

HOUSE OF ASSEMBLY

Tuesday, September 13, 1966.

The SPEAKER (Hon. L. G. Riches) took the Chair at 2 p.m. and read prayers.

ASSENT TO BILLS.

His Excellency the Governor's Deputy, by message, intimated the Governor's assent to the following Bills:

Superannuation Act Amendment,
Supply (No. 2).

DEATH OF HON. C. C. D. OCTOMAN.

The Hon. FRANK WALSH (Premier and Treasurer): I move:

That the House of Assembly express its deep regret at the death of the Hon. Charles Caleb Dudley Octoman, former member for Northern District in the Legislative Council, and place on record its appreciation of his public services, and that as a mark of respect to the memory of the deceased member the sitting of the House be suspended until the ringing of the bells.

The Hon. Dudley Octoman had been a representative for the Northern District in another place since only March last year, but in that brief period he impressed us all with his unassuming manner, his quiet sincerity, his very extensive knowledge of rural matters, and particularly with his vast experience of all phases of farming and of the West Coast. In a lifetime of service, he was a bank officer; he attained the rank of Squadron Leader in the Royal Australian Air Force; he served for three years on the State Technical Education Advisory Committee; he was an R.A.A.F. representative on the Services Canteens Trust Fund Committee; for four years he was a director of the South Australian Co-operative Bulk Handling Limited; and he was a member of the Advisory Board of Agriculture for seven years. In his short Parliamentary career, Mr. Octoman gave ample evidence of his fine character and capacity for thoughtful and informed contributions to the debates of the legislature. We today lament his untimely passing and, on behalf of the Government, express our deepest sympathy to his bereaved widow and family.

Mr. HALL (Leader of the Opposition): I support the motion and, like the Premier, regret the reason for it. The late Hon. Mr. Octoman was well known for his services in many ways to the South Australian community: he was known for his service in time of war; for his service in local community projects, and for his splendid service

to the agricultural community and industry in this State. I know, too, that he was a very assiduous member for his district and, on the several occasions that I visited his district, I soon became acquainted with the high esteem in which he was held on Eyre Peninsula. It is very much regretted by all members of both Houses that the late Mr. Octoman's services have been cut short at this time. With much regret, I join with the Premier, and support the motion.

Motion carried by members standing in their places in silence.

(Sitting suspended from 2.8 to 2.20 p.m.)

AUDITOR-GENERAL'S REPORT.

The SPEAKER laid on the table the Auditor-General's Report for the financial year ended June 30, 1966.

Ordered that report be printed.

ABSENT MINISTERS.

The Hon. FRANK WALSH: I apologize to the House for the absence of the Minister of Works and the Attorney-General, who are on the sick list. The Minister of Works expects to be away this week, and I understand that the Attorney-General will be away this week and probably part of next.

QUESTIONS

STOCK PADDOCKS.

Mr. HALL: I believe that last year, in answer to a question about possible development of stock paddocks south of the Parafield aerodrome, the Attorney-General intimated that there was a plan for the redevelopment of stock paddocks in that area, which land was then held as a green belt by stock agents. Since then, there have been persistent rumours to the effect that further development is to take place in the stock paddocks for the extension of the aerodrome and that the projected site of the headquarters of the Institute of Technology (which, up to now, has been stated to be the site of the old sewage farm) will be changed to this area. Is the Premier aware of any changes intended in the development of the stock paddocks, and can he say whether or not the Institute of Technology is involved?

The Hon. FRANK WALSH: I doubt that the Institute of Technology is involved in this matter but, rather than make incorrect statements, I will obtain a full report on the matter and bring it down to the House.

TREES.

Mr. HUDSON: Has the Minister of Lands, representing the Minister of Roads, a reply to my recent question about the replanting programme adopted by the Highways Department?

The Hon. J. D. CORCORAN: My colleague states:

The planting of trees within road reserves is strictly the responsibility of local governments, and the department does not intend to take this responsibility from them and embark upon any general scheme for tree planting on all roads. However, there are cases where justification exists for the expenditure of the Highways Fund on planting. Examples are in locations where road construction has involved extensive removal of natural vegetation, or where planting is necessary not only to improve aesthetics, but also to provide additional safety for motorists, such as elimination of headlight glare, delineation of the roadway, and so on. The south-eastern freeway illustrates this policy, and landscaping and tree planting are being treated as intrinsic parts of the road design. Departmental policy in this matter is being developed in co-operation with the Director of the Botanic Gardens, and extensive planting has been carried out, and is continuing, in the Northern District. The department is setting up a landscape section, and has appointed a Right of Way Engineer who will further develop activities in this field. During 1966, 1,500 eucalypts and acacias have already been planted and it is intended to plant about 5,000 during 1967, with the extension each year of this policy.

MOTOR VEHICLE REGISTRATION.

Mr. MILLHOUSE: My question concerns a matter which has been ventilated in the press in the last couple of days, and as late as this morning, concerning the laxity in this State's system of registration of motor vehicles leading to the possibility of stolen cars from other States being registered in South Australia. I understand the Premier's view is that the present system is not too bad, but my impression is that South Australia is notorious for the laxity of its system.

Mr. McKee: It always has been.

Mr. MILLHOUSE: I am not suggesting for a moment that this is something that has occurred since this Government came into office: it is one of those things that has been going on for a long time, and I do not know why members opposite are so sensitive about it. In view of the comments in this morning's newspaper from Mr. Rylah (Chief Secretary in Victoria) and senior police officers in that State, will the Premier get a

report on the present system of motor vehicle registration in South Australia to see whether a tightening up of the system is warranted?

The Hon. FRANK WALSH: I agree entirely with the honourable member that this is not something new. In fact, it has been handed down and down until at last it is in the lap of the present Government. Without wishing to reflect upon the honourable member or on other members of his profession, I point out that much money has been made, as a result of the system, from people who have broken the law and have had to be defended. I have already indicated to the House the Government's intention regarding the use of the *alpha-numero* system, and I assure honourable members that we are giving attention to the matter. Recent publicity in the South Australian press criticizing our registration system and alleging loopholes to enable thieves from other States to register stolen vehicles with ease in South Australia results from an article by Geoffrey Clancy in the *Sunday Mail* of September 10, 1966. As in this press report, many people assume, incorrectly, that an inspection of the engine number is the one means of preventing registration of stolen vehicles. In any State, thieves adopt various means of defeating the legal requirements of registration, and we have no material evidence to suggest that the registration in South Australia of stolen vehicles from other States is very prevalent.

During the period July 1, 1965, to June 30, 1966, 1,453 vehicles were reported stolen in this State, and 43 have not been recovered. In New South Wales, for the same period, 12,720 vehicles were reported stolen and 795 were not recovered. In Victoria, during the same period, 8,547 vehicles were reported stolen and 323 were not recovered. I do not know what Mr. Rylah (whose name has been mentioned) does about this. However, I do not wish to criticize him in this respect. Conversely, there are means by which a thief can steal a vehicle and register it in another State. It is very difficult for any authority to eliminate so-called loopholes without abnormal expense, inconvenience and delay to the general public.

The Registrar expressed a willingness to assist and support any reasonable scheme which would not cause undue embarrassment or inconvenience to the law-abiding members of the motoring public. There are three types of registration to be considered, namely, new registrations (new vehicles), new registrations of interstate or oversea vehicles,

and new registrations of secondhand vehicles. However, in view of the importance of offering all protection possible in the interests particularly of the motoring public, Cabinet is considering a further report from the Registrar that indicates that the *alpha-numero* system should operate as from January 2, 1967. With the introduction of this system and a simultaneous proposal to retain the number on the vehicle, we are examining a proposal that will provide at a minimum cost an added safeguard against the registration of stolen vehicles. The report also provides that all renewals will be allotted an *alpha-numero* number as they become due. This will mean the small cost of a new plate. This system of *alpha-numero* numbers, combined with these other proposals, will assist to make the South Australian form of registration as protective as possible.

In addition, I have requested the Registrar to make a complete examination of certain other associated matters, bearing in mind the need to introduce the *alpha-numero* system as soon as possible. I am not suggesting that it is the complete answer but, with the other provisions foreshadowed, I think the situation will be improved. Between 20 and 30 used vehicles are registered each day and we are seeking an arrangement whereby the Police Department will be able to help overcome some of the problems. It is not much good having a statement from a person that he lives in a particular State if it is possible that he has made a false declaration. If a person set out to break the law, he would be assisted by the publicity given to this matter. This publicity is not in the interests of the motoring public, this State or any other State.

SHARKS.

Mr. BROOMHILL: It has been reported that over the last two or three days many sharks have been caught with the aid of a special type of net within a quarter of a mile of the beach at Henley and Grange. I consider that the fishermen concerned are performing a worthwhile duty. One of the fishermen said that in the Eastern States the Government provided a grant to fishermen who used these nets. Can the Minister of Agriculture say whether grants are paid in other States, and, if they are, will he consider providing a similar grant to fishermen using these nets in this State?

The Hon. G. A. BYWATERS: I saw a report in newspapers, and also on the television news last night concerning the catch

by the fishermen. It was stated that several of the sharks were not dangerous, but the fishermen should be commended because they could be removing a menace from the beaches. I have no knowledge of whether any fund is available to assist these fishermen, but I shall find out and, if there is not, I shall consider what can be done.

PADTHAWAY-KEITH ROAD.

Mr. RODDA: Has the Minister of Lands a reply from the Minister of Roads to my recent question about the Padthaway-Keith road?

The Hon. J. D. CORCORAN: The Minister of Roads reports that arrangements are in hand for the erection of signs at the recently constructed parking bays on the Keith-Naracoorte district road, and should be completed soon. Investigations will be carried out at the parking bay at the 196 mile post to ascertain if visibility can be improved without the removal of trees. If this is not possible, only the absolute minimum number will be removed.

SCHOOL BUSES.

Mrs. BYRNE: Can the Minister of Education say what is the Education Department's policy with regard to school bus services, and whether it has been altered by the present Government?

The Hon. R. R. LOVEDAY: I thank the honourable member for giving me notice of this question, the answer to which is as follows: To administer the Education Department's policy in relation to school bus services, the previous Government some years ago established a Transport Contract Committee to consider and recommend to the Minister on all these matters. This consideration by four senior departmental officers provides a joint decision and ensures application of a common policy. The following types of services are provided:

- (1) Fully paid services operated by private contractors.
- (2) Fully paid services operated by departmental buses, usually teacher driven.
- (3) Subsidized services operated by parents with departmental financial contribution.

The department is prepared to consider a fully-paid service where not less than 10 children travel at least three miles from their homes or existing bus service to the school, provided the majority have to travel more than five miles. The measured distances are to be from home to school by the nearest practicable route.

Where there is no satisfactory response to a call for tenders, the department may provide a State-owned vehicle, provided there are satisfactory servicing facilities and the services of a suitable driver, acceptable to the parents and the department, are available.

The policy of subsidizing bus services to schools was established to enable assistance to be given to the parents of children where the numbers eligible for transport were less than the 10 required for a fully-paid service. Because it is considered that a group of seven children is a minimum number for organized transport using a special vehicle, the department is prepared to subsidize a service where at least seven children have to travel not less than three miles from their homes to school or existing bus service to a school, provided the majority are required to travel more than five miles. The service is operated by the parents of children travelling, the department's responsibility being payment of the approved amount each calendar month. Each application for an extension of a school bus route is investigated by the Transport Officer who makes a recommendation to the Transport Contract Committee. Children attending independent schools may travel under the same conditions as those attending departmental schools. If, however, they wish to pass a departmental school *en route* to the private school, this is only permitted provided no additional cost is involved.

Irrespective of age, children residing within three miles of a school have no entitlement to provision of transport, but are granted permission provided accommodation is available. Where handicapped children attending special schools for handicapped children are not able to travel by public transport and hardship for parents to transport their children to school is proven, the Education Department organizes taxi services as economically as possible to convey the children to school. The Education Department pays two-thirds of the total cost of such services and the parents of the children pay one-third. These policies have not been altered by the present Government, and there have been no reductions in the general services provided. The Budget Estimate for 1966-67 for "Buses—Conveyance of Children" is \$1,285,000, an increase of \$41,953.

GRASSHOPPERS.

Mr. BOCKELBERG: Last week I introduced to the Minister of Agriculture a deputation concerning grasshoppers on the Far West Coast. Can the Minister now add anything to what he then told the deputation?

The Hon. G. A. BYWATERS: True, the honourable member introduced a deputation from Eyre Peninsula, accompanied by the honourable member for Ridley, about the grasshopper problem, and I sympathized with them in their problem. Prior to the deputation when I heard about this matter, I arranged immediately for the entomologist from my department to visit Ceduna. At short notice he met many people at a meeting at which 68 landowners attended, indicating their concern with this problem. At the deputation I was told of their suggestions, one of which was to provide the department with the exact location of the grasshoppers where they were at the hopper or crawler stage, so that we would know how to proceed. I expected to receive this information this morning as a plane from Ceduna arrives in Adelaide Monday afternoon, but as yet I have not received it. When I do, I shall consider it further and inform the honourable member what can be done.

RACING BOYCOTT.

Mr. CASEY: I noticed in the weekend newspapers that a recently formed organization, the S.A. Racegoers Association, picketed the Port Adelaide Racing Club's meeting last Saturday, and it was claimed that, because of its activities, attendances were down and that there was therefore a decrease in betting turnover. Has the Premier information on the total betting turnover at this meeting and can he say how it compares with the turnover at a similar meeting held by the P.A.R.C. in July?

The Hon. FRANK WALSH: Because of views that have been expressed I obtained information today that at the July meeting bookmakers held \$560,211, whilst at last Saturday's meeting they held \$585,378. Press reports that bookmakers were dealing in peanuts were certainly wrong: in July, \$45,480 was invested on the totalizator, compared with \$46,291 at last Saturday's meeting.

STOCKWELL MAIN.

The Hon. B. H. TEUSNER: Has the Premier, in the absence of the Minister of Works, a reply to the question I recently asked regarding a water supply for landowners through whose land the proposed Swan Reach to Stockwell main would pass, and the method of rating to be adopted?

The Hon. FRANK WALSH: The Director and Engineer-in-Chief reports that when the Swan Reach to Stockwell main is laid and can provide a constant supply, services will be granted to adjacent landowners. At this stage, the conditions under which the supply

will be granted and the scale of charges, have not been determined, but this will be done well before the main is completed.

CHOWILLA DAM.

Mr. FREEBAIRN: During the Royal Show adjournment I spent two or three days inspecting the Chowilla dam site and the area that will be submerged when the dam becomes a reality. Having also spent some time at Mildura, meeting local residents there, I became aware of a widespread misunderstanding about the dam's role as a floodwater catchment. There seems to be a general misunderstanding that the dam will cause increased salinity in the reaches above the lock at Wentworth. Because of this misunderstanding, can the Minister of Irrigation say whether his department is taking steps to correct such bad publicity, and will he send an engineer to Mildura to outline the real situation publicly?

The Hon. J. D. CORCORAN: Only last Thursday week (September 1) I went to the Premier's office where, with the Engineer-in-Chief and his assistant, we conferred on the matter with a representative of the Mildura press (I think it was Mr. McCarthy). At that meeting, much information was conveyed to that representative about the dam's likely effects, particularly on the Mildura area. We are aware of the concern that has been expressed about this matter. The representative was also told about the general effects of the dam when completed, and arrangements were made so that new developments would be conveyed to him, including any films of the work that might be taken, and so that, in turn, local residents would be apprised of such developments or of new ideas that might be forthcoming. Although I doubt whether it will be necessary at this stage to send an engineer to the district to make public statements, I shall consider the suggestion. Further, I have received correspondence from residents in the Mildura area and have replied, where possible.

FARE INCREASES.

Mr. COUMBE: In view of the Premier's recent announcement that train and bus fares may rise, can the Premier say when such increases are likely to occur and when details of those increases will be announced?

The Hon. FRANK WALSH: Although I cannot give exact details at this stage, an examination of the matter, including many and varied items at the Government's request,

is being undertaken by the Municipal Tramways Trust. Further information has to be obtained, but a positive announcement will be made as soon as possible.

UNIVERSITY STUDENTS.

The Hon. Sir THOMAS PLAYFORD: Following an incident that recently occurred when the flag of a great and friendly country was publicly set alight in Victoria Square, can the Premier say whether any steps have been taken to dissociate the South Australian Government from that action or, alternatively, whether steps have been taken to communicate with the University of Adelaide?

The Hon. FRANK WALSH: I have not taken up the matter with the university, and have not yet been able to contact the American Consul. However, I am informed that apologies have been offered as a result of the incident, as well as a declaration that the people concerned were not taking part in any subversive activities against the United States. It is not my responsibility to lay down conditions within the university, and it would be a big task to control the people responsible for such incidents. All the university's students cannot be blamed for the many public incidents that occur. Such incidents certainly do not coincide with my ideas, nor, I am sure, with those of the member for Gumeracha. If we are to ascertain who is responsible for the incident, and to ascertain also whether the university intends to retain the students concerned—

The Hon. B. H. Teusner: Some of them shouldn't be there!

The Hon. FRANK WALSH: I am not responsible for their being there. However, the Government is finding it difficult to finance all the university's purposes, and I make no secret of the fact that some activities at the university are not in the best interests either of the community or of the university itself. My information discloses that some university tutors are not altogether acting as intelligently as they should, which is possibly best illustrated by recent activities on Montacute Road. Am I, on behalf of the people of this State, to make representations to the university? Or are we to introduce legislation to ensure that students who do not abide by the stipulated conditions be no longer enrolled at the university? If members want that, then let us be told. My information, however, discloses that in this incident there was no reflection on our American friends or on their flag.

Mr. SHANNON: The Premier referred to certain unhappy events involving some university students that have taken place from time to time. Can he say whether there is any variation in the standards that apply for continuing in the various faculties? In other words, is it simpler for students in certain faculties to remain at the university than it is for students in other faculties? For instance, in the faculties of law and medicine, in which the standard is high, if a student does not make the grade he is out. However, that principle does not apply throughout the various faculties. It seems to me that there may be some students towards the cost of whose education the Government contributes and who remain in the university on courses that are not as hard as other courses. Can the Premier say whether the same standard applies in all faculties?

The Hon. FRANK WALSH: I shall endeavour to obtain the necessary information and supply it to the honourable member.

Mr. MILLHOUSE: Some time ago I asked the Minister of Education a question about whether the setting up of a joint organization by the University of Adelaide and the Flinders university in respect of entry implied that there was a likelihood of quotas being imposed in various faculties. I understand the Minister now has a reply to this question.

The Hon. R. R. LOVEDAY: I referred the honourable member's question to the Vice-Chancellor of the University of Adelaide (Sir Henry Basten) and the Vice-Chancellor of Flinders university (Professor Karmel), from whom I have received a joint report, as follows:

It is correct that the University of Adelaide has reached agreement with the Flinders university on the setting up of a joint admissions office to receive and process applications for admissions to both universities in 1967. A joint admissions office is needed in order to give students the opportunity to express their preferences and to enable the universities to make arrangements expeditiously for enrolment. The joint admissions office is not in any way concerned with determining quotas. Neither the University of Adelaide nor the Flinders University of South Australia can say whether or not it will be necessary to impose restrictions on the entry of qualified students into their faculties and schools until they know what finance will be provided for their support in the triennium 1967-69.

Mr. MILLHOUSE: As it is now September 13 and the time for entry to the two universities is getting closer, can the Minister say when the universities will have this

information and details of how much money they will have so that they can make up their minds on this important matter?

The Hon. R. R. LOVEDAY: I have been informed by the Commonwealth Minister in charge of education (Senator Gorton) that a statement will be made late this month or early in October about the amount that the Commonwealth Government will provide for this triennium.

RESERVOIRS.

Mr. BROOMHILL: Can the Premier indicate the present holdings of metropolitan reservoirs and say whether or not any decision has been made about pumping water from the Murray River?

The Hon. FRANK WALSH: Reservoirs supplying Adelaide and the metropolitan area are at present holding a total of 15,744,000,000 gallons, which is slightly less than the holding of 15,813,000,000 gallons at the same time last year. The total capacity of the reservoirs is 24,000,000,000 gallons. In view of the fact that there has been no appreciable natural intake into the reservoirs over the last three weeks, it has been decided to recommence pumping operations on the Mannum-Adelaide main during off-peak hours as from Wednesday night, September 14. It is intended to use four pumps which will deliver a total of 307,000,000 gallons a week, and the position will be reviewed frequently to determine whether any alteration in the pumping rate is necessary.

ROAD MAINTENANCE (CONTRIBUTION) ACT.

Mr. NANKIVELL: On August 18 I asked the Minister of Lands, representing the Minister of Roads, a question about the Road Maintenance (Contribution) Act. Also, I asked whether he would obtain a break-up of the allocations to the various councils in the districts that come under the departmental districts of South-East and Eastern. Has he that information?

The Hon. J. D. CORCORAN: My colleague reports that, as stated in an answer to a previous question, specific allocations to councils have never been made direct from the Road Maintenance Contribution Account. The department allocates the contributions to the various districts based on their road needs, bearing in mind the mileages of interstate highways, the traffic volumes, land development and the population. The collections

received under this Act are taken into consideration when determining the overall allocation of funds for road and bridge works, including grants to councils. As there does not appear to be any reference in my report to allocations to the two districts to which the honourable member refers, I shall obtain some further information for him.

LYNDOCH PRIMARY SCHOOL.

Mrs. BYRNE: Has the Minister of Education a reply to my question of August 9 about loam for the oval at the Lyndoch Primary School?

The Hon. R. R. LOVEDAY: The Director of the Public Buildings Department states:

The work required under the contract for the formation of an oval was carried out as designed. The top 4in. of soil over the whole area was firstly taken off and stockpiled, and after completion of the grading of the base, the soil was replaced to a depth of 4in. A recent inspection of the oval revealed that, except in areas in front of the goal posts which have had intensive wear, the oval was covered completely with grasses and weeds. This growth will increase considerably with the approach of the warmer weather. The soil therefore does support plant life and with proper cultivation and watering the oval will continue to produce a suitable grass cover, comparable with that at other schools where an oval has been formed in this manner. With reference to the supply of an additional 2in. of top-soil, it is agreed that this would lead to a superior turfed surface. However, it has not been policy to provide additional soil or sand unless the grounds, after ground formation had taken place, were so bad that grasses would not grow to a reasonable standard. The fact that the oval is now grass-covered would indicate that extra top-soil is not needed to attain the normal standard provided.

I point out that the present enrolment of the Lyndoch school is only 76. If this school oval were to receive special treatment, the decision would lead to requests from other schools, with greatly increased demands on our funds. I regret, therefore, that I cannot agree to the honourable member's request in this instance.

MURRAY RIVER SALINITY.

Mr. CURREN: Last week's issue of the *Murray Pioneer*, which circulates in my district, reported that a joint statement prepared by a very representative group of primary-producer organizations and interests in the Mildura district had been forwarded to the Prime Minister and to the Premiers of New South Wales, Victoria and South Australia concerning the danger to the prosperity of the Murray Valley as a result of the increase in salinity of the Murray River. Has the

Premier received that statement? If he has, can he say what action the Government proposes to take regarding it?

The Hon. FRANK WALSH: I did receive some communication on this matter, and I have forwarded it to the Director and Engineer-in-Chief, who I understand is our best authority on the subject. When a reply is received I shall be pleased to give it to the honourable member.

Mr. CURREN: It was brought to my notice last week that proposals for the draining of two areas in Victoria, namely, the Kerang flats and the Shepparton irrigation area, were being considered. In each case it is intended to discharge drainage water into the Murray River or one of its tributaries. In view of the already dangerous level of salinity in the Murray River will the Premier, in the absence of the Minister of Works, say whether the Government will have these proposals investigated to find out whether such action is permissible under the River Murray Waters Agreement?

The Hon. FRANK WALSH: I shall make every endeavour to obtain the necessary information.

RAIL STANDARDIZATION.

Mr. McKEE: Has the Premier obtained from the Minister of Transport a report on the standardization of the railway line between Adelaide and Port Pirie?

The Hon. FRANK WALSH: Recent discussions have taken place with the Commonwealth Commissioner, and following the supply of further additional information which he sought about this system it is expected that he will be submitting his report to the Minister for Shipping and Transport soon.

EGGS.

The Hon. Sir THOMAS PLAYFORD: Some time ago I asked the Minister of Agriculture whether there had been an increase in the production of eggs and whether it was now possible to reduce the hen tax. Has the Minister that information?

The Hon. G. A. BYWATERS: I do not recall anything about reducing the hen tax: the question I have relates to information on egg production in this State. As a result of investigations, the following points are listed. Chicken sales in 1965 were lower than in the previous four years. These are the birds that are influencing production for this year. Recorded hen handlings by the South Australian Egg Board for this year should show a very big increase due to the establishment

of the Council of Egg Marketing Authorities' plan and consequent reduction in interstate movement of eggs. The actual production of eggs should not show any appreciable increase.

It appears that there will be a slight increase in sales of chickens for the year 1966. However, it is early in the season to make an accurate assessment, and a more accurate answer could be supplied by November-December. These results will show up in slightly increased egg production in 1967. The work of the Commonwealth Bureau of Census and Statistics (South Australia) in publishing annual and monthly figures on chicken hatchings and poultry slaughterings will greatly assist in future assessments. They are of limited value at the moment because they cover only the last 12 months. The majority of the development in the poultry industry has occurred in the field of broiler production. Should this phase of poultry production be disrupted and these producers move into the field of egg production, the equilibrium of this production will be quickly upset. It is important that the broiler growers be assisted through the present problem period. The increased chicken sales indicate the acceptance of the C.E.M.A. plan and the improved stability of the industry.

Recently I have approved of an advisory committee of representatives of all sections of the poultry industry meeting departmental officers and me to discuss the various problems in the poultry industry affecting egg production and also the broiler industry. This has been well received by the people associated with poultry, and we will soon meet as a committee to discuss the various problems and to see whether we can keep a constant watch on the situation, both as it affects egg production and broiler chicken raising. I trust that this method will have the desired effect of establishing closer co-operation between the department, the industry and me.

Mr. FREEBAIRN: I understood the Minister to say that broiler production would show a down-turn. Can he ascertain what this down-turn will be?

The Hon. G. A. BYWATERS: I did not say that there would be a down-turn in broiler production. I was reading from a report by the Senior Poultry Adviser, who said that if there was a down-turn it could mean a change from broiler production to egg production, which could change the situation. I think this was more a note of warning than anything else.

My information is that it is likely there will be a stepping up in broiler production rather than a down-turn, and that there is a good future market for the broiler chicken industry. I hope that is so, because we have not reached anywhere near the consumption of poultry per capita that America has reached. It seems that this industry has a good future, provided it is regulated correctly and that proper co-ordination exists. This is one reason why I have agreed to be associated with a consultative committee to discuss various aspects of the industry, including marketing, so that should a problem arise we can quickly arrive at a solution. I consider that the people associated with the poultry industry are most anxious to co-operate and to see that their industry is placed on a firm footing. This is shown by their decision to pay the cost of sending Mr. Bray, an officer of my department, to the conference that is being held at Kiev, in Russia, at the moment. This in itself is evidence of their enthusiasm to see that their industry prospers.

Mr. FREEBAIRN: Has the Minister of Agriculture a reply to my recent question about charges made by the South Australian Egg Board for two classifications of eggs?

The Hon. G. A. BYWATERS: When asking his question, the honourable member referred to an article in the *Red Comb Poultry Journal*. I have received the following reply from the Egg Board:

The article referred to is not a leading article, but are the views expressed by "Cross-bred" under the heading of "Odd Pecks". The President of the Red Comb Egg Association Incorporated has given the board authority to state that these views are not necessarily those of the Red Comb Association, and in general Red Comb supports the action of the South Australian Egg Board. The policy of the board is to maintain a full supply of eggs to all sections of the retail trade. Estimates were prepared based on availability and previous experience with a view to storing standard grade eggs against a possible winter shortage. Receipts on the grading floors during the months of February to June increased by as much as 50 per cent, and sales were consistently up 5 per cent on the corresponding period of last year. Basing our estimates on this knowledge and the level of sales of all grades during the winter of 1965 when all inquiries were fully met, the board was of the opinion that sufficient stocks of standards would be available for the reasonable requirements of the trade this year. Despite a heavy demand for standard grade eggs, stocks of standard eggs held in store were not exhausted until late June.

When the level of sales by grading agents fell to the average weekly sales of the period November to February the instruction was

given to grading agents stopping the sale of standard eggs to producer agents. The November-February period is a time when regular buyers are able to obtain a full supply of any grade without inter-floor transfers being necessary. At the time of stopping sales of standards to producer agents a further instruction was given to grading agents to relate sales of eggs in short supply to purchases made in the November-February period, thus ensuring an equitable supply to regular buyers on each floor. Producer agents are granted selling permits to make sales of their own production with the responsibility to maintain a full supply throughout the year to the retailers to whom they sell eggs. The producer agent would have a percentage of standard eggs available to him from his own production and many possibly a higher percentage than the grading agents due to the fact that the larger eggs are directed to hatcheries and grading agents' floors at this time of the year.

It is not the policy of the board to give an advantage to the larger chain stores, either as discounts or in the way of supply. When eggs are in short supply they receive the same percentage quota as other buyers. The only instance contrary to this policy, which came to the board's notice, were sales made by Red Comb to a branch of a major chain store which had not previously purchased standard eggs from that floor. Red Comb makes few direct sales to stores at any time. The principal sales are made to semi-wholesalers, who distribute to the smaller grocers and delicatessens throughout the metropolitan area from Noarlunga to Elizabeth.

The Manager of Red Comb was requested to make available to the board a list of producer agents who had purchased eggs since last November. Three producers were named as regular buyers. One was not a producer agent. The second, on his monthly returns to the board, showed no purchases from November to June inclusive, and the third records having purchased eggs only in the months of May and June. Thus there was no apparent disability to producer agents and the retailers supplied by them. Grading agents distribute eggs not only in the metropolitan area, but also throughout the State, and when in short supply have available to them those eggs which are graded out on their own floors. The result of investigations made in this matter reveals that an equitable distribution of standards is being made by each floor according to the eggs available to them. Unfortunately, the writer of the article has been misinformed and ill-advised by one who has a limited knowledge of the overall position and yet is closely associated with the industry.

PROSPECT SCHOOL.

Mr. CUMBE: Since 1963 I have been in communication with the Minister of Education and his predecessor regarding the provision of a shelter shed for the Prospect Practising School, which is a fairly large school at Braund Road, Prospect. Work has not yet started, although permission has been granted

for this structure to be built when funds are available. Can the Minister of Education say when this project will be carried out?

The Hon. R. R. LOVEDAY: I shall obtain the information for the honourable member.

CALVES.

Mr. RODDA: Has the Minister of Agriculture a reply to the question I asked a fortnight ago concerning the weights of calves slaughtered at the Yahl abattoirs?

The Hon. G. A. BYWATERS: The Director of Agriculture reports:

We have been unable to secure any factual information on these particular animals which could be quoted. However, the following points are worth considering in complaints of this type:

1. It is more likely from our experience that the farmer's scales would be inaccurate due to exposure to the elements and the usual absence of any regular checking.
2. The live weights of any group of calves averaging 175 lb. would be expected to vary widely; for example, from 120 to 220 lb. or more.
3. There is some suggestion that the three calves sent to Borthwick's may have been the "tail" of the group.
4. The dressed weight would vary widely, depending on the breed of calf, the period between live weighing and slaughter, and the condition of the calves.

In the absence of any information on these points, no worthwhile opinion on the merits of the case can be offered. I understand that the Director of Lands has arranged for a check to be made of Borthwick's scales.

FLINDERS UNIVERSITY.

Mr. NANKIVELL: On July 21 I asked the Minister of Education a question about the establishment of a medical school at the Flinders university. Although I have not received a reply, I understand from discussions I have had with the Minister that the site purchased by the previous Government and additional land purchased by this Government have not proved satisfactory, and the Mines Department has reported that it is not suitable for a building of more than one storey. The Minister has suggested that an alternative site may be sought. Can he confirm the statement I have just made and say whether an alternative site has been arranged with the Flinders university council?

The Hon. R. R. LOVEDAY: Some time ago, at the instance of Cabinet, the Minister of Health and I, accompanied by Dr. Rollison, Professor Karmel and others, inspected what is known as Laffer's land with a view to making arrangements for its development. Almost

immediately afterwards we received a report from the Mines Department that a fault line passed through the middle of the land and parallel with South Road, and that the land was unsuitable for buildings of more than one storey. Consequently, immediate steps were taken to find other suitable land as near as possible to the site. Negotiations are proceeding well and should be concluded soon. Beyond that, I do not wish to make any statement concerning the details.

RESEARCH LABORATORIES.

Mr. HALL: On July 14 I asked a question of the Premier concerning the establishment of mineral research laboratories in Melbourne. Has he a reply?

The Hon. FRANK WALSH: A letter was written to the Chief General Manager of the Broken Hill Proprietary Company Limited (Sir Ian McLennan) setting out the honourable member's question, and Sir Ian replied, as follows:

I find it very difficult to envisage that our proposal for a central research laboratory in Melbourne could have any effect on AMDEL other than good. I think you know that our company already has an extensive central research laboratory near Newcastle and our conception of the Melbourne development is that it will co-ordinate the various research activities of our company (including the work that AMDEL does for us) and that it would be more oriented towards fundamental and long-term work and less towards day-by-day problems than other laboratories in or near our works. Furthermore, a high proportion of its activities would be oriented towards the properties of steel, the uses of steel and new types of steel, none of which subjects AMDEL is set up to handle. I can readily envisage the possibility, however, that our new research laboratories would turn up problems which we would want to place before AMDEL for further investigation.

It should also be mentioned that the B.H.P. Company has been a strong supporter of AMDEL since its inception, and Sir Ian McLennan himself has been particularly helpful and active on behalf of AMDEL. He has been Chairman of AMDEL Council since its inception, and has personally contributed a great deal to the success it has enjoyed.

CAVES VALLEY DRAIN.

Mr. RODDA: Has the Minister of Lands a reply to the question I asked recently about the Caves Valley drain?

The Hon. J. D. CORCORAN: In 1957 the Caves Valley drains were placed under the control of the South-Eastern Drainage Board. Since then the drains have been treated with residual and hormone type weedicides twice

each year. Unfortunately, the Caves Road drain is subject to a heavy growth of watercress and rushes which are difficult to control. The watercress is fast-growing and tends to restrict the flow in the drain. The drainage system was sprayed with chemicals just prior to this winter and again in August last. At this stage the drains were considered to be in a reasonable condition. It has also been necessary from time to time to remove rubbish dumped in the drains in the built-up areas. Arrangements have been made for the drains to be inspected towards the end of October next, and any work found necessary will receive attention. The Memorial Oval was originally a swamp and the area is subject to natural flooding from the elevated land immediately to the west. There has been very little flooding of the oval this season and at the moment the area is practically dry.

ROAD SIGNS.

Mr. McANANEY: Has the Minister of Lands received a reply from the Minister of Roads to my recent question about the uniformity of roadwork signs?

The Hon. J. D. CORCORAN: The Minister of Roads reports that the department endeavours, in all cases, to protect the travelling public by the provision of adequate signs and/or lights to warn of, and delineate, hazards. Lighting and signing are carried out in accordance with the S.A.A. Road Signs Code. Councils are also actively encouraged to use the same system on their works. No knowledge is held of the instances mentioned by the member for Stirling, but it is inevitable that, no matter how hard the department tries, occasions do occur where the use of signs is not up to standard.

CADELL IRRIGATION AREA.

Mr. FREEBAIRN: Has the Minister of Irrigation a reply to the question I asked on August 30 about the condition of the suction main at the Cadell pumphouse?

The Hon. J. D. CORCORAN: The suction main has deteriorated due to age, and over the past two or three years it has been necessary to make some repairs. However, the main is not in danger of collapse and is expected to give satisfactory service during the current irrigation season.

COMMISSIONERS OF CHARITABLE FUNDS.

Mr. MILLHOUSE: Earlier this afternoon, the Auditor-General's Report was tabled, and I notice, amongst a number of other matters

referred to by the Auditor-General, one under the heading of "Commissioners of Charitable Funds" on page 3 of the report. The Auditor-General draws attention, as he has in past years, to the fact that large sums held by the Commissioners are not being disbursed, and he concludes by saying:

Because of the above, I do not consider that the Commissioners are carrying out the intentions of the Act.

Can the Premier say what action, if any, the Government intends to take to rectify this situation on which the Auditor-General has often commented?

The Hon. FRANK WALSH: The Government has been paying attention to this matter. I shall obtain a further report and bring it down as soon as possible.

BANK HOLIDAY.

Mr. HALL: Has the Premier a reply to my question about bank officers' holidays over the Christmas period?

The Hon. FRANK WALSH: The Bank Officials Association applied for Tuesday, December 27, to be proclaimed a special bank holiday. This would close banks on Saturday, December 24, Monday, December 26 (in lieu of Christmas Day on the Sunday), Tuesday, December 27, and Wednesday, December 28. The Retail Storekeepers Association and the Retail Traders Association opposed the application. In 1960, Tuesday, December 27, was proclaimed a special bank holiday, but the retail associations were not consulted. In 1964, the Bank Officials Association requested an additional bank holiday on Tuesday, December 29, to give them the following: Friday, December 25, Saturday (26), Sunday (27), Monday (28), and Tuesday (29). The Retail Storekeepers and the Retail Traders Association objected, and the Government disallowed the request. In 1963, Thursday, December 26, was proclaimed a bank holiday, giving bank officials an extra day.

As I think I said on another occasion, Cabinet was not prepared to make Tuesday, December 27, a special holiday; it would mean a special bank officers' holiday. We are not prepared to make that day available as a holiday for bank officers, bearing in mind the opposition to this move from other associations. Certain holidays are gazetted each year, including Proclamation Day on December 28, which does not coincide with a holiday in the other States. December 25 and December 26 (known as Boxing Day) are recognized holidays in other States of the Commonwealth. However, because of a holiday in this State

occurring on December 28, it would mean proclaiming an extra holiday and, in the interests of the public generally, I think facilities should be available to the public on December 27. Accordingly, the Government does not intend to grant December 27 as a holiday.

GOODWOOD ROAD.

Mr. MILLHOUSE: I have a question of the Minister representing the Minister of Roads, if he can spare a moment. I have often raised in this House the condition of Goodwood Road, which divides the District of Mitcham from that of Edwardstown, and I think the Premier would support me on this occasion in what I intend to say. Nothing has been done yet to improve and reinstate Goodwood Road, and I have recently received a short letter from a constituent, who states:

I would be pleased to know whether you are able to give an indication of the likely starting time for the proposed reconstruction of Goodwood Road, Colonel Light Gardens. The existing conditions in the vicinity are disgraceful.

With that expression of opinion I respectfully agree. Will the Minister of Lands therefore obtain from his colleague the information sought by my constituent? I express the hope that the work will be done soon.

The Hon. J. D. CORCORAN: I am always happy to spare the honourable member a moment. In fact, it would take me only a moment to do what I should like to do with the honourable member sometimes. I shall be happy to obtain the information for the honourable member.

GLENELG SUNSHINE CLUB.

Mr. HALL: Has the Premier a reply to my recent question about the Glenelg Sunshine Club?

The Hon. FRANK WALSH: On the recommendation of the Advisory Committee, Charitable Purposes Act, 1939-1947, the licence held by the Glenelg Sunshine Club has been renewed for the year ending June 30, 1967.

FLUORIDATION.

Mr. HALL (on notice):

1. Is it the intention of the Government to fluoridate water supplies in this State?

2. Will the Government fluoridate water supplies in selected country areas, if so requested by the relevant local government bodies?

The Hon. FRANK WALSH: The answer to each question is "No".

TRUST FUND ACCOUNTS.

Mr. MILLHOUSE (on notice):

1. What trust fund accounts are being held by the Treasurer?
2. What amounts were held in each of these accounts on February 28, 1965?
3. What funds are held by the Treasurer to cover the liability on these accounts?
4. What funds were held to cover this liability on February 28, 1965?

The Hon. FRANK WALSH: The replies are:

1. and 2. A table is attached showing the balances in trust accounts at February 28, 1965, and June 30, 1966.

3. At June 30, 1966, the Treasurer held \$18,818,000 in bank balances including fixed deposits, and there were various minor advances and items in suspense held by departments amounting to \$427,000, making a total of \$19,245,000. The amount of trust funds at June 30, 1966, was \$12,984,000, and amounts held in deposit and suspense accounts totalled \$14,338,000, making \$27,322,000 in all. The difference between this \$27,322,000 and \$19,245,000, the total funds held, was \$8,077,000, which has been used by the Treasurer at June 30, 1966, to finance the accumulated deficits of \$5,612,000 on Revenue Account and \$2,465,000 on Loan Account.

4. At February 28, 1965, the Treasurer held \$32,148,000 in bank balances, including fixed deposits, and \$310,000 in various minor advances and items in suspense held by departments, making a total of \$32,458,000. The amounts of trust funds and deposit and suspense accounts were \$12,062,000 and \$17,280,000 respectively, making \$29,342,000 in all. The difference between this \$29,342,000 and \$32,458,000, the total funds held, was \$3,116,000, which was made up, at that time, of a surplus on Loan Account of \$4,532,000, less an accumulated deficit on Revenue Account of \$1,416,000. I would remind the honourable member that in the debate on the Public Purposes Loan Bill (see *Hansard*, page 1255), I pointed out that the previous Government used trust funds and deposit accounts quite extensively in 1958 and 1959 to finance temporary net deficits on Revenue and Loan Accounts. The extent of such use of trust funds and deposit accounts was:

At June 30, 1958 . . . \$1,240,000

At June 30, 1959 . . . \$2,672,000

As there are about 60 items in section A of the trust fund accounts and a further summary of items in section B, I ask leave to have these figures inserted in *Hansard* without my reading them.

Leave granted.

TRUST FUNDS ACCOUNTS.

Balances on February 28, 1965, and June 30, 1966.

Section A.

The balances listed below represent amounts held by the Treasurer on behalf of various bodies and upon which interest is paid:

	At Feb. 28, 1965.	At June 30, 1966.
	\$	\$
Advances for Homes—Contribution by applicants for advances	—	1
Anzac Highways Garden Fund	1,480	2,002
Betting Control Board—Bookmakers' deposits	31,800	21,800
Cattle Compensation Fund	251,038	275,182
Commissioners of Charitable Funds	760,426	1,127,540
Commissioners of Charitable Funds—Account	—	1,791
Department of Dentistry	2,628	—
Crippled Children's Association of South Australia Incorporated	60,394	4,881
Curator of Prisons' Estates	5,690	697
Dairy Produce Board	4,716	5,961
Daniel Livingston Scholarship	3,050	3,147
Department of Aboriginal Affairs	75,260	52,306
Department of Social Welfare—Orders for maintenance	34,154	33,480
Dried Fruits Board	10,294	12,682
Education Department:		
Scholarship and prizes	16,398	23,697
School Fund Trust Account	2,182	156
Electricity Trust of South Australia	1,245,798	1,117,315
Fire Brigades Board—Current Account	410,714	389,098
Garden Suburb Fund	38,542	6,869
Legacy Club	220,840	125,584
Lyrup Village Association	15,302	22,439

	At Feb. 28, 1965.	At June 30, 1966.
	\$	\$
Magill Home Inmates' Moneys	49,736	53,529
Mothers and Babies' Health Association Incorporated . .	32,760	36,266
Municipal Tramways Trust	550,000	550,000
National Tuberculosis and Chest Association Incorporated	8,426	5,072
Paraplegic Association of South Australia Incorporated	6,000	6,589
Phylloxera Fund	134	815
Police Pensions Fund	212,124	199,769
Returned Sailors and Soldiers:		
Anzac Remembrance Appeal	—	143,034
Poppy Day Fund	19,800	21,322
Poppy Day Fund No. 2	46,858	21,113
Returned Soldiers and Sailors and Airmen's League Trust Account	38,312	50,474
Services Cemeteries Trust	9,076	3,813
Royal Adelaide Hospital Endowment Fund	672,174	741,071
Rural Youth Contributions Fund	2,124	2,272
Sailors and Soldiers' Distress Fund	151,520	129,289
Silicosis Compensation Fund	7,630	42,430
South Australian Housing Trust Fund	1,219,698	1,221,370
South Australian Superannuation Fund	506,562	680,461
South Australian Tuberculosis Association Incorporated	8,248	769
South Australian Women's Memorial Playing Field Fund	1,640	—
State Bank Reserve Fund	114,204	116,337
State Children's Own Moneys	14,246	17,013
State War Council	1,736	1,765
Swine Compensation Fund	277,466	304,060
The A.I.F. Cemetery Trust Incorporated	1,966	1,154
The Art Gallery Board—Bequests Account	18,560	20,601
The Institute of Medical and Veterinary Science	58,264	93,963
The Libraries Board of South Australia—Bequests Account	9,388	4,167
The Museum Board—Bequests Account	9,234	13,291
The Parliamentary Superannuation Fund	21,846	13,010
The War Veterans' Home, Myrtle Bank, Incorporated . .	26,980	17,424
University of Adelaide	1,141,626	2,746,438
Volunteer Fire Fighters Fund	18,146	17,441
Woods, Bagot, Jory, and Laybourne-Smith—National War Memorial Account	1,948	1,949
World War II—Services Welfare Fund	176,418	162,563
Total Section A	\$8,625,556	\$10,667,262

Section B.

The balances listed below represent amounts held by the Treasurer on behalf of the Commonwealth Government and other bodies and upon which no interest is paid:

	At Feb. 28, 1965.	At June 30, 1966.
	\$	\$
Agricultural College—Students' deposits	1,482	3,581
Agricultural Research and Services Grants	202,802	191,822
Bush Fires Equipment Subsidies Fund	51,588	8,590
Commonwealth Grant for Marginal Areas	1,272	779
Commonwealth Grant for Petroleum Products Subsidy . .	—	50,000
Commonwealth Grant for Physical Fitness	1,230	154
Commonwealth Grant for Water Resources	—	55,860
Commonwealth Grant for Wool Research	5,570	3,468
Commonwealth Grants towards Science Laboratories and Technical Training	1,008,196	69,390
Companies Liquidation Account	1,380	4,789
Contractors' deposits:		
Engineering	26,924	30,567
Harbors Board	2,914	5,300
Local Government	19,832	17,332
Public Buildings	78,186	89,484
Railways	9,762	18,919
Supply and Tender Board	6,132	9,478
Woods and Forests	24,236	16,969

	At Feb. 28, 1965.	At June 30, 1966.
	\$	\$
Crown Rates and Taxes Recovery Act	5,726	390
Crown Solicitor's Trust Account	164,424	323,042
Dairy Cattle Fund	15,220	16,582
Immigration—Deposits lodged on account of migrants . .	626	950
Leigh Creek Coal Fund	1,210,746	1,021,295
Minister of Agriculture	26,568	5,745
Minister of Agriculture (The S.A. Honey Board Realiza- tion Account)	—	35
National Fitness Council	21,810	31,320
Police Department—Proceeds of sale of property . . .	52	149
Prisons Department:		
Prisoners' Amenities Fund	1,080	981
Prisoners' moneys	4,538	7,008
Restitution moneys	402	374
Public Trustee—Common Fund Reserve	180,190	187,514
Real Property Act Trust Account	536	536
Registrar of Companies—Defunct Companies Assets Account	448	12
Renmark Irrigation Trust	234,700	—
South Australian Road Safety Council	—	6,198
State Children's Advancement Fund	994	470
Unclaimed Salaries and Wages Account	32,912	40,367
Void departmental cheques	23,502	23,152
Wool Research Grant for Vermin Control	—	8,522
Workmen's liens	70,422	61,118
Total Section B	\$3,436,402	\$2,317,242

SUMMARY.

	At Feb. 28, 1965.	At June 30, 1966.
	\$	\$
Amounts held by the Treasurer on behalf of various bodies upon which interest is paid	8,625,556	10,667,262
Amounts held by the Treasurer on behalf of the Com- monwealth Government and other bodies and upon which no interest is paid	3,436,402	2,317,242
Total trust funds	\$12,061,958	\$12,984,504

The Hon. FRANK WALSH: I believe that this information covers everything sought by the honourable member, but if anything is missing I ask the honourable member to remind me about it.

QUEEN ELIZABETH HOSPITAL.

The SPEAKER laid on the table the report by the Parliamentary Standing Committee on Public Works, together with minutes of evidence, on the Queen Elizabeth Hospital Extensions.

Ordered that report be printed.

THE BUDGET.

The Estimates—Grand total, \$258,018,000.

In Committee of Supply.

(Continued from August 31. Page 1496.)

THE LEGISLATURE.

Legislative Council, \$37,030.

Mr. HALL (Leader of the Opposition): The consideration of the Treasurer's financial statement for 1966-67 causes me much concern because we are considering not only last year's deficit but also a projected deficit for the coming year to add to the deficit on account of the Budget figures. Apparently we are not coming to grips with the deep-seated problem existing in the accounts of the State and are failing to grapple with the most serious aspects. Therefore, we will not gain the flexibility that is necessary if we are to meet the contingencies of finances as they arise from time to time. Because of the impact that the interchange of responsibility has had between the Loan Account and the Budget, we have to consider these two deficits together. It is

interesting to note that, as a result of the two main measures considered by Parliament (the Loan Estimates and the Budget), the deficit is to decrease by only a small sum indeed. This will occur after the Loan Account has provided for decreasing the deficit on account of Loan revenue. In fact, in the Budget debate we are again considering a move to place South Australia deeper in debt than it ever has been.

This present serious condition has been reached after commencing last financial year with a net credit of \$1,163,000. At the end of the year the deficit was \$8,077,000. The running deficit, as given by the Treasurer, shows that we have run into debt in last year's operations by \$9,240,000. This has happened despite the fact (and I am working on figures given by the Treasurer in answer to members' questions) that South Australia has had a favourable Commonwealth tax reimbursement when compared with the reimbursement received by other States. Also, it has had a favourable allocation of Loan funds. It is interesting to compare our reimbursement with that received by the three Eastern States, because we are all non-mendicant States. In 1965-66, New South Wales received \$60.2 per head of population in taxation reimbursement; Victoria \$59.2; Queensland \$70.1; and South Australia, \$81.3. In 1965-66, in Loan allocations South Australia received nearly \$83,000,000, whereas Queensland received \$76,000,000, Victoria \$154,000,000, and New South Wales \$192,000,000. Therefore, it is easy to see that our allocations both from Loan funds and from tax reimbursement from the Commonwealth have been entirely favourable when compared with what has been received by the Eastern States.

We started the year with money in credit of about \$1,163,000. This year's Budget will leave a deficit of almost the same sum, \$8,072,000, and this is entirely on account of the Budget workings. This result is achieved only by taking significant responsibilities from the Budget account and loading them on to the Loan figures. The true figures, if we equate like with like (and the Treasurer used this term in his speech), show that the deficit with which we are faced is \$4,500,000 greater because that is by how much we unloaded the responsibilities of the Budget account. I deplore the Treasurer's reference to the proposed results of this year's workings of our Budget. He said:

Having examined all expenditures proposed for the various departments and services for 1966-67, and reduced them in all cases where

possible consistent with efficiency and proper service, the aggregate has been determined at \$258,018,000. This is exclusive of \$6,400,000 of gross expenditure for building grants for non-Government hospitals and for certain tertiary education institutions which are being charged to Loan Account as announced in the Loan Budget some three weeks ago. Allowing for the latter figure so as to compare like with like, this is an increase of about 8½ per cent in expenditure, or about \$21,000,000 above 1965-66 expenditure.

That is a completely wrong statement in relation to the Budget expenditures. The Treasurer has taken the increase in actual expenditure of \$14,368,000 and added to it the \$6,400,000 gross that is being charged to Loan Account. He has then compared that with last year's expenditure and said that therefore our expenditures are 8½ per cent greater. I hesitate to use the term "misrepresentation", but what else can this be? In fact we know that this \$6,400,000 is only a gross figure and is not actually being spent. The figure being spent is \$4,500,000, the difference of \$1,900,000 being made up of reimbursement from the Commonwealth Government for education. The \$6,400,000 does not belong here in this calculation, and in fact it is not \$6,400,000 but \$4,500,000 that is actually being spent. If these figures are corrected, the increase in expenditure for the year is 5.9 per cent and not this misrepresented figure of 8½ per cent, which cannot be substantiated. I do not know who is responsible for including it here, but it is a completely erroneous figure and one that cannot be substantiated by any member in this Chamber.

Last financial year the revenue of the State was \$236,816,000 and the expenditure was \$243,650,000, giving a deficit of \$6,834,000 on Revenue Account. This year our expenditure is increased to \$258,018,000, with a revenue of \$255,702,000, which means that there is an increase in spending of \$14,368,000 over last year's spending, although our increase in collection is \$18,886,000. This is the result of chasing last year's deficit. We have a very significantly increased collection of revenues one way or another—through the Commonwealth and through increased State taxation—on the tune of nearly \$19,000,000, yet we are to see an increase in expenditure of only \$14,368,000.

It is interesting to refer to the increase in spending in the Budget accounts of other States for the last two financial years. In the previous two years New South Wales had

increases in expenditure in its general revenue account of 7.3 per cent and 6.1 per cent; Victoria, 8.3 per cent and 7.3 per cent; Queensland, 4.1 per cent and 9.9 per cent; and South Australia, 8.2 per cent and 8.4 per cent. The figure for South Australia this year drops to 5.9 per cent, regardless of any tricks that may be included in the Budget to add to the total spent. This is a serious matter. It is a logical outcome of over-spending in the previous year. The rate of increase in expenditure this year must decline, and in declining it has serious effects on the economy of our State.

Even to maintain this year a rate of increase of 5.9 per cent, it has been necessary to significantly increase State taxation. We have significantly increased land tax, and we are told that succession duties will be increased this year to yield a small sum but next year to yield a very large sum. Apparently this is a threat that is to hang over us until it is disclosed by the Treasurer's amending legislation. We are to see an increase in stamp duty on conveyances and on hire-purchase contracts. We have seen the method used of obtaining moneys from the Highways Fund, an account that was jealously guarded in the past to see that collections on behalf of the motor vehicle industry were used for road construction. We have seen an increase in fares and freights, and a significant increase in turnover tax on liquor sales in South Australia. We are now about to enter into gambling in South Australia in a very big way.

These imposts are heavily loaded on the primary sectors of our economy. Also, as I say, this is just to keep going at the reduced rate of expenditure increase of 5.9 per cent. What are the conditions in South Australia upon which these higher imposts are to apply? This is a most important aspect when one increases taxation. In going through the possible figures I might use to substantiate the claim that conditions in South Australia are not as good as they ought to be, I tried several tables in various directions, thinking that some might be of more use to me in my line of argument than others. However, I found that every table I looked at supported my contention that the South Australian economy was not as it should be, that it was running down. This is a most unfortunate thing. It is a disastrous matter to our State that I am able to use such figures in this debate.

Let us look at a table chosen at random concerning the cheque-paying banks in South Australia and compare the debits to customers' accounts. In 1964-65, the South Australian figure was \$170,400,000 and the Australian figure was \$2,329,000,000; in 1965-66 the South Australian figure was \$172,800,000 whereas the Australian figure was \$2,386,000,000. The South Australian increase was 1.4 per cent but the Australian increase was 2.5 per cent. In comparing figures for total buildings approved, including alterations and additions, we find that in 1963-64 the South Australian value was \$14,500,000 compared with the Australian figure of \$131,100,000. In 1964-65 it was \$15,400,000 in South Australia, compared with \$149,200,000, and in 1965-66 this State's figure was \$12,600,000 compared with the Australian figure of \$144,500,000. In 1963-64, the South Australian figure was 11 per cent of the Australian total; it was 10.3 per cent in 1964-65, and 8.7 per cent in 1965-66.

These figures are reflected in comments by leaders in the building industry and union spokesmen in this State, as they deplore the lack of activity in the building industry here. Many firms are running on short time and some at 50 per cent of full capacity. This state of affairs has been demonstrated by the number of persons unemployed in this State compared with other States. From June, 1965, to June, 1966, the South Australian total rose from 3,533 to 7,357; in New South Wales it rose from 15,670 to 22,837; in Victoria it rose from 8,771 to 14,026; and in Queensland it rose from 8,360 to 9,735. In Western Australia the figure decreased from 3,576 to 3,370 and in Tasmania it fell from 2,235 to 1,695. The South Australian figures represent an increase of 120 per cent with the next greatest increase being 60 per cent in Victoria. These figures are obtained from monthly reviews of employment issued by the Commonwealth Minister for Labour and National Service. A hidden factor in the economic conditions in this State that it is not easy to obtain by statistics is the amount of overtime paid by industry. I know from personal contacts that this is a significant and disastrous matter for many thousands of workers who have accumulated debts by providing houses and services for their families. A reduction in overtime payments has reduced their ability to pay for many of the necessities they have undertaken to provide.

A perusal of a table showing the average weekly earnings, including overtime, by a male

employee for the quarters ending March, 1965, and March, 1966, shows significant results. In South Australia, the figure was \$49.8 in 1965, when the Australian average was \$52.1. In 1966 it was \$51.1 compared with the Australian average of \$54.5. The increase in South Australia was \$1.30 compared with an overall increase of \$2.40, so that the South Australian average weekly earning has been increasing to a lesser extent than the Australian average, no doubt because of the lack of overtime available in South Australian industry. This is a direct result of the recession in our industrial and commercial fields. In the face of these down-turns we are attempting to correct the troubles in this State by further impositions, but these will have a further depressing effect on the commercial and producing life of this State, and this will reflect in the confidence that the producing members of the community have in the Government. Last evening I spoke to a person who has numerous contacts with oversea people, and he told me that he had received inquiries from oversea investors about what was going on in this State. These people want to know why there is an apparent lack of confidence, why there has been a down-turn, and why so many impositions are being placed on South Australians. Apparently, the actions of this Government are having repercussions not only in this State but outside Australia, with the result that there will be a reduction in investments by these people.

If we are to continue this method of financing (and apparently we are) by using up all spare cash in trust funds and the money available to this State, what effect will this have on the gas pipeline about which the Treasurer has often spoken? What happens if the Commonwealth Government offers to provide \$1 if this State provides \$2? What will be the position if we accept such an offer? What will be the position if the Commonwealth Government offers dollar for dollar? What happens to our claims to the Commonwealth Government for assistance in respect of education? Is this State at present in a position to accept these moneys? This is one of the most serious aspects of our financial position. It is not a case of whether in five or 10 years we shall be able to make up these deficits or to honour the repayment of trust funds. Of course, we must honour those trust funds, for they must obviously be a first charge on the Government's finances if they are to be made available on the basis of repayment.

The loss of development that will accompany the over-extended financial trouble, with which we are at present confronted, is what counts. It will obviously have an effect on our migration programme; in fact, the effect is already evident, for I think only in yesterday's press a union official was reported as having warned tradesmen in the United Kingdom that jobs here were not readily available to them, as they had been in the past. We have no reserve to face the future in regard to the matters I have outlined. We are reducing the emphasis on research; no flexibility exists with which to regard the future and to meet offers which may be made to us and for which, in fact, the Treasurer is asking.

It is unreasonable for the Treasurer simply to expect the Commonwealth Government to grant 100 per cent of the moneys sought. He will have to be prepared, as Treasurer of the State, to match the Commonwealth grants, if his appeals are successful. I believe the Treasurer is placing the State in the position of being unable to match such grants. It will be detrimental to the State's future, if finance is to continue to be in short supply for basic matters such as research and education. We have already seen in the last year the Government's inability to match a number of Commonwealth grants purely for research matters. Government members have endeavoured to make light of the deficit. I have taken the trouble to ascertain the deficits last year in the accounts that are comparable with those in other States. The deficit in the Budget Account of New South Wales for the last financial year was \$4,800,000; Victoria's was \$8,000,000; Queensland's was \$3,500,000; and South Australia's was \$6,800,000.

As I am unaware of the position of the Loan accounts in those States, I cannot say whether their figures would be favourable to my table. I do not include in the South Australian figure the deficit incurred on Loan workings. However, on a per capita basis, the responsibility for debt borne by the electors last year was as follows: New South Wales, \$1.10; Victoria, \$2.40; Queensland, \$2.20; and South Australia, \$6.40. We are assuming a per capita deficit in respect of last year's operations to the extent of more than twice the figure of any other comparable State. Although we must inevitably extricate ourselves from this down-turn, we are imposing further charges on the South Australian community. It is the hopeless situation of a dog chasing its tail.

If the Government is not willing or able to face up to the responsibility and discipline of living within its financial capacity, where will it end? If we could assume that last year's deficit occurred (whatever the reason might be) but that this year the Government would put its house in order, the Treasurer could say, "Last year, for one reason or another, we could not live within our budget, but this year we have corrected the position." However, that is not the case; we are budgeting for a significant deficit in the face of a considerable run-down on last year.

This is even more serious, bearing in mind the financial reports of the State's operations in the first month of this financial year. I regret that I do not yet have the August figures, but in July of this financial year the deficit was \$1,196,000, compared with \$462,000 in the previous year, and \$418,000 in the year before that. The Treasurer has failed to convince us that the Government has come to grips with this problem; he has budgeted for a further deficit which, if last year is any indication, will grow even more than his figures show. Favourable results must occur if the Loan Account is to achieve a near balance. Unfortunately, though, we see an even further possible depletion of our trust accounts. How many are suspense accounts that cannot be used for these purposes has not been revealed. The Treasurer owes us a further explanation of which trust funds have been used and of the limit to which they can, in fact, be used. These trust funds have regrettably been used to finance the deficit, but that is not nearly as important as the fact that the State has run down to the extent that it will not be able to match the grants that must inevitably be offered to it, as the result of further decisions made by the Commonwealth in assisting the States.

It is with a heavy heart that I support this year's Budget. I have not dealt with the lines at this stage because many other Opposition members will be specifically dealing with them during the debate. Nor have I made a great song at this stage about receiving the Auditor-General's Report about an hour before I was due to speak to this debate. I recall the Treasurer, when in Opposition, making a great song and dance about the fact that this report was occasionally tabled on the day he was due to speak. I hope the Treasurer will try to remedy this practice next year if, indeed, he still occupies the Treasury benches. If he cannot do that, he should at least try to see that we receive

the report before we speak in this important debate. I have quickly read through the report and even on such a quick perusal I have seen some interesting figures and comments. I notice that, referring to land and property purchases, the report states:

In my last report I advised that considerable sums of money were expended on property purchases by various departments. Audit regulations require that all purchases of land over \$2,000 be approved by Cabinet and Cabinet refers these cases to the Land Board, mainly with reference to value.

After having made it plain that any purchase over \$2,000 is made as a result of Cabinet decision, the report continues:

Land at Kent Town—Lot 83: This land was purchased in 1965 for \$12,300, apparently for a parking area for the Municipal Tramways Trust, without consulting the trust "or even within the knowledge of the trust". The trust did not require the land and there was no statutory authority to make the purchase nor were funds available. The purchase was temporarily debited to "Treasury Suspense".

I have not had time to look through the report in detail but at a quick glance I have picked out an incredible statement made in strong terms. A purchase costing about \$12,000 was made for a statutory body without any request by the body and with the body having no use for what was purchased. I believe the Treasurer should be required to explain why he took part in a decision to purchase land, for which there was no request, when he presided over Cabinet, and I presume he presided over Cabinet at that time. If this is the type of comment included in the report then members deserve to have it available before they speak in detail in this debate. Reference is also made to land and buildings, Capper Street, Kent Town, about which the report states:

This was purchased as a site for a new Government Printing Office; expenditure to June 30 was \$396,000. A new site for the Government Printing Office has now been purchased at Netley and the above is now surplus.

Time after time we have heard members opposite get up and say that it is not their fault that the State is in trouble. They get cross when members on this side say that even some of the trouble is because of Government management. I have given two examples of this management, one small and the other costing about \$400,000. The land purchased in Kent Town is standing surplus—why? If the Government continues to carry on in this way and to spend money without reason and without prospects for the use of what is purchased

then it is certainly responsible for the present situation in the Treasury of South Australia.

The Hon. Sir THOMAS PLAYFORD (Gumeracha): When the Treasurer concluded his Budget speech he received the warm commendation of members opposite. Therefore, I am rather surprised that not one of them has taken the opportunity now to explain where the Leader was wrong when he severely mauled the Budget in his speech. I presume the Budget is in accordance with the desires of members opposite, and in those circumstances I cannot understand why they have allowed the Leader of the Opposition to tear the Budget to pieces without making any attempt to justify it. I wish to develop one or two elementary matters in accordance with the argument advanced by the Leader.

First, I believe all members opposite would by now have concluded that the statements made by the Government at the time of the last election cannot be pursued in an active policy. The statement made about money coming from the amalgamation of two banks and similar statements do not mean anything when hard facts are faced. However, we are now unfortunately faced with extravagant pay-outs by the Government, and it does not have the financial ability to keep its accounts in order. The accounts are not in order and no action is being taken to put them in order. One or two things said by the Treasurer lead me to believe that the accounts will be further out of line in the future than they are already. I believe the expenditures set out in the Budget will undoubtedly be made, but I gravely doubt whether the revenues referred to will be achieved; in fact, I believe they will not be achieved. They were not nearly achieved last year and, although the Treasurer has provided for increased taxes in many ways (which will effectively remove this State from competing with other States for new industries), I still believe that the \$2,000,000 deficit expected to be the result of the Budget will not be the result but that the Budget will fall down dismally as it did last year.

When the Treasurer assumed office he had about \$38,000,000 at his command. However, if he is going to continue to dissipate these funds then we can say goodbye to a pipeline from Gidgealpa. It is inconceivable that the Commonwealth Government will provide all the funds for this project. It will be willing to lend portion of the capital, but it is beyond our wildest dreams to imagine that it will provide all the money necessary. The point made by the Leader in this respect was well taken.

The River Murray Commission does work of a national nature and provides substantially for harnessing of the water resources of Australia. The Commonwealth's attitude in that matter is that it is willing to assist by providing 25 per cent of the total cost. Assuming that in connection with the Gidgealpa pipeline it agreed to provide 50 per cent of the cost a year ago, that would have been a practical proposition and we could have gone straight ahead. The \$10,000,000 required from this State could have been found. I believe that in fact to get Commonwealth concurrence in this matter it would be necessary to put forward a plan to show that the State itself was prepared to back the project, for I do not think the Commonwealth would contemplate a scheme that would require it to pay the whole of the cost while South Australia could not provide anything at all towards it.

What is the general position of the finances of this State? Several statements that have been made in connection with it are worth studying. One of the purposes of the presentation of the Budget to Parliament is to show what are to be the expenditures on the essential services of the State and the source of the money. In presenting the Loan Estimates the Treasurer referred to the position of the State. He said that the combined deficit of \$8,000,000 at the end of June had as a consequence been met temporarily out of other funds in the hands of the Treasurer, representing trust accounts, deposit accounts and other appropriations held for that particular purpose. The Auditor-General's Report this afternoon points out that the shortage in the funds has been met temporarily from funds in the hands of the Treasurer representing trust and deposit accounts held for particular purposes at the Treasury. On those two occasions we hear that the funds are going to be used temporarily, but when we come to the Treasurer's Budget speech we find the following:

Such a deficit currently for 1966-67, if achieved, would mean an accumulated deficit in Consolidated Revenue Account at June 30, 1967, of \$7,928,000. Members will recall that the Loan Budget presented some weeks ago contemplated a possible deficit on Loan Account at June 30, 1967, of \$144,000, so that the combined deficit forecast is \$8,072,000. This is a little less than the combined total of the two deficits at June 30, 1966, of \$8,077,000, so that the 1966-67 programme overall is to hold the line financially, without any further deterioration of the Treasury balances. To go further than this in one year, would, in my view, put unreasonable strains on the State, and call for

unreasonable economies or unreasonable further impositions. The covering of the deficits already incurred must, in the circumstances, await later action.

Previously it was to be a temporary matter, but now it is evident that the trust accounts for certain will not be fixed up this year: they have to await further action. The Treasurer's statement continues:

... unless, of course, we are fortunate enough to experience a significantly better revenue year than now looks likely, or further substantial Commonwealth assistance is forthcoming.

This Budget is vague and unsatisfactory. It leaves us with a deficit of \$8,000,000 completely floating in the air, with no action contemplated to remedy this state of affairs. The Treasurer says that this is in accordance with his policy speech, but is it correct to single out one or two things in a policy speech and to ignore hundreds of other things which are taking place and which would not have been approved? If the Treasurer had said in his policy speech that he intended to collect additional revenue from land tax this year of \$2,100,000; that he intended to impose additional stamp duties of \$1,800,000; that he intended to collect additional succession duties of \$615,000; that he intended to increase hotel licence fees to bring in an additional \$425,000; that he intended to increase the rates paid by councils for district hospitals by \$48,000; that he intended to increase harbour fees by \$700,000; that he intended to increase railway earnings by \$1,486,000 (and the earnings are only to be derived from extra charges on the people who are using the services); that he intended to put up water rates and sewerage charges by \$2,077,000: if he had said those things, does he believe that he would have had the sanction of the people for that policy? The Treasurer says that tram fares will be increased because of service payments. He says that we cannot afford to support the tramways to the extent that would be necessary, and that we have to increase tram fares. However, is it not rather wonderful that the people who do not get the service pay will be paying the fares just as will the ones who do get it? Can the Treasurer justify that move? We are a member of the Commonwealth of Australia: our finances are distributed by the Commonwealth Government and we receive our fair share. We have our representative at the table when the distribution is made but, having received our share, we cannot adopt a method of expenditure that is out of touch with that employed by other Aus-

tralian States. If we do that, we tax our people out of employment, tax our industries, and prevent industries from developing in this State. I believe the policy of this Government needs to be reconsidered. Whatever the faults of the last Government (and we hear about them frequently), it cannot be said that it did not attract industries to this State, that South Australia did not receive a fair proportion of new industries coming to Australia, and that the finances of this State were not kept in a proper condition and were unsound. The Grants Commission complimented this State many times because the accounting was sound and finances were kept properly.

What is happening now? It is provided that all moneys collected from motor registrations should be credited to the Highways Fund to be used for certain purposes. Now we find that this Budget goes back many years to take away from the Highways Commissioner \$1,000,000 that had been paid by the previous Government for special purposes. The previous Government had accepted, to the extent of half share, the financing of the Morphett Street bridge, but as that responsibility has now been shifted to the Highways Fund, road surfaces in this State will deteriorate quickly. The amount provided to district councils has seriously declined, and I understand that since the present Government has been in office nothing from the road maintenance tax has been paid to district councils, although this was done by the previous Government. Unless we have a policy to attract new industry to this State we will be one of the poorer States, and I do not accept that position. South Australia, if properly managed and handled, has a great future because it is the centre of road and rail communication in Australia. Instead of taking advantage of this position this Government is isolating the State by transport restrictions.

This Budget is unsatisfactory and should be withdrawn and redrafted, to make it more in keeping with standards in other Australian States. Unless this is done we will not receive benefit from development, as it is being received in other States. We are completely ignoring the Northern Territory. That territory was part of the territories of South Australia but was taken over by the Commonwealth Government after certain assurances had been given but which have not yet been honoured. With the growing importance of the territory and its mineral resources, we should be taking positive action to see that our interest is maintained, if not advanced. However, Queensland

is quietly but surely appropriating our interests. Not so long ago South Australia's influence reached as far north as Mount Isa, but we are now losing our influence in the Northern Territory. We are also losing it in the South-East of this State, and business activity is shifting to Melbourne. Restrictions imposed on road transport and increases in rail fares will hasten that move. In looking for revenue, we are missing the opportunity to advance, something that this State cannot afford.

We have no method of developing or attracting secondary industries to this State, or of doing anything that would sell this State. Much discontent is apparent amongst wage earners because their conditions are not what they hoped for. They were told that they would live better with Labor, but they are finding that increased charges more than outweigh any advantages they have received. This is having an adverse effect on the State, and in today's newspaper I noticed reports of industrial unrest. This occurs when conditions under which wage earners live are unsatisfactory: increased tram fares, rail charges, water rates and other impositions do not produce a contented atmosphere. This Budget is bad but the next will be worse, because mistakes made in the last Budget have not been corrected. I hope that one or two of the items in the Budget will be reconsidered. Acting on my Leader's advice, I shall not deal with the lines at this juncture, but I am rather intrigued to hear the explanation of one line. Perhaps, if the Treasurer deigns to reply later to this debate, he will explain it. Bills are now before Parliament, on whose provisions several charitable organizations will depend for part of their moneys this year (the Children's Hospital, Minda Home, and the Home for Incurables). Those organizations will depend for certain of their moneys from a special fund to be provided out of the lottery and totalizator agency board organizations. However, whilst the State Lotteries Bill provides that the Treasurer can make an advance (subject to the consent of Parliament) towards the establishment of the lottery, for some reason or other the Estimates make no provision for the establishment costs. Everyone knows that those costs are bound to be considerable.

Assuming the Bill is passed, will the Treasurer establish a lottery, on whose proceeds Minda Home, the Children's Hospital, and the Home for Incurables will have to rely in future? Why is not the sum to be advanced

by the Treasurer for the establishment of the lottery set out in the Estimates? Is this to be done perhaps by way of a Governor's warrant? If that is the procedure, that inevitably will get the Government into further difficulty. Why is the clause in the Bill, in the first place, not followed up by an appropriate sum in the Estimates, so that we can see what the Government intends to do? The hospitals line, particularly, is not provided with sufficient finance; although hospital charges have increased substantially, I believe the provision will not cover the expenditures that must be incurred unless, of course, the whole hospital system is to be impaired. Certainly, no item leads me to believe that the two new hospitals that were promised in the Budget will spring to life overnight.

Mr. Hall: They'll be kept for the next election!

The Hon. Sir THOMAS PLAYFORD: I think they will have to be. I do not see even any preliminary expenses in the Budget or Loan Estimates for them. The Budget does not fulfil the chief purpose of a Budget; it does not provide Parliament with information as to how the State's finances will be conducted; and it leaves a sum of \$8,000,000 completely in the air. The Treasurer himself cannot even hazard a guess as to how that will be met, although he may have two possible remote solutions. The Budget is bad; it does not stand up to the prime responsibilities of a Budget; and unless the Government takes further action to correct the existing drift, and realizes that we cannot spend money we do not have, it will be forced to make retrenchments that will adversely affect the State's future.

Mr. MILLHOUSE (Mitcham): Mr. Acting Speaker, or Deputy Speaker, whatever you are—

The Hon. R. R. Loveday: I think his title is still the same as it always was.

Mr. MILLHOUSE: Dear me! The Minister of Education is bad-tempered already. I have only to stand up to make him interject in some irritable and bad-tempered way. I do not know whether he is perturbed about the Budget—

The Hon. R. R. Loveday: I am only perturbed at your reflections on officers of this Parliament.

Mr. MILLHOUSE: I see the Minister has the smile of the tiger on his face now. His is the first spark of interest and the first sign we have had from the Government that its

members have any interest at all in this debate. No member on the Government side—

The Hon. Sir Thomas Playford: Not even the member for Glenelg!

Mr. MILLHOUSE: —has bothered to put his name down to speak to support the Treasurer (the Leader of his Government) in this debate. I am the third member on the Opposition side to speak, without any Government member speaking in the intervening time. In addition, however, few members of the Government Party have been present even to listen to what is being said during this debate, and we have not heard a peep out of them until the Minister of Education interjected—

The Hon. Sir Thomas Playford: They are apparently in favour of increased fares.

Mr. MILLHOUSE: —in his ill-tempered way, as soon as I rose to speak. If that is the way in which the Government intends to support its Treasurer and the rotten Budget he has brought in, then all I can assume is that Government members agree with the strictures that have been passed by the Leader and by the member for Gumeracha this afternoon. I certainly agree with what has been said in criticism of this Budget by the two speakers this afternoon. While the sums involved are larger, and the details of revenue and expenditure are more intricate, the facts of economic life are the same for a Government as they are for a private individual. The facts of economic life for South Australia—the stark truth for this State—are that the Government is living beyond its means; it is spending at a greater rate than the people of this State can afford to allow it to spend. This eventually brings, as I think every member knows, or should know (I do not know whether the Treasurer understands this, or not), a great deal of trouble, and will bring for this State economic dislocation and eventual stagnation. That is the way, unfortunately, in which we are heading at the moment. I have said that I do not think any member of this place does not understand those facts of economic life. One is reminded of what Mr. Micawber said in *David Copperfield*. What did the author of that work (Charles Dickens) say about finances? What he said is as true today as it was then, and as it always has been. Let the Minister of Education and the other Minister on the front bench listen to this and take note of it, and maybe use their influence to see that the Government acts on it:

Annual income £20: annual expenditure £19.19.6: result happiness. Annual income

£20: annual expenditure £20.0.6: result misery.

That is the bit of advice which, with great respect to them, I give to the Ministers of the present Government.

Mr. Coumbe: Wasn't Mr. Micawber the gentleman who was always hoping that something would turn up.

Mr. MILLHOUSE: The Treasurer understands that but he does not understand the advice I have just given. He has not read both parts—that is the trouble. It is a great pity that the Government has not taken to heart these simple economic truths. If that is the situation in which South Australia now finds itself (and alas is going to find itself for the next 12 months, because I cannot believe the present Government will take the advice given to it by the Leader of the Opposition and the member for Gumeracha and do something to re-draw this Budget), then how can it be put right?

It can be put right in only one of two ways: either by increasing the income of the State or by reducing its expenditure. The Government has attempted to take the first course by increasing its revenue and notably by increasing State taxation and charges. I believe it should have taken the second course and in this I am mindful of what the Auditor-General says on page 2 of his report, which we have seen for the first time this afternoon. Incidentally, as has been made clear by those who have already spoken, the present proposals will only hold the line: they will not make up any of the leeway of about \$8,000,000 (which we are now in the red), and they will only hold the line if the Estimates of Expenditure and Revenue are accurate. The member for Gumeracha has already said something about that and I intend to say something more about it.

I have no doubt that the estimates of expenditure will be reached but whether those of revenue will be is quite another question. The Government intends to increase taxation and charges in this State in nine ways. I believe nine ways are set out in the Treasurer's statement as to how he is going to get more money out of the people of the State, and I shall deal with those ways shortly. I should say that not only are those nine ways bitterly unpopular with the people of the State but, in my opinion, they are unwise. I say advisedly that they are unpopular. I do not know how many members of the Government Party have moved about and

talked to people since the Budget was introduced. If any of them have, then they cannot have failed to hear the criticism being levelled at them all over the place.

Mrs. Steele: There's plenty of it.

Mr. MILLHOUSE: Yes, and it is about the way charges and taxation have been increased. One has only to go in a train or a bus or walk down the street to hear the criticism, and that is not confined to any one part of the metropolitan area or of the country. It is heard all over the State, in every part of the metropolitan area and in every part of the country. The truth of the matter is that South Australia is the least well endowed with natural resources of any of the States. In South Australia we have to make the most of what we have and we have to work hard for everything we get. We have to be careful of the way in which we spend our resources. That was the guiding principle of the last Government and of its predecessor, the Butler Government. I emphasize that those two Governments succeeded in the way they administered the finances of this State. Sometimes the member for Gumeracha was regarded as rather mean and parsimonious in the way he resisted requests to spend the money of the State, but he succeeded in a way in which this Government has dismally failed. He succeeded in making the South Australian community prosperous and a community that was better off than those of the other States of the Commonwealth. Sometimes (and I say this with great respect and with due deference to him) we did not realize how well off we were under the Playford Government. Above all, the previous Government knew that if our products, both primary and secondary, were to compete on markets in other States then our costs had to be kept below the level of costs elsewhere, and that Government succeeded in keeping those costs down.

Unfortunately the present Government has ignored those simple facts and that principle of working hard for a living and of husbanding our resources and putting them to the best effect. It has deliberately increased the cost structure of the State to finance what it regards as desirable social benefits. It has done that irrespective of whether the State could afford them or not, and this is incredibly stupid.

Mr. Freebairn: Is unemployment a social measure?

Mr. MILLHOUSE: The honourable member reminds me about unemployment. Of course, this is one of the saddest indices of the way

we have slipped in South Australia. Instead of this State having the lowest rate of unemployment in the Commonwealth it now has the highest. This is a result of the way in which the Government has administered the finances of the State. It is the reverse of a social benefit and it nullifies any possible social benefits that are given. That is the way the Government has carried on and that is irrespective of its Socialist outlook which is at one and the same time unsympathetic to business and commerce and destroys the confidence of the business and commerce community. I shall give a couple of illustrations of this.

As the member for Gumeracha said, there has been hardly any outside investment in South Australia since the present Government came into office: it is going elsewhere. We have only to look to the west to see that Western Australia at present is booming and that, incidentally, has happened only since it got rid of its Labor Government and has been governed by a Liberal Administration. No-one from outside this State is very much interested in coming to South Australia any more. This is a most depressing fact and it will have serious consequences for South Australia. It must not be allowed to continue or the State will begin to stagnate and be permanently in the doldrums. Yet (and I ask the Minister of Education, other Ministers, and other Government members) what has this Budget in it to attract anybody to come to South Australia? So far as I can see, it does not have one thing in it that will attract any oversea or interstate concern to South Australia. It has absolutely nothing in it that will serve to remedy the situation in which we find ourselves. The Government may pay lip service to development of the State's resources but it does nothing about it at all, and yet that is the policy that we should be pursuing.

I acknowledge the fact that State Governments nowadays have a limited degree of financial manoeuvring available to them; their ability to take positive action is circumscribed. That is one of the results of uniform taxation that has made the States pensioners of the Commonwealth. It has also had another most unfortunate result to which I must now refer, and that is the fact that it discourages financial responsibility in the States. I do not think we could have any clearer illustration of that than the middle paragraph in the Treasurer's conclusion to his Budget speech this year. He passes the buck entirely to the Commonwealth, and states:

The Government (the State Government) believes that the most equitable way for the

necessary funds to be raised is by progressive income tax which is now, and appears likely to remain, in the hands of the Commonwealth. In other words, it is up to the State to spend the money, but it is for the Commonwealth to incur all the odium and responsibility of raising it, and it will do it no doubt, he says, by a progressive income tax. Then he goes on to complain:

As honourable members know, all State Governments have pressed the Commonwealth for increased assistance by way of general purpose grants to enable essential State services to be maintained and reasonably expanded. The extent of Commonwealth support has been far less than the States consider proper, and each State finds itself in the same unenviable position of having no choice but to increase a number of those taxes and charges which lie within its own control.

This is unenviable, but the Commonwealth Government, of course, should impose a progressive income tax to raise more money! Sir, this is a prize example of irresponsible talk, and it comes from the Treasurer of this State.

Mr. Rodda: A big buck-pass.

Mr. MILLHOUSE: Yes. The days are gone, of course, when a State Government could do as the Butler Government did and cut company taxation to attract companies and industry to any State; but surely some thought could have been given by this Government to ways of trying to attract investment to South Australia by means of a favourable and attractive Budget. However, obviously no thought at all has been given to this. The effect of the actions and outlook of this Government (which is made up, if I may say so with great respect, of incompetent Socialists) is the reverse. I do not know how much advice the honourable member for Glenelg (Mr. Hudson) gave to the Government in the framing of this Budget, or whether or not his advice was heeded, but I certainly include him in the description "incompetent Socialists". He is not only incompetent but he is merely a theoretician.

I will mention another illustration of this Government's attitudes and foolishness in financial matters. The Government has apparently turned its face absolutely and without investigation (so far as one can tell from what has appeared in the newspapers recently) against the offer made by a consortium of companies to build the natural gas pipeline. The Treasurer said (obviously without giving the matter any thought at all) that the money must come from the Commonwealth Government. The member for Gumeracha has already

talked about this this afternoon. What is going to happen if the Commonwealth says "No, we have not got any money available", or if it says (as the member for Gumeracha suggested it might), "We will give you a dollar-for-dollar subsidy"? Where is the money to come from?

Mr. Shannon: It is already embarrassed with subsidies.

Mr. MILLHOUSE: Yes. Where is the money coming from if South Australia has to find it? This Government has not got a penny or a cent—

The Hon. Sir Thomas Playford: Or a clue.

Mr. MILLHOUSE: No, it does not have a clue as to where the money will come from. There is nowhere at all from which it can come, so far as I can see.

The Hon. B. H. Teusner: And the trust funds are running down.

Mr. MILLHOUSE: Yes. This is foolishness. Instead of trying to improve the financial and the economic health of this State, instead of trying to help South Australian industry, and instead of trying to attract investment from elsewhere, the Government proposes to increase charges and taxation in this State still further. I said earlier that I would go through the ways in which the Treasurer says he is going to increase taxation. First, he said:

I expect an additional \$2,100,000 this year from Land Tax.

That is a most popular impost on the people! Secondly, he said:

The Government has felt bound, though reluctantly, to contemplate increases in railway freights and fares.

How on earth that is going to help the economy, I do not know. I wonder what it is going to do to passenger patronage and to the use of the railways. There is to be an increase in grain rates by an average of about one-sixth. It is proposed as from a month or so from now (no definite date is given) to authorize increases in certain other rail freights which are not subject to such competition as to render the increases impracticable, and also to authorize fare increases. What are those fare increases going to be? On average, metropolitan fares will increase by 15 per cent, country fares by 10 per cent, and freights on manures, livestock, parcels and certain general merchandise by 10 per cent. A most popular set of increases, I can tell you, Mr. Chairman! I happen to travel by train, and I have heard some of the comments that have been made about this by my fellow passengers. As I say,

just as serious as the comments made by passengers is the fact that this will mean an additional cost to be borne by primary producers and by manufacturers.

The third way in which the Government is going to increase costs in this State is a corollary of the second. I refer to the increase in tram and bus fares. This is going to be pretty popular, too, I don't think. The fourth proposed increase is set out in the following extract from the Treasurer's speech:

The South Australian stamp duties on conveyances and upon hire-purchase and money-lenders' contracts are at present \$2 for each \$200. . . It is proposed to bring these duties into line with those in other States by appropriate increases, which it is expected will bring about \$900,000 extra revenues this year and \$1,350,000 in a full year.

The fifth one, which will not be very popular in the pubs (probably the Minister of Agriculture will not object to this, although some of his colleagues will not be so pleased), is an increase in liquor licence fees. These fees have been assessed at the rate of 3 per cent on the wholesale cost, and they are to go up to 5 per cent—not quite to double, but almost double. One wonders what effect this will have on the cost of a schooner of beer, and so on. The sixth way is the Government's proposal to re-introduce its legislation on succession duties and steeply increase those duties, and there is the veiled threat, of course, that if it does not succeed this year with this it will bring in estate duty.

The Hon. Sir Thomas Playford: Perhaps it will fight an election on the issue.

Mr. MILLHOUSE: If it comes to an election on it, I should be very happy. I will fight an election on the issue of succession duties, if that is what the Government wants.

The Hon. B. H. Teusner: This Budget will frighten people to death.

Mr. MILLHOUSE: Yes. The seventh way (the honourable member for Gumeracha has already said something about this) is by means of the totalizator agency board and the State lottery, which are to be some sort of revenue producers for the Government when they get going and after the cost of establishment has been met, although that, I think, has been conveniently overlooked. The eighth way is that the Highways Fund is to be forced to repay to the Treasury \$1,000,000 of a special \$1,240,000 revenue provision made as long ago as 1952-53. The Highways Department will have to fork out this money. Finally (although there are a few other things I could say that the Treasurer conveniently did not mention in his speech), the Highways

Fund is going to have to meet the full cost of the Morphett Street bridge project, instead of only half of it.

These are the nine very good (and, I must say, very popular) ways in which the Government is going to increase costs and charges in this State! The Revenue Estimates show an expected increase over actual receipts in the last financial year of about \$5,754,000. Last year the expected increase was about \$4,230,000 which is substantially less than the expected increase in the current financial year. The result last year, when the expected increase was less than that for which the Treasurer is budgeting, was a short-fall of \$3,138,000. One wonders whether there is any reason to think it will be nearer the mark this year than it was last year. Let us consider the Revenue Estimates and the details of the increases to be imposed this year. Land tax is to be increased by about \$2,162,000, and motor registration fees, etc., are to be increased by \$612,447. I do not know whether the Government believes this will all be from increased registrations.

How can it believe that in view of the present state of the motor industry and of the sales that are being recorded? I cannot see any reason to believe that the increases in receipts from motor registration fees will be anything like the Budget estimate. Stamp duty is to increase by \$1,867,585. Licensing fees for publicans are expected to increase by \$425,317, and hospital rates paid by corporations and district councils are to increase by \$48,206. Under the heading "Public Works and Services and Other Receipts", an enormous increase of \$40,353 is budgeted for in fines and fees in the Adelaide Magistrate's Court. Last year the actual receipts were \$349,647 and the estimated receipts for this year are \$390,000. I do not know why that should be so. It is far greater than the estimated increase last year of a mere \$18,976, but no reason is given for this increase. Fines and fees, etc., for the Country and Suburban Courts are to increase by \$104,274, from \$1,095,726 (the actual receipt last year) to an estimated \$1,200,000. Last year the expected increase was \$42,984, so that twice as great an increase is budgeted for this year, but I cannot see any reason why fines levied by these courts should be expected to rise in this dramatic fashion.

I select these as examples of the most unusual and tantalizing way in which the Revenue Estimates have been prepared. I believe if I were to go through other items I would find the same extraordinary anomaly. If this is

going on there is little hope that the Revenue Estimates will be realized in the present financial year. Yet, not one word of explanation from the Government has been given why these increases should take place. Perhaps it is to create new offences. The Government can do that; it can do anything. The Treasurer had to go far afield with his reasons explaining the short-fall last financial year. I know that some of the reasons were pretty specious, the most specious being the blame he placed on the conversion to decimal currency. The Treasurer said:

There is some evidence, too, that the adoption of decimal currency may have contributed to reduced activity. This was noticeable in betting turnovers and in the clothing trade. It was inevitable that the combination of these factors should lead to a reduction in Government revenues.

The Hon. B. H. Teusner: But not for cheque charges.

Mr. MILLHOUSE: No, they conveniently doubled with the decimal currency conversion. If the Treasurer has to blame the drought in New South Wales and in Queensland to explain the short-fall in his revenue, he is indeed in trouble. I know the Government will say (the member for Glenelg is probably getting ready to say it now in defence of his Government, if he has been given permission to speak) and rightly so, that other States are in financial trouble this year. I admit that, because the Australian economy is pretty flat. The Commonwealth Budget has not yet had any stimulating effect on the economy of this State, but I hope it will. However, what is significant and sad for this State is that, from all the opinion I can gather, although the Australian economy is flat it is at its worst in South Australia. That is the position that the present Government and its supporters must meet. South Australia is now in a worse position to stand up to the economic adversity than it was a few years ago when it was better able to weather economic storms. When I read the Treasurer's apologia for his economic troubles in the last financial year I thought of the last time the Australian economy was in trouble. You yourself, Mr. Chairman, often reflected on the period 1960-61 during what was known (and you used the term yourself, as I have said, many times) as the "credit squeeze". What, then, was the situation in South Australia? Were our State finances in a condition comparable to that in which they are now? The answer, of course, is "No". Let me quote a couple of passages from the then Treasurer's Budget

speech about the situation; I shall quote, first of all, from his Budget speech on September 6, 1960. I said a few minutes ago that we did not know how well off we were under the previous Government, and nothing illustrates that better than these few passages I shall read for your edification, Mr. Chairman. Sir Thomas Playford said:

This, my 22nd Budget, I put before the House with a greater sense of confidence in the strength of the State finances and assurance of progress in the State's economy than ever before. The progress over the post-war years, which followed a war effort of which we were justly proud, has been quite unparalleled in Australian history. That record has now been capped by the State passing through the worse drought since settlement with its finances and its economy actually in better shape than ever before. We have entered the year 1960-61 with seasonal conditions and outlook as good as ever we have known them.

Later, he said:

The Government, in order to meet the financial problems posed by these circumstances—circumstances that were generally outlined in a previous paragraph—kept expenditures very closely under review to ensure all proper economy and efficiency, and saw to it that its revenues were fully collected in all reasonable and proper circumstances.

It is a pity that the present Government did not start its financial life in that way but that was, of course, before the credit squeeze: before the Commonwealth restrictions were imposed, I think, in November, 1960. Those restrictions caused a down-turn in economic activity in Australia, but let us see what the then Treasurer said in his Budget speech on September 5, 1961, after those adverse conditions had been experienced:

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.

Having talked about the drought two years earlier and about the intervening period, Sir Thomas Playford then said a little later:

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.

That is in marked contrast to the fact that here we now feel things worse than elsewhere. The then Treasurer canvassed the situation and referred to the economic measures taken by the Commonwealth, which came into operation late in 1960, and went on to say:

In particular, the increase in sales tax on motor vehicles combined with credit restriction

had an effect upon the motor industry far greater than was anticipated or was desirable. That, of course, is a comparable effect to that which has been experienced lately. Sir Thomas continued:

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.

That is exactly the same situation as we have had in 1966 in this State. Sir Thomas then said:

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.

That was a situation comparable to that in which we now find ourselves. But the Government of the day was able to do something about it and to take steps to relieve the situation. That is the difference between the situation in 1961 and the situation in 1966, because the then Treasurer continued:

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.

It is a sad commentary on the efficiency and effectiveness of this Government that it cannot do anything like that to relieve the unemployment that has developed from basically the same causes as it developed in 1961. That is the difference in outlook and capacity between the present Government and the last Government. When the same or a comparable situation developed before, the Government was able to do something about it to relieve it; the Government today has been unable to do anything at all. Yet, when it came into office, this Government inherited a surplus that has now turned into an \$8,000,000 deficit. It is not surprising (if I may say this without any lack of charity to him) that this should be so, when the man now the Treasurer could have said such rubbish as he said about State finances in his policy speech before the last election. He was then quite confident about the ways in which he was going to find money to run this State, to

keep it solvent, and to do everything he wanted to do.

Mr. Coumbe: Do you think he misled the people?

Mr. MILLHOUSE: I think he misled himself, too, because he did not know what he was talking about, and, of course, he has done nothing like the things he said in his policy speech that he was going to do. What should be done at present? There is only one answer in my view: the Government should curb its expenditures until it can balance the Budget, and until the State can afford to take on new heads of expenditure. How can this be done? I believe it can be done only by the Government's going a little slower in putting into effect those things which it said it would do before the last election. We already have service pay, which is costing between \$1,000,000 and \$2,000,000 per annum. The Government has already gone ahead with equal pay for equal work, and that will cost us something over \$300,000 this year. Next year it will bring in its free school books scheme (a scheme with plenty of defects in it and hardly worth the \$500,000 to \$600,000 it is going to spend).

I do not suggest the Government can, at the stroke of a pen, wipe out the service pay it has granted, but it at least can pause before it goes on with its plans to spend money in this State to all our detriment. After all, the Government has conveniently forgotten a number of other things which it said in its policy speech that it would do. The outstanding example of that, of course, is the amalgamation of the banks. This was going to be one of the ways it found the money for its schemes, but nothing more has been heard of that scheme. That was one of the prime election promises before the election in March, 1965. That is the only sane and sensible way in which the State finances can be restored. I believe that the Government should make a real effort to prune its expenditures in every way to try to bring the Budget back into balance. That is all I want to say except for one small point that is merely a note of alarm I sound now.

At present in Australia no matter is more important in the minds of the community than education. It is essential that we raise the standards and improve the facilities of education at all levels. However, I am perturbed by the little indications we have had that things are not well in this field. I am particularly perturbed with some of the circumlocutions of the Treasurer in his speech.

When discussing the question of money for the University of Adelaide and the Flinders University of South Australia, he said:

However, at this stage it appears to me inevitable that an equitable distribution of limited available funds between all competing needs within the State Budget will mean allocations for tertiary education purposes rather less than the institutions would desire. That is all he said. This is a hint of very bad things to come. I hope I am wrong in saying that and I hope the Government will re-allocate its priorities in some way so that the two universities of this State will have sufficient funds to continue to cope with the numbers of students who will want to enrol—the people this State must educate if its standards are to be kept up. I am alarmed when I read in the Treasurer's speech a hint like that. I hope I am wrong in this and that the Government will be able to find sufficient funds for the universities.

With the Leader and the member for Gumeracha I have no alternative, I suppose, but to support the first line which I do, as they did, very reluctantly, because I believe this is a bad Budget which will not help to improve the health of the economy of this State. It will not attract investment from outside into South Australia; it will not restore confidence in the business community of the State; and it contains many charges which, to say the least, are most unfortunate.

Mr. HUDSON (Glenelg): The Committee has just had the misfortune of listening to an ill-balanced, ill-judged and ill-mannered speech full of personal abuse and without one constructive remark in it. I am reminded very much of a remark once made by Colin Clark, at an Australian and New Zealand Association for the Advancement of Science Conference that I attended, about a former Professor of Economics in Queensland. Mr. Clark said then that anyone who had missed a course of this Professor's lectures had really missed something, not for the content of the lectures but for the way they were delivered. I suggest that anyone who was out of this Chamber during any part of the member for Mitcham's speech likewise missed something, not for the content of the speech but for the way it was delivered. I congratulate the honourable member on an admirably delivered speech. However, it does qualify him for the following sobriquet found in Macbeth, Act V, Scene V, lines 27 to 29:

... it is a tale
Told by an idiot, full of sound and fury,
Signifying nothing.

x4

At this stage, that is all I wish to say about the member for Mitcham.

I support the Budget because I believe it is a responsible document in which the Government has reasonably attempted to face up to the financial troubles of the State. These problems have to be viewed very much in the context of the kind of policy currently being followed by the Commonwealth Government, which has been in operation for about two years, and which the Commonwealth Government recognizes has had its impact on domestic activity within the Australian economy. In his Budget speech, the Commonwealth Treasurer (Mr. McMahon) said:

There remains the other critical sector, that is, consumer spending. The rate of increase in this kind of spending has tended to fall off in recent years, especially over the last 12 months or so. Tax increases— and there he is talking of the Commonwealth Government's tax increases—the effects of drought and the pressure of debts have all affected consumer spending. Do not let us forget that some reduction in the rate of increase of consumer demand had to take place in order to release the sources for defence purposes and for other high priority uses.

That is the policy the Commonwealth Government has been adopting in relation to the Australian economy for the last two years. Defence and other high priority uses have been given priority over consumer spending and, in particular, over consumer spending that is financed by hire-purchase. As South Australia has more than its proportionate share of the production of consumer durable goods that are financed by hire-purchase, it has tended to feel the adverse effects of this policy of the Commonwealth Government more than has any other State. The Commonwealth Treasurer budgeted for this coming financial year for Commonwealth expenditure on defence of \$1,000,000,000, four times this State's Budget, and an increase over Commonwealth expenditure last year of \$252,000,000 or 34 per cent. The increase in the spending of the Commonwealth Government on defence during the coming financial year is almost equal to the total sum of the South Australian Budget. The increase is \$252,000,000 as against the total State Budget for this financial year of \$258,000,000. The Commonwealth Treasurer said:

Since 1963-64, only three years ago, annual defence costs have risen by \$480,000,000 or over 90 per cent.

That is, over a period of three years the increase in expenditure has been equal to twice our Budget for one year.

Mr. Millhouse: Do you agree with the strictures that have been passed on the last few Budgets by your own Commonwealth Leader, Mr. Calwell?

Mr. HUDSON: I will come to that if I have time. At this stage I would prefer to make my speech in my own way without being sidetracked by the somewhat irritated and deflated member for Mitcham. The Commonwealth Treasurer went on to say:

Some allowance must be made for price and cost increases; even so, it is obvious that, in this comparatively short space of time, defence has come to claim a very large additional amount of resources that would otherwise have gone to developmental or consumption uses.

This was said by the Commonwealth Treasurer, whom I presume the member for Mitcham (Mr. Millhouse), the member for Gumeracha (Hon. Sir Thomas Playford) and perhaps, in his more lucid moments, the Leader of the Opposition would support. After all, he belongs to the same Party as they do. This problem of providing for defence caused the Commonwealth Treasurer to say this later in his speech:

And yet, with each successive rise in defence expenditure, we have become increasingly conscious of a developing conflict between major national purposes—between the requirements of defence and those of growth.

So, the Commonwealth Treasurer at least recognizes and has followed out in the policy adopted by the Commonwealth Government that very large increases in expenditure on defence mean that resources must be diverted from consumption and developmental purposes.

Mr. Clark: Does that mean that he will assist the States?

Mr. HUDSON: No, it means exactly the reverse. While the defence and the Commonwealth works programme have had a large percentage increase over the last two years, the sums made available to the States have tended to suffer. More important than the direct effect of the Commonwealth Government on State Governments' finances is the indirect effect that occurs *via* the impact on domestic production in a State like South Australia, which, as I have said, is so heavily dependent on motor cars and other consumer durables. We produce more than our proportionate share of these goods, and it is the demand for them that has tended to be restricted.

No member of the Opposition in a rational moment could say that this Government was responsible for the decline in demand for motor cars, although I would not say they would not attempt to do this. This has an impact on the employment position in this State. Every member of this Parliament, if he is prepared

to be sensible about it, knows that recovery in this industry will depend on demand in other States, because this State is a large exporter of cars to other States. The same thing applies in general with the Commonwealth Government which, as admitted by the Commonwealth Treasurer, wants to switch resources from domestic production to defence. He exerts what control he has of the banking system and restricts the amount of credit available. Again, that has a direct effect on domestic production in the building industry. We cannot spend money at the Commonwealth level for defence purposes associated with sending our troops to Vietnam and still have the same amount of additional funds available, as in previous years, for domestic developmental purposes.

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

Mr. HUDSON: I believe that the experiences that each State Government in Australia has had to face over the last two years, and the fact that all the non-claimant States are experiencing deficits, makes it clear that the defence needs placed upon the Australian community by the Commonwealth Government have restricted developmental and consumption expenditure. This is shown up in the State Governments' peculiar financial difficulties in introducing their Budgets.

These difficulties have been made more pronounced by the fact that the Commonwealth Government treats its own works programme more generously than it treats those of the States. If one examines the detailed Commonwealth Government Budget, one finds that the total expenditure of the Commonwealth Government for this financial year is to be increased by 11.3 per cent, from \$5,330,000,000 to \$5,930,000,000. Financial assistance to the States has been increased by only 7.8 per cent while the Commonwealth Government's own works programme has been increased by 8.5 per cent, and its Loan programme for the States has been increased by only 6.6 per cent. This follows a year (1964-65) when the Commonwealth works programme was allowed to be increased by over 10 per cent while the States were restricted to an increase in their works programmes of only 2 to 3 per cent; so we are now faced with a situation that is the culmination of two years of restrictive pressure exerted by the Commonwealth Government. On top of that general background we have the fact of a basic wage increase of \$2, which means an additional strain on the South Australian Government's Budget. It has that effect on this Budget and on the Budget of every State Government.

The problems that this Government has had to face are being faced similarly by the State Governments of Queensland, Victoria and New South Wales.

I suggest that the kinds of solution that have been found to our financial difficulties in this State will result in more reasonable burdens being placed on the members of the community in this State than will be the case in other States of Australia. Hospital charges for public wards in New South Wales, for example (and this is prior to the introduction of the Budget) have been increased by 36 per cent, and the increase in hospital charges in Victoria is of the same order. Fares and other charges have been or will be increased in those other States. I suggest that the basic wage increase, which means for this State almost \$6,000,000 extra in expenditure on both Revenue and Loan Accounts in order to get the same real expenditure as applied last year, places a heavy burden on the State's Budget. This burden is made even more difficult by the fact that the Commonwealth tax reimbursement grants are adjusted, as regards all wage increases, after a delay of some 12 months. In this financial year we do not get any extra compensation from the Commonwealth Government to South Australia for the fact that the wage payments to be met by the State Government have increased. We shall get additional recompense from the Commonwealth Government next year on that account, but it comes a year later than when the need to find additional revenue arises, which adds to the difficulties of the State Government.

It is worth noting also when one deals with the general background surrounding this Budget that interest and sinking fund payments that have to be met by the State Government this year are almost \$3,300,000 greater than last year. The combined effect of the basic wage increase and the extra interest and sinking fund commitments of this State means an extra expenditure of \$9,000,000 per annum before there is any improvement in any Government department in any way whatsoever. In addition, we have to recognize that we have an expanding population, which places increased pressure each year on a series of Government departments to provide services to the community in order to maintain the same standard of service as was provided in the previous year. In each year since the Second World War the number of children in our schools has increased by between 4 and 5 per cent, which has meant an automatic increase in expenditure each year

on education of about 4 to 5 per cent, just on account of increased numbers of children in our schools. Not only in the field of education but also in relation to the provision of water and sewerage facilities and in relation to many other Government activities are we dealing with an expanding population, and with expanding numbers we recognize that the Government is committed automatically to increased expenditure if it is to maintain the same standard of service as prevailed in the previous year. I think it can be fairly estimated that some \$4,000,000 to \$5,000,000 extra a year is required in this State (and perhaps more) merely to maintain the same standard of service as applied in the previous year. So, because of the basic wage increase, the extra interest, and the needs of an expanding population, the State in this financial year needs to find an additional \$15,000,000 before any policy decisions of the Government are implemented, before any kind of improvement in the general standards within the community can be brought about by the Government.

As the Treasurer explained, the proposed increase in expenditure, comparing various items with comparable items last year, is about \$18,000,000, a large part of which occurs automatically. Each year the Government needs to provide improved services and to make improvements in various respects in relation to what it does. If my rough approach is correct and about \$3,000,000 of the \$18,000,000 increased expenditure will improve Government services or standards in the community, then I say that in the kind of developing society in which we live this is nowhere near enough. The pity of it is that the Government is faced with these difficult financial circumstances largely beyond its own control and cannot do more than it is doing in this financial year.

When we look at that kind of financial background it becomes clear, I think, that to have adopted the solution of the member for Mitcham and to have curbed Government expenditure would have resulted in a retardation of Government activity in South Australia and a retardation in development within the whole State, and in current circumstances, with some difficulties being faced as a result of this transfer of resources from domestic use to defence purposes, and with difficulties already being felt in the motor vehicle and building industries, this cutting back of expenditure could not be contemplated, for it would have meant higher unemployment than we have at present. Therefore, in my view the Government needed, just to hold the line, a minimum of some

\$15,000,000 extra expenditure, and I think its decision to try to improve what it is doing in certain respects and to commit itself to a further \$3,000,000 additional expenditure, is, in the circumstances, admirable and necessary. In view of this general background, I think it is also necessary to try to find the extra revenue needed to finance that additional expenditure without running the State further into deficit.

We have heard much rubbish spoken in this Chamber about the current deficit of this State. Deficits as such are not new. In fact, the deficit of this State of \$8,000,000 is chicken feed compared with the proposed deficit of \$270,000,000 of the Commonwealth Government for this financial year, which is higher than the total expenditure (\$258,000,000) proposed in the South Australian Government's Budget. This gives food for thought. The plain fact of the matter is that the Commonwealth Government, through its ability to borrow from the Reserve Bank by issuing Treasury bills to that bank, can run as big a deficit as it likes, and in effect this deficit is costless to its operations. However, the State Government, under the Financial Agreement, must make all its borrowings via the Australian Loan Council, and it can run a deficit only to the extent that it has surplus funds, funds on deposit, and funds on trust that can be used for that specific purpose.

Mr. Quirke: What rate of interest is the Commonwealth paying?

Mr. HUDSON: I am not sure whether it is 1 per cent or $\frac{3}{4}$ per cent. It is purely a notional transfer, because it is going from the Commonwealth Government to the Reserve Bank, which in effect means that it is going from one Government department to another. Therefore, it has no real significance in the Commonwealth Government's budgeting problems.

Mr. Quirke: It is an addition to the money available.

Mr. HUDSON: Yes, and the fact that the Commonwealth Government is running a deficit this year is a possible source of expansion in the Australian economy. Honourable members opposite would do well to appreciate that fact, because they would then recognize that if this State had not had a deficit last year unemployment in South Australia would have been worse and that an appropriate way, if possible, to react to a position of unemployment or some financial and economic difficulty within the community is for the Government of the day to run a deficit. In circumstances where there is inflation, the appropriate adjustment is to run a surplus. This possibility of running a deficit or surplus to the extent

that one wishes is an alternative open to the Commonwealth Government but not effectively open to the State Government. Deficits have been run in the past in South Australia.

Mr. McKee: Not according to the member for Mitcham.

Mr. HUDSON: Well, we must make some allowances there, I think. The Auditor-General's Report (page 26) gives a detailed list of annual deficits and surpluses. While we were a claimant State we regularly ran a deficit from 1954-55 to 1959-60, as follows: in 1954-55, \$4,467,856; in 1955-56, \$2,859,710; in 1956-57 (a minor one), \$97,232; in 1957-58, \$798,814; in 1958-59, \$2,053,432; and in 1959-60, \$622,208.

Mr. Shannon: Did you have a look at the asterisks?

Mr. HUDSON: Yes. It is possible that in some of these years these extra grants did not come until the end of the financial year and the State lived on hope. I am confident that trust funds have been used quite regularly in the past in this State to meet temporary deficits that occur within one financial year. It is only in the last financial year that the pattern of Commonwealth payments of the tax reimbursement grants to the States was concentrated relatively more in the earlier part of the financial year than previously. Until the last financial year the Commonwealth tax reimbursements to the States tended to fall relatively more heavily in the latter part of the financial year, and it would, I imagine, have been quite a frequent occurrence for the Consolidated Revenue fund, while being balanced or in surplus at the end of a financial year, to be in deficit during some part of the financial year. That is quite possible, and it was in fact the case in 1964-65. In fact, this was mentioned by the Leader of the Opposition this afternoon when he gave the figures for the end of July. He said that in 1964-65 the Consolidated Revenue fund was in deficit.

I think the point at issue, however, in relation to a deficit is not the fact of the deficit as such but the question: can the State's finances be so handled that the deficit can be controlled, and can the run-down (the running deficit, if members want it put that way) be eliminated so that at the end of this financial year the deficit will be no greater and in the next financial year some reduction, perhaps, can be achieved? This is the relevant issue. There is no need for honourable members to talk about raiding or plundering the trust funds, and there is no need for the kind of remark indulged in by

the member for Mitcham this afternoon. This Budget attempts to do two things. It attempts to go as far as it can towards meeting the necessary expenditures of the State (and I am sure that, if members examine the lines, they will see many productive ways in which expenditure could have been increased) while at the same time avoiding any further running down in the State's finances.

Although the Budget contemplates an additional deficit in the Consolidated Revenue Fund of more than \$2,000,000, that has to be taken into consideration with the surplus of revenue over expenditure on the Loan Fund for this financial year of over \$2,000,000. So, as far as the Loan Fund and the Consolidated Revenue Fund considered together are concerned, the planned deficit at the end of June, 1967, will be no greater than the deficit at the end of June, 1966.

In estimating revenue and, therefore, the possible size of the deficit, some guess work is always involved, and it is clear that in this State much depends on the kind of season we have. For example, if we get good rains this month and next month, this could have a direct impact on the Budget by producing revenues for the Railways Department and the Harbors Board in excess of estimates. This would also tend to reduce the estimated cost of pumping water from Mannum to Adelaide and so directly affect the Budget.

In addition, good rains, by providing additional income to the primary producers and stimulating their expenditure on the products of the community, could have an indirect reaction on the Budget by influencing, for example, stamp duties revenue. On the other hand, if we have a poor season (and it is clear at present that the nature of the season is very much in the balance), certain revenue items may be below estimate, as was the case last year. In budgeting for a year ahead, one can only put down one's best guess as to those revenue items that depend on the outcome of the season, and much the same applies to other revenue items that depend not so much directly on the nature of the season as on the level of activity in employment within the South Australian economy.

I should like to refer to the estimated increase in motor vehicle registration fees from \$11,877,553 to \$12,500,000. The member for Mitcham (Mr. Millhouse) said that he could not see any reason why there should be this increase. An increase in revenue from

motor registration fees does not require an increase in motor car production: it requires only an increase in the total stock of cars in South Australia. The rate of production and purchase of cars affects the extent of the increase but, if the total stock of cars in the State increases, even though the registration fees remain unchanged, the total revenue that the Government can expect will increase.

Mr. Quirke: It is a pity you cannot tax all those cars that are parked in vacant lands around the city!

Mr. HUDSON: Yes, that would help. If we could vaporize a few of them, that would be even more help. It is clear that, in making an estimate for the year of the likely revenue to be gained from motor registration fees and driving licences, some estimate of the total stock of cars by the end of the year is required, as is some estimate of the total stock of drivers, if one likes to put it that way. To some extent, the increase that takes place during the year is dependent on the level of economic activity. If we get an improvement during the year, more cars will be registered and sold in South Australia, and that will indirectly affect the Government's revenue. In the same way, an improvement in the building industry or motor car production will influence stamp duties revenue, and revenue from horse racing.

Mr. Heaslip: Your estimates contain a lot of "ifs".

Mr. HUDSON: There will be many "ifs" in estimates, whoever makes them, even if they are made by a business expert such as the member for Rocky River.

Mr. Ryan: With a capital "I"!

Mr. HUDSON: I do not know whether it would be with a capital "I". We must recognize that the member for Rocky River is a capable business man.

Mr. Ryan: He keeps telling us he is a primary producer.

Mr. HUDSON: I think he knows more about business than about primary production and that he has been "having on" members of this place. Estimates depend on the level of activity in the community, and a State Budget depends on the nature of the season and the consequent effect on the primary producer.

I, like all members, hope we have a good season, not only from the point of view of the State's budgetary position but also from

the point of view of the primary producing community, because there has been one season not as good as those immediately preceding it and a series of relatively difficult seasons increases the financial difficulties of primary producers each year.

I think the Estimates of Revenue are possible of achievement. As I have said, it is clear that they will depend on certain factors that are unknown at this stage, while others are known. We can budget fairly accurately regarding the likely increase of \$2,100,000 in the land tax collection in South Australia. The total increase in State taxation envisaged by this Budget is comparable with increases that have taken place in the past. For example, between 1963-64 and 1964-65 the previous Government produced an increase in revenue from State taxation of \$5,000,000, or about 16 per cent. The increase in State taxation envisaged between 1965-66 and 1966-67 by the present Government is slightly less than £6,000,000, or about 15 per cent.

It is not difficult to point to individual items from which revenue increased considerably in years when the previous Government was in office, and the strictures of the member for Mitcham this afternoon about increased charges could well have been directed at what happened in any of those years. For example, between 1960-61 and 1961-2 there was an increase in land tax of \$2,000,000. The increase in stamp duty between 1963-64 and 1964-65 was \$3,250,000. That is one of the most substantial increases since the Second World War. In view of the general financial background that I have outlined it would have been irresponsible on the part of this Government not to have made the attempt to gain the extra revenue necessary to meet the necessary expenditure commitments of this State. If it had not done that, this Government could have been charged with being irresponsible in terms of the general situation we are facing, but I believe the Government has acted responsibly and with credit to itself. I believe that that will be recognized by the community, and I do not think the community is misled by the rubbish spoken by the members for Gumeracha and Mitcham and by the Leader of the Opposition.

Mr. Hurst: They will soon wake up to that!

Mr. HUDSON: I think so. It will be a sad day for politics in this State if they do not

wake up to the irresponsible talk we have heard this afternoon.

Mr. Shannon: The honourable member is not improving the standard.

Mr. HUDSON: I would not rely on the judgment of the member for Onkaparinga in that respect.

Mr. Nankivell: You are the chief justice and the lord-high executioner, are you?

Mr. HUDSON: I have juggled with Appendix VIII to some extent—

Mr. Rodda: Is that all?

Mr. HUDSON: —in a way that even the members for Albert and Victoria, that notable pair from the last century, would be able to understand. If one considers this appendix one finds in the way it is set out (which is customary) that the transfers from the Treasury to the Railways Department towards working expenses and debt charges appear both on the payment and revenue sides. It is worth reorganizing this table so that that is eliminated, and making a further adjustment by considering the net payments of the State, excluding from that the transfer to the Railways Department, and the debt service payments, that is, interest and sinking fund; comparing the net payments with the net revenues available to the State; and deducting from the net revenues the interest and sinking fund payments that have to be made. One then gets a fairly good picture from the net point of view of the way our overall Budget is working. Presenting the Budget in gross terms, so that all expenditure items of the business undertakings such as the Railways Department and Harbors Board are included on the expenditure side and all the revenue items are included on the revenue side, gives a misleading picture. It leads us to say that, if we consider the Budget in gross terms, 45 per cent of the total revenue of the Budget comes from charges made for public services although, by and large, these charges for public services are not available to meet other expenditure commitments of the Government. They go to meet the costs of providing these public services, and it is much better not to treat the business undertakings in the gross sense but to bring them into the Budget as either a surplus or a deficit earned in these business undertakings.

I ask permission to have this modified table inserted in *Hansard* without my reading it in detail.

Leave granted.

MODIFIED APPENDIX 8.

Net Payments:
Social Services:

	1963-64. \$	1964-65. \$	1965-66. \$	Est. 1966-67. \$
Education, Science and Research	40,896,908	45,163,942	50,430,944	56,596,935*
Medical Health and Recreation	18,002,198	20,506,472	23,863,410	26,808,674†
Maintenance of law, order and public safety	7,311,494	7,909,440	8,434,893	9,273,137
Social amelioration	2,935,686	3,194,906	3,638,156	3,961,757
	69,146,286	76,774,760	86,367,403	96,640,503
War obligations	748,266	661,038	394,794	403,493
Development and maintenance of State Resources	14,455,314	14,500,352	16,154,899	15,649,560
Other administrative activities	8,631,442	8,854,542	9,962,971	11,124,989
Total Payments	92,981,308	100,790,692	112,880,067	123,818,545

*Including \$1,900,000 now charged to Loan Fund.
†Including \$2,600,000 now charged to Loan Fund.

Receipts:

	1963-64. \$	1964-65. \$	1965-66. \$	Estimated. 1966-67. \$
Surplus of Public undertakings	13,362,384	12,745,514	13,297,872	15,377,127
State Taxation	29,825,046	34,900,942	36,851,666	42,605,786
Territorial Receipts	2,008,806	2,193,036	2,067,305	1,975,000
Commonwealth Payments to the States	79,660,498	79,562,876	87,874,967	94,373,632
Total	124,856,734	129,402,368	140,091,810	154,331,545
Less Interest and Sinking Fund	28,624,580	31,233,346	34,045,879	37,329,000
Available to finance net payments	96,232,154	98,169,022	106,045,931	117,002,545
Balance in Consolidated Revenue Fund	593,350 (surplus)	3,844,196 (surplus)	1,222,526 (surplus)	5,611,610 (deficit)
Deficit (or Surplus Cr.) on Revenue A/c for current year	3,250,846 (Cr.)	2,621,670	6,834,136	6,816,000
Adjustment for Capital Items transferred to Loan Fund	—	—	—	4,500,000
Balance in Consolidated Revenue Fund at close of year	3,844,196 (surplus)	1,222,526 (surplus)	5,611,610 (deficit)	7,927,610 (deficit)

Mr. HUDSON: If we do that, we get a picture of the behaviour of net payments for social services (for example, for education, medical health, maintenance of law, order, and public safety) and for what is called social amelioration. The percentage increases are 11 per cent for 1964-65 over 1963-64; 12½ per cent for 1965-66 over 1964-65; and for the

estimated expenditure for 1966-67 an increase of 12 per cent over the last financial year. These percentage changes are relevant because they tend to indicate that when the Budget is examined in this net way the overall improvement in the provision of social services has been and still is much better than would appear from the statement, for example, that the

total gross expenditure in the Budget has increased by 8½ per cent.

When one takes out the business undertakings and removes the \$8,000,000 transfers that appear on the revenue and expenditure sides, it turns out to be better than that. When one looks at the receipts available either to meet interest and sinking fund payments, social services, development and maintenance of State reserves, war obligations, or other administrative activities, one finds that these receipts now come under four headings—surplus of public undertakings, State taxation, territorial receipts, and Commonwealth payments to the States. These receipts do not expand regularly year by year, and it is this lack of regular expansion year by year that has tended to produce fluctuations from surplus to deficit and, no doubt, back to surplus again before many years have passed.

Mr. Nankivell: There is a 7½ per cent increase.

Mr. HUDSON: On average, but the increase comes in fits and starts. It was a small increase overall for 1964-65 from 1963-64 (from \$124,857,000 to \$129,402,000) while from 1964-65 to 1965-66 the increase was higher (\$129,402,000 to \$140,092,000). The proposed increase for this financial year is from \$140,092,000 to \$154,332,000, a more substantial increase than some that have taken place in previous years. A comparison will represent an exercise which, I am sure, although the honourable members for Albert and Victoria will be incapable of comprehending (even in their most lucid moments) will, nevertheless, be appreciated by the member for Burra.

Mr. Rodda: I didn't think you could be so discerning.

Mr. HUDSON: It does not take much effort to be discerning in that direction. I am sure the member for Burra would be interested to compare the net receipts set out in this way, and the growth in those net receipts, with the way in which our interest and sinking fund obligations have grown. From 1963-64 to 1966-67 the total increase in net revenues set out in the way I have indicated to the Committee is about \$30,000,000, which is an increase over that three-year period of not quite 25 per cent. The interest and sinking fund commitments have increased over that same three-year period by a little less than \$9,000,000, or about 30 per cent (that is, a 24 per cent rise in total revenue, as against a 30 per cent rise in interest and sinking fund commitments), which is some measure of the

difficulty currently being imposed on us by those interest and sinking fund obligations.

I think it is clear (and it can be shown simply, if necessary) that if the overall revenue on the Budget of this State were increased at a slightly more rapid rate, the interest and sinking fund obligations that we have to meet each year would not become a rising proportion of our Budget. However, for some time they have tended to creep up as a proportion of the Budget and that, of course, creates financial difficulty in relation to the Government's other expenditure commitments. I believe (and I think the member for Burra may well take issue with me on this) that these interest and sinking fund obligations need not be a source of difficulty to the State, or to other State Governments in Australia, so long as the overall revenue available to the State expands sufficiently rapidly.

Mr. Quirke: It never has.

Mr. HUDSON: It has kept up a little better in more recent years than it has in past years.

Mr. Quirke: Now it has slipped back again.

Mr. HUDSON: I do not know, but I shall come to a point that may interest the honourable member in a moment. I suggest that it would not require much change in the financial relationships that exist between States, on the one hand, and the Commonwealth Government, on the other (a change that would bring about a better deal for State Governments), before the rate of increase of revenue available to State Governments each year expanded sufficiently quickly to prevent interest and sinking fund obligations becoming a rising percentage in total expenditure. The table I have drawn up clearly shows the importance of the Commonwealth payments in the form of tax reimbursement grants in financing our Budget. Whereas, when we examine the Budget from a gross point of view, the Commonwealth tax reimbursements probably represent 40 per cent of our total revenue, when one treats the Budget in the net way I have suggested the Commonwealth tax reimbursement grants represent 60 per cent of the total revenue available to the State.

The way in which that large sum behaves each year is a matter of great concern to the State Government, not only here but in every other State. It means that if during a year such as the present financial year the increase in these tax reimbursement grants is insufficient to meet our expenditure commitments, there must be a significantly larger increase in State taxation or in the surpluses obtained from our business undertakings in order to fill the gap.

In this current financial year the increase in our Commonwealth tax reimbursement grants is about \$6,500,000, which is barely enough to meet our extra expenditure commitments that have arisen as a result of the increase in the basic wage. As I explained earlier, we receive some compensation for this increase in the form of higher tax reimbursement grants in the next financial year. It would not surprise me at all if Commonwealth tax reimbursement grants for 1967-68 were about \$10,000,000 higher than the 1966-67 figure, using the current formula that has been adopted by the Premiers Conference.

It would require an overall increase in average weekly earnings of only about 6 per cent for 1966-67 over the 1965-66 figure to produce an increase of \$9,500,000 in the Commonwealth tax reimbursement grants available to South Australia for the next financial year. This point is well worth keeping in mind, particularly for those members of the Opposition who wish to prate about the deficit, because I think it indicates that, to some extent, the Government will be in a much better position next financial year to go somewhere towards reducing the deficit than it has been in the current financial year.

As I have said, the Budget seeks to hold the line and to prevent the deficit from increasing. That, in view of the difficult circumstances in which the Budget had to be framed, was, I suggest, all that could be contemplated this year. In the next financial year, when we can expect higher tax reimbursements from the Commonwealth Government, I hope we shall be in a position to reduce the deficit. It is also worth pointing out that, for an enterprise as large as the State Government, the financial reserves available to it are remarkably small in relation to its yearly activity.

Taking the Loan Fund together with the Consolidated Revenue Fund, the State is spending during one financial year on both Loan and current accounts \$335,000,000, whereas our reserves of deposits held at the Treasury and in trust funds total only \$27,000,000, which is about one month's expenditure for the whole State (that is, the reserves available to the South Australian Government are equal only to one month's expenditure on Loan Account and on Revenue Account). Therefore, anyone dealing with any business at all would say that that was a remarkably small margin within which to have to operate. We regard (for example, in relation to our international trade) our international reserves as being in a highly dangerous position, indeed, should they fall to a figure less than

six months' value of our exports. Should they fall below \$800,000,000, or even below \$1,000,000,000, our international reserves would be regarded as being in a most unhealthy position. It would be a crisis of disaster proportions should the international reserves ever reach the stage of being equal only to one month's value of exports or imports. However, internationally the dangers of fluctuations of expenditure and receipts are much greater than in relation to the activities of a State Government.

Mr. Quirke: They are hardly comparable.

Mr. HUDSON: They are hardly directly comparable. Nevertheless, let honourable members ask any business organization what are the levels of liquidity—the cash reserves it can get its hands on at any one time in relation to its yearly expenditure. To put it another way, a company having liquid assets equal to only one month's turnover in the volume of production would be regarded as a company in a most illiquid position. My point (although it is undoubtedly beyond the comprehension of the member for Albert) is that this State Government and all the State Governments in Australia continually have to operate in circumstances amounting to serious illiquidity when considered from a business point of view.

Mr. Nankivell: You still believe in uniform taxation, don't you?

Mr. HUDSON: And I hope the honourable member does, too.

The CHAIRMAN: Order! Audible conversations are out of order. The honourable member for Glenelg.

Mr. HUDSON: I shall be interested if the member for Albert is willing to get up in this Chamber and advocate State income tax for South Australia. I hope he will do that, noise it abroad, and tell the people about it. If he does that I am sure he will make himself very popular!

Mr. Nankivell: I didn't say that. You know I didn't.

Mr. HUDSON: Although we must face the fact that we have a pretty crummy Government in Canberra at present, we should not be blinded to the need, from an Australia-wide point of view, of having a situation where the Government in Canberra can operate effectively in the interests of the whole Australian community. I hope that we are not going to be so concerned in this place with our own parochial interests that we will be blind to the interests of the Australian community as a whole.

Now that the member for Albert has seen fit to stick out his neck in such a friendly way, my own view is that it would be a sad day indeed on which uniform taxation ended. However, I am prepared to claim at the same time that as a result of uniform taxation the States have not had a sufficiently good deal from the Commonwealth Government, which has yet to fully recognize the extent to which State Governments are involved in developmental work of one sort or another, and the extent to which the developmental work that a State Government has to carry out is closely related to the change in population that takes place year by year. Members should consider the Government works that are required, as a result of population change, in the fields of housing and education and in the provision of water, sewerage, electricity and hospitals, all of which are Government services that must be expanded each year if there is an expanding population for which to cater. The organization of the current Commonwealth-State financial relations does not have sufficient regard to that fact. Allowance is now made for population change and for wage increases, but no allowance is made for the fact that nearly all State Governments commenced the post-war period with a tremendous backlog of work required to be done in all of the fields to which I have referred.

A tremendous backlog still exists in education facilities and hospitals and in the provision of water and sewerage. We are up to date with electricity but behind in housing, and this is true of State after State. Although the current formula allows for population and wage changes after a lag, it has never allowed for the fact that, in terms of the standards of development that ought to exist in the community, the States started off the period of uniform taxation with a need for additional expenditure that has never adequately been met. Throughout the whole of this post-war period State Governments, whether Liberal or Labor, have been fighting to get over the problem of backlogs in every developmental field with which they are concerned. Until the Commonwealth Government fully recognizes the important developmental role of State Governments, and recognizes that in many senses State works programmes satisfy more important needs than does the Commonwealth Government's works programme and should therefore be treated at least on a par with the Commonwealth's works programme, then State Governments will forever be fighting and scratching for that extra penny. Until that day arrives

we shall be forced to accept the fact that in difficult financial circumstances a State Government (such as our own at present), in order to act responsibly, may have to impose additional charges. I defy any member to say that on this occasion the State Government has not faced up to its responsibilities, because it has: there is no doubt in my mind about that.

Concerning rail and bus fares, I have always believed that there might be merit in a reduction in fares. I refer the member for Torrens to his remarks last year on a motion he moved in this Chamber. I still believe that something might be gained in the way of increased patronage and ultimately reduced pressure on our roads and reduced need for road-widening programmes and so on through the reduction in rail and bus fares. However, unfortunately, it becomes a vicious circle. For instance, if bus fares were to be reduced by 25 per cent at least a 30 per cent rise in patronage would be needed to maintain the same revenue. If the increase in patronage took place entirely at the peak hour, a 30 per cent increase in the number of buses would have to be provided, and where would we obtain the necessary funds for this? Whenever the problem of railway or bus revenue arises the possibility of a reduction in fares is always automatically excluded (and this has applied throughout Australia every year since the Second World War) because of the simple fact that if it were successful in producing the increased patronage that would be needed and if this increased patronage occurred in the peak hour—

Mr. McKee: Over the years I think it would be a solution just the same.

Mr. HUDSON: We have to face up to the problems involved in public transport. Ultimately, we may have to tackle them by setting aside an amount each year so that in, say, three years' time we can plan for a reduction in bus fares. We may have to set aside an amount each year to enable us to have an adequate bus fleet on hand at a time when we reduce fares to cater for the people who want to travel. We would be taking an awful risk in doing that. If we were successful it would, of course, be a wonderful boon not only to the travelling public but also to the Budget.

Mr. McKee: The buses tend to be full at peak periods.

Mr. HUDSON: Yes, and so do the trains. In the post-war years the main problem has been the decline in travellers in off-peak periods. There is a big fluctuation between the numbers travelling in peak periods and in off-peak periods.

Mr. McKee: Half the people in Melbourne drive to work.

Mr. HUDSON: I would not be surprised if that were true here, too. Nevertheless, in making that revolutionary approach to public transport, we would run the risk that we would not get the increased patronage necessary to justify it; there would be an awful shemozzle and we would be forced into retracting the whole policy. I have spoken for longer than I intended. I conclude by congratulating the Government and the Treasurer on presenting this document to Parliament. It is a responsible document and I am happy to support it.

Mr. COUMBE (Torrens): I know the Committee is delighted that at last the apologia has concluded. This afternoon we heard in the Committee three outstanding speeches by the Leader of the Opposition, the member for Gumeracha (Hon. Sir Thomas Playford) and the member for Mitcham (Mr. Millhouse), in which they pointed out the rather obvious weaknesses and shortcomings of this Budget. Then on came the financial expert of the Labor Party, the member for Glenelg, who has at last concluded. In his opening remarks (for what they were worth) he gave himself away completely. The honourable member at last got permission to speak today, but I do not think he will get permission again in a hurry unless he can improve on his efforts today—and that remark is directed at the Whip! The honourable member this afternoon and this evening seemed to be labouring heavily. It is obvious that in tackling this debate he did not seem at all enthusiastic about his subject. In fact, he was almost apologetic in trying to justify his leader's Budget.

The honourable member, who is most critical at times of members on this side, seems now to be becoming more and more disillusioned as the session goes on. This, I believe, is because he is at last coming face to face with reality and is not now, of course, lecturing to students on economic theory. There was a bright note in this. For one brief moment I thought he was going to agree with me when he referred to the private member's motion I introduced unsuccessfully last year, when I tried, on behalf of the Opposition, to get bus fares reduced. The honourable member was for a fleeting moment agreeing with me and then he suddenly remembered that this was opposite and contrary to his Party's views, so he did not pursue that point very far. One of the very first points he tried to make in justifying the Budget was that it was analogous to the Commonwealth Budget introduced last month.

In fact, he lauded the McMahon Budget and the Walsh Budget and agreed—

Mr. Hudson: Rubbish!

Mr. COUMBE: He agreed. I ask honourable members to recall the words he used. He was referring to comments of Mr. McMahon, the Commonwealth Treasurer, when he was talking about the reasons why the Commonwealth Budget appeared with a deficit. He agreed with these views although a little while ago he referred to it as a rather crummy Government. I want honourable members to recall the words and phrases that he used and the tone in which he used them, because he used them specifically to justify the Labor Party Budget now before us. Yet I remind the Committee that Mr. Calwell, the Commonwealth Labor Party Leader, violently disagreed with those views of Mr. McMahon (and publicly said so) and these comments that the member for Glenelg has now referred to. I do not know what will happen. I know what happened to Captain Benson the other day.

Mr. Hudson: You are distorting it and misrepresenting it completely.

Mr. COUMBE: I should be almost as delighted on reading *Hansard* tomorrow as I was to see the honourable member at last get up and speak.

Mr. Hudson: You had better read it more carefully than you listened.

Mr. COUMBE: Captain Benson appeared on a telecast session only last week in which he said quite clearly why he had been expelled from the Labor Party—because he had disagreed with it. Today, there is a vastly different position obtaining from that at the last election, which was only 18 months ago, when the Liberal Government went out of office. At that time there was a balance of money in the Treasury; now, 18 months later, we have a deficit of \$8,000,000-plus. These are facts presented in the printed documents that we are now considering. This is the startling position that this State has got itself into in 18 months, entirely through the State's being under new management. It is staggering how the financial position of the State has run down in such a short time. If this had occurred in any company or commercial undertaking the managers would have been sacked out of hand by the shareholders—and in this case, of course, the shareholders are the electors.

The Hon. Sir Thomas Playford: If they had used the trust funds, the Attorney-General would have been after them.

Mr. COUMBE: The whole Budget is not very inspiring and the outlook for the future

is gloomy. I acknowledge freely that the Treasurer has problems on hand, and they are all sitting opposite. It has been a difficult Budget to prepare. I hope the State can get out of this position. However, we find growing deficits (and in fact the Treasurer half hinted at this in his speech), mainly as a result of rash election promises, rather indifferent housekeeping, and certainly different housekeeping methods. The Treasurer said that he was trying to do no more than hold the line. He is, of course, not trying to reduce this deficit: he is standing still and not being progressive. We had a deficit last year, and this year we are budgeting for a gross deficit of over \$8,000,000. What will be the position at this time next year when the last Labor Budget is presented?

Mr. McKee: You are an optimist.

Mr. CUMBE: I hope it will be the last, and that we will not have to put up with any more.

The Hon. B. H. Teusner: The shareholders will have a say in it.

Mr. CUMBE: My word they will. What will be the extent of the deficit at the next election, if the election is held at the normal time? We see today in these deficits a legacy that will be handed on to successive Governments in the years to come, and this is not a very happy thought from the State's point of view. It will be an entirely different position from that which obtained at the election 18 months ago when the present Opposition went out of office with a surplus. We are budgeting now for a deficit of about \$8,000,000 for the financial year which ends on June 30, 1967, and I remind the Committee that that is only nine months before the normal time for the next election. The position will be radically different then from what it was at the time of the last election, and the people will be aware of this and will comment in no uncertain terms.

It appears that no effort has been made to increase revenue except by the one method of increasing State taxation. There is no real effort in this Budget to inspire or restore confidence in our community or to encourage development and investment. A person coming here from another State and wishing to set up industry that would create employment can get no real inspiration out of this Budget. What we need in this State is a return to prosperity. We must reduce unemployment, which has increased since the Labor Party took office. In case members of the Government

Party have short memories, I will remind them of two catch-cries that were used in the past by the two Parties in this House. One catch-cry used about five or six years ago by the Liberal and Country Party was concise and to the point: "Progress and prosperity with Playford"—a nice little piece of alliteration. Contrast that one with the catch-cry "Live better with Labor" used by the Labor Party at the last election! Far from living better with Labor, we are living dearer with Labor today.

How will this Budget overcome the unemployment position? This is a matter that concerns me and members of my Party, and I have spoken on it before. I believe that it concerns every member of the Government Party, and so it should. I fail to see in this Budget any real move to overcome this position. To emphasize the gravity of the situation, I will quote from the *Monthly Summary of Statistics* (Number 85) issued by the Commonwealth Bureau of Census and Statistics and published in August, 1966. That report shows that at July 31 there were 4,473 unemployed male persons in South Australia. I point out that in March, 1965, the figure was 1,672, so it will be seen that we now have three times the amount of unemployment that we had then. The number registered for unemployment benefits at present has increased to 2,454, compared with the figure at March, 1965, of 753. This is serious. To emphasize this point, I remind members that South Australia has just over 9 per cent of the total population of Australia, whereas this unemployment figure I have quoted is 12.4 per cent of the total unemployment in Australia. This is the highest rate of any State in the Commonwealth. We have gone from being the second best State in employment to the worst, all in 18 months, and surely this is more than coincidental. So that members will get the full picture, I will quote to the Committee from the Department of Labour and National Service press release dated August 15, the latest one available. On page 2 of that publication we find the following comment:

The number of recipients of unemployment benefit at July 31 was 19,200, a decrease of 282 since July 2.

I emphasize that these are figures for the whole of Australia, and that there has been an overall decrease of 282. The report goes on:

A fall of 1,117 occurred in Queensland, but there were increases in the other States. They were: South Australia, 374; Victoria, 313; New South Wales, 65; Tasmania, 55; and Western Australia, 28.

Although South Australia has only 9 per cent of the total population of Australia, it has the highest increase in the number seeking unemployment benefit. The figure in South Australia is most important and significant when we realize the large population of New South Wales, which has an increase of only 65 compared with our increase of 374 in the same period. As I said earlier, I fail to see in this Budget any striking move to overcome the position. Last year when the Treasurer was introducing his Budget he forecast that this year we would be in a far better position and that we would have more money available for special purposes. We find (at page 1412 of *Hansard*) that he said:

It is to be anticipated that the revenue measures will be much more effective in assisting next year, and in the circumstances the Government feels justified in taking the view that to plan a two or even three year period to achieve a balance in finances is reasonable. That is fair enough. However, I point out that the position we can see now in hindsight, 12 months later, is that during 1967 we are going to have this deficit of some \$8,000,000, and two of the three years will have gone: it leaves only 12 months to balance out a deficit of \$8,000,000, and that is going to take some doing. In fact, it has never been done yet. The Treasurer went on to say:

I would add that the Government is taking a comparable view as to the appropriate period over which it feels entitled to spread the implementation of its election undertakings, although, as will become apparent as I proceed, we will progress with them a very long way in the first year.

That is so. We saw some more coming in this year, although they are not helping to reduce the Budget deficit. Last year, when speaking in this debate, I offered constructive criticism regarding Revenue. I said I considered that the revenues had been over-estimated, that the Government was far more hopeful of getting revenue than it should have been. This has been proven, because actual receipts this year were \$3,138,000 less than the Estimates. The Treasurer, in his statement, gave certain reasons for this but did not account for the full \$3,000,000.

I maintain that reality proved that the Estimates last year were very optimistic. This year, after having gone through the estimated revenues carefully, I again say that they appear to be over-optimistic. Regarding receipts, the first item dealt with is taxation and I point out to the Committee, in case it is not aware of it, that the increase in taxation

this year of \$5,754,000 is a 14.6 per cent increase over last year, which is a fairly steep increase in one item. Last year the comparable increase was 5.2 per cent. State taxation accounts for about 16 per cent of the total vote, and Public Works and Services account for 25.6 per cent. It is interesting to note that the amount for Public Undertakings has increased slightly in percentage, that that for Territorial has dropped, and that the Commonwealth contribution to the whole of our Revenue funds has increased from 37.1 per cent last year to 38.4 per cent.

The graphs in the Auditor-General's Report, which we received only this afternoon, are a most effective way of showing comparisons. On the receipts side, the contribution from the Commonwealth has increased, as I have said. The amount for Public Undertakings has increased remarkably. This is the amount that I mentioned earlier. It reflects increased taxes and rates, because Public Undertakings include railways, waterworks and all departments that bring in revenue. On the payments side of this graph we see that last year Social Services, including education and medical expenses, increased from 42 per cent of the total to 43.7 per cent. Interest and sinking funds were about the same. Revenue to the State from Public Undertakings for the year just concluded slipped back. In 1964-65 they contributed 19.9 per cent of the total but last year they contributed only 19.2 per cent.

Then, we get this remarkable figure for Development of State Resources. I have spoken on this matter on many occasions and have urged that this undertaking should be developed, because it will not only create employment but it will also provide increased revenue for the State. Whereas this item contributed 7.7 per cent of revenue in the year my Party went out of office, it produced only 7.2 per cent last year. This is a trend that I dislike. Never mind the amount in dollars: the fact that development in this State is contributing less and less to the Revenue is a significant matter that concerns me and that must concern the Committee.

The first item in Part I, Taxation, is land tax, and the increase of \$2,162,000 is an increase of more than 38 per cent on last year. All members in this place and all other citizens of the State will contribute in varying degrees to this item to the extent of an increase of 38 per cent. Stamp duties are increasing by 18.5 per cent and succession duties by 9.9 per cent. Every citizen pays these items one way or another. The highest amount that I can find is

under "Attorney-General, Licensing Court, publicans' licences", for which the revenue is increased by 39 per cent on last year. We also see that hospital rating will increase by 13.1 per cent.

This means that hospital rates paid by corporations and district councils will increase by about \$48,000. I suggest that every member at some time or other receives from local councils in his district protests about the amount they are being levied for hospital rating. Now we are to get this additional impost. The councils, smarting under the impost, can get their money from only one source, the ratepayers, and council rates will have to be increased.

Mr. Shannon: In effect, the councils will act as tax gatherers for the central Government.

Mr. CUMBE: That is fair comment and, although the councils will have to meet the cost of doing it, they will not be paid for it. Harbours revenue is to increase by about 11.6 per cent, mainly because of increased wharfage charges. I cannot see a rapid and striking increase in wharfage tonnage immediately, although I hope that a better harvest this year will help in that regard. An increase in wharfage charges of 11 per cent (and Wallaroo is included) will mean costlier goods coming into the State and costlier goods going out.

The increased revenue from metropolitan waterworks and sewers represents an increase of about 14 per cent and the increase in rates for the line Adelaide Sewers is about 18.1 per cent. We all know that this line is affected by the increase in population and the number of houses being built. However, the rate of house building has slowed down and much of this amount will come from additional water rates, which were imposed for part of last year, and the new arrangement for excess water. It seems that the poor old metropolitan area will be slugged once again for water and sewerage. It is interesting, when we look at the expenditure item for Adelaide Waterworks and Sewers, to note that a decrease of \$14,274 is being made in the amount paid to men working in the Adelaide water district, and that there is a decrease of \$125,000 in the cost of materials to be used in the Adelaide water district. Yet we show this significant rise of 14 per cent in State revenue from metropolitan waterworks and sewers. People are getting tired of these increases, particularly as the metropolitan area is carrying a fair burden of the State's undertakings in this connection. A steep increase of \$436,000 occurs in the amount to be recouped from patients' fees at the Royal Adelaide Hospital,

the Queen Elizabeth Hospital and other hospitals, and this is a 13 per cent increase over last year. This is a steep increase and will be paid by people who can least afford it. Factory and shop fees have been increased by 14 per cent. In many cases this will be paid by owners of small shops, although it will also affect owners of large factories.

On analyzing the revenue lines we find that fees and licences are increasing. This is a quiet and subtle way of increasing Government income without much fuss. The only remedy suggested by the Treasurer to increase the Government's income is to increase State taxation and thus slug the people. In last year's Budget substantial increases were made in water rates, sewerage rates, bus fares, licence fees, and Housing Trust rentals, and there was quite a fuss at the time. Now, we are having the same thing. The Treasurer said the other day that tram and bus fares were to be increased, and that rail fares and freight charges would be increased. In answer to my question today he said that details were being worked out and were to be promulgated as soon as possible. As these increases are in addition to those made last year, the people of South Australia are getting fed up with these continual imposts and are wondering where they will be slugged next. Many people in my district on fixed incomes, as well as those receiving wages or salaries, are worried because no sooner do State accounts come in than they receive an account for council rates, which also increase each year to meet increased costs. Confidence and support for the present Government is rapidly disappearing, caused not only by its other actions but by its financial propositions.

The financial statement made by the Treasurer when introducing the Budget contains some rather puzzling and interesting features. Apart from setting out the way the Loan Fund and Consolidated Revenue Account have run into deficit, he gave reasons for the deficit, one of which was reduced rail and wharf traffic. Appendix 4 shows that for the last three years the figures from the Harbours Board have been just over \$6,000,000, with a slight rise of \$60,000 in this time. The figure given for this year is in line with those for the past three years, but the Treasurer said that one reason for the deficit was that the Government received less from Harbours Board charges than it expected. This has been caused by over-estimating, because the figure actually received last year was in line with those for the last three years. Also for the last three

years the figures for the Railways Department were about \$37,000,000, and here again I suggest this is a case of over-estimating. On pages 5 and 6 of the Treasurer's statement are shown increases in taxation, and one reason given by the Treasurer is that levels of taxation in some instances in this State have not been as high as those in other States. Why do we use other States as a yardstick? Cannot we be original?

Mr. Shannon: We are. We are discouraging people from coming to live here.

Mr. COUMBE: That is a fact. Taxation charges are increasing and factories, which employ people, will be taxed more heavily. Much comment has been made about the Highways Fund and the transfers from that fund to general revenue to pay for the Morphett Street bridge, the Jervois bridge and the future Kingston bridge, wherever and whenever that is built. That will all come out of the Highways Fund. Members find it difficult to ascertain the details of the fund until they receive the report of the Commissioner of Highways. That report, however, is usually a year or two behind time and certainly out of date by the time we are considering these financial measures. The Government might justifiably try to improve this position. Towards the end of his speech, the Treasurer said:

The normal expansion of State services for the community and the implementation from time to time of new undertakings carry with them an inescapable cost, which, in the final analysis, must be met by the community itself.

That certainly is a fine-sounding statement. The Treasurer can apparently say at election time, "We'll do certain things if you return us," but he does not say, "You'll have them, and have to pay for them by yourself." That is what the quotation means, as in the final analysis the cost must be met by the community itself.

I shall not deal with expenditure items, because they are detailed. All members of this place occasionally prevail on the various Ministers to have certain work done in their particular districts; we all desire extra funds. I am one of those, because every member tries to have improvements carried out in his district. It is therefore difficult to achieve a balance between what works we desire in our districts and works that we believe, in the State's view, may have to be curtailed. Most of the expenditure items in these Estimates are extremely necessary, although some rather marked variations exist on which I

shall comment on the lines. These variations are caused because this year, for the first time, certain items have been transferred from the Education Department to the Loan Account, to which reference has been made in a previous debate.

It is not a bright picture for the future. If, at June 30, 1967, the estimated deficit is reached (as the Treasurer considers it will be), we shall then have only nine months until the next election. Neither this Government nor any other Government could balance its budget by that time and, like the previous Government, go to the people with a surplus balance in the Treasury. I am disappointed that nothing concrete has been advanced in the Budget as a stimulus to the development of our natural resources. The vote for the Mines Department is purely nominal. Although I admit that about \$50,000 is provided for investigations into the natural gas pipeline, as well as for other items in connection with investigations already made, nothing concrete has been provided for development or as a stimulus to overcome unemployment. The best way for the State to be prosperous is to have everybody in employment and happy, because members of the community then become taxpayers and good citizens, contributing to the State's coffers. Having voiced those protests, I must support the first line.

Mr. SHANNON (Onkaparinga): I am a little disappointed with the Government's choice of candidates to cope with a somewhat sticky terrain. I thought the member for Glenelg (Mr. Hudson) would be a little more precise, especially with his training, as he has at least some knowledge of economics. However, virtually the whole of his speech was wrapped around "ifs" and "hopes". He said that, because of the varying seasons, it was impossible to obtain an accurate estimate of the revenues. True, but I should have thought that a cautious Government in such a circumstance would take a cautious line, and base its estimates of seasonal returns on an average over a period of years, rather than on an optimistic approach. I shall not criticize the Government, as have some of my colleagues, on the revenues expected to come from certain increased charges. After all, it is the Government's job to find the money.

However, I am convinced, having listened to the member for Glenelg, that he himself is prepared for a bigger deficit at the end of 1966-67 than is expected under this Budget. He has made it abundantly clear that we do not need to have much of a drop in our harvest

prospects to wreck some of the estimates of revenue. Indeed, I think he is perfectly right about that. I thought that the Government, had it been wise, would have prepared a more conservative estimate of its income for this financial year. I am sure that we shall not reach the revenue estimates in the Budget, for the good reason that some of them are based on assumptions that we now know are most unlikely to be realistic.

I was pleased to see in the Auditor-General's Report comments on the Public Works Standing Committee, of which I am one of the humble members. In addition to referring to the sum total of works recommended, pointing out that it represents a programme in regard to Loan funds covering a number of years, the Auditor-General states:

In my opinion there should be some authority (possibly attached to the Treasury) competent to review projects, such as public buildings, schools, etc., to ensure that these provide necessary requirements at the lowest possible cost.

I make no charges against the present Government here; it is a hand-down from past Governments, during which I have served on the same committee; but it seems to me that too cursory an examination is made of a project prior to being sent to the Public Works Committee. At departmental level, from which it is sent through the Minister concerned to Cabinet for reference to the committee, a project often does not receive that careful review which, in my opinion, it should receive from the departmental officers concerned. On infrequent occasions we have to seek evidence on projects from other than the departmental officers. When a department puts forward a proposal we assume that it has taken all possible care to see that its proposal is reasonable before it is presented to the committee for its examination. If that happened the committee would be only a rubber stamp, but it does not happen. What the Auditor-General is pointing out is that a large sum (probably nearly as much as the committee recommends for projects) is spent by Government departments without reference to the committee.

Mr. McKee: Apparently all the other States are in the same predicament.

Mr. SHANNON: I wish to finish dealing with this point because it is something of which any Government should take cognizance. The sum spent on projects by departments, without reference to the committee, in some cases would be almost as much as requires projects to be submitted to the Public Works Committee under the Act. This applies to projects of every department. In my experience under many

Governments careful examination of projects by the committee has resulted in their cost being cut considerably. I am proud of the members of my committee because they all work well and contribute much to the reports. However, almost as much money is spent by various Government departments on projects that do not come before the committee and on which no investigation is carried out other than by officers of the department. These projects are not examined by an objective authority such as the Public Works Committee. I believe the Government would be wise to establish, in effect, a "watch dog" committee for its guidance on smaller projects, the sum total of which amounts to much money.

Mr. Clark: A public accounts committee.

Mr. SHANNON: I do not think that would be appropriate because I think an investigation should be made before expenditure rather than after expenditure, as is the case with a public accounts committee. This would present a means of keeping Government expenditure to a minimum and, from the trend in South Australia's finances at present, this is an absolute necessity.

The Treasurer has described this as a stay-put Budget. Last year he needed bridging finance which he acquired from funds available to him in the Treasury. Various types of funds are available to the Treasurer, such as trust funds, which he uses as bridging finance and about the use of which I do not complain. However, under this Budget nothing is being done to reinstate any of the funds that have been used, probably for legitimate and worthy causes. The Auditor-General's Report gives an account of deficits and surpluses for the last 20 years. During that period a deficit of about \$4,200,000 was accumulated, which is about half the sum proposed as a deficit in this year's Budget. Such a step is a little too steep for me. Perhaps the Government has tried to do too much too quickly, although I do not say that some of its proposals are not desirable. Nevertheless, I do not think we could afford some of them, and they should not have been proceeded with until there was a little more money in the coffers.

As Chairman of the Public Works Committee I have many talks with the Treasurer, who takes me into his confidence. He told me that he would tie down his Ministers to the estimates provided for the various departments in the Budget. However, I do not suppose one Minister has not had the experience of a head of a department telling him that a certain project is absolutely necessary. When such a

proposition is put forward a Minister often feels duty bound to proceed with it. Of course, this means that the estimate for that department will be exceeded. Therefore, the Treasurer will have a tough job in ensuring that departments do not exceed their estimates for expenditure. As I am convinced (and if I needed convincing the member for Glenelg convinced me in his speech) that the Estimates of Revenue are inflated, I am sure that the deficit for this year will exceed the \$8,000,000 estimated in the Budget. This cannot be avoided and this deficit is an accruing debt that will rest on the shoulders of future generations which will inherit this debt from the people who incurred it. As the Auditor-General says, it is a dead weight, and it will remain on the shoulders of the people for future generations to pay. This is an internal debt that has been incurred from Treasury funds for a definite purpose. If nothing is done to reimburse the funds from which this money was taken then inevitably the day will come when all that will be found in the Treasury in the funds that have been used will be I.O.U's. We shall have no money to put back there. It is a poor prospect for an incoming Government. The Government may be that Government, but we on this side do not think so. Perhaps some members opposite will not be all that keen, knowing what they are up against. They will have a sticky wicket to bat on.

Mr. Ryan: Pretty good batsmen, though.

Mr. SHANNON: But batting on a sticky wicket is not all beer and skittles.

Mr. Ryan: The bowler is fairly crook.

Mr. SHANNON: Whoever takes over from this Government will find an empty larder to start with. This Budget proves to me that no effort is to be made to try to recover some of the lost ground of the previous year. In fact, the Treasurer said so: it is a "stay-put" Budget. If that policy is pursued, obviously we shall never replace these funds until someone comes into office and says, "It is about time we did something to pull up our socks."

I went through the depression years. As a member of Parliament at the end of that depression, I know what unpopular steps had to be taken for us to live within our incomes. In those years we were all in the same boat. Everyone (not only the Government but also the people) was broke. Unhappily, some worthy people were forced off their farms and holdings through no fault of their own. The Government then faced a situation similar to

that now prevailing. I do not think that things are as bad now as they were then or that they will ever be again. I cannot see it happening again.

Mr. Hughes: I hope not.

Mr. SHANNON: I do not think it will ever happen again. There is no need for it to. I believe that our natural resources are sufficient and that with careful management and closer attention to the details of expenditure and Government affairs we can bridge the gap causing the present problems.

I like a man to be frank, and the Treasurer is always that, not only by name but also by nature. He has been very frank in his statements on this Budget. In fact taken literally, his explanation of the Budget is condemnatory. There is nothing in it that would cause anybody to wave a flag and say, "Things will be all right." On the contrary, he has told us frankly that financially things are not so good. He has made that abundantly clear in what he has said on the Budget.

The Hon. G. A. Bywaters: Sir Henry Bolte and Mr. Askin have said the same thing.

Mr. SHANNON: I am not suggesting that because a man has one foot in the grave another man should put his foot in with him. On the contrary, if a man has a foot in the grave I try to dodge that hole. I suggest it would be good if our Government did likewise. I step around the hole adroitly and avoid getting into the mess that the other fellow has got into. Other people are perhaps not as wise or careful as they should be in their own generation. I do not criticize, because I do not know anything about the ins and outs of other people, but I know about South Australian affairs. I am convinced that some of the estimated revenues from increased freight charges and fares will not accrue, for one valid reason: they will drive some people onto the roads and off public transport. People seem to think that long hauls of wheat cannot go by road, but wheat went from Redhill to Ardrossan when bulk handling facilities were provided at Ardrossan. It will go farther, too. I am only stating what is an obvious example of what they will do and how they will work to save a few cents a bushel, which is what it will mean to them. If we as a Government were as careful as the average man on the land, I should not be worried. He knows he has to make ends meet. Rarely do we find the thrifty man, who has had to work hard for his money and make the most of his opportunities,

down on his uppers. I regret that the Government cannot bring in a more optimistic Budget, one to encourage rather than discourage employment in industry in South Australia.

I read in this evening's press of 40 tradesmen who took notice of an advertisement in a newspaper. It proved to be a hoax, but 40 men turned up looking for work and there was no work offering at the appointed place; nobody was there. I am convinced that the building industry is fundamental to our economic health: it is one of the first nerves in our economic system to feel the pinch. As soon as we find men walking about looking for any sort of building job, as a plumber, a bricklayer or a mason, and there are surplus men in that field, we can be sure that the economy is not as healthy as it should be. That is one of the signs of the times that everybody knows about. I hope the Government will note my submissions and that departmental expenditure will be watched more carefully in future.

Mr. FREEBAIRN (Light): I shall not be as gloomy as most other speakers in this debate. I shall direct most of my remarks to one particular field: mining. This unfortunate Budget reminds me of Alice in *Through the Looking-Glass*, who said, "The rule is, jam tomorrow and jam yesterday—but never jam today." In this Budget we find very little sweetness for this financial year.

Mr. Rodda: We are in a jam!

Mr. FREEBAIRN: Yes. One previous speaker opposite described the \$8,000,000 deficit as mere chicken feed but I would, with great respect, differ from him: it is much more than chicken feed in South Australia's economy. One less gloomy feature of this Budget is that the allocation to the Mines Department has not been as severely pruned as have allocations for some other departments. In fact, it has been increased by \$69,825, and it is rather a cheery note in the Budget when one considers the important contribution that mining has made to our economy in South Australia, and will no doubt continue to make. I referred the Committee to the statistics under the section "Mining" in the *Quarterly Abstract of South Australian Statistics*, where we find that in the year 1964 (the last year for which complete statistics are available) the total value of mining output in South Australia was worth some \$67,597,000 gross. The real value of mining is brought home to us very forcibly when we compare the revenue from mining with the revenue obtained from certain other primary industries. The total revenue from

agricultural pursuits in South Australia in that year was \$165,634,000. I quote these figures to indicate the relative importance of mining to South Australia's economy, and I deplore the fact that the Treasurer did not see fit to make any reference at all to mining when he delivered his financial statement a fortnight ago.

It is not only mining in the State of South Australia that is important to our economy: the South Australian exchequer owes a very great deal to the mining enterprises at Broken Hill. This was brought home to me very forcibly when I read the evidence given to the Royal Commission on State Transport Services on Friday last, when Mr. Muirhead, representing the mining interests at Broken Hill, was placing information before the Commission. I hope the Committee will listen to this, because it indicates the very important role that the Broken Hill mines are playing in the South Australian economy, and particularly the very **important contribution** they are making to our railway revenues. At page 735 of the Commission's evidence, Mr. Muirhead said:

You are probably aware, Mr. Jeffery, of the importance from the State's point of view and no doubt the Railways and all of us, of this haulage of concentrates from Cockburn to Pirie. At the moment the freight charges which are being paid by the mining company is approximately 25 per cent of all the State freight and livestock revenue.

The particular point I should like the Committee to take special note of is the evidence that 25 per cent of all State freight and livestock revenue is earned by hauling concentrates from Cockburn to Port Pirie. Mr. Muirhead went on to say:

Now it has been a matter of very considerable concern to my client (he was speaking of the Broken Hill group) that the rate they are being charged for this haulage—I don't want to go into details and quote rates or comparable rates—but as part and parcel of our submissions there will be no acceptance of South Australian Railway efficiency. There is, of course, a lot we don't know from their costing angle but there is a lot we do know, but we will be calling evidence because we are a customer who has basically dealt with the South Australian Railways who have been in a monopoly position from our point of view, and the freight rates we are paying, bearing in mind that we are selling lead and zinc in a world market, become a very important factor. One can spend millions improving mine efficiency but transport costs are something which is outside our control and we are not competing only with other Australian systems but competing with overseas systems. It may seem somewhat unusual in this type of Commission, but it will be one of our submissions that we will have to obtain reduced freight rates. I think now is the time that you the Chairman and the Commissioners

knew that this is the attitude we will be adopting. I don't think it will be proper for this Commission to go on assuming there will be a continuing income of \$7,000,000 or \$8,000,000 a year from the concentrates freight.

I do not think the gentleman giving evidence intended that to be a threat. I read that extract to the Committee merely to indicate the very important influence the mining industry has not only on our railway revenue but indirectly on the economy of South Australia. There is no doubt that but for that concentrates traffic and freight the position of the railways would be very much more difficult.

I dwell on this subject of mining because it has a special bearing on me as the member for Light District. Without doubt, it was the discovery of copper at Burra and Kapunda in the early days of this State that really set the primitive South Australian economy in motion. Most of the present Lower North towns owe their very existence to the Burra and Kapunda mines. It is worth noting that the Kapunda mine began in 1844 and that in only 33 years it produced 13,500 tons of copper.

Mr. Quirke: Burra produced 50,000 tons of ingot copper.

Mr. FREEBAIRN: Yes. This was very important in the early days of South Australia. I am very pleased to see that the Mines Department has been instrumental in assisting a private organization, Uranium Development and Prospecting Limited, in further investigation in the Kapunda district.

Mr. Nankivell: Who owns the mines?

Mr. FREEBAIRN: I understand that there are two or three separate owners of the mining area, and that it is all private property. As I said, the Mines Department has been very generous in its assistance to the organization that is prospecting there. When we bear in mind that the copper that was won from the Kapunda mines in the middle of the 19th century was not scientifically extracted but was extracted on an exploitation basis, there is every reason to assume that, by using present-day scientific techniques, worthwhile deposits of copper may be found.

I turn now to the role of iron ore. The development of the iron deposits has been of immense importance to Whyalla. I was very interested when I read a passage of *Hansard* of 1937. I will quote a reference from *Hansard* of that year for the instruction of members like the honourable member for Wallaroo (Mr. Hughes), who is interjecting and who possibly did not have very much political interest way back in that

year. I shall read what the then Premier, the Hon. R. L. Butler, said at that time. Earlier in the year, the Speaker said that he could recall distinctly this speech that had been made by the Hon. R. L. Butler when he introduced the Broken Hill Proprietary Company's Indenture Bill. The then Premier said:

It is tremendously important, and the actions of the whole world reveal it, that whenever a steelworks is established 101 other industries grow up around those works, especially subsidiary industries. I am certain that the establishment of this blast furnace will be followed by the establishment of steelworks, and I can visualize the development in this State in connection with secondary industries.

We all know how important the steelworks at Whyalla have been to the economy of South Australia and we all know how proud the Minister of Education is of the Broken Hill Proprietary Company's establishment at Whyalla. Some weeks ago I had the interesting experience of inspecting the new rolling mill, and the company has so arranged matters that visitors can be given an interesting look over the mill. However, I was disappointed to find that the mill is producing at only about one-quarter of its capacity. When I was there, it was rolling large "H" sections for Manilla. The order for Manilla must have been for hundreds of tons but I was disappointed that these orders were only sufficient to enable the company to run the mill for one shift of five days a week.

I consider that the Government could assist the company to obtain increased markets for Whyalla steel. I have stressed the role that copper and steel play in the economy of South Australia and I draw the attention of the Committee to the great importance of the mining industry. There is no doubt that the member for Port Pirie (who is interjecting) would not be in this Parliament and that there would not be a large establishment at Port Pirie but for that industry. The members for Port Pirie and Whyalla know that they owe their presence in this place to that industry, and I know how proud they are of the efforts of the Mines Department and of the industrial activity in their towns.

Progress reported; Committee to sit again.

DENTISTS ACT AMENDMENT BILL.

Received from the Legislative Council and read a first time.

ADJOURNMENT.

At 9.56 p.m. the House adjourned until Wednesday, September 14, at 2.30 p.m.