with all the pettifoggery counting of bed pans, to which I understand some of the board's time is devoted. I think the third member of the panel should be an astute accountant. I do not think that an architect or an engineer should be on the panel, for their services would be available to the panel when required. I would not permit a local hospital board to go beyond certain defined limits in managing its hospital. Matters involving general policy would have to be referred to the central authority, which would advise the department on general problems.

To illustrate what the University and Royal Adelaide Hospital are trying to do to train personnel it is interesting to refer to some notes that have been supplied to me by Professor Robson who came here about four years ago from England. He is a courageous man and not afraid to speak his mind. When I said I would quote him and that he might be rebuffed from certain quarters he said, "If I cannot establish as facts these things I put on paper I will welcome the rebuffs." The following are his notes:—

Size: Rapid growth in recent years to a school which is large in terms of student numbers, *e.g.*, total enrolments in Faculty of Medicine:—1939, 180; 1948, 515; 1954, 524; 1957, 528. This compares with an average size of medical school elsewhere:—

	Average No. of schools.	student enrolment.
United Kingdom	23	480
United States	72	564
Canada	10	460

Adelaide thus has more students in medicine than the average British or Canadian school

and is just below the average U.S. school in size. (Adelaide, for example, has more students than Cornell, Yale, John Hopkins, California, Washington, Chicago, to mention only a few of the better known.) Guy's Hospital, London, with 571 is the only London teaching hospital with more students than we have.

Costs: Examination of medical school budgets shows that on average U.S. schools spend nearly six times as much per annum and British three times as much per annum as we do. (This is for teaching purposes, excluding specific research and capital expenditure.)

Staffing: The enclosed table shows that in Adelaide virtually all the teaching in the clinical years is carried out by the honorary staffs of the various hospitals and that supporting departments of the university in the clinical field are very poorly developed, even as compared with other Australasian medical schools.

I think the university has been persuaded of the urgent necessity to improve this situation, and has now undertaken in the next two or three years to establish departments of Surgery, of Obstetrics and Gynaecology, and probably of Pediatrics. This will require a large part of the limited university funds to be allocated to the Faculty of Medicine at the expense of other faculties. Our situation from the university side can therefore be expected to improve shortly, but the present situation is as shown.

Standards: The annual budget of a medical school and the number of university departments are certainly not necessarily direct indices of the calibre of a school or the quality of its graduates, but it is likely, I think, that some relationship exists. With all respect to South Australia, I find it difficult to be convinced that we are managing to do something here which is apparently not possible elsewhere.

Even so, the situation might not be so bad if we could claim that our teaching was being carried out under the best hospital conditions, and that our hospital staffs, because of good hospital facilities, did not require the support of organized university departments. But the very reverse is the case. Our main teaching hospital, the Royal Adelaide, is completely lacking in the most elementary teaching facilities, its management contains no teaching representation, and the hospital is antiquated and dangerously overcrowded.

That the Queen Elizabeth Hospital will improve things is undeniable, but it must be remembered that this hospital will only accommodate 3/10 of our teaching commitments. Even in connection with this new hospital there are some disquieting features.

1. The architects have stated repeatedly that the hospital will be completed by July, 1958, but when the university officially inquired as to an opening date, the reply given by the Hospitals Department was January, 1959. Is it reasonable that under present conditions of emergency, it should take six months to prepare for the reception of patients in a completed and equipped building?

2. At a very recent date (1/8/57) it was discovered that, in the main general block, no provision had been made for any adequate student tutorial space or

laboratory accommodation. This is now being rectified by the architects. Similarly, it was discovered quite recently that the outpatient department was being constructed with incomplete partitioning between cubicles and between the various clinics, an arrangement which was obviously impracticable from the standpoint of noise and lack of privacy. This is now being changed at the cost of expensive alterations to already installed lighting and ventilation systems.

These two incidents alone underline the inefficiency and wastefulness of an administrative set-up which contains no adequate clinical or teaching representation.

In summary, it is my opinion that, while our present very unfavourable situation in the medical school will be greatly improved by the opening of the Queen Elizabeth Hospital and the development on the university side of organized teaching departments in the clinical field, these alone will by no means solve the problem, and that it is also essential to achieve—

1. The adequate rebuilding of the Royal Adelaide as a teaching centre at the earliest possible date.
2. Reorganization of the administration of the teaching hospitals to ensure that the hospitals and the university function together as integrated bodies in the field of clinical teaching.
3. That the Royal Adelaide Hospital and the Queen Elizabeth Hospital function independently in a spirit of friendly rivalry, to ensure that each gives of its best and each develops the *esprit de corps* or pride in service and tradition which are vital in a first-class hospital.

The Professor has also provided me with a table relating to the status of teaching arrangements in Adelaide as compared with other Australasian schools, and I ask leave to have it incorporated in *Hansard*.

Leave granted.

Status of Teaching Arrangements in Adelaide as Compared with Other Australasian Schools.

Clinical Departments (excluding Pathology and Bacteriology).

Subject.	Sydney.	Melbourne.	Brisbane.	Perth.	Otago.	Adelaide.
Medicine	D	2D	D	D	D	D
Pediatrics	D	p.t.	p.t.	D	p.t.	p.t.
Social Medicine	D	p.t.	p.t.	p.t.	D	p.t.
Forensic Medicine	d	d	p.t.	d	D	p.t.
Psychiatry	D	p.t.	D	p.t.	p.t.	p.t.
Tropical Medicine	D	—	D	—	—	—
Surgery	D	D	D	D	D	p.t.
Obstetrics and Gynaecology	D	D	D	D	D	d
Total	7½	4½	5	4½	5	1½

D = Full teaching department—professorial status.

d = Full-time head—non-professorial status.

p.t. = Part-time honorary teaching only.

Mr. SHANNON—The Royal Adelaide Hospital is a big medical school; bigger than most of the institutions operating in England and equivalent to many and bigger than some of the important medical schools in the United States. I hope Professor Robson's views will be heeded, because he is imbued with a sense of duty. He likes this country and desires to see this school elevated to the status it occupied when he first had knowledge of students coming to England from Adelaide. Our students stood very high and we could be proud of them. We have produced some of the finest and most skilled men in the profession, but that was two or three generations ago. We will not get so many in future unless we do something to improve the arrangements at the Royal Adelaide Hospital.

Mr. TAPPING (Semaphore)—I compliment Mr. Shannon on his fine contribution to this debate. Undoubtedly he has studied the hospital position closely, particularly in his

capacity as chairman of the Public Works Committee, and I subscribe to all his comments concerning hospitals. Some people believe we should decentralize hospital services as much as possible. I agree it is essential that we should provide a casualty section at the Queen Elizabeth Hospital. From figures supplied by authorities it appears that 50 per cent of the casualties that occur in the metropolitan area are from the Woodville, Port Adelaide, Outer Harbour and Semaphore districts. If a casualty section were included at Queen Elizabeth Hospital it would overcome the loss of time and possible loss of life in conveying patients to Adelaide.

This afternoon the Leader of the Opposition delivered his usual fine oration and I am certain the Government will note some of his points, particularly those relating to our financial position. The Leader is a student of this subject and is respected as such. The Budget expenditure proposed for 1957-58 is

£71,615,000. In 1947-48 it was £19,141,000. In 10 years it has increased by 274 per cent. Ten years ago we saw the beginning of the inflationary period and that is probably the main reason for the great increase. In 1948 the basic wage was £5 11s. a week. Today it is £12 11s.—an increase of 108 per cent. The Treasurer has said that the Commonwealth Government does not return enough money to the State. I agree, but at the same time the increase of 274 per cent shows that the Commonwealth does give this State some consideration. It has been said that the uniform taxation system should be abolished and that the States should have their own taxing powers, but that would be a retrograde step. Victoria suffers most under that form of taxation and for years it has complained that it is not getting its dues from the Commonwealth. When we remember that Victoria is a small and compact State, as compared with our large and scattered State, we realize we are at a disadvantage. I hope members will continue to advocate a better deal under the uniform taxation scheme. It would be wrong to say that we are unfairly treated; we are never satisfied. The Treasurer pointed out that we have made rapid progress over the years, but we deserve a better deal than we are getting from the Commonwealth. Prior to the introduction of uniform taxation this State had not advanced very much industrially. The advance in recent years has been due to uniform taxation. Each State had the opportunity to increase its industries, but since the introduction of uniform taxation industries have come to South Australia from all parts of the world. Previously they went to the other States, particularly Victoria because of its low rates of taxation.

All members must be concerned about the housing of aged people. The expectation of life today is much greater than it was years ago, mainly because of the introduction of wonderful drugs. There is a housing shortage because people are living longer. Religious and other organizations are finding it difficult to provide accommodation for aged people. They have done a great job but they cannot cope with the demand. I have investigated some of the projects in Victoria. One is the Parkville project. The home was constructed in 1956 and there is a 76-bed clinic for people handicapped with diseases associated with old age. It is the Mount Royal Home and Hospital for Aged and caters for bed patients, people who need care. It is something that South Australia lacks. Because of the

circumstances here many old folk must go to the Parkside institution or to other places. The Victorian home is a modern single storey unit and has 149 rooms. It cost £290,000 to build, but the Commonwealth Government advanced half the money. To build such a home here would mean a big draw on the finances of the State but we must do more for the aged people. I do not say that Government members will do nothing for them, but they should press the Government to do more. Homes are needed for people with no relatives and who cannot look after themselves, and there are people who will not look after their parents when they are old. Another project in Victoria is the Clifton Waters Village, which is sponsored by St. John's Church of England at Bairnsdale. If an aged couple has £750 between them it is used as a deposit, and the Commonwealth Government provides another £750 for the purpose of building a home for them. When these people have passed on the house goes back to the trust administering the scheme and is then occupied by another couple, who pay 10s. a week rent. Members may ask whether it is fair for one couple to provide £750 for a home and then when they pass on have it occupied by another couple who pay only rent, but there is a plan to deal with this matter. Should a compulsory withdrawal become necessary some of the original money provided can be refunded. After one year 80 per cent is refunded, after two years 70 per cent and after three years 60 per cent. It may be said that £750 is a lot of money for an aged couple to find, but it is possible for some old folks to have saved this amount. If an aged couple have more than £420 in cash their pension is reduced accordingly but if they invest as much as £750 in a house under this scheme they get their full pension. I hope the Government will consider the schemes which are realistic. Even if nothing were done immediately a fund for the purpose could be accumulated over the years.

I have previously referred to the contributions by metropolitan councils to the Fire Brigades Board. I have said that the Port Adelaide City Council pays £13,000 this year, but in 1956 contributed only £12,000. This increase each year is becoming burdensome to the council and it means that the ratepayers must pay more in rates. The councils suffering most have made overtures to the Treasurer and the Municipal Association to have the legislation amended to make the position more equitable for all councils. The Port Adelaide Council pays more than the Unley Council,

yet the latter has a greater population in its area. Of course, the Port Adelaide Council pays more because it has two fire brigade stations and a fire float to maintain. The station at Semaphore provides a fine service for LeFevre Peninsula where, because of the numerous oil installations and industries, there is a great fire hazard. It would be wrong to get rid of the *Fire Queen*, which has rendered good service. Many years ago a fire occurred in a ship anchored in the North Arm. It had many tons of gunpowder aboard and it was thought that if an explosion occurred much of Port Adelaide would disappear; but the use of the fire float prevented a catastrophe.

It may be argued the *Fire Queen* is not worth retaining because no call has been made on it, but in view of the size of the seaport, the valuable sheds and the merchandise stored therein, a considerable fire hazard exists, so a fire-float must be retained to give protection even though it has not been used in recent years. Should a fire develop the fire-float will play a part in quelling it, whereas in the absence of a float such a fire might cause considerable damage.

Some action should be taken to ease the burden imposed on the Hindmarsh, Woodville and Port Adelaide councils to meet the cost of fire-fighting services. A questionnaire was sent to 28 councils, asking whether they favoured a more equal distribution of the amount payable by them in this regard, and the Treasurer has stated that only four replies were received approving of any change. As those replies were received from Hindmarsh, Port Adelaide, Woodville and one other council, it is assumed that other councils fear that such a change would result in their paying more than at present, but I point out that, although Port Adelaide is the place where the merchandise is stored, 90 per cent of that merchandise is sent to Adelaide and other parts of the State, therefore it is stored only temporarily in Port Adelaide.

Because of the need to safeguard the merchandise and the sheds in which it is stored, Port Adelaide must have three fire-fighting services in the district and the Treasurer should consider the introduction of amending legislation, even though many councils do not favour such a step. After all, the fire-fighting service is of State-wide importance and should be financed more equitably.

I now turn to the expenditure of the Harbors Board. In 1956-57 the sum of £1,425,889

was voted, of which about £100,000 was unspent. The Treasurer said that the failure to spend the full amount was mainly because certain contracts could not be completed and that they would be carried over to this year, but I point out that, despite this carry-over, there have been rumours of retrenchments by the Harbors Board, although in reply to my earlier question the Treasurer, in the absence of the Minister of Marine, said there would be no retrenchments. All members are aware of the 50 years' plan of the Harbors Board to develop Port Adelaide, and unless something unforeseen occurs no retrenchments should be necessary in view of the sound financial position of the Harbors Board.

The plan to develop Port Adelaide and LeFevre Peninsula is ambitious and I commend the Harbors Board and the Minister of Marine on their foresight in this matter, but we may be biting off more than we can chew. Over the last eight or nine years hotels and other properties have been acquired in the preliminary stages of this work, and at the same time efforts have been made to improve our wharf facilities. The part of the work that appeals to me most is that which is proposed downstream, almost opposite Osborne, where reclamation is taking place so that 12 or 14 steamers may be berthed. That seems to me preferable to the development of the area between Jervois and Railway bridges because the trend is for the movement of vessels and their burden downstream. The development plan will cost much money and take many years to complete, and while we try to give a quick turn round of steamers, we should also try to complete that part of the scheme to which I have referred.

I point out that the Foresters Hall has been acquired by the Harbors Board in its development of Port Adelaide, and although I do not know how much the board paid for it, I understand that both parties have been satisfied and the negotiations completed. I am concerned, however, with the fact that after paying thousands of pounds for the hall so that it may be demolished soon, there is no indication as to when the site will be used. It may have been much better had the occupants been left in the hall until the land was actually required, for that would have saved the board compensation for some years and enabled it to go ahead with the rebuilding of wharves in Port Adelaide and on the river downstream.

The Government has paid many thousands of pounds for land on the LeFevre Peninsula

where about 1,000 homes are to be built. That is a big scheme and, in view of the State's financial position, I believe the acquisition and demolition of property in Port Adelaide proper should be curtailed in order to save money for the work on LeFevre Peninsula so that more homes may be provided, because the housing shortage today is at least as bad as ever before. The waiting list for Housing Trust homes is a long one and members get many calls on their time by people seeking houses.

Mr. Fletcher—They're just as numerous as ever.

Mr. TAPPING—Yes, and the position has been aggravated by the natural increase in our population as well as by immigration. On arrival people coming from overseas are placed in hostels and later move out to their own homes. It is important to develop harbour facilities and I give credit to the Minister of Marine and his department on the quality of the wharves recently constructed for they are the best in Australia and possibly equal to any in the world. At the same time, however, we should also consider the human aspects and develop LeFevre Peninsula so that more homes can be provided. The Port Adelaide council is receiving £5,000 a year over a five-year period from the Government and I appreciate that because, as no houses are being built on certain areas at present, the council receives no rate revenue from that land, although it must provide roads and footpaths there, and those amenities cost money. The sooner homes are built in this area the sooner will the council be able to collect rate revenue from the occupants of those homes to pay for roads and footpaths.

The position of our Railways Department deserves some consideration. Over the years it has sustained heavy losses on working, but it is hard to assess the true value of its services to this State because of the benefit it has conferred on outback people and the part it has played in opening up new country. These benefits must be offset against its direct cost to the State. Today, unfortunately, the Railways Department is suffering from the competition of road hauliers. At one time the Transport Control Board controlled their operations, but because of recent interpretations of section 92 of the Commonwealth Constitution, they are unimpeded in their travel between States. This has resulted in the depletion of railway revenue and something must be done about it. If we are threatened with a loss of revenue on railway services operat-

ing between the States, we should institute a road service. The position has been further aggravated because the amount of shipping coming to Port Adelaide and the Outer Harbour is not what it was a couple of years ago. Figures prove conclusively that the amount of freight is less because some interstate cargo that once came by ship now comes by road. It is imperative that the Government consider competing with the road hauliers in order to win freight back to the Railways Department.

Mr. Riches—The Railways have taken some of the east-west traffic.

Mr. TAPPING—Possibly, but the best means of competing with road hauliers is by means of road transport controlled by the Railways Department. Metropolitan and country rail fares have been increased by 12½ per cent and although the Treasurer has said that our fares are still lower than those in other States, that is no reason why our fares should be increased. South Australian railways are not always patronized as well as they should be. For instance, the train between Outer Harbour and Adelaide sometimes carries fewer than 20 people and increased fares will mean fewer passengers and probably less revenue. Would it not be desirable to keep the fares as they are, or even reduce them, to bring increased patronage to the railways, because no more fuel is consumed if a train is fully laden?

Mr. Lawn—There is no increase in freights, is there?

Mr. TAPPING—No, but I am only talking about fares. People are driven to other forms of conveyance when fares are increased; some ride bicycles, and others use motor vehicles. I think it is wrong to increase fares, and I hope the Government will see fit, if not to reduce fares, at least to keep them as they are now, so that patrons will not be driven away.

For a number of years I have assisted the Spastic Home at Woodville by giving my services, and the Government over the years has granted £15,000 to this home. Recently, the home decided to enhance revenue by arranging a wastepaper collection in the metropolitan area. After four or five weeks, the collection was stopped by the person in charge of the Collections for Charitable Purposes Act. At the moment Howett Industries Limited collect rags on behalf of the Crippled Children's Home and J. A. Wittwer collect for the Children's Hospital. These are two worthy causes, but when the Spastic Children's

Home desired to do the same it was debarred from doing so. When I realized that the permit had been stopped by the responsible authority, I wrote to the Premier on September 2, pointing out that I objected to the withdrawal of the permit and stating my reasons. I received the following reply:—

With reference to your letter, I am directed by the Hon. the Premier to inform you that the granting of a permit to R. Gibbs to collect rags for the purpose of assisting the Spastic Home at Woodville is not recommended under the Collections for Charitable Purposes Act.

No reason was given for the withdrawal of the permit, but as only two others in this State are collecting rags for charitable institutions, there is plenty of room for another. The Spastic Home is esteemed by many because of the work it does for children in the metropolitan area and throughout the State. I took the Minister of Education there some time ago, and he was impressed because there were about 40 children from all parts of South Australia in the home, including aboriginal children from Point McLeay and Point Pearce. Although the other organizations collecting rags are doing a good job, they only provide for those in the metropolitan area. I do not decry their work but I appeal to the Premier to consider this matter and refer it back to the authority that withdrew the permit, because I think this organization is justified in collecting.

I was pleased to note that provision is made under the heading "Education" for £600 for the Spastic Home at Woodville. I believe this amount will be used to provide a teacher, on a full or part-time basis, because an appeal was made by the board for a teacher to educate some of the children at the home. Some of these children are mentally deficient—that is part of their complaint—and they need specialized training by a teacher with a lot of tolerance. If this amount is provided for a teacher, I wish to express my heartfelt appreciation to the Minister and his department for making it available. With these few remarks, I subscribe to the Budget, and I hope that the Government will take some notice of the remarks made by myself and other speakers.

Mr. GOLDNEY (Gouger)—Firstly, I would like to make some reference to seasonal conditions, particularly as they apply to the mixed farming areas of this State. This afternoon the Leader of the Opposition referred to the seasonal outlook and to the necessity for providing fodder when seasons are good, and

to that extent I find myself in agreement. We have had some wonderful seasons, and there have been wonderful opportunities for farmers to conserve fodder against times of scarcity. The long, dry summer followed by a long, dry autumn should have given some lesson to those who failed to make provision when they had the opportunity, but on the other hand, it is a costly business because not only does fodder have to be conserved, but it has to be kept in good condition. The Leader said that some primary producers, after conserving fodder, failed to provide proper storage, but that costs a great deal, as the only way to conserve it is to have a complete cover for it.

This year we have had experience of how short our water supplies can get. Our reservoirs are not sufficient to provide services for the metropolitan area and country districts as well. Water is precious in this State, as it is all over the world, and I think we should take more heed of this. It is rather unfortunate that the South Para Reservoir was not finished a year earlier so that last year's copious winter rainfall could have been conserved. I realize that nobody can be blamed for that, but it would have been a big help this year. With the increase in assessments more rebate water can be used, and that is one of the reasons why water consumption has increased. Also, this State is carrying more sheep than ever before in mixed farming areas. This applies generally throughout the State, and it all adds to the water consumption. Murray water has also been supplied to the Warren Reservoir for country areas, as well as for the metropolitan area.

I know that the provision of roads is a problem in this State, as it is all over the world. It is a problem here, particularly because we have a small population, which makes it difficult to build great distances of good, serviceable roads. However, if all revenue received from motor taxation were applied to roads it would be much easier. I do not think that those who live north of Adelaide and who contribute a large sum in revenue towards roads get a fair share of the money spent on roads. I know that our main highways must be kept in good order. The hills road is a difficult one, and in the last few years immense sums have been spent in taking out bends and in making it safe in other ways. I know that is desirable, and I commend the engineers and others associated with the work for doing it, but at the same time I think a fair share should be spent in the areas from which it is received.

Some members have referred to railway freights and fares. The railways have been losing money for many years, but this country could not have been developed properly unless many areas were served by the railways.

Mr. Davis—We all agree with that, but can they be improved?

Mr. GOLDNEY—They are being improved, but they are meeting keen competition from motor cars, although our bad roads limit the life of motor cars and make it expensive to maintain them. Motor cars provide faster transport than passenger trains. If a farmer is not too far from the city it is better for him to load his livestock and produce on to his truck on the farm and take it direct to the city than to put it on the railways.

Mr. Davis—Do you think our passenger trains are satisfactory?

Mr. GOLDNEY—I know they are not patronized much now, so the Railways Commissioner has little inducement to improve passenger rolling stock and services. I am sure the department is doing its best, however, and our railway services are being improved. The railways are still the best means of transport for heavy traffic over long distances, such as super-phosphate, wheat and livestock. I support the Estimates.

Mr. FRANK WALSH (Edwardstown)—In his Budget Speech the Treasurer again found fault with the system of uniform taxation, yet he said that this State was not badly treated when we consider the funds available. What does the Treasurer mean when he criticizes uniform taxation and says he is being denied certain revenue yet submits that he is being fairly well treated under the present system of taxation? What does the Treasurer desire? Would he like the present system to continue, or is he prepared to resort to State taxation again? Later in his speech he said:—

This year the Engineering and Water Supply Department will complete its revision of assessments of rated properties in line with post-war increases in property values.

When the Treasurer has been challenged on his intentions about increasing water charges he has always given the impression that the Government did not intend to do that. However, the Government has now gone out of its way to increase water charges and property assessments. I had something to say on this question last session, and referred particularly to the assessments of properties on main highways, such as the Anzac Highway and South Road. Many people bought houses there 20 or 30 years ago, but they are now being rated

out of them. It is all very well to say that we cannot stop industrial progress, but what of these people who have lived on these highways for many years? Many of them have retired from industry on account of old age. They have struggled over the years to make their homes their own so that they can live there in retirement, but their pensions do not suffice to meet increased rates and taxes. We cannot fairly say to those people that they should dispose of their homes and purchase houses in narrow back streets. The Government was not fair in its approach to this question. It sought to increase revenue by revaluing these properties, but many of them were over-valued. These people purchased their homes long before increased assessments were considered. The member for Semaphore (Mr. Tapping) is greatly concerned about increased railway fares. In his Budget Speech the Treasurer said:—

Railway fares in both the metropolitan area and on country lines will be increased by an average of 12½ per cent from the middle of this month.

Let us consider the position of people who travel to and from work by train. Will the increase in fares be offset by an increase in the basic wage or by cost of living adjustments? This Government should approach the Commonwealth Government in an endeavour to have fares allowed as income tax deductions, otherwise how will the workers be able to meet rising costs?

I am concerned at the increase in registration fees on shops. Will the Government ask the Liberal and Country Government in Canberra why it is necessary for every shopkeeper to provide statistical information on a certain form? A Commonwealth department in Grenfell Street asks all shopkeepers what type of shop they have, how much is sold over the counter, what stocks are kept, and whether they are engaged in other business activities as well. Perhaps this department was created in war-time and now the senior officers want to retain their positions and even increase their staff, but what value do we get from those statistics? Is it of any value to know what business a hairdresser, for instance, is doing? The salaries of these Commonwealth officers must amount to a large sum.

[Sitting suspended from 6 to 7.30 p.m.]

Mr. FRANK WALSH—This afternoon Mr. Shannon made a valuable contribution to this debate when he indicated the requirements at the Royal Adelaide Hospital. He referred in

particular to the casualty block. For many years we have been told that too much evidence has been submitted by members of the medical profession regarding their requirements for a casualty block. I agree that there should be one spokesman for the medical fraternity who should present clearly and precisely its requirements. We cannot expect doctors to be experts on building construction. Whilst I realize that the information they secure from abroad may be valuable, I contend it is time we trained personnel from the Architect-in-Chief's Department to plan and design buildings of modern construction to meet all requirements. We should get away from the stereotype construction that we have engaged in for years. Why should the Architect-in-Chief's Department have to engage private architects to design modern buildings? It is time the Minister of Works sent men overseas to secure information about modern architectural design. We have some competent private architects in South Australia with brilliant ideas and surely we could secure their advice on building construction. At present the department submits plans to the Public Works Committee which rejects them because they are not sufficiently modern. The medical profession regards them as totally inadequate for their requirements. We should train the architects in our Public Service. They should be sent overseas to study latest methods. I would not object to the Chairman of the Public Works Standing Committee going abroad for the same purpose. In fact, it might be a good scheme if the Minister of Works himself sought information overseas to enable him adequately to instruct the Architect-in-Chief.

Mr. Fletcher—What about sending the Architect-in-Chief overseas?

Mr. FRANK WALSH—I have no axe to grind, but it is taking us too long to get away from the old practices. We have at least departed from the procedure of putting brown paint on brown paint, but I think a complete revolution of ideas would be more to the point. One of the persons connected with the administration could give evidence to the committee and then someone in the Minister's department could draw the design. It is unnecessary to have from other people repetition of evidence about design. The Government has failed lamentably in connection with the casualty block. The project has been before the committee for years but no final plan has yet been furnished. It may be that the Minister has not been given a proper indication of Government policy on the matter. The Government

should go into the matter more closely. I can help only by making suggestions. I do not know whether the Public Works Committee has yet reported on the dental hospital, but that work is urgent to provide dental treatment for school children and aged people. Nothing in the Budget encourages me to think the Government will soon establish a centre for paraplegics. I do not know whether the Government has received a report from the Director-General of Medical Services, but perhaps the Premier will tell me whether a centre is to be established at Northfield or elsewhere.

The Auditor-General's report for the last financial year says that on Housing Trust homes arrears of rent amount to £4,675, but that is not a high figure considering the number of homes from which rent is collected. Arrears in connection with mortgages and agreements amount to £12,000, which also might not seem a high figure. We can take it that Housing Trust homes are mortgaged under the Advances for Homes Act and that the agreements relate to second mortgages. It would be interesting to know how much money is involved in these second mortgages. It seems that the Government has not taken notice of the Opposition's pleas about time-payment. I would think that much of the arrears is due to people putting their life savings into the purchase of a home and having nothing left to buy refrigerators, venetian blinds and other amenities, and so being unable to meet their commitments. This no doubt accounts for the arrears of £12,000 but the position will get much worse if unemployment occurs, and we now have more of it than we had at this time last year or the year before. In addition, there are increases in water rates and council rates, and in transportation costs if they are dependent on a railway service. Tram and bus fares were increased a few weeks ago, and all these things must add up to make up the reason why £12,000 is owing on mortgages and agreements with the Housing Trust. I may have an opportunity to discuss that matter later. According to the Auditor-General, the overall position is that rents of solid construction homes were increased by 11 per cent and those of emergency homes by 43 per cent on last year's figures. When the Opposition protested to the Government last session on the question of the emergency homes it was accused of kite flying. The position today is really serious, and the emergency accommodation is far from the desired standard.

I am not condemning the Housing Trust, but I say that the Government has a responsibility to make an approach in order to relieve some of these arrears of £12,000 on mortgages and agreements, because I am convinced that the people who are mostly in arrears are those who have put the whole of their life savings into properties because of the adversities they were suffering previously through not having desirable accommodation. I believe the Government would be well advised during the present session to give serious consideration to section 6 (2) of the Landlord and Tenant (Control of Rents) Act and to see that all agreements made by way of leases are referred back to the control of the Housing Trust, so that it would be in a position to see that the terms of leases are not out of proportion to the standard of accommodation involved. My colleague the member for Norwood (Mr. Dunstan) would support me in the contention that there should be some inquiry into cases where people are being exploited by means of leases.

I have already told the Premier of a case that came before me of British migrants who came here and took a lease of premises at a rental of £10 10s. a week. The premises were not connected with deep drainage and the septic system provided was out of order. The Housing Trust had previously fixed the rent of this property at £3 1s. a week, and yet these unfortunate people, probably having too much money in their pockets at the time, went to the extent of investing £500 to purchase the furniture in the house so that they would have a going concern. That furniture was subsequently valued at £180. When we go to naturalization ceremonies we plead with the people who become naturalized that before they make any investments in properties they go to the local council for information. Surely to goodness we would expect people from England to have a little better knowledge of our conditions. Unfortunately, we are not in a position to say that every owner of property is really honourable. In the case in question the rent was previously fixed at £3 1s. a week and the owner knew it, yet he was mean enough to sign up a British migrant at a rental of £10 10s. a week. I think there is something to be said for placing these matters in the hands of the Housing Trust for the fixation of rents and the control of agreements.

With regard to the Highways and Local Government Department, the Auditor-General has referred to the amount of material on grass along the highways of this State which in

many cases is being fretted away through shrinkages and has to be written off. I do not know the cause of that, but I know that many of our roads where this material is stored in great heaps are very often in a bad state of repair. The member for Gouger (Mr. Goldney) this afternoon referred to the expenditure on roads north of Adelaide. If he turns to page 82 of the Auditor-General's report he will see that £192,918 was spent on the Moorlands-Victorian Border road, and £236,818 on another road in that area. The expenditure last year on roads south of Adelaide warrants investigation. An amount of £52,500 is provided for the A.M.P. development road and another £40,000 for the Wandilo forest road. Of, course, there are some district roads north of Adelaide on which money has been spent. However, I am more concerned with the area just south-west of Adelaide. On September 10 I wrote to the Minister of Local Government regarding the reconstruction of Marion Road, as requested by a progress association in my area, and a reply was received on September 12. The letter mentioned that the Marion Corporation was advised by the department on July 22 that now a drainage plan had been prepared provision could be made in the design for the reconstruction of the Marion Road and the installation of the necessary cross drains. It mentioned that reconstruction of the roadway could be put in hand only if temporary shallow drains were placed across the road to reduce the risk of flooding of properties on the eastern side. A survey had been carried out between the Glenelg tramline and Sweetman's Road and it was stated that it might be possible for a departmental gang to start the work later in the year. Under those circumstances, the commencement of the reconstruction would be considered provided that the corporation was prepared to be responsible for any damage occurring through flooding until such time as the main drains were constructed. That is a brilliant idea of the Minister or the Highways Commissioner.

The reconstruction of this road had been held up awaiting a plan for the south-western drainage scheme. Earlier this session I asked the Treasurer if it would be possible to put the first portion of this drainage scheme in hand. The Government agreed to appoint a committee, which approved plans for a drainage scheme. It was drawn up by the engineer of the Marion Corporation in conjunction with the Glenelg and Brighton Corporations. It was stated then that it would be necessary for

the Government to introduce legislation to give authority to the Public Works Committee to make investigations and report on how much money should be spent from time to time. I believe the complete scheme will cost about £3,000,000 and the most important drain is estimated to cost £344,000. However, no attempt has been made by the Government to introduce the necessary legislation despite the fact that Parliament has been in session several months. Why has not the Government considered the committee's recommendation? One cannot imagine why a Minister should say that if in the course of construction any flooding of private property occurred, the corporation would be responsible. Is this road to be reconstructed under some kind of compromise? I would have expected a better letter from a member of a kindergarten than the one I received from the Minister. The Government stands condemned for its administration of the Highways Department. Although the Government appointed a committee to investigate the problem it now hesitates to give effect to its recommendation. This is typical of the Government, and yet we are asked to approve without query or comment expenditure by Government departments. I will have ample opportunity later to get further information from the Ministers and I hope that the Minister representing the Minister of Roads will be able to tell me when the necessary legislation is to be introduced to enable the Public Works Standing Committee to investigate and report on the drainage scheme for the south-western districts.

Mr. HAMBOUR (Light)—The Treasurer is to be congratulated on the results of the last financial year for he finished with a deficit of about £49,000, which was excellent in view of the hardships suffered by the State. Although this Budget has been criticized in a general way, few specific items have been, and although, if individual members were asked to frame the Budget, they might make some slight alterations, its general basis would remain unchanged. The Treasurer has budgeted with that degree of optimism of which this State is worthy.

The member for Edwardstown (Mr. Frank Walsh) said that the Auditor-General's report for the last financial year revealed that on Housing Trust homes arrears of rent amounted to £4,675 and that arrears in connection with mortgages and agreements amounted to £12,000, but on an investment of £43,000,000 that is a creditable result, particularly as bad and doubtful debts amounted to only £742.

I thank the Government for what it has done in my district during my first year as a member. New school buildings have been erected or are in the course of erection, and the people are grateful for them. Water has been reticulated to a very dry area and only last week the people were able to turn their taps on for the first time. If members could have seen the expression on the face of those people they would not have minded laying the pipes themselves. I trust that the Minister will favourably consider an application I will make soon for an installation similar to that recently completed. Last session my questions concerning the Frankton school bus route developed into a serial story. The Minister of Education and I arrived at the fifth chapter without reaching a satisfactory conclusion, but he will be pleased to know now that the matter has been finalized and everybody is happy.

Mr. Walsh referred to certain inquiries being made by the Commonwealth Statistical Department at present. As one familiar with the nature of the inquiries I believe that this department is going to develop into merely another Commonwealth department. Although this matter has nothing to do with State politics, the Treasurer should make certain overtures for he has some influence and represents the people of this State. The completion of forms is a most unnecessary burden on people for the forms can serve no useful purpose as many people in the country are unable to complete them accurately and therefore make a guess because to carry out the necessary research is not worth the trouble. The infliction of this burden could be removed without the Commonwealth Government suffering.

The Leader of the Opposition (Mr. O'Halloran) spoke at length and made one particularly good point. Although the Minister of Agriculture may not have agreed with some of Mr. O'Halloran's views, I believe that Mr. O'Halloran served a good purpose by drawing attention to the desirability of advising farmers to conserve fodder. True, many people have applied themselves assiduously and made a good job of their fodder conservation by covering their sheds and keeping their fodder intact, but many others have taken for granted that the eleventh and twelfth seasons will be similar to the ninth and tenth and today they find themselves in trouble. Let us hope that the season is sufficiently good to enable these people to conserve some fodder.

Both Mr. O'Halloran and Mr. Tapping referred to train and tram fares and Mr. O'Halloran said that only those who could not afford other means of transport used the trams and trains. Earlier this session those were my sentiments. Indeed, I believe that neither a decrease nor an increase in fares will affect the number of people using public transport. The sum of £400,000 is to be granted to the Tramways Trust. This seems to be an annual event for I cannot see how the trust can possibly balance its accounts and it seems that it will be a State responsibility for evermore, and the same applies to the railways. We must bow to the inevitable for, if we hope to progress, these facilities must be provided for people who cannot transport their goods in any other way or cannot use any other type of passenger conveyance. I do not know that the conversion of city routes from trams to buses will solve the problem, but I understand that in the near future an attempt will be made to reduce the deficit. By using new diesel railcars the Railways Department must increase its passenger traffic, for these cars are most comfortable and a better means of transport than a motor car.

I deplore the increase in the administrative cost of the Prices Department. These costs should be decreasing because the activities of the department over the past year must have been reduced as many lines have been decontrolled. I would like the Premier to recognize what I am going to say, but as he does not listen to members opposite I do not see why he should listen to me. I deplore the fact that the estimates for the Prices Department have increased by £10,000, because in my opinion the staffing should have been reduced. Later this year the Prices Bill will come before us. I supported last year's Bill, and I will support this year's measure because we must have some control while we have shortages and import licences.

Mr. Davis—There should be more control in country stores.

Mr. HAMBOUR—The honourable member should be more careful. I can see that he is trying to provoke me. However, I think he has something there—the people in the country are subject to the officers of the department, but I think the people in the city resent this just as much. However, that is beside the point, and I ask that the amount for the Prices Department be reduced. Much has been said by the member for Edwardstown (Mr. Frank Walsh) about highways. I am not prepared

to question what he said, because he is entitled to build up his case from his knowledge of his district, but I do not think he made a good job of it or enhanced his chances of success from the attitude he adopted. An investigation was made, and a decision given, and if he wanted it varied I think he would have done better in the Minister's office than in this House. I suggest that the Highways Department should have a survey made of all the lateral roads in this State. The department is aware of all the lateral roads that exist, and I suggest that all district councils send in lists in order of priority showing which are used most. Also, they could state the amount of work that they could do in any one financial year on the specific roads. This financial year ten roads could be selected, and the Government could allocate £100,000 to be spent on them, the councils doing the work. This would not be a drain on the work force of the Highways Department, and £10,000 would be provided for each lateral road. By following that line progressively over the years, I suggest that every road in the State could be sealed, because £10,000 would enable two or three miles of road to be formed and sealed. The penetration method could be used, because they would not need to be as heavily constructed as the highways.

Mr. Davis—How much a mile does that cost?

Mr. HAMBOUR—Between £3,000 and £4,000.

Mr. Davis—I do not think you know much about road making.

Mr. HAMBOUR—The honourable member does not know much about local government.

The CHAIRMAN—Order.

Mr. HAMBOUR—I know that the Highways Department is spending millions of pounds on work performed by district councils. Many councils have not the capacity to do this work, but those who have should be allowed to share in a meagre vote such as I have suggested, which would be a step in the right direction.

Mr. John Clark—That would help about 10 roads a year, wouldn't it?

Mr. HAMBOUR—It would, but if successful the number could be increased next year.

Mr. John Clark—But some councils might not get help for 10 years.

Mr. HAMBOUR—But a successful council would get £10,000 a year until the road was completed.

Mr. John Clark—What about the other 90 lateral roads for which no grant is made?

The councils could wait 20 years for a grant for them.

Mr. HAMBOUR—The number could be doubled, and eventually there could be 30 or 40 a year.

Mr. John Clark—What about the other lateral roads that are not lucky enough to get a grant?

Mr. HAMBOUR—My method would mean driving in the thin end of the wedge and getting the proposal under way. I think it is a good thing to start sealing roads because loose surface roads cost approximately £100 a mile a year to maintain.

Mr. Lawn—That is bad government, isn't it?

Mr. HAMBOUR—No. If the honourable member could do better he should take on the job of road building. I congratulate the Highways Department on the new roads it is constructing. In a month's time members will be able to travel on a new section of road between Gawler and Daveyston, which I think is of the standard that the road between Adelaide and Gawler will ultimately be.

Mr. Lawn—How long will that take?

Mr. HAMBOUR—If the honourable member took the wadding out of his ears he would have heard that the work will be started in the near future. The acquisition of land must be considered.

Mr. John Clark—That was done five years ago.

Mr. HAMBOUR—I think the honourable member is indulging in a little wishful thinking. If he represents the bulk of the people on that road I should like to hear him say what should be done.

Mr. John Clark—I have been doing that for years.

Mr. HAMBOUR—Perhaps he could say the same thing a little better next time. I now want to refer to housing. Members opposite often advocate the building of more and more homes for rental, and I believe they do this sincerely. I admit that it is not possible for all people to buy a home. Old age pensioners and those who move from place to place in their employment cannot very well buy homes, but I noticed in the press the other day that the maximum advance under the Advances for Homes Act may be increased from £1,750 to £2,250. I understand that the Housing Trust will continue to provide second mortgages. In the past the deposit on a trust home has been about £700 or £800, but will the trust continue to grant second mortgages when the

maximum advance under the Advances for Homes Act is increased? If it does, the deposit on a trust home will be reduced to about £300, and this will be a big inducement to many people to buy homes. Again, there must be a high proportion of people occupying rental homes who would be happy to buy them if they could find the necessary deposit. I think that most tenants would like to buy their homes, and those who have proved themselves good tenants should be given the opportunity to purchase their homes on a nominal deposit. The term of an advance on the purchase of a house extends over 45 years, and the capital cost of building rental homes has to be liquidated in 53 years, so their weekly payments would not have to be increase to a great extent.

Mr. Lawn—Did you support the Leader of the Opposition in his policy speech when he advocated a deposit of 5 per cent on purchase houses?

Mr. HAMBOUR—I do not know whether that would be sufficient, but I am asking that the Housing Trust continue its second mortgage policy thereby, in effect, reducing the initial deposit on its homes.

Mr. Lawn—Do you think that a deposit of 5 per cent would be fair?

Mr. HAMBOUR—I think a deposit of £300 would be small enough which would be about 10 per cent. If good tenants could purchase their homes on a nominal deposit I feel confident that many of them would gladly pay a little more each week and so eventually own their own homes.

Mr. John Clark—Should that apply to attached homes, too?

Mr. HAMBOUR—That would mean they would have to own the party wall. I know of such a house and each occupant owns half the party wall, but my suggestion could apply to single-unit homes for a start at least. The member for Onkaparinga (Mr. Shannon) spoke at considerable length on hospitals and there was much merit in what he said. He quoted the remarks of a prominent medical authority and dealt with the question of hospital management and costs. The cost per occupied bed in Government hospitals is now £5 2s. a day, which is a colossal amount, and I think it could be reduced. Last year the increase in revenue from Government hospitals was £134,000. I estimated last year that it would be about £250,000 or £300,000, and the fact that it increased by only £134,000 indicates that patients have been treated leniently.

Opposition members have often asked about the Government's attitude on hospital charges for pensioners and others who could not afford to pay big hospital bills, but those figures indicate that these patients have been treated leniently. Actually, we have been collecting only about one-half the revenue to which our hospitals are entitled. That should answer any argument that the administration has been too harsh on those who could not afford to pay for hospital services.

I hope the Government will watch the position about Commonwealth reimbursements for hospital services. In the Commonwealth Budget it was announced that the Commonwealth's contribution would be increased from 8s. to 12s. a day. Until that Budget was introduced South Australia was receiving 12s. a day under a special arrangement because in South Australia people contributed to hospital revenue through the system of district council rating. It has not been announced whether South Australia will get the 4s. increase proposed so as to bring our Commonwealth reimbursements up to 16s. a day. I fear that the amount may remain at 12s., as it will be in the other States. I know the Minister of Health had to fight hard to get an increase from 8s. to 12s. some years ago, and I think he will have to take a firm stand again now so that South Australia may get 16s. a day.

I do not know how short we are of surveyors, but there is a matter that could be taken up by the Surveyors' Association. Some surveyors are making surveys on main roads, but some of them are eight years behind in their work. One surveyor makes no attempt to answer inquiries, and will not report on the progress he is making except under continual pressure. I should like Mr. Alexander, president of the Surveyors' Association, to investigate this matter and make a public statement on it. If the surveyors cannot cope with their work they should let the people know and not take work under promise of completion in 12 months, or any other specified time. They should say so if they cannot carry out their work in a reasonable time so that the people will know where they stand.

Earlier this session I said I doubted whether the Electricity Trust would show a profit of £100,000 for its year's operation. However, the trust revealed a profit of £55,000. The trust has a capital of £64,500,000 and in respect of its profit the Auditor-General has said this:—

The relevant paucity of the surplus can be well illustrated by the fact that it was equivalent to only one penny out of every pound

earned for the year. Because of its relevant insignificance that surplus cannot be accepted as a desirable or proper standard of result for future operations if the trust's finances are to be self-supporting.

Incidentally, the profit was £356,000 less than the previous year. We should pay some attention to that. I suggest that the trust's charges should be increased by at least 10 per cent. It should gain a profit of £1,000,000 annually on the amount of its capital. We do not want the trust coming to the Government as do the Tramways Trust and Railways Department for financial assistance. It should be able to stand on its own feet. Our power charges are as low as any in the Commonwealth.

Mr. Dunstan—We have an unfavourable Grants Commission adjustment because of it.

Mr. HAMBOUR—That is all the more reason why charges should be increased. I congratulate the trust on its progressiveness. It is anxious to serve the State by taking power to every corner of it. This has been a great help. One installation to serve 52 families in my electorate is approaching completion and those to be served are delighted. The trust cannot increase its charges because of a decision of the Prices Department, and I ask the Treasurer to give serious consideration to this matter. A constituent of mine who has a dairy four miles from Kapunda pays a fixed annual charge of £134 for electricity as well as the tariff for his particular zone. That type of charge should be eliminated. It is a burden to a man who has to obtain his livelihood from the sale of milk. If the trust were enabled to make a reasonable profit it could underwrite the capital cost of such installations. I deplore the fact that its profit is so low as this means that our hopes of eliminating surcharges this year will be slender.

When I was speaking on another subject the member for Enfield (Mr. Jennings) by interjection asked if I would trade with Red China. I replied that I would trade with any friendly nation. I could produce published statements indicating that the Labor Party throughout Australia has advocated trade with Red China. I believe that is the best way to peace with friendly trade relationships. I warned Mr. Jennings that he would regret his interjection because he would be forced to oppose the Japanese trade treaty. What is the position now? A document published by the so-called Liberals of Australia—*About Japanese Trade*—has been taken up wholeheartedly by the

Labor Party. The Labor Party is definitely opposed to the treaty although its members pose as humanitarians who are anxious to assist the underprivileged races. They say they want to assist China but they are not prepared to extend the same humane treatment to Japan. The treaty gives Japan the same privileges as have been given to Russia, Communist China and other enemy nations of the last war. The Labor Party should be ashamed of itself for denying those people the right to eat.

The treaty would enable Japan to buy another 7,500,000 bushels of wheat which our primary producers are only too happy to sell. The wool consumption in Japan has increased from one pound a person a year to two pound. In a cold country like Japan how would Australians fare with only two pound of woollen cloth? Shouldn't we support the move for trade with Japan? The tycoons of commerce and manufacturers have allied themselves with the Labor Party, but I hope the Labor Party in this State will realize how vital this treaty is to our primary producers. We must find markets for their produce and this treaty will not only render wool free of duty for three years and double the sale of soft wheat, but will mean a continuance of barley sales. In effect we give to Japan the same treatment as has been given Russia, China and Germany. I support the first line.

Mr. DUNSTAN (Norwood)—At the outset I desire to make some observations on the State's finances. There are other matters with which I shall deal at the appropriate time. The policy of the Labor Party has been clear and that is that we need to spend more on social services. It is perfectly apparent that they are grossly inadequate. We need to spend far more on hospitals and education. Much has been said about what has been done for education and we had a great fanfare of trumpets during Education Week, but with the largest increase in school population in Australia we should not be spending at the level of the other States, but far in excess of the other States to maintain an adequate education service. Our secondary education service is in grave danger of breaking down because of insufficient facilities and teachers, and the position will get worse. We have no prospect of coping with the needs of secondary teaching. If we are to cope with the problems of our people we need a complete home service for the aged. It is wrong for us to send our old people out of the community into institutions. Some of

them go into institutions which are completely inadequate for them. It is our duty to see they and the sick are satisfactorily catered for. We are not doing that. We have a voluntary organization which provides meals for pensioners and persons who are in difficult circumstances.

Mr. Bywaters—Some of the old folk have been sent out to the Parkside institution.

Mr. DUNSTAN—Yes. We have had reports from the Superintendent of Mental Institutions to the effect that there are no proper institutions for them. Some infirmary provision has been made by the State, and a subsidy has been paid to the Old Folks' Home at Felixstowe, but there is still insufficient of this type of accommodation. We ought to keep the people out of infirmaries by seeing that they do not get into the state where they must go there. The Labor Party's policy provides for a complete home service for the aged in connection with meals and domestic assistance in the home. The Government has no policy in this matter. We need creches for young mothers and community centres for aged people. More money must be spent in this way.

I could go on mentioning other social services that we need, but I turn to only one outstanding example. It gives a typical picture of the social service position. What is provided in the way of hospitalization? The position can be easily seen by comparing the various States' population and the number of public hospital beds available. In New South Wales there are 3,568,145 people and 19,764 public hospital beds, or 180 people to each bed. There are insufficient public hospital beds to cope with the needs. The Government admits the position and is scraping up every penny it can to provide hospital accommodation. Victoria is the only other State that has had a non-Labor Government for any length of time. There the population is 2,624,576 and the number of public hospital beds 11,810, or 222 people to each bed. Queensland has a population of 1,376,530 people and it has 10,657 public hospital beds, or 129 people to each bed.

Mr. Bywaters—Queensland has free hospitalization.

Mr. DUNSTAN—Yes. Not only is the hospitalization free but it is available. That is not the position in this State. In Western Australia there is a population of 680,686 and 4,258 public hospital beds, or 164 people to each bed. Tasmania's population is 321,425 and the number of public hospital beds 2,295,

or 140 people to each bed. The position in South Australia is vastly different. We have 854,063 people and 3,586 public hospital beds, or 238 people to each bed. That is by far the worst of any State. Victoria comes closest, but it is considerably better off than we are.

Mr. Bywaters—Does not the Premier say South Australia is the best State for hospitalization?

Mr. DUNSTAN—Yes. The chairman of the Public Works Standing Committee today had a word or two to say on that matter, and no one can say he is not a supporter of the Government. Public hospital facilities in South Australia are insufficient and there is not an adequate plan by the Government to provide better facilities. The comparison I have made does not end here. I have a document issued by the South-Eastern group of the South Australian Hospitals Association. After setting out a table dealing with aid available to country hospitals and the percentage of aid to total expenditure, it said:—

From the first table above it will be noted that the amount of aid available in Victoria was approximately double that of subsidy and rating combined on an occupied bed basis. In New South Wales that State provides nearly three times that received in this State. We in South Australia can claim to have the most economical hospital to maintain on an annual cost per bed basis but in the percentage of subsidy and rating received to total expenditure there is still a large variation, *e.g.*, 1954-55 South Australia was 29.6 per cent (19.2 of which was subsidy), Victoria was 43.5 per cent whilst New South Wales was 71 per cent.

It is not surprising that country areas have to get women to go around collecting money for subsidized hospitals and those moneys for furniture and fittings get no State subsidy. It is therefore not surprising to find the position that exists at the Penola District Hospital, which has money owing to it by many people in the district. It must charge the working people 65s. a day for hospital accommodation. When the Auditor-General learned that the hospital had so much money outstanding he told them to collect it. He got a prompt reply from the committee, which contains a number of people who support the Government. They said "The Government pays lousy wages to the men at Nangwarry and you cannot get blood out of a stone. If you give us nothing satisfactory and expect us to charge this money, how are the people in the district to pay it?" There is no answer to that.

That is the history of this State with regard to the provision of public hospital

facilities. We need to spend more money. We could have got more money for social services had we done so, and I will develop at a later stage how we are to get the money we require to provide for Labor's programme. We could have got more money for these things now, but it would not have been sufficient; it would have been enough to provide a considerably greater amount for public and subsidized hospitals and would have obviated any necessity for the imposition of charges on public hospital beds in this State. I refer to the disclosures of the Grants Commission's report for 1956. To explain to members how the report sets this matter forth, I will have to go through the method of calculation of amounts to this State. This method is set forth at page 22 of the Commonwealth Grants Commission's report, and is as follows:—

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 non-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 £924,000. Western Australia had an unfavourable adjustment of £386,000, and Tasmania had an unfavourable 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 as the basis of the Grants Commission's findings and not the adjusted budget result. The adjusted budget result 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 £2,124,000. 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 for hospital charges. I think that is a fantastic situation, and it is a grave reflection upon the financial mismanagement of this State. I do not think that the £2,124,000 is going to cover the full running costs of the social services which my Party envisages, and it is perfectly obvious that if we are to cope with the social services at the level needed by the population of this State we will have to find some other method of raising the money than that now indulged in by this State. It is clear that we cannot impose income tax because if we did we would not get a reimbursement grant. We have to find some other method of taxation which is not forbidden by the present uniform tax system. Section 11 of the States Grants (Tax Reimbursement) Act, 1946-1948 provided as follows:—

(1) The Treasurer may, in any year, make monthly or other advances to any State of portions of the grant to which it appears to him that the State will be entitled under this Act in respect of that year.

(2) Any such advance shall be made on the condition that the State shall not impose a tax upon incomes in respect of that year, and if, after the close of that year, the Treasurer gives notice in writing to the Treasurer of the State that he is not satisfied that the State has not imposed such a tax, the advances shall be repayable and shall be a debt by the State to the Commonwealth.

We cannot impose an income tax, but can impose other taxes. To turn to what we can impose, we should surely look to what should be the basis of any taxation system. The basis of levying taxes has long been accepted by economists as being that we levy taxes according to the ability of persons to pay. One must have the capacity to pay, and if a person has capacity to pay taxes and has the money available to him for it, that is the basis upon which we levy tax. Originally, economists pointed out that to levy taxes upon our present basis—merely upon incomes—was not taking into account the whole capacity to pay at all. If we levy taxes on incomes we are singling out only a small proportion of the capacity to pay. Indeed, we can get the situation where a man has an income of £5,000 from his own exertion and another has £100,000 in capital and an income of £5,000 from it. It is true that differential rates of income tax are imposed

as against income from personal exertion and income from property, but that does not take into account to a proper extent that the man with the capital of £100,000 is in a position to be able to spend personally at a rate far in excess of that of the man with an income of £5,000 from his own exertion.

In addition, income tax does not take into account capital gains, and it is in the wide field of capital gains that people today are able to make money within the community and spend it upon themselves without having any necessity to account to the community for the amount of money. In consequence, through capital gains there can be gross inequalities of spending power and money capacity in this country. Indeed, it is clear that in this State considerable capital gains are made and moneys disbursed from capital gains, and yet these do not come under the heading of income tax, and no tax is paid upon them. I believe it would be proper for us to tax capital gains if we could, but unfortunately we cannot tax them because practically the only way effectively to tax them is to tax the share market. If we were to tax sales on shares, of course we would run up against section 92 of the Commonwealth Constitution. What could happen is that the shares would be quoted not on our Exchange, but on the Victorian Exchange and sold there, and section 92 would prevent us from doing anything about it. However, we can do something else—we can do what has recently been done by the Republic of India. In its preparations for the second five-year plan the Government of India had this to say:—

It is possible that rather far-reaching changes in the tax system will be required, if the more well-to-do classes of society are to be called upon to make a larger contribution to the resources for development without losing in the process the incentive to work harder or to save more. It has recently been suggested that the substitution of expenditure for income as the basis of personal taxation, coupled with measures to tax wealth and capital gains, can bring about this result. The idea of an expenditure tax has been discussed by economists on several occasions in the past. There is a growing body of expert opinion in favour of an expenditure tax. There are, however, administrative problems which have to be resolved before a change of this character can be made.

It may be that an experimental approach on a limited scale may have to be adopted initially. Experience in more advanced countries seems to indicate that progressive income taxes on the scales that are now prevalent are in reality not so effective, firstly because the incomes by way of capital gains escape such

taxation, and secondly because there is a great deal of evasion in various ways. A tax based on expenditure may encourage saving, and, in theory at any rate, it is a more effective instrument than an income tax for moderating inflationary or deflationary tendencies.

And every economist agrees with that view. As a result of that proposal Professor Kaldor was asked to go to India to advise the Government upon its taxation structure. In the *Asian Recorder*, a weekly digest of Asian events, appears the following:—

Professor Kaldor has characterized the prevailing system of direct taxation in India as both "inefficient" and "inadequate." The statutory definitions of "income," according to him are "biased, defective, capable of being manipulated by a certain class of taxpayer."

That is so in this country as well. The present income provisions are widely manipulated, with large sums on property available. The provision of multiple companies and the use of superannuation schemes are well-known as means of avoiding taxation. These multiple company structures are being widely used in this State to avoid taxation on the higher levels. Professor Kaldor advocated five taxes—income tax, capital gains tax, annual capital tax, personal expenditure tax and the gift tax, the gift tax to be brought in simultaneously. As a result provisions were brought in and when introducing the proposals into Parliament the Minister said:—

The other proposal I make is the introduction of a tax on expenditure. This is a form of taxation which has no backing as yet of historical experience. It is, however, a tax which, given effective administrative arrangements, can be a potent instrument for restraining ostentatious expenditure and for promoting savings.

In the present circumstances, I think, all we can do is to make a small beginning. I propose to levy this tax only on individuals and Hindu undivided families whose income for income tax purposes is not less than 60,000 rupees. The tax will be imposed on all expenditure incurred, from whatever source it may be, in excess of certain sums which will vary with the size of the family. The amounts excluded are a basic amount of 24,000 rupees for an assessee and his wife and 5,000 rupees for each dependent child.

The rate of tax will be based on a slab system, the rate for each slab increasing progressively with the increase in the level of expenditure. Thus, for excess expenditure up to 10,000 rupees, the rate will be 10 per cent and for higher slabs the rate will increase progressively.

As in the case of wealth tax, the administrative set-up and the assessment and appellate procedure will be the same as for income tax. I propose to make this tax applicable from the financial year 1958-59 and, therefore, take no credit for any receipts in 1957-58.

What is this proposal for expenditure tax in detail? We have in the Parliamentary Library the proposal at large of Professor Kaldor, who explains the basis of this taxation as follows:—

But we have so far ignored another difficulty about including capital gains in taxable income with other casual or non-recurrent gains and receipts. This is the problem of reckoning the additional taxable capacity which results from a capital gain. . . . "Capital appreciation" covers a multitude of sins. In some cases it is merely a concealed form of interest or dividend payment—this is the case for example, with the annual appreciation in the value of real property due to the approaching termination of an existing lease; the appreciation of bonds issued at a discount as the date of redemption grows nearer; or the appreciation of securities of all kinds, due to the ploughing back of profits and the consequent rise in earnings' prospects; the appreciation in the value of a developing mine or oil-well. In all these cases the appreciation in the value of assets is not (or need not be) of a fortuitous character but is something which is fully expected beforehand; the owner holds such assets in the prospect of definite capital appreciation and this appreciation is part of the "normal" yield the expectation of which determined its actual valuation by the market. Capital appreciation of this kind is logically indistinguishable from other forms of income from capital, and ought definitely to be included in income, however narrowly defined.

I point out, however, that capital appreciation of that kind goes on continually in this country, yet it is exempt from income taxation. How many companies plough back considerable sums into the appreciation of their capital with an immediate appreciation in the value of their stock on the market, yet they pay no dividend in proportion to their actual profits since their profits are being ploughed back to appreciate their capital. There is no tax on that, yet the man who owns the bonds and holds the stock enjoys an appreciation of the value of his assets. He may sell them, yet there is no tax on his income when he does so and he may spend the money. We have no method of taxing that real taxable capacity and there is no reason why it should be exempt, yet under our present income tax provisions it largely is. How many of our companies fall into this category? The Broken Hill Proprietary Company is obviously one. The writer states:—

The other forms of capital appreciation reflect the change in market expectations during the period in which the appreciation in value occurs; they are fortuitous in the sense that they could not have taken place if the market had foreseen the course of prices beforehand. The fact that they are fortuitous

does not in itself justify any difference in treatment for tax purposes—a gain is still a gain, even if it is a pure windfall.

At page 45 the Professor continues:—

The arguments that can be advanced to show that capital appreciation does not necessarily represent an added source of wealth are generally employed to justify their exclusion from the scope of taxable income altogether. Yet it can be easily demonstrated that the exclusion of capital gains from taxable income produces even more absurd results than their inclusion. For these untaxed forms of spending power are not distributed at random, but are inherently linked with the ownership of property, their neglect creates therefore a serious discrimination in tax treatment against those who make their living by personal effort. It opens the door, moreover, to tax avoidance (and particularly to surtax avoidance) on the widest scale, since the facilities of the capital market offer almost unlimited scope for converting taxable income into tax-exempt capital appreciation.

Again, at page 46 the Professor states:—

It has been shown that our present income tax scheme works on a tax base which is unnecessarily far removed from the nearest practical approximation to Income defined as Consumption plus Saving, and so results in numerous capricious inequities. At present we exempt some forms of Saving altogether, tax other forms fully, and yet others at a preferential rate; in general we make no attempt to bring dis-savings into charge—

that is, to bring expenditure into charge—except in taxing life annuities.

There he refers to the British system. The Professor continues:—

In taxing annuitants we tax Consumption when it exceeds Income. In some cases we tax Income when it exceeds Consumption. In other cases we tax something quite arbitrary which can be much lower than either Income or Consumption. In sparing capital gains from tax we provide a concession to savings which is highly elastic for those taxpayers who are in a position to convert taxable Savings into untaxed ones; and moreover a concession to Consumption for those who, having made capital gains, spend them.

The Professor goes on to explain the effect of expenditure tax:—

In actual fact, moreover, under our present income tax, there are strong indications that it is the taxable income of the rich which lags behind their "spending power" into a far greater extent than their actual spending. Nobody could contend that if the existing charges were levied on actual expenditure instead of Income (as at present defined), the wealthiest sector of the community would come off more lightly than at present. (The statistics of the number of net incomes after tax in the upper income ranges are sufficient to disprove that.) In fact, if the present nominal rates of taxation were rendered effective through a changeover to expenditure as a

basis of the levy, so far from making the rates more progressive it would be essential (as argued later) to reduce the scale of progression of the rates quite considerably if a revolutionary change in the position of different social classes were to be avoided. A changeover to an expenditure tax would undoubtedly have the most severe effect on the wealthy and not on the people who are only moderately well off. It would be therefore rather nonsensical to suggest that an expenditure tax would imply a less progressive method of parcelling out the burden of taxation than the present system.

In talking about expenditure tax, some people seem to be under the impression that this is another form of sales tax, but that is not so and the following is the proposed basic method of assessment:—

£ s. d.

(1) Bank balances and cash at beginning of year	
(2) Receipts (in money or money's worth) such as wages and salaries, business drawings, interest and dividends, and all other kinds of income to which the present Income Tax applies; in addition, bequests, gifts, winnings, etc.	
(3) Money borrowed, or money received in repayment of loans	
(4) Proceeds of sales of investments (including houses)	
Total receipts	
Less:	
(5) Money lent or money paid in repayment of previous borrowing	
(6) Purchase of investments (including houses)	
(7) Bank balance and cash at end of year	
Gross expenditure	
Less:	
(8) Exempted expenditure	
(9) Allowance for spreading of expenditure on durable goods	
Add:	
(10) Proportion of expenditure on durable goods incurred in previous years and chargeable in the current year	
Chargeable expenditure	

What can result from this? By taxing expenditure we will get to the capital appreciation that goes on and to the differentiation in expenditure and spending capacity between the present classes that is not caught up by income tax in any way at present.

Mr. Millhouse—How would you police taxpayers' returns?

Mr. DUNSTAN—The same as income tax returns are policed at present. Indeed, this method of assessment would be much more simple than the present income tax assessment method and very easy to police.

Mr. Hambour—India has proposed it, but has anybody tried it?

Mr. DUNSTAN—India has it in for 1958-59, but nobody else has tried it.

Mr. Hambour—How would you classify the purchase of a big home—capital or expenditure?

Mr. DUNSTAN—Expenditure.

Mr. Hambour—Then a man would not want to buy too many houses.

Mr. DUNSTAN—I hope he is only going to live in one of them. His own home might be exempted, but if he bought a house at Christies Beach and another in the hills that would bring it into the expenditure class.

Mr. Millhouse—That's wrong, is it?

Mr. DUNSTAN—I do not say that, but I believe it shows his capacity to pay taxation, and one which takes it into account is a far more just system of assessment than one that allows him to get away with all sorts of capital accretions and to have that taxable capacity, but yet does not tax him.

Mr. Hambour—How would you deal with transfers from one country to another?

Mr. DUNSTAN—If he made a capital appreciation out of the capital transfers and realized it that would come in as part of his expenditure and would be taxable. I realize, of course, that people who own large sums in capital amounts in this State which they sell out from time to time after having made a capital appreciation are not going to like this system, but every leading economist in Australia today agrees that it is the most just system of taxation. Indeed, the eight economists who advised the Federal Treasurer only two years ago advocated a system of this kind because, not only is it a more just method of assessment, but it has the advantage that it encourages savings. Non-personal expenditure, when the money is reinvested, is not regarded as expenditure, and therefore the system encourages savings and investment.

Mr. Shannon—But just a moment ago you told the member for Light that money spent on housing would be expenditure. What about a man who buys a house for investment at Christies Beach?

Mr. DUNSTAN—If it is for investment purposes it would not be taxable.

Mr. Shannon—How would you prove otherwise? It would be an investment in any case.

Mr. DUNSTAN—I have known of many people who have empty houses around the place.

Mr. Hambour—Does the honourable member think that his constituents would like this?

Mr. DUNSTAN—Too right! I have a fair knowledge of what my constituents like, as the honourable member would see if he looked at the last election figures. If he would like to go to my district he would be even more impressed than by my assurance. This is not only a measure that could lead to increased savings, and in consequence be an anti-inflationary measure, but it would mean that investments could be directed. For instance, you could refuse to exempt investments of kinds you think are not proper. In fact, this is a means of getting around the fact that we do not have in Australia at the moment a satisfactory capital issues control.

Mr. Hambour—Does the Labor Party approve of this system?

Mr. DUNSTAN—I am not enunciating Labor Party policy at the moment. This is purely a personal suggestion I am putting forward. I suggest that members should obtain Professor Kaldor's book and read about this system, and read what other economists say about it. The beauty of a system of this kind is that it can be imposed without our being under any disability under the State Grants Reimbursement Act because it is not a tax on income, and we could raise money from people now exempt from the income tax provisions who are making capital appreciations. We could get at the money and in that way get a considerably larger sum than the State revenue now has to finance social services.

Mr. Millhouse—What you are suggesting is that this should be an additional tax apart from all the others we are paying.

Mr. DUNSTAN—Yes. In India it has been levied in addition to income tax on expenditure over a certain level.

The Hon. Sir Thomas Playford—What you are advocating is taxing it coming and going?

Mr. DUNSTAN—Yes. The amount paid in income tax would, of course, be exempted. I suggest that the Premier look at this, apart from the fact that it might upset some of his political allies.

The Hon. Sir Thomas Playford—Is the honourable member now enunciating the policy of his Party?

Mr. DUNSTAN—No; it is simply a proposal that I think could well be examined by this State, and I think it is a sound proposal, but it is not the policy of my Party.

Mr. Hambour—The honourable member mentioned exemptions. I assume the exemption would be for those receiving under £20 a week so that all this supporters would be exempt.

Mr. DUNSTAN—I have supporters who earn over £20 a week, but I am happy to say they recognize the claims for justice put forward by my Party.

The Hon. Sir Thomas Playford—But the honourable member said it is not the Party's policy.

Mr. DUNSTAN—It is not the Party's policy, but if it became the Party's policy I have no doubt that the people in my district who would be affected by it would see the justice of it.

The Hon. Sir Thomas Playford—Is the honourable member in order in putting up something that is not his Party's policy?

Mr. DUNSTAN—I have put forward many suggestions in this House that are not specifically the policy of my Party but which I think would be useful for the people in this State, and the members of my Party approve. This system would provide certain money for us, and we have to find money for capital expenditure if we are going to do the things in relation to social services that I have been talking about. At the moment, for capital expenditure we have to rely on the moneys provided by the Loan Council, but we have another source of Loan money available to us which does not seem to have had much weight placed on it. I refer to the assets of the Savings Bank of South Australia. Section 32 of the Savings Bank of South Australia Act provides:—

The trustees may at their discretion invest and lend the funds of the bank in or upon—

(a) any securities of or guaranteed by the Government of South Australia, of or guaranteed by the Government of any State in the Commonwealth of Australia, and other tested securities.

There is a proviso which sets out:—

Provided that the Trustees shall not invest any funds of the bank in any security of or guaranteed by the Government of any other State in the Commonwealth of Australia without first giving the Government of South Australia the option of selling them securities for such funds at a rate and on conditions which are not less favourable than those applying at the time in respect of the said security of or guaranteed by the Government of such other State.

It so happens that at the moment, according to the last report of the Savings Bank, it

has an amount of £53,897,028 in Commonwealth securities. Obviously, if this were to be invested in State Government securities it would not all go out at one time, but as from time to time loans are falling due and being reconverted it may be that we could call on these. The argument would immediately arise that this would be loan and we would be faced by the fact that under the Financial Agreement it would be deducted, since it is a borrowing by the State, but that overlooks the fact that in 1945 this Parliament passed an amending Act which the Premier found to be a considerable bargaining weapon. At that time the Chifley banking legislation was due and the Savings Bank of South Australia wanted to get in out of the rain so it came to the Government and asked that it be made a State instrumentality so that it would not come under Commonwealth control. Section 4a (1) of the Act states:—

Notwithstanding anything contained in this Act the Bank shall hold all real and personal property whatsoever which is at any time vested in it, for and on account of the Crown, as representing the State of South Australia.

That means that the assets of the Savings Bank belong to the State of South Australia and, therefore, if the State gets those funds on security it is not a loan. Therefore, my belief is that the Loan Council would have no power to claim deduction of moneys which we call up from the Savings Bank. Consequently, we could turn to the Savings Bank and say, "We have first option on your lendings for the provision of additional homes and other social services, and we will have first call on moneys due for reconversion on Commonwealth loans."

Mr. Hambour—Is that Labor's policy?

Mr. DUNSTAN—No. I am suggesting that this is a means by which we can get money.

The Hon. Sir Thomas Playford—Has the honourable member ever heard of Mr. Lang? He did just that.

Mr. DUNSTAN—The State at the moment has about £20,000,000 in loans from the Savings Bank. These powers to which I have referred are contained in the legislation, and there is no suggestion of confiscating anything. It would not be a matter of lending depositor's funds in bulk. The Treasurer used these powers to allow the Savings Bank to get in

out of the wet and demand in return a considerable sum from the bank at 1½ per cent interest when it was paying much more than that rate to depositors. He used those moneys very effectively for housing purposes, but that is not publicized much in this State because mention might be made of what Mr. Lang did in New South Wales. That provided the Treasurer with sufficient capital funds until 1953, but then that source ran out. It operated for a period of eight years, and then the Treasurer had to get money out of the Commonwealth-State Housing Agreement. Until then he could get money for housing from the Savings Bank. I notice no mention of Mr. Lang now being made. However, I pay a tribute to the Treasurer for making this cunning move, but I do not see why, within the terms of the legislation, we cannot say to the Savings Bank, which has funds for loan, "We need them for investment in this State. The Commonwealth Government is taxing our people and using the money it accumulates by lending it to our people and charging them 5 per cent interest on it." Even the Treasurer has protested about this practice, so why should we not turn to our own institution and say, "You have these assets, which are ours, and there is not the slightest reason why they should not be invested in State Government activities rather than in Commonwealth activities." That would not be confiscating the funds of Savings Bank depositors, and it would be stupid to suggest that it would be. The money would be adequately secured.

Mr. Lawn—And so is the £20,000,000 already invested in securities in this State.

Mr. DUNSTAN—Of course. I hope that the Treasurer will consider my remarks and that all members will examine them, and I hope my suggestions will be adopted in the next Budget speech. I support the first line.

Progress reported; Committee to sit again.

TRAVELLING STOCK RESERVE: HUNDRED OF WINNINOWIE.

A message was received from the Legislative Council agreeing to the House of Assembly's resolution.

ADJOURNMENT.

At 9.47 p.m. the House adjourned until Wednesday, September 18, at 2 p.m.