

HOUSE OF ASSEMBLY.

Tuesday, September 5, 1961.

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

QUESTIONS.**DIESEL-ELECTRIC LOCOMOTIVES.**

Mr. FRANK WALSH: Last week the Premier stated that he would have examined the Commonwealth Government's offer to provide finance for diesel-electric locomotives for use in the northern division. Has he anything to report on this matter?

The Hon. Sir THOMAS PLAYFORD: I have had a report from the Government's legal advisers, who submitted to me a draft letter on this subject. As the Leader knows, this matter touches on a subject at present before the High Court. I have revised the letter slightly because one or two things in it were not put exactly as I would have put them, and that letter is now being typed and will be sent to the Prime Minister, I hope by tonight's mail. It states that as the conditions under which the money would be made available to the State would involve an Act of this Parliament as well as an Act of the Commonwealth Parliament and would to a certain extent amend the Railways Standardization Agreement Act, which it is proposed to place before the High Court next month, the Government could not accept the money under the terms offered. It may be that the Commonwealth Government can modify those terms when it sees the objections we have raised; it may not have anticipated the points we stated. The substance of the reply is that, as in its opinion the offer (in the terms in which it has been submitted) to a certain extent prejudices the action that will be placed before the High Court, the Government could not accept the money under the proposed terms. Where a matter is before the court it is not wise to start a public controversy, but I consider there is no objection to a copy of the letter being made available for members to examine if they so desire, on the understanding that the matter will not be made a matter of public controversy.

UNIFORM COMPANIES ACT.

Mr. COUMBE: In view of the conflicting reports regarding the introduction of a uniform Companies Bill, will the Minister of Education ask the Attorney-General whether this Bill

will be introduced this session or, if it will not, when the Government intends to introduce it?

The Hon. B. PATTINSON: I think the Attorney-General has already said that it is not intended to introduce the Bill this session, but I shall take up the matter with him and, if necessary, with Cabinet to get an early final decision.

SEMAPHORE SOUTH LAND.

Mr. TAPPING: Last Thursday's newspaper reported that Martin Dallwitz Limited was to undertake a worthy project of building houses at Semaphore South at a cost of about £1,000,000. As I assume from the press statement that this project may involve the purchase of land from the Harbors Board, will the Minister of Marine say what such a transaction involves?

The Hon. G. G. PEARSON: If it is involved, the Harbors Board has not yet referred the matter to me; therefore, I am not able to make any statement. I saw the press report mentioned and, like the honourable member, was in some doubt about what was involved. Now that the honourable member has raised the matter, I will seek a report from the Harbors Board on whether it is involved and, if it is, to what extent.

MEAT PRICES.

Mr. LAUCKE: Will the Premier say whether further consideration has been given to the suggestion that the Prices Commissioner periodically issue lists of reasonable retail meat prices?

The Hon. Sir THOMAS PLAYFORD: Since the House rose I have considered this matter and can see no difficulties associated with it. Subject to the press being prepared to print such a report, I will authorize the Prices Commissioner to forward it to the press from time to time.

GROCERY PRICES.

Mr. RYAN: Last November a group of wholesalers and retailers of foodstuffs decided to have bargain days on a certain Thursday, Friday and Saturday, and one of the lines selected to be sold at a bargain price was Bex powders. Before this product was sold as a "catch line" (and even before the advertisement appeared) Beckers Pty. Ltd. heard of the proposal and placed the organization concerned on a "stop list". Following certain negotiations, a meeting between the company and the managing director of Beckers was convened by

the Prices Commissioner. Beckers made it clear that it would stop supplies to any wholesaler or retailer who cut the recommended prices. Its views were upheld by the Prices Commissioner and there is no doubt that its action in maintaining the prices of its products is legal.

Arising from the discussion that took place, retailers connected with this organization were sent a copy of an agreement which they were asked to sign and return to their wholesaler; otherwise, they would receive no further supplies from Beckers or through their wholesaler. It goes even further because, if any retailer on the black list obtains from some other place or shop on a retail basis Beckers' commodities and sells them at no profit whatsoever, the retailer who buys them, without any knowledge of the sale, and the wholesaler who supplies are immediately placed on the black list. I think the Premier believes in providing a service to the public without intimidation or victimization. In view of the facts I have outlined, will he call for a report, because this vitally concerns free enterprise in this State?

The Hon. Sir THOMAS PLAYFORD: The Government's policy is consistent in this matter: we do not believe in black lists for either employment or the sale of goods. I will get a report from the Prices Commissioner upon this matter. The powers of the Prices Commissioner would, to a certain extent, be involved in determining whether or not this item was at present under price control and whether it was an item for which could be claimed certain exemptions under freedom of interstate trade. However, I shall be pleased to obtain a full report for the honourable member.

Mr. Shannon: Price control is only an upper limit; there is no lower limit.

The Hon. Sir THOMAS PLAYFORD: The honourable member is correct when he says that the Prices Commissioner may have certain powers in this matter. If it is a controlled item, a provision in the Prices Act enables the Prices Commissioner to see that the supply is not cut off because of some question about price. I will get a report and let the honourable member have it if he will ask a question after the show adjournment. It will take the Prices Commissioner a few days, no doubt, to catch up with all the events that the honourable member has mentioned.

TRAWLER FISHING.

Mr. JENKINS: My question relates to the recent visit of the Minister of Agriculture to

Canberra to take part in the meetings of the Fisheries Council. Can he say whether the Commonwealth Government is prepared to carry on exploratory work in the Great Australian Bight with the *Southern Endeavour* pending its sale?

The Hon. D. N. BROOKMAN: As I understand the position, the Southern Trawling Company has offered this trawler for sale but, until the trawler is sold, the company's operations are going on as before. I think the trawler is at present at sea; it comes in about every third week. I have taken up with the Commonwealth Minister for Primary Industry whether the trawler should be allowed to continue as at present for a further period but, as yet, I have received no official reply.

RADIUM HILL PROJECT.

Mr. McKEE: An article headed "Evidence on Radium Hill Project" appears in today's *Advertiser*. It reads:

The Director of Mines (Mr. T. A. Barnes) who returned from an overseas mission at the week-end gave evidence yesterday before the special committee which is inquiring into the future possibilities of the Radium Hill project. Mr. Barnes will appear before the committee again today. The committee consists of Mr. Justice Chamberlain (chairman), the Auditor-General (Mr. G. H. P. Jeffery) and the former Auditor-General (Sir William Bishop).

It is understood that Mr. Barnes told the committee yesterday that the future uranium demand was "not a rosy picture". South Australian contracts for supplying uranium to the Combined Development Agency expire at the end of this year.

As many people at Port Pirie and Radium Hill rely on this industry for their livelihood, they are naturally concerned about the results of Mr. Barnes's statement. Can the Premier report further on that statement?

The Hon. Sir THOMAS PLAYFORD: No. I have not seen Mr. Barnes since his return from abroad last Saturday, since when he has, no doubt, been preparing the evidence he was to give before the committee. Yesterday, however, the chairman of the committee (Mr. Justice Chamberlain) came to see me in connection with two or three things relating to this project and I approved immediately of his suggestions. One was that I write to the Prime Minister about certain aspects of the proposal. The second one was that he and his committee visit Radium Hill (and, I presume, Port Pirie) to take evidence and consider the project with first-hand knowledge of the operations under consideration. If he has not arranged to go to Port Pirie I will see that the honourable member's question is placed before

the committee so that it can consider informing the unions and other interested persons at Port Pirie that it would be prepared to take evidence, and to arrange for that to be done.

POLICE RESIDENCE AND COURTHOUSE.

Mr. BOCKELBERG: Can the Minister of Works say when a start will be made on the building of the new police residence at Cleve and the courthouse at Ceduna?

The Hon. G. G. PEARSON: I am informed that funds have been made available on this year's Estimates for the erection of a new police station and residence at Cleve. The South Australian Housing Trust has been requested to carry out this work, and it has been ascertained that tenders will be called in about ten weeks' time. The Public Buildings Department has no record of a request for the erection of a courthouse at Ceduna. In respect of the latter matter, I will make further investigations.

MOONTA POLICE BUILDINGS.

Mr. HUGHES: I understand the Minister of Works has a reply to a question I asked last week about new police buildings at Moonta?

The Hon. G. G. PEARSON: I have been informed that the South Australian Housing Trust has been requested to demolish the present police buildings at Moonta and erect new buildings, which will include a new residence for the officer in charge. It has been ascertained that the Housing Trust is to call tenders for the work in about four weeks' time.

ABATTOIRS MARKETING DAYS.

Mr. CASEY: During the past few weeks northern primary producers have expressed strong opposition to the proposed change in the selling day for pigs and calves at the metropolitan abattoirs. I understand that the Abattoirs Board hopes to save about £17,000 annually if the changeover takes place. Railway revenue for the transport of pigs and calves last year amounted to £35,600 and if the selling day is altered the Railways Department will stand to lose substantially, although I should not like to estimate how much. If we consider the effect the changeover will have on the period animals will spend from the time they leave the producers' properties until they are sold, we can get some idea of why motor transport will be used extensively. Naturally the board will guarantee to feed the animals prior to sale if held over the week-

end, but I should like to know how a calf which has been reared by its mother will fare, especially as such an animal will not even drink water. This could become an issue with the Royal Society for the Prevention of Cruelty to Animals. I point out the confusion the changeover would cause to stock agents who would have to alter selling days to suit the abattoirs market days.

The Hon. D. N. Brookman: What is the question?

The SPEAKER: Order! The Minister has asked for the question.

Mr. CASEY: Can the Minister say whether the Abattoirs Board has come to a decision on the proposed day for the pig and calf market?

The Hon. D. N. BROOKMAN: The Abattoirs Board announced in the press last week that it had decided to change the market day for pigs and calves to Monday, but I will refer the honourable member's question to the board to see whether it has any further comment.

Mr. HEASLIP: Can the Minister say whether this Parliament has any control over the Abattoirs Board, whether we can dictate to it or change its decisions? I know that primary producers are opposed to the change and I support the member for Frome on this question if any change is to be made.

The Hon. D. N. BROOKMAN: The Abattoirs Board functions under the Metropolitan and Export Abattoirs Act which is an Act of this Parliament and, therefore, can be amended or altered by Parliament if it so desires.

Mr. HEASLIP: Will the Minister of Agriculture express to the chairman of the board the concern of members of this House at the proposed change in the market day for pigs and calves at the Gepps Cross abattoirs?

The Hon. D. N. BROOKMAN: Yes, I will certainly draw the board's attention to the comments that have been made. I point out that the board is established under its own Act of Parliament and includes representatives of primary producers as well as representatives of the stock firms and other interests, so it is widely representative. Each representative is in contact with the people he represents. The constitution of the board is written in the Act, but the chairman is the only person nominated directly by the Government. All other members are representative of one or another section of the industry.

ANDAMOOKA WATER SUPPLY.

Mr. LOVEDAY: Has the Minister of Works a report from the Engineering and Water Supply Department regarding the water position at Andamooka?

The Hon. G. G. PEARSON: I have a voluminous report, contained in a docket, which I will not read because of its length. Summarizing the report, two factors are involved: firstly, there is the actual provision of water for Andamooka and, secondly, the means by which it is to be taken to Andamooka. Both factors are involved in the honourable member's question. The secretary of the Andamooka Progress Association, Mr. Schulten, called and discussed the matter with the Engineer for Water Supply about two or three weeks ago when he said it was possible to provide water at the rate of about 25 gallons a week per person. Subsequently, in the honourable member's explanation of his question it was suggested that the quantity was now somewhat less, and that may be because the supplies in nearby private bores are not holding out as well as may have been expected. To remedy the position as far as we are able, the department has arranged for the Commonwealth department to cart water to Andamooka, but it is difficult to get it there because of the state of the roads. Mr. Whitford, the foreman of the Engineering and Water Supply road construction party in the north, has made arrangements, which are already being carried out, for improvements to be made to the road so that vehicles can get through. Another officer will visit Andamooka soon to see what, if any, further improvements can be made. The honourable member will see from that report that the department has taken all possible steps to ensure that at least the basic and essential water supplies are maintained, and it will continue to do so.

PALLAMANA ELECTRICITY SUPPLY.

Mr. BYWATERS: Has the Premier a reply to my recent question about the electricity supply for Pallamana?

The Hon. Sir THOMAS PLAYFORD: The Assistant Manager of the Electricity Trust reports:

Tenders have closed for the construction of an electricity extension to three groups of applicants at Harrogate, Marne Valley and Pallamana. It is expected that a contract will be let within the next two or three weeks and work will start as soon as possible thereafter.

FILM ADVERTISING.

Mr. HALL: Has the Premier a reply to the question I recently submitted to him by letter regarding the controversial subject of whether film advertisements in the newspapers are indecent or otherwise?

The Hon. Sir THOMAS PLAYFORD: Yes. I submitted the honourable member's correspondence to the South Australian Theatre Proprietors' Council and it strongly repudiates the suggestion that there is anything indecent in the advertisements the honourable member referred to me. In fact, it may interest members if I quote one paragraph from the letter as follows:

I have in front of me a page 34 of the *News* of August 10, as I write this. Unless the writer referred to in your letter can see or impute into the advertisement for *European Nights* something which we cannot see, then we are at a loss to understand his (her) comments. It would seem the person in question must be quite odd—perhaps one of the non-smoking, non-drinking, non-dancing, non T.V., non-motion pictures type—a type whose edicts, if law, would mean no country could continue to carry on.

SOUTH-WESTERN SUBURBS DRAINAGE.

Mr. FRANK WALSH: Has the Minister of Works a reply to my recent question regarding necessary drainage at Ascot Park?

The Hon. G. G. PEARSON: My colleague the Minister of Roads states that the section of drain referred to by the honourable member is a concrete-lined drain between the railway and Marion Road at the western end of Sweetman Road and forms part of a system discharging along Adelaide Road to the River Sturt. Due to increase in housing in the catchment area the whole system is now inadequate, and relief cannot be given to the section in question until the drain from Marion Road to the River Sturt is enlarged. The enlargement of this system is included in the south-west suburbs drainage scheme, but cannot be undertaken immediately until work on the control and improvement of the River Sturt has proceeded to a stage which will remove the risk of serious flooding by that stream.

MOUNT COMPASS SCHOOL.

Mr. JENKINS: Has the Minister of Education a reply to my question of last week concerning the Mount Compass school?

The Hon. B. PATTINSON: I have now received reports and recommendations from the Acting Superintendent of Rural Schools and from the Director of Education, and in

consequence I have approved Mount Compass being established as an area school as from the beginning of next year.

JURORS.

Mr. TAPPING: I understand that the Minister of Education has a reply to my question of last week concerning the appointment of jurors?

The Hon. B. PATTINSON: Through my colleague, the Attorney-General, I have received a report from the Sheriff, as follows:

Jurors are selected for service by ballot from the names appearing on the Legislative Council rolls. A new jury list is prepared each year. It is inevitable that some names will be drawn by the ballot at more frequent intervals than others. The Juries Act makes provision for this fact. It empowers the Sheriff to excuse from jury service any person who has been summoned within three years from the date on which he last previously served as a juror. The Act also makes it incumbent upon the person so summoned, if he does not desire to serve again, to make application to the Sheriff to be excused.

PORT PIRIE RAIL LINE.

Mr. McKEE: Last week I asked the Minister of Works a question regarding the removal of rail lines from Ellen Street, Port Pirie. I understand that he now has a reply.

The Hon. G. G. PEARSON: This matter is being actively investigated by the various State authorities involved, particularly the Railways Commissioner and the Harbors Board. The matter has reached the point where it is necessary to secure the co-operation of the Postmaster-General's Department and, I think, the Customs Department regarding certain buildings that lie in the path of the proposed line. Negotiations have been taking place between the State and Commonwealth authorities. The Harbors Board has discussed the matter with the Commonwealth property officer, and this morning the board's general manager discussed this matter briefly with me. He is pressing on with his representations to the Commonwealth in the hope of solving the problem. The honourable member can be assured that the matter is receiving urgent attention, but until we can resolve the question as it relates to Commonwealth property we are unable to say when this alteration may be possible. Negotiations are proceeding amicably and a firm proposal should result before long.

RECLASSIFICATION OF HIGH SCHOOLS.

Mr. BYWATERS: Recently a regulation was tabled in this House relating to the

reclassification of high schools. Can the Minister of Education say which schools will be reclassified and on what basis the reclassification will take place? Will he also ascertain whether Murray Bridge will be reclassified as a class 1 high school?

The Hon. B. PATTINSON: I shall be pleased to supply all that information for the honourable member, perhaps tomorrow.

POTATO PRICES.

Mr. TAPPING: Has the Minister of Agriculture obtained a report from the Potato Board in reply to a question I asked on August 29, when I compared the Victorian price with that prevailing in this State?

The Hon. D. N. BROOKMAN: The Potato Board has reported that at present, as previously reported, Victoria appears to be the only State with supplies of potatoes available, and reports indicate that stocks in that State will be sufficient only to meet distribution needs. The price of potatoes in South Australia is governed by the present Victorian market. South Australia is a net importer of potatoes and Victoria is a net exporter. The price of potatoes in Melbourne is about £75 a ton and cartage is about £6 a ton, so the landed cost of Victorian potatoes on the Adelaide market is about £81 a ton. That was the position on August 30. This approximates the price to growers of potatoes in Adelaide. If growers are paid less in Adelaide than it costs to bring Victorian potatoes here, it is reasonable to assume that the supply of South Australian potatoes on the Adelaide market will diminish. The difficulties will probably continue until early November, when the South Australian spring crop will be dug. The board is examining other possible sources of supply.

BARLEY PAYMENTS.

Mr. JENKINS: Has the Minister of Agriculture obtained a reply to my recent question regarding the next payments to barley-growers?

The Hon. D. N. BROOKMAN: I have obtained the following report from the General Manager of the Australian Barley Board:

The final advance of 1s. 0.51d. for the season 1959-60 was forwarded to all growers on August 25. Concerning the current 22 pool, season 1960-61, at no time has any promise been made that the second payment would occur in July. The present position is that a survey of the board's accounts would suggest that here is a residual balance of approximately 2s. 6d. remaining for payment to

growers, and it is hoped that the second advance against this pool can be paid during October. The amount of this advance will probably be decided by the board at its meeting during September.

RESERVOIR HOLDINGS.

Mr. LAUCKE: Will the Minister of Works say whether rains in recent days have had any effect on the holdings of the South Para and Warren reservoirs?

The Hon. G. G. PEARSON: As the honourable member will have seen from the press, there was a useful intake into metropolitan reservoirs, I think the night before last, of about 500,000,000 gallons. The total holding in metropolitan reservoirs now is 7,570,000,000 gallons out of a total capacity of about 14,000,000,000 gallons. The Warren reservoir is holding 733,000,000 gallons, about half its capacity of 1,400,000,000 gallons, and South Para 5,346,000,000, about half its capacity of 11,300,000,000.

COCKBURN SCHOOL RESIDENCE.

Mr. CASEY: Has the Treasurer a reply to a question I asked during the debate on the Loan Estimates about a new school residence at Cockburn?

The Hon. Sir THOMAS PLAYFORD: Negotiations are in progress for the acquisition of a site and it is expected that this will be available in time to commence construction during this financial year.

HAWKER SCHOOL RESIDENCE.

Mr. CASEY: Has the Treasurer a reply to a question I asked during the debate on the Loan Estimates about a new school residence for Hawker?

The Hon. Sir THOMAS PLAYFORD: The honourable member was informed by the Minister of Education in April, 1961, that it was intended to recommend the erection of the new house in the 1961-62 building programme. At that time the extent of availability of funds for that year was not known. Since then the financial position has permitted only the erection of houses for which the Government was already committed. It is intended to recommend the building of a residence at the Hawker school in the programme when funds are available.

TIMBER IMPORTS.

Mr. RALSTON (on notice):

1. Did the Woods and Forests Department give evidence before the Tariff Board requesting an import quota for overseas timbers?

2. If so, what decision has the Tariff Board reached on this request?

3. Did the Woods and Forests Department assist private forestry interests to prepare evidence for an increased tariff on imported timbers?

4. If so, what was the decision of the Tariff Board in this regard?

The Hon. D. N. BROOKMAN: The replies are:

1. Yes.

2. There is no quota regulation in force for overseas timbers.

3. The Woods and Forests Department provided data to assist the private industry representatives to present their case, but the department did not support the application for an increased tariff.

4. No increased tariff was accorded the industry.

BUS SERVICE AGREEMENTS.

Mr. FRANK WALSH (on notice): Is it the intention of the Government to table the agreements between the Municipal Tramways Trust and licensed bus operators?

The Hon. Sir THOMAS PLAYFORD: The form of agreement, with some explanatory comment by the acting General Manager of the Tramways Trust, is available for perusal by honourable members.

EYRE PENINSULA ROADS.

Mr. BOCKELBERG (on notice):

1. What is the Highways and Local Government Department's programme for sealing main streets in towns on Eyre Peninsula?

2. Will the main streets in Rudall, Darke Peak, Warrambo and Wirrulla be sealed? If so, when?

The Hon. G. G. PEARSON: The replies are:

1. The sealing of main streets in the townships of Elliston, Lock and Arno Bay (from town to jetty) has been included in the 1961-1962 works programme. Work commenced last year on Streaky Bay streets will be completed.

2. Sealing of streets in Rudall, Darke Peak, Warrambo and Wirrulla has not been included in the 1961-62 programme. The sealing of these streets will be carried out as soon as the programme permits.

ESTIMATES OF EXPENDITURE.

His Excellency the Governor, by message, recommended the House of Assembly to make appropriation of the several sums for the purposes set forth in the accompanying Estimates of Expenditure by the Government for expenditure during the year ending June 30, 1962.

Referred to Committee of Supply.

THE BUDGET.

In Committee of Supply.

The Hon. Sir THOMAS PLAYFORD (Premier and Treasurer): This Budget is presented to the House at a time when the affairs of the State, and indeed of the whole Australian Commonwealth, have suffered some severe shocks, but from which I believe recovery is now under way. Two years ago South Australia met its worst drought since white settlement, and withstood it with surprisingly little ill effect. The economy then moved rapidly in the winter and spring of 1960 to a state of high activity and prosperity. During that period there developed, however, some weaknesses which often appear in a buoyant economy, and those weaknesses were probably more serious and extensive in other parts of Australia than in this State. There was undoubtedly some undue concentration upon land speculation, hire-purchase arrangements, and importation of less essential commodities. A particular weakness developed in the balance of trade, which rapidly worsened with the wave of importations ordered in the expectation of ultimate remedial measures. Members will recall that at this time last year I suggested that some counter-inflationary measures were desirable as measures in protection of continued expansion and progress and of higher living standards. I did, however, issue a serious warning against the dangers of over-estimating the inflationary influences at that time.

Economic measures taken by the Commonwealth came into operation late in 1960. The balance of trade threat has now been removed, at least for the present, the land speculation boom was rapidly broken, and the unwarranted and unsound features of the credit expansion quickly removed. However, it is apparent in retrospect that some of the counter-inflationary measures were insufficiently discriminating and more severe than warranted. In particular, the increase in sales tax on motor vehicles combined with credit restriction had an effect upon the motor vehicle industry far greater than was anticipated or was

desirable. The reactions upon business confidence and upon the consumers' readiness and ability to buy were considerable. As a result unemployment developed quickly, particularly in the industries producing motor vehicles and domestic appliances and in the constructional trades. At the same time, apart from Governmental activities, few other avenues of employment were able or willing to take up the unemployed. South Australia, unfortunately, because of its extensive employment in recent years in just those industries most affected, was more seriously threatened than most other localities.

South Australian Government finances, as I reported to the House last year, had emerged from the 1959 drought period probably in better shape than ever before. The Budgetary experience thereafter until near the end of 1960 had been excellent. Revenues were buoyant and expenditures were carefully controlled so as not to add anything to the inflationary boom. It was already apparent by the time credit restrictions and associated measures were undertaken that the State Budget was running into a significant surplus. Accordingly, as unemployment developed, the Government was in a position to devote that prospective surplus, and such other reserves and balances as it had in hand, to useful works designed to take up employment and encourage increased industrial activity. Particular attention was devoted to housing, other building work including schools, and to constructional work for water and sewer purposes. As a result of this work and expenditure, the extent of unemployment in this State was kept generally lower than in most other parts of Australia, although the initial impact upon our main industries was probably the most severe.

The Government took the view that, in the expenditure of the prospective surplus on Revenue Account and of those cash balances and reserves which it felt it could safely use, it was proper to concentrate upon those forms of expenditure which produced desirable and useful permanent improvements, and which made the greatest contribution to employment throughout the community. Accordingly, as Consolidated Revenue continued to show an accumulating surplus, the actual funds representing that surplus were being disbursed upon developmental works largely as the surplus arose. As the end of the last financial year approached, it was apparent that a surplus of the order of £2,000,000 was probable.

The Government decided, in accordance with statutory authority already granted by Parliament some years ago but not previously acted upon because of lack of funds, to set aside £1,000,000 to enable the Electricity Trust to make an immediate start upon a transmission line to connect the South-East of the State with the main electricity supply grid. Accordingly, the surplus actually recorded was £1,188,000.

The surplus recorded last year has thus recovered the deficit outstanding from the previous year, which was £311,000, and £877,000 was available, in accordance with the provisions of the Public Finance Act, to recover to Loan Account amounts sufficient for me to now assure the House that over the past 23 years there has been no net charge upon Loan Account to finance revenue deficits. As I have firmly put it to members in the past, and will equally firmly put it to you in connection with the 1961-62 Budget, I believe it should be a primary objective of a State Treasurer to balance the current operating Budget and to preserve all available Loan resources for development works and housing. This House has already had the opportunity of reviewing the Government's Loan Expenditure proposals for the current year. From these it will have been apparent that all available cash resources from new loans, repayments and cash balances which can be reasonably spared have been apportioned for those proposals, and that a balanced Budget on Consolidated Revenue Account is a necessity for achieving the Loan Expenditure proposals. Accordingly, my proposals now made are for a nominal surplus of £3,000. Aggregate receipts are estimated at £91,547,000 and expenditure at £91,544,000. These proposals are made upon the assumption of a steady recovery from the present adverse situation in employment and business activity. If the improvement can be more rapid, then members may be assured that any cash surplus which may arise will be utilized to help speed the recovery.

I think it appropriate at this juncture, particularly in view of what may appear to be undue reliance of private contractors upon Government work during recent months, to warn upon the limitations involved. The State has no recourse to finance other than current revenues, approved borrowings, repayments, and certain cash balances which may be held from time to time at the Treasury. The monetary and banking structures and the recourse to income tax are provinces of the

Commonwealth alone. It would be foolhardy or worse, therefore, to condone such a rate of expenditure on Government works by way of contract or expanded departmental employment that the funds annually available were heavily disbursed over the earlier months of the year, thus leading to a severe contraction of activity and employment late in the year. Action has been taken particularly to warn building contractors operating upon Government work against this danger, which I fear a number are already seriously risking.

There are no proposals in this Budget for increases in general charges and taxes. There will be significant increases in the yield of land tax consequent upon the quinquennial revaluation. A measure has already been submitted to Parliament giving certain concessions in rates and basis for rating, which will reduce the yield otherwise available by some £400,000. This particular tax will be further discussed when I review taxation receipts in more detail.

In the Appropriation Bill, which I would propose subsequently to submit for the approval of the House, I propose to request an extended authority to incur excess expenditure, if necessary, upon the costs for electricity necessarily used for water pumping through the Mannum-Adelaide and Morgan-Whyalla pipelines. The Public Finance Act gives me authority for excess expenditure upon the various lines of expenditure to a maximum of £400,000, which is a margin of less than one per cent of the aggregate expenditure voted by Parliament. For many years it has been the practice to authorize in the annual Appropriation Act excess expenditure to the extent rendered necessary by increased wage and salary awards. It is impracticable at this time of the year to estimate with any degree of certainty the extent of expenditure likely to be necessary for water pumping. Subsequent occurrences could bring about variations in requirements for this function to the extent possibly of up to £250,000. If I were granted authority to meet such necessary expenses without the excess counting against the normal authority for excesses up to £400,000, it would enable the Governor to authorize the carrying out of all necessary pumping without any delay.

THE YEAR 1960-61.

Whereas the original estimate for 1960-61 was for a surplus of £312,000, the final result for the year was a surplus of £1,188,000, after making a special grant of £1,000,000 to the

Electricity Trust. Receipts at £86,279,000 were £451,000 in excess of the estimate of £85,828,000. Payments at £85,091,000 fell £425,000 below the estimate of £85,516,000. The main variations from estimate were in the net results of the Railways Department and the Harbours Board. Following the very good season the railways carried record loadings of grain. Carriage of general merchandise was also above estimate but passenger traffic and the movement of Broken Hill ores were somewhat below estimate. The final result was that cash receipts from rail traffic were £31,000 above the estimate, but this figure would have been higher had it not been for the fact that several large remittances were in transit on June 30, 1961, and thus not brought to account until the beginning of July. While carrying this heavy traffic the railways administration continued to watch costs carefully and to effect economies where practicable, and the final payments for the year were £398,000 below estimate, a very creditable achievement.

Harbours receipts were also affected by the very good season, and receipts both from bulk handling and from outward wharfage were increased well above estimate as wheat and barley were shipped. Harbours receipts from all sources exceeded the estimate by £200,000 and at the same time expenditures were well controlled and kept £33,000 below estimate. For Hospitals Department, receipts were £185,000 above estimate, and this was due in no small measure to more widespread health insurance in the community, with a consequent increased ability to meet reasonable hospital fees. Fines, fees and charges for services of law courts were higher than anticipated to the extent of £63,000.

The major decline below estimate was for stamp duty revenues, which were buoyant in the first half of 1960-61 but then fell away as the effects of the Commonwealth's anti-inflationary measures were felt, finally to reach a figure £125,000 below estimate. For payments, interest and sinking fund showed a saving of £298,000 on the estimate. This was due mainly to the quite accidental choice of interest dates which determine what proportion of a full year's interest the State may be called upon to pay in the first year in respect of new borrowings or conversions.

Further short falls of payments against the original estimate were recorded for the major social service departments, hospitals and education, the main reason being the difficulty of recruiting suitably qualified staff. For

Engineering and Water Supply Department, there were savings due to the decreased need for pumping from the River Murray following good winter rains, and for Agriculture Department savings against estimate were achieved because of the absence of fresh outbreaks of fruit fly.

ESTIMATES FOR 1961-62.

RECEIPTS.

I estimate that receipts on Consolidated Revenue Account from all sources will amount to £91,547,000 in 1961-62. This exceeds last year's actual receipts by £5,268,000. The Estimates of Revenue, copies of which have been made available to members, show the details of the estimated receipts compared with actual receipts under the various headings for 1960-61. I will now review the principal items and any significant anticipated variations from last year's actual receipts or from what might be regarded as the normal trend.

State taxation receipts are estimated at £12,497,000, an increase of £784,000 over last year. Within this group by far the most important variation is in the estimate for receipts from land tax, which, at £2,000,000, are expected to be £600,000 greater than actual receipts in 1960-61. The reason for this is the new quinquennial assessment of land values which becomes effective for tax payable in 1961-62.

There are two aspects of the anticipated increase in land tax receipts on which I believe some comment should be recorded. The first point is that a number of unofficial estimates of the likely yield have been made, and the majority of those estimates are for a total yield much higher than I have set down in the Estimates of Revenue. My belief is that those unofficial estimates have been made by having regard primarily to the increase in assessed aggregate unimproved values from about £207,000,000 to closely £393,000,000, *i.e.*, an increase of £186,000,000, or almost 90 per cent, and then making allowance for the fact that the previous quinquennial assessment actually resulted in a much greater percentage increase in revenue than the percentage increase in land values assessed.

It is important to bear in mind this year that a particularly large part of the present increase in aggregate unimproved values is for suburban land in relatively small individual values, whereas the previous re-assessment mainly affected the high value

city and country properties. The total valuation for suburban land has risen in the latest revaluation from some £70,000,000 to a little over £202,000,000, thus accounting for an increase of £132,000,000 out of the total increase of £186,000,000 for all land. In this category, of course, practically all land will remain in the £5,000 and under group, and thus will attract only the lowest rate of tax; it will not secure a taxation yield proportionately greater than the increased assessment.

As members are aware the several concessions and exemptions proposed in legislation now being considered are for:

- (a) The reduction of the scale of taxation by a half-penny in the pound for taxable values ranging from £5,001 to £100,000.
- (b) Exemption for land used for primary production ranging from complete exemption at an unimproved value of £2,500 through partial exemptions decreasing to nil at an unimproved value of £6,250.
- (c) An effective exemption of urban land up to an unimproved value of £320.
- (d) Concessions for certain lands used for primary production in defined areas which would otherwise be assessed at values based on urban use.

The cost to Revenue of these concessions and exemptions is difficult to determine accurately, but I estimate it to be of the order of £400,000 per annum. Overall my best estimate for land tax, having regard to the new assessment and to the proposed concessions, is for a yield of £2,000,000 for 1961-62.

The second point on which I desire to comment is the severity of the anticipated increase in revenues and the necessity for it. The anticipated yield of £2,000,000 from land tax in 1961-62 will, if realized, be an increase of a little more than 40 per cent over actual receipts in 1960-61. At first glance one may be inclined to think that an increase of 40 per cent in one year in a major revenue item is far too much, and that the Government should forego the major part of it by further reducing rates and increasing concessions. But what we must remember is that a revaluation for land tax purposes occurs only once every five years, and that, if increased revenues are to keep pace with costs and expanding services, it is essential that the increase when it occurs should have regard not to one but five years' changes. Since the previous re-assessment, population and prices have each increased by

about one-sixth, whilst productivity, living standards and standards of social services have increased also. South Australia's Budget requirements have accordingly increased by at least 40 per cent; therefore a 40 per cent increase in land tax revenues must be regarded as reasonable and appropriate.

For stamp duties the estimate of £2,334,000 is £113,000 less than actual receipts for 1960-61. For the last 10 years there has been a steady and continuous upward movement in receipts from stamp duties, and at the time of the preparation of recent Budgets I have been able to confidently anticipate further increases as a result of expanding economic activity. In 1960-61, however, as I have explained, the first half of the year was buoyant, but in the second half of the year stamp duty receipts fell away, particularly in respect of hire-purchase transactions and conveyances of land. The lower level of activity in the latter half of 1960-61 has continued into this financial year, and an estimate based upon current levels of activity would be much lower than that now set down. However, I believe that the South Australian economy is capable of surmounting the present difficulties as surely as it overcame the effects of the severe drought of two years ago, and that there will be a general upward movement later in the year. My estimate for stamp duties is based upon that belief. The same dampening influences have been felt in recent months in reduced valuations for purposes of succession duties, but to a lesser extent than for stamp duties. I have estimated a nominal increase of £8,000 to £2,410,000 in 1961-62 for this item.

Motor vehicles taxation receipts are being maintained at a reasonable level despite the generally reduced activity, and, on the expectation of an improvement later in the year, I estimate £4,574,000 as receipts for 1961-62, an increase of £217,000 over last year. This will have no net effect on the Budget as the proceeds of motor taxation, less the costs of Motor Vehicles and Highways Departments, are transferred to the Highways Fund for road purposes exclusively. Receipts from public works and services are estimated at £44,442,000, an increase of £1,968,000 over last year's actual receipts. The increases are expected to come from:

The operation of public undertakings	£ 792,000
Recoveries of interest and sinking fund	737,000
Other departmental fees and recoveries	439,000

Within the group of public undertakings the largest increase is expected to be for the Engineering and Water Supply Department, which is expanding so rapidly each year to maintain the high standard of water and sewer services. New extensions and connections and re-assessments for country lands and for the city of Adelaide are expected to bring in additional rates of £516,000, carrying the total receipts of the department to £6,785,000.

Railway receipts are estimated to total £13,838,000 exclusive of special Treasury transfers towards working expenses and debt charges. This estimate, if realized, will be £452,000 in excess of actual receipts from freight and passenger traffic last year. The freight to be carried will of course be partly dependent on the outcome of the present season, but on current indications grain carriage will maintain the high level of 1960-61, whilst there may be an increase in livestock but some decline in Broken Hill ore tonnage. Overall it is likely that there will be a minor decrease in earnings during the year, but the reduction of outstanding accounts, which were temporarily rather high at the end of June last, will result in increased cash receipts to the Budget of the order of the £452,000 indicated.

Harbours receipts will follow railway freight receipts to some extent as the grain and ores which are moved to the seaboard pass over the board's wharves when exported, and receipts from charges for goods moving outwards are expected to be almost up to the very high levels of last year. With a reduced flow of imports, however, there has lately been a decline in inward wharfage, and taking all factors into account it is anticipated that Harbours Board receipts will decline by about £30,000 to a total of £2,670,000 in 1961-62.

The increase of £737,000 in recoveries of interest and sinking fund will take the total of such recoveries to £9,061,000 in 1961-62. The annual increase stems mainly from the additional Loan funds borrowed by the State and then made available to the Electricity Trust, and for housing purposes to the Housing Trust and through the Advances for Homes scheme administered by the State Bank. Receipts from interest on various departmental advances and on moneys held temporarily at the Reserve Bank are also expected to increase again.

Within the category "Other departmental fees and recoveries" the major movement is in education receipts. The anticipated increase of £360,000 to a total of £1,682,000 for such

receipts is due primarily to the increased moneys to be made available by the Commonwealth Government for university purposes. At this stage I would like to make clear a point on which there is some lack of knowledge. It is thought by some members of the public that all of the increasing needs of universities are now being met by grants made available by the Commonwealth Government following inquiry and recommendation by the Australian Universities Commission. The facts are that State Governments are continuing to provide the larger part of university finance. For the University of Adelaide for the academic year 1961, the total running expenses will be of the order of £2,450,000 and the sources of funds in order of magnitude will be State Government grants £1,330,000, Commonwealth assistance, £830,000, fees and other income of the University of Adelaide, £290,000. As the total requirement expands over the next two years the State Government will be responsible for finding an additional £180 approximately for each additional £100 made available by the Commonwealth. For approved university buildings the State and Commonwealth Governments are each providing one-half of the funds required, and for the year 1961 this will mean approximately £350,000 each. The total of State and Commonwealth grants is provided in the Estimates of Expenditure, and the Estimates of Revenue include the moneys expected to be received from the Commonwealth.

I am pleased to be able to inform the House of a decrease in one of the smaller items of receipts. In 1960-61, rents received from temporary housing accommodation and paid to the credit of Consolidated Revenue amounted to £179,000. For 1961-62, I estimate receipts at £85,000, which is a decrease of £94,000. The reason, of course, is the programme for replacement of the temporary homes by permanent dwellings, and, as I explained when introducing the Loan Estimates, the Housing Trust is making very good progress with the replacement programme. Of the total of 2,156 houses to be replaced, 760 had been vacated by June 30 last and 511 removed to enable construction of solid dwellings to go ahead on the sites. It is estimated that by June 30, 1962, 1,700 will be vacated and 1,300 removed, and that by March, 1963, suitable permanent accommodation will have been found for the last of the tenants of the temporary and emergency dwellings.

The amount to be received from the Commonwealth as taxation reimbursements is

expected to be £33,200,000, which is £2,473,000 in excess of the figure for 1960-61. The reimbursement each year varies with movements in population and in the level of wages, but, while the appropriate figures are now available to determine the increase in the wage level, the population figure to be used will depend on the results of the recent census, so that the final figure may vary a little from the estimate now shown.

PAYMENTS.

In the Estimates of Expenditure, copies of which have been made available to members, provision is made for:

	£
Annual payments for which appropriation is contained in special legislation	24,890,000
Proposed payments in respect of the various departments for which appropriation will be sought in an Appropriation Bill founded on the Estimates	66,654,000

Making a total of payments proposed for 1961-62 of

91,544,000

I now propose to comment on some of the larger and more important items for which provision is made in the Estimates. For the items shown under Special Acts the estimated total of £24,890,000 is an increase of £1,071,000 over actual payments in 1960-61. This increase is due mainly to the payment of interest and sinking fund on new borrowings and increased interest payments arising from the conversion on maturity of existing loans to higher rates of interest. The essential works and purposes to be financed with the new borrowed moneys were explained in detail when I presented the Loan Estimates to the House last month. Once again the major increases in departmental expenditure will be for departments providing important social services to the South Australian community.

In the field of health the major provision is for Hospitals Department, the proposed expenditure of £6,255,000 being £500,000, or almost 9 per cent, in excess of actual payments in 1960-61. The Government has provided very large sums of money in recent years to build hospitals in both the country and the metropolitan area, to staff and operate them, and to subsidize buildings and running expenses of many more hospitals run by local authorities and by community effort. Proposals for this year and for future years are for a continuation of the provisions of hospital facilities of a high and rising standard for the community.

The major recent project has been the building of the Queen Elizabeth Hospital and I am pleased to be able to report that it is now well established not only as a general hospital but also as a teaching centre for both undergraduate and post-graduate work. An increasing number of professors and other distinguished men and women from overseas and within Australia is being attracted to the hospital to lecture and to perform clinical demonstrations. In the last year the final three wards in the general wing have been opened, bringing the number of staffed beds in that block to 368, which, with 97 in the maternity block, gives a total of 465 staffed beds now available at the hospital. In the 12 months to June 30, 1961, the number of in-patients treated in the general section of the Queen Elizabeth Hospital was almost 12,000, the number of casualty and out-patient attendances was over 63,000 and 5,300 operations were performed. The average bed occupancy throughout the hospital during the year was maintained at almost 86 per cent, which is very high, particularly for a teaching hospital.

There has been a natural tendency for the new hospital to over-shadow the old established Royal Adelaide Hospital in recent years, but the latter has not remained static by any means. The new east wing is nearing completion and this, as members know, is the first phase of the rebuilding programme for the Royal Adelaide Hospital. While new buildings such as the east wing are apparent to the general public, what is less well-known, though more important, is the advance in methods of treatment, and it is here that the Royal Adelaide Hospital deserves particular recognition. Great advances have been made in the fields of cardiac surgery and cardiovascular investigations. Key personnel have been trained overseas and special items of equipment such as the heart lung by-pass have been provided. The results achieved in cardiac surgery have compared favourably with those achieved by other Australian and overseas teams. In the treatment of cancer the radiotherapy department, with two cobalt therapy units, a linear accelerator and other equipment, is in a position to give a wide range of treatment. I am confident that the surgical and medical teams of the Royal Adelaide Hospital will keep informed of the latest advances in treatment and will adopt them where practicable to meet this State's needs.

In the country a number of major projects have been completed, are under construction,

or are proposed for the larger country towns. At Mount Gambier the new 210 bed hospital block has been completed and was officially opened on July 14, 1961. Extensive additions are in progress at Port Pirie, major extensions are proposed for Port Lincoln, and additions at Port Augusta are being considered.

While speaking of health provision, I wish to give credit to the Department of Public Health for the very good work being done in preventive medicine and associated services. The effectiveness of preventive medicine is evidenced by the prevailing good health of the people as a whole. Two aspects of the department's programme are of particular interest. The first is poliomyelitis immunization, and I am pleased to inform members that almost all the population under 14 years of age, and about half the total population, have now been immunized. There is a renewed public interest in immunization and the department will arrange for the wide distribution of vaccine as soon as sufficient quantities are received from the Commonwealth Serum Laboratories. The other aspect is the progress of the school medical services. More than 60,000 school children will be medically examined this year, and this service is playing a valuable part in the early detection of defects, particularly of vision and hearing. For 1961-62, the proposals for the Department of Public Health total £319,000, an increase of £62,000 over actual payments in 1960-61. This provision will enable the department to engage the staff and purchase the equipment necessary to continue and expand its services.

In the field of law, order and public safety, the main provision is for Police Department. The Government has allocated funds for further strengthening of the force, and the proposed expenditure of £2,864,000 is an increase of £310,000, or 12 per cent above actual payments in 1960-61. For the Sheriffs and Gaols and Prisons Department £525,000 is provided, an increase of £47,000, or 10 per cent over actual payments last year. The Government has provided funds for the payment of a new award for prison staff and for the appointment of additional staff including a psychologist and an education officer. An examination of the Estimates of Expenditure will reveal increased provision to strengthen the staffs of the Crown Solicitor's Department, the Adelaide local court, the Adelaide police court, and the Country and Suburban Courts Department. These provisions will facilitate the administration of the law and the hearing of court cases.

In the field of education further large increases in provisions are proposed for 1961-62. For the Education Department the proposals total £12,739,000, an increase of £1,221,000, or 10½ per cent over actual expenditure in 1960-61, which itself was almost 12 per cent greater than expenditure in 1959-60. Having regard to the fact that population is increasing at an annual rate of about 2¼ per cent, and the general price level at about 3 per cent, and that in the absence of special measures State Government revenues tend to rise naturally more slowly than such increases (at present at no more than 6 per cent per annum), some idea may be gained of the problem to be faced when one of the major spending departments, Education, requires annual increases of the order of 10 per cent or more. I am pleased to be able to assure members that the Government has found and is finding the funds necessary to effect continuing improvements in the extent and standard of school accommodation, the ratio of teachers to pupils, and the standard of instruction. The proposals under Minister of Education, Miscellaneous, in the Estimates total £3,377,000, an increase of £656,000, or 24 per cent over payments in 1960-61. This increase stems mainly from increased grants to the University of Adelaide and the Institute of Technology. I have already commented on the impact of State finances of large and increasing grants for university purposes.

Substantially increased provisions are included in the Estimates for welfare services. The provision of £910,000 for the Children's Welfare and Public Relief Department is £114,000, or more than 14 per cent in excess of actual payments last year. The proposals totalling £526,000 for the Aborigines Department are £98,000 greater than last year's expenditure, and £47,000 is included in this provision for the taking over of the Gerard Mission and for its operation as a State reserve.

For the public undertakings I think it desirable to comment on certain aspects of the proposals for the Engineering and Water Supply Department, the Harbors Board and the Railways Department. The proposals for the Engineering and Water Supply Department for 1961-62 total £4,169,000 as compared with £3,587,000 actual payments in 1960-61. If from these figures the provisions for power for pumping and for South Australia's contribution towards the maintenance of River Murray works were excluded, it would be seen that the provision for normal departmental maintenance

and operation is £3,500,000 in 1961-62 as compared with £3,244,000 in 1960-61—an increase of £256,000, or 8 per cent. The necessity to provide for power for pumping varies widely from year to year according to seasonal conditions. The cost of power to pump water through the Mannum-Adelaide pipeline, through the Morgan-Whyalla pipeline, and from bores, reached the high figure of £922,000 in 1959-60 because of the particularly dry season, whereas in 1960-61, following a very good season, the cost fell to £275,000. The present holding of reservoirs is well below the desirable level for this time of the year and at the moment it appears certain that the maintenance of adequate water supplies will require much more pumping from the Murray than was necessary last year. The Estimates provide for the expenditure of £575,000 for power for pumping through the Mannum-Adelaide pipeline and from bores in the Adelaide water district and through the Morgan-Whyalla pipeline. With only one river of any size and a lack of natural reservoirs, South Australia faces more natural handicaps than any other State in the provision of adequate water supplies. The Government has spared no effort to overcome the problems and I believe that the widespread system of pipelines carrying water under pressure throughout the State gives the South Australian community a service second to none. Assured water supplies are a vital component of our development as well as of increasing living standards. They mean greater rural production, they are essential to the growth of our secondary industry, and they are assisting in the exploitation of our mineral resources.

For the Harbors Board the provision for 1961-62 is £1,581,000, an increase of £93,000, or a little more than 6 per cent, over actual payments for 1960-61. This year's provision will cover the increased operation of bulk handling facilities and the normal maintenance programme.

The proposals for the Railways Department total £14,735,000, which is £517,000, or about 3½ per cent in excess of actual payments for 1960-61. Of this expected increase £320,000 is due to the cost of the higher basic wage and only £197,000 is provided to cover all other cost increases. The larger part of the economies to be achieved from the change-over from steam to diesel traction have now been realized, and the department will not be able to use the additional diesel units to be introduced to effect such spectacular economies as the earlier units. Nevertheless there are still some potential savings to be made. Apart

from the change to diesel power the railways administration has been successful in achieving economies by paying close attention to the methods of carriage of various goods, and by entering into special contracts and arrangements to encourage freighting in full truck loads. Every effort will continue to be made to effect all reasonable economies and the administration is to be commended on its proposals to contain expenditures within a total very little in excess of last year's figure.

A survey of expenditure proposals would be incomplete without some mention of those departments whose responsibility is to encourage the best development of the State's natural resources. I refer to the Departments of Agriculture and Mines. Through the Department of Agriculture the Government provides an extensive range of services to the primary producers of South Australia. These services in no way suffer by comparison with those made available to farmers, graziers and orchardists by the governments of advanced countries throughout the world.

The work of the Department of Agriculture is in two separate parts. The first is to advise producers on the great range of problems, both short and long term, which arise day by day in the course of rural production, distribution and marketing. The second is to protect primary producers and the State generally in a number of ways—by preventing the entry of new pests and diseases, by controlling or eradicating those pests and diseases which, despite the best endeavours, have already gained entry, by establishing and enforcing standards of quality for agricultural products, and by checking on the quality and value of the host of fertilizers, spray chemicals, stock medicines, dips and the like which are marketed as aids to agricultural production.

The department devotes most of its resources to the first of these tasks—giving the advice sought by producers. Many men on the land find they cannot attend to all the jobs which running a property entails and still have time to keep up with new ways of improving production. In some cases fresh problems such as soil erosion or a new weed or disease may arise. A farmer may wish to take on a different type of cropping or livestock, or put in an irrigation scheme. In all these cases the Department of Agriculture has trained men, who know the area in which they work, to advise the producer and help him solve his problems. Through the help of these advisory

services, individual producers achieve higher crop yields, better lambing percentages, bigger wool clips, lower disease losses, and improved quality of production. From these individual achievements stem huge benefits to the economy of the whole State.

The other part of the department's work—protection—is also of benefit to primary producers and to the State generally. Measures are constantly being taken to exclude such damaging pests as fruit fly and harmful weeds such as Noogoora Burr. We have already effectively dealt with many such threats to efficient agricultural and pastoral production in South Australia. Minimum standards of quality for certain types of agricultural produce, particularly perishables such as fruit, vegetables and dairy produce, are important to both producers and consumers. Through them the trading reputation of the producer is safeguarded whilst the consumer is protected against exploitation. Devising and applying such standards is yet another protective function of the department.

In order to keep itself up-to-date and to ensure that the advice it gives and the protection it affords are firmly set on sound principles the department carries out a considerable amount of applied research work, most of which takes place in the field—on Government research centres and through the co-operation of hundreds of farmers throughout the State. In this manner new knowledge and new procedures are fitted to the differing soils, climates and agricultural practices of various parts of the State. The practical work of the department may appear to lack the glamour of much of the basic research and the new discoveries of the Commonwealth Scientific and Industrial Research Organization and the universities, but the Government is satisfied that the department's work is complementary to that of the research organizations and is no less valuable. There need be no element of competition between the two groups. To enable the Department of Agriculture to continue to carry out its valuable work of advice and protection the Estimates provide for the expenditure of £847,000 in 1961-62.

The Mines Department has played a big part in fostering, encouraging and assisting the development of the State's mineral resources and will continue to do so. The extent of that development may be gauged from the fact that the value of mineral and rock production in South Australia now exceeds £27,000,000 annually, having risen from a

figure of £9,000,000 in 1955. This present value places mineral production next to wool and cereals as the State's third most valuable primary industry. Members may be interested in the progress of development of several of the State's more important minerals and the work done by the Mines Department in relation to them.

Departmental investigations in the Middle-back Ranges have established the presence of 30,000,000 tons of high grade iron ore. Work on the construction of steel manufacturing plant at Whyalla has been commenced by the Broken Hill Proprietary Company Ltd., and when these facilities come into operation iron ore production by the company is expected to increase from the present 3,400,000 tons to approximately 5,000,000 tons. The use of low grade iron ore has been successfully investigated by the company in association with the Government and a full scale treatment plant is expected to be in operation in the near future. Aeromagnetic surveys have been completed over Eyre Peninsula and the Tarcoola area, and many anomalies are under investigation by ground parties and drilling as possible iron ore deposits. In the Warramboo area of central Eyre Peninsula a very large anomaly is under investigation by drilling. Deposits have been examined in many parts of the State, and a substantial test drilling programme has been completed near Manunda Station where a large deposit of iron ore has been located. Drilling is also being carried out on several iron deposits north-west of Tarcoola.

Production of coal at Leigh Creek is now at the rate of 1,000,000 tons per year, and is scheduled to reach 1,500,000 tons when the new Port Augusta B power station is in full operation. Leigh Creek reserves on this basis are adequate for 35 years. Investigations into the location of further coal reserves are proceeding with drilling programmes in the southern Flinders Ranges, in the Port Wakefield area, and in the lower South-East. Production of uranium at Radium Hill is continuing at a rate in accordance with the planned schedule. The overall value of uranium oxide disposed of through the Port Pirie treatment plant now exceeds £16,000,000.

Virtually unlimited deposits of gypsum are available in this State. Reserves are several hundred million tons at Lake MacDonnell, and other substantial deposits occur at Stenhouse Bay, Kangaroo Island and Lake Fowler, with numerous small deposits elsewhere. The

Kangaroo Island deposit has recently been brought into production with the help and encouragement of the Government, and production at the rate of 50,000 tons per year from this deposit is planned. Australia's annual consumption of gypsum, largely in the plaster industry, approximates 400,000 tons, of which this State provides over 300,000 tons. The Government is making every effort to ensure that the enormous asset which these deposits represent is properly and adequately exploited.

Over 1,000,000 tons of limestone are quarried annually for use as smelter and blast furnace flux, for the cement industry, for lime production, and in the chemical industry. Major deposits are operated at Rapid Bay, Angaston, and Klein Point. Other deposits are quarried as aggregates for various purposes. The department has carried out extensive investigations into the availability and suitability of limestone for various industries, and has directly assisted in the proposed establishment of a modern hydrated lime industry. Laboratory experiments are being carried out to develop an industrial method for the production of lime from the enormous reserves of high grade lime sand at Coffin Bay.

The semi-arid climate and high evaporation rate around the coastline of our gulfs are particularly favourable for salt production by solar evaporation. Several investigations of potential salt production areas have been undertaken, and advice and assistance given to producers. Approximately 350,000 tons of salt is produced annually in this State, which is 80 per cent of Australian requirements. The large pyrites deposit at Nairne is currently producing 280,000 tons of pyrite ore annually from a large reserve which was established in the first instance by the Mines Department. The production of sulphuric acid at Port Adelaide from concentrates is a direct outcome of Government initiative. South Australia is at present the only source of precious opal in Australia. The Andamooka and Coober Pedy fields between them produce stone worth £600,000 annually. Geological investigations of both fields have been undertaken from time to time, and a recent survey at Andamooka has indicated the probability of major extensions to the present field.

The discovery of a production oil or gas field has been an ambition of long standing for the Government, and I believe for the public of South Australia. The Government has given support and assistance to all genuine attempts at exploration, and has undertaken some work

on its own account. The Mines Department has purchased the most modern seismic equipment obtainable and is making this available to assist private exploration work. It is the Government's opinion that everything possible must be done to speed up the oil search in this State, and with this in view funds have been allocated to enable the department to establish a second seismic operation. At the present stage this appears to be the most practicable means available to encourage and assist private exploration activities, and it is expected that target areas will be defined for detailed examination and testing by the exploration companies concerned.

So that the department may continue the work of exploring, testing and recording the mineral resources of the State, provision has been made on the Estimates for the expenditure of £684,000 in 1961-62. This is £65,000, or 10½ per cent more than was spent in 1960-61. The £684,000 is exclusive of the State's annual contribution of £135,000 towards the operation of the Australian Mineral Development Laboratories, this provision being shown under Special Acts.

It is pleasing to report that industry has availed itself of the facilities offered by the laboratories to an even greater extent than visualized. During the year ended June 30, 1961, the value of industrial research work carried out was £68,000 against an anticipated £45,000. In addition to this, the research and development work of the South Australian Government, which included considerable free assistance to South Australian industry, was handled and this amounted to £84,000. Commonwealth Government departments, particularly those concerned with the development of Australia's natural resources, were also served by the laboratories, and it is anticipated that during the current year some major investigations, which will be of great benefit to Australian industry, will be carried out for the Commonwealth Government. For the advancement of Australia, research is needed in many fields beyond mining and mineral processing. The council of the Australian Mineral Development Laboratories is aware of this and plans to widen the scope of its research activities to provide a comprehensive research service to meet this need in the future.

GENERAL ECONOMIC AND FINANCIAL MATTERS.

I have already reviewed the outstanding concern in the present state of the economy, that is, the necessity to eliminate just so soon

as possible the extent of unemployment. It is in my view quite improper for us to condone continuance of this unemployment by pointing out that other highly developed economies have had persistent unemployment in times of general prosperity to a greater degree than we suffer at present. We, in Australia, have since the war enjoyed a long period of practically full employment. This has led the community quite naturally and indeed justifiably to expect continued very high standards of employment and activity.

The effects of the last nine months of recession in the community have fortunately been not all adverse. There is now much greater appreciation of the extent of Australia's reliance upon overseas trade, the necessity for efficiency in export industries, and for a well-planned drive for new and expanded markets. Domestic industries, too, have been forced to review their methods and efficiency, and will hereafter pay much greater attention to those elements vital to success and expansion in a competitive world. In production, commerce, trade, and in labour efficiency, too, there is a greatly increased awareness of the necessity for self-examination and improved standards. There is evidence also of an increased recognition by both employers and employees that their common interests are much wider than hitherto supposed, and the room for benefit of one group at the expense of the other is very limited. Increased recognition of these factors can form a solid basis for future progress in productive activity and living standards.

The rural season outlook still remains somewhat in the balance. There can be no anticipation of such an excellent season as last year, and likewise a repetition of the previous year's adversity is most unlikely. After a very early false opening to the season the winter rains have in most areas been clearly below average, although generally sufficiently well spaced to support growth approaching average. Early heavy spring rains with some follow-up later could ensure an average harvest, or perhaps slightly above average. On the other hand, absence of good spring falls will leave harvests clearly below average, and lead to early deterioration of pasture grasses. Water storages, too, are rather low for this time of the year. It is not too late for a considerable supplement, but the outlook is for heavier than normal pumping from the Murray to ensure adequate metropolitan supplies.

A matter which is giving rise to very serious thought by all people who are concerned with

the interests of our rural industries and of export production, is the possible effect of the entry of Great Britain into the European Common Market. In the view of many people, Great Britain could not expect to maintain her living standards and industrial activity outside the Common Market, and therefore her entry is practically inevitable. This unresolved question has perhaps the greatest implications of any problem facing Australia today. It is not only a question of whether Britain will enter the Common Market but what will be the terms of such an entry; how far will Great Britain be able to protect and continue her arrangements for the widespread trade within the British Commonwealth; how far will Commonwealth countries have to surrender existing and long established preferences; and to what extent may they secure greater or less entry into the markets of Britain's prospective new partners? These problems are, at the present time, of even greater concern, because a number of our rural industries are already suffering from relatively low prices and difficult disposal problems. The forthcoming negotiations, upon which so much in our future will depend, certainly call for great wisdom and high statesmanship from all the Governments concerned.

In the matter of industrial development in South Australia the ultimate outlook continues to be most encouraging. Our existing major undertakings, though temporarily forced to operate on reduced levels, continue to make their plans and arrangements for increased activities. The promised expansions at Whyalla are already under way, the new oil refinery at Port Stanvac is about to commence construction, and I continue to receive inquiries and indications relating to large expansions ahead. In particular, the project for greatly increased use of our South-Eastern forest output by a very large pulp and paper industry is being currently arranged. I expect to submit legislation on this undertaking in the current session.

Overall, therefore, I believe there is, in this country, every justification for sober optimism, recognizing the problems to be met, but meeting them with confidence. The most important ingredient for rapid recovery is probably neither physical nor financial, but an attitude of mind—confidence.

Before moving the adoption of the first line, I express my appreciation and indebtedness to my Treasury officers for the tremendous amount of work so cheerfully

undertaken by them in the preparation of these Estimates. Members will have no delusions that these Estimates, which are prepared each year and submitted to Parliament, and which are of such a high standard, could be the work of the Treasurer. He would have neither the intimate knowledge of the details necessary for their preparation nor the time to devote to the 10,000 lines that go to make up their total. I am indebted to Mr. Seaman, Mr. Carey, Mr. Barnes, and other officers of the Treasury for the high standard of the work that I have been able to submit to members over a long period, and I express to those officers my great appreciation for their loyalty to the State and the way they have conducted its finances.

I am sure all members realize that this State can progress with confidence only if it is on a sound financial basis, and if, by any chance, the advice received by the Government from its Treasury officers were seriously at fault action on such advice would have

immediate repercussions on the Government and on nearly every section of the community, because the ability of the Government to continue to employ its officers to continue to give service, and to develop the State, depends to a great extent on the financial advice tendered to the Government from time to time. I formally state my gratitude, that of the Government and, I am sure, of members generally and of the State as a whole to these gentlemen for the fine service they have rendered to the Government and to the people of this State.

I move the adoption of the first line.

Progress reported; Committee to sit again.

PUBLIC PURPOSES LOAN BILL.

Returned from the Legislative Council without amendment.

ADJOURNMENT.

At 4.5 p.m. the House adjourned until Wednesday, September 6, 1961, at 2 p.m.