

LEGISLATIVE COUNCIL.

Tuesday, November 10, 1953.

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

APPROPRIATION BILL (No. 2).

Adjourned debate on second reading.

(Continued from November 5. Page 1136).

The Hon. E. ANTHONY (Central No. 2)
—I desire to associate myself with the congratulations expressed by other members to the Premier on his attaining his sixteenth year of office. Most members will agree that during that period the State has prospered and it would be fair to say that much of that prosperity can be attributed to the drive and industry of the Premier and the members of his Government. Most of the legislation introduced has been in the direction of balanced economy, dealing with both primary and secondary industries. Much of the development took place during the very difficult post-war years, when all kinds of problems were confronted, which have been for the most part happily surmounted. The State, with other members of the Commonwealth, has had its responsibilities in endeavouring to absorb displaced persons and migrants from overseas, and in finding occupation for them as well as homes and social amenities. All this very largely increased the difficulties of the Government and put a great strain on the resources of the State. These things, too, are reflected in the substantial increase in the size of the Budgets which Parliament has had to meet during the past few years, and today we are called upon to deal with the State's record Budget, being an increase of £6,500,000 above that of last year.

The financial papers which supported the Minister's second reading speech, together with the excellent report of the Auditor-General, give a very clear picture of the financial position of the State. I have looked up the reports of the Auditors-General of other States and find that not one of them compares with the report of our own. This shows just how the revenue has been obtained and how the Government has spent it, and the Auditor-General certifies that the money has been spent in accordance with the provisions of the Appropriation Act. This comprehensive report is of great assistance to members, as it deals with all departments under the Government's administration, and as the Auditor-General is the appointee of Parliament he has a great deal

of freedom in expressing his views and therefore his report is a wonderful assistance to members in getting a grip of how departments function. He states that, owing to shortage and dislocation of staff over some period, considerable overtime had to be worked and a great deal of extra responsibility was thrust upon his senior officers in getting out the report in time; it was also obstructed, in some degree, by the late receipt of reports from some departments. Had the Treasurer's original Budget been submitted it would have shown a surplus of £1,000,000 brought about by the economic state of the country, high prices for primary production, and other matters which contribute to the buoyancy of Government finance. Because of unforeseen circumstances that surplus almost disappeared and the Government had a surplus of £24,000. The damage to foreshores caused by a storm was responsible for the allocation of £200,000 to various councils which applied to the Government for assistance. I congratulate the Government on its promptitude in rendering that assistance because the councils could not have undertaken that work without aid. The Government also provided £620,000 for country roads and about £150,000 for the Education Department and roads in Housing Trust areas.

Since the war it has been the Government's policy to meet increased costs from taxation or Commonwealth grants rather than asking those to whom services are supplied to pay commensurate charges. I disagree with that form of bookkeeping. It is almost time that people enjoying services met the costs of providing them. Because the Government is meeting increased costs the public debt is being considerably inflated and that adds to our interest and sinking fund commitments. The public debt has increased substantially during the last few years. I hope that the taxing powers will soon be returned to the State because we will then be able to stand on our own feet and not lean so constantly, as we do as a mendicant State, upon the Commonwealth Government. Most members are familiar with the history of Commonwealth assistance to the States. When the original Constitution was drafted provision was made regarding what shares the States would receive from revenue collected by the Commonwealth. The first contribution was paid through the Surplus Revenue Act by means of a capitation grant, but that system was subsequently displaced by the financial agreement. Finally, the Grants Commission was set up to allocate the grants. I believe that system is detrimental to the State because

once we lose the right of taxing we lose the right to call ourselves a sovereign State. Once we regain our taxing powers we will become what we once were—one of the lowest taxed States in the Commonwealth. Last year the Commonwealth collected from South Australia in income tax about £25,500,000 and re-imbursements by the Commonwealth were £24,055,000. If income taxing powers were returned to the State we would be quite independent of Commonwealth grants. Apart from income tax the State has other means of obtaining revenue and with taxing powers restored to us we would be on the right side of the ledger.

The Hon. R. J. Rudall—The Commonwealth would still have to have some income tax powers.

The Hon. E. ANTHONY—Yes, but not all of them. I now propose to deal with the Roseworthy Agricultural College. The college has 90 students, but 15 of them have scholarships and do not contribute financially to the college, which contains an area of about 2,000 acres. It is situated in a good farming area but is costing the State over £81,000 a year. I ask any practical farmer in the House whether he could remain in business if it cost him £81,345 to run a farm of 2,000 acres in that district?

The Hon. R. J. Rudall—Does not the honourable member realize that a lot of experimental work is being carried out there?

The Hon. E. ANTHONY—Yes, but it seems to me that the institution is being extravagantly conducted.

The Hon. K. E. J. Bardolph—Do the students pay fees?

The Hon. E. ANTHONY—Yes, they do. This farm can be compared with an institution in Victoria, named Longerenong, which has a comparable acreage, about the same number of students and a similar curriculum; that institution made a loss of only £36,000.

The Hon. K. E. J. Bardolph—Does the honourable member not realize that the fees paid to universities and other higher institutions are never sufficient to enable them to carry on?

The Hon. E. ANTHONY—I am not referring to the University, but to Roseworthy. The cost last year to the State was £11,816 higher than the previous year, and it represents an average cost of £914 a student, which is a fairly substantial figure.

The Hon. R. J. Rudall—That is not a fair comparison.

The Hon. E. ANTHONY—Then I trust the Attorney-General will follow me and make the right comparison.

The Hon. A. L. McEwin—Are the same activities carried on at Longerenong?

The Hon. E. ANTHONY—I assume they are.

The Hon. K. E. J. Bardolph—Who runs that institution?

The Hon. E. ANTHONY—The Government.

The Hon. R. J. Rudall—On what grounds does the honourable member say that the college has been extravagantly run?

The Hon. E. ANTHONY—From the Auditor-General's Report, which sets out that each student costs the taxpayer nearly £1,000.

The Hon. R. J. Rudall—But the report does not say the institution was extravagantly conducted.

The Hon. E. ANTHONY—The Auditor-General would not say that, but left it to us to draw our own conclusions. The cost of the college is much higher than any other school. The report sets out that receipts from students' fees and board and residence amounted to £12,515, and sale of farm produce £14,875, and the excess of payments over receipts was £81,345. This farm, situated in good arable country, should pay its own way. The figures are astounding when one realizes that, because of good returns from farms in recent years, country people are now better able to pay for the training of their children. The State should not be asked to meet a liability of this kind, and we should remember that it is a recurrent liability.

The Hon. K. E. J. Bardolph—What remedy does the honourable member suggest?

The Hon. E. ANTHONY—My remedy would be to make the institution pay.

The Hon. K. E. J. Bardolph—Have you any policy in mind?

The Hon. A. L. McEwin—Would the member apply his opinion to all education?

The Hon. E. ANTHONY—Yes.

The Hon. R. J. Rudall—The Auditor-General stated that it is an experimental farm.

The Hon. E. ANTHONY—Yes, and a very expensive one.

R. J. Rudall—What is your authority for saying that?

The Hon. E. ANTHONY—The Auditor-General's report. Although perhaps the Attorney-General will say that the Auditor-General has not made any caustic remark about

losses on water supplies, I intend to do so because it is not right that hundreds of producers who have never before been so well off are getting water at such low rates.

The Hon. K. E. J. Bardolph—Would you suggest increasing their rates?

The Hon. E. ANTHONY—Yes, and I do not think they would object to it because they realize that for years they have been getting the benefit of important and expensive schemes at low rates. This matter was raised by the Grants Commission yesterday, and I understand the Premier admitted that the rating on country land would have to be considered. Water supplies show a considerable deficit each year, and the public is fair enough, I think, to admit that they are getting an important service at far too low a rate. We do not get too much water down our way and what we do get is of very inferior quality. I do not say that it is altogether the fault of the Government, but the water supply in the western districts of the metropolitan area is very inferior indeed. Why cannot we get better quality water? There is no shortage. It is nearly time that whoever is in charge saw to it that the metropolitan area got a far better and cleaner supply. Another item calling for comment is the substantial increase in the cost of school transport services. This year, by way of question, I ascertained that the people of the State have been mulcted to the tune of £1,000,000 for the transport of country school children.

The Hon. R. J. Rudall—Over a very long period.

The Hon. E. ANTHONY—Since the service began it has cost the State over £300,000 annually, and this year that sum has been increased by £27,000, so it is a growing charge and I think it is something that the department should seriously consider. Here again country people have never been in a better position to meet their commitments so why should they not pay something towards the cost of this service?

The Hon. R. R. Wilson—They are.

The Hon. E. ANTHONY—Then where is it going? Why have we piled up this huge accumulation?

The Hon. K. E. J. Bardolph—Children in the metropolitan area are paying £7,000 a year in increased tram fares.

The Hon. E. ANTHONY—Yes, and I say that the country people would be quite willing to pay something. There is far too much leaning on the Government in these days, and

people should meet the added costs for all public services rendered. Failing this I cannot see how we can ever hope to meet this terrific public debt.

The Hon. R. J. Rudall—Why not deal with the tramways?

The Hon. E. ANTHONY—I have expressed my views on the tramways previously. If they were handed over to private enterprise we would be in a much better position. The Metropolitan Omnibus Company has offered to run the service and if we handed the tramways over to it, instead of showing a tremendous loss, they would be making a profit and rendering a very good service. But for private bus services quite a lot of newly developed suburban areas would not be served by transport. Let private enterprise handle it and instead of huge losses each year we will have profits as well as a good service. I will not say that the tramway service is a bad one; the people are carried all right, but at tremendous cost.

The Hon. F. J. Condon—Would you apply that to the railways too?

The Hon. E. ANTHONY—Yes. Every passenger carried today, according to this report, shows a loss of over 2d. That is a severe indictment of someone's mismanagement.

The Hon. Sir WALLACE SANDFORD (Central No. 2)—I am sure we all listened with great interest and pleasure to the remarks of my colleague. We realize, as a community, that we are being called upon to meet, both directly and indirectly, a great deal of extra taxation. Twelve months ago, when the Appropriation Bill was before us, the estimated revenue from the ensuing year was £49,089,000 and the expenditure £49,077,000, leaving an estimated surplus of £12,000—not much in a Budget of about £50,000,000. However, when the accounts were finally made up the surplus was found to be about double that amount. In those few words is summarized the financial activities of the State for the year and I think that every member realizes the tremendous amount of careful and accurate calculation required in the innumerable transactions which constitute the record of the year's experience as summarized in the Bill before us.

The total expenditure for the ensuing year was dealt with in a considerable degree of detail by the Chief Secretary in his second reading speech, and was prepared, I am sure, with the same careful consideration as is usually employed by the heads of every department in the Public Service. The Chief Secretary foreshadowed some increases in motor

vehicles and Harbors' Board fees to which I would not be inclined, at this stage, to refer if I did not feel that a real danger to our well-being lies ahead of us. One member seemed to consider that it might be a hardship if this taxation were imposed upon pleasure cars, but that it did not seem to matter so much if the vehicle were a truck used in business. In some mysterious way the extra charge is presumed to be absorbed in business so that no-one is hurt. It is high time that such a fallacy was exploded and it was realized that the accumulation of these passings on of greater or smaller charges may be pushing ourselves out of markets which we have developed with such care over a long period. The whole world is entering into a fierce fight for customers and if we are to hold our trade we must see where we can remove charges instead of imposing more so that costs can be reduced and thereby prices lowered to within the reach of our customers, particularly those overseas.

Only recently Mr. Ewen Waterman, the chairman of the Wool Secretariat in London, has been revisiting Australia for a few weeks. He occupies one of the most important jobs in London from the point of view of Australian interests. Not only does he give satisfaction and confidence to the wool producers, but he is held in the highest esteem in London's financial and commercial circles. Members may have tuned in to the Guest-of-Honour session on Sunday evening when Mr. Waterman gave a farewell speech to Australia before returning to England. I was so impressed by one statement he made that I wrote it down. He said that if a market is lost there is always the danger that it may never be regained. Every Australian should take care to remember that.

The Hon. F. J. Condon—What markets are we in danger of losing?

The Hon. Sir WALLACE SANDFORD—The danger of losing markets is ever present and we must exercise eternal vigilance. Not only should we produce the best quality article, but we should sell it at the lowest economic price. We should not think "how much can I get," but "how cheaply can we sell." I was in America when Woolworth's Five and Ten Cents Stores were leading in American trading. That firm made its tremendous wealth by selling as cheaply as it could and not as profitably as it could by keeping prices up. That is what we must do with our exports.

Great progress has been made in this State in recent years in secondary as well as

primary production. For many years we believed that primary production was almost all that this State could look to, but developments in recent times have revealed that the South Australian tradesman is equal to any in the Commonwealth and the extension of some businesses and some particular forms of manufacture has reached such a standard that we can be proud to belong to South Australia. It is not 15 years since the commencement of World War II. In 1939 the total number of men working in factories, inclusive of working proprietors, was about 43,000, but since then the number has increased to over 84,000, which is almost double. In 1939 the value of output of factories was £35,000,000 but this year it is £232,000,000, and whereas the value of land, buildings, plant and machinery employed in 1939 was £18,000,000, today it is over £60,000,000. It is not surprising that whilst this material progress was being made the population increased substantially. During the last 12 years it has increased from 590,000 to over 720,000. It will be seen, therefore, that the development of our secondary industries in that period has resulted in a substantial and almost miraculous increase in general expansion. At the same time, employment has been satisfactorily maintained and the latest quarterly summary available reveals that unemployment in industry in South Australia is less than one per cent.

The Hon. K. E. J. Bardolph—The Government cannot claim credit for that.

The Hon. Sir WALLACE SANDFORD—If the Government does not maintain the State properly then business and trade will languish and if that happens and there is not the spending power everyone will discover that he has a direct interest in good government which we have been fortunate to enjoy for a number of years. Both Mr. Condon and Mr. Cudmore referred to the importance of water to our industries and I was pleased to note this afternoon that Mr. Anthony did not overlook this matter. The aridity of South Australia, which one can realize by examining figures supplied in the Commonwealth Year Book, constitutes one of our major problems and presents a danger and difficulty that is ever with us. I feel that it is greatly to our credit that we have been able to make such progress in our primary production in spite of the disabilities these figures disclose. When a person draws a map he paints the areas with a rainfall of less than 10in. in light yellow or white. If we were to draw a map of Australia and mark those areas it would be seen that 81.7 per

cent of South Australia receives less than 10in. of rain; that is regarded as desert country. Western Australia has only 49.9 per cent, New South Wales 15.7 per cent, Queensland 12 per cent and Victoria and Tasmania nil. When we examine those figures we should be highly gratified that we are members of a community which with such a large dry area has been able to build cities and railways and provide all the services we enjoy. Only 8.6 per cent of the area of South Australia receives a rainfall of over 15in. whereas for Victoria the figure is 78 per cent.

The Hon. R. J. Rudall—If you consider higher rainfalls the position is even worse.

The Hon. Sir WALLACE SANDFORD—Exactly. In spite of the poor showing of of these figures they also disclose that our Engineering and Water Supply Department has done a splendid job. It would hardly be fair to the officers and men in charge of the work to make comparisons but when we consider such works as the Tod River scheme, with its hundreds of miles of piping, the Uley-Wanilla scheme, the Morgan-Whyalla pipeline and the rapidly nearing completion of the Mannum-Adelaide supply line, we realize that we have certainly made a great deal of a very light rainfall. All these things have been achieved; I deliberately use that word because they are achievements of which we may well be proud, and were brought about in spite of difficulties which appeared insurmountable to the earlier settlers of this State. Despite the continuous threat of water shortages to both primary and secondary industries, this State has been able to progress in a remarkable degree, as indicated by the figures I have quoted.

Last week, when speaking on the wage system, Mr. Cudmore said that we must make our costs equivalent to the results—in other words, we must pay our way. If the community does not do this it will reach the same position as an individual who if he lives extravagantly for a certain period, will eventually have to face up to paying his way. He also quoted a statement made by the Prime Minister that wages should be based on what the recipient produces, but I prefer to say that the wage system, which we are still attempting to solve, should be based not on what an individual consumes but on what he produces. The basic wage is worked out on consumption instead of of production and, so long as we continue on that basis, I cannot see how we will get out of our difficulties because it is necessary to produce before we can consume. The amounts

set out in this Bill are based on what we may expect to be the value of money during the period that it is operative. Expenditure is necessary in order to manage the various departments of our Government, and I hope when we look back at the results at the end of the financial year they will be satisfactory. I join with honourable members who have extended well earned congratulations to the Premier and Treasurer in presenting his fifteenth consecutive Budget. This is a wonderful achievement, and I regard it as a privilege to have been a member of Parliament during the period when the record was being established by the Leader of the Party to which I belong. I support the Bill.

The Hon. S. C. BEVAN (Central No. 1)—This Bill deserves the fullest consideration of all members, which I am sure they will give. Although it is the fifteenth Budget presented by the Treasurer, which is an all-time record, I believe that had there been a more democratic electoral system operating in this State this Budget would have been presented by a Labor Premier. In recent years there has been a steady swing to Labor in this State, which was more pronounced at the last elections. The Budget provides for a total expenditure of £51,345,000, and a surplus of £10,000. The estimated surplus for 1952-53 was £12,000, and although it was announced to be £25,000, it was in fact £1,200,000. This was covered up by a hurried appropriation of £1,175,500 on June 25, 1953.

There has been strong advocacy for a return of taxing powers to the States, but as it is not likely that the Commonwealth will vacate a profitable field of taxation, we are unable to see just what fields would be open to the State. Would a surplus of £1,175,000 have been possible under State taxation? I fear that the taxpayers would have a considerably increased burden with two taxing authorities because this State would have to levy taxes to return approximately £51,000,000, and the taxpayers would have to provide in addition this State's proportion of the expenditure of the Commonwealth Government. It has been suggested that the return of taxing powers to the States would mean that South Australia would be the lowest taxed State in the Commonwealth, but I do not agree.

This year £3,122,877 is provided for hospitals, an increase of £378,623 over last year's figure. I do not criticize the additional expenditure because we are still very short of hospital accommodation not only in the metropolitan area but in the country. There are

Government hospitals in some country towns, subsidized hospitals in others, and a few private institutions interspersed here and there, as well as community hospitals. Despite all these, however, we still lack adequate facilities. The new Western Districts Hospital, which I understand will be opened shortly, in part at least, will relieve the position somewhat, but still further efforts should be made to establish more. Our growing population is making great demands upon our hospital services, and increasing emergency treatment is called for. I have the greatest admiration for the nursing profession. It is a noble one and the young people who enter it sacrifice a lot in following their vocation and deserve the highest praise. The domestic staff also play their part in the efficient operation of hospitals, by working long hours. Unfortunately, employees in subsidized hospitals have no industrial protection, for they are excluded from the operation of the Industrial Code, and I am disappointed that the Government has not rectified this anomaly.

The Hon. F. T. Perry—Are they any worse off because of that?

The Hon. S. C. BEVAN—Perhaps at present, when female labour is in great demand, they are not forced to accept employment in other than Government hospitals, but prior to and during the war young girls were employed in private institutions and paid as little as 10s. a week. They had no tribunal to determine their rates and working conditions, and therefore had to accept whatever terms were offered by the hospital authorities. Remarkably enough, domestic staff in Government hospitals come under the jurisdiction of an industrial tribunal, but apparently the Government is not prepared to extend this principle to the staff of subsidized hospitals. I had occasion once to appear in the Industrial Court on behalf of hospital employees outside the metropolitan area seeking an award covering wages and working conditions, but the President had no alternative but to rule that the court had no jurisdiction under the Industrial Code. Hospital domestics should have access to an authority to fix rates of wages and working conditions.

The amount set down for the Education Department this year is £4,672,461. The amount last year was £3,690,235, so it will be seen that this item has been increased by £982,226. Here again I agree that the increased expenditure is warranted, and I commend the Minister and the staff of his department for the job they have done. Education

is one of our main responsibilities and too much cannot be done under this heading. The whole future of the State is bound up in the education of our people. Enrolment of pupils is growing enormously and has thrown a great strain upon school accommodation. New schools have had to be built and staffed, and further schools will have to be built in rapidly growing suburban areas.

During the last few weeks I had the honour to attend the official openings of new schools at Findon and Mansfield Park and was considerably impressed by the new buildings. However, great difficulty was found in adequately staffing them. There is an acute shortage of young people entering the teaching profession and we must ask ourselves the reason why. I feel that one of the reasons is the inadequate remuneration and amenities offered to teachers; more lucrative attractions are offered in other professions, so young people turn away from teaching. I am aware that salaries have been increased recently, but still not enough to attract young people to enter the Teachers' Training College in sufficient numbers. At the Findon school the whole of the female staff consists of married women who have returned to the profession, therefore this is a matter which needs urgent consideration. School committees are doing a wonderful job and deserve the highest praise. They seem to be untiring in their efforts to raise money to supply school amenities, and the Minister must feel embarrassed at times when called upon to subsidize the amounts raised on a pound for pound basis. Private schools also play an enormous part in our educational system and, although not wishing to repeat what I have said previously regarding them, the Government would be put to an expense it would find difficult to meet if they closed down, and consequently I urge again that the Government should consider subsidizing the committees of private schools in the same way as it does those working on behalf of Government schools. If private schools were forced to close I fear that the Government would be seriously embarrassed for it has neither the accommodation nor the teaching staff to fill the gap.

Finally I desire to touch upon our transport system. The expenditure on railways this year is estimated at £14,765,027, an increase of about £2,000,000 on last year. It appears that the railways will continue to operate at a loss for, although freight charges were reviewed in 1951, some sections of the community are still favoured by concessional

rates. It appears to me that there is no reason for these concession rates to people who are in a position to pay the same rates as others.

The Hon. L. H. Densley—What are these concessional rates?

The Hon. S. C. BEVAN—The farmers enjoy concession rates, but they have had a succession of good seasons and high prices and they should be able to pay ordinary rates.

The Hon. L. H. Densley—That was all put in order a couple of years ago.

The Hon. S. C. BEVAN—Was it? I suggest that some concession rates still apply.

The Hon. L. H. Densley—The greatest consideration is given to coal.

The Hon. S. C. BEVAN—I appreciate that, but other commodities are still carried at concession rates. There may have been justification for it at one time, but that no longer exists. Our tramways continue to lose money. Last year £700,000 was contributed by the Government and a further £600,000 is provided under this Bill. Experts were brought from abroad to advise our authorities on the best means of putting the tramways upon a sound financial footing. This job was completed in a fortnight, but surely such an assignment could not be carried out properly in such a short time. This undertaking has been losing hundreds of thousands annually but it is hoped that it will be put on a sound footing as a result of this inquiry lasting a fortnight. How much consideration can have been given to all aspects of that system in such a limited period?

The Hon. F. H. Perry—Don't you think it would be better to wait for the report?

The Hon. S. C. BEVAN—I am merely querying how much investigation could have been undertaken in a fortnight.

The Hon. F. T. Perry—Don't you think the accumulated knowledge of the tramways means something?

The Hon. S. C. BEVAN—Yes, in some instances, but can we compare our tramway system with the system operating in New York? The officers returned to America and have promised to forward their report. I still advocate Government control of the tramways. Until the Government takes control of that system it will continue to lose. Some members have advocated that only private enterprise could operate our transport systems profitably. However, when private enterprise competes with our railways, those members immediately support restrictive legislation to penalize private

enterprise. Members should be consistent. Murray Valley Coaches and Bonds Tours Ltd. have developed certain tourist routes but immediately the Government Tourist Bureau has claimed to be the authority to decide on tourist routes and has restricted the private companies. I believe the whole of our transport system should be under Government control.

All the items listed in this Bill are worthy of consideration but there are other items of revenue, as for instance increased motor registration fees, which must be considered. Sir Wallace Sandford said that commercial organizations would pass on the additional motor vehicles tax to the general community. I think it is reasonable to assume that that will happen. When wages have increased the shipping companies, for instance, have passed on the increased costs to the consumers. I will have more to say about increased motor fees later. I support the second reading.

The Hon. F. T. PERRY (Central No. 2)—The introduction of the Budget affords members an opportunity of considering the financial position of the State, but their reactions, however, differ. I regard the Government as being in power to control the State's finances and it is the duty of Parliament to consider the expenditure involved in this measure. I have every faith in the Government and the fact that the Treasurer has occupied his position for 16 years indicates that he has the confidence not only of Parliament but of the State. The Government must be given credit for the way in which the income and expenditure of the State has been handled. It is within members' province to criticize the individual items of the Budget but I do not think we can complain very much at what has been presented to us.

The method of dealing with revenue and and expenditure has undergone a change in the last decade or so. At one time when a railway was laid we sought a guarantee that it would pay interest and working expenses, the principle then being that the service provided should be paid for by the users. We should carefully examine the present trend, and particularly in relation to three services. In some countries the railway systems are privately owned and have to meet interest charges and return dividends to shareholders but in South Australia they are Government-controlled and at the end of the last financial year showed a loss of about £4,500,000, which is substantial. The

service is regarded as benefitting the community generally and the community has to pay increased taxation to meet losses. The tramways system serves a section of the community only—those in the metropolitan area—and last year lost about £1,086,000. The third service is water supply and I agree with most members that water is the cheapest service provided by the Government. The loss of £751,000 last year was incurred mainly in the country areas where supplies are needed most. At one time it was thought that people obtaining services should pay for them. These country water districts now show a large deficit, but another section of the community is paying for those services. I feel that those obtaining services should pay for them.

The Hon. K. E. J. Bardolph—But the honourable member has just been lauding the Government for the work it has done.

The Hon. F. T. PERRY—I said that the Government has followed the trend people wish it to follow, but I question whether the Government is right in continuing to meet losses on services provided for the benefit of the community. That is the most critical of the Budget's trends, because people should pay the commensurate costs of services provided for them.

The Hon. K. E. J. Bardolph—Would the honourable member apply that to Roseworthy College?

The Hon. F. T. PERRY—Although £900 a student is a heavy expenditure, it may be worth it to the State and to the Agriculture Department. If the honourable member does not consider that is so, he should voice his opinion, because that is one of his functions in Parliament. It is not usually recognized that the cost to the Government of educating each scholar in our schools is £54 per annum, and although we all agree that education should be paid for by the State, increases in cost of water supplies should be paid by people receiving the benefit. Because of cheap rail freights and water supplies, there has been a tendency in outlying areas for land to rise above its economic value. If in the future these charges are increased the owners will not be able to make the properties pay as easily as they are doing today.

The Government has produced a good Budget. I trust that once more we will have a surplus, and I hope it will be more than the estimated £10,000, because although we are at present

enjoying prosperous conditions the Government should be the first to practise economies as a guide to private industry. The increase in the numbers of Ministers will enable them to have more time to give a lead to the people in matters of finance and other things, and I believe that is a function of the Government. It should then be left to the individuals to work out their problems with the knowledge received from the Government. The Commonwealth Arbitration Court when it established the basic wage system did so on the basis of needs, but over the years there have been increases for prosperity. The last increase of £1 a week was above the needs of the wage-earner.

The Hon. K. E. J. Bardolph—But must not the needs basic wage be taken as a basis for calculation?

The Hon. F. T. PERRY—That is so.

The Hon. K. E. J. Bardolph—When the economy causes an increase in the cost of living, the court must take that into consideration.

The Hon. F. T. PERRY—The court has done so, and although I am not objecting to it, during the last 15 years there have been many increases above the needs basic wage by prosperity loadings for special conditions. The last £1 a week was for that purpose, so we now have a basic wage based on needs plus. There is some suggestion that it should be placed on a prosperity basis, but as there are far more people engaged in rendering services than engaged in production, it seems to me that we cannot expect the basic wage to be based on production only, unless we want to ruin ourselves in the process. There is something to be said for the present practice of basing the wage on needs plus, but I do not agree that it can be based only on production.

I have noticed that the Waterworks Department obtained a royalty on iron ore mined at Iron Knob instead of that amount being credited to the Mines Department. Even though the department received £34,000 for these royalties last year, the loss on water services was still very high. I am confident that the Government will do its best to balance its Budget and I support the Bill.

The Hon. N. L. JUDE secured the adjournment of the debate.

BUILDING ACT AMENDMENT BILL.

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

**BUILDING CONTRACTS (DEPOSITS)
BILL.**

Adjourned debate on second reading.

(Continued from November 5. Page 1337.)

The Hon. K. E. J. BARDOLPH (Central No. 1)—The Opposition has pleasure in supporting this measure which merely places on the Statute Book certain provisions of the Building Operations Act, 1952, which had its genesis in the Building Materials Act, 1949. When the control of building materials first came into operation there was a scarcity of homes, and quite a number of small builders accepted deposits on contracts. Some of these builders became bankrupt and people lost their deposits. To meet this situation this Bill

makes it necessary that any deposits paid to contractors shall be paid into joint accounts which may be operated only by both building owner and contractor for payment for work performed. As this affords some protection to people building homes there can be no opposition to it, and it is welcomed by the great majority of responsible contractors. I therefore have much pleasure in supporting the second reading.

The Hon. C. D. ROWE secured the adjournment of the debate.

ADJOURNMENT.

At 4.2 p.m. the Council adjourned until Wednesday, November 11, at 2 p.m.