

LEGISLATIVE COUNCIL.

Thursday, November 5, 1953.

The PRESIDENT (Hon. Sir Walter Duncan) took the Chair at 2 p.m. and read prayers.

ASSENT TO ACTS.

His Excellency the Governor intimated by message his assent to the following Acts:—Barley Marketing Act Amendment, Offenders Probation Act Amendment, and Wheat Industry Stabilization Act Amendment Acts.

QUESTIONS.**WITNESSING OF DECLARATIONS.**

The Hon. F. J. CONDON—I ask leave to make a statement with a view to asking a question.

Leave granted.

The Hon. F. J. CONDON—The question has been raised by various councils whether a candidate who has been elected unopposed and is a Justice of the Peace can witness applications for postal votes. Can the Attorney-General say whether such a person is prevented under the Local Government Act or any other Act from witnessing applications for postal votes?

The Hon. R. J. RUDALL—The honourable member was good enough to inform me that he would be asking this question and I took the opportunity of investigating the position. I think that although the proper opinion might be that where a candidate has been returned unopposed he would then be eligible, if a J.P., to witness declarations, there is a certain element of doubt because of the wording of a section in the Local Government Act and the best way to clarify the position would be by amending that section and if a Bill is introduced I will see that that amendment is included.

PARLIAMENT HOUSE.

The Hon. K. E. J. BARDOLPH—I ask leave to make a statement with a view to asking a question.

Leave granted.

The Hon. K. E. J. BARDOLPH—Parliament House is at present being renovated, I assume in preparation for the Royal visit next year. Will the Government consider having a dado of South Australian marble placed in the main entrance of this building in place of the existing white plaster? The cost would not be excessive and it would be fitting to have a natural display of South Australian marble.

I realize that the building is of marble, but the dado would be polished marble and of a different calibre.

The Hon. A. L. McEWIN—I do not know what association the idea has with the renovations. Parliament House, like other buildings, periodically requires renovation and that is what is being done. I will, however, place the honourable member's suggestion before the Minister of Works.

LANDLORD AND TENANT (CONTROL OF RENTS) ACT AMENDMENT BILL.

Read a third time and passed.

APPROPRIATION BILL (No. 2).

Adjourned debate on second reading.

(Continued from November 4. Page 1299.)

The Hon. F. J. CONDON (Leader of the Opposition)—First, I desire to congratulate the Treasurer, the Hon. T. Playford, on the presentation of his fifteenth Budget. It is an outstanding record and one of which he may well be proud. When a man is appointed by his Party to lead the Government for such a continuous term it is worthy of recognition; nor can we overlook the loyalty of his Ministers and supporters in Parliament, and in all sincerity members of the Opposition offer their congratulations. This is the 29th occasion that I have had the opportunity of listening to and taking part in debates in this Council on Appropriation Bills. I do not look upon the Budget as a political plaything, but as an informative document that outlines the programme of the Government in power, and every member should be aware of his responsibilities in dealing with a measure of such moment to the State. I therefore approach this question with an open mind. It is not the obligation of Her Majesty's Opposition to suggest increases in Government expenditure, but it is its duty to point out certain difficulties and show how the State's finances are drifting. So this afternoon it is my intention to refer to a few subjects, without mentioning some of those I have discussed previously but without much result.

We are considering a Budget involving over £51,000,000 and I compliment the Chief Secretary on the manner in which he presented the informative details he gave us yesterday. Although Standing Orders have to be obeyed I think there should be a little laxity in some respects. For instance, one Standing Order forbids the reading of speeches, but how absurd

it would be to question the right of a Minister to read a statement of such great length as the explanation of the Appropriation Bill; if it were left to a few notes and the Minister's memory what detail would we get? The Treasurer is looking for a surplus of £10,000. He estimates the year's revenue at £51,355,000 and the expenditure at £51,345,000. Provision is made for increased motor taxation and harbour dues.

I wish to refer chiefly this afternoon to water supplies. I sympathize with people who are compelled to use bore water and are inconvenienced by low pressures, particularly those in the western suburbs, where the situation is bad. Our reservoirs are full yet some people are complaining of lack of supplies. I sympathize with the Minister of Works in the position in which he finds himself today because of the rapid extension of the metropolitan area, and the new industries that have been established here, the growth of which exceeded imagination. Parliament made the mistake during the depression of not then carrying out a number of works at a cost much lower than would be possible today.

The Hon. E. Anthoney—The honourable member preferred the dole.

The Hon. F. J. CONDON—No, I was opposed to the dole. Our water supplies are very poor, due partly to erosion of the pipes, and we are in a very difficult position. However, I shall endeavour to point out what can be done in this direction. In this State there are emergency homes, the tenants of which pay less than the cost of a loaf of bread each week for water services.

The Hon. S. C. Bevan—Surely not in the metropolitan area.

The Hon. F. J. CONDON—Yes. I know this from evidence submitted to the Public Works Committee in the last fortnight. From my service on that committee, I have a good knowledge of the capabilities of members of the Engineering and Water Supply Department, and I pay the highest tribute to them, from the engineers to the labourers, for the part they have played over a period of years in the interests of the State. Last year there was a surplus of £60,851 for the Adelaide water district, whereas only a few years ago metropolitan water schemes showed a profit of just under 11 per cent. Last year a deficit of £811,867 was incurred in country water schemes, and only two schemes, Barossa and Morgan-Whyalla, earned sufficient to cover working expenses. Added to the previous losses,

this is colossal. The increase in earnings was mainly as a result of reassessments carried out in country towns in 1951-52. The additional revenue derived by the reassessment has been almost absorbed in increased works. The surplus in Adelaide water district over working expenses was 3.16 per cent, Barossa 0.31, Morgan-Whyalla 0.57.

With the exception of Barossa and Morgan-Whyalla, all country water districts failed to meet working expenses by £353,659. Of that amount £137,337 related to the Tod River water district, where the working expenses were over four times the earnings. The earnings of the Morgan-Whyalla water main scheme include amounts payable under the Commonwealth Water Agreement Ratification Act, 1940, viz., £19,181 by the Commonwealth Government, and £34,805 by the Broken Hill Proprietary Company Limited, being additional royalty of 3d. per ton on ironstone ore won in this State. The earnings also include £79,322 (£80,858 for 1951-52) charged to other water districts, covering the cost of water supplied to those districts. Charging of the full costs of water supplied to other districts is a major factor in the relatively good financial result shown by this undertaking compared with other country water works. An additional amount of £105,000 is expected for water and sewerage charges. From the Auditor-General's report it appears that people are obtaining water for 3d. a ton, and we have been told since that it is less. Although we will be told that water supplies confer indirect benefits, I feel we are going too far in the provision of such services. Our cheapest commodity is water. At a low cost everybody can, at any moment of the day, turn on a tap and obtain a full stream of water, although there are complaints about supplies in some districts. The Public Works Standing Committee recently recommended the renewal of the Warren trunk main which runs north from the Warren reservoir to a point near Kapunda, then west-north-west to Undalya and then west to Paskeville. The laying of this main began in 1916 and was completed in 1926. The steel pipes were placed underground and were protected internally and externally by a tar and pitch mixture. They have lasted their estimated life of 25 to 30 years but it is now necessary to enlarge that main. It will be necessary for the Warren system to contribute a greater quantity of water to the Upper Paskeville reservoir, which is being enlarged from 10,000,000 to 40,000,000 gallons capacity, to supply areas of Yorke Peninsula.

The most important developments in connection with the Morgan-Whyalla pipeline are the increased demand for water at Port Pirie and the extension to Woomera. Some members may remember that years ago a colleague of mine was called insane for advocating taking water from the River Murray to the northern parts of the State. In the near future provision will have to be made for the progressive duplication of that pipeline but the provision for additional capacity in the Warren main and the use of River Murray water from the pipeline to augment the water resources of the Warren system will probably postpone that duplication. Whereas an allowance was made for 100,000,000 gallons of water annually from the western system for the Yorke Peninsula scheme, between 300,000,000 and 350,000,000 gallons would be available from the enlarged Warren trunk main and the Morgan-Whyalla pipeline would be relieved to the extent of about 250,000,000 gallons.

Let us examine the financial aspects of these matters, because they are important. The loss on the Warren water district for the year ended June 30, 1953, was £54,180 and the accumulated loss £1,503,941. The enlarged trunk main will traverse the old route and will not result in any great increase in revenue. There will be an additional consumption of 400,000,000 gallons but the return will be less than the cost of pumping that quantity from Mannum to the point of take-off in the branch main. Although we propose to enlarge and improve water schemes we are doing nothing to recoup the expenditure involved.

The Hon. R. J. Rudall—We are adding to production.

The Hon. F. J. CONDON—Yes, to a certain degree. The Government is prepared to increase harbours charges and motor registration fees but it should consider increasing water charges. Water is supplied at Whyalla for 2s. 6d. a thousand gallons. In other States much higher rates apply and in Western Australia I believe it is approximately 7s. 6d. a thousand gallons. It is many years since there has been an increase in water rates. High prices obtain for wool, wheat and primary production, but our water rates have remained stationary. Millions are devoted annually to water schemes, but unless we do something to recoup that expenditure, our financial position will deteriorate. Concerning the metropolitan sewers the Auditor-General made this statement:—

The rapid decline in the annual financial results since 1946 was temporarily arrested

during the year 1951-52 following a re-assessment in 1950-51 of the rental values of the properties served. However, working expenses and debt charges have continued to rise and the increased earnings were insufficient to meet the increased expenses during 1952-53. The operations for the year resulted in a deficit of £9,499 (after providing for depreciation and debt charges) which was £5,020 greater than the deficit of £4,479 incurred during 1951-52. That result was due to— £

Increase in working expenses and capital debt charges	41,560
Less increase in earnings	36,540

Net increase in expenses . . £5,020

He then tabulated the figures relating to the percentage return on those funds which revealed that the undertaking returned 2.6 per cent on funds employed at June 30, 1953, whereas to meet the full charge for interest it should have returned 2.76 per cent. The Public Works Committee has recommended sewerage systems for Port Pirie, Port Augusta, Port Lincoln and Mount Gambier and is considering schemes for Bordertown, Murray Bridge, Naracoorte, Victor Harbour, Gawler, Balaklava and Gumeracha. What chance have we of connecting any of those towns with sewerage? It is necessary but the cost is beyond the Government. I do not see the value of the committee making recommendations if they cannot be adopted. Costs have increased by almost 50 per cent since some recommendations were made. It is no use the Government telling people that they will be connected with sewerage when there is no chance of it being done.

The Harbors Board has been of great value to South Australia and over a period of years has been able to show a surplus. Anyone visiting Port Adelaide, which is the best port in the Commonwealth, will be impressed by the improvements that have been made on and around the wharves. For the first time for some years the Harbors Board is faced with a deficit.

The Hon. E. Anthony—Revenue has fallen off, too.

The Hon. F. J. CONDON—That may be due slightly to the falling off of imports which I think will be arrested shortly. Treasury funds employed in the operation of harbours amount to nearly £10,500,000 and working expenses for the last year were £1,078,507. In 1948-9 the Treasury funds employed totalled a little over £8,250,000 and in the following year increased by nearly £300,000. The same applied in the next year and, as I have already said, in 1952-3 the amount involved was practically

£10,500,000. Earnings for the same period increased by nearly £500,000 to £1,240,000 and working expenses have nearly doubled since 1948-9 and are now £1,078,000. The percentage return of surplus on working to funds employed have been, in the years since 1948-9 respectively, 5½ per cent, 5½ per cent, 4 per cent, 3.15 per cent, and 1.55 per cent, and in view of this situation the board found that something must be done about it. Operations for the year ending June 30, 1953, showed the substantial deficit of £124,000. This is the first deficit since 1945-6 and represents a retrogression of a little over £140,000 compared with the previous year, due mainly to reduced earnings and higher working expenses.

Faced with the first loss on harbors in seven years what does the Government do but immediately increase harbour dues? Why doesn't it do so in other departments? Does it fear the possible hue and cry? In relation to harbours the Auditor-General says that recovery to a return of 5 per cent would require an increase of £361,000 in working surplus, and this brings us to an important point. We talk about providing transport facilities for everyone and people want two or three means of getting their produce to market. Only 14 of the 91 ports and jetties under Harbors Board control were operated at a profit this year. At 42 of them there were no shipping operations. Country people clamour to be provided with services, but no sooner have they got them than they want some other form of transport. I cannot blame the people, but that is what is happening. I ask members to visualize all the little ports on Yorke Peninsula and the West Coast, which generally have been lying idle for years, on which public money has been invested.

The Hon. E. Anthony—Do you suggest closing them down?

The Hon. F. J. CONDON—If other means of transport are available what is the use of keeping them? Quite a number of them have been closed down, but this is the sort of thing that we have to carry. I hope we will never see the day when the State recovers its own taxing powers, because before uniform taxation South Australia was the highest taxed State in the Commonwealth, and I fear that would be the position again. Such good cases have been made out to the Commonwealth Grants Commission that we have been able to balance our Budgets.

The Hon. C. R. Cudmore—Is not our sea transport costly because of wages and conditions?

The Hon. F. J. CONDON—Not solely, but partly because of the desire of certain people for two or three means of transportation. I remember people coming to Parliament for a new railway and then asking for a new road alongside it. Give country people facilities by all means, but be reasonable about it. I do not wish to talk about cheap railway rates for people in a position to pay more, but our public debt is increasing every year and what are we doing to stop it? Are we simply hack politicians and afraid to express our opinions when we know people are trying to gild the lily? We must face facts. We cannot go on making up our losses by means of grants from the Commonwealth. Reduction in imports was largely responsible for falls in revenue from wharfage charges and tonnage rates. Wharf charges for the year constituted the biggest single item of the board's revenue—49 per cent of the total.

The Hon. E. Anthony—They cannot go up much more or we will drive ships away.

The Hon. F. J. CONDON—I read a very good article recently which stated that Port Adelaide had the best turn-round of shipping in Australia.

The Hon. C. R. Cudmore—Not by much. It is a wonder anyone sends ships to South Australia.

The Hon. F. J. CONDON—Industry has come here because it has been realized that we have a better industrial set-up than any other part of the Commonwealth. The South Australian worker is equal to, if not better, than those in other parts, and in saying that, I go beyond the Commonwealth. It is all very well to blame one section for everything that happens, but it takes two to make a quarrel. Despite what my friend may say, industry in South Australia is in a better position today than it has ever been. Look at a few balance sheets.

The Hon. E. Anthony—Despite price control.

The Hon. F. J. CONDON—Showing that there cannot be much wrong with it. The coal handling plant at Osborne is another of the Harbors Board's activities. The tonnage of coal handled last year was 871,000 compared with 974,000 the previous year. We were told that when we did away with the old method and spent a colossal sum at Osborne everything would be lovely, but operations at Osborne last year resulted in a deficit of £55,000 and the Auditor-General suggests that the question of adequate coal handling charges should again be reviewed. Here again is a suggestion that

the public charges should be reviewed, and other departments might well look at this question. The Harbors Board has a comprehensive 50 years' plan to meet expanding operations at Port Adelaide, but there was a net decrease of import tonnage for the year of about 500,000 tons. On the other hand, exports increased by 495,158 tons.

There are two matters in respect of social services on which there may be honest differences of opinion. One is hospitals and the other education. We should do our utmost to see that money is found for both these instrumentalities and it is encouraging to learn from the Minister of Health that that long-felt want, the Western Districts Hospital—in part at least—will be opened next year. I am sure this will be a great relief to the Royal Adelaide Hospital. Payments from State revenue to hospitals, medical services and public health amounted to over £4,000,000, an increase of £671,000 over the previous year. Of this increased amount £419,000 was on Government hospitals, £191,000 on grants to other hospitals, and £61,000 on other medical and health services. Revenue receipts by the State from hospitals and other health services was £790,000, an increase of £148,000. There were 958 beds available in 1953 in the Adelaide Hospital and the daily average number of patients was 801, which was a falling off from the previous year. The cost of each bed was £4 3s. 6d. daily. The combined daily average number of occupied beds in country hospitals was 279, and the total capacity 441. The total number of out-patients treated at the Adelaide Hospital was 45,169, and the total number of attendances 207,210. These figures show what a marvellous job is done at that institution by the medical and nursing staff and everyone concerned. For the year ended June 30, 1953, cost of each out-patient was £1 6s. 10d. compared with 17s. 7d. for the previous year, and the cost for each attendance 5s. 10d. compared with 4s. 1d. for the previous year. Under the Commonwealth Government health schemes 61 public hospitals, including Government and Government-subsidized institutions, and 100 private hospitals, received £575,355. This year £4,500,000 has been provided for medical and health services, and although this will be money well spent, some provision should be made for elderly people. Today, unfortunately, we have to keep old people in our hospitals and other institutions because there is nowhere else for them to go.

The Hon. E. Anthony—We are trying to do something for them now.

The Hon. F. J. CONDON—We have been trying to do something for a number of years, and the Government will have the strong support of the Opposition in anything it does in this direction, because these people are entitled to every consideration possible in the last few years of their lives. In many respects the Government has cared for the sick and the aged, but a lot more can be done.

The Hon. E. Anthony—Is not too much expected of Governments these days?

The Hon. F. J. CONDON—That may be so, but I hope that it does not apply to anyone here. Although I do not often make special pleas to this Council, this afternoon I am going to do so on behalf of the Zoological Gardens, an institution worthy of consideration. It is honoured to have Mr. Melrose as chairman of the council, and I have also been honoured by being appointed to that body. Naturally, our first duty is to consider expense. We asked the Government to increase the grant from £7,500 to £10,000, and I would be the last to advocate an increase if such were not justified. The committee consists of professional men and others of high standing in the community, and they devote much time to its interests.

The Hon. C. R. Cudmore—Has the council increased its charges?

The Hon. F. J. CONDON—Yes, but that is not always successful. Everything possible has been done to meet the deficit.

The Hon. C. R. Cudmore—Following the honourable member's statement, the council should be able to make up the deficit.

The Hon. F. J. CONDON—We have been endeavouring to do that many times. If the honourable member looks at the annual report he will see that concessions have been granted to children to encourage them to attend. Because of lack of funds, the institution was not able to pay a sufficient salary to the assistant director, as a result of which he resigned, and now the director has to carry on with the assistance of only a typist. Maintenance cannot be kept up, although the council has done everything possible to balance its budget. We should be proud of our zoo, and do everything we can to encourage people to attend it. I look not only to Parliament, but also to parents and other citizens to render some service in order to make the task of those who control the institution lighter. I ask the Government not to wait until next year's Estimates are prepared, but to make a further grant immediately in recognition of the valuable work that has been done over a period of years.

The Hon. E. Anthoney—Is not the zoo occupying far too valuable a site in the heart of the city?

The Hon. F. J. CONDON—Perhaps that is so, but it would cost a lot to transfer it to another position. It is all very well to make suggestions, but such a move depends on whether we can get the money. Although some people say that our zoo cannot be compared with Taronga Park, others have said that it is a pleasure to visit it. The council is indebted to the press for its assistance and asks for further assistance in urging citizens to do everything possible to assist the institution.

A few weeks ago we were informed that the Government intends raising additional revenue by way of increased registration fees on private and commercial vehicles, and increased driving licence fees. The increases imposed on commercial vehicles can be passed on, but this cannot be done by the private motorist. Although I recognize that the Government has to get money from somewhere, it has picked out one section of the community for that purpose. I ask members to consider just what it costs to run a car today compared with a few years ago.

The Hon. E. Anthoney—Roads must be repaired.

The Hon. S. C. Bevan—But who cuts the roads up?

The Hon. F. J. CONDON—Diesel truck users, and they do not pay any petrol taxation. Nobody can object to the roads being put in proper condition, but where are we going to start? It would be difficult to pick out the worst roads. Although I recognize that more money must be obtained for road repairs, the Government should be more careful in policing legislation regarding heavy loads, because that is a matter that affects not only the metropolitan area but the whole State. In many parts new roads are constructed, only to be cut up because they are not strong enough to carry heavy loads. Heavy losses are incurred annually on our railways and legislation should be enacted to protect them from the competition of transport services which are responsible for damaging the roads. For the year preceding the introduction of uniform taxation this State had a surplus of £1,250,000. If we revert to State income taxation we will get a worse deal than at present.

The Hon. E. Anthoney—It is worth the experiment.

The Hon. F. J. CONDON—No. In relation to State income tax the Auditor-General reports:—

Under the Commonwealth Government uniform tax collection scheme that Government continued to collect income tax during the year 1952-53. In pursuance of the Commonwealth State Grants (Tax Reimbursement) Act, the State received from the Commonwealth the grant of £11,597,221 for the year 1952-53, being its proportion of the income tax collected.

During 1952-53, the amount collected from State land tax was £575,160, which was £168,104 greater than the previous year. The cost of assessment and collection amounted to £76,966, an increase of £9,373. It is not necessary for me to refer to what was collected from stamp duty, succession duty and similar sources. It is not for the Opposition to suggest what the Government should do but we must point out what we consider should be done and I hope the Government will consider my suggestions. I support the second reading.

The Hon. C. R. CUDMORE (Central No. 2)—I join with Mr. Condon in congratulating the Treasurer on entering today on his sixteenth year as leader of this State. Mr. Condon has spoken ably and at length. I do not usually speak on Appropriation Bills but I thought I should take this opportunity of not only congratulating the Treasurer on his achievements for the State financially but of congratulating Mr. Condon on the information he supplies in these matters. We are indebted to him for that work. When I first entered this Chamber the Budgets were about £10,000,000 to £11,000,000 annually. Members were not supplied with very much information. In 1932, the year before I entered Parliament, the Chief Secretary, in introducing the Appropriation Bill, said:—

This is the usual Appropriation Bill and covers a total of £6,802,655, of which £2,000,000 has already been appropriated by means of Supply Bills, leaving a further sum of £4,802,655 to be appropriated under the present Bill. This amount is required to cover the necessary expenditure of the State for the current financial year. In the ways and means details of the estimated revenue and expenditure for the year were submitted to Parliament. The total expenditure of £11,244,300 is made up as follows:—

	£
Expenditure under special Acts	
mainly for interest on the	
public debt	4,441,645
Ordinary expenditure as per	
Estimates	6,802,655
Total	£11,244,300

The estimated revenue is set down at £10,056,807, giving an estimated deficit for the year of £1,187,493. I move the second reading.

And that was that the adjournment of the debate was then obtained by our now President. Quite an innovation was made when the late Sir Geo. Ritchie, as Chief Secretary and Leader of this House instituted the scheme of providing members with details of revenue and expenditure. Yesterday, the Chief Secretary supplied members with the main particulars relating to these items. I mention this because I agree with Mr. Condon who said that we should give the Estimates serious consideration. In the past it was not the practice for members in this Chamber to be supplied with details. I appreciate the discontinuance of that practice and that we now receive a summary of how money is to be spent.

Mr. Condon particularly emphasized the question of water rates and I entirely agree with him. We live in a dry State. Our rainfall is comparatively low but the population and the number of industries on the plains have vastly increased. A few years ago when Mount Bold was opened we considered that our water position was assured for years to come. We sell our water, which is a scarce and precious commodity, far too cheaply. In other countries if they do not have rain for about three weeks they consider they have a drought and people have to take buckets to the village pumps for water; in South Australia we lay it on. When a new house is built in the metropolitan area we provide sewerage and water which is more than is done for people in Sydney and other States which enjoy a greater rainfall. We make the position a little too easy. In older countries if it is desired to house about 10,000 people in a certain area high flats are erected and the people do not have gardens, but in our metropolitan area practically every person has a garden and can obtain water for sewerage or gardening practically for nothing by turning on a tap. If we are to conserve water we must make people appreciate that it costs money to supply them with it and they should be required to pay a fair price for it the same as they do for any other commodity they purchase.

I was amused at the number of inquiries and telephone calls I received about the increase in motor registration fees and asking if I would oppose it. I said "No, why?" They replied, "Well don't you think it's pretty hot?" to which I said, "I suppose you want good and better roads." Money does not

grow on trees for the Government any more than it does for individuals. The people keep on asking the Government to spend more money and then complain, almost in the same breath, if they are asked to contribute something extra. Motor driving licence and registration fees have been static for a considerable time and it is reasonable that they should be increased. As my friend Mr. Condon kept on pointing out this afternoon, we have so many things that do not pay. We cannot go on for ever having a number of non-paying departments and public instrumentalities, and I have been astonished today by the number of people who took it for granted that we would all be against the Government's getting any more revenue, although they still want more money spent by the Government.

The only item I intend to mention in detail is the cost of the Prices Department, £70,000. As the Minister pointed out, this cost is now borne by the State Government, the Commonwealth having decided not to support it any longer. Although a Prices Bill is before the Chamber I cannot resist the opportunity of saying that it would be a good thing if we got rid of that £70,000 and let prices take their own course. Mr. Condon raised the question of uniform taxation, and quite rightly said that this State is prosperous industrially. It is, and I have not the slightest doubt that if we could get back to collecting our own revenues and financing our own affairs we would be much better off than when we are, as it were, on the dole and having to put up a case each year to the Commonwealth Grants Commission.

Mr. Condon made out a splendid case this afternoon on the elementary financial issue which faces individuals and Governments, namely, that we cannot continue to run things at a loss; we must eventually crash unless we make our costs equivalent to what we get in the way of results. I think this is a theme which all who hold responsible positions in this community should take to heart; we must pay our way, and I add to that the fact that this is the only country in the world, as far as I know, that has adopted a wages system based on demands and not on production. I think our Prime Minister put it in this way, "It is not needs which should fix what we get, but what we produce and give." Going a little further than my honourable friend, I say that there is only one way to make things pay and that is by getting full results for what people receive in wages and salaries. We can get back to a sound financial basis only by being paid for what we produce,

and therefore I want to take to its ultimate conclusion the lesson to be learnt from the excellent speech of the Leader of the Opposition: the only way to make good our deficits is to be quite sure that what we pay for is not what someone else needs, but what he produces for the pay he gets. I support the second reading.

The Hon. E. ANTHONY secured the adjournment of the debate.

BUILDING CONTRACTS (DEPOSITS) BILL.

Received from the House of Assembly and read a first time.

The Hon. A. L. McEWIN (Chief Secretary)
—I move:—

That this Bill be now read a second time.

Section 12 of the Building Operations Act, 1952, provides for the safeguarding of deposits paid under contracts for the erection of dwellinghouses. This provision first became law in 1949 and it was enacted to deal with a practice which had grown up of some builders accepting deposits from prospective building owners before the commencement of building operations. One result of the shortage of housing accommodation was that prospective owners, contrary to their best interests, paid substantial deposits to builders who undertook to build houses for them. In many cases, the agreements made between the parties did not provide for a commencing date for building operations. The result was that, in some instances, builders held deposits from a number of building owners. This money was sometimes used to finance other operations of the builder, and the owners waited indefinite periods, sometimes of long duration, before a start was made on their houses. In some cases the builders became bankrupt and those who had paid over their deposits not only did not get their houses but, as the builders' assets were not equal to their liabilities, suffered the loss of portion of their deposits. To remedy this position, section 14 of the Building Materials Act, 1949, was passed and when that Act was repealed in 1952, the section was re-enacted as section 12 of the Building Operations Act, 1952.

The section provides that if a contract is made between a builder and a building owner for the erection of a dwellinghouse and if it provides for the payment of a deposit before work commences and the contract does not provide that work is to be commenced within a time stated in the contract and for the payment of the deposit into a special purpose

account in a bank, the contract is to voidable at the option of the owner at any time before building operations are commenced. The section further provides that, whatever is provided in the contract, any deposit paid to the builder is to be paid by him into a special purpose account in a bank in the joint names of the owner and the builder. Failure of a builder to comply with this requirement makes him liable to a penalty not exceeding £100 or to imprisonment for a term not exceeding six months for a first offence and to imprisonment for any term not exceeding 12 months for any second or subsequent offence. The money in the special purpose account is only to be drawn out for the purpose of making payments for work done under the contract and until so paid remains the property of the owner.

It is considered that this legislation has been effective to prevent the abuses in question. It must be emphasized that these abuses occurred only in the case of a limited number of builders and that the great majority of builders, who are accustomed to conduct their businesses in a proper manner, were not concerned and, of course, have not been affected by the section, as the type of conduct which the section was intended to regulate was not followed by them. Section 25 of the Building Operations Act, 1952, provides that, with the exception of sections 1, 2, 20 and 22, the Act is to cease to have effect as from 31st December, 1953, and consequently the provisions of section 12 relating to these building contracts will cease to have operation on that day.

The Government does not propose to extend the operation of the Building Operations Act any further but considers that provisions similar to section 12 should be re-enacted as a permanent part of the statute law. The purpose of this Bill is to alter the law accordingly and clause 3 provides for these building contracts in the same manner as is now done by section 12 of the Building Operations Act and clause 3, in effect, re-enacts section 12.

In one respect, the Bill differs from the existing section 12. Section 12 deals with contracts for the erection of dwellinghouses and its scope does not extend to buildings such as garages or outbuildings appurtenant to dwellinghouses. It is considered that the legislation should also apply to these structures if they are appurtenant to a dwellinghouse and consequently the Bill, in addition to applying to a contract for the erection of a dwellinghouse also applies to a contract for the erection of any building, structure or fence which is appurtenant

to a dwellinghouse. As was before stated, section 12 of the Building Operations Act continues in force until December 31, 1953, and therefore clause 2 provides that the Bill is to come into operation on January 1, 1954. Thus, when section 12 ceases to have effect at the end of the year the provisions of the Bill will operate but these provisions will be permanent and will continue in operation until otherwise provided by Parliament.

The Hon. F. J. CONDON secured the adjournment of the debate.

CROYDON PARK SEWERAGE
EXTENSION.

The PRESIDENT laid on the table the report of the Parliamentary Standing Committee on Public Works on Croydon Park sewerage extension, together with minutes of evidence.

ADJOURNMENT.

At 3.42 p.m. the Council adjourned until Tuesday, November 10, at 2 p.m.