

**LEGISLATIVE COUNCIL.**

Thursday, June 13, 1963.

The PRESIDENT (Hon. L. H. Densley) took the Chair at 2.15 p.m. and read prayers.

**QUESTIONS.****TEACHERS COLLEGE FIRE.**

The Hon. A. J. SHARD: I ask leave to make a statement prior to asking a question.

Leave granted.

The Hon. A. J. SHARD: In this morning's press appears an article headed "Man Saved from Fire", referring to a fire in the new Teachers College building. A part of the article, which concerns me and will cause much doubt and uneasiness in the minds of people, reads as follows:

The fire, the cause of which has not been determined, broke out in an air duct of the ventilation system in the building, in Kintore Avenue, city.

Speaking of the fire, Chief Fire Officer Meaney said that when the building was completed it should not be possible for a fire to get into the air duct, and that if such a fire did occur a catastrophe could follow in the crowded sealed building.

Will the Minister of Labour and Industry have an inspection of the site made and will he, on the result of that inspection, assure the public that a repetition of the fire is impossible?

The Hon. C. D. ROWE: I read the press report and propose to direct the Secretary of Labour and Industry (Mr. Bowes) to make a detailed investigation of the matter. As soon as I have his report I shall certainly see that the necessary action is taken to ensure that the proper safety precautions are taken.

**RAILWAY STATIONS.**

The Hon. S. C. BEVAN: I ask leave to make a statement prior to asking a question.

Leave granted.

The Hon. S. C. BEVAN: My question relates principally to suburban and outside railway stations. Many such stations have been built for years. Because of increased traffic on the railways resulting, apparently, from our increasing population, it has been found necessary from time to time to alter the existing buildings, and to provide additional lines, thus entailing the building of additional platforms, some of which are known as island

platforms. To reach them passengers must cross the railway lines. Recently, a fatal accident occurred at Hove as a result of a train striking a prospective passenger crossing the lines to reach the platform. Will the Government consider building subways to these stations, especially where island platforms are situated, to obviate any crossing of the lines by pedestrians and intending passengers?

The Hon. Sir LYELL McEWIN: I will refer the honourable member's question to the Minister of Railways. I think he has made it quite clear that the question relates to the problem of passengers getting through to the platform, of which we have a number of examples at the older stations.

**PORT WAKEFIELD ROAD.**

The Hon. M. B. DAWKINS: I ask leave to make a statement prior to asking a question.

Leave granted.

The Hon. M. B. DAWKINS: I believe that the main Port Wakefield road is to be widened or duplicated, as far as the Elizabeth turn-off at least, in the relatively near future. However, in the meantime very dangerous situations are caused by vehicles proceeding north to the Cavan railway crossing, then desiring to turn right immediately north of the crossing and being unable to do so by reason of oncoming southbound traffic. The result is that following traffic has frequently been trapped or very nearly trapped on the line itself because of the inability to pass to the left of the stationary vehicles. Will the Minister representing the Minister of Roads consider making a temporary widening of that crossing pending the duplication of the road in order to allow vehicles to pass to the left and thus obviate that dangerous situation?

The Hon. Sir LYELL McEWIN: I will ask my colleague to investigate the matter raised by the honourable member.

**DUMPING OF RUBBISH.**

The Hon. L. R. HART: I ask leave to make a statement prior to asking a question.

Leave granted.

The Hon. L. R. HART: Owing to the lack of civic pride on the one hand and the lack of suitable and easily accessible facilities on the other the prevalence of rubbish dumping on country roads is reaching such proportions as to constitute a major problem to local government bodies. Will the Minister of Local Government consider calling a conference of local government bodies to discuss the question

of providing suitable facilities for the receipt of all types of rubbish?

The Hon. Sir LYELL McEWIN: I will refer the honourable member's question to the Minister concerned.

#### SALE OF EDUCATION BOOKS.

The Hon. A. J. SHARD: Yesterday I directed a question to the Attorney-General regarding the sales of books and prosecutions for the recovery of money allegedly owing by people in the Local Court of Millicent. Has the Minister a reply to that question?

The Hon. C. D. ROWE: I have a reply to the Leader's questions. His first one was, "How many people were proceeded against by the Ruskin Group (Education Division) Pty. Ltd. in the Local Court of Millicent in connection with the sale of books?" In the time available I have been able to search the records only back as far as January 1 this year. Since then two people have been proceeded against. The second question was, "How many were women?" Both of them were women. The third question was, "How many were convicted?" I think there was a slight misnomer there: this is not a criminal proceeding. I think the honourable member meant, "Against how many was judgment entered?" The fourth question was, "How many were given 10 days in gaol in default?" The answers to questions 3 and 4 are that one case proceeded to judgment, one unsatisfied judgment summons was issued and one order for 10 days' imprisonment was imposed. I should think, without knowing definitely, that the three matters I have referred to all applied to the one particular case.

#### FINANCE FOR ROADS.

The Hon. L. R. HART: I ask leave to make a statement prior to asking a question.

Leave granted.

The Hon. L. R. HART: With the considerable subdivision that is taking place in local government areas adjacent to the metropolitan area, many councils are finding themselves vested with considerable mileage of new roads, for which they have not sufficient finance to build to a suitable standard to make them accessible to traffic. Will the Minister representing the Minister of Local Government consider providing a special grant to these councils for the purpose of building roads in new subdivision areas?

The Hon. Sir LYELL McEWIN: I will refer the honourable member's question to the Minister concerned.

#### PUBLIC WORKS COMMITTEE REPORT.

The PRESIDENT laid on the table the final report by the Parliamentary Standing Committee on Public Works, together with minutes of evidence, on Senior Boys Training School, Magill, and Junior Boys Training School at Lochiel Park.

#### SESSIONAL COMMITTEES.

The House of Assembly notified its appointment of sessional committees.

#### PULP AND PAPER MILL (HUNDRED OF GAMBIER) INDENTURE ACT AMENDMENT BILL.

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

The Hon. Sir LYELL McEWIN (Chief Secretary): I move:

*That this Bill be now read a second time.*

Perhaps I should explain the reason for this rather unexpected piece of legislation coming before us today. It is because of a cable received from America this morning. It is related to a Bill passed by this Parliament in 1961 approving an Indenture for the establishment of a pulp and paper mill in the hundred of Gambier. The negotiations with the firm had more or less failed to come to a satisfactory conclusion because of certain incidents. That was why the Premier went to America to confer with the principals and to conclude the negotiations. As a result the problems associated with the earlier negotiations were more or less cleared up. The protracted discussions have again become active and it is expected that there will be an early decision. However, the company sought an extension of the time set out in the 1961 Indenture, which was June 30 of this year. By that time the position in regard to the agreement had to be decided. In other words, either the mill had to be a going concern or the company had to intimate its intention not to proceed with the industry. An extension of the period was sought, but the Premier said he was not favourable to a long period. This morning we received a cable asking for a shorter period of six months, and that is the reason for the introduction of this measure. The report on the Bill is as follows:

The object of this short Bill is to extend the time within which Harmac (Aust.) Ltd. may give notice terminating the operation of the agreement between the company and the State relating to the pulp and paper mill in the South-East. Honourable members will recall that the agreement, which was made in October, 1961, was approved by Parliament by the Pulp and Paper Mill (hundred of

Gambier) Indenture Act of that year. Sub-clause (3) of clause 2 of the agreement provides that if the company should find it impracticable or inexpedient to construct the mill and gives notice of that fact before the 30th of the present month both parties are discharged from their obligations under the Indenture.

There are some matters still under negotiation in connection with the proposed mill and we have been asked by the Canadian interests which are backing the venture for an extension of time within which the company may give notice that it does not intend to proceed. Honourable members will see that if the time is not extended the company is in the position of having to give notice of termination before the 30th of this month; otherwise it will be bound by the provisions of the agreement. I believe that all honourable members will agree that every effort should be made to enable the company to take up the project if it can see its way to do so. The director of the Canadian interests has cabled that he plans coming to Australia to discuss matters further late this month or early in July, and has requested that an extension of time for the giving of notice of termination be extended to December 31. The Government considers this to be a reasonable request.

This Bill accordingly provides that notwithstanding the provisions of the Indenture the time for the giving of notice is extended to that date. This means that the company will have a further period of six months in which to investigate the matter fully and it is my hope that arrangements satisfactory to both parties will be made during that period. I should, perhaps, add that it may be that some amendments to the Indenture or to the Act will be required later. If so, they can be incorporated in an amending Bill later in the session.

The Bill before Parliament to obtain this industry was passed unanimously, and I am sure the present measure has been passed unanimously in another place and will commend itself to members here.

The Hon. A. J. SHARD (Leader of the Opposition): I support the Bill, the kernel of which is contained in clause 3—that an extension of time be granted to December 31, 1963, for giving notice under the Indenture. It seems a reasonable request in view of the delays already caused and the difficulties encountered since we passed the Bill in 1961. It was in response to a request by the principal company for a six-months' extension of the time in which it could reply and accept the contract that early this year the Premier went overseas for discussions. Such a large amount of money will be involved in investment in this mill at Mount Gambier that it cannot be expected that the principals concerned will arrive at a hasty decision. As usual, we on this side of the Council agree entirely with a Bill of this type and the

Government's efforts to try to secure another industry for our State. Our only hope is that they will be successful.

Speaking on the Bill in 1961, if my memory serves me right, I said that it sounded such a large undertaking and would need so much looking into that I hoped we were not being too optimistic in expecting it to come along and be in operation within a short time. I do not think there is anything wrong with an extension of the time to December 31 of this year. I sincerely hope that the negotiations will be successful and that the industry will be developed for the benefit not only of the employees there but of the State in general, which must benefit if an industry of this magnitude should come here.

The Hon. C. R. STORY (Midland): I, too, support this Bill. Probably this news is something that none of us quite expected at this time. If we can get this venture going, the pulp industry in South Australia will be of immense benefit not only to the South-East, where the industry will be established, but also to the many new uses to which paper pulp is being put. I am not quite sure of the nature of the product—whether it is to be the manufacture of cardboard, brown paper, or print. The general commerce of Australia today is using more and more cartons and paper. Now that we have become an exporting country it is obviously important that we have suitable classes of paper by which to get our goods overseas. So far, we have lacked a container strong enough to be used for the export of many commodities.

I have always been keen on seeing this pulp industry developed. I agree that the Government has adopted a wise attitude in trying to bring these negotiations to a head. They could have continued for many years, and a little show of strength at this stage has the support of all of us, at the same time allowing the company time in which to make final financial and other arrangements. I think that nothing but good can come from the establishment of this industry and, as the Hon. Mr. Shard has said, I do not think there is a member of Parliament today who would not do everything in his power to see that these negotiations were brought to a happy conclusion.

The Hon. K. E. J. BARDOLPH (Central No. 1): I do not want to oppose the Bill, because I support it, but one or two points could be elaborated by the Minister introducing it. The legislation was passed in 1961, and the Canadian financial interests are now

asking for an extension of time, for a period up to December of this year, for the purpose of making financial arrangements and giving notice under the Indenture. I welcome the establishment of this industry. While the Minister was addressing himself to this Chamber, I fell to wondering whether the cellulose company, which was guaranteed by this Government in 1941 and is a South Australian company, would be afforded protection when this new project commenced to operate. Perhaps there will be some liaison between the Canadian interests and the South Australian company similar to what happened last year when Australian Paper Manufacturers Limited interests amalgamated with the cellulose company. I raise the point now because those honourable members who sat on the Industries Development Committee with me then know quite well the magnificent work done by Cellulose (Aust.) Limited during the war period and that certain interests in Australia desired to put it out of business. Because of the report submitted by the Industries Development Committee, the Government guaranteed, through the State Bank, sufficient money for that company to carry on, with the result that it has become a strong financial organization. I do not want my remarks to be construed as meaning that I oppose this Bill. I support it but raise these points in order to clarify the activities of this company when it commences to operate in South Australia.

The Hon. R. C. DeGARIS (Southern): I support this Bill because it is of direct concern to the South-East of South Australia and to the State. We all realize that the South-East is the only area in Australia that can support a mill of this size and nature. There are sufficient long-fibred softwoods in this area of the State to support this type of mill. As has been mentioned by the Hon. Mr. Story, the tendency throughout the world today is to use pulp instead of actual timber. From the point of view of the economic use of the forests of the South-East, it is important that a mill of this nature be established because the forests in the South-East are producing a large quantity of timber that is not suitable for milling purposes, so it is to the advantage of the economics of the industry that such a mill be established. I understand there will be no direct competition with the industry of which we are extremely proud, that is, the cellulose industry at Snuggery in the South-East. I believe the product will be one not produced by Cellulose Aust. Ltd., and indeed I am hoping

that the pulp that will be produced at the new mill can be used at Cellulose instead of using imported pulps. We were all disappointed that the original negotiations did not reach fruition by the end of June this year and I have pleasure in supporting the Bill in the hope that they will reach fruition in the six months mentioned in the Bill.

The Hon. Sir LYELL McEWIN (Chief Secretary): I thank honourable members for their consideration and support of the Bill. The Hon. Mr. Bardolph asked for some further information. I think the point he raised was really dealt with by the Hon. Mr. DeGaris in reply, that is, that this proposed new industry will not be in competition with the existing industry, but it is necessary for the programme of afforestation for the use of our timbers. Anyway, those matters were fully dealt with in the legislation and this amendment in no way affects the intention of Parliament as laid down in that legislation. It is merely to extend the period to enable the company concerned to make final arrangements.

The Hon. K. E. J. Bardolph: I am not opposing it.

The Hon. Sir LYELL McEWIN: About £16,000,000 is concerned and that is not a project about which one makes up one's mind today and carries it into operation tomorrow. I think that will be appreciated by honourable members.

Bill read a second time and taken through its remaining stages.

[*Sitting suspended from 3 to 8.12 p.m.*]

APPROPRIATION BILL (No. 1).

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

The Hon. Sir LYELL McEWIN (Chief Secretary): I move:

*That this Bill be now read a second time.*  
The main factor in asking Parliament to consider a second Appropriation Bill this financial year is the necessity for the Government to have the authority to disburse part of the additional funds which South Australia secured at the Loan Council meeting and the Premiers' Conference held in February last to work out further measures to increase employment. The additional funds secured by the State for 1962-63 were:

	£
A special non-repayable grant of . . .	691,000
Loan moneys for the works and housing programme . . . . .	691,000
Authority for borrowing by semi-government and larger local government bodies . . . . .	277,000

The purpose of the special non-repayable grant was to step up employment-giving activities beyond the level being financed currently by the normal State works and housing programmes. The Government believed that the best and quickest way to put this money to good effect was to increase the tempo of certain works already in progress rather than to start new works, which often do not provide very much employment in their early stages. Therefore, the grant of £691,000 was allocated entirely to the Engineering and Water Supply Department so that activity could be increased on a number of country water supply projects, particularly for Kangaroo Island, Strathalbyn, and Lenswood. About one half of the grant will be spent by the end of this month, and the remaining half, though fully committed for work in progress, will actually be disbursed early in 1963-64.

To achieve the purpose of the grant it was of course essential for the Government to act quickly, and to anticipate Parliamentary approval for the expenditures. In accordance with usual procedures, the grant as received has been credited to Consolidated Revenue Account, and the Government now asks Parliament to authorize its transfer to a deposit account to reimburse expenditure to date, and to meet further payments yet to be made. The authority sought is included in the Bill under "Treasurer and Minister of Immigration—Miscellaneous."

Immediate steps were also taken in February last to make the best use of the additional loan moneys of £691,000. An amount of £200,000 was allocated to the Electricity Trust of South Australia, whose annual capital outlay is increasing as work goes ahead with the planning, investigation and development of the Torrens Island site. The remaining £491,000 was allocated for housing purposes, and arrangements were made for this sum to be borrowed under the terms of the Commonwealth-State Housing Agreement. Of the £491,000 the South Australian Housing Trust was allocated £100,000, the State Bank of South Australia £370,000, and building societies £21,000. The £370,000 made available to the State Bank was possibly the most effective step in providing employment, as the bank was enabled to maintain a rate of lending which was rather higher than its previous allocations could support for the full year. The actual cash from housing loans flows out very quickly to the building industry and thence to other sectors of the community. It is not necessary for Parliament to authorize specially the disbursement of

the £691,000 of loan moneys, as a general appropriation for Commonwealth-State housing funds is already contained in legislation, and the Public Purposes Loan Bill of 1962 has sufficient authority to cover the £200,000 advance to the Electricity Trust.

Borrowings of semi-government and local government bodies are subject to limits determined by the Australian Loan Council but do not, of course, come before Parliament for appropriation. Of the £277,000 additional borrowing authority secured in February last by far the larger part, £200,000, was made available to the larger local government bodies.

While asking Parliament to consider the Bill to authorize the transfer of the special grant, the Government considered it desirable to take the opportunity to include provision for three other large commitments, which could not be foreseen when the Budget was introduced in September last. They are, first, the expenses of conversion and public loans, for which provision of £150,000 is included under "Treasurer and Minister of Immigration—Miscellaneous". It is impossible at the beginning of the financial year to estimate accurately the requirements for a line which takes debit among other things for discounts on conversion loans. The requirement depends on the terms and conditions on which loans are issued during the year, and naturally decisions on the terms and conditions must be taken having regard to market conditions prevailing at the time of issue.

For the conversion of securities, which matured on April 15 last, it was decided to issue new short-term and medium-term securities, and the appropriate yield of £4 8s. 4d. on the medium-term securities was arranged by offering 4½ per cent securities at £98 15s., that is, a discount of £1 5s. This was a fairly large operation and, while the final details are not yet known, it appears that South Australia's share of the discount, together with some smaller commitments, will require a further provision of about £150,000. This expenditure will be effectively compensated in due course by lower interest commitments made possible by the issue of the conversion loans at a discount.

Secondly, for the University of Adelaide additional general purpose grant, a further £135,000 is sought under "Minister of Education—Miscellaneous". Honourable members are already aware of plans to have a new branch of the University of Adelaide functioning at Bedford Park in time to take first year enrolments in the Faculties of Arts and Science

at the beginning of 1966. Realizing the need for the university to be able to make certain appointments and to undertake preliminary work during 1963, if the target of 1966 operation is to be achieved, the Government took up with the Commonwealth authorities the question of grants to the university for Bedford Park development. The approaches were successful and arrangements have been made for State and Commonwealth grants totalling £150,000 to be paid to the university in 1963 for expenditures in connection with Bedford Park. The Government desires to pay £75,000 of this amount to the university immediately upon receipt of the Commonwealth's share, and sufficient appropriation is therefore required.

The remaining £60,000 of further appropriation is proposed to cover additional payments to the university on account of teaching hospitals, in particular the Adelaide Children's Hospital. Progress on the new major building at the hospital is such that grants totalling almost £100,000 are now justified in 1962-63 towards special facilities for training university medical students. The facilities for which the Australian Universities Commission recommended special assistance included a clinical teaching unit, locker rooms, lecture rooms, observation room, conference and tutorial rooms, and museum. Under the terms of the Commonwealth legislation the Government must, upon receipt of the Commonwealth share of one half, pay the combined State and Commonwealth grants to the university in the first instance. The university then passes on the grants to the hospital concerned.

Thirdly, for the Railways Department, provision of £88,000 is proposed for salaries and wages. Prior to November, 1962, negotiations had been carried on for some time on the matter of increased wage rates for daily-paid employees of the Railways Department. The Railways Commissioner was prepared to agree to an increase of 15s. a week for tradesmen as from May 14, 1962, but not to an increase for non-tradesmen as well. The matter was then taken to the Commonwealth Court of Conciliation and Arbitration, and on November 23, 1962, the Conciliation Commissioner gave his decision that the rates for tradesmen under Commonwealth awards should be increased by 15s. a week, and that rates for other groups should be increased, some by 7s. 6d. a week and some by 5s. a week, all increases to be operative from November 19, 1962. The increases were then adopted as the basis for variations to State awards.

The Government was under no obligation to grant retrospectivity to a date previous to that determined by the Conciliation Commissioner, but, having regard to the earlier offer of the Railways Commissioner of increases to tradesmen from May 14, 1962, Cabinet agreed to the increased award rates for all daily-paid employees, with only minor exceptions, being back-dated to May 14, 1962. The Railways Commissioner has no power to make payments other than as provided by awards, and therefore it is necessary now to seek Parliament's approval to the proposed appropriation of £88,000 to cover the period prior to that laid down in the Conciliation Commissioner's decision.

The presentation of a second Appropriation Bill totalling £1,064,000 does not mean that a deficit much greater than the original forecast of £603,000 will now result. The appropriation of the special grant will exactly match increased receipts as the grant is credited to Consolidated Revenue, and also there have been variations in many items of receipts and payments. The State's economy has continued to improve steadily during the year, largely as a result of the Government's financial and employment policy in 1961-62 and subsequently. The commitment of Loan and other funds to the limit of available resources throughout 1961-62 was successful in reducing the downward movement of economic activity in this State, so that the level of activity in South Australia was always higher than elsewhere in Australia. The subsequent steady recovery is very pleasing and it is having favourable effects on the Revenue Budget in the form of increased receipts.

Receipts from land tax, motor vehicle registration fees, stamp duties and succession duties are all improving and will exceed the original estimate. At the same time recoveries to the Budget on account of interest and sinking fund will be greater than anticipated. Despite the relatively poor 1962 agricultural season, railway receipts are likely to reach the estimate, while continued firm control of railway expenditure will result in some saving against the estimate. The difficulty of getting suitably qualified staff will mean some savings against budget for the Police Department and the Hospitals Department. As a result of the late spring rains, a cool summer, and the early break to the 1963 season, costs of water pumping have been below estimate.

No one of these items is large, taken in isolation, but together their effect is quite marked, and, taking all factors into account,

it is anticipated at this stage that the original estimated deficit of £603,000 will be eliminated entirely and a surplus of about £500,000 may well occur. If this should occur it will be available to help meet the considerably increased costs which will fall on the 1963-64 Budget, particularly for increased wage and salary awards and increased costs of social services.

Dealing with the clauses of the Bill, clause 2 authorizes the issue of a further £1,064,000 from the general revenue; clause 3 appropriates that sum and sets out the amount to be provided under each department or activity; and clause 4 provides that the Treasurer shall have available to spend only such amounts as are authorized by a warrant from His Excellency the Governor, and that the receipts of the payees shall be accepted as evidence that the payments have been duly made.

Clause 5 gives power to issue money out of Loan funds or other public funds if the moneys received from the Commonwealth Government and the general revenue of the State are insufficient to meet the payments authorized by this Bill. This is a normal clause and the authority will almost certainly not be required this year. Clause 6 authorizes payments in respect of a period prior to July 1, 1962, or at a rate in excess of the rate which was in force under any return, award or determination. In particular it authorizes the retrospective payment of wages to railway employees. I commend the Bill for consideration of honourable members.

The Hon. A. J. SHARD (Leader of the Opposition): I support the Bill, which provides for an appropriation of the revenue of the State for the year ending June 30, 1963. I do not intend to go into details of all aspects of this Bill, but in respect of the amount of £88,000 for the Railways Department, I, and my colleagues here, join with our Party members in another place in protesting against the Government's action in severely increasing rentals on railway houses. Wages and salaries paid to the employees of the Railways Department were the subject of protracted negotiations before November, 1962. The Railways Commissioner, on behalf of the Government, was prepared to grant tradesmen an increase of 15s. a week but was not prepared to grant anything to other employees. Naturally, the trade union movement would not accept this, and negotiations took place over a period of 12 to 18 months or more. Finally, the court increased the tradesmen's rate by 15s.

a week and the rate for some of the other group by 7s. 6d. a week and some by 5s. a week.

It appeared that railway employees had secured some improvement in their living standards, and I do not think anyone takes exception to any section of employees improving living standards. In addition, arising from the recent metal trades decision a further 10 per cent was awarded to tradesmen, and this flowed through to all employees in the Railways Department. Some employees had an increase of 9s. a week and others had *pro rata* increases, but then the sting of the Government took effect. This Bill provides for retrospective payments, but, ere these people collected their increased wages, every penny was taken away from some of them by the action of this Government. If the Government and the Railways Commissioner think this will create good employer-employee relationships, they have another think coming.

The Hon. N. L. Jude: Suppose this was done six months before the employees got the increase?

The Hon. A. J. SHARD: It still would have been wrong to impose these big increases. The employees did not know about these increases until recently, although inspections of cottages had been taking place for over two years. The first notification that railway employees had of these increases was a notice published in a weekly booklet issued by the Railways Commissioner. In an issue of this booklet of June 3 appeared the following:

The Railways Commissioner desires to advise the staff generally that, in accordance with the policy recently forecast by the Government, and applicable to other State Government departments, the rents of all houses belonging to the Railways Department have been reviewed, following upon rental assessments made by the South Australian Housing Trust. As is the present practice, basic rents do not include charges for electric current, gas, or excess water consumed. New rents will apply from and including June 30, 1963. Occupants of departmental residences will be individually notified of the revised rates prior to June 30. I understand that 25 per cent of railway employees live in cottages owned by the South Australian Railways.

The Hon. N. L. Jude: Would you repeat that?

The Hon. A. J. SHARD: Twenty-five per cent of railway employees live in cottages supplied by the department. I thought I heard the Minister say I was stupid.

The Hon. N. L. Jude: I did not say that.

The Hon. A. J. SHARD: I heard the Minister whisper something and I thought it was, "Don't be stupid". This figure was given by the Premier this afternoon. Don't whisper over there. If the Minister has anything to say, let him say it so that we can hear and have no misunderstandings about it. In another place the figure was given as 25 per cent. As from June 30 a number of railway employees will not enjoy one penny of the wage increase. In fact, there will be taken from the pay envelope something to meet the increased rent without the workmen having got the wage increase. I have a list of the percentage rent increases. The lowest is 42 per cent. The old rent was 25s. and the new rent is 35s. 6d., an increase of 10s. 6d.

The Hon. Sir Arthur Rymill: What is the real value of these things?

The Hon. A. J. SHARD: I do not know.

The Hon. Sir Arthur Rymill: You do not care.

The Hon. A. J. SHARD: I have given the lowest percentage increase. If the employee is not a tradesman he will get no benefit from the wage increase granted last November, nor any of the increase of 10 per cent. If he is a tradesman he will get a small gain, but the Government, because of the increase in rents, will get the rest of it. Then there is an increase in another case of 86 per cent. The old rent was 25s. 6d. and the new rent is 47s. 6d. That employee will have to find out of his pay envelope 5s. to 7s. 6d. to meet the rent increase, so his standard of living will not go up.

The Hon. Sir Arthur Rymill: Are you not proving that they got the houses too cheaply in the past?

The Hon. A. J. SHARD: I do not know about that. We have not been given any information about that matter. I am giving cold facts. A jump of from 42 per cent to 86 per cent at any one time is too severe. The timing of the Government's move was bad. The employee immediately says, "What is the use of our going to the tribunal, the court, a Conciliation Commissioner, or anybody else to substantiate a case for a better standard of living and get a wage increase, and then have at least 25 per cent of our people affected by a rent increase?" There will be dissatisfaction in the railway workshops, running yards and so on. If 25 per cent are affected by the increased rent the other 75 per cent will get the full benefit of the wage decision. The Government, the employer of the men, will have taken

in one bite the increase received by the 25 per cent. How can we expect good fellowship and good feeling to exist in the Railways Department while that goes on? This is only the start; its effect has not yet been felt, and I venture to say that we have not heard the last of it.

I do not wish to go into the matter any further because it has been fully debated in another place. I have here a sheaf of protests—not one protest but perhaps dozens of them. Everything that has been put by our colleagues in another place and all the protests that have been made have our wholehearted support.

The Hon. C. R. STORY (Midland): I support the Bill, which introduces Supplementary Estimates of £1,064,000. The Chief Secretary, in introducing it, indicated the way in which this expenditure would be made and appropriated to the various departments. I was particularly pleased to see that the Engineering and Water Supply Department would receive a large share of this money. In a year such as this, when we are enjoying bountiful rains and when our reservoir capacity can be fully utilized for the first time for some considerable period, we should get pipelines in country areas, and in the metropolitan area for that matter, that are capable of giving a decent water supply to householders and ratepayers as well as providing useful employment for people who, we all realize, have not had the best of employment opportunities in recent times. This Government has a very good record of employment, and I do not think anyone will deny that. My honourable friend Mr. Shard has admitted that we have done quite well in this State in keeping people in employment. It is my Party's object to see that employment is provided for everyone who wants a job and is capable of doing one.

I listened with much interest to my friend's argument regarding the Railways Department. I do not think that "timing" is quite like he imagines. I cannot imagine a time when it is just right to increase rents, whether it be railway houses or any other sort of house. It does not matter whether a person has had a good win at the races or anything else: he still begrudges paying additional rent. I did not hear my friend say what he thought was an opportune time for increasing rents—whether it was before a person received an increase in pay or afterwards—but the impression I got from his speech was that he did not think rents should ever be increased. I do not know



nearly as much about the arbitration system as some of my honourable friends.

The Hon. K. E. J. Bardolph: You can always make yourself conversant with it.

The Hon. C. R. STORY: My honourable friend knows everything, so he does not have to worry. At least I am humble enough to hope that at some time someone might try to teach me something.

The Hon. S. C. Bevan: Do you think that is possible?

The Hon. C. R. STORY: I do not know, but I am trying hard to learn. The position as I see it and as I imagine it is that arbitration tribunals, in fixing wages, take into account such things as rentals and the provision of housing by various instrumentalities. I should think that that matter is well covered, and I do not doubt that in this case the Arbitration Court knew all about it. I was a little surprised to hear the Leader say that 25 per cent of the railway employees are housed in railway houses.

The Hon. A. J. Shard: Look in *Hansard* tomorrow and see who said it!

The Hon. K. E. J. Bardolph: The Premier said it today.

The Hon. C. R. STORY: I should have thought the percentage was higher than that and that the figure would be nearer 75 per cent of railway employees being housed by a Government instrumentality. However, what was said will be seen in *Hansard* tomorrow. I think that is approximately the figure. If my assumption is correct, it alters—

The Hon. A. J. Shard: The Minister of Railways agrees with me now—25 per cent.

The Hon. C. R. STORY: That is all right; I am only offering an opinion, which may be wrong.

The Hon. A. J. Shard: You are wrong!

The Hon. C. R. STORY: That is all right. I admit that the honourable member knows I am not always right. I think the percentage is higher and would be nearer to the higher figure I have just given. In the Government instrumentalities today we are faced with ever-increasing costs, and those honourable members who are quibbling about this matter of the railways will also, a little later in the year when the Budget comes down, be decrying the Government for not having watched the position more closely because that department is running into debt or has not been made to pay. I cannot for the life of me believe that we

are being consistent when we do not take these necessary rental increases when they are due. If there is any fault, it is that perhaps they have been let go for too long and have not been eased upwards as time passed; but I do not see how the Government can be expected to provide houses for a large percentage of the people who work for the Railways Department when other people have to provide their own houses and go on the market to borrow money at high interest rates; and, what is more, through the war service homes scheme or through the State Bank they have to get their own deposit to set up house. These payments, although the Hon. Mr. Shard has said that they have risen 42 per cent, are still in all probability very much lower than they are for the fellow working in private industry. I do not agree with the honourable member on that point. It is completely wrong to use that argument. I support the Bill, and I have made my one or two points.

The Hon. S. C. Bevan: What are they?

The Hon. C. R. STORY: The honourable member will have plenty of opportunity in a few moments to give us the benefit of his great knowledge because I intend to sit down on that note of supporting this Bill and also of congratulating this Government on the workmanlike way in which it has gone about handling the unemployment problem, which was foisted upon it through no fault of its own, and on balancing its Budgets and working within its cash resources.

The Hon. A. F. KNEEBONE (Central No. 1): I, too, support the Bill and shall confine my remarks to the line dealing with the railways. I do so because I was involved in many of the protracted negotiations that took place to get the increase that the railwaymen have secured. That happened when I was President of the Trades and Labor Council. I remember that throughout the negotiations the campaign was an orderly one which did not disrupt the services to any extent. This was the result of strong leadership of the railways union and the Trades and Labor Council. This campaign would not have been so well conducted if the people who were conducting it and the trade unions themselves had been aware of the fact that the hard-won gains were to be frittered away by the rental increases that have been instituted in the last few days. The campaign took place at least two years ago and the claim was for £1 a week increase for all daily-paid employees. The Government on that occasion refused to give them anything.

The Hon. A. J. Shard: Very generous!

The Hon. A. F. KNEEBONE: We struggled to obtain some sort of offer, but it was not until 12 months after similar increases had been obtained in New South Wales that anything happened. The final result was the same as had been obtained in New South Wales a considerable time earlier. In that State an offer was made and an independent arbitrator then decided on the amounts payable to the various people within the railway unions. In South Australia we were offered it for the tradesman only, but the trade unions wanted something for everyone and that was eventually obtained.

Today, however, that amount has been taken away from those people because of rental increases. We heard yesterday in His Excellency's Speech reference to the industrial peace that exists in this State, and we are all proud because of these industrial relations, but how long will this be maintained if people, after receiving hard-won increases in salaries, have it taken away immediately, even before they receive it? By the time this Bill is passed and the amounts are payable the rental increases will apply. Someone asked the question, "What is the standard of these houses; are they worth the rent paid?" I have travelled through the State and seen some of these railway cottages and I have not a high opinion of the standard. From what I have seen some of the rents could be classed as exorbitant for such houses. The Hon. Mr. Story referred to my Party as being inconsistent. We have never said that the railways have to pay. We have never criticized the Government because the railways do not pay, because the railways, as well as other services, are there for the benefit of the people and not for profit-making. We have never been inconsistent on this point. With this protest on rents I support the Bill.

The Hon. N. L. JUDE (Minister of Railways): I believe it is desirable for me to comment on the matter brought up by the Leader of the Opposition in relation to the Railways Department. Firstly, I offer him an apology for mishearing a statement he made. He mentioned the figure of 25 per cent, but I understood him to say 75 per cent.

The Hon. A. J. Shard: I said 25 per cent.

The Hon. N. L. JUDE: I thought the honourable member said 75 per cent. He mentioned the timing of this increase in rents, which somebody apparently thought to

be deplorable. I suggest that we look at the matter realistically. Surely, it would have been much harder on the individual if, while he was attempting to get an increase in wages, he found that his rent, which was due for review by an impartial body, had been increased. We are fully aware of the spiral of increasing rates, wages and prices. I believe that the timing of this increase was certainly not deliberate. If any group has been consistent in advocating fair rates, rent controls and so on, it has been the Opposition. In this case, these rents were reviewed on the suggestion of the Opposition as far back as 1949. For various reasons the application of that review was delayed until 1954 and the average rents were then about 30s. a week. Subsequent adjustments were made because of modifications and improvements to various houses and these undoubtedly were necessary.

A specific case has been mentioned during the last day or two about an increase in rent from 46s. 6d. to 82s. 3d. a week. On the face of it, that does sound rather a large increase, but for the honourable member's information this person was in receipt of £3,000 a year.

The Hon. A. J. Shard: That was not the case I quoted. It would be an isolated case.

The Hon. N. L. JUDE: I ask honourable members to consider that. That increased rental was based largely on modern improvements to his house. I have no doubt that the body applying the appropriate increase under review was equally fair in this particular case as it was in other cases. I am replying to a specific argument that has been brought forward. These increases were recommended by the Housing Trust. I have the interests of the railway employees in this State at heart. These increases have been applied throughout the Public Service. Could I be expected to give the men in my department special consideration as against other Public Service employees?

The Hon. S. C. Bevan: So long as the rents are fixed on the valuations of properties.

The Hon. N. L. JUDE: The honourable member knows perfectly well that if I had to buy a house for the widening of a highway, I would probably be asked to pay £4,000, whereas 30 years ago it had been built for £700.

The Hon. A. J. Shard: You would not give it though.

The Hon. N. L. JUDE: It is the taxpayers' money I have to protect, and I endeavour not to give it away. The honourable member would be surprised how much a house was worth in the opinion of its owner. I assure honourable members that the review of rentals was fair, as it has been through the whole Public Service. The increases were justified. As the Hon. Mr. Story said, nobody likes paying additional rent. I can understand members opposite feeling that here is an

opportunity to protest. We all protest when we have to pay something extra. Under the circumstances I believe the Government is fully justified in charging these rent increases. I support the Bill.

Bill read a second time and taken through its remaining stages.

ADJOURNMENT.

At 9.9 p.m. the Council adjourned until Tuesday, July 23, at 2.15 p.m.