

HOUSE OF ASSEMBLY.

Thursday, September 24, 1959.

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

QUESTIONS.

WAR SERVICE LAND SETTLEMENT.

Mr. JENKINS—My question relates to a report in this morning's *Advertiser* of a speech by the Federal Minister for Primary Industry (Mr. Adermann) in the House of Representatives on the war service land settlement plan. He mentioned that South Australia was developing 250,000 acres for 172 farms, previously entirely unproductive land. In addition, he said that 254 irrigated farms had been established at Loxton. Are the 172 farms being developed to be allocated to soldier settlement under the Crown Lands Development Act? Also, how many of these people have been settled on the land, both on irrigated blocks and on dry land?

The Hon. C. S. HINCKS—I saw the report referred to by the honourable member. I have not the exact number of allocations to which he refers, but it would certainly be about double the number indicated by the Federal Minister. As regards the other part of Mr. Adermann's statement, not one of the blocks referred to comes under the Crown Lands Act: all would be under soldier settlement. If the honourable member requires more precise figures, I will get them for him.

Mr. HAMBOUR—In view of the fact that the State is proceeding with land settlement, how can the Commonwealth Minister reconcile that with his statement that there is no suitable land in South Australia for soldier settlement? Can the Minister of Lands say why the Commonwealth Minister should make such a statement?

The Hon. C. S. HINCKS—In the first instance the Minister was dealing only with land the Commonwealth considers suitable for soldier settlement. I think there are other areas that are suitable, but the Commonwealth does not always accept propositions put up by us and supported by the Land Settlement Committee and the Land Board.

Mr. Stott—What about Bookpurnong?

The Hon. C. S. HINCKS—The Fairview Estate was recommended to the Commonwealth, but it was not accepted. The Bookpurnong area was recommended to me by the Land Settlement Committee, and I sent it on to

Cabinet, which accepted it, and then it was sent on to the Commonwealth.

Mr. Stott—Do you consider it to be highly suitable?

The Hon. C. S. HINCKS—That was the report from the committee, myself and Cabinet, and it was sent on to the Commonwealth, but was rejected.

SEACOMBE GARDENS HIGH SCHOOL.

Mr. FRANK WALSH—Can the Minister of Education obtain a report on the necessity or otherwise of such a big earth movement at the Seacombe Gardens high school where at present the frontage to Seacombe Road has an embankment about 10ft. high?

The Hon. B. PATTINSON—As I understand the position, there are two projects; one is the second stage of the buildings of the Seacombe Gardens high school, that is, the solid construction building, and the second project is the construction of an oval. I am not aware at the moment of the exact details because the work is carried out by the Architect in Chief's Department under the control of the Minister of Works. I understood that the work on the construction of the oval was nearing completion and that the dust menace would abate accordingly, but as the matter has been raised, and as it is one of considerable interest to me as Minister of Education and also as the member for the district, I will ask the Minister of Works whether he will get the information for the honourable member and for myself.

CAMPBELL PARK ESTATE.

Mr. NANKIVELL—Did the Minister of Lands see the report in the *Advertiser* of yesterday relating to my proposed visit to Campbell Park tomorrow, and, if so, will he make a statement?

The Hon. C. S. HINCKS—I saw the report in the *Advertiser* and I must say at the outset that in almost every instance it was incorrect. I have had the different points sorted out and have replies to them. One statement was:—

Of the 11 settlers who went to the settlement near Narrung six years ago only seven remain. The position is that 14 ex-servicemen were allotted blocks, not 11. Three blocks were for fat lambs and beef cattle, and 11 for dairying. Another statement was:—

One has been evicted by the Land Board, one has walked off his property and two will be transferred by the board to a new area in the South-East.

The reply is that no one has been evicted. One (Wilson) voluntarily surrendered his holding and one holding was cancelled for non-payment.

His lease should have been cancelled earlier; he was a hopeless settler. Two were given the opportunity of selecting blocks in the South-East. This was done so that we could provide larger holdings for the remaining settlers. Another statement was:—

The Land Board administered by the Commonwealth and State Governments now plans to divide the four blocks among the remaining settlers to allow them to graze sheep.

The position is that the Land Board is not administered by the Commonwealth and State, but confers with Commonwealth officers on war service settlement matters. I have a report that in the early days the first 11 blocks at Campbell Park were allotted as dairy propositions, but after a few years some of the dairymen turned them over more or less into sheep propositions because at the time grazing was a better proposition than dairying. Of course, the sheep market dropped and it has not been profitable for them to carry on with sheep. One settler who started off with dairying was doing very well indeed and then suddenly decided to turn over to grazing, which looked so profitable, and he has been in financial difficulties ever since. As a matter of fact, he switched back to cows and pigs, and then back to sheep again. The press report stated:—

Each of the four houses with 10 acres of land will be offered for sale by the board.

That means the surplus houses. Houses and land will be offered for sale, alternative offers being invited for houses and sheds only for demolition. The article continued:—

Each settler was paying the same rent for blocks varying in size from 438 to 587 acres. The rent charged was the highest for any group scheme in South Australia and the properties returned the least profit to each settler. However, rents are provisional only and will later be fixed on cost or productivity, whichever is the lower. This again indicates that the settler gets the benefit: if the cost of bringing the land into production is lower than its productivity, the rents are based on the cost. Higher rents are charged in other areas, so this claim is not correct. The *Advertiser* report stated:—

Much of each property was covered by unproductive samphire swamp or by sand drifts.

There are areas of land of that nature, but that is taken into consideration when allotting the blocks. Useless land is certainly not considered in selecting a block from which settlers are expected to make a living. They are given so many acres of land of a certain

character that will provide them with a living. The article continued:—

The settlers felt they were to be made to pay for the mistakes of the Land Board.

That, of course, is not so; the mistakes were not the Land Board's, but were mainly due to the settlers not using the holdings for the purposes for which they were allotted. The report continued:—

The spokesman said that the land had been subdivided originally for dairying, but most settlers had been forced to combine grazing with dairying or to concentrate on grazing. Of the two settlers who had operated as dairymen, one had been evicted and the other had been forced to leave his land.

I have already answered this partly, but in addition I point out that the area was badly affected by the River Murray flood. The settler was allowed to remain on the holding pending an opportunity for the department to allot further land or transfer him to another area. The article then stated:—

The board had offered to divide the land between the remaining settlers but would charge the same amount of rent for the proposed seven larger properties as it did for the 11. The settlers felt the board was refusing to admit its mistake in subdividing the area for dairying instead of grazing. They considered it should reduce the rents on the properties because of the amount of unproductive land.

The rent is provisional and, when final rents are fixed, will be adjusted, as the settlers know. Any unproductive land will be taken into account in fixing final rentals. It is suggested in the *Advertiser*, based on reports of the settlers to that paper, that Mr. Nankivell would be told that the plan to sell each of the houses would be impracticable as it would be almost impossible to make a living on 10 acres of land in the area. One of the settlers, when his block was allotted, said "I did not want 500 acres; I wanted five acres on the river to grow carrots." It is not intended that any persons should make a living off 10 acres, but that these should be workmen's blocks, which have been requested in many districts. That is probably a good thing in a locality such as Campbell Park. The last statement is:—

One proposed 10-acre lot would be cut off from water supplies.

Special attention would be called to the block cut off from water when offers were called. The department and I are aware of the problems there. I feel that I have been able to get the answers to those statements, which are absolutely inaccurate.

Mr. BYWATERS—Is it a fact that soldier settlers in the Campbell Park area have been

in financial difficulties for at least two years, that an inquiry was commenced at about the beginning of that time, and that 12 months ago a promise was made that holdings would be enlarged because the existing holdings were not large enough?

The Hon. C. S. HINCKS—The honourable member's statement is correct. He and the member for Stuart waited on me in regard to the problem and I informed both members that the Lands Department intended to recommend larger holdings. The two members agreed then that it was the answer to the problem. They accepted it and hoped that the settlers would be happy with it. One man, who was a problem at the time, was offered an additional area, but he offered 50 to 60 acres to a neighbouring settler because it was too much for him. It is difficult to please all the settlers. There was an investigation and it was felt that if the settlers were permitted to run mixed propositions (cows and grazing) they could make a "do" of their holdings. Actually they have been on their holdings for some time without success, but by giving them larger areas it is hoped that they will be more successful.

Mr. Bywaters—Will you repeat your statement that one settler was offered an additional area and then offered 50 to 60 acres to a neighbouring settler because it was too much for him?

The Hon. C. S. HINCKS—That is absolutely correct. He reported it a couple of days ago to the officer who made the inquiry.

Mr. Bywaters—It is different from what he told us.

The Hon. C. S. HINCKS—That is the position with that settler.

CONCESSION RATES FOR PENSIONERS.

Mr. TAPPING—Has the Premier a reply to my question of last Tuesday regarding the powers of municipal councils to grant rate concessions to pensioners?

The Hon. Sir THOMAS PLAYFORD—This is a matter on which there is divergence of legal opinion. There is no doubt that councils can fix a special rate for an area. I understand that the Port Adelaide Corporation, on whose behalf the honourable member is interested, fixed a special rate for a class of person, and possibly the discrimination is not covered by the Act. There is no doubt about the

power of councils to make a special type of rate for a special area, but I doubt whether they can do it for a special class of person. As far as I know the Government has received no request from the Municipal Association for an alteration, and I doubt whether it would be a good policy to alter the Act to provide for discrimination between various classes of people. The important thing is that, as far as I know, no solid request has been made for an alteration of the Act.

TRAMWAYS TRUST OPERATING COSTS.

Mrs. STEELE—My question, directed to the Minister of Works, is in two parts. Firstly, could the Minister obtain a report from the Municipal Tramways Trust showing figures of costs and revenue per vehicle-mile for (a) diesel omnibuses and (b) trolley buses, operating together on trolley bus routes? Secondly, considering (a) the capital invested by the reconstituted board in equipment on several new trolley bus routes only six years ago, and (b) that the period of large-scale omnibus operation on the trolley bus routes from 1957 to 1970, as suggested in the annual report of the trust for the year ended June 30 last, is three-quarters the life of a trolley bus, is this practice of dual operation referred to economic in itself and, if so, in what way?

The Hon. G. G. PEARSON—I will refer the honourable member's question to the General Manager of the trust for report.

WHYALLA AND WOOMERA WATER SUPPLIES.

Mr. LOVEDAY—When evidence was tendered by the Engineering and Water Supply Department to the Select Committee on the Broken Hill Proprietary Company's Steelworks Indenture Bill it was stated that the duplication of the Morgan-Whyalla pipeline would proceed in six stages. Subsequently, public statements were made to the effect that the expansion of Whyalla would be greater than had previously been anticipated. The substitution of water rating in place of payment for the quantity of water used will probably lead to an increased consumption of water *per capita* in Whyalla. The Minister of Works yesterday suggested that there would soon be restrictions on the use of water in the northern areas unless substantial rain fell in two or three weeks. Can the Minister say whether restrictions are likely to be imposed this summer on the Whyalla and Woomera water supplies, and, secondly, whether the programme

of duplicating the Morgan-Whyalla pipeline will be revised in view of the necessity to meet these circumstances?

The Hon. G. G. PEARSON—The department is acutely aware of the water requirements in the districts served by the Morgan-Whyalla pipeline and is actively examining proposals to supply more water as the need arises. I understand, from the Engineer-in-Chief, that the water requirements of the Commonwealth at Woomera and of the Whyalla and Iron Knob areas are still not completely defined, but it appears that even more water will be required than was anticipated at the time of our latest information. That does add further importance to the question regarding the duplication of the line or the steps to be taken to increase the supply of water through it. This is being actively considered. I point out that in any case such a project as the duplication of the line would take time and it would necessarily be done in some stages. It was intended at the time the evidence was given—and it is still intended—to complete that project in time to meet requirements as they arise. I cannot make any more than a general comment of that nature at the moment. I did say yesterday that steps were being taken to add booster stations to the Morgan-Whyalla pipeline so that the utmost possible quantity of water would be delivered through it. That is the first step to be taken towards increasing the supply. Other booster stations are planned further along the line as they can be installed.

FROST WARNINGS FOR MURRAY BRIDGE AREA.

Mr. BYWATERS—Some time ago I asked the Minister of Agriculture whether the weather bureau frost warnings broadcast over station 5CL could be extended to cover Murray Bridge and the growers of glasshouse tomatoes in that area. I believe the Minister has a reply.

The Hon. D. N. BROOKMAN—Specific frost warnings for tomato growers at Murray Bridge cannot be given at present for two reasons: Comprehensive weather records which are required to give accurate frost warnings are not available for this area. The Australian Broadcasting Commission considers that because of limited time for news sessions the small number of growers in the Murray Bridge district have not the numerical strength to warrant a special warning.

GEPPS CROSS HOSTEL.

Mr. QUIRKE—Practically every week I travel on the Main North Road, coming to and departing from Adelaide, and to me it is apparent that the Gepps Cross Hostel badly needs a face lift. To say that the external paint work of that hostel is not good would be an understatement. The impression given to people approaching Adelaide on that main road is not a good one, and I would say that it would not be good for the people who live there, either. If this is a Federal matter, will the Treasurer make representations to see whether the appearance of that place, which houses New Australians, could be given a new look?

The Hon. Sir THOMAS PLAYFORD—The area is at present controlled by the Housing Trust under a short lease from the Commonwealth Government and Commonwealth approval would probably have to be obtained for the expenditure concerned. I agree with the honourable member that, unless this asset is reasonably maintained, it will obviously deteriorate in value, as well as in appearance. I will take the matter up and see if some satisfactory arrangements can be made.

SHEEP DRIVEN INTO SEA.

Mr. BOCKELBERG—I ask leave to make a personal explanation.

Leave granted.

Mr. BOCKELBERG—Unfortunately, I was away from the city on Friday when an article appeared in the *News* under a heading in large letters "Sheep driven into the sea." I have gone to considerable pains to ascertain from residents in the Ceduna area whether such a thing happened, and I have not yet found anybody with any knowledge of such an occurrence in the district, nor have I discovered any evidence that hundreds of sheep had their throats cut. This is not the first time that this part of Eyre Peninsula has been defamed by this newspaper.

The SPEAKER—Order! I understood that the honourable member wished to make a personal explanation.

Mr. BOCKELBERG—Yes, an explanation regarding an alleged occurrence in my electorate.

The SPEAKER—I think the honourable member is out of order. A personal explanation must concern himself. I cannot allow him to refer to this matter at this stage.

Mr. BOCKELBERG—Can I have your permission to make a statement on this article?

The SPEAKER—The honourable member cannot deal with it at present.

Later:

Mr. BOCKELBERG—A report appeared in the *News* of Friday, September 18, to the effect that sheep were being driven over the cliffs into the sea and that large numbers were being destroyed by the cutting of their throats. I can find no evidence of this statement being true. Will the Premier ascertain the origin of the report, because I think it is incorrect and damaging to my district?

The Hon. Sir THOMAS PLAYFORD—It may not be easy to ascertain the origin of the report, but I can get a report from the Department of Agriculture on the matter and make it available when the House next sits. If the honourable member asks me another question then I will have the report about the position of stock in his district, and we will know whether there have been any untoward happenings there.

BARLEY STOCKS.

Mr. STOTT—As Chevalier No. 4 barley is available for purchase at about 8s. 8d. a bushel, can the Minister of Agriculture say what price has been received by the Barley Board for barley sold to the farmer that he referred to yesterday? At what price will it be sold to farmers for feed purposes?

The Hon. D. N. BROOKMAN—As I said previously, the Barley Board does not hold uncommitted stocks of Chevalier No. 4 although it has stocks of other grades. I have been informed that a transaction to purchase a load of barley, approximately 10,000 tons of Chevalier No. 4, has been confirmed this morning. The price at which it will be sold I do not know, but I will get the information as soon as I can.

Mr. STOTT—The Minister of Agriculture is aware that there is much anxiety amongst farmers in country districts about obtaining supplies of feed barley. They are anxious to go to the stacks of barley that are adjacent to the delivery points in order to secure from the Barley Board their feed barley requirements. I do not think the position in relation to that barley has been made clear. Will the Minister make a comprehensive statement publicly so that the farmers who want to purchase that barley for feed purposes will know that the Barley Board has entered into contracts for its sale? Will the Minister point out why the barley has been sold and say whether the Government has considered buying barley

from the Barley Board for the purpose of feeding starving stock? Will the Minister make a public statement on the matter and set out the prices that will be charged for feed barley and the prices that the purchasers of the barley in stack have paid for it?

The Hon. D. N. BROOKMAN—Practically every question asked by the honourable member has been answered within the last few days. Only a few moments ago I said I would get information as soon as possible about the last part of his long question. The honourable member asked so many questions that it is difficult to give a reply to each immediately. He mentioned barley stacked that may be wanted by farmers for feed purposes. In the last few days I have given the exact position regarding the Barley Board and have stated the amount of barley it is holding that is not committed in any other way. I cannot remember the last figure I gave, but I think it was about 82,000 bags—not Chevalier 4, but other grades suitable for feed. I presume that the Barley Board has this quantity available for people who want barley for feeding, but it has not uncommitted stocks of Chevalier 4 or other better grades.

WATER STORAGE NEAR ROWLAND FLAT.

Mr. LAUCKE—There is a natural water catchment area in the Barossa hills near Rowland Flat whence Jacob's Creek has its source. The mean rainfall in this area is about 25 inches annually, and the creek, because of springs, continues to flow in spite of the dry year. A short distance above Jacob's Creek bridge, which is situated on the Sturt Highway, is a narrow gorge which I believe would lend itself to sealing with a wall to create a considerable water storage. Water conserved at this point could gravitate into the Warren trunk main and augment the supplies of the whole of the Warren system. Will the Minister of Works have the possibilities of these catchment facilities investigated with a view to the possible construction of a reservoir at that site?

The Hon. G. G. PEARSON—I will bring the honourable member's comments to the notice of the Engineer-in-Chief.

PUMP STORAGE POWER STATION.

Mr. O'HALLORAN—My question relates to the Premier's weekly broadcast last evening in which he referred to the question of establishing a pump storage power station in South Australia. Is there any similar type of power

station in Australia or overseas where sea water is being used on the pump storage principle to establish a power plant?

The Hon. Sir THOMAS PLAYFORD—There is no similar station, as far as I know, in Australia for the storage of sea water. I have seen, in Tasmania, operating on fresh water in connection with a hydro scheme, a station which seemed to be satisfactory and which, I understand, was quite successful.

Mr. O'Halloran—It was not a pump scheme, though?

The Hon. Sir THOMAS PLAYFORD—Yes, it was a pump scheme, which appeared to be operating satisfactorily. The water was being pumped up at off-peak periods and was being re-used for generation at a peak period. I understand there will be a pump scheme also at one part of the Snowy scheme when it is ultimately completed. I understand that schemes operate in other parts of the world, because the Electricity Trust secured from overseas the assistance of technical engineers who had actual experience of this type of work. They have been in South Australia advising on that.

There is no technical difficulty in the scheme, but it boils down to whether the cost of regeneration is too high to warrant the scheme being installed. We shall soon have reports from the overseas experts. They have examined two basins in connection with this matter and I think we shall have definite information about this in a short time.

Mr. Riches—Would any such scheme be referred to the Public Works Committee?

The Hon. Sir THOMAS PLAYFORD—Electricity Trust works have never been referred to the Public Works Committee. The trust takes the full financial obligation of its undertakings, so, unless for some reason or other the House passes a special Bill to do that, it will not be done. I point out to the honourable member that power stations in his district were never reported upon by the Public Works Committee.

Mr. Riches—That's why I am asking about this one.

The Hon. Sir THOMAS PLAYFORD—If, for some reason, the House desires it to be done, it can pass a Bill for that purpose, but the project would not normally be referred to the Public Works Committee. I believe that a proposal of this nature will probably be found to be economically possible, but an angle of it about which I am not quite so sure is whether we should not rather go for new equipment

than use existing equipment in this extension. The proposal will be satisfactory financially and would lend itself ultimately to the production of nuclear energy if desired.

GRANTS TO PROSPECTIVE HOME OWNERS.

Mr. RICHES—Last week the Premier said he hoped to have discussions with the General Manager of the Savings Bank about the bank's making grants to prospective home owners who desired to build their own homes. Has he yet had an interview with Mr. Caire, and, if so, can he say whether any decision has been reached?

The Hon. Sir THOMAS PLAYFORD—I had an interview with the General Manager and the Chairman of the trustees of the Savings Bank about this matter and, incidentally, other matters. I do not believe that the bank is prepared to take the matter further than the answer I gave the honourable member previously. At present the bank has a strong demand for finance from persons who can use it quickly and who are authorized to get contracts in connection with it. I do not think the bank is prepared to finance sub-contracting jobs of the nature indicated by the honourable member, except when undertaken by qualified tradesmen.

ORGANIZER OF SCHOOL LIBRARIES.

Mrs. STEELE—Can the Minister of Education tell me whether the position of organizer of school libraries is still vacant, and, if so, what steps are being taken to fill it?

The Hon. B. PATTINSON—The position is still vacant. I had hoped that an appointment would have been made some months ago, but certain difficulties have been encountered in filling the position. In my opinion the organizer or supervisor of school libraries needs to be an extremely able and experienced person who possesses a knowledge of both libraries and schools, and has a proper sense of public relations in his or her dealings with members of the teaching profession and the various parents' bodies. Such a person is not easy to come by, and until a permanent appointment is made steps are being taken to second a suitable person for a temporary appointment.

PORT AUGUSTA-WOOMERA ROAD.

Mr. LOVEDAY—Has the Premier obtained a reply to the question I asked on September 17 regarding the allocation of funds for work on the Port Augusta-Woomera Road?

The Hon. Sir THOMAS PLAYFORD—The report has not come to hand.

PORT AUGUSTA HOSPITAL LIGHTING.

Mr. RICHES—Has the Premier the report he promised to obtain from the Minister of Health regarding the installation of an auxiliary power plant at the Port Augusta hospital?

The Hon. Sir THOMAS PLAYFORD—This involves the Minister's consulting the Engineer-in-Chief to see what, if anything, is necessary, but the report is not yet to hand.

EXCHANGE OF LAND (HUNDRED OF NOARLUNGA) BILL.

Mr. HAMBOUR brought up the report of the Select Committee, together with minutes of proceedings and evidence.

Ordered that report be printed.

COMPULSORY ACQUISITION OF LAND ACT AMENDMENT BILL.

The Hon. Sir THOMAS PLAYFORD (Premier and Treasurer) obtained leave to introduce a Bill for an Act to amend the Compulsory Acquisition of Land Act, 1925.

MARKETING OF EGGS ACT AMENDMENT BILL.

The Hon. D. N. BROOKMAN (Minister of Agriculture) obtained leave and introduced a Bill for an Act to amend the Marketing of Eggs Act, 1941-1957. Read a first time.

STOCK DISEASES ACT AMENDMENT BILL.

The Hon. D. N. BROOKMAN (Minister of Agriculture) obtained leave and introduced a Bill to amend the Stock Diseases Act, 1934-1956. Read a first time.

ESTIMATES OF EXPENDITURE.

His Excellency the Governor, by message, recommended the House to make appropriation of the several sums set forth in the accompanying Estimates of Expenditure by the Government during the year ending June 30, 1960, for the purposes stated therein.

Referred to Committee of Supply.

THE BUDGET.

In Committee of Supply.

The Hon. Sir THOMAS PLAYFORD (Premier and Treasurer)—I desire to place before the House estimates of revenue and expenditure for the financial year 1959-60. In the aggregate expenditure proposals amount to £80,323,000 as compared with revenue estimates of £79,532,000, thus leaving a

prospective deficit of £791,000. To place that deficit in its proper perspective there are two important factors which I find it necessary to review for the benefit of members. The first is the new arrangement with the Commonwealth for financial assistance which has come into effect this year, and the second is the financial consequences of the record dry season which the State has experienced.

Commonwealth payments to the States for general budgetary purposes have been taxation reimbursement grants to all six States and supplementary assistance to the three smaller States by way of special grants following investigation and report by the Commonwealth Grants Commission. Faced with applications from two of the previously "non-claimant" States, Victoria and Queensland, for special grants to assist their Budgets in 1958-59 the Commonwealth Government decided that the existing arrangements were likely to become unworkable. After calling a preliminary conference in March, 1959, the Commonwealth put forward new proposals at the meeting held in June. The initial proposals envisaged 1959-60 as the base year for a six year period, the amount of grant suggested for each State being derived from its grants received in 1958-59 adjusted in such a way as to meet some of the special difficulties of Victoria and Queensland, and allowing for some increase in financial assistance generally. For South Australia the starting point was the sum of tax reimbursement and special grants received in 1958-59, and to this was added an amount to cover anticipated increased requirements for 1959-60. The grants suggested as appropriate for 1959-60, the base year, were to be increased in the following five years according to increases in population in each State, the increase in the level of average wages, and a "betterment" factor giving a further small annual increase in the grant.

From the point of view of South Australia, the most revolutionary proposal of course was that this State should be given a grant outright sufficient to cover any recommendation which might otherwise have been made by the Commonwealth Grants Commission and should become a "non-claimant" State. In future the State would be expected to manage its financial affairs with the grant as determined by the new formula, agreeing to go to the Commonwealth Grants Commission with an application for special assistance only in exceptional circumstances. Western Australia and Tasmania, it was proposed, should remain

"claimant" States for, whilst their new grants would considerably reduce their dependence upon the Commonwealth Grants Commission, they would not become entirely independent of the Commission.

This proposal, which was a tribute to the progress, development, and financial integrity of South Australia, naturally appealed to me provided I could feel assured that the grant proposed for the base year 1959-60 was just and fair in relation to other States, and having in mind what we may have reasonably expected from the Commission's recommendation under the previous arrangements. If the base grant were equitable, then so would the grants payable in future years, as measured by the new formula, be equitable. Members are aware that the standards of services deemed reasonable for "claimant" States are based on the standards enjoyed by the "non-claimant" States, so that the variation in standards which would occur due to the operation of the new formula could be expected to apply to all States, "non-claimant" and "claimant" alike.

However, while I was satisfied that to become a "non-claimant" State was a situation that South Australia should accept if possible, I was by no means satisfied that the basic grant proposed for 1959-60, derived from the grants payable in 1958-59, was an adequate starting point. I made it quite clear to the Commonwealth Government that the grants currently received by South Australia in 1958-59 would leave the State with a deficit of closely £1,000,000, and that I had every expectation that this deficit would be made good by a subsequent grant recommended by the Commonwealth Grants Commission after an examination of the accounts for the year. I had my officers look very closely at this matter and their calculations showed that the net favourable allowances to South Australia because of its comparative standards of charges and services would be sufficient to offset the deficit standard which the Commission was expected to apply as its starting point, having in mind the deficits experienced by the larger States. Therefore there was a reasonable prospect that the deficit for 1958-59, which finally proved to be £1,027,000, would be made good. I would like to make one point quite clear to members at this stage. It has been suggested in some quarters that had the State expanded its social services far more and consequently shown a much larger deficit it would have been able to get a further grant to cover that larger deficit. That is not so. South Australia has undoubtedly conducted its finances more economically

and with a greater sense of responsibility than other States, and the Commission's calculations confirm this. This State has operated its social services with a greater measure of local community responsibility than elsewhere, and due credit has been given by the Commission for this. There is no suggestion that our social services are less adequate, but rather that they have been provided at lower direct cost to the Crown. On the other side the State has consciously kept its taxes and charges well below the average level of other States, and abstained from such taxes as amusement tax, hire purchase tax, and the operation of lotteries and poker machines. Overall, the Commission has considered this State's standard of effort to be sufficiently high to justify the recommendation of special grants adequate to balance our accounts even though the larger States have been experiencing deficits. However, our net margin has not been great and has latterly been decreasing, so that even though I believe the 1958-59 deficit will be largely if not fully recovered by a Grants Commission recommendation it would not have been possible to spend more lavishly and recover the extra amount.

In the circumstances I was able to say quite confidently that, while I would be pleased to see South Australia become a "non-claimant" State, the basic grant proposed was about £1,000,000 less than a fair and just figure. My submissions were examined carefully by the Commonwealth Ministers and analysed by Commonwealth Treasury officers familiar with these matters, and were accepted. I further pointed out to the Commonwealth representatives that, apart from the question of the 1958-59 deficit affecting the basic year's grant, the accounts for both 1957-58 and 1958-59 with their outstanding deficits should be subject to review and recommendation by the Commonwealth Grants Commission to clear up the old arrangements, even if South Australia agreed to become a "non-claimant" State under the new proposals as from 1959-60.

The Commonwealth accepted this submission also, and as a consequence the Estimates of Revenue for 1959-60 include the following two grants:—

	£
Taxation reimbursement grant, which I believe is a fair and reasonable figure for the grant to South Australia for the base year	27,675,000
Grant pursuant to section 96 of the Commonwealth Constitution, which would cover the deficit of £399,000 for 1957-58 and the deficit of £1,027,000 for 1958-59	1,426,000

With respect to the latter grant I would point out that the Commonwealth Budget records that the Commonwealth Grants Commission has made its recommendations for final payments on account of the 1957-58 accounts and has recommended that South Australia receive in full the £399,000 deficit outstanding. The Commonwealth has expressed the hope that the Commission will be able to find the time to complete its review of the South Australian accounts for 1958-59 and make its final recommendations before the end of this financial year. The Commission, on the other hand, has expressed some doubts as to whether this will be practicable. Knowing something of the Commission's heavy commitments I do not propose to press it unduly on this matter but, because there is a possibility that the 1958-59 accounts will be cleared up this year, I have included in the Budget the grant which we expect to get in respect of the full 1958-59 deficit. Appropriation is sought to the extent of such grants to be received so that they may be transferred against the past years' accounts. The estimated deficit for this year will of course not be affected by the receipt or non-receipt of the final grant on account of 1958-59.

New South Wales	£83,450,000
Victoria	£60,625,000
Queensland	£36,375,000
South Australia	£27,675,000
Western Australia	£25,462,000
Tasmania	£10,913,000

I believe that this is the most appropriate time for me to pay a sincere tribute to the Commonwealth Grants Commission and its staff. To anybody who has intimate knowledge of the financial problems involved in developing a State with inherently poor natural resources, and at the same time providing its citizens with services of a reasonable standard, it must be obvious that the special grants recommended by the Commission since 1934-35 have made a very great contribution to South Australia's progress. But apart from the value of the financial assistance I have always been most impressed with the manner in which the Commission has conducted all its dealings with the State. During the 20 years in which I have appeared before the Commission I have received nothing but courteous and considerate treatment. Differences of opinion there have certainly been, but the general atmosphere of co-operation and assistance has prevailed, and I have no hesitation in saying that I believe that South Australia's submissions have always been given full and fair consideration.

For this year—1959-60—the special financial assistance to the States under the new arrangements is as follows:—

or £22	2s.	9d.	per head approximately.
or £21	12s.	10d.	per head approximately.
or £25	2s.	3d.	per head approximately.
or £30	4s.	2d.	per head approximately.
or £35	6s.	7d.	per head approximately.
or £31	16s.	11d.	per head approximately.

Had this season been a normal one I feel quite sure that the financial assistance from the Commonwealth for this State would have enabled it to operate a balanced budget whilst providing for social services up to the standard of the larger States and keeping its taxes and charges within the general levels of those States. At the most it would have been necessary to exercise economies or other self-help equivalent to the extent that the larger States may themselves have run into deficit.

The anticipated deficit for 1959-60 of £791,000 is a direct result of the very poor seasonal outlook. The effects upon the Budget are in two main particulars. The first is in the cost of supplying water, more particularly in the metropolitan area but also in supplementing country storages. South Australia's greatest deficiency as compared with other States is the lack of natural water resources close to the point of greatest need, the extensive secondary industry and large population of the metropolitan area. Consequently it has been

necessary to augment the limited volume of water which can be stored on the small streams near Adelaide by constructing a pipeline to bring water from an assured source, the River Murray. Because of the cost of pumping the pipeline will naturally be used only to the extent required to supply water over and above what can be drawn from the reservoir intake. Consequently there must be a marked difference in the cost to the Budget of pumping in a very dry year as compared with a normal year. This winter has been the driest on record and it was necessary to start full scale pumping through the Mannum-Adelaide pipeline early in July. On present indications such pumping will continue at full scale until the end of April next, that is, for ten months of this financial year.

The second major effect of a poor season is on public utility revenues. At this stage, following the most valuable rains last weekend, it appears that with follow-up rains and most favourable conditions the grain harvest will

at best be somewhat less than half of a normal crop and the yield could be much less than that. While the Railways Department and Harbors Board have been able to maintain the carriage and shipment of grain in the early part of this financial year by shifting last year's carry-over there is certain to be a slowing down in the transport of grain in the latter part of 1959-60. The poor harvest will of course seriously affect rail and harbor revenues in the early part of 1960-61 because of the lack of carry-over. However, serious though the loss of grain traffic will be, the biggest immediate loss is the reduction in the carriage of general merchandise to the country. This has been caused principally by the poor seasonal outlook and the accompanying tightness in the rural economy. There will, of course, be further revenue losses due to the dry season in other categories of the Government's financial operations.

In the summary I would say that the whole of the prospective deficit of £791,000 for which I am providing is the direct result of the adverse season. It will mean that the Government will have to set apart a comparable amount of its Loan funds for the purpose of covering the deficit, and of course that means a curtailing of developmental expenditure to that extent. It is, I believe, quite justifiable procedure to budget for a deficit to this extent for it would be improper to call for a curtailing of Government services to cover the gap, or to make temporary increases in taxes and charges for that purpose. Over a period of years, taking good years with bad, it should be practicable to secure an overall balance so that minor surpluses arising in the good years may offset the deficits of adverse periods.

The Government has, however, determined its policy against proposing a deficit greater than that occasioned by the adverse season. To do this it has very carefully reviewed the proposed expenditures of all departments to ensure that all proper and reasonable economies are observed, that possible waste is eliminated, and efficiency maintained at the highest level practicable. The Government believes that such an approach, though difficult and sometimes unpopular, is a much more responsible one than either to attempt to cover the gap by indiscriminate adjustments in taxes and charges, or to run an excessive deficit at the expense of developmental works. Because of the impact of unavoidable costs, arising particularly from wage awards, it has been necessary to increase some charges, notably for public transportation. However the severity of our govern-

mental taxes and charges still remains on balance the lowest in Australia.

THE YEAR 1958-59.

When presenting my Budget for 1958-59 I estimated that receipts on Consolidated Revenue Account would amount to £72,447,000, and that payments would be £73,413,000, giving a prospective deficit for the year of £966,000. Actual receipts totalled £72,680,000 and exceeded the estimate by £233,000, while payments amounted to £73,707,000, which was £294,000 above the estimate. The deficit was £1,027,000.

The main variations from the estimates presented were for Education and Railways Departments. For Education Department actual payments exceeded the estimate by £677,000. The greater proportion of this increase was due to the salary increases granted by the Teachers' Salaries Board. This award operated from September, 1958. The grant to the University of Adelaide was £59,000 above estimate due to the payment of additional moneys received from the Commonwealth for University purposes.

Payments for Railways Department were £609,000 below the forecast and receipts £212,000 less than expected. The reduced revenues followed from the loss of general merchandise traffic, due partly to the poor seasonal outlook and partly to road competition. While some small part of the reduction in payments was the result of the lower volume of general merchandise carried, the main reasons for the saving on estimate were the continued efficient administration of the department, the further economies arising from conversion to diesel operation, and the policy of contracting for the carriage of freight in such a way as to give benefit to both the customer and the department.

Taxation receipts exceeded the estimate by £258,000, the main individual increases being stamp duties £39,000 because of increased business, particularly land transfers, succession duties £45,000, and motor vehicle licences, etc., by £190,000. Corresponding to the higher motor vehicle receipts there was an increase in the transfer from Revenue Account to the Highways Fund for road purposes. Expenditure on interest (under Special Acts) was £211,000 above the estimate mainly due to changes in the dates for half-yearly payments following conversion of loans.

ESTIMATES FOR 1959-60.

RECEIPTS.

The Estimates of Revenue which have been tabled, show under the various headings the

anticipated receipts for 1959-60 compared with actual receipts for 1958-59. I estimate that Revenue in total will be £79,532,000, which is £6,852,000 more than the actual receipts last year, and I shall now comment on the main items included therein.

Taxation.—The estimate of £10,452,000 to be received from the various non-income taxes levied by the State is £235,000 more than was actually received last year. The principal items contributing to the expected increase are—

Stamp Duties	£ 36,000
Motor Vehicle Registration and Licence Fees	210,000

Increases in rates are not proposed. Tax collected by the Betting Control Board fell from £610,000 in 1956-57 to £580,000 in 1957-58, and further to £552,000 in 1958-59. A further decline of £32,000 to £520,000 is estimated this year.

Public Works and Services and Other Receipts.—Receipts from the operation of business undertakings, recoveries of debt services, and other departmental receipts are estimated at £38,689,000, an increase of £1,724,000 over last year. The main variations from 1958-59 are:—

Education.—The anticipated receipts figure of £1,038,000 for 1959-60 is £235,000 more than receipts last year. The increase will arise primarily from larger Commonwealth grants for University purposes and will partly offset increases in grants to the University of Adelaide listed under Minister of Education and Minister of Agriculture. Under the present arrangements the Commonwealth Government is making available £1 for each £3 contributed by the State for the running expenses of the University up to a certain limit. It is also providing outright funds to assist the University to meet some of the more pressing needs for additional staff and equipment, and is subsidising the new building programme.

Harbors and Marine.—Receipts are estimated at £2,190,000, an increase of £48,000 over last year. Additional revenues are expected from a full year's operation of the board's bulk handling installations at Wallaroo and Port Lincoln.

Railways.—Receipts from the carriage of passengers, freight and livestock, are estimated to total £13,100,000 this year, an increase of £224,000 over 1958-59. An increase in suburban and country passenger fares, averaging closely 14 per cent, is to operate from October 1, and will mean additional revenues of £100,000 this year and £135,000 in a full year. Higher revenues are estimated from the

carriage of ores and concentrates from Broken Hill to Port Pirie, but with the present seasonal outlook a decline in earnings from the carriage of grain is expected.

Waterworks and Sewers.—The estimated receipts figure of £5,089,000 is £445,000 higher than actual receipts in 1958-59. An additional £60,000 in rates is estimated from a revaluation of vacant lands, and in the City of Adelaide a small increase in rate receipts will follow from the adoption of the City Council's annual review of valuations. Otherwise the additional revenues will almost wholly be derived from new services.

Hospitals.—Receipts for 1959-60 for hospital services are estimated at £1,952,000, which is £317,000 more than was received last year. The additional revenues will arise partly from the greater number of patients expected to use Government hospitals, following progressive operation of the Queen Elizabeth Hospital; and partly from increased recoups from the Commonwealth in respect of tuberculosis services.

Recoveries of Interest and Sinking Fund.—The amount of £7,622,000 is expected to be credited to Revenue Account in 1959-60 in respect of recoveries of debt services. This is £792,000 in excess of last year's recoveries, the increase being the natural result of additional Loan moneys being made available to semi-governmental authorities and to the State Bank. The principal increases expected are—

Electricity Trust of South Australia	£ 129,000
South Australian Housing Trust . .	231,000
Advances for Homes Scheme administered by the State Bank	140,000

Increased recoveries will also arise from certain departmental accounts and from funds held at the Commonwealth Bank.

Departmental and Miscellaneous Revenue is estimated to total £2,804,000, which is £93,000 more than such receipts for 1958-59. The details of amounts included under this heading are set out in the Revenue Estimates.

Territorial.—Territorial receipts are estimated to amount to £586,000 in 1959-60, an increase of £27,000 over receipts for last year. An additional £65,000 in receipts from mining activities is expected to be offset by a decline of £41,000 in revenues from land sales. Of the increase from mining activities £40,000 will come from a royalty of 1s. per ton which has been imposed on Leigh Creek coal pursuant to the Mining Act.

Commonwealth Grants.—Grants are estimated to total £29,805,000, which is £4,866,000 in excess of grants received in 1958-59. I have

already commented fully on the new arrangements under which these amounts are expected to be received.

PAYMENTS.

The Estimates of Expenditure, which contain details of the proposed payments by departments for 1959-60 have been tabled. The estimated total of payments is £80,323,000, which exceeds last year's actual payments by £6,616,000. This total is made up of—

£

Annual payments for which appropriation is already contained in special legislation .. 21,058,000

Proposed payments in respect of the various departments for which appropriation will be sought in an Appropriation Bill which will be introduced at the completion of the Budget debate 59,265,000

£80,323,000

I shall now give some details of the important items included in the Estimates. Interest and Sinking Fund payments will increase by £1,478,000 due to loan conversions at higher rates of interest and to interest payable on new loan raisings.

Police Department—£2,303,000—an increase of £245,000, or almost 12 per cent over actual payments for 1958-59. The majority of the additional funds required are for salaries and wages which exceed last year's payments by £217,000. This increase is to cover the full year's cost of a new Police Award operative from March, 1959, and to enable the manpower of the force to be further increased.

Sheriff and Gaols and Prisons Department—£450,000—an increase of £58,000 over actual payments last year. £27,000 of this increase arises from the provision for approximately seven months' operation of a new prison establishment at Cadell. At this new training centre fruitgrowing, dairying, pig raising, and other aspects of farming will be taught. Construction of buildings and services is well advanced, the initial staff and the first group of prisoners will move in during December, and by the end of this financial year 60 selected trusted prisoners from Yatala labour prison will have been transferred.

Hospitals Department—£5,232,000—£685,000, or 15 per cent, in excess of actual payments for 1958-59. The major item responsible for this increase is the progressive operation of the Queen Elizabeth Hospital, for which £792,000 is required this year, an increase of £348,000 over last year. The maternity section of the hospital has now been operating since 1953-54, as a temporary measure in the nurses' quarters until May, 1957, and since then in the

new maternity block. The present capacity of 105 beds is in practically full use. In the general block 64 beds became available and the first patient was admitted on March 3, 1959. At this date 186 beds are available and these are almost fully occupied. By the end of this month 214 beds will be available, by the end of October the number will be 229, by the end of December 263, and by the end of February next the hospital will be operating at its planned capacity of 385 beds. The out-patients department opened on May 11, 1959, and surgical, medical, and gynaecological clinics are now functioning. In addition funds are included in the Estimates for the adequate staffing and operation of the Royal Adelaide Hospital and other hospitals under the control of the Government. As I indicated to members when presenting the Loan Estimates for 1959-60, the first steps have now been taken in the programme to rebuild sections of the Royal Adelaide Hospital, and the Government will make loan funds available each year to enable the building programme to be continued so that the older buildings may be gradually replaced.

Department of Public Health—£224,000—an increase of £25,000 over actual payments for 1958-59. In addition to normal health inspection services the department is providing school health services, both medical and dental, an X-ray survey to detect and combat tuberculosis, and is continuing a vigorous and successful campaign against poliomyelitis by supplying free vaccinations. I am particularly pleased with the response of the public of South Australia in taking advantage of the poliomyelitis vaccination service which has been provided from specially equipped caravans moving from one locality to another throughout the State. During the three years for which the service has been operating, 430,000 people have received 1,150,000 injections. For the information of members I quote the numbers of cases of poliomyelitis notified in 1948 and each year since. The last epidemic in this State occurred during this period.

Year.	Number of Cases.
1948	89
1949	580
1950	973
1951	1,491
1952	709
1953	398
1954	176
1955	182
1956	122
1957	16
1958	10
1959	Nil to date

The fall in numbers of cases notified over the last three years indicates the success of the campaign.

Chief Secretary—Miscellaneous, £2,283,000—an increase of £323,000. A sum of £1,921,000 is provided for medical and health services. This is an increase of £186,000 over last year's expenditure. Assistance for medical and health services includes four main categories: Grants to hospitals, institutions, etc., total £1,298,000 an increase of £41,000 on 1958-59. Provision has been made for maintenance and capital payments to larger organizations such as the Adelaide Children's Hospital, Home for Incurables, Mothers' and Babies' Health Association and Queen Victoria Maternity Hospital. Grants towards capital works for a number of small country and community hospitals have also been included. Subsidies to institutions, etc., are estimated to total £256,000 which is £37,000 more than expenditure last year. The major items are subsidies towards the provision of additional accommodation at Calvary and St. Andrew's Hospitals. The sum of £159,000 is provided for conditional subsidies towards operating expenses of hospitals, which exceeds the total of last year's payments under this heading by £8,000. Special subsidies to hospitals for additions, alterations and equipment, etc., will this year require £164,000, an increase of £97,000 over last year's payments. Subsidies will be made available to 38 country hospitals. To provide a greater measure of assistance for capital purposes the Government has doubled its subsidy payments from £ for £, to £2 for each £1 raised by the local people. Provision of £77,000 has also been made to cover the cost of a concession fares scheme for pensioners for travel within the metropolitan area.

Attorney-General—Miscellaneous—£10,000 is provided for the Royal Commission *re* Rupert Max Stuart.

Treasurer—Miscellaneous, £7,299,000.—£761,000 in excess of the payments for 1958-59. This increase arises mainly from variations in items which appear both on the receipts and payments side of the Budget and which therefore do not affect the final deficit. The first of these items is the contribution to the Commonwealth of principal and interest in respect of moneys borrowed under the terms of the Commonwealth and State Housing Agreement Acts. The proposed payment of £957,000 for principal and interest, which is £168,000 greater than last year's payment will be fully recouped to the Budget by the South Australian Housing Trust. The second item is the transfer of part of special Commonwealth

Grant to Consolidated Revenue Account in respect of past deficits. I have already explained the Commonwealth Grants Commission's place in finalizing the accounts for 1957-58 and 1958-59.

The other major item requiring comment is the contribution towards the Municipal Tramways Trust. Grants to the trust this year total £219,000, comprising:—

	£
Contribution towards working expenses under Treasurer—Miscellaneous	119,000
Grant towards the cost of concession fares previously included in the general grant, but now shown under Chief Secretary—Miscellaneous	42,000
Grant towards the cost of concession fares to pensioners to operate from 1st October, 1959, shown under Chief Secretary—Miscellaneous	58,000

Members generally will be extremely pleased with the very marked improvement that has taken place in the financial position of the Municipal Tramways Trust.

Mr. O'Halloran—There was plenty of room for it.

The Hon. Sir THOMAS PLAYFORD—There may have been, but I pay a tribute to the chairman of the trust for the magnificent work he is doing. When the Government asked Mr. Barker to become the chairman he said he would do so only on one condition. I know that he will be disappointed that I mentioned it, but the condition was that he would not take any payment for his services. I pay a tribute to him for doing his work as chairman of the trust without payment and as a service to the State. A contribution of £161,000 (*i.e.*, excluding the £58,000 for new concessions) compares with the following contributions made during the last five years:—

	£
1954-55	600,000
1955-56	570,000
1956-57	510,000
1957-58	490,000
1958-59	440,000

I am very pleased to be able to report the consistent downward movement in the amount of Government assistance required, and the Municipal Tramways Trust is to be congratulated on its achievements.

Engineering and Water Supply Department—£3,650,000—an increase of £557,000 over actual payments for 1958-59. The major part of this increase is to meet the cost of pumping water from the River Murray. Full scale pumping has been carried out continuously since early July and with the present seasonal

outlook there is little prospect of its ceasing before the end of April next. Until recently the full capacity of the Mannum-Adelaide pipeline was 52 million gallons a day, but with the installation of additional pumping plant the capacity is being lifted to 55 million gallons a day. Murray water is being brought to the metropolitan area *via* both Millbrook and Mount Bold reservoirs. With the record dry winter the decision was recently taken to re-open bores to supplement the supply through the pipeline and at the moment 42 bores are operating in the Adelaide Water District, contributing almost 9 million gallons a day. Thirty of these bores are within the metropolitan area.

Public Works—£1,216,000—£44,000 more than actual payments for 1958-59. Provision is made for the maintenance of Government buildings and for furnishings and replacement furniture. The principal amounts included are for—

	£
School buildings	459,000
Hospital buildings	381,000
Police and courthouse buildings ..	71,000
Other Government buildings	276,000

Education Department—£10,330,000—£1,459,000, or approximately 16½ per cent, greater than actual expenditure incurred by the department last year. A large part of this increase is in salaries and wages for which the provision of £8,275,000 is £1,288,000 in excess of the 1958-59 figure. The increased provision for salaries and wages will not only cover the full year's cost of a new award for teachers operative from September, 1958, but will permit expansion of the teaching force to staff the large number of new schools being constructed throughout the State. The present teaching force of 5,700 is to be increased by 350 to 6,050, and the number of students in various categories of teacher training is to be increased from 2,480 to approximately 3,000. Some idea of the increasing emphasis on education to meet the growing demand may be gained from a brief review of the amounts of money from all sources expended in recent years on the construction of education buildings, their staffing and maintenance, grants for educational purposes, etc. Funds made available for such purposes during each of the last five years and the estimate for 1959-60 are:—

	£
1954-55	7,836,000
1955-56	9,526,000
1956-57	10,419,000
1957-58	12,528,000
1958-59	15,328,000
1959-60 (estimate)	17,420,000

Included in the above figures for 1958-59 and the estimate for 1959-60 are expenditures from loan account to the extent of £3,489,000 and £3,750,000 respectively, which I consider worthy of further comment. Works on which the £3,489,000 was spent in 1958-59 included the completion of 16 new schools or major additions to schools, progress work on 23 new schools or major additions to schools, the completion of craftwork centres at three schools, progress work on craftwork centres at 10 schools, construction of 330 prefabricated classrooms or classroom equivalents, the purchase of land for schools, provision of residences for teachers, and many minor works. The £3,750,000 estimated for 1959-60 provides for further work on the 23 new schools or major additions which were under way at the end of 1958-59, the commencement of 40 new schools or major additions, the completion of craftwork centres which were in progress at 10 schools at the end of 1958-59, the commencement of craftwork centres at five schools, construction of 200 prefabricated classrooms or classroom equivalents, further purchases of land for schools, provision of residences, minor works, and initial work on additions estimated to cost £815,000 to be erected at the Teachers' College in Kintore Avenue. The new building is to be of 13 storeys, and will provide accommodation for 1,400 students and teaching staff. This project is a major step in the provision of facilities for the training of the teaching force which will be required to staff the schools being constructed each year.

Minister of Education—Miscellaneous—£2,085,000—an increase of £288,000, or 16 per cent over expenditures in 1958-59. The two principal items are the general purpose grant to the University of Adelaide, which at £1,500,000 will be £191,000 more than last year; and the grant to the School of Mines, which at £295,000 will be £35,000 greater than last year. With respect to the University of Adelaide it is the Government's policy to give such grants as are necessary for the efficient functioning of the University in accord with the report and recommendations of the Committee on Australian Universities. The main items among other grants are:—

	£
Kindergarten Union	145,000
Institutes Association	24,000
Deaf and Blind Children	16,000
National Fitness Council	8,000

Minister of Agriculture—Miscellaneous—£428,000—£43,000 increase on last year's payments. The largest individual item is the grant of £284,000 to be made to the Waite

Agricultural Research Institute. This grant forms part of the State's contribution to the University of Adelaide and it is determined at the same time and under the same conditions as the main grant which I have already commented on when dealing with Education. Minister of Agriculture—Miscellaneous—also includes provision for £26,000 to be spent by the Bush Fire Research Committee on investigations into the control and prevention of bush fires. An appropriation of £36,000 is made as a grant to the Lord Mayor's Bush Fire Relief Fund, 1959, to cover the transfer to the fund of the Commonwealth Government's contribution in respect of personal hardship suffered as a result of the bush fires in January, 1959.

Mines Department—£685,000—an increase of £34,000 over last year's expenditure. This will enable the department to continue its main function of investigating and testing the mineral resources of the State. An item worthy of note is the provision of £23,000 for underground water investigations, an increase of £16,000 over expenditure in 1958-59.

Railways Department—£14,365,000—an increase of £240,000 over last year's payments. Increased wage and salary rates will cost the department an additional £425,000 this year, but savings in fuel costs arising from the conversion to diesel operation, and other economies achieved by efficient administration, will offset some of the unavoidable increase.

PUBLIC DEBT.

The public debt of the State as at June 30, 1959, was £317,702,000, which represents a net increase of £20,888,000 for the year. This net increase is made up as follows:—

Loans raised—	£	£
New moneys	24,421,000	
Conversions	18,479,000	
		42,900,000
Less—		
Conversion or redemption of matured securities	18,479,000	
Redemptions by National Debt Commission	3,533,000	
		22,012,000
Net increase in public debt . .	£20,888,000	

NATIONAL DEBT SINKING FUND.

Under the Financial Agreement both State and Commonwealth Governments are required to make contributions to the National Debt Sinking Fund for redemption of State debts. During 1958-59 the National Debt Commission received £715,000 from the Commonwealth and

£2,956,000 from South Australia as contributions in respect of this State's public debt. At the beginning of the year the commission held a balance of £47,000 for debt redemption purposes on behalf of this State. During the year, in addition to contributions from the respective Governments, interest amounting to £4,000 was earned by the fund. From the total of £3,722,000 available, the commission, during 1958-59, purchased and redeemed securities on behalf of this State at a cost of £3,538,000. At June 30, 1959, a balance of £184,000 was in the hands of the commission for further redemption of debts.

GENERAL ECONOMIC AND FINANCIAL MATTERS.

The dominating feature of the South Australian economy at present is the most adverse season. The rainfall during 1959 has been the lowest on record and, even with the most valuable rains last week end, the prospect for both the grain harvest and the pastoral industry is still very poor. Some crops and pastures are beyond the stage where even widespread and continued rains may retrieve the situation. Some areas have not even been seeded, and in others the growing crops are irreparably damaged. It seems quite impossible now that the grain harvest can reach even half a normal yield, and a much lower return is possible. The drought affects virtually the whole of the more closely settled area. Pastures, too, have been greatly retarded and it will not be possible to support anything like normal stock numbers.

Whilst this has been our driest season on record we may take some comfort in the knowledge that during the past generation there have been very few really poor seasons. In fact the last season was a record one in rural output to such an extent that, when taken with the preceding poor season, it still showed an average result equal to a very good year. There is reason to be most grateful that our water storage and facilities for water pumping have been developed on such an extensive scale that neither man nor beast in the more closely settled areas will suffer from a serious lack of water. Likewise, the community at large can take great comfort in the fact that the recent extraordinary expansion of secondary industries and commercial activity has greatly reduced this State's relative dependence upon rural industries and their seasonal fluctuations. The rural reserves built up during years of good returns and good prices, the much more extensive fodder conservation of recent years, the widespread water reticulation provisions, and industrial development of the State will

all help to mitigate the severity of the impact of drought upon the State's economy. The effects, though severe upon those more closely affected, will nevertheless be weathered in a manner which could not have been contemplated twenty years ago.

Last year at this time I suggested that the world-wide recession in industrial activity was showing clear signs of recovery and the fall in prices of rural produce and basic materials had ceased. The recovery in overseas activity has continued more strongly than might have been expected, with consequent benefit to the Australian economy. In particular the subsequent recovery in wool and dairy produce prices on the overseas markets has been most beneficial to Australia, and the outlook is good. Because of overseas influences and particularly the fall in prices of rural produce and base metals, and partially affected by a rather poor season, the year 1957-58 showed some reduction in economic activity in the State. It was more a steadying down of the previous rapid rate of progress than a real recession of activity. It was marked by some increase in numbers of unemployed, although the proportion never exceeded 1½ per cent of persons available for employment. It was always less than the proportion unemployed elsewhere in Australia, and a bare one-fifth of the proportion unemployed in the United States of America. Over the past year the employment situation has steadily improved, and has continued to be the best in Australia.

There is a new phase approaching in the employment situation in Australia, which is likely to be particularly marked in South Australia. The State's population, which is at present about 925,000, has increased by some 300,000 since the end of the war. Of these almost exactly one-half have come from net migration and half from natural increase, that is, excess of births over deaths. This is a rate of increase of closely 3 per cent per annum. Yet over the period the numbers of persons available for employment has increased somewhat less rapidly. This was because of the increased proportion of children in the community arising mainly out of the greatly increased post-war birth rate, and the position was also affected by the trend to remain longer at school and by the increasing numbers of persons reaching the retiring age. However the very considerable increase in the number of children which placed such pressure upon the State's primary school facilities, and is now affecting the secondary schools, will shortly lead to a rapid expansion in numbers seeking employ-

ment. The working population, instead of increasing less rapidly than the overall population, will during the next decade at least increase even more rapidly than the recent 3 per cent per annum increase in population. This will present us with a challenge and a problem for which the State must be prepared. It is with this in mind that the Government has been so persistent in seeking the expansion of existing industries and the establishment of new ones. In this quest, as members are aware, we have met with much success, which we hope to consolidate and move on to further successes.

The impending rapid increase in recruits to the employment field will present other problems than simply their absorption in useful and profitable employment. Within a few years of their entry into employment they will be marrying and we will have to face a newly increased demand for housing. Housing activities are proceeding most satisfactorily and have substantially overcome the wartime lag as well as dealing with new demands. There must be no slackening in housing activity, but preparation for the anticipated increased demand. Secondly there will be a considerable increase in the number of babies born, with the increased demand for maternity hospital accommodation, and then renewed rapid expansion in school facilities.

All this indicates that the Government's provisions for all those public facilities necessary for expanding industrial activity must be stepped up, and at the same time the requirements for additional housing, hospitals and schools must be provided for. The developmental expenditure of the Crown must be well planned and must be not only maintained but **expanded**. It indicates, too, that the State cannot afford to use its developmental funds for any deficit upon current budgets, except to the extent that it is clearly unavoidable. Such a deficit as I am now forecasting for this year is, I believe, quite unavoidable because of the seasonal circumstances. But it is only a temporary phase and will be kept to the lowest practicable minimum by the exercise of all reasonable economies consistent with the provision of Government services such as the community is entitled to expect.

This year the Treasury papers have been prepared by Mr. Drew for the last time. He will be retiring before the next Budget is presented to this House. I pay him a tribute for the work he has done in the control of the State's finances. He has not only won the respect of the people of South Australia, but he has gained a reputation in other States and

in Commonwealth circles as one of the most efficient Treasury officers Australia has produced. He has not hesitated in making his services available in other activities and when we remember that he has also, with his other board members, controlled the gigantic operations of the Electricity Trust with conspicuous success, we realize his calibre. I publicly acknowledge my own personal debt, as well as the debt of the State, to Mr. Drew. I also pay a tribute to Mr. Carey, Mr. Seaman and the other Treasury officers for their work in the State's interests.

As soon as the Auditor-General's report is printed it will be presented to members: that should be before we discuss the actual lines of the Budget. This will be the last report by Mr. Bishop and Mr. Howard as Auditor-General and Assistant Auditor-General respectively. Mr. Bishop has served this State conspicuously in many fields of activity. For many years he was our Commissioner of Taxation and when the Taxation Department was taken over by the Commonwealth he was taken over as well, but he revealed his loyalty to

South Australia and his desire to serve it by rejoining the State Public Service on a much lower salary and with a lower expectation of advancement than he would have had in the Commonwealth Service. Mr. Bishop has served the State, and this Parliament particularly, with conspicuous ability. He has gained a reputation for integrity and has always made his services available in assisting outside business undertakings because he realizes that they contribute to the welfare of the State as a whole. He has always been prepared to give a helping hand to semi-Governmental activities and activities of a charitable nature. This, of course, has been beyond his normal duties. I pay a tribute to Mr. Drew and Mr. Bishop for their loyalty and devotion to the State and for their services. I move the adoption of the first line of the Estimates.

Progress reported; Committee to sit again.

ADJOURNMENT.

At 4.10 p.m. the House adjourned until Tuesday, October 6, at 2 p.m.