HOUSE OF ASSEMBLY

Tuesday, November 2, 1971

The SPEAKER (Hon. R. E. Hurst) took the Chair at 2 p.m. and read prayers.

VALUATION OF LAND BILL

His Excellency the Lieutenant-Governor, by message, recommended to the House of Assembly the appropriation of such amounts of money as might be required for the purposes mentioned in the Bill.

PETITION: TERTIARY FEES

Mr. PAYNE presented a petition signed by 1,340 tertiary students stating that the proposed 16.6 per cent increase in tuition fees of the tertiary institutions of South Australia was unnecessary and an expedient method of raising finance for these institutions at the expense of the unassisted student. The petitioners prayed that the House of Assembly rescind the decision to ask the councils of tertiary institutions to increase the tuition fees for 1972, and that it take immediate steps to work towards abolishing fees, in accordance with Labor Party policy, in order to reduce the inequalities of opportunity in education within this State.

Petition received and read.

QUESTIONS

SHOPPING HOURS

Mr. HALL: In view of the conflicting statements that have been made by the Minister of Labour and Industry about the Government's intentions with regard to shopping hours, will the Premier explain to the House just what the Government intends to do in respect of this matter?

The Hon. D. A. DUNSTAN: The Leader has obviously misread what the Minister of Labour and Industry has said, for there is no conflict in his statements.

Later:

Mr. MILLHOUSE: Can the Minister of Labour and Industry say whether the Government intends to legislate for a five-day shopping week based on a five-day week, Monday to Friday?

The SPEAKER: Order! The honourable member's Leader asked the Premier a question earlier today in relation to a five-day week in the shopping industry and the Premier has already replied.

Mr. MILLHOUSE: I submit that the question I am now asking is not the same question as that asked by the Leader. His question was on the same topic, but it was not the same question.

The SPEAKER: In substance it was the same.

Mr. MILLHOUSE: No. In substance it was not the same at all.

The SPEAKER: Well, proceed and I will decide.

Mr. MILLHOUSE: I have been given a transcript of part of the proceedings of the meeting in the Woodville Town Hall last Thursday evening at which the Minister is said to have made some comments. Also, I have been shown a transcript of an interview on channel 2 on the same subject with Mr. Michels, in which it is far from clear what the Minister actually meant. According to my information, at the meeting at Woodville he said:

> I think I made it quite clear that we are providing a standard working week of 40 hours, and if employers want you to work more than that you've got to be paid for it. Now that answers the question, has it not. To work a 40-hour week between Monday and Friday, all right. If anyone chooses to work overtime, which a lot of industries do—

Then there was an interruption and the Minister went on to say:

> You're working 5½ days—you work on a 5½-day week, but most people work on a five-day week—40 hours on a five-day week—Monday to Friday.

Therefore, I put my question to the Minister in the hope that we can get some clarity on what he said and meant.

The Hon. D. H. McKEE: I understand it is the same question as that asked of the Premier this afternoon, and the same reply is due this time.

TERTIARY FEES

Mr. MILLHOUSE: Will the member for Mitchell say whether he supports the sentiments contained in the petition he has just presented?

The SPEAKER: The honourable member for Mitchell need not answer the question, as it is of a personal nature.

Mr. MILLHOUSE: Mr. Speaker, I presume he can answer it if he wishes to do so.

The SPEAKER: The honourable member for Mitchell.

Mr. PAYNE: The petition is now before the House, and I do not think it needs any further comment from me at this stage.

Mr. Millhouse: I just wondered whether you supported it.

Later:

Mr. MILLHOUSE: I ask—

Members interjecting:

The SPEAKER: Order! The honourable member for Mitcham has the call to ask a question, and the honourable members for Rocky River and Eyre should extend courtesy to other members who are asking questions so that those members can be heard properly. The honourable member for Mitcham.

Mr. MILLHOUSE: I ask the Minister of Education—

Members interjecting:

The SPEAKER: Order! If the honourable member for Eyre continues to ignore the Chair when he is called to order, I shall name him, and he had better cease doing that immediately. The honourable member for Mitcham.

Mr. GUNN: On a point of order, I never made any utterance at all.

The SPEAKER: Order! The honourable member for Mitcham has the call.

Mr. GUNN: On a point of order, I have the right to explain my point of order. You have not given me the opportunity at this stage.

The SPEAKER: There is no point of order.

Mr. GUNN: There is a point of order. You have reflected upon me by threatening to name me, and I did not speak one word. It was the Minister of Environment and Conservation who was speaking, not I.

The SPEAKER: I clearly saw the honourable member for Eyre pointing his finger and talking. There have been continual interjections from the honourable member for Rocky River and the honourable member for Eyre, and I have warned them. Immediately I sat down, the honourable member proceeded to talk to the honourable member for Rocky River. I was looking at the member for Mitcham and saw the honourable member for Eyre waving his hands, hence I called him to order.

Mr. GUNN: On a further point of order, I did not speak one word, and my two colleagues, the member for Rocky River and the member for Kavel, will bear me out in that.

Mr. Venning: Hear, hear!

Mr. Goldsworthy: Hear, hear!

Mr. GUNN: I think you have wrongly reflected upon me.

The SPEAKER: The honourable member for Mitcham.

Mr. McANANEY: You have made a false accusation against the member for Eyre. I heard somebody speak, but it definitely was not the member for Eyre, and it is up to you to apologize.

The SPEAKER: I have no intention of apologizing. I am the Speaker—

Mr. McAnaney: Well, act like one.

The SPEAKER: —and at times it is difficult to hear in the Chamber, and I have made the statement about the matter. I was trying to give the honourable member for Mitcham the courtesy he deserved.

Mr. NANKIVELL: I think I can explain that I am the guilty party. I was speaking to the member for Torrens, when you overheard someone speaking. It was not the member for Eyre who was speaking.

The SPEAKER: If that is the position, I can only say that the honourable member for Eyre was pointing his finger and moving his lips, and I did not notice the honourable member for Mallee. Gesticulations by honourable members of this Chamber must cease. The honourable member for Mitcham.

Mr. MILLHOUSE: In all fairness, I think I heard the voice of the member for Mallee. I think I can recognize his voice.

The SPEAKER: The honourable member for Mitcham does not have to comment.

Mr. MILLHOUSE: I desire to ask the Minister of Education a question. It is on a policy matter, and the Premier may prefer to reply but, in accordance with what he said last week, I direct the question to the Minister of Education. In view of the petition that has been presented in this House this afternoon, does the Government intend to reconsider its request to the South Australian Institute of Technology and to the universities to increase fees next year? This afternoon the member for Mitchell, a Government back-bencher, presented to this House a petition on this matter, containing 1,340 signatures, said to be signatures of tertiary students in South Australia (and therefore, I presume that it is from the various institutions), pointing out certain facts, and referring particularly to the motion moved in 1969 by the present Premier and supported by the present Minister of Education, when they were in Opposition, about the request made at that time to increase fees. Obviously, there is much feeling about this.

The member for Mitchell declined the opportunity that I gave him to say where he stood on the matter, even though he had presented the petition, but far more important is what the Government will do and whether the reception of the petition by this House will make any difference to the resolve the Government shows in this matter.

The Hon. HUGH HUDSON: Certain discussions are proceeding and I cannot as yet comment on their outcome. I hope to be able to do that in a few days. I point out to the honourable member that already the Government has announced this year a substantial increase in the fees concession scheme.

Mr. Millhouse: They say that's not enough. That's one of the points in the petition.

The SPEAKER: Order!

The Hon. HUGH HUDSON: Mr. Speaker, I have listened to the honourable member in silence and I suggest that he show reciprocal courtesy, if he is capable of doing that. Already the Government has announced that there will be a considerable increase in the fees concession scheme and that the whole matter of that scheme and the way it operates will be considered further. Of course, none of those things happened in 1969, when the most recent increase in fees took place.

SITTINGS AND BUSINESS

The Hon. D. A. DUNSTAN (Premier and Treasurer): Although I am not a racing man, I understand that people all over Australia at this stage have their attention elsewhere. My previous experience in this House is that, for the next 15 minutes, members' attention is not likely to be centred on the activities of the House. Therefore, I move:

That the sittings of the House be suspended until 2.25 p.m.

Mr. EVANS: I wish to say that we are not all interested. The Premier has said that he is not interested. I believe that in the past enough members have been interested for the House to be able to continue its sitting. I dissent to the motion, as I believe that enough members are interested for the House to continue.

Members interjecting:

The SPEAKER: Order!

Mr. EVANS: This is creating a precedent, as a suspension of sittings has never occurred before in this connection. As it is a precedent, I believe that I have the right to express the view I have just expressed.

Motion carried.

[*Sitting suspended from* 2.8 *to* 2.25 *p.m.*]

AFRICAN DAISY

Mr. EVANS: Has the Minister of Environment and Conservation discussed with the Minister of Agriculture the prevalence of African daisy in the Adelaide Hills and, as a result of the discussions (if any discussions have taken place), does the Minister agree with the decision of the Minister of Agriculture to transfer that weed from schedule 2 to schedule 3 of the Weeds Act in so far as the decision affects the district councils of Stirling and East Torrens and the municipalities of Burnside and Mitcham? Concern has been expressed by various groups about the prevalence of African daisy within these areas, and, although some people believe that it is now uncontrollable, many people believe that a more determined effort could be made to control it. I ask the question, because some people are now saying that salvation jane is a tourist attraction, and, if something is not done about it, a minority may well view African daisy in the same light.

The Hon. G. R. BROOMHILL: I have had only informal discussions with the Minister of Agriculture on this matter but, because of the honourable member's interest, I shall be pleased to discuss his point with my colleague and obtain a reply.

Mr. McANANEY: Will the Minister of Works ask the Minister of Agriculture what investigations were made, before the Minister caved in on the African daisy question, into the methods of eradicating this plant? Last week the Minister said that it was easy for farmers on the eastern slopes of hills to eradicate the weed but that it was a major problem on the western side where the Minister of Environment and Conservation had ample supplies of daisies but had made no effort (or very little) to eradicate them.

The SPEAKER: Order! The honourable member is commenting.

The Hon. J. D. CORCORAN: I do not know whether the Minister of Agriculture would have based his decision on the fact that the Minister of Environment and Conservation had large holdings in the area. Is that the suggestion of the honourable member? As I remember the reply from my colleague given to the honourable member last week, he said that he had seriously considered the matter before deciding to take the action that he had taken. However, I will check and see whether I can obtain another reply.

KANGAROO ISLAND TRANSPORT

The Hon. G. T. VIRGO: I seek leave to make a Ministerial statement.

Leave granted.

The Hon. G. T. VIRGO: On November 20, 1969, the former Government established a committee known as the Kangaroo Island and Eyre Peninsula Transport Committee, its function being to investigate future transport problems relating to Kangaroo Island and Eyre Peninsula. In brief, the committee recommended that the Government should provide for a road link between Penneshaw and Cape Jervis by the establishment of a ferry service, and that no action should be taken to maintain a sea link with Port Lincoln, because Port Lincoln currently had adequate road connections. The estimated cost of building the ferry and the terminals at Penneshaw and Cape Jervis was $1,750,000. It should be stressed that this figure was only estimated and did not include other ancillary works should they be necessary.

The committee's report, although handed to the former Government, was not dealt with because of the time factor, and, accordingly, on assumption of office by the present Government, consideration was given to the recommendations of this report. The House is fully aware that the Government decided, despite the astronomical cost involved, to adopt the recommendation of the committee. To give effect to this decision, the Government appointed a further committee known as the Kangaroo Island Ferry Co-ordinating Committee, and charged this committee with the responsibility of the building of the ferry, the shore installations, any necessary ancillary works, and putting the ferry into service.

This committee has, since its appointment, applied itself assiduously to the task of compiling the necessary data to give effect to the Government's decision. This was necessary for two reasons: first, the original committee had made an assessment on limited information, which was insufficient in technical detail to proceed with an actual installation, and, secondly, because full details have to be assembled to enable a submission to be made to the Parliamentary Standing Committee on Public Works. As a result of several discussions between the committee and the Commonwealth Department of Shipping and Transport, it has now been determined that the original estimate for the cost of the ferry will be exceeded by a considerable sum, although the actual price will not be known until tenders have been called.

It has also become quite evident that the original harbour works proposed would be quite inadequate to meet the needs, and accordingly hydrographic tests have been undertaken to try to design harbour facilities necessary to operate the ferry service successfully. In addition, the committee has made some preliminary investigations into using sites other than Cape Jervis and Penneshaw to try to reduce the costs of harbour installations. However, they have been hampered in this area of their work because of the lack of data available. Accordingly, the co-operation of the Marine and Harbors Department has been sought and obtained to take further tests to enable the committee to come up with a realistic proposal.

Although the committee has not completed its work, it has given the Government revised estimates of the proposal. Whereas the original committee's recommendation, upon which the Government made its decision, estimated that the cost of the ferry and the shore installations would be $1,750,000, the co-ordinating committee, after the preliminary work that it has now completed, estimates this now as being $9,435,000. However, as stated earlier, alternative terminals are being investigated and, if these investigations are successful, it is expected that the revised estimate could be reduced substantially.

The important point is that, until all investigations have been completed and proper estimates prepared, it is not possible for any work to be undertaken either in building the ferry or building the harbour installations. Accordingly, it will not be possible for the Government to provide the ferry by July 1, 1972, this being the date on which the current subsidy on m.v. *Troubridge* ceases. However, despite the now rather gloomy picture of the proposed ferry, the Government has requested the committee to continue its investigations and to submit a further report in due course for consideration by Cabinet, as it is generally accepted that the ferry concept can be viable.

During the 17 months that this Government has been in office, the question of future transport to Kangaroo Island has been raised on several occasions. In fact, a few weeks ago a deputation led by the member for Alexandra, consisting of the district councils of Dudley and Kingscote, saw me and again I assured them that the Government accepted the responsibility to maintain a sea link between the mainland and Kangaroo Island. We do not deviate from

that promise any more than we have deviated from any other promise. Accordingly, Cabinet authorized me to enter into negotiations with the Adelaide Steamship Company for the purpose of the Government's buying and operating m.v. *Troubridge.*

These negotiations have been concluded and I can tell the House that the Government and the Adelaide Steamship Company have now reached agreement for the Government to purchase, as a package deal, m.v. *Troubridge* and that, as from July 1, 1972, the Government will both own and operate that service between the mainland and Kangaroo Island. The matter will be finalized next Thursday when the Premier, on behalf of Her Majesty's Government, with the brokers who have been acting on behalf of the South Australian Government, will sign the necessary agreement papers for the handing over of the vessel on July 1 next.

The Hon. D. N. BROOKMAN: Can the Minister of Roads and Transport say what will be the attitude of the Government towards levying freight rates in connection with m.v. *Troubridge* when the Government takes it over? These rates were recently raised by about 15 per cent and most people on Kangaroo Island are finding the extra rates an extreme handicap. After all, the one thing that worries people on the island more than anything else is the freight cost and, now that the Government is buying this vessel, it is vitally important that people on the island know what the Government's attitude will be towards the levying of freight rates. In other words, will the Government charge every cent of the cost according to accountancy rules, or will it treat this matter realistically and levy rates according to what it sees can be borne finally by the people on the island?

The Hon. G. T. VIRGO: No discussions have taken place in relation to the rates that will apply. I remind the honourable member that I indicated that m.v. *Troubridge* would be owned and operated by the Government as from July 1, 1972, so that it will be eight months before we have any responsibility in that direction. However, the matter of the rates to be charged will be fully and properly considered. I should perhaps point out to the honourable member that the Government expects to operate the ferry on a wharf-to-wharf basis: it will not be providing the door-to-door service that is currently being provided by the Adelaide Steamship Company, and we will not create the monopoly that now exists whereby only the Adelaide Steamship Company can operate. I hope that the sort of competition that has always been promoted by private enterprise and by members opposite will affect freight rates borne by the people of Kangaroo Island. The Adelaide Steamship Company is completely free, as is all private enterprise, to increase its rates without having to justify such an increase, whereas a worker must always go before a court and prove his case, and the economic situation of the country is taken into account, whereas private enterprise is not in this situation: it is able to increase its rates as it sees fit. I am fully aware of the financial difficulties that the company has encountered in its operation of m.v. *Troubridge,* but this Government had no say whatsoever in the company's decision to increase its rates. The company did pay us the courtesy (and I thank it for this) of informing me 24 hours beforehand of its intention to do so, but the recent increase of 15 per cent, in addition to the increase of 15 per cent last January, resulted from the company's decision, over which this Government had no control whatsoever.

The Hon. D. N. BROOKMAN: Can the Minister state the purchase price of m.v. *Troubridge*?

The Hon. G. T. VIRGO: The vessel was bought in a package deal and the whole package deal amounted to $1,307,500.

The Hon. D. N. BROOKMAN: What else is in the package?

The Hon. G. T. VIRGO: The package deal consists of the ship and all the ancillary items which go with it and which will be included in the contract that the Premier will sign next Thursday.

BOLIVAR EFFLUENT

Mr. COUMBE: In view of my previous questions about the effluent discharge from the Bolivar Sewage Treatment Works and the great public perturbation about the eutrification that has occurred, as reported in the press recently, can the Minister of Works say what action his department has taken on the matter? Can the Minister also assure the House that this occurrence can be either eradicated or at least controlled, so that there will be no detrimental effect to the ecological life along the coastline adjacent to the discharge channel?

The Hon. J. D. CORCORAN: This is not a new occurrence. Evidently, when evidence was given to the Public Works Committee in

1959 on the construction of the Bolivar treatment works it was pointed out that there was a prolific growth of cabbage weed (sometimes referred to as lettuce weed) in this area. From reports I have received, since this matter appeared in the press on Monday, from several sources and from people who live in this area, particularly from people who have fished in this area for some years, this is a seasonal occurrence. In fact, after a very wet winter there is usually a bigger crop of cabbage weed due, it is believed, to the increase in the discharge from the Gawler River and from Fork Creek, particularly when market gardens are flooded. This means that fertilizers are taken down the Gawler River and Fork Creek. Particularly after that, there seems to be an increase in the growth of this weed.

Mr. Millhouse: Hadn't you had any reports before Monday?

The SPEAKER: Order! Interjections are out of order.

The Hon. J. D. CORCORAN: For the honourable member's information, late last year and early this year aerial surveys of the area and water tests were conducted, but that has nothing to do with the question that I was asked. I cannot say categorically whether or not Bolivar effluent contributes to the increase in the growth of this weed. However, I do not believe that the people who have said that the effluent contributes to the increased growth can prove that is true. I have ordered the Engineering and Water Supply Department to conduct a survey over the next three years, and this will involve testing the water for the quantity of nutrients; it will also involve the setting up of observation posts throughout the area to try to establish the extent and pattern of the growth of this weed. As a result of the survey, I hope to be able to ascertain accurately whether or not Bolivar effluent is contributing to the growth of this weed to any extent.

People have told me that the weed is not interfering to any extent with marine life. In fact, I believe that fishermen have difficulty in fishing now, but that is only a seasonal difficulty, and it existed for many years before Bolivar began operating in 1964. As I am concerned to know one way or the other, and as I think that members and the people of the State are also concerned, I have ordered this investigation. It is ironical that the member for Hanson has said, on the one hand, that the effluent from the Glenelg treatment works is killing off the seaweed in the area whereas, on the other hand, we have the complaint that Bolivar effluent is increasing this weed growth. This is typical of the conflicting ideas on such a question. Even if, following the investigation being conducted by the Agriculture Department, the discharge from Bolivar is used for irrigation purposes, it will still mean that there will be a large discharge (I think the current discharge is about 17,000,000 gall. of treated effluent a day) and that for many months of the year a large volume of this effluent will be discharged into the sea. Again, for that reason, I want to know whether or not this is in fact causing this increase in growth, and I also want to know what steps can be taken, following the survey, to reduce any growth of this nature if, in fact, the effluent is contributing to it.

TEA TREE GULLY SCHOOL

Mrs. BYRNE: Will the Minister of Education obtain a report on the terms of the agreement, if any, between the Education Department and the City of Tea Tree Gully, in relation to the use of the Tea Tree Gully Oval (Memorial Drive) as a playing area for the children attending the Tea Tree Gully Primary School? As the Minister has visited this school, he will be aware that the adjacent Tea Tree Gully Oval is used because the existing playing area of the school is not sufficiently large and the school has no oval.

The Hon. HUGH HUDSON: I shall be pleased to look into the matter raised by the honourable member and bring down a reply as soon as possible.

AGRICULTURAL MACHINERY

Mr. VENNING: Will the Minister of Roads and Transport take the necessary legislative steps to include bulk grain paddock bins in the category of farm machinery? Although I thought that this situation had been covered, I have learnt over the weekend that it has not been, and that prosecutions are pending because people have been taking bulk grain paddock bins along roads. I do not know just what is the position, but I desire the Minister to take the necessary action to include bulk grain paddock bins in the category that permits farmers to transport these bins from one paddock to another or from farm to farm, without any problems arising concerning the Police Department or any other department.

The Hon. G. T. VIRGO: This question is identical to a question asked by one of the honourable member's colleagues in another place. The answer there was "No", and the answer here is the same.

Mr. VENNING: Has the Treasurer a reply to my recent question about stamp duty on headers?

The Hon. D. A. DUNSTAN: Section 12 (4) of the Motor Vehicles Act provides:

A self-propelled farm implement may be driven without registration or insurance on roads within 25 miles of a farm occupied by the owner of such self-propelled farm implement: provided that if there is no workshop where repairs can be carried out within 25 miles of the farm the self-propelled farm implement may be driven on roads more than 25 miles from that farm to proceed to and return from the nearest workshop where repairs can be efficiently carried out.

"Farm implement" means an implement or machine for ploughing . . . harvesting crops . . .

If the contract reaping to be undertaken by the honourable member's constituent is within 25 miles of the farm which he occupies, he will not be required to register his auto-header and, as stamp duty is chargeable only on an application to register a motor vehicle, he would not be liable for any stamp duty. However, if the contract reaping involved travel beyond 25 miles of the farm occupied by him, he would be required to register the auto-header and would be liable for stamp duty based on the value of the farm implement.

LOCK 5 ROAD

Mr. NANKIVELL: Will the Minister of Roads and Transport ask the Road Traffic Board whether traffic restrictions could be placed on the lock 5 road, which runs between Paringa and lock 5, on the eastern side of the river? On September 22, the Minister replied to this question, and I referred the reply to the District Clerk of the Paringa council. The District Clerk has sent me the following letter:

The board refers to the roads leading from the main road between Renmark and Paringa to the Goat Island reserve on the western side of the river, whereas the road to which we refer is on the eastern side. It leads from the Paringa bridge and is a mile and a quarter in length and passes 13 dwellings. In addition, it serves the lock 5 sand bar, a popular swimming beach and also a branch road from it serves vegetable and grazing properties. The traffic to the lock 5 sand bar has been counted as over 400 cars a day on some summer weekends.

The Hon. G. T. VIRGO: I will ask the Road Traffic Board to look at this very complex question.

FRUIT FLY

Mr. HARRISON: Has the Minister of Works, representing the Minister of Agriculture, a reply to my recent question about fruit fly compensation?

The Hon. J. D. CORCORAN: The Minister of Agriculture has informed me that two infestations of fruit fly were discovered this year, one at Stepney and the other at Seaton; 462 properties were stripped of fruit and plants at Stepney, and 173 claims for compensation lodged; 756 properties were involved at Seaton, and 227 claims lodged. Most of the claims received have now been assessed, and total compensation payments for Stepney are estimated at $8,500, and $11,500 for Seaton. The majority of applicants for compensation should receive cheques in payment during this week.

FIRE BANS

Mr. RODDA: Has the Minister of Works a reply to my recent question about fire bans?

The Hon. J. D. CORCORAN: The Minister of Agriculture confirms the information I gave to the honourable member on October 5 in reply to his earlier question. The Minister points out that, as he has already stated in replies to questions on this matter in another place, the introduction of daylight saving has presented practical and technical difficulties for the staff of the Bureau of Meteorology. However, by making special arrangements, the Director is able to make reasonably reliable assessments of weather conditions in time to enable announcements to be broadcast by 7.30 a.m. (that is, half an hour earlier than would otherwise have been possible). My colleague informs me that copies of the new schedule of broadcasting times for bush fire warnings have been distributed to all members, and I assume that the honourable member has received his copy.

TEMPORARY SEATING

Mr. HOPGOOD: Will the Attorney-General ensure that the Inspector of Places of Public Entertainment require those persons who hold public entertainments and use temporary seating accommodation to place that seating so that all persons attending can see the stage or arena? I understand that about a week ago on a talk-back programme a lady from the country complained that she had brought her children to the city where they occupied expensive seats at the show *Disney on Parade,* but the children could not see the entertainment. That experience is borne out by the experience of my own family.

The Hon. L. J. KING: I will ask the Inspector of Places of Public Entertainment to look into the matter.

STRATHMONT CENTRE

Dr. EASTICK: Has the Attorney-General a reply to my recent question about admitting mentally retarded children to Strathmont Centre?

The Hon. L. J. KING: My colleague states that figures provided show that there is a long waiting list for admission to Strathmont Centre, particularly in respect of children and total dependents. The child referred to specifically by the honourable member would fall into the totally dependent category, for which there is a waiting period of about five years. However, the lack of accommodation for the totally dependent is recognized as an urgent problem, and plans are currently under consideration to provide the additional accommodation necessary.

INDUSTRIAL SAFETY

Mr. WELLS: Can the Minister of Labour and Industry say how many meetings have been held by the Select Committee on Occupational Safety and Welfare in Industry and Commerce, and what public interest is currently being displayed by employer organizations and unions in the committee's activities?

The Hon. D. H. McKEE: I am pleased to report that the committee is working most effectively. Up to the end of October, the committee held 12 meetings, and 45 witnesses appeared before the committee to submit evidence. Of the witnesses who have given evidence before the committee, nine have come from Government departments, 15 from various organizations of employers or other interested bodies, 19 from trade unions, and two have appeared as private individuals. In addition to oral evidence, the committee has received written submissions from two Government departments, two organizations, three trade unions and one private individual.

CAMBRAI SCHOOL

Mr. GOLDSWORTHY: Has the Minister of Education a reply to my recent question about the Cambrai Area School?

The Hon. HUGH HUDSON: Earlier this year, the Headmaster of the Cambrai Area School sought the introduction of a fourth-year class for 1972. For this purpose, he said he would require an additional teacher. The request was fully investigated, but it was decided that approval could not be given as the department was unable to provide the additional teacher needed, especially as the pupil-teacher ratio at the school is already low.

MOSQUITOES

Mr. RYAN: Has the Attorney-General a reply to the question I asked some time ago about the means being adopted to exterminate mosquitoes in certain sections of the Port River?

The Hon. L. J. KING: The Minister of Health states that the control programme commenced on October 14, 1971. The committee dealing with mosquito control measures last met on July 29, 1971. The previous programmes have never been claimed to give permanent control but have been successful within their objective of reducing mosquito numbers to below nuisance levels. Permanent control rests on complete elimination of breeding sites, and this is impracticable because of the extent of the swamp area involved north of the Gillman area. To control breeding in the remaining areas requires the seasonal application of pesticides.

ESTATE DUTY

Mr. McANANEY: Will the Treasurer obtain, on a form similar to that on which the Commonwealth Government sets out such figures, a dissection of figures for the various industries involved in paying estate duty? Last week the Treasurer refused to provide the Leader with a dissection of figures for individual estates. However, the Commonwealth Government sets out on a simple form the number of estates and the sums involved for each section of the industry—primary producers, manufacturers and so on. Such a statement could be easily prepared. If a running total were kept, the information the Leader requested would not be difficult or expensive to supply, as the Treasury suggested it would be. I believe that this information at least should be given to members.

The Hon. D. A. DUNSTAN: Apparently the honourable member did not pay attention to that part of my reply which pointed out that South Australia does not have estate duty but that it has succession duty whereby each successor has duty payable by him that varies according to the relationship to the testator and according to the class of property to which he succeeds. The class of property to which he succeeds is then assessed eventually in the aggregate. Therefore, to separate industries in this regard would be a completely impossible

task; not only would it be impossible but any attempt to do it would prove inaccurate.

NON-RETURNABLE BOTTLES

Mr. MATHWIN: Can the Minister of Environment and Conservation say whether he is considering placing any control on the marketing of soft drinks in non-returnable bottles? I have a letter from the South Australian Mixed Business Association Incorporated, part of which states:

Recently two companies have extended their ranges to include 26oz. drinks in non-returnable bottles and other manufacturers are expected to follow suit within the coming weeks. We need hardly tell you of the extra problems posed for council employees collecting unwanted bottles and of the hazards from broken glass. Unwanted bottles will simply be strewn along beaches, in the streets and elsewhere, to the danger of the unwary. In our opinion drinks in non-returnable bottles are completely unnecessary, because the public gets a better deal by purchasing returnable bottles. The contents of the returnable bottle are cheaper because the consumer does not have to buy the bottle—

The SPEAKER: Order!

Mr. MATHWIN: —and the litter problem is almost eliminated.

The SPEAKER: Order! The honourable member is making a rather lengthy explanation.

Mr. MATHWIN: As this is a matter that concerns councils and many members of the public who are inconvenienced by these bottles, will the Minister consider some method of controlling them?

The Hon. G. R. BROOMHILL: This matter, which is causing some concern to sections of the community, is one that has been closely examined by the environment committee, which no doubt will provide the Government with some suggestions when its final report is available. The subject of non-returnable bottles was commented on by the Kesab organization recently but, although it is a problem, it is not as severe a problem as that caused by non-returnable aluminium cans, because they are used in large numbers and do not have the same attraction to the purchaser. Although it is true that non-returnable bottles left on beaches have created a serious problem, the whole subject of non-returnable containers should have the close attention of and be commented on by the environment committee.

ROAD TAX

Mr. CARNIE: Has the Minister of Roads and Transport a reply to my question of October 26 about the collecting of road tax?

The Hon. G. T. VIRGO: The report of the committee which inquired into the Road Maintenance (Contribution) Act has been completed and is at present being studied by the Government. The report is not a public document and no copies will be made available. When the Government has reached decisions arising from its consideration of the report, appropriate announcements will be made.

KIMBA MAIN

Mr. GUNN: As the Commonwealth Government is willing to consider a further submission from the State Government concerning the National Water Resources Council's development programme, can the Minister of Works say whether the Government will take urgent action to make further submissions to the Commonwealth for assistance to construct the Polda-Kimba main? A letter I have received from the Acting Prime Minister, through Senator Jessop, states:

If the State Government is satisfied that there is convincing evidence of a change in stocking patterns in relation to the project, the Commonwealth would be prepared to consider a further submission for final assistance. Such a submission would need to be accompanied by additional data . . .

The Hon. J. D. CORCORAN: We do not need to be reminded by the honourable member to take urgent action: that has already been done and an up-to-date submission based on reports from the department has been sent to the Premier. Sent late last week, it generally supports the submissions made in 1970. The reports from the Agriculture Department support the fact that the excuse that the Commonwealth Government hung its hat on, that it would aggravate an industry that was already in trouble (and that is the only reason given by the Commonwealth Government as to why it would not make money available: that is, that the wool industry was in trouble and that it would be aggravated if money was made available for distributing water in this area) has been refuted. Information has been passed to the Premier who, incidentally, has received a letter, but he did not get it as quickly as did the honourable member, who seems to be better able to obtain information from the Deputy Prime Minister than is the Premier of this State.

The facts are that the information has been transmitted to the Premier's Department and, no doubt, it has now been sent to the Commonwealth Government. This information bears out the contention that it is completely ridiculous to say that we should not get the money that we sought because it would aggravate conditions in the wool industry. I think I

pointed out to the honourable member at the time that we disagreed with that suggestion, because it would allow people who were already established on the land (it would not open up any new land for development) to diversify and get out of wool and go into cattle and other lines of primary industry. I hope that the submissions, which completely support the 1970 submissions that have been updated, will cause the Commonwealth Government to change its mind and make available to the State moneys that are so badly needed not only to get on with this urgent project, which is so necessary for the benefit of the honourable member and his constituents, but to benefit the State as a whole.

VANDALISM

Dr. TONKIN: Will the Minister of Social Welfare obtain information on the recently reported wave of vandalism in Adelaide? It has been reported in the press that more than 70 business and private premises were entered at the weekend and considerable damage was done. I think the question of whether or not these were the actions of one group (in which case it was very busy) or an indication of a general trend is important. The Social Welfare Department in the past has been vitally concerned with the welfare of youth, particularly in providing community services, and I believe that this report could throw light on further needs.

The Hon. L. J. KING: I will ask the Chief Secretary to obtain a report from the Commissioner of Police.

BEEF ROADS

Mr. ALLEN: Will the Minister of Roads and Transport consider approaching the Commonwealth Government in order to obtain a beef road grant for the Marree-Oodnadatta road when the narrow gauge railway line from Marree to Alice Springs is closed? Members will recall that last week an announcement was made that work would commence in about 1973 on the new standard-gauge line from Tarcoola to Alice Springs. When this line is completed the present narrow-gauge line from Marree to Alice Springs via Oodnadatta will be closed. This will compel all the station owners south of Oodnadatta to transport their stock by road south to the railhead at Marree. The Birdsville track is now being upgraded with the money from a Commonwealth Government beef road grant and, at the present rate of expenditure, this work will be completed in about 1973. If a beef road grant could be obtained for work on the Marree-Oodnadatta road, that road could be upgraded in time to be used when the line from Tarcoola to Alice Springs is completed.

The Hon. G. T. VIRGO: I am willing to take up the honourable member's request, but I can only hope that it receives a better response than that given to our previous request for Commonwealth Government assistance for other roads in the far-flung areas of South Australia. As the honourable member knows, in those cases we have received repeated rejections.

DARTMOUTH DAM

Mr. COUMBE: In view of my questions asked of the Minister of Works last week regarding the Dartmouth dam and the proceedings of the River Murray Commission, when the Minister undertook to give me information on the deliberations of the commission, can he now give me the information that I sought?

The Hon. J. D. CORCORAN: I have not the information but I will follow up the honourable member's question. Was it asked last week?

Mr. Coumbe: The week before.

The Hon. J. D. CORCORAN: I have not received the information. However, I have a report on the hydro-electric scheme, about which I think the honourable member also asked. The River Murray Commission has been in continuous discussion with the State Electricity Commission of Victoria on the possibility of that authority's installing and operating a hydro-electric generating station at the Dartmouth dam. The River Murray Commission arranged for the design studies for the dam to be carried out by the Snowy Mountains Hydro-Electric Authority and had that authority at the same time make a feasibility study of the use of the dam for power generation. This latter study has been discussed over the last year or more with the State Electricity Commission, which then undertook feasibility studies in relation to developing a power station for use in its system.

On the proclamation of the several Murray River Acts and a decision to proceed with the dam, it will be necessary for the State Electricity Commission formally to seek approval to develop a power station, should that be its wish. The terms under which a hydro-electric power station might be developed and which the River Murray Commission will be prepared to accept for recommendation to the several Governments have been the subject of discussion throughout the negotiations. The River Murray Commission has maintained the

attitude that water cannot be released except to meet its own operational requirements and that a reasonable return becomes available to the commission for the services provided. If the conditions now near final draft form are accepted, it is expected that the revenue from water used in the turbines will provide funds to maintain the full operational activities of the River Murray Commission at the Dartmouth dam. I have pointed this out to the honourable member previously.

GRANGE REEF

Mr. BECKER: Will the Minister of Marine obtain a report on the condition of the artificial reef situated about two miles off shore, west of Grange? I understand that about 12 months ago an artificial reef was constructed off Grange using old motor vehicle tyres, that marine growth developed rapidly on the reef, and that during winter storms the reef suffered considerable damage.

The Hon. J. D. CORCORAN: I will obtain a report for the honourable member.

ABORTION

Dr. TONKIN: Has the Attorney-General a reply from the Minister of Health to my question of October 5 about abortion?

The Hon. L. J. KING: My colleague states that women who are refused termination of pregnancy at public hospitals are not "sent out into the community" without some sort of practical aid and advice. Invariably they are offered such services as the hospital can provide, for example, ante-natal clinic for supervision of pregnancy, social worker for individual problems, and family-planning clinic for contraceptive advice. Women not availing themselves of hospital facilities are referred back to their private doctor. Although these women are under no compulsion to accept any of the services offered by the various hospitals, it would appear that most of them take advantage of one or other of these services.

YALATA MISSION

Mr. GUNN: Has the Minister of Aboriginal Affairs a reply to my question of October 21 about the Yalata Mission?

The Hon. L. J. KING: The problem of providing adequately trained nursing services at the Yalata Lutheran Mission was discussed with Mr. E. Hansen, Executive Officer of the Lutheran Board of Missions, who administers the mission. The present situation is as follows:

(1) The Executive Officer has requested the assistance of the Public Health Department in the provision of nursing sisters. However, it is possible for that department to provide only short-term assistance; the nursing sisters employed in that department generally are inexperienced in dealing with a situation such as at Yalata.

(2) Advertisements have been placed throughout Australia in an effort to recruit a nursing sister, but without success. As a result the Bush Church Aid Society of the Anglican Church in Sydney has been contacted; the Nurses Emergency Services has been contacted (of 300 nurses listed only one is available for duty in country areas); and negotiations are presently being conducted with a triple-certificated nursing sister who recently returned from overseas.

True, the mission has not had on its pay-roll in recent months a trained nursing sister. However, the wife of the resident missionary is a triple-certificated nursing sister, whose services are available at all times. To this extent, it would be misleading to state that the mission has been without the services of a trained sister for several months. In addition, the Executive Officer has sent his untrained daughter to Yalata to assist. Although there was an outbreak of scabies at Yalata, this matter has been rectified. The Social Welfare and Aboriginal Affairs Department has provided the medical supplies requested.

BRIGHTON ROAD

Mr. MATHWIN: Has the Minister of Works a reply to my recent question about Brighton Road?

The Hon. J. D. CORCORAN: A contract has been let for the manufacture and supply of pipes for the first section of the new trunk main between Darlington and Seacliff. The detailed route of the trunk main between Seacliff and West Beach has been examined closely, and conferences have been held on this matter with officers of the Highways Department and the Brighton City Council and with the Town Clerks of Brighton and Glenelg. Finality has nearly been reached on the details of this part of the project and, after further studies have been made by officers of the Highways Department, it is hoped that within the next few weeks a co-ordinated joint programme between the two departments can be worked out.

Mr. BECKER (on notice):

1. What plans have been formulated to extend Brighton Road to join Tapley Hill Road, at Glenelg North?

2. Where will this new road join Tapley Hill Road?

3. How many properties will be acquired?

4. When will acquisition commence?

5. When will extension of Brighton Road commence?

6. When will the extension be completed?

The Hon. G. T. VIRGO: A scheme has been developed in collaboration with the Glenelg City Council to extend Brighton Road across Anzac Highway and connect it with Tapley Hill Road near the Russell Street intersection. Acquisition of 31 properties will be necessary. The proposal has not yet been programmed for implementation and is not expected to be commenced during the next 10 years. Meanwhile, no acquisition of property will take place except in response to owner approach.

GOVERNMENT PRINTING OFFICE

Mr. SIMMONS: Has the Minister of Works a reply to my question of October 20 about the Government Printing Office site?

The Hon. J. D. CORCORAN: The contractor commenced work on site on Saturday, October 30, 1971. The first operation involved the removal of growth on the site. The balance of the land that does not comprise the actual building site will be cleared by Public Buildings Department labour this week.

HAHNDORF MAIN

Mr. McANANEY: Has the Minister of Works a reply to my question of October 26 about the Murray Bridge to Hahndorf main?

The Hon. J. D. CORCORAN: The present policy is not to rate in respect of certain major trunk mains. However, the question of what land should be rated in respect of the availability of reticulated water was dealt with by the committee on water rating and, as this report has not yet been fully evaluated, future policy in regard to the Murray Bridge to Onkaparinga main cannot be stated now.

GOVERNMENT TENDERS

Mr. GOLDSWORTHY: My question, which is directed to the Minister of Roads and Transport, is in two parts. First, is it possible for tenders to be accepted by the Highways Department when details of equipment are not supplied by the tendering firm on the departmental application form? Secondly, what would be the position of the successful tenderer if the information supplied on the form were not correct in detail? Earlier I asked two questions on the tendering for five 30cub.yd. scrapers to be used for work on the South-Eastern Freeway and I received conflicting replies from the Minister. On September 23, the Minister said:

Tenders have been called for the hire of the plant, which the Highways Department does not own itself, and includes the hire of 30cub.yd. scrapers.

The Minister then referred to other equipment, and continued:

These items of plant are generally available in South Australia, and tenders have been received from South Australian contractors for all items except for the heavy rubber-tyred tractor.

The tractor was another required item. That reply indicates that tenders for the scrapers were received from South Australian firms. On October 19, the Minister said:

With regard to the hire of 30cub.yd. scrapers for the South-Eastern Freeway, no tenders were received from South Australian contractors for the hire of the machines as specified.

Be that as it may, apparently the successful tenderer for the scrapers was Thompson Plant Hire Agency Proprietary Limited, of Melbourne, but, as the name implies, it is an agency only. That company, I believe, is now attempting to hire other contractors' plant in order to meet its commitments to the Highways Department. This fact is referred to in a letter from the Melbourne branch of the Australian Federation of Construction Contractors. As the application form forwarded to the department requires details of the make, model, serial number and attachments of each machine, it would seem that this information was not available to the firm concerned. This matter is causing consternation not only in South Australia but also in Victoria.

The Hon. G. T. VIRGO: I shall have the matter thoroughly examined, bring down a reply for the honourable member, and try to straighten him out.

INTAKES AND STORAGES

Mr. LANGLEY: Can the Minister of Works say what is the present position concerning the metropolitan water storages?

The Hon. J. D. CORCORAN: The total capacity of the reservoirs in the Adelaide water supply system is 41,438,000,000gall., the current storage being 40,878,300,000gall., whereas the storage at the same time last year was 37,118,900,000gall. I have a list of the various reservoirs, their capacity and current holdings and, as this is statistical information, I ask permission to have it incorporated in *Hansard* without my reading it.

Leave granted.

METROPOLITAN INTAKES AND STORAGES

Supply	Capacity million gallons	Storage last year million gallons	Storage present million gallons	Increase for week million gallons
Onkaparinga River—				
Mount Bold	10,440	10,146.2	10,413.7	—17.5
Happy Valley	2,804	2,470.0	2,824.7	—42.3
Clarendon Weir	72	67.7	70.8	1.6
Myponga River—Myponga	5,905	5,836.6	5,905.0	0.0
Torrens River—				
Millbrook	3,647	3,506.2	3,647.0	0.0
Kangaroo Creek	5,370	4,153.9	5,261.4	—88.4
Hope Valley	765	617.0	688.0	—9.0
Thorndon Park	142	125.1	127.2	—0.7
South Para River—				
Barossa	993	982.9	899.5	—36.1
South Para	11,300	9,213.3	11,041.0	—12.0
Totals	41,438	37,118.9	40,878.3	—204.4

MINING LEASES

Dr EASTICK: Has the Premier, as Minister of Development and Mines, a reply to my recent question about mining leases in the Cockatoo Valley area?

The Hon. D. A. DUNSTAN: On September 14, 1971, an application was received by letter for the registration of a claim in the area. The appropriate forms were forwarded to the applicant and were duly returned on September 27, 1971. The application showed the pegging of the claim to be out of order, as the area appeared to encroach on the national pleasure resort reservation to the east, and private land (minerals alienated) to the south. The applicant was so informed by telephone on October 21, 1971. A representative of the applicant called on October 22, and the situation was explained to him. An amended application has now been received which appears to be in order. It is apparent, therefore, that the pegs dated September 13, 1971, noted by the honourable member are obsolete and do not refer to a registered claim.

RAILWAYS INSTITUTE

Mr. NANKIVELL: As a result of a merger that has taken place between two wellknown companies, a building on North Terrace, known as Cresco House, may well become vacant, and I am wondering whether the Minister of Roads and Transport will consider having this building used as a railways institute.

The Hon. G. T. VIRGO: I regret that I am not aware of the merger of these two companies. As I am not interested in the operations of companies, unlike certain members opposite, these things probably go unnoticed by me. However, I assure the honourable member that the Government has in hand adequate provisions regarding the South Australian Railways Institute.

SHEARING

Mr. RODDA: Can the Minister of Labour and Industry say whether there is any truth in the reports that the Government is considering proposals to zone shearing within this State?

The Hon. Hugh Hudson: How long did it take you to make that one up?

Mr. RODDA: It has been reported to me by some reliable people—

The Hon. G. T. Virgo: Who, for instance?

Mr. RODDA: Well, I represent them.

The SPEAKER: Order! The honourable member for Victoria.

Mr. RODDA: I will not say fears have been expressed, but some concern has been expressed that shearing may be zoned within the State. Although the sheep is a disappearing animal, it will last for a long time yet. As members know, shearing is carried out, for one or more reasons, simultaneously in many places throughout the State. Important as it may be to zone shearing (I understand that shearers, too, are a dying race), I should appreciate any information that the Minister can give me on this subject.

The Hon. D. H. McKEE: It seems to me that someone has been pulling the wool over the honourable member's eyes. I have heard of no such rumour. Indeed, I have warned the honourable member to be wary of press reports and grapevine rumours. This rumour has not reached me but, if the honourable member is so interested, I suggest that he contact the people who may have started the rumour and possibly arrange a deputation for them to meet me.

SEA GRASS

Mr. BECKER: Has the Minister of Works seen the report of Mr. S. A. Shepherd of the Fisheries and Fauna Conservation Department on degredation of sea grass beds at North Glenelg? I refer to an article appearing in the *Advertiser* on Monday, November 1, that states, in part:

It adds that about five square miles of the grass has died at North Glenelg, near the treatment works there.

On August 17 the Minister, in reply to a question I had asked on notice about beach pollution, said:

There is no evidence at present before the committee which indicates that the absence of the posidonia beds is due to any contaminants in the effluent.

In the last paragraph of his report, Mr. Shepherd states:

Finally, it is suggested that if effluent were discharged into the sea about 6 km or 7 km offshore at a depth of 20 m (that is, beyond the seaward margin of the posidonia herbier) modification to the benthic environment would be unlikely to cause instability to shore processes.

I am told by local people that it is estimated that at least 1,000,000 tons of sand has disappeared from the area in question because of the loss of sea growth.

The Hon. J. D. CORCORAN: I have not seen the report to which the honourable member has referred.

BREAD

Mr. MILLHOUSE: I have an urgent question for the Minister of Labour and Industry. In his absence, perhaps I can direct it to the Premier, as a representative of the Minister, if the Premier is prepared to take it. Will the Premier make urgent inquiries about the additional charges for offences concerning the baking spread over the weekend that have been laid against the proprietor of Perry's Bakery Proprietary Limited at Ferryden Park? I have been approached on behalf of the proprietor of this bakery and informed that some time ago four charges were laid against him for baking bread over the weekend on consecutive weekends. He gave an undertaking that he would not bake any bread in future on weekends. The charges were heard and penalties imposed. Now, five more charges have been laid against him for the same offence, although on weekends subsequent to those that were referred to in the first charges. I understand that the hearing is set for next Thursday. As it has been suggested to me that, in all the circumstances, this is in the nature of a persecution of the baker, I ask whether the Premier will consider having the charges withdrawn.

The Hon. D. A. DUNSTAN: Although it does not sound like persecution to me, I will refer the matter to my colleague.

FRIENDLY SOCIETIES ACT

Mr. COUMBE: Can the Premier say whether the Government intends to introduce legislation to amend the Friendly Societies Act and, if it does, when?

The Hon. D. A. DUNSTAN: I am not aware of any proposal to amend the Friendly Societies Act. I will have some things to say shortly about some people's activities which frankly seem to be in breach of this Act.

CITRUS JUICE

Mr. WARDLE: Will the Minister of Works ask the Minister of Agriculture whether any citrus juice or extract has been imported into South Australia by sea, rail or road in the last 12 months and, if it has been, what has been its cost a gallon, drum, or ton, or whatever may be the measurement involved? Some time ago, when I asked a similar question I referred specifically to orange juice. As my informant still persists that some type of citrus juice has been imported into the State, I now ask this further question.

The Hon. J. D. CORCORAN: I recall the previous question and the reply given to the honourable member stating categorically, I think, that no orange juice had been imported into the State. In view of the persistence of the honourable member's informant, I will have the matter checked.

RURAL RECONSTRUCTION

Mr. NANKIVELL: Will the Minister of Works ask the Minister of Lands what is being done about giving information to farmers on how to process application forms under the rural reconstruction scheme, and whether consideration has been given to providing some assistance? I have been told that the form consists of 26 pages, 15 of which apply in the case of an ordinary mixed farmer. Much detail is required to fill out the form accurately. I think evidence can be obtained that some farmers have paid $100 or more to have accountants fill in the form for them. Although I know that some accountancy firms have offered to fill in the forms for nothing, notwithstanding that, if an adequate application is to be made, a certain amount of information must be included on the forms so that an assessment may be made. Can action in the way of

public relations be taken to have meetings (this may be done at present) at which farmers can be told what information is required and, if necessary, can they be provided with assistance so that those who are now deterred from applying because they consider the application form to be formidable may not be denied the opportunity to apply for assistance?

The Hon. J. D. CORCORAN: I have some sympathy with this request, as I know of people in my district who have of necessity employed an accountant to complete the form. Although I can see difficulties associated with the honourable member's suggestion, I will put it to my colleague.

LINEAR ACCELERATOR

Dr. TONKIN: Has the Attorney-General a reply to my recent question about the linear accelerator?

The Hon. L. J. KING: The latest report on this matter shows that construction of the premises to house the linear accelerator is proceeding, and installation of the machine should commence late in November, 1971.

EMERGENCY FIRE SERVICES

Dr. EASTICK: Has the Minister of Works a reply to my recent question about the working party appointed to inquire into the Emergency Fire Services?

The Hon. J. D. CORCORAN: Provision was made on the current year's Estimates of Expenditure for a sum of $3,000 to cover the estimated fees and expenses of the working party appointed to inquire into emergency fire service organization. The suggestion that members of the working party who are making a visit to other States in the course of the investigation will be required to meet their own expenses is entirely without foundation. Two members will be making visits to New South Wales, Victoria and Tasmania this week, and they will be reimbursed the costs of their visits at ruling Public Service rates.

COOBER PEDY CENTRE

Mr. GUNN: Has the Minister of Social Welfare a reply to my recent question about the Coober Pedy welfare centre?

The Hon. L. J. KING: No decision has been made for the department to establish a community welfare centre at Coober Pedy. When some senior officers of the department were in Coober Pedy recently they gave some consideration to the needs of the area and looked at several possible sites for an office. It is probable that initially the department's social work services will be provided by a district officer and patrol officer. When the provisions of the extended services of a community welfare centre are being considered the need for homework facilities for Aboriginal children will receive attention.

MILLBROOK SCHOOL

Mr. GOLDSWORTHY: Will the Minister of Education obtain a report on the condition of the toilet facilities at Millbrook school, and see whether the toilet block can be replaced or at least substantially improved? I have been approached by officers of the local board of health at Gumeracha who state that the inspector has reported that the septic systems are unsatisfactory and have inadequate soakage, both conditions applying to staff residences and the two toilet blocks serving the school. From my knowledge I believe that the facilities are particularly antiquated.

The Hon. HUGH HUDSON: I will consider the matter for the honourable member.

AIR POLLUTION

Mr. MATHWIN: Has the Minister of Roads and Transport a reply to my recent question about air pollution caused by diesel fumes?

The Hon. G. T. VIRGO: The honourable member asked a similar question to this on December 1, 1970, in this House and, because the House rose shortly after that, I replied to him by letter in some detail on December 15, 1970. Apparently, the honourable member was not satisfied with what he was told at that time, but I can only say to him that the objective answer provided at that time is still the current position. I would, however, like to point out that the diesel-power units employed in the suburban rail cars are not dissimilar in size or performance to the power units employed in heavy road transports. I would suggest that if the honourable member were to observe such units as they proceed, for example, via Mount Barker Road to destinations in other States, he would note that smoke is given out on a more substantial scale than applies in the case of the suburban rail cars. Indeed, a further example could be given in that the road tankers, which are engaged in the shuttle service between Port Stanvac and the new Electricity Trust power station that traverses the honourable member's own district, give out, I think, what can only be described as very heavy black smoke. The phenomenon is common to all diesel-power units of this class. It has been, and still is, the subject of intensive investigation in various parts of the world, but a satisfactory solution is yet to be found.

GLENELG SEWAGE PIPES

Mr. BECKER: Will the Minister of Works obtain a report on the condition of the sewage outlet pipes at Glenelg North, and say what action is being taken to prevent their damage by sand erosion? Of the three pipes running from the treatment works at Glenelg North to the sea, two are sewage pipes and one is a sludge pipe. I understand that much beach erosion has occurred in this area and has exposed the pipes so that they seem to be buckling. As I have noticed lesions at the joins of the main pipes from the treatment works, I wonder what is being done to repair and then protect the pipes from further beach erosion.

The Hon. J. D. CORCORAN: I will call for a report. I am even considering putting the honourable member on the staff, because he seems to be good at picking up defects.

RURAL ASSISTANCE

Mr. NANKIVELL: Can the Premier, as Minister responsible for housing, say whether, because farmers displaced under the rural reconstruction scheme are being accepted as trainees under the Commonwealth Employment Service training scheme, consideration can be given to providing housing for them? This question also concerns the Minister of Education, because it refers to a trainee of the Education Department, and I should like the Minister's co-operation in assisting me with this project. This student, who is married with three children, wishes to attend a training college of the Education Department. He has no hope of living in the city, but is required to commence his studies next February. I know that there will be others who have been displaced under the reconstruction scheme and who will need somewhere to live while they are training.

At 4 *o'clock, the bells having been rung*:

The SPEAKER: Call on the business of the day.

INDUSTRIES ASSISTANCE

Mr. BECKER (on notice):

1. How many companies are awaiting Government assistance to establish new industries in South Australia?

2. What is the total amount of assistance required by these companies?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. *(a)* The Housing Trust is at present assisting six new industries by building factory premises which have been recommended by the Industries Development Committee. The committee has also recommended applications by four South Australian companies for new factory premises to be built by the trust.

(b) Negotiations are at present being conducted by the trust for four industrial premises, two of which represent new industries to the State and two relate to expansion of existing industries. These have not yet been presented to the Industries Development Committee.

(c) The Industrial Development Branch is negotiating with eight interstate and oversea companies requiring assistance with location in this State and they will be referred to the trust in due course.

(4) The Industries Assistance Corporation presently has under consideration two applications from companies seeking to establish new industries in South Australia.

2. The amounts of assistance involved in projects associated with the Industries Development Committee are:

	$
(a) Under construction	2,580,000
(b) Under consideration	1,535,000

The two applications before the Industries Assistance Corporation represent amounts totalling $125,000.

EMERGENCY HOUSING

Mr. BECKER (on notice):

1. What amounts are being allocated by the South Australian Housing Trust for emergency housing this financial year?

2. How many such houses will be provided this financial year, and where are they to be situated?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. No amounts have been allocated by the South Australian Housing Trust for emergency housing this financial year.

2. See answer to No. 1.

GOVERNMENT COMMITTEES

Mr. BECKER (on notice):

1. How many non-statutory Government committees are attached to the Premier's Department?

2. Who are the personnel of each committee?

3. What is the total cost to date of each committee?

The Hon. D. A. DUNSTAN: The reply is the same as that given to the honourable member's more general question last week.

KARMEL REPORT

Mr. GUNN (on notice):

1. How many copies of the Karmel report have been made available to schools in South Australia?

2. Why have some of those schools which made requests not received copies of the report?

3. How many recommendations contained in the Karmel report have been acted upon?

The Hon. HUGH HUDSON: The replies are as follows:

1. Complimentary copies of the Karmel report were not given to schools.

2. Any copies ordered by schools at a cost of $4 each would have been supplied. Any specific instances of failure to supply should be taken up with the Government Printer.

3. Enumerating recommendations of the Karmel committee and those which have been adopted provides a very crude assessment of the extent to which the report has influenced departmental policy. However, the Karmel committee made 159 recommendations, which were grouped into 57 major topics. Action has been taken on 41 of these topics as follows:

Recommendations generally adopted and now in force	7
Recommendations approved as a continuing policy	7
Recommendations adopted and awaiting legislation	11
Recommendations under active consideration	15
Recommendations being tested by a pilot scheme	1

POLICY SECRETARIAT

Mr. GUNN (on notice):

1. What are the duties of the Government Policy Secretariat?

2. Who are the members of the secretariat?

3. What salaries are paid to each member of the secretariat?

4. Where is the secretariat located?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. The duties of the Policy Secretariat are to investigate, report and make recommendations on matters of policy referred to it by the Government.

2. and 3. W. Voyzey, B.A., A.U.A., Principal Projects Officer, $10,450.

L. L. Amadio, Development Officer (Performing Arts and Tourism), $9,500.

D. C. Rodway, B.Ec.(Hons.), Projects Officer, $7,470.

G. F. Lewkowicz, B.Ec., Research Officer, $4,558.

R. D. Hand, Clerk, $4,800.

(Mrs.) M. Lloyd, Shorthand Typiste, $3,150.

Mr. R. D. Bakewell (a Commissioner of the Public Service Board) exercises supervision over the work of the secretariat, for which he receives a payment of $2,000 per annum.

4. As a section of the Premier's Department, the Policy Secretariat is located in the State Administration Centre.

TRANSPORT STUDY

Mr. GUNN (on notice):

1. How much money has this Government spent on the M.A.T.S. plan?

2. How many properties have been acquired by this Government for proposed freeway routes?

3. What does the Government intend doing with the properties that have been acquired for the proposed freeway routes?

The Hon. G. T. VIRGO: The replies are as follows:

1. Between June 1, 1970, and September 30, 1971, an amount of $4,102,000 has been spent in the acquisition of property for transportation routes shown in the M.A.T.S. plan. This amount includes a sum of $177,510 spent by the former Government out of general revenue, which has since been reimbursed by this Government from the Highways Fund.

2. Two hundred and forty properties have been purchased during this period, of which 47 were for the South-Eastern Freeway, three for the Foothills Expressway, eight for the Hills Freeway, 25 for arterial road improvements, and the remainder for transportation corridors. With the exception of those properties acquired for the South-Eastern Freeway, all were acquired after initial approaches by the owners concerned.

3. Those properties purchased for the South-Eastern Freeway are being used as required. Those purchased for the Foothills Expressway and the Hills Freeway will be disposed of and the remainder are being retained for future transportation routes.

GLENELG EAST INTERSECTION

Mr. BECKER (on notice): Is it the intention of the Minister of Roads and Transport to request the Road Traffic Board to obtain a report concerning the safety of pedestrians and motorists at the intersection of the Glenelg tram line with Sixth Avenue, Dunbar Terrace, Maxwell Terrace and Buttrose Street, Glenelg East?

The Hon. G. T. VIRGO: I shall be pleased to ask the Road Traffic Board to prepare a report on the intersection if the honourable member supplies me with the details of any unusual problem that exists.

JETTY ROAD LIGHTS

Mr. BECKER (on notice): When will traffic lights be installed at the intersection of Brighton Road and Jetty Road at Glenelg?

The Hon. G. T. VIRGO: Negotiations are proceeding with the Glenelg council with a view to installing the traffic signals in association with the reconstruction of Brighton Road during 1972-73.

BUILDING SOCIETIES ACT

Mr. BECKER (no notice): When will legislation be introduced to amend the Building Societies Act?

The Hon. D. A. DUNSTAN: A Bill for an Act in accordance with Cabinet approval is now being drafted. In view of the undertaking to consult with the industry, it is most unlikely that amending legislation can be brought before Parliament until next July.

AFFORESTATION

Mr. BECKER (on notice):

1. Has the Government purchased any land for afforestation this financial year?

2. If so, how much?

3. Where is this land and at what price was it purchased?

The Hon. J. D. CORCORAN: The replies are as follows:

1. Yes.

2. 403 acres.

3. Wirrabara Forest, Mount Gambier Forest (Glencoe), and Second Valley Forest, at a total cost of $35,939.

BEACH PROTECTION

Mr. BECKER (on notice):

1. When did the Foreshore and Beaches Committee make its final report?

2. When will legislation be introduced to establish a beach protection authority?

The Hon. G. R. BROOMHILL: The replies are as follows:

1. The Foreshore and Beaches Committee submitted its first report in May, 1971. No further report has been submitted, nor is one envisaged.

2. It is hoped to introduce legislation during the current session of Parliament.

PUBLIC BUILDINGS DEPARTMENT

Dr. EASTICK (on notice):

1. What was the total of tender prices accepted by the Public Buildings Department in each of the financial years from 1966 to 1971?

2. During the same period what was the cost of maintenance on public buildings throughout the State?

The Hon. J. D. CORCORAN: The replies are as follows:

Year	*Amount*
	$
1. 1966-67	5,749,450
1967-68	16,614,660
1968-69	23,797,538
1969-70	28,598,534
1970-71	27,987,414

Year	*Amount*
	$
2. 1966-67	4,344,000
1967-68	4,171,000
1968-69	4,758,000
1969-70	5,594,000
1970-71	7,090,000

WATER PROJECTS

Dr. EASTICK (on notice): In the financial years 1970-71 and 1971-72 what individual water reticulation projects of greater than $40,000 value have been completed or commenced in the hundreds of Munno Para and Port Adelaide?

The Hon. J. D. CORCORAN: The following information has been supplied:

Hundred of Port Adelaide.

1970-71—New trunk main in the Gillman area comprising approximately two miles of 24in. mild steel concrete-lined and 18in. asbestos cement mains in Eastern Parade; improvement of supply to the area and the Torrens Island power station, $140,000.

1971-72—Nil.

Hundred of Munno Para'.

1970-71—Distribution mains in Elizabeth Downs, South Australian Housing Trust area, comprising 8in., 6in. and 4in. asbestos cement mains, $67,720.

1971-72—Nil.

EDUCATION CRISIS

Mr. MILLHOUSE (on notice):

1. Is there a crisis in education in South Australia?

2. If not, has there ever been such a crisis?

3. When was this crisis?

4. When did such crisis pass and what caused its passing?

The Hon. HUGH HUDSON: Many educators in South Australia have clear ideas of what are appropriate educational standards. A crisis of morale may well be associated with a situation where educators feel that no substantial effort is being made to close the gap between existing and appropriate standards, or where existing standards are justified as those which are appropriate. It is my view that such a crisis of morale occurred during the period of office

of the Government in which the honourable member was a Minister. His question demonstrates a lack of understanding of what was disturbing the teaching profession at that time.

Mrs. Steele: Who promoted it?

The Hon. HUGH HUDSON: Not I.

DEATH OF MR. G. B. BOCKELBERG

The SPEAKER: I have to inform the House that I have received the following letter from Miss Betty Bockelberg, daughter of the late Mr. George Bockelberg:

Dear Mr. Speaker,

I am writing on behalf of all members of our family to thank you for your message of sympathy at the time of the death of our father. We want you to know that we appreciated your presence at his funeral service which, together with your letter, we accepted as a tribute to his association with the Parliament of this State, and also with all members of Parliament. Thank you for passing on to us extracts from the two tributes paid to him in the House: we agree with Mr. Hudson that one would have to remember him with "the kindliest feelings."

Again I ask you to accept our very sincere thanks.

Yours sincerely,
Betty Bockelberg.

SNOWY MOUNTAINS ENGINEERING CORPORATION (SOUTH AUSTRALIA) BILL

The Hon. D. A. DUNSTAN (Premier and Treasurer) obtained leave and introduced a Bill for an Act relating to the performance of work within South Australia by the Snowy Mountains Engineering Corporation. Read a first time.

The Hon. D. A. DUNSTAN: I move:

That this Bill be now read a second time.

In 1970, the Commonwealth Parliament passed an Act which established a body to be known as the "Snowy Mountains Engineering Corporation". This body has been formed for the purpose of keeping intact the specialist skills acquired by the Snowy Mountains Hydro-Electric Authority during the construction of the Snowy Mountains scheme and for making those skills available to the Commonwealth, the States, private organizations and foreign countries. Regarding the States, the new corporation will be available only as a consultant in the engineering fields relating to the development of water and power resources and major underground works. It will be able to provide the States and their instrumentalities with valuable services in investigation and design work that they are not geared to undertake. Additional technical assistance will also be available to supervise major contracts on non-repetitive jobs that form difficult peaks in State works programmes. Only with respect to oversea work is the corporation empowered to act as a constructing authority. It is not intended that the corporation will compete with local private engineering consultants in the fields in which those consultants are already successfully operating. The corporation will be competing mainly with foreign consultants in specialist fields with which local firms are not equipped to deal. It is expected also that the corporation will continue to work for private organizations, but only when commissioned by private consultants.

Broadly, the Commonwealth Act permits the corporation to investigate and advise on water resources, soils or rocks, construction materials and sites for engineering works, to design engineering works, and to supervise contracts for the construction of engineering works. The Act contemplates that the corporation will be able to function in the States but, as there is some doubt whether the Commonwealth Parliament can effectively empower the corporation to operate in the State, supporting State legislation would be needed to resolve that doubt. The Government believes that the corporation will contribute valuable assistance in the development of this State, and this Bill, which is complementary to the Commonwealth Act is commended to members. Similar legislation either has been or will be introduced in the other States.

I now deal with the clauses of the Bill. Clause 1 is formal. Clause 2 defines the Commonwealth Act and the corporation. Clause 3 deems the corporation to be, for the purposes of State law, a corporation sole with all the usual attributes of a corporate body. Courts are required to take judicial notice of the corporation's official seal. Clause 4 authorizes the corporation, to the extent that the legislative power of the Parliament of the State permits, to exercise within the State any of the functions specified in the Commonwealth Act. Subsections (2) and (3) ensure that, where a function is exercised by the corporation under the authority of this Act, the corporation is still subject to the provisions of the Commonwealth Act relating to prior Ministerial approval (that is, by the Commonwealth Minister) and has all the powers provided by that Act.

Mr. COUMBE secured the adjournment of the debate.

STATUTES AMENDMENT (ADMINISTRATION OF ACTS AND ACTS INTERPRETATION) BILL

Returned from the Legislative Council without amendment.

FOREIGN JUDGMENTS BILL

Returned from the Legislative Council without amendment.

MOTOR VEHICLES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 26. Page 2501.)

Dr. EASTICK (Light): When speaking to the Bill earlier, I outlined the manner whereby section 7b had been introduced into the Road Traffic Act and indicated that the 1939 Bill (Act No. 34) provided for a 50-mile limit, An amendment (Act No. 29 of 1950) provided for a reduction from the 50-mile limit to a 25-mile limit. I did not indicate at that time that the other provision of the permit was that it was valid for a maximum period of 10 days. During the debate in 1950, when the reduction was made from 50 miles to 25 miles, the late Hon. C. D. Rowe in another place also canvassed the possibility of increasing the period of the permit from 10 days to 14 days. That debate, which is reported at page 1497 of *Hansard* for November 15, 1950, indicates that it was considered a desirable feature but, after due consideration, the matter was not proceeded with because of some Government office belief that it was not in the best interests of the Bill.

We then come to 1959 when the newly created Motor Vehicles Bill was introduced; that Bill enacted the previous provisions of section 7b of the Road Traffic Act as clause 16 of the new Bill. It is interesting to note that, when this provision was introduced into the Motor Vehicles Bill, there was no amendment of the area in which the permit might be obtained. As far as I can determine from the report on the debate on that occasion, no mention was made in the Minister's second reading explanation, nor was the comment made by any member in either Chamber, that there was to be introduced a 14-day grace period as opposed to the 10-day grace period that had previously existed.

One might justifiably say that it had proved to be a worthwhile provision that there be the chance of obtaining a permit and, further, that the problems of the day were such that the Government was prepared to increase the period during which the permit might be used from the original 10 days to 14 days. I have no knowledge of any blatant abuse of the provisions of the permit scheme available under the Motor Vehicles Act. I believe that the provisions relating to the original permit apply equally today. Obviously, the Government has a similar attitude, because the provision has been reintroduced without alteration. We find that in the business world, particularly in regard to motor car and truck sales, increased costs are associated with servicing a purchase agreement. The purchaser who lives some distance from the Motor Vehicles Department is involved in added cost in respect of registering the vehicle in question.

About five or six years ago it was commonly stated that it cost about £5 ($10) to take a step ladder from one side of Adelaide to the other but, bearing in mind the present economy, including the increased wage structure, increased registration costs and other increased costs, I believe that the sum is much more than that now. It follows that the cost of effecting registration is also increased. I hope that in Committee members will support the amendment of which I have given notice and a copy of which is on members' files. I support the second reading.

Mr. KENEALLY (Stuart): I find myself unable to resist the delightful invitation of the member for Mitcham to me to speak in this debate, although I think he will be grateful that I intend to be mercifully brief. The honourable member expressed concern that, when this legislation came into force, the Motor Vehicles Department would direct third party insurance business to the Government insurance office, and that this would be to the detriment of the other insurance companies. This of course is not going to happen as a system of rotating the policies amongst Insurance Companies will be implemented. However, I believe that the other companies would welcome this, because few of them are keen to accept third party insurance. This Bill will give country people a decided advantage: it will enable the Motor Vehicles Department to decentralize its activities, so that country people can register their vehicles in the major country towns, and in my district I hope that Whyalla and Port Augusta will be included.

For many years country people have found it inconvenient, first to have to contact their insurance company in Adelaide, and then to

have to renew the registration at the Motor Vehicles Department, many delays having been caused in the past. Of course, when a car is no longer registered it inconveniences the owner. Under the Bill, country people will receive a service that has been given city people for many years. Previous speakers have said that city residents have been inconvenienced by the present system, because they have had to go, first, to the insurance company and then to the Motor Vehicles Department. It has been pointed out that this has taken some time, but I submit that the system has been much more inconvenient for country people who, as I said earlier, as a result of the implementation of this legislation will enjoy a privilege that city people have enjoyed for a long time. I support the Bill.

Mr. EVANS (Fisher): I, too, support the Bill and congratulate the Government on accepting this part of Liberal and Country League policy, which was announced in 1970 before last year's election. It is to the credit of the L.C.L. Government at the time that it realized the necessity for this type of measure and, as I have indicated, it is to the present Government's credit that it has implemented this part of our policy. However, I object, as has the member for Light, to the permit provision applying only to people living within the 25-mile radius of the General Post Office. I believe that a permit should be obtainable wherever possible at the local police station, and in this regard I will support the amendment of the member for Light. However, apart from that aspect, I believe that the legislation is satisfactory.

The Hon. G. T. VIRGO (Minister of Roads and Transport): I am delighted that the Opposition is supporting the Bill, and I hope it can get some satisfaction out of the pious but completely untrue statements that have been made by certain members, especially the member for Mitcham. Such statements were a grave reflection on officers of the Motor Vehicles Department. Indeed, I resent the fact that the member for Mitcham should reflect in that way on the officers concerned. However, if Opposition members get some satisfaction out of the fact that the Bill represente L.C.L. policy, I am delighted to hear them admit that at last they are becoming progressive in their thinking.

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4—"Permits to drive pending registration."

Dr. EASTICK: I move:

In new section 16 (1) to strike out "a radius of twenty-five miles from the General Post Office at Adelaide" and insert "the prescribed area".

I have stated the reasons behind the amendment. In a subsequent amendment, there is a definition of "prescribed area". The fact that there has been no abuse of this privilege in the past means that this amendment could be supported to the advantage of the people concerned.

The Hon. G. T. VIRGO (Minister of Roads and Transport): I cannot accept the amendment. The point overlooked is that the Bill is designed primarily to permit the easier registration of vehicles by streamlining the procedure for dealing with compulsory third party insurance. All sorts of loopholes are contained in the provision setting out the prescribed area. The desirability of prescribing a 25-mile radius could be discussed at great length, but that is not the purpose of this Bill. Numerous objections have been raised to the amendment by the departments concerned, especially by the Police Department. I would certainly not accept an amendment that is so violently opposed by the Police Department.

Mr. EVANS: The Minister should explain the reasons for the objection taken to the amendment. Although I realize that the provisions of the amendment would place an increased burden on police stations, the work would have to be carried out only once, whether by the Registrar or by the police. Under the Bill, people living at Mount Barker and similar areas will be obliged to go to the city on a normal working day to register their vehicles, or they will have to deal with the matter through the post. This concerns about 400 or 500 people who work in factories in my area and who support the Government. Their having to go to the city will increase congestion on the roads.

Dr. EASTICK: As I said during the second reading debate, this privilege was first included in the Road Traffic Act and later in the Motor Vehicles Act. The privilege was withdrawn from Gawler some years ago, although for a period after the latter Act came into force the service was still provided at the Gawler police station. I do not think that this privilege was ever abused. As section 16 of the Act is the section involved this is an appropriate time to deal with the matter. People in all walks of life are concerned. One letter, dated September 9, that I have received from a garage proprietor in my area states:

The withdrawal of these services from our local police station has caused inconvenience and increased our costs, as each registration and change of engine means a trip to Adelaide. Similar statements have been made by many garage proprietors. If the Minister will not accept the amendment at this time, at least he should give some idea of the arguments against the proposal so that subsequently action may be taken to provide relief.

Mr. McANANEY: Why is a place like Mount Barker to be deprived of the privileges that nearby towns enjoy?

The Hon. G. T. VIRGO: This is not a desirable amendment, but I am not surprised that the member for Light moved it. It could be said that he would have failed in his duty in the interests of his electors, particularly those at Gawler, if he had not done so. The same comment could apply to the member for Fisher concerning Stirling and the member for Heysen because of Mount Barker. If his argument is correct, it could equally apply to council areas such as Noarlunga, Meadows, Gumeracha, Tea Tree Gully, Onkaparinga, Willunga, Mount Barker, Stirling, East Torrens, Gawler, and Munno Para. An additional 14 police stations would be required to issue these permits, and the basis of police issuing a permit is to give a service to members of the public in circumstances in which it would be unreasonable for them to have to obtain a permit from the central office of the Motor Vehicles Department.

Dr. Eastick: It is also more expensive for them.

The Hon. G. T. VIRGO: It is expensive to the Government.

Dr. EASTICK: The Minister is introducing an entirely new concept. The police stations offering this additional service would generally be multi-staffed stations, whereas many police stations outside the 25-miIe radius are single-officer stations. I believe the advantage to the public would be great compared to the extra cost, if any, to the State. Why not apply a small fee of 50c or $1?

The Hon. G. T. Virgo: Wouldn't you whinge then!

The CHAIRMAN: The honourable member cannot discuss a new subject that is not included in the clause.

Dr. EASTICK: Because of the advantage to the public, I persist with my request to the Minister and the Government to accept this amendment.

The Committee divided on the amendment:

Ayes (19)—Messrs. Allen, Becker, Brookman, Carnie, Coumbe, Eastick (teller), Evans, Ferguson, Goldsworthy, Gunn, Hall, Mathwin, McAnaney, Millhouse, and Rodda, Mrs. Steele, Messrs. Tonkin, Venning, and Wardle.

Noes (23)—Messrs. Broomhill and Brown, Mrs. Byrne, Messrs. Clark, Corcoran, Crimes, Dunstan, Groth, Harrison, Hopgood, Hudson, Jennings, Keneally, King, Langley, McKee, McRae, Payne, Simmons, Slater, Virgo (teller), Wells, and Wright.

Pair—Aye—Mr. Nankivell. No—Mr. Burdon.

Majority of 4 for the Noes.

Amendment thus negatived.

Clause passed.

Remaining clauses (5 to 35) and title passed.

Bill read a third time and passed.

STAMP DUTIES ACT AMENDMENT BILL (INSURANCE)

Adjourned debate on second reading.

(Continued from October 21. Page 2438.)

Mr. MILLHOUSE (Mitcham): I support the Bill.

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

COMPANIES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from August 25. Page 1110.)

Mr. MILLHOUSE (Mitcham): This is an enormously long and complex Bill and in recent weeks the length and complexity have been compounded by the Attorney-General in putting on the file amendments that run to a little more than 13 pages. The Bill itself, with appendices, runs to 157 pages. Nevertheless, I support it, but I must make the frank admission, before dealing with a few general matters, that I do not pretend to be an expert in company law. This is a most specialized subject, even within the legal profession, and I am not a specialist in it.

Although in this House there are other legal practitioners and several members who have accounting experience, I doubt, because of the complexity and difficulty of the Bill, that it will get the attention to its detail that it really deserves. Perhaps, for the sake of the business of the House, that is a good thing, because if we were capable of debating this Bill thoroughly we should certainly be engaged on that task for the four weeks of the present sitting that remain before we

adjourn for Christmas, and perhaps that would disrupt the Government's legislative programme.

This reminds me very much of a situation that members were in when the uniform Companies Bill was introduced in this House in 1962. At that time I think that I alone amongst the members on both sides of the House was prepared to oppose it. I said that I thought uniformity was unnecessary and that the Bill would be oppressive and would lead to a large increase in fees, and so on. AU of these statements have, to some extent, been proved to be correct. However, the Bill went through with very little debate in this place, although in all fairness I must say that there was more debate in another place, where there were then (and still are) some members perhaps better equipped than we to debate it. As I said earlier, I intend to raise several general matters. Then I intend to deal with a few matters of detail which have been brought to my attention but which will be canvassed in more detail in Committee.

First, one wonders whether this task is worth doing at all. The general revision Bill that has been introduced by the present Government has been, as the Attorney-General said in his second reading explanation, in the course of preparation for many years; probably for eight or nine years it has been under consideration by the Standing Committee of Attorneys-General, and it has been added to, subtracted from, and considered during all that time. There is, therefore, nothing about the Bill that could be described as of a Party nature. It has been considered by the standing committee, which, I am glad to say, for all of that time has had an overwhelming majority of Liberal Attorneys. There have been one or two Labor members of the committee, and there are now two Labor members of it. I must take the responsibility for some of the things in the Bill, because they were discussed and I voted on them when I was a member of the committee.

So we are discussing something that has taken much time to prepare. As the Bill has been prepared by successive Governments in the various States and in the Commonwealth Parliament we must all, therefore, take some share of the responsibility and the praise and the blame that may be due for it. I wonder whether it is worth doing this task, because I find that the New South Wales Attorney-General (Mr. McCaw) has referred to his own Law Reform Commission the whole question of the Companies Act and, if his prophecies are borne out, within a couple of years he will have a report that he hopes will benefit us all on the very fundamentals of company law. I have an extract from the *Chartered Secretary* of September-October, 1971, which contains a report, in part, as follows:

> In July the Attorney-General for New South Wales, the Hon. Mr. K. M. McCaw, M.L.A., announced that he had asked the Law Reform Commission in that State to undertake a complete review of the fundamental principles of company law . . . Mr. McCaw said that the Law Reform Commission would set out to answer these and similar questions over the next two years.

I have skipped a few paragraphs in which Mr. McCaw poses a number of fundamentals. The report continues:

> "I look forward to a report which will bring some of the more archaic concepts of our company law into line with commercial reality and thus facilitate the day-to-day running of corporate enterprises." Mr. McCaw explained that he had informed his colleagues on the Standing Committee of Attorneys-General of his intention to refer the subject to the N.S.W. Law Reform Commission and that they had evinced keen interest . . . "It would be essential, therefore, that any fundamental reforms recommended by the commission should be found generally acceptable to those Governments, and, of course, to the commercial community. I regard the commission as undertaking a task for the benefit of the Governments of all States and Territories."

If that comes to anything, it means that we could well, within the measurable future (say, two to three years, but probably longer), see some far-reaching changes in company law.

Another reason why I wonder whether this exercise is worth while is the decision of the High Court of Australia in the Rocla Pipes case. This decision, handed down within the last few weeks, gives the green light to the Commonwealth Parliament in the exercise of its powers under section 51 (xx) of the Commonwealth Constitution. Because the decision is so important and may well lead to a very much greater and more vigorous exercise of power by the Commonwealth Parliament in this field, I will say something about the case. It is a majority decision of the High Court of Australia, Mr. Justice McTiernan and Mr. Justice Gibbs dissenting. I suppose one could say that the main judgment is given by His Honour the Chief Justice, in which he sets out, on page 7 of my copy, three important questions to be answered. He had earlier canvassed the

decision of the High Court in *Huddart Parker* v. *Moorehead,* an earlier case of about 1909.

Mr. Coumbe: That was a famous case.

Mr. MILLHOUSE: Yes, and it is now overruled in this case. His Honour's judgment states:

It was there decided that the legislative power of the Commonwealth did not extend to enable the Parliament to make a valid law controlling the intra-State trading operations of foreign corporations and trading or financial corporations formed within the limits of the Commonwealth.

Following that decision, placitum (xx) has been regarded since as having very little real use to the Commonwealth; it has not been used. I studied, before I started speaking today, Dr. Wynes's book on constitutional law in which he says that, in his view, *Huddart Parker v. Moorehead* was properly decided. However, that is not the High Court's present view, and the Chief Justice in his judgment says:

The appeals thus raise for this court's decision three very important questions. The first question is whether this court should now accept and act upon its former decision in *Huddart Parker v. Moorehead.* If this question is decided affirmatively the appeals must be dismissed. The second question is whether, if the court is not prepared to accept that decision, the legislative power granted by section 51 (xx) extends so far as to authorize the making of a law requiring the registration of trading agreements of the kind described in section 35—

this, of course, is the Restrictive Trade Practices Act, and the Chief Justice is referring to section 35 of that Act—

made by a trading or financial corporation formed within the limits of the Commonwealth and, in particular, requiring such a corporation to give particulars of such an agreement under penalty for failing to do so. The third question is whether, if that legislative power extends so far, the Act is a valid exercise of that power.

The Chief Justice goes on to decide the first two questions. As I have said, he expresses the opinion that *Huddart Parker v. Moorehead* is not good law and that placitum (xx) extends so as to authorize the making of such a law. I think he says, in effect, that the Commonwealth Parliament messed the exercise up and did not do the job properly. Therefore, he answered the last question, "No, it is not a valid exercise of the power, and therefore the appeal is to be dismissed." His Honour goes on to deal with the other questions and, at page 15, he says:

No doubt, laws which may be validly made under section 51 (xx) will cover a wide range of the activities of foreign corporations and trading and financial corporations: perhaps in the case of foreign corporations even a wider range than that in the case of other corporations: but in any case not necessarily limited to trading activities. I must not be taken as suggesting that the question whether a particular law is a law within the scope of this power should be approached in any narrow or pedantic manner.

So it is obvious that the Chief Justice is willing to give a generous interpretation to this power of the Commonwealth Government, and I believe that is a most significant development. The Chief Justice says, dealing with the decision in the Huddart Parker case, which was an exercise in the construction of the Australian Industries Preservation Act:

My conclusion that sections 5 (1) and 8(1) of the Australian Industries Preservation Act were valid—

this is where he disagrees with that decision—

answers the second of the questions which earlier I thought were raised by these appeals. A law requiring the registration of trading agreements restrictive of trade to which a foreign corporation or a trading or financial corporation formed within the limits of the Commonwealth is a party, and requiring the corporation to give particulars of such an agreement under penalty of a fine for failing to do so, appears to me clearly to be a law with respect to corporations of the kind described. As I have said, the making of such an agreement in the course of trade is truly a trading activity. Such a law is a law regulating and controlling the trading activities of such corporations. It would in my opinion clearly be within the legislative power of the Parliament granted by section 51 (xx), as also would be the other substantive provisions of the Act if enacted with respect to foreign corporations and trading and financial corporations formed within the limits of the Commonwealth.

I can see no reason why that decision should not stand and why it should not encourage the Commonwealth Government to exercise its powers under placitum (xx). This will mean, if it does so, and if no other traps emerge, that the Commonwealth Government will be able to enact in fair measure its legislation, which will be binding on us all. In other words, it will be able to enact uniform legislation and thus achieve much more easily, but at the expense of the powers of the State Parliaments, what the uniform Companies Acts in the various States have tried to achieve over the last 10 years. The Bill is largely based, as the Attorney-General said, on the various reports of the Company Law Advisory Committee, which is presided over by Mr. Justice Eggleston and which has as its members a Mr. Rodd, who I think is a solicitor, and a Mr. Cox, who is an accountant (or it may be the other way around).

The committee's reports have been made available to us some time ago; I think the Attorney-General tabled them, and all members would have had the interim reports Nos. 1 to 5. The reports are helpful but, again, to follow them exactly is almost an impossible task, because the numbering of paragraphs, etc., is now altered and, in any case, one needs to be an expert in company law to understand what the reports are about. Some of these reports were received while I was in office, the first report being dated October 17, 1968; the second, third and fourth reports were also all received during our term of office; and the fifth report is dated October 12, 1970. I had intended, when I had the opportunity, to canvass some of the general matters contained in the Eggleston committee's reports. It is a happy coincidence that today there is reported a speech by the Deputy Prime Minister (Hon. Douglas Anthony) dealing with the very matter that I desire to canvass, namely, uniform control of stock exchanges in Australia and company activities.

I believe this is a most important matter and the Deputy Prime Minister is reported as saying that he is speaking for himself in expressing the views that he has expressed. Indeed, I must make clear that I am speaking for myself when I express the views that I am about to express, but I express those views after having had some experience of this matter while I was in office, and after having inquired into the situation in the United States of America. In the first Eggleston report at page 14, the committee recommends the establishment of a companies commission, which would be similar to the Securities and Exchange Commission set up in the United States. Because I regard this matter as of overwhelming importance, and because it answers a number of complaints which members on this side have received, and which no doubt the Attorney-General has received, about the possible harsh workings of some of the provisions of the Bill, I intend to quote what was said by the Eggleston committee in its first report. Referring to the "proposal for a companies commission", section D of the report states:

As a result of its investigations the committee has reached the conclusion that an authority should be established with power to grant relief in appropriate circumstances, from compliance with the statutory requirements relating to accounts and with power also to add to or vary those requirements. In paragraph 52 we have detailed the powers which we recommend should now be given to such an authority and we have also listed in that paragraph those other functions which in our view could appropriately be carried out by that body. We have also given consideration to the method of setting up the authority and the manner in which it should be constituted. Our observations and recommendations on these aspects are contained in paragraph 51. For ease of reference we refer to the proposed authority as the companies commission and our reasons for recommending its establishment are set out below. There are inherent difficulties in formulating statutory requirements which will at all times and in all circumstances be properly and fairly applicable to all companies and groups of companies regardless of their size, the nature of their operations or the number and character of their shareholders . . .

While the prime objective of the committee's recommendations is to ensure adequate protection for the investing public it has given due consideration to the effect of these recommendations on companies and on their directors and other officers. But, no matter how far it pursued its inquiries the committee could never be assured that the statutory requirements would not in some circumstances operate harshly or prove impossible of performance . . . One very important advantage which will flow from the establishment of a companies commission is that there will exist for the first time in this country a permanent and responsible organization, which will develop a fund of knowledge on the practical operation of the legislation and be in a position to give prompt and authoritative advice to governments as to desirable amendments in the future. The cumulative experience of an authoritative body which is regularly dealing with problems arising under the legislation will be of very material assistance in the essential task of continual review of the statutory requirements . . .

The committee has considered the manner of constituting the independent authority. The committee regards it as essential that a single body should be constituted and that it be empowered by each of the Companies Acts and Ordinances to grant relief from and to alter or add to particular legislative requirements. A single body is essential to ensure that the powers proposed to be given, including the power of relief, are uniformly exercised.

It then goes on to set out in some detail what it proposes. Paragraph 52 states:

Summarized, the functions of the companies commission would be—

(*a*) to grant exemptions from:

(i) the legislative provisions as to accounts in cases where compliance would impose unreasonable burdens or result in the supply of misleading or inappropriate information;

(ii) specific requirements such as those referred to in paragraph 46 of this report;

(iii) such other statutory requirements (e.g., as to prospectuses) in cases where

on further examination of the legislation this is considered necessary;

(*b*) to issue general orders giving companies of a defined class power to omit specified information required by the Act or to present their accounts in a different form from that required;

(*c*) to alter or add to the requirements as to accounts and the director's report;

(*d*) to perform the duties at present carried out by the companies auditors boards;

(*e*) to undertake tasks at present carried out by the registrars in cases where they could more conveniently be performed by a single body.

That was what was recommended in 1969 by the Eggleston committee. It came to the Standing Committee of Attorneys-General and has not been acted on. I was most interested to see that in the fifth report, which is before members and which was presented in October, 1970, after the present Attorney-General came to office, the committee renewed very strongly its recommendation for the appointment of the companies commission. At page 33, the report states:

In paragraphs 41 to 53 of our first interim report, we made proposals for the establishment of a companies commission, which would exercise various functions with respect to the provisions relating to accounts and audit, with which we were then dealing. In paragraph 47 of that report we indicated that, although we had not yet examined in detail other provisions of the legislation, there were other parts of the Act in which the inevitable rigidity of the legislative requirements would in our view require that some provision be made for relief against the strict requirements. The preparation of the present report has strengthened our feeling that the establishment of a companies commission is necessary, if the legislation is to operate smoothly and equitably

We recognize that machinery has been set up by the standing committee for regular consultation between the registrars, with a view to achieving uniformity in matters of this kind, but in our view such consultation can never be an adequate substitute for the exercise of control by a single authority.

Paragraph 130 of the report states:

Tn the light of the considerations here set out, we renew our recommendation that a companies commission be set up on the lines indicated in our first interim report. That recommendation—

and it was never heard of again, certainly not in my time that I remember—

was referred to a subcommittee of the standing committee for further consideration, and some discussions have taken place between the subcommittee and this committee. Our purpose in raising the matter again in this report is to stress the importance which we attach to the recommendation, and to urge the standing committee to proceed with all possible speed to implement our earlier recommendation. We should add that, as in our previous reports, we have framed our recommendations in this report in such a way that they can be implemented with the machinery that now exists. This has to some extent inhibited us in framing what we would regard as the ideal provisions, having regard to our feeling that a single expert body should be established. If such a body were in existence it would be possible to adopt a different approach to some of the problems that we have encountered in preparing this report. As we pointed out in our first interim report, one of the great advantages which would flow from the establishment of a companies commission would be that there would exist a permanent and responsible organization which would develop a fund of knowledge as to the practical operation of the legislation.

We have not heard anything about that from the Attorney-General in his second reading explanation, and nothing has been done about it at all. I personally believe strongly that a companies commission should be set up. Perhaps that is going too far at this time, but the recommendation should be taken seriously and investigated, because I believe the result of such an investigation will show that the commission should be set up.

When I was in the U.S.A. in 1969 as Attorney-General, I made several inquiries about this as a result of the first report of the Eggleston committee. I am glad to say that I have kept the notes I made of interviews I had on this matter in New York and Washington. I intend to quote some extracts of the notes because of the opinion I have expressed. The notes state:

On Tuesday, April 15, I made two calls in connection with the Securities Exchange Commission. The first was on Mr. Robert J. Birnbaum, Vice President, American Stock Exchange. With Mr. Birnbaum, I also met Mr. Ralph Saul, the President, and Mr. Windsor Watson, the Senior Vice President of the American Stock Exchange. I was told that section 9 (*b*) of the Securities Exchange Act is barely, if ever, used. The commission has in fact not issued any rules under it.

I need not go into detail. My notes continue:

A man called Posa, whom I also met and who specializes for the American Stock Exchange in this area, complained that the legislation is couched in broad terms and the commission has authority to adopt rules setting out what is fraudulent but it has been most reluctant to be pinned down to any definition. He also referred to section 15 (*c*) of the Act. Posa has recently been advising the European Economic Community at Brazil on the same matters as those in which we are interested . . . The above was generally confirmed

when I talked with Mr. Donald Calvin, Vice President, New York Stock Exchange. Mr. Calvin now occupies a similar position on the New York Exchange to that of Mr. Birnbaum on the American Stock Exchange. He was formerly in charge of the State equivalent of S.E.C. in Illinois. He told me of the complementary State legislation contained in the uniform Act which has been adopted in about 29 States.

Mr. Calvin strongly suggested that we should undertake a formal study (jointly by Government and Associated Stock Exchanges) to decide what type of regulation is required. In his view the American system which is basically self regulation by stock exchanges with Government oversight is the best. Australia can probably reach the same goal by a less circuitous route than America has done. He explained that the legislation in the early and mid-30's was enacted at a time when there was a great deal of suspicion and antagonism towards big business and one must bear in mind this atmosphere when examining it.

I added the following postscript:

I just recollected that Calvin when I asked him if the stock exchange regarded the S.E.C. kindly or unkindly said that it is regarded as an "ally".

On the following day, I was in Washington. My notes state:

Today I called on Phillip A. Loomis, Jnr., General Counsel of the S.E.C., and Myer Eisenberg, Associate-General Counsel. They confirmed what I had been told in New York. Eisenberg, when I talked to him alone, said, "Don't wait for a scandal. We did and our experience is that it takes 20 years for the market to recover." However, my very strong conviction is that this matter is so technical that we in Australia would be most foolish to rush into it without the most careful consideration. Manuel Cohen, whom I hope to see on Friday, has been to the United Kingdom to discuss S.E.C. and people from the E.E.C., from France, Japan and from Brazil have been here to study the commission with a view to comparable enactments in their own countries.

I think we should do the same. It is not my purpose nor am I capable of so doing. In my view Australia should send a senior officer from the Attorney-General's Department or the Treasury, and the Associated Stock Exchanges could send someone to study the law and its ramifications. We certainly don't want to do what Argentina did. Last year the Argentinians translated the 1934 Act into Spanish and enacted it holus-bolus. Now they are trying to find out from the Americans what it means!

I did see Mr. Cohen on the Saturday. He had formerly been Chairman of the S.E.C. but, with the change of Government from President Johnson to the Republican Administration of President Nixon, he had resigned. Acknowledged as the foremost expert on these matters, he is now in private practice. He told me that he had testified to the Jenkins Committee in England and had advised the Common Market, France, Belgium and Israel. I discussed the matter with him and he offered to come to Australia professionally to advise us. My notes state (and this is what I said to him):

My view is that before we do go further with this we should draw on experience in this country, but I think we could do it better by sending people over here rather than by his coming. However it is a course of action we should consider.

I have gone into the matter in some detail, because I think it is important. I inquired, but my inquiries came to nothing when I returned to Australia, because no-one seemed to be interested in them. A recommendation has been made by the Eggleston committee, and I think that it is a course that we should consider seriously. This morning I was delighted with the Leader of the Country Party and Deputy Prime Minister when he said much the same thing. I hope that when the Attorney replies to this debate he will, if it is proper for him to do so, tell us whether there is any movement towards this attitude amongst his colleagues on the standing committee.

I said that this was a most complex Bill and that I had to take responsibility for some of the matters contained in it, because they were considered when I was a member of the standing committee. We should all be frank about these things, because this sort of legislation worries me. Parliaments are not equipped to consider these matters in detail: we do not have the technical knowledge that would allow us to appreciate the niceties of legislation that is put before us. I have been in that position when I was a member of the standing committee. I have had the benefit of the advice of successive Registrars of Companies, and I see the present Registrar sitting in the gallery: he was always most helpful, and I am sure he has done his best to explain these things to my successor.

We had the advantage of the presence of Mr. Justice Eggleston to discuss these matters, but in their nature, although most of us were legal men (not all, because some were laymen), it was extremely difficult for us to form a judgment on the technical matters about which we had to decide. I am not satisfied that this is the best way to formulate legislation. I know that wide opportunity is given to stock exchanges and the legal and accounting professions to make comments, and in the Eggleston committee we had a group of three people of great ability. However, I consider that, when this type of legislation comes before

the standing committee or a Parliament, the system rather breaks down because we are not equipped to cope with it.

This is supposed to be uniform legislation. However, the principle of uniformity has been departed from, and that is a good thing. In essence the request by a Government for the enactment by its Parliament of uniform legislation is a derogation from the sovereignty of that Parliament. We should be free to make up our minds on these matters, and I hope that the Government does not intend to say that, because this has been agreed to by someone else and as we must have uniformity, we cannot alter it. That would be insulting and quite wrong. We are a sovereign Parliament within the limits of the constitutional arrangements in Australia, and we should not be fettered in this place by the fact that it is uniform legislation. We should be free to make up our minds.

I have referred to all the general matters to which I wanted to refer. Naturally, Opposition members (and others who will speak from this side) have inquired and have discussed this matter with their acquaintances in the professions in order to obtain an idea about the virtues and failings of the Bill. I find a widely held feeling of resignation (almost of hopelessness) in the thought of having amendments accepted. One of my legal colleagues, who spent much time considering the Bill, has written a long letter setting out several points. The best thing I can do is to quote from that letter in the hope that the various points will be replied to by the Attorney and will be acted on if it is considered that they have merit. I will certainly raise these matters in Committee. The letter states:

(2) In clause 69e (3) the reference is only to a substantial shareholder acquiring or disposing of voting shares in the company. I would have thought that in accordance with the scheme of the sections in which that appears it would be appropriate to refer to "interests in voting shares" and that this extends to an interest under a trust where shares are part of the property of that trust as set out in clause 6 of the amending Bill.

(3) In the sections comprised in clause 12 of the amending Bill, it does not appear to be clear whether a person who is a trustee who has a substantial shareholding in a company is also required to give the notices envisaged under those sections as well as the person who has an interest in shares. It appears to me that both could have to give notice to the company of their respective interests as the sections are phrased at the present time.

(4) In section 124 (3) in clause 19 of the amending Bill there is a hole in that the officer may have a family company which makes use of the information and makes a profit, and because of the arrangements of shareholding in that company the officer does not make any "profit" as envisaged by that section. I realize that one cannot go too far in tracing the profit that is made as a result of the improper use of any information by an officer, but it seems to me that there is a clear loophole which I think ought to be closed. I have had experience of two client companies at least who have suffered by reason of the improper use of information acquired by an officer of the company by virtue of his position with that company and they have not been able to do very much about it because the profit was not made by the officer directly.

That refers to clause 19 of the Bill, which re-enacts section 124 of the Act. One can tell that a lawyer has written this letter, because the writer does not make the distinction between a clause of a Bill and a section of an Act, but I have read the letter as it has been written. The letter continues:

(5) I presume that section 124a had been enacted to deal with the situation which arose in a number of the mining companies where shares were sold at a profit before the disclosure of information which sent the value of the shares down considerably. I think the principle is reasonable but in practice I think that there will be a number of difficulties in enforcing the section. For example, what is "generally known"? Does it extend to what is known by the stock exchanges by way of official announcement or by way of rumour or what? The other difficulty is that it appears that the section has an exceptionally wide compass. Anyone who deals in the securities referred to in that section who suffers a loss as a result of the action of the officer in accordance with the section could sue that officer for the loss. I suppose the difficulty could arise that some people hear a rumour of the information and buy at that stage with a view to making a profit by continually trading in the securities but lose because of general fluctuation in the market. I suppose that is really a matter of him proving his loss.

(6) In clause 24, section 159a makes a provision for the auditors to sign certain accounts where a company is not required to lodge those accounts with the Registrar of Companies. That section must be read in conjunction with sections 165a and 166 in the amending Bill.

The only exemption from those provisions is for an exempt proprietary company which is an unlimited company.

I mention that this is a matter raised more generally than any other by way of complaint about the Bill as it stands. He continues:

I know this has caused a great deal of concern interstate as well as in South Australia, because there is a number of exempt proprietary companies which would not ordinarily need to have their accounts audited. For example, in the rural areas there are many companies which have been incorporated over a period of years which hold land only and do not engage in any trading business or

investment activities. While the cost of auditing will not be large—

That is a matter of opinion, I suppose: it may not appear large to the accountant but it may do so to the director of companies—it will still be an increased burden added to the fairly substantial fees which are now chargeable by the Registrar on filing annual accounts and the general accounting fees. There is no reason, as far as I can see, why such a company ought to have its accounts audited, because it is not dealing with the public and does not have members of the public as its shareholders. There are other exempt proprietary companies that deal with the public which may be small trading concerns. An audit of their books will be a much greater burden than an audit of the books of a non-trading company. There will be much more work involved and, again, for no real advantage except in the case of the company which is more the exception than the rule, where there are "shady" or "inexpert" dealings. But in these cases I would imagine there would be safeguards in the other provisions of the Act where officers can be liable to persons dealing with the company. It may be possible to exclude non-trading companies from the requirements of these sections as a compromise. According to the Attorney's speech, he is giving exempt proprietary companies the alternative either to appoint an auditor or convert to an unlimited company. This will involve companies who wish to do this in additional costs which are not, however, recurring costs, so that they may well be out of it in this manner.

Another point that has been raised with me is that, where a company holds shares in a representative capacity, that should not deny an unlimited company exemption from having to file accounts. The example given me was of a trustee company, which is the executor of will, family, and other types of trust, including family trustee companies, formed to hold assets, to administer trusts where the duration is for some time. I do not follow the other part of the note I have made but the problem is that, by acting as trustee, a company could lose its exemption in certain circumstances. Perhaps this is a matter that I can look into, as I made this note some weeks ago. Perhaps I can deal with it when we come to the point. The matter was raised with me by an experienced practitioner in this field, and perhaps I can mention it to the Attorney privately. The letter to which I have referred continues:

(7) Section 178 (7) on page 70 of the Bill provides for the publication of the report of an inspector. Section 176 (7) provides that a copy of any notes taken by the inspector are to be furnished with the report. I think that if anyone ever contested that provision as to whether or not the notes were part of the report, it would be held that the notes are not part of the report, but that is not certain. I wonder if it could be clarified, in view of the obvious intention of the series of sections that the notes shall be made available only to certain persons.

(8) In section 176 of page 68 of the amending Bill you will see in subsection (1) that the notes of the examination may be used in evidence in "any legal proceedings" against the person who was examined. There is, of course, the restriction in relation to criminal proceedings in subsection 3 but, apart from that, there is no limit on the sorts of proceedings in which the notes can be used. For example, they could be used in civil proceedings against the person who was examined or they could be used in proceedings under the Act which are not necessarily criminal proceedings. I can see the need for protection of the rights of an officer and the need of the community to ascertain information which may disclose offences under the Act. But I wonder if he should have some protection in this regard.

(9) Section 178 (12) causes me some concern. The Minister may cause proceedings to be instituted in the name of the company. Is the Minister then empowered to conduct the proceedings, or must the company then adopt the proceedings and engage counsel to prosecute those proceedings? If the Minister proceeds on behalf of the company, who is to pay any costs which may be ordered against the company if there should be a successful defence to the proceedings? Is it the company or is it the Minister? Is the company liable for any costs if the Minister should be successful in his prosecution of the proceedings? Does the Minister have any power to retain from the damages which may be recovered any costs which he may have incurred? If in the course of the proceedings it appears reasonable to compromise those proceedings and settle the action, does the Minister have power to do that if he is conducting the proceedings, and does the company have power to compromise the proceedings and take a settlement? All of these questions arise on that subsection, and I feel that it would be wise to follow this up.

There are several other matters.

Mr. Evans: Read on.

Mr. MILLHOUSE: I will let the honourable member read it if he wants to do so. Those are the only sections of the letter that I have marked, and I think those matters are worth following up.

Mr. Evans: You've left some out.

Mr. MILLHOUSE: Yes, I have left some for the member for Fisher and the member for Alexandra to take up if they like. The only other matter that I want to raise is that of the control of syndicates. This is referred to in the Attorney's explanation, and I think clauses 14 and 16 of the Bill are the relevant clauses. I am not very familiar with syndication, although I think I understand the

principle on which it works. It is essentially a partnership and, therefore, there can be only 20 members of the syndicate, because that is the upper limit for partnerships, except for, I think, the provision in clause 8, which, according to the explanation, is to help the accounting profession in their interstate and international partnerships.

It seems that at present there is little control of syndication, and people could burn their fingers. The Attorney says as much in his explanation. He refers to the experience in Western Australia. Although at one and the same time I think there should be control in this area before people are hurt, one matter has been raised with me. There is at least one syndication scheme operating in this State. It is on Eyre Peninsula and the promoters fear that, if the Bill goes through in its present form, the scheme may come to a dead halt. Certainly, if one looks at clause 14 and reads the Minister's explanation, one sees that what is proposed is far from clear. Clause 14 simply amends section 76 of the principal Act and inserts in the definition of "interest" several paragraphs, one of which, paragraph (*f*), provides:

> An interest in a partnership agreement that is a prescribed interest or is an interest included in a class of prescribed interests.

No explanation has been given of the Government's intentions as to the prescription. Perhaps the Attorney can deal with this matter when he replies, so that we will know whether the persons involved in this scheme are likely to be affected or whether they will be able to continue until the various syndicates are full. They are not by any means full at present.

The Hon. L. J. King: Is it in real estate?

Mr. MILLHOUSE: I think it is for the sale of pine plantations. At the same time, I believe that there is certainly a requirement for control and supervision of syndicates, and I think it should be done under the Companies Act, but other members may have other ideas about that.

Those are the only points I have to put now. I regard the question of a companies' commission as overall by far the most important matter with which I have dealt. I think the reluctance of my colleagues in other States and in the Commonwealth when I was Attorney-General was caused because they considered this legislation was likely to lead to centralized control. But for the reasons set out by the members of the Eggleston committee in the report, I believe it is essential that there should be someone who has a discretion in a specific case so as to avoid the harsh operation of the provisions of the Act. They will inevitably be harsh in some cases, because no-one, whether an expert in company law, a Parliamentarian or whatever, will be able to foresee all the circumstances in which the legislation will operate. I support the second reading and look forward to what other members may have to say, particularly to the Attorney-General's reply.

The Hon. D. N. BROOKMAN (Alexandra): The Bill is so complicated that it is not possible to give a very comprehensive survey of it. Possibly, someone who has spent several weeks studying it without interruptions might be able to give a very good account of it. To my mind, it is a case of dipping into the clauses as we get to them in Committee and discussing them there.

The original Companies Act of 1962 is a voluminous document, which has been amended in the meantime. The Bill introduced by the Minister a few weeks ago did not incorporate the latest amendments which, I think, the New South Wales or the Victorian Act has incorporated. In the meantime, the Minister has introduced many more amendments. If the Bill was readable before, it is virtually unreadable now. I have complained to the Minister about this practice before, but I am more sympathetic toward him on this Bill than I was on the other Bills in respect of which I have previously complained. However, I do not entirely exonerate him, because really there is not much chance for members who are busy on many other pieces of legislation to study the Bill.

On inquiring throughout the community, I find that many people accept the principle that we should have uniform legislation and that they are inclined to say, 'Well, this legislation has gone through or is going through other Parliaments, and uniformity is a good thing." I agree with that because, on this subject, I think uniformity is a good thing. The tendency, therefore, is to say, "There is nothing much we can do about this." What follows from that is that people who perhaps could do something about it and who could study it tend to push it aside. Everyone is busy, and many people who have had this legislation under their eye have not spent much time studying it. They have said, in effect, "This is what we are going to get, and that is that."

The Hon. G. R. Broomhill: That's not what you did!

The Hon. D. N. BROOKMAN: I think the Minister would do better if he stopped interjecting, because he is only fooling around. In spite of the general attitude to which I have referred, I should like to express the regard that I have for certain people to whom I have gone for advice and who have spent much time considering this legislation. I do not know that much of it rubbed off on to me but, nevertheless, I have spent some hours on the Bill in consultation with various people. In fact, after one long session with some accountants, I came up with certain amendments, but when I went to the draftsman I discovered that my first amendment had already been filed by the Attorney-General himself. I am afraid that, if it is a case of a race, the Attorney-General can always win: he introduces the Bill, and beats everyone to the punch regarding amendments. However, I am not necessarily complaining about the amendments and, as I say, I am more likely to be tolerant of the Minister in this case than in others.

Some aspects of the Bill cause concern, especially the provisions regarding directors. I think this legislation is getting to the stage where it is too tough on the ordinary, honest and sensible director. The Bill is obviously designed to protect honest (not necessarily foolish) people from all sorts of fraudulent practice and careless mistake, but whether it will protect these people in future may be doubtful. The legislation will probably give greater protection than has been given in the past, just as the principal Act gave greater protection than had existed previously. However, much more responsibility will be thrown on to the shoulders of individual directors. I do not think we will catch many crooks as a result of this Bill but, if the legislation is interpreted strictly, we will trap many honest directors who make errors because they have not been able to keep up with their obligations under the legislation. Has anyone studied the obligations of a director regarding reports? The 1962 Act sets out in four paragraphs what the director shall report, and in 1964 two more paragraphs were added, but many more paragraphs are added by this Bill, requiring directors to do certain things and to report thereon.

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

The Hon. D. N. BROOKMAN: I know that the purpose of the Bill is to provide against all sorts of wrong doing, but it seems to me that it is more likely that people failing to obey this legislation will be honest people who do so through failure to understand the details of the Bill. I have a fair bit of sympathy for people who break the law through ignorance of it. If someone took a statistical survey of the number of laws that we now have, he would find that that number has multiplied amazingly in the last few years. New section 162a provides:

(1) The directors of a company (other than a holding company for which group accounts are required) shall cause to be attached to every balance-sheet made out under subsection (3) of section 162 a report made in accordance with a resolution of the directors and signed by not less than two of the directors—

those words "not less than two of the directors" will be amended—

with respect to the profit or loss of the company for the financial year and the state of the company's affairs as at the end of the financial year stating—

(*a*) the names of the directors in office at the date of the report:

(*b*) the principal activities of the company in the course of the financial year and any significant change in the nature of those activities during that period;

(*c*) the net amount of the profit or loss of the company for the financial year after provision for income tax;

That is pretty obvious. I would guess that the directors are required in several places in this Bill to state the net amount of profit or loss. New section 162a continues:

(*d*) the amounts and particulars of any material transfers to or from reserves or provisions during the financial year;

(*e*) where, during the financial year, the company has issued any shares or debentures—the purposes of the issue, the classes of shares or debentures issued, the number of shares of each class and the amount term and rate of debentures of each class, and the terms of issue of each class of the shares;

(*f*) the amount, if any, which the directors recommend should be paid by way of dividend.

Then, the provision contains further details about the dividends. New section 162a continues:

(*g*) whether the directors (before the profit and loss account and balance-sheet were made out) took reasonable steps to ascertain what action had been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts;

Here again, the Attorney-General has foreshadowed an amendment to bring the Bill into

line with the legislation of one of the Eastern States. New section 162a continues:

(*h*) whether at the date of the report the directors are aware of any circumstances which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent (and, if so, giving particulars of the circumstances);

Paragraph (*i*) provides:

Whether the directors (before the profit and loss account and balance-sheet were made out) took reasonable steps to ensure that any current assets which were unlikely to realize in the ordinary course of business their value as shown in the accounting records of the company were written down to an amount which they might be expected so to realize;

The Attorney-General will amend this provision. Paragraphs (*j*) and (*k*) provide:

(*j*) whether at the date of the report the directors are aware of any circumstances which would render the values attributed to current assets in the accounts misleading (and, if so, giving particulars of the circumstances) ;

(*k*) whether there exists at the date of the report—

(i) any charge on the assets of the company which has arisen since the end of the financial year and secures the liabilities of any other person (and, if so, giving particulars of any such charge and, so far as practicable, of the amount secured);

Subparagraph (ii) provides for a contingent liability. Paragraph (*l*) provides:

Whether any contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the company to meet its obligations when they fall due (and, if so, giving particulars of any such liability);

Paragraph (*m*) contains a gunshot sort of provision. If a person cannot be caught under any other provision, probably everyone can be found guilty under this paragraph.

Mr. Millhouse: It's a dragnet provision.

The Hon. D. N. BROOKMAN: I am sure that dragnets often catch reasonably honest fish but let sharks either over or under them. Although I generally favour this Bill, its provisions are rather inclined to catch honest fish and let sharks go by. Paragraph (*n*) provides:

Whether the results of the company's operations during the financial year were, in the opinion of the directors, substantially affected by any item, transaction or event of a material or unusual nature.

I should think that almost every company's affairs would have been affected by some items of a material or unusual nature, so that directors will have to rack their brains in this connection. Paragraph (*o*) states:

Whether there has arisen in the interval between the end of the financial year and the date of the report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the company's operations for the financial year in which the report is made (and, if so, giving particulars of the item, transaction or event).

There are pages more dealing with the duties of the directors of companies. If this Bill is not administered with common sense and if it is administered with the determination to catch people, there will be an enormous number of convictions of people who are honest and who do not mean to do anything improper but who are simply confused by the weight of obligations imposed on them under the Act. I hope that there will be much tolerance used in administering the legislation.

I spent much time with accountants, who were worried particularly about the provisions relating to the audit in Division III. They said, in effect, "We will not have enough auditors to go around." All companies must have auditors unless they are unlimited companies. There are all sorts of family companies now going along happily which will have to employ auditors, whose duties are so severe that they will almost have to count the blades of grass on a farm. Obviously, it is possible that the accountants advising family companies will advise them, in many cases, to become unlimited companies, but that does not seem to me to be a satisfactory solution.

The cost of audit will be considerable and will seriously affect small companies. I also think that there will be too few auditors. If we look at the duties of auditors in this Bill, we discover that, if they attempt to observe everything they are supposed to under the measure, their duties will be so severe that their fees will be excessive for many small companies. Everyone knows that auditing is important and that the rotten company should be curbed in some way from attracting the money of honest investors. On the other hand, we must work out just what the cost will be to companies that are not rotten, where

auditing will be carried out at great expense, and probably unnecessarily. What is the object of an auditor? He is there really to protect the people who invest their money in an enterprise; but this Bill also turns them into policemen. When they find something wrong, they have to report it to the registrar.

An auditor is not allowed to resign except by permission. He can certainly resign by permission. I cannot point to the part of the Bill dealing with this because I have looked at so many provisions that I have lost my way. However, as I understand the Bill, an auditor, who is normally appointed from year to year by a company, and paid by the company, of course, to do the work, will not necessarily be appointed for a year: once employed, he stays as an auditor for that company unless he is released by a series of special provisions, including the permission of the board. I may be wrong there, and I hope the Attorney, who is listening to me, will tell me if I am wrong, but it seems to me that we shall grossly over-audit the small private companies, in an attempt to catch up with fraud and protect unsuspecting investors; but we shall catch many other people instead and we shall increase costs considerably on this side of industry.

There are a few other small points I propose to deal with. I have marked them in the Bill and, when we get into Committee, I shall ask the Attorney-General to explain them and then I shall tell him whether or not I like them. There are, however, one or two matters that were raised with me by accountants, concerning the ninth schedule, which sets out the rules of accounting. There are some matters I shall deal with there, but one question I was asked was, "Why are 'current assets' not defined in the Act?" Current liabilities and non-current liabilities are defined in clause 5 but, to my knowledge, current assets are not defined. An accountant has pointed this out to me, thinking it would be a good thing if it was defined. I take his word for it and make the suggestion. There are several other matters in the ninth schedule that I will raise in due course.

I should like to sum up by saying that I believe in uniformity and I believe that the Companies Act is one Act in which it is desirable to have uniformity. However, I think that the Act is so complicated that, whilst we are discussing it here, we should think about whether it is not too severe in relation to the ordinary person who may be involved in companies. I suppose that the major amendments to this legislation must be ones that appeal to all Parliaments, not just to this Parliament. Otherwise, we depart from uniformity and are in some difficulty.

This Bill seems to have arisen from meetings of the Attorneys-General, and I should like to add here that, whilst I applaud the activities of Attorneys-General and I think that their conferences are very good in many respects, sometimes I wonder whether the meetings are not getting a bit out of hand. I think a measure like the Companies Act should be studied by some organization, perhaps an organization set up by the combined Governments, but it should be studied and reported upon by central committees rather than by what I would call *ad hoc* committees and committees appointed in only one State. A committee is operating in New South Wales, and various other committees have been referred to. I think that, if we are to have an overall Commonwealth-wide look at legislation like this, we could very well start that look by having a Commonwealth-wide committee. With those remarks, I generally support the Bill, but in Committee I shall seek information on several matters and, possibly, will argue the wisdom of some provisions.

Mr. COUMBE (Torrens): I support the Bill because I cannot very well do otherwise, but I want to make some comments on certain aspects of the measure. I recall vividly the debate in this House on the 1962 Bill, which was a mammoth piece of legislation. One can see from the size of the Statutes of that year that it contained many pages, and the amending Bill, plus the amendments to that amending Bill that we have on our file this evening, would far outstrip any other Bill on the file. In fact, it would comprise, in size, about 20 other Bills on the file.

In paying due respect to all those who were members of the House in 1962 (and I think the same position arises this evening), I say that probably not many members understood the full ramifications of the 1962 Bill. Possibly, that is the position this evening. That is no reflection on any member, because, after all, this is really a Committee Bill. It is certainly a lawyer's Bill, and my inquiries show that chartered accountants and even corporation lawyers are a little hazy about certain aspects of the measure. Unfortunately, there are not many lawyers in this jurisdiction in Adelaide. Therefore, we are faced with this problem and, as I say, it is really a Committee measure. Indeed, it will take some time to consider the Bill and all the amendments thereto in the Committee stage.

Introducing the Bill, the Attorney-General said that this is a uniform Bill, although we know that some States have already departed from this uniformity. However, I believe that the proposed amendments will bring the measure more into line at least with the Victorian legislation, although perhaps not with that of New South Wales.

I think uniformity in company law is desirable, because of interstate commerce. Dealing with other States, one should know whether one is dealing basically with the same principles. We all know about the number of companies that use the Canberra registry for certain purposes, and we must remember, when dealing with this Bill, that we are considering many types of company, from the very large company, such as General-Motors Holden's or the Broken Hill Proprietary Company Limited, down to the small family company. We may be considering foreign companies (interstate companies), exempt proprietary companies, limited companies or unlimited companies, and so on. It has been suggested that, by the passing of this Bill, members of the investing public will be assisted by the new forms of balance sheet and profit and loss account to be followed in future.

Obviously, these additional requirements flow from the activities of standing committees of Attorneys-General and are based on the report of the Eggleston Company Law Advisory Committee, on which the member for Mitcham discoursed at considerable length and with merit this afternoon. He had obviously done much study and homework on this matter, and I commend him on his contribution to the debate. The honourable member was in the fortunate position of having at one time attended many of the conferences held on this subject. As a layman, who has some working knowledge of company law in its simplest form, I wish to make a small contribution to the debate.

As I see it, the main aims of this measure are to present financial statements in a form easier for the public to understand; in other words, to provide a more meaningful disclosure of information for the benefit of shareholders. I think most of us would be fairly familiar with the normal, substantial company statement of accounts, whether it be the balance sheet or profit and loss account. In passing, I point out that this is different from the financial statements of the Treasurer which are presented on a different basis altogether.

Mr. McAnaney: No basis at all, really; it's shocking.

Mr. COUMBE: Let us not argue about that point at the moment although the honourable member may be perfectly correct. It is suggested that the aim of the Bill regarding the accounts to which I have referred is to provide what may be described as a true and fair view (to use the Attorney-General's own words) of profit and loss, rather than adhering simply to the legal requirements existing at present. The ninth schedule of the Bill sets out the forms of statement required. I doubt whether all these requirements, together with some of the other provisions of the Bill, are really necessary. Companies have existed for many years and have presented their balance sheets in the manner prescribed. Although we have had a few disasters, we have had many successes. Members of the Institute of Chartered Accountants (I do not know whether any are present tonight) already prepare their clients' annual reports mainly in the form specified in schedule 9 (which has been expanded), whether or not the companies involved are listed on the Stock Exchange. I am talking not about the old $4 companies but the respectable companies. Although there is no doubt that a few small companies have failed, all companies, including the reputable ones, are caught by the legislation. In the old $4 companies, a joint husband and wife director each had a $2 share.

Some of the chartered accountants to whom I have spoken on this matter have serious doubts about the necessity for some of the clauses in the Bill. For instance, any accumulated losses not written off must be shown as a deduction from the amount of paid-up capital and reserves. This happens today. Indeed, it is current practice. Also, provision for depreciation and doubtful debts must be shown as deductions from the assets to which they relate. That, too, is already done. I refer also to the secured and unsecured liabilities, which are also usually shown. I took the trouble during the last week or two since the Bill has been on file to speak not only to a number of chartered accountants who are members of the institute but also to some other senior members of boards of reputable companies in this State. They also contacted a number of smaller companies to ascertain the way in which they present their profit and loss accounts, balance sheets and annual reports. I found that the declarations required in schedule 9, and the phraseology demanded in relation to the small companies, were being followed.

Indeed, if one tried to ascertain what one must do to conform to the 1962 Act, one would find that there are many forms containing fairly stringent requirements which must be signed by the director, secretary or public officer of the company concerned.

Reference has already been made to the audit requirements. I wonder whether we are going too far in this respect. I know that the conditions on which an auditor may be appointed, the way he must resign, and what he must do about reporting to the registrar are clearly spelt out. Many auditors have said that they think the Bill goes too far in this regard. The member for Alexandra a short while ago touched on this aspect.

One comes to the matter of small companies, of which there are many, that have existed for many years although they may not have traded for some time. As I understand it, the Bill requires them to participate in an audit; that is very good for the auditors, and I am sure it pleases the member for Heysen, with his qualifications. However, we are not necessarily here to provide a good income for one profession at the expense of the rest of the community, nor are we here to provide a good living for our legal friends.

We must be very practical about the whole subject and remember that it is because of the few companies that have been guilty of malpractices in the past that very stringent rules are now being introduced that will apply to all the companies covered under this Bill. Copies of the great majority of company reports have to be filed with the companies section of the Taxation Office; that provides another check, but I realize that not all company reports would be involved. The Bill refers to accumulated losses. I believe that accumulated losses are deducted from the assets. When a company starts to make a profit, that profit is offset against the accumulated losses, and eventually the company has to pay the high rate of company taxation that applies in Australia.

The member for Alexandra quite rightly referred to clause 25, dealing with the responsibilities of directors. Because those responsibilities are fairly onerous, I wonder whether responsible men will hesitate before accepting a seat on a board, even of an established company. It is not a question of being protected by limited liability: here we have personal responsibility. The last thing I want to see (and I hope the Attorney-General shares my view) is a stifling of the enterprise of responsible companies, because South Australia owes much to the expansion of such companies, which provide most of the employment in South Australia. If we cannot attract men with business acumen and foresight to company boards, some companies and the general business community will suffer.

In recent years several inquiries have been made into company law and associated matters. At present there is a Senate inquiry into Stock Exchange dealings and securities. The Senate Committee seems to be delving into that subject very deeply indeed. Since Senator Sir Magnus Cormack became President of the Senate, Senator Rae has been Chairman of the Senate Committee. A Stock Exchange President, Sir Cecil Looker, had something to say on this subject recently. As well as the Senate inquiry, there has been a continuing inquiry for many years now by the Standing Committee of Attorneys-General.

I do not believe (nor do I think the Attorney-General believes) for a moment that this will be the last legislation we will see on this topic, even when we allow for the amendments that the Attorney will move. I am sure that in a year or two we will have to consider another amending Bill because business practice is changing rapidly. I am not referring to the use of computers, which are concerned with the mechanical side of accounting and business procedures, but we find that chartered accountants are getting away from the old aspect of pure auditing and preparation of accounts and are making feasibility studies on behalf of companies. I think that this is a good thing.

I hope that no-one believes that this Bill will save from themselves in any way those who invest in public companies. Although people will be able to see the financial statements of companies in the amended form, even when everything is explained to them, unfortunately there are still gullible people who cannot be saved from themselves. All we can hope to do is guide them a little but we cannot ever protect them completely from themselves. Perhaps we can make certain safeguards and landmarks available for their guidance. Anyone who invests substantial sums on the Stock Exchange without taking the advice of a reputable stockbroker needs to have his head read. Of course, in this sense I am not referring to Government securities or to trustee investments, as everyone knows they are guaranteed. Members of the public must still make a sober judgment about how to invest their money.

I reiterate that this is really a Committee Bill. Members on this side want to raise many questions with the Attorney-General, especially

with regard to his amendments. I believe that the Bill contains some good provisions concerning the activities of companies in several States of Australia, and with regard to holding and investing companies and take-over bids, which are an aspect of commerce coming into prominence more and more. Nearly every week some company takes over another company. With regard to listed companies, the Stock Exchange must exercise much discretion and zeal to see that the interests of the shareholders are protected. The company under attack or about to be taken over must carefully analyse the position, soberly make its judgment and then advise its shareholders accordingly.

There was one take-over mentioned in this morning's newspaper. I think it was last week that we heard of a sweet one—James Stedman and Life Savers, the toffee with a hole in the centre. These are aspects that must be carefully considered. As I have said, I believe many members are interested in it but, to be quite fair, it is not a layman's Bill; it is a specialist's Bill. I recall the great work done in 1962 by Mr. Ludovici in preparing and drafting that Bill. I give credit, too, to the draftsmanship that has gone into this Bill; I compliment the officers concerned. I support the Bill. I have no alternative because this is to be a uniform Bill, but there are one or two onerous provisions in it.

Mr. NANKIVELL (Mallee): I support my colleagues who have already spoken and say that, in essence, this is. like the original Bill, strictly a Committee Bill. I think there are 157 pages in it, to which the Attorney-General has added a host of amendments consequent, I think, on the passing of similar legislation in Victoria.

Mr. Goldsworthy: Do you know what they are all about?

Mr. NANKIVELL: I know them but in a Bill of this size the task is to condense them into some sort of order. The reason for legislation of this sort is that in the period since the last major amendment to this Act all sorts of practices have been drawn attention to both by public notice and also by the Stock Exchange. We call them smart practices and fly-by-night companies, if you like. That has been said of some of the mining companies that have been floated and also liquidations that have occurred in supposedly sound investment companies. They have not proved to be sound investment companies even for the debenture holders, let alone share subscribers. So those matters have possibly been attended to by the many amendments in this Bill.

For instance, we now require companies to set out precisely, and not as they would choose, their actual bad debts, and to make provision for them and for the writing off of any debts that obviously cannot be recovered. This is an area in which it has been possible in the past to cover up substantially. Also, companies are asked to put a proper value on their assets. That is another area in which books can be "fiddled" in order to persuade the public to believe that the assets of the company are far greater than they actually are.

All this is common sense. There is nothing in these amendments at this stage that is not common sense. We follow this up now, because of take-overs that have been taking place, by tidying up the terms on which an offeror can approach an offeree. In other words, we tidy up this process of take-overs, which has became common. When companies are involved, it is only natural that people who are investors should want to know, and should have the right to know, who are the substantial shareholders in those companies, that is, who hold more than 10 per cent of the shares, because these shareholders can determine the future of the company. I see nothing wrong in what is being done in this regard, and it is quite proper that it should be done. What is more, any possibility of nominees or ring-ins being used as a subterfuge to hide the actual shareholding of individuals should be exposed. This is proper, because who would want to invest in a company without knowing who controlled the company?

There have been too many of these take-overs, as a result of nominees and of interests held through trustees and interests held in many ways that deny the public, and even the company, knowledge of who holds the balance of power so far as the shareholding is concerned. It is perfectly proper that this requirement should be made. I agree with the member for Torrens that the demands made upon directors are now such that the job has become very onerous. However (and I agree with the member for Hanson, who keeps on assisting me), if the person is to be a director of a responsible company, he should accept the responsibilities placed upon him, even under this Act.

I consider that this Bill places greater responsibility on the officers of companies, on whom the directors depend. Most of the things implied in this Bill imply additional work for

the senior officers of the company. This is necessary but, at the same time, I think that officers now are being asked to accept a greater role of responsibility than they have been asked to accept previously, particularly under the principal Act.

I wish to refer now to some other minor details. The Attorney-General has tidied up the provisions on liquidation. We have made provision for the Crown or a director to appoint an inspector to look into a company. If he thinks he should take personal action to protect himself, a director will have the right to ask that an inspection be carried out. If we are placing greater responsibilities on a director, he should have this protection.

This is not a power that he would exercise normally if he was in what I would call a substantial company that was well established, but I am referring to some of these promotional companies. There is now personal liability in accepting a directorship, and directors must have the right to protect themselves. I want to deal specifically with two areas, one of which is the power now given to auditors. My view is that this is a Bill for accountants. I used to think that most of the legislation passed here and in other places was for lawyers.

Dr. Eastick: They will be in it, too.

Mr. NANKIVELL: As the member for Light says, the lawyers will be in it, if they get a chance.

Mr. Millhouse: Half a chance!

Mr. NANKIVELL: There you are, Mr. Acting Deputy Speaker. The Deputy Leader says that the lawyers will be in it if they are given half a chance. I think that certain provisions giving powers to auditors are taking the matter a little too far. For instance, it has been mentioned previously (and I know that this is getting repetitious) that there are private proprietary companies that are now exempt companies which may not trade with the public. They are family companies of limited holdings, and they control their own affairs for their family purposes. Few of them have dealings with the public.

Mr. McAnaney: Fair go!

Mr. NANKIVELL: The accountant is speaking up. I said that this was an accountant's Bill, and no doubt the member for Heysen will answer what I am saying.

Members interjecting:

The ACTING DEPUTY SPEAKER (Mr. Crimes): Order! Interjections are out of order. The honourable member for Mallee.

Mr. NANKIVELL: Thank you, Mr. Acting Deputy Speaker. Up until now, exempt companies have not been required to have an audit carried out. In many instances, no-one is really concerned with having an audit carried out, as the company is not dealing with the public and does not have to publish its balance sheet.

Mr. McAnaney: The creditors have a right to know.

Mr. NANKIVELL: If it is a private company that borrows from the bank, personal security is required, and in most instances collateral is required outside the company liability. Many companies, in essence, are nothing more than holding companies.

Mr. Simmons: Tax evaders.

Mr. NANKIVELL: To describe them properly, they are land property transfer evaders. Land held in a company is transferable as share transfer without requiring a transfer of title. This is one of the subterfuges to which people involved in primary production have had to resort in order to break down as far as possible the imposition of iniquitous succession duties based on capital. It is purely and simply expedient for them to do this.

The Hon. G. R. Broomhill: Are you supporting it?

Mr. NANKIVELL: I am stating that the principle exists. One way in which the people concerned can remain exempt is to declare it an unlimited operation, but I suggest that not many are willing to take that risk. As I have indicated, in many instances the risk is unlimited, anyway, because the people concerned have had to give outside personal security. The member for Heysen, who I think is a professional, may charge me $50, but in many cases the exercise involved in auditing the books of such a company is absolutely minimal. In the past the practice of a company has been to employ an auditor on an annual basis. I do not believe that auditors are so scared of their future that they are prepared to accept a fee out of all proportion to the amount of work they do in order to keep their jobs, although some auditors may not be paid in accordance with the responsibility they have to assume.

I take it that auditors will be compelled to take more responsibility than they have taken previously, and I believe this is the reason why, instead of operating on the basis of an agreed fee with the company concerned, it is now intended that auditors should be able to charge for the amount of work done. Although I know that auditors are people with discretion and that this area

will not be exploited, I believe that an auditor can break a company by charging what is legally considered to be a reasonable fee for his services, if carried out in compliance with this legislation. This aspect needs examining, as there is too much grace in relation to this clause. It may be that in the past auditors have operated on peppercorn fees. Perhaps local government has proved this point, as all members have seen all sorts of unfortunate situation develop as the result of lack of auditing, the auditors not having been compensated adequately for the services required. It would be fair to say that the amount paid to auditors for the work they have done for certain companies has in the past been considered by both parties as fair and reasonable compensation for the work required to be done by them.

There is only one other matter on which I wish to speak and which was touched on briefly by the member for Mitcham. I refer to the matter of syndication. I am pleased to see that syndicates are now being brought under Division V of the Act. This means that there will be some minimal control over the way in which syndicates, particularly property and land syndicates, are operated. Until now there has been no such control, an aspect about which I have been most concerned. I was indeed pleased when Victoria announced that it was going to do something, and I was mildly surprised when some of those concerned with syndication said that they would like to form a syndicators institute on a similar basis to the Real Estate Institute to try to put their own house in order. Until now there has been no precise requirement regarding the issuing by syndicates of a prospectus. It is in a brochure, not a prospectus, that the syndicates say what they think the investors' returns will be. They enumerate certain costs and also the expected returns, the latter being based on the assumption that they will have more than an 80 per cent occupancy. Some of the costs are worked out on the basis not of real estate agency costs, but because they have come to some arrangement with a management company to supervise the affairs of the syndicate for a lesser amount.

There is also the real problem of establishing whether or not the valuation figure, which is always attributed to a real estate valuer, is a reasonable one. Syndicators have always been able to show that the price for which a property was acquired was substantially less than the true value of the property. The brochure, which is generally most attractive and which in one case even guaranteed a percentage of return, is issued by the syndicators. However, that company did not say for how long that percentage return was guaranteed: it was probably guaranteed only for the period of the mortgage. This brings me to the real problem. Most of the syndications are floated on 50 per cent borrowings, most of which is obtained on a three-year to five-year term. It is all very well for one to start off on that basis, but what happens when the mortgage must be renewed? Generally, these syndicates comprise fewer than 20 participants to avoid coming under the provisions of this Act. I have seen syndicates with members scattered all over the world. Indeed, I have seen syndicate deeds going to Canada and all sorts of places. What happens when these people have to come together to agree on the terms of the renewal of a mortgage? This is an area where something needs to be done to protect the whole operation; perhaps the type of protection could be similar to that provided for debenture holders. In the case of debentures the responsibility is placed in the hands of trustees.

If we are going to allow syndication investment to expand, we should protect the rights of the investors involved. If we do not do that, losses will be made by some investors who are sucked in by nicely presented brochures saying, "You have nothing to worry about. The return will be excellent. Invest in this; and you will not regret it."

Mr. Clark: It is the story of the vending machine investments all over again.

Mr. NANKIVELL: Yes; if we do not control this type of investment, it will be a repetition of the vending machine investments. I am fearful of what happened in Western Australia, which was referred to by the Attorney-General; it could happen here. I I do not say that all syndicates are wrong, and I am not condemning the principle of joint ownership: what I am saying is that not all companies promoting syndicates have any backing, any stability, or any intention other than to make quick money. They offer an attractive prospect to an investor looking for a good return, and we have a responsibility to include in this Bill provisions that will protect investors in such syndicates.

My purpose is not to eliminate syndicates, but to see them established in such a way that the investors are protected; I want to see the investors organized in their administrative responsibility so that they can organize themselves collectively and have a basis on which they can act. In this legislation we need some safeguards for this type of investor.

It is wrong for some syndicate promoters to say that they will provide a guarantee. What have they got to guarantee with? The personal assurance of many of them is not worth a cracker. They can glibly say that they give personal backing to the mortgages. With what do they give that backing? With nothing! It is nothing more than paper talk. The brochures, like company prospectuses, should be made to conform to an agreed standard. Some protection should be provided so that the investors have a collective guarantee in the event of anything going wrong.

Many of the other provisions can be dealt with in Committee, because this is a Committee Bill; it results from experience and study of company matters. Although some of the Bill's provisions may prove to be arduous and involve some people in additional work and cost, nevertheless in view of what has happened it is an instance where the good have to suffer for the guilty. We cannot do other than generalize in this sort of legislation. If the Bill imposes costs on some people through no fault of their own, we must remember that it is in the interests of the community generally. I support the Bill.

Mr. McANANEY (Heysen): In supporting the Bill, we should possibly analyse why we need companies legislation at all. When a group of people get together to form a business, they do so in their own interests. This applies to all organizations; for instance, trade unions exist to further the interest of their members. Therefore, we must have legislation to see that people who combine to form associations have protection. For instance, we must see that a certain number of shareholders is able to call an extraordinary general meeting, demand a poll and so on. Members of trade unions should have the right to a secret ballot and to demand a vote. The Government must control every group of people who get together for their own interests, as it must see that these groups perform a function in our community, but how a Parliament or Government has the gall to tell a company how to run its affairs is hard to say when we consider the accounts of State and Commonwealth Governments, for those accounts are not based on any book-keeping principle but are merely mixed up with the Keynesian theory of money. No-one can understand what is in the accounts. Recently, when the accounts of the State railways were looked at, four or five different answers were provided. It is high time that the Government (whether Liberal or Labor) set an example in these matters.

I have advocated for many years that everyone in business, whether in primary or secondary industry, should form a company and that all should work on the same basis. About 15 years ago I realized that I had to do something about my farm, so I went to accountants and lawyers. If I had followed their advice I would be in strife today.

Mr. McRae: Did you go to the law school as well?

Mr. McANANEY: They put me on to the chap lecturing at the university in company law or taxation. If I had followed his advice, I would have been in real strife. When one sees what legal and accounting advice has been given to people on the land who are in trouble today, one feels that many people should be ashamed of the advice they are giving.

Mr. McRae: Wouldn't that be a good reason for tightening up the Companies Act?

Mr. McANANEY: I believe that this legislation is only flirting lightly with the problem. At present, anyone can form a company with $4 share capital and have all the advantages of being a company. Such people have no responsibility to shareholders or to anyone who is willing to trade with them: the $4 is the extent of their liability. Until we provide that in forming a company people must have so much share capital in relation to the money they borrow, either on debenture or deposit, from other people, there will be loopholes. To tighten up systems of book-keeping is merely flirting with the problem. For example, although we have tightened up the book-keeping systems of local government, just as many town clerks have got into trouble as previously.

Mr. Goldsworthy: How much do you think they should have before starting?

Mr. McANANEY: A company's share capital should bear a certain relationship to the amount of money it borrows. This would place some responsibility on the people running the company. Many big companies go wrong because they do not face up to the simple fact that, if a company operates on a short-term loan, it cannot lend on a long-term loan. That aspect of the matter should be tightened up if security is to be provided for investors in a company. For instance, Reid Murray failed to observe this principle. It borrowed on short-term and lent on long-term, and it ran into the only recession we have had in Australia in the last 24 years. Because of the wonderful record of Liberal Governments, the

recession of 1961-62 was the only recession in that period: it was the only mistake it made in its financial management. Reid Murray expected things to go along normally, but there was a break-down and the company could not meet its short-term liability. Through liquidation, it just about paid cut its debenture holders.

That is something that must be taken into account. If we do not get down to simple basic principles, no matter what law we make we shall not avoid much trouble. When an Act like the Companies Act has bits and pieces added to it, it becomes more and more complicated for the average man to understand, and I do not know whether we are achieving much. Possibly, too much responsibility is being placed on directors. There have been too many "sleeping" company directors in the past. Eight years ago, when I first became a member of Parliament, a company approached me and asked me to be a director. I replied straight out. "I am going to be a member of Parliament; I shall have no time to be a director. I would not have time to see what the company was doing." That is something we have to face up to. Too many people have become company directors because their fathers were directors, and they have been useless in the company. We must have as company directors people able to look at a balance sheet and appreciate what is going on.

I make an exception to this: in the case of mining companies, a person experienced in mining can be a director. However, the secretary should be a trained person. At present, anyone who has passed the first grade can become secretary of a company. That often happens. We license doctors and surgeons, so we should license company secretaries and ensure that they have sufficient training to be able to advise their directors on company matters. That would solve many problems. Possibly, the member for Ross Smith would say that half a dozen trade unionists should be on a board, because they are experienced in something, but we will not get into an argument on that. We have about 15 trade union members opposite, but not one of them is game to get up and speak on this Bill. Perhaps one of them may be. They probably could not put up a good case for being directors.

If directors are made to take more responsibility, we will not have directors who have not the ability and capacity to do the job, because they will not have the courage to take on something that they do not understand. They would be stupid if they did. There have been complaints that the audit costs will be too expensive. I think the member for Torrens said that companies who did not have any business at all would have to put in a company return and it would be too expensive to have it audited.

I think there could be a minimum charge for an auditor. It would be a very nominal amount. I audited the books of a small company this year and did the income tax return for it, because the primary producer could not afford $52 to have it done by an accountant. I think I earned the $52.

Mr. Nankivell: I thought it was $50, not $52.

Mr. McANANEY: He has put it up $2 a year, and I cannot remember the year for which I was quoting the cost previously. Being humanitarian, I made no charge. I am a full-time member of Parliament. This keeps me occupied, and doing the income tax return was only a weekend recreation, for which I did not expect compensation. If other honourable members can carry on an outside job, they have twice the ability that I have. Every company should be audited, unless it is a company with unlimited liability, as a private person has. However, being in a group or association gives the advantage of having limited liability, so it is up to these people to see that their accounts are audited. It would be to the advantage of 50 per cent of companies if they had properly prepared balance sheets. This applies in both primary and secondary industry. Many years ago, possibly before some members of this House were born, a Rundle Street storekeeper added 50 per cent to the cost price of his goods and when he brought the transaction back to the balance sheet, he brought it back 50 per cent of the selling price. This meant he valued his stock at 75 per cent of cost, which showed him to be in a far worse position than he was in. He took the matter to a bank, which put him on the right track. This man, who ran a tyre business, was so short of office space that his office staff had to use tyres as chairs. Many people involved in private companies make the sort of mistake I have mentioned. It costs only a nominal amount to have the books audited and possibly a taxation return completed at the same time. If an accountant or auditor prepares a company return, the Deputy Commissioner of Taxation will accept it, whether it is right or wrong, but if an individual does this he receives a long list of questions checking on what is in the return. I think we must determine what causes certain

companies to get into trouble, and I do not think that too much information is sought to be disclosed in the profit and loss account or balance sheet; I think the information provided could be valuable to the people concerned. The avenues used by those people who are in the know and who take advantage of the situation must be closed up.

Mr. Nankivell: What if they tell their families?

Mr. McANANEY: Although I have not considered this matter fully, I have no doubt that much information has been divulged and much money made as a result. In regard to take-overs, I disagree that one should not know who are the nominees, and I do not believe that people should be thinking of taking over a company and buying up shares without the individual concerned knowing that this will take place. Whether or not the Bill is adequate, or whether it goes too far, I am not qualified to say, but I agree with the principle of what the Government is trying to do here. Normally in these matters we tend to go too far. We cannot protect the man who buys shares in a vending company, and who says after that company has gone broke, "I was taken down." We cannot protect a simpleton such as that. Someone can say, "We're going to sell you shares and guarantee you 20 per cent," but, if anyone is silly enough to believe that, he must take what is coming to him, and no Government can protect this type of person.

Mr. Becker: What about Reid Murray?

Mr. McANANEY: In that case the person with enough money and intelligence to invest must have realized that, when that organization offered 1 per cent more in interest than was being offered by other similar companies, the risk involved doubled or even trebled. If a company is competing with other companies, it cannot afford to pay the extra 1 per cent interest to attract investors. One cannot by law protect the public against doing something as foolish as this. Reference has been made to the greed of companies. However, this involves the greed of the investors, who think they can get a better return without being involved in any more risk.

The Hon. D. H. McKee: Haven't you ever run a risk?

Mr. McANANEY: I have run plenty of risks. However, most of my investments have been in new companies, as I have thought that they might be introducing some new avenue or method to assist the public. I have never invested in a company thinking that I will receive more than the normal rate of interest. One small company in which I invested transferred its shares to Chrysler Australia Limited, a large undertaking which does not pay any dividends, so that was a bad investment. Many people who sold their farms for considerable sums acted on bad advice from banks and the Stock Exchange and put their money into certain investments. This Bill will serve a good purpose, although I doubt whether all the clauses contained therein and the amendments to be introduced thereto are necessary. If we could get down to the basic principles, having a simpler Act that the average person could understand, we would be much better off.

In future, directors will have to be able to read balance sheets and to have sufficient time to play an active part in the company's activities. They will have to know whether or not something is going wrong. Then, they will have no difficulty in signing the required certificate. However, if one is a director of 10 companies and is doing some other job, one could not in all sincerity and honesty sign the required certificate. With a rise in the standard of directors, this Bill will benefit the community as a whole. Governments should reorganize their accounting systems so that one could read quickly and in concise and simple terms the various sets of figures so that one set of books is not based on one set of figures and another set on something else. I refer, for instance, to the railways accounts, in which it was stated there was $500,000 cash in transit; it was not there at the end of one financial year, although it was at the beginning of the next. Being a charitable person, I would not want to think that the Treasurer wanted a more favourable balance and that the only way to get it would be to have $500,000 cash in transit, which could be used to balance the account. I believe in the general principle of the Bill but I doubt whether the mumbo-jumbo in it is necessary.

Dr. EASTICK (Light): In introducing this Bill the Attorney-General has helped to explode the myth that our Act is uniform with legislation in other States. I wish to refer to a publication entitled *Australian Corporate Affairs Reporter,* published by C.C.H. Australia Limited, tax and business law publishers, of Milson Point, N.S.W. The publication has a very wide circulation among accountancy practices in Australia. The organization is responsible for keeping accountants abreast of alterations to the law in the various

States. It provides information about such alterations to its subscribing members so that they are aware of differences in the law between the States. Issue No. 4 of the publication, dated September 24, 1971, says that the New South Wales Bill is also at variance with the 1971 amending Act of Queensland and with the Bills before the Parliaments of Victoria and South Australia. Further, it says:

It is reasonable to assume that for the sake of uniformity this N.S.W. amending legislation will set the new pattern for all States but it cannot be stated with any certainty at this date that the other States will adopt all or any of the innovations in the N.S.W. Bill. As the position develops further in other States subscribers will be advised.

That statement was made after a statement that there was significant variation between the 1971 Bill and the 1970 Bill. Issue No. 5A of the publication, dated October 13, 1971, says:

The Bill to amend the Companies Act was introduced into the Victorian Parliament last night (Tuesday, October 12). Attorney-General Reid said that this was the third time the Bill had been introduced and explained that "whilst it has been amended in many ways, most of the amendments go to improving the drafting, revising the expression of the principles, and meeting detailed objections that have been raised by various organizations".

The publication then states the variations existing between the Bills of the various States. In his second reading explanation, the Attorney-General said (*Hansard*, page 1097):

In addition to the amendments arising out of the recommendations made by the advisory committee, the Bill contains a further lengthy amendment in clause 30 by which Part IX of the Act, which relates to official management of companies, is to be repealed and re-enacted in a modified form. That amendment was enacted in other States several years ago and has been included in the Bill to regain uniformity with the Companies Act of the other States.

So the Attorney-General is admitting that we are dealing with legislation that varies from State to State. As a result, it has got right away from the original intent when it was introduced. Accountants have indicated that this Bill is similar to the 1970 New South Wales legislation. In other words, in 12 months we have gained several of the provisions made in New South Wales. The major problem with which accountants in the field are concerned is the difficulty of practical application of many of the provisions in the Bill. I support the Bill, fully appreciating that many of its provisions will have to be discussed in Committee. I have no doubt that, apart from the amendments introduced by the Attorney, many others will be moved. Some of the wording of the Bill is difficult to understand. New section 25 (1) provides:

Subject to this section—

(*a*) an unlimited company may convert to a limited company if it was not previously a limited company that became an unlimited company in pursuance of paragraph (*d*).

Whether one reads that slowly or quickly, it is difficult to understand precisely what it means. As many members have said, these provisions will have to be considered by accountants, but no doubt many aspects will require interpretation by lawyers. The member for Mitcham has already said that lawyers will look into it extensively. New subsection (3) (*a*) of section 14 refers to an association or partnership consisting of no more than 50 persons. Already the Attorney has an amendment on the file to bring the Bill up to the requirements of other States by increasing the number of persons to 100. Accountants have tried to work out why in South Australia the number of people specified was less than the requirement elsewhere. We appear to be following in some instances the Victorian example and in other instances the New South Wales example. In new section 6a (6) we find the words "has entered into a contract to purchase a share", whereas in New South Wales the wording is "has entered into an agreement to purchase a share". If this is a uniform Companies Act, why do we find such a variation in words in, apparently, such simple matters as these? The key word in this instance is "contract" in the case of Victoria and South Australia, and "agreement" in the case of New South Wales, but here again there will be some argument about the exact interpretations to be placed on the two words.

Honourable members have mentioned that there are several new titles and terms introduced by this Bill that do not appear to be defined. As was mentioned earlier, there is no definition of "current assets", whereas there is a definition of "current liabilities". In new section 162 (7), we see in paragraphs (*a*) and (*b*) a variation, in that the one director under other sections of the Act is no longer in a position adequately to sign a balance sheet, as required by the new law. That is another area in which an amendment will be introduced before we even get to the point of discussing the Bill. Earlier, it was possible for a secretary to sign a statutory declaration in respect of the returns; now an entirely new method is to be adopted. Referring again to the

definitions, we see that the New South Wales law has many additional definitions to those applying in South Australia. The New South Wales measure speaks of a "voting share", of a "deed", of an "undischarged bankrupt", of a "related corporation", and those terms I have used by no means exhaust the list of those appearing in the New South Wales legislation. I have pointed out a few discrepancies that one finds in just a brief summary of the Bill. As I said earlier, I support it but will seek, on behalf of those people who have spoken to me about its effects, a considerable amount of information during the Committee stage.

Dr. TONKIN (Bragg): No-one will deny that this is a complicated Bill. I think my colleagues on this side of the House have covered most of the points at issue. Generally, we are all in favour of this Bill, with some reservations. The member for Light, who has just spoken, has adequately dealt with the need for uniformity in this legislation. I agree with him that the *Corporate Affairs Reporter* is a valuable document when we come to consider complicated Bills of this nature. I agree that there is a need to improve the existing legislation for companies and that these complicated clauses in this multi-page Bill will move a considerable way towards uniformity.

I should like to join with the member for Mitcham in paying a tribute to the Registrar of Companies and his senior officers for the remarkably fine job they have done in administering the present Act. Since this Bill was introduced, I have spoken to many people in the accounting and legal professions and have heard nothing but praise of the department's activities, and I think this is a great credit to Mr. Harris. I think the member for Heysen covered well the company failures which have occurred in the past and which need not have occurred. I think there is a general feeling in the community that this legislation is needed and that uniformity is needed, and that this explains the general feeling of inevitability of the passage of this Bill. I think the people in the profession outside are willing to accept what are rather stringent requirements in some cases, in the interests of protecting the public and having uniformity throughout Australia.

Indeed, when I first approached this problem I felt that it might be a situation of apathy. However, I am sure now that this is not so: the matter has been discussed at length and with much interest among the professions concerned. There are some reservations, of course, and I must deal with them. The accounts and audit requirement of the Bill is still the subject of some concern. We have been told of some action that will be taken to clarify these matters. Nevertheless, it is something of an imposition on certain companies to require that they meet the stringent audit requirements set out, and I think there is some feeling in the community that this may penalize some companies, particularly the small family company.

Two questions have been raised. The first is whether the accounting profession can actually handle the requirements of this audit. I have been told that most large audit firms handle, on average, between 200 and 400 companies a year. I have also been told (and again, I am open to correction here, of course) that there are about 20,000 companies that come into this category in South Australia, of which about 17,000 are active. Of these, 3,000 could be subject to audit at present and 2,000 or more could convert to private unlimited companies, if necessary (and I shall deal with that matter later). This would still leave an additional 10,000 private companies in need of audit under the present legislation. Can the members in the audit part of the profession handle these numbers? I think they possibly can. Many accountants assure me that this is the position. Indeed, if this legislation is passed, they will have to handle it, so I have no doubt that they will find ways to do so.

The other question raised is the cost of this to the public. I have been told that, supposing 10,000 companies require the audit, at an average cost of somewhere between $60 and $100 (that is the estimate given to me by several auditors in Adelaide, bearing in mind the provisions in the Bill), it could add as much as $1,000,000 a year to the business costs of the community. This is not a small cost or one to be treated lightly. On the other hand, it can be said that the benefits from an audit of this kind will be of considerable advantage to the public as a whole, provided that the public is interested in the affairs of any company.

I have been told that in the last 10 years more public companies (that is, companies requiring audit under present provisions) than private companies have become insolvent. I think that an audit may give better warning of failure but often it does not stop the ultimate conclusion, which is the actual failure of the company. One of the provisions of the Bill increases the difficulties of auditors

and imposes perhaps small but nevertheless personal restrictions. This is the provision stipulating that the auditor must not owe any more than $1,000 to the company whose books he audits. On the surface, this is quite reasonable, but I can see one or two difficulties wherein an auditor may, in fact, audit the books of a bank and wish to obtain an overdraft from that bank, but obviously he is precluded from doing this. The auditor concerned must therefore pay cash for all his transactions because, if he buys a house, he may find himself auditing the books of the land agent concerned, to whom he cannot owe money.

Certain restrictions are imposed under this Bill. Naturally, the auditor who knows the company's affairs probably as well as, and sometimes better than, the directors do, may, because of this fact, wish to deal with that company. I was a little concerned about the provision that every member of a firm was responsible or liable for the actions of the firm. Many of the firms operating in Adelaide have partners in other States and, in some cases, overseas. Later, in Committee I hope that the Attorney-General will be able to clarify some of the implications of the relevant clauses.

Returning to the earlier matter raised, I believe that the audit provisions can probably be administered without much increase in the staff of audit firms, and undoubtedly computers will begin to play a bigger part. I think the member for Peake, who is concerned with computers, knows of my slight suspicion of them, but I have no doubt that the evidence given us by the operations of the computer in the Companies Office is useful. I am told that errors are being picked up rapidly in company returns. The auditors greatly appreciate this and find that it is a service that the department is able to render to them.

Mr. Simmons: I don't know whether the taxpayers agree.

Dr. TONKIN: I suppose one's point of view can change, depending on whether the Registrar of Companies is involved or on whether the Deputy Commissioner of Taxation is involved. Nevertheless, we are fortunate in South Australia to have the department that we have. I should like to see some sort of consideration given to exempting family companies, and I think the Attorney-General has something in mind along these lines. I think the answer will be that many of these companies will convert to private unlimited companies, and this virtually will mean that they will become individuals, as they were previously. However, some expense is involved in changing to a private unlimited company and there is a fee (I understand it is $10 at present) involved, plus other fees of between $50 and $60. This adds to the administration costs of these firms and businesses in the community.

Another major aspect of the Bill relates to the disclosure of interests, and new section 69d requires notification when a shareholder owns 10 per cent or more of the shares of a company. The onus is on that person, in the first instance, if he owns the shares in question on the day of proclamation, to notify within 28 days, and from there on after the proclamation of the Act he must notify within 14 days of his acquisition. I am not sure why there should be this difference of from 28 days, in the first place, to 14 days. I presume that it is because of some unfamiliarity with the requirements. I consider that 28 days is probably far more reasonable at all times, for I think that share traders may find themselves notifying and renotifying frequently. The principle is probably well worth while. In this regard, it is interesting to consider where bank nominees stand. Much local and oversea buying is done by bank nominees, and I presume the actual owners must notify their interest to the company, although the bank must notify the shareholders when a transaction is being completed. It will, therefore, depend on how efficient the bank nominees are.

Mr. Becker: Very efficient.

Dr. TONKIN: I suppose that interjection was to be expected. I echo the honourable member's remark. The New South Wales amendments provide that the disclosure must be made by an individual within a prescribed time after the shareholder becomes aware of the relevant interest. That provision has virtually the same effect as this legislation. The other point on which other honourable members have touched is the extent of a director's responsibility. Under new section 161a, as is right and proper, a company must keep accurate records in such a manner as will enable a true and fair account of the company to be prepared from time to time. This is absolutely necessary. These accounts must be conveniently auditable and, indeed, they must be properly audited. I was interested to see that the Bill requires that the reports and accounts be kept in the English language; I suppose that is a necessary prerequisite. The Registrar must know where records can be inspected and where they are kept. That is normal practice. The accounts of a company

must, as other honourable members have pointed out, comply with the ninth schedule. I do not know who designed that schedule initially, but it is the most detailed piece of interrogation I have ever seen, and I will have nothing but the greatest admiration for a person who can sit down and complete this form to the satisfaction of the Registrar.

Mr. Jennings: What about seeing the Public Actuary about it?

Dr. TONKIN: If the honourable member thinks that the House is still dealing with another Bill, I suggest he bring himself up to date. I think the words on which this matter hinge are "true and fair account". I am interested to know who decides whether the accounts of a company are true and fair accounts and, if they are not, who takes the decision: the directors, the auditors or the Registrar? Of course, the directors are obliged to add such explanation and information as will give a true and fair view in these matters. I do not intend to read through the list of requirements regarding directors of companies, enumerated in paragraphs (*g*) to (*o*) of new section 162a (1). The report is a full one. It applies to directors of holding companies, the requirements in relation to whom are again listed in new section 162a (2).

Directors must fulfil numerous requirements, all of which are enumerated. I have no quarrel with the principle of the fullest possible disclosure of a company's affairs. However, this provision places a great responsibility and onus on directors, as has already been pointed out. If a director fails to take all reasonable steps, the penalty which I understand will be set as a result of certain amendments to be moved in Committee is probably a reasonable one. However, what are "reasonable steps"? It is very easy for people like the members for Playford and Mitcham, and the Attorney-General, to debate this matter. I suppose this may well turn out to be their bread and butter. Of course, it is a defence that a competent and reliable person was charged with seeing that the provisions were complied with and that the offence was not intentional.

One effect could well be an increased need for well qualified, highly experienced company secretaries; that is probably very necessary. If such officers were not available, the directors would be required to become very deeply involved in the day-to-day operations of the firm. I agree with the statement of the member for Heysen that a man who is determined to ensure that his company is running as required by this Bill may have to duplicate the duties of a full-time officer of the company. It all hangs on the definition of "reasonable steps".

Is it sufficient to employ an experienced accountant and accept his word that everything that ought to have been done has been done? Or, should the directors themselves investigate the accounts more thoroughly, almost conducting a preliminary audit? Does the provision dealing with debts and debtors relate to the directors themselves, or does it relate to a competent person charged with the appropriate duty? Perhaps company boards may evolve a series of questions as set out in the Bill. Perhaps a modified form of the ninth schedule will be adopted. Perhaps the answers to the questions will have to be minuted for the protection of board members. Perhaps that may not be a bad thing, but I hope these detailed requirements will not hinder the efficient working of company boards, to the detriment of company affairs and the hampering of management. I am told that the provisions relating to take-overs are necessary and well drafted.

Generally speaking, this Bill is necessary and is also introduced in the interests of uniformity. Its prime function is to protect the public, but I hope the necessary detail that has been so carefully written into the many clauses will not hamper the administration of companies to such an extent that it will outweigh the advantages that are hoped for. It will depend on the Registrar of Companies and his senior officers and on the way they administer the Bill. Fortunately, I believe it will be in good hands.

Mr. SIMMONS (Peake): Thirty-four years ago I had the misfortune to study company law and I found it one of the most sterile activities I ever engaged in. Having passed the final examination in that subject, I was happy not to make any great attempt to retain the knowledge that I had acquired. Subsequently Mr. Jessup, the then Registrar-General of Deeds, said that the licensed landbrokers course dealing with the Real Property Act was an intellectual treat and, in relation to the Companies Act, he was correct.

As many members have said, this is a long and complex Bill, one not really designed for the layman, and I am a layman. It will contribute to uniformity between the States. In the present state of our economic system, this is highly desirable, as few enterprises do not in some way cross State barriers. I am very happy to accept the contribution of the experts, and I believe that the Bill is a step

forward. This country would be better served by a Socialist economic system; I make no apology for saying that. There are weaknesses inherent in Capitalism that I think do grave harm to our society. However, I recognize that for some years at least it will be necessary for this country to suffer a predominantly Capitalist economy. In the circumstances, if we must rely on such a system which, in many cases but not all, is based on exploitation, I believe it is essential that we should give as much protection as possible both to investors and to creditors who have dealings with firms.

The Bill in some way adds to the protection which is necessary to protect society from Capitalism. If our economic and commercial development is to be left largely in the hands of private enterprise, I believe that it is essential that investors should be given as much protection as possible before they put their money into enterprises. Although this point has been referred to often by members opposite, with the exception of the member for Heysen I believe that inadequate attention has been given to the position of creditors. Those people who operate honestly and are forced to deal with other firms within the system are entitled to more protection than they have received in the past. In the last week or so my attention has been drawn to a case in which a proprietary company, in at least suspicious circumstances, has run up a deficiency of over $50,000. In doing so, it has threatened ruin or at least severe financial loss to a number of honest trading enterprises. This legislation may help to reduce the frequency of these unfortunate occurrences.

I support the statement of the member for Heysen that the amount of equity in a company should bear some relationship to the amount of borrowed capital. I believe that creditors would be protected to a much greater extent if investors had to put up an appreciable part of the money involved in the enterprise. In reviewing the applications made to it for assistance by firms, the Industries Development Committee pays much attention to the amount of capital in proportion to the shareholders' stake in the firm in deciding whether or not it is willing to recommend that the State should give a guarantee for the repayment of loan capital borrowed by the enterprise. I believe that this is a good principle that should be considered.

Clauses 44 and 45 effect important changes to the Act in its application to defaulting officers of companies. Existing sections 300 to 305, which are repealed by clause 36, contain provisions enabling proceedings to be taken against officers who have committed fraud, misfeasance and other offences, but they apply only in respect of companies that are being wound up. I believe this involves a weakness, because it has not been possible to take action against companies which are not in liquidation or whose assets are so run down that it is not worth taking action because there is nothing to recover.

Clauses 44 and 45 extend the principle to which I have just referred to officers of companies which are in financial difficulties but which have not yet reached the stage of being wound up. I believe that is a desirable extension of the principle. New section 374h is a worthwhile addition to the legislation. It empowers the Registrar to apply to the court for an order prohibiting a person who, during the past seven years, has been concerned in the management of two or more companies that have fallen into financial difficulties from acting as director or taking part in the management of a company if the court is satisfied that the failure of the company was due in whole or in part to the manner in which it was managed. The Attorney-General in his second reading explanation said:

> The provision is designed to answer constant criticism of the existing law which enables a person who has been a director of a company which has failed to form another company and to continue to incur further debts.

In the case I referred to earlier, one of the transactions involved a gentleman who had failed on three occasions and is now operating through a company of which not he but his wife is a director. I believe that such fronts are undesirable and should be prevented, possibly by allowing the spouses of such persons, with a consistent record of failure to the detriment of other people, to hold office only by permission of the Supreme Court. I do not wish to go into any of the other clauses. It is a long Bill and I am not qualified to speak on any of the clauses in detail. The points I have mentioned do represent a step forward in our company legislation. Therefore, I support the Bill.

The Hon. L. J. KING (Attorney-General): All members who have spoken in this debate have supported the Bill. Consequently, it will not be necessary for me to keep the House for very long in replying to this second reading debate. Most of the points made by speakers relate to certain provisions of the Bill and doubtless will be raised again in Committee, when they can be dealt with in relation

to the separate clauses. So I intend to confine myself in these remarks to one or two points of a more general nature that have been made by members in the course of the debate. The member for Mitcham raised the question whether this amending Bill was a worthwhile exercise, having regard, first, to the announced intention on the part of the Attorney-General for New South Wales to refer to his Law Reform Commission the matter of the fundamental principles of company law; and, secondly, to the decision of the High Court of Australia in the Rocla Concrete Pipes case, which the honourable member sees, perhaps, as presaging a Commonwealth Companies Act. I think that both these matters lie very much in the future and are contingent in character.

I do not know what may come out of the examination by the Law Reform Commission of New South Wales. I have no doubt at all that, for the reason mentioned by the member for Torrens (namely, changing commercial conditions) the principles underlying company law will be progressively re-examined and revised from time to time. For that reason, I welcome the exercise in which the Law Reform Commission of New South Wales is engaging, but whether it will produce any fundamental changes in company law acceptable to all States I do not know; nor have I any idea at all whether the Commonwealth Parliament will attempt to exercise the constitutional authority that the judgment in the Rocla Concrete Pipes case suggests it has, to attempt to enact a uniform Companies Act.

I think the only course that this Parliament can take in these circumstances is to proceed with the revision and reform of company law to meet the problems that have arisen over the years and have been exhaustively examined and recommended by the Company Law Advisory Committee, presided over by Sir Richard Eggleston. One general consideration that was urged by more than one member related to the requirement that all exempt proprietary companies that are limited companies shall now be subject to audit. Various criticisms were made of this provision on the ground of cost and in two instances, I think, on the ground that it may be beyond the capacity of the accounting or auditing profession to cope with the work. Certainly, I think there is some cost involved. The degree of cost varies, of course, according to the complexity of the company's operation, and the smaller the company the lower the cost of audit is likely to be.

I do not think the accountancy bodies have raised any serious doubts about their capacity to cope with the work. I feel that, not only will they cope with it but, like most professions, they will welcome the additional professional work involved, as giving additional strength to their professions, and I do not think that is a problem.

It is important that all limited liability companies be subject to annual audit. This was the case before 1962. In that year the uniform Companies Act exempted certain proprietary companies. I suppose that the principle upon which that was done was that the membership of an exempt proprietary company was small and that the members, presumably, were better acquainted with the directors and the affairs of the company than in the case of a larger company, and for that reason it was thought that compulsory audit was unnecessary. However, we must not overlook that not only do the members of a company, the shareholders, require protection: the creditors and others with whom the company may deal have a legitimate interest in whether the accounts of the company reflect accurately its financial position and capacity to meet its obligations.

The Hon. D. N. Brookman: Do you realize that the duties of an auditor before 1962 were much lighter?

The Hon. L. J. KING: Indeed, and experience since 1962 has shown, with great force, as Mr. Justice Eggleston and his committee found, that it is essential that a modern audit to meet modern commercial conditions requires to be much more detailed and to cover in much greater depth the matters that are relevant to assessing the financial position of a company.

The point I make is that not only have the members an interest in being satisfied that the accounts of a company truly reflect its financial position, but the creditors and others who deal with the company have a legitimate interest in knowing the financial strength of the company and its ability to meet its obligations. For that reason, it seems that those who are willing to accept the protection of limited liability must also accept the obligations of limited liability.

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

The Hon. L. J. KING: The connection is that, if individuals engage in trade on the basis of unlimited liability, they are in the same position as individuals engaging in trade

as a partnership so far as creditors are concerned. They must risk their own personal assets, which are available to the creditors.

Consequently, the creditor dealing with that company can look to the personal assets of the individuals to satisfy the company's obligations, but once limited liability is accepted, the creditors are confined to the assets of the company, and that means that the creditors are, to a greater degree, concerned with whether the published financial accounts of the company, the accounts on which they rely, truly reflect the company's financial position. The right of the public to know that the financial records of the company truly reflect its position is much greater where the company and its members have the advantage of limited liability.

For that reason, I am unable to accept the view that, simply because a company may be a family company or a small company, it should be free from the obligation to have an annual audit. The membership of that company, whether or not it is a family company, is accepting the benefits of limited liability, and that means that those who deal with the members of the company cannot look to their personal assets: they are limited to the assets of the company. I suggest it is an important step for the protection of the public, for the protection of creditors, and for the protection of all who deal with a company of that kind that there should be at least a compulsory annual audit to provide some sort of assurance that the company's financial accounts reflect accurately its ability to meet its obligations.

The Hon. D. N. Brookman: You'll be departing from uniformity with Victoria.

The Hon. L. J. KING: Let us say that Victoria will be departing from uniformity with us, because our Bill is following the recommendations of the Company Law Advisory Committee which were the basis of the agreement for uniform legislation. I cannot see that we are under any obligation to observe uniformity by chasing other States that may choose to depart from the recommendations on which this uniform Bill has been based. I accept what the member for Mitcham says, namely, that there may be a case (in individual instances, at any rate) for departing from uniformity, even from the Company Law Advisory Committee's recommendations. I agree that this is a sovereign Parliament and that we have the right, if we judge that the recommendations are wrong and that the advantages of uniformity are outweighed by the disadvantages of a certain provision, to depart from uniformity; but we certainly do not believe that we should do what we judge to be incorrect by chasing other States that have chosen to depart from the recommendations of the Company Law Advisory Committee.

Mr. Goldsworthy: Maybe you could see some merit in what Victoria did.

The Hon. L. J. KING: If I were persuaded that what Victoria did was correct, obviously I would be suggesting that we should follow that State. However, I have spent the last 10 or 15 minutes trying to demonstrate that the provisions of this Bill are correct and, consequently, that the departure of the Victorian Parliament is wrong.

Mr. Nankivell: What security does the audit give creditors?

The Hon. L. J. KING: None, but it provides some assurance that the accounts on which they may well rely in extending credit represent the true financial position of the company.

Mr. Nankivell: Where is it revealed?

The Hon. L. J. KING: A creditor may, if he wishes, before extending credit to the company, insist on seeing its accounts, and many do this. It is not much help seeing the accounts if one does not know whether the accounts accurately represent the position of the company.

Mr. Goldsworthy: The directors have to sign their names to a statement that the accounts are correct.

The Hon. L. J. KING: All one has to do under the Victorian Bill is that, in lieu of an audit, one has to file accounts in the Registrar's office over the signature of, I think, two of the directors.

Mr. Nankivell: Is that sufficient security?

The Hon. L. I. KING: It is absolutely no security at all; it is no more assurance to the creditors than it would be an assurance to my creditors if I put my signature under my own statement about my own financial affairs. The whole object of having an audit is that a professional auditor, subject to professional obligations and having no financial or other connection with the company, independently audits the accounts and thereby is able to assure the public and creditors that the accounts accurately represent the position of the company.

The other general matter that was referred to in the debate was the reference by the member for Mallee to syndication. This is a

serious modern development (I suppose one could describe it as such) that is somewhat troublesome. Considerable attention has been devoted in recent months to how this matter ought to be tackled. The provisions of the Bill tackle it in part, providing as they do that a prescribed partnership is required to comply with the provisions of the Act relating to interests other than shareholdings and, therefore, the same sort of provisions that apply to approved deeds, which apply to unit trusts and other fund-raising projects, will also apply to the real estate syndicates and other types of syndicate that are now a part of our commercial experience.

This will go some distance towards dealing with the problem, although it does not go the whole way. The problem is rather more complex than can be dealt with in just that way. At its last meeting in Hobart last week, the Standing Committee of Attorneys-General discussed the institution on a Commonwealth basis of an inquiry into the operation of syndication as well as of unit trusts and mutual funds, with a view to devising legislation that could be enacted on a uniform basis to deal with those matters. Further discussions are now taking place as to the possibility of instituting such an inquiry. There is general agreement amongst Ministers and their officers that the problems associated with syndication are complex and that much more needs to be known about the operation of schemes, the impact which they have on the community and the problems which they create. At present, the only step open to us is the one we intend to take in this Bill. I hope that in a few months our knowledge of the matter will be increased and that it may be practicable to devise more satisfactory legislation that will provide the public with a greater degree of protection in relation to syndication.

Mr. Nankivell: If a person who is a partner of a syndicate wishes to sell his share, what happens if the managing company is unable to repurchase that investor's interest?

The Hon. L. J. KING: I agree that this aspect of the matter requires investigation. It is not possible to handle this matter in an Act that deals simply with the sort of protection provided in companies legislation. It may be that the problems regarding syndication go sufficiently deep to justify special legislation that will attempt to tackle the sort of problem to which the honourable member referred. The member for Mitcham raised the matter of what sort of agreement will be prescribed. It is not possible to answer that question completely. Certainly, the sort of agreement that I have in mind, which would be prescribed and which would, therefore, be subject to the provisions of the Act, would be the sort of real estate and other syndicates that involve investment by the public, because obviously that is the purpose of the provisions. The honourable member referred to a syndicate which, he said, had been launched but in relation to which money was presumably still to be raised from the public. I can see no reason why a syndicate of that kind should be exempted from the provisions of the Act. If money still has to be raised from the public, it is important that we get this protective legislation into operation as soon as possible. Anyone seeking to raise money from the public after that date, whether in connection With a new syndicate or a syndicate already launched, should be required to comply with the protective provisions of the legislation. If it is a proper undertaking launched on a proper basis, there is no reason why a proper deed should not be drawn up to embrace the future activities of the syndicate. I cannot see why a syndicate of that sort should be exempted from the provisions of the Bill.

Some comments were made that the burdens placed by this Bill upon company directors, in conjunction with the obligations placed upon them under the existing Companies Act, were too onerous. It is difficult, of course, to comment on general statements of this type. In general, my view is that, when a director undertakes responsibility for the control and direction of a company, he undertakes a serious obligation, and he must expect that the law will exact from him a standard of diligence and character commensurate with the seriousness of his obligation. Many people may lose large sums of money if a director fails in his obligation. It is not a new thing for people undertaking responsibility to have to comply with exacting obligations. Every member of a profession is in that position, as are members of other occupations. The standard of company directors is improved by this sort of legislation, because it inculcates a greater sense of responsibility in members of the company and the public, and it can do nothing but good. I do not believe there is the slightest sign that the companies legislation we have had has discouraged competent men of integrity from undertaking membership of company boards. If it discourages those who are not willing to measure up to the responsibilities of a director, so much the better.

The member for Alexandra specifically referred to the obligations of a director in relation to the directors' report. He suggested that some of those obligations were too burdensome. However, I draw members' attention to the relevant provisions, which simply require the directors to supply the information that any member of the public would need if he was to assess correctly the company's accounts. The provisions were subjected to very careful consideration by the Eggleston committee, which made the recommendations upon which they are based. That experienced committee received submissions from all the professional bodies concerned. I can only say that what has emerged from its deliberations, as set out in new section 162a, is sensible, reasonable and no more than is necessary to enable an investor, a creditor or anyone else having reason to consider the financial position of a company to assess the real significance of the published accounts. As I think that I have covered the general matters raised by honourable members, I will reserve comments on the specific matters until we reach the Committee stage.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Progress reported; Committee to sit again.

ROAD TRAFFIC ACT AMENDMENT BILL (SEAT BELTS)

The Legislative Council intimated that it did not insist on its amendments Nos. 1 to 8, but had made in lieu of its amendments Nos. 3 to 5 and 7 to 8 the following alternative amendments:

Alternative amendment to amendments Nos. 3 to 5:

Page 2 (clause 3)—After line 9 insert new subsection (la) as follows:

(1a) A person shall not be convicted of an offence under subsection (1) of this section if the court before which he is charged with the offence is satisfied that, in all the circumstances of the case, the person had a reasonable excuse for not complying with the provisions of that subsection.

Alternative amendments to amendments Nos. 7 and 8:

Page 2, line 13 (clause 3)—Leave out "is carrying" and insert "holds and produces for the inspection of a member of the Police Force within forty-eight hours after the alleged commission of the offence".

Page 2, line 19 (clause 3)—Leave out "is carrying" and insert "holds and produces for the inspection of a member of the Police Force within forty-eight hours after the alleged commission of the offence".

Consideration in Committee.

Alternative amendment to amendments Nos. 3 to 5:

Mr. MILLHOUSE: I move:

That the Legislative Council's alternative amendment to amendments Nos 3 to 5 be disagreed to.

Honourable members will have seen the amendment, which is to insert, as it were, a defence to a charge. It is all very well for Parliament to enact such a provision as new subsection (la), but it does not give any guide whatever to a court as to how it should act. All it says is that the court must regard all the circumstances of the case and then come to a conclusion whether there is a reasonable excuse. With some hesitation, I must admit, I am not prepared to recommend to the Committee that it accept this amendment. I am delighted that the Legislative Council is not persisting with its other amendments and it has made this as an alternative amendment. However, it is still undesirable because it leaves the position so unsatisfactory. Indeed, one could say *quot homines, tot sententiae.* I think that sums up the position.

The Hon. Hugh Hudson: Can you translate, it for us?

Mr. MILLHOUSE: I think we all know what it means; it is a wellknown Latin tag. "So many men, so many opinions" is a good enough translation of that. If we were to do anything like this, we should consider section 75 (2) of the Justices Act, which states in part:

If the court thinks that the charge is proved—

and this is of general application: it could apply to a charge under this Bill as much as to anything else—

but that the offence was in the particular case of so trifling a nature that it is inexpedient to inflict any punishment, or to inflict any other than a normal punishment, the court may (*a*) without proceeding to conviction dismiss the complaint. . . .

There is a difference between the two. This provision in the Justices Act acknowledges that an offence has been committed, but says it is trifling. The amendment that the Legislative Council is suggesting would provide what is termed a reasonable excuse for committing an offence. There is a vital difference there. If we reject this amendment, we must remember that the section in the Justices Act to which I have just referred applies in any case and achieves substantially the same result but in a more desirable and in a well established way. For these reasons, I ask the Committee to disagree to this amendment.

The Hon. D. N. BROOKMAN: I oppose the motion for disagreement. I am surprised that at this stage, after the other place has substituted for so many amendments this simple, mild amendment (which is, after all, not very different from what is already in the Justices Act), the whole future of this Bill should be jeopardized for what I think must be purely capricious reasons. I cannot understand how it can be possible to contemplate this provision, which has been in the Justices Act for so long, and yet run the risk of having this Bill thrown out altogether. I have no doubt that in a minute the Minister will get up and support the member for Mitcham. He wants nothing more than that this Bill be thrown out.

The Hon. L. J. King: The Minister has not said anything; the member for Mitcham moved disagreement.

The CHAIRMAN: Order! The member for Mitcham has moved disagreement to a certain amendment. The member for Alexandra must confine his remarks to the motion.

Mr. Payne: He is anticipating defeat.

The CHAIRMAN: Order! Anticipation is out of order. The member for Alexandra.

The Hon. D. N. BROOKMAN: We have had a fairly full debate on this measure in this Chamber and there has been a full debate on it in another place. Both places have concluded that the legislation is desirable in principle, and the significant difference now is whether the amendment should go into the Bill, providing that the court may excuse people, even though the charge is proved. The second amendment is not worthy of comment, because it can be accepted without question.

The CHAIRMAN: Order! We are dealing with the first amendment, not the other amendment, at this stage.

The Hon. D. N. BROOKMAN: The principle in the amendment is not new: it is already in the Justices Act. We ought to accept the amendment and let this legislation go through, but the vote will throw it out so that we will have a conference. Then we will probably lose the Bill simply to please the ego of the various members of this Chamber.

Mr. GOLDSWORTHY: I oppose the motion. The amendment seems fairly mild, and the Deputy Leader seems to have taken a fine point.

The Hon. G. T. Virgo: But a valuable one.

Mr. GOLDSWORTHY: I do not concede that. The Justices Act provides that a charge may be dismissed if the case is considered trifling. It seems that the words in the amendment provide a better way out. It is highly undesirable to convict a person for not wearing a seat belt if the court is convinced that that person has a reasonable excuse.

Mr. Millhouse: What is a reasonable excuse?

Mr. GOLDSWORTHY: We have not a high opinion of those who will hear these cases if we do not credit them with having the common sense to decide what is a reasonable excuse. The other place has bent over backwards trying to accommodate the spirit of the Bill, and I agree with its belief that a person who has a reasonable excuse should not be convicted. I shall be surprised if the Minister opposes the amendment, because it improves the Bill.

The Hon. G. T. VIRGO (Minister of Roads and Transport): I rise mainly so that I will not disappoint the member for Alexandra. Had not the honourable member baited me, I was merely going to get up and support the motion. I am not sure which is the better of the two descriptions of the amendment: whether it is a simple amendment or whether it is a mild amendment—

Dr. Tonkin: Or reasonable.

The Hon. G. T. VIRGO: —or a reasonable amendment. The member for Kavel says that we are not placing much confidence in magistrates if we do not think that they can decide what is a reasonable excuse but if we adopted this sort of attitude I wonder why we really go into much detail in legislation. The purpose of the legislation is to indicate to those people responsible for administering the law the course that Parliament desires them to adopt. Surely no-one would suggest that two magistrates, let alone 20, would interpret the term "reasonable excuse" the same way. What is a reasonable excuse? If a person is driving along at 30 miles an hour and there is no car coming either way for a distance of two miles, is that a reasonable excuse not to be wearing a seat belt?

Mr. McAnaney: No.

The Hon. G. T. VIRGO: I guarantee that one of the honourable member's colleagues would say "Yes" and that would prove that everyone would interpret it differently. It has been suggested that the other place has bent over backward to agree to the Bill. I am delighted that the Legislative Council has bent to the pressures of public opinion and has decided not to proceed with its other amendments. Whilst I appreciate its not proceeding with amendments Nos. 3 to 5, which certainly would have wrecked the Bill,

the other place has now regrettably taken another step which would have virtually the same effect as those amendments would have and which would still wreck this Bill.

The Hon. D. N. Brookman: Why?

The Hon. G. T. VIRGO: Because the amendment provides that a person shall not (not "may not") be convicted if the court is satisfied that in all the circumstances of the case he had a reasonable excuse. Presumably, the honourable member is saying (and he is probably right) that the farmer for whom he was crying last week could go out of his gate, drive across or along the road for a small distance with no other traffic around, and say that that was a reasonable excuse. But is it a reasonable excuse?

Mr. Gunn: Certainly it is.

The Hon. G. T. VIRGO: Only a few minutes ago we heard the member for Heysen, and now we are getting a different story from the member for Eyre. One might ask what hope magistrates have, if the members of Parliament, who know the background of the legislation, have different opinions. Finally, I resent bitterly the statement of the member for Alexandra that I want to get this Bill thrown out. That is one of the most vicious things that I have ever heard the honourable member say. No-one has fought harder for the Bill or urged the Legislative Council and this Chamber to pass it than I have. The facts and figures that I have so consistently advanced showing the value of the legislation illustrates this. I believe in saving human lives, and the honourable member's suggestion that I want the legislation thrown out is one of the most despicable statements I have ever heard.

Mr. EVANS: I do not support the motion. The Minister's last statement proved that the truth was perhaps spoken, because his usual form of defence is attack. All members know that magistrates never make uniform decisions regarding persons who are brought before them.

The Hon. G. T. Virgo: That's a nice reflection on the magistracy!

Mr. EVANS: It is not a reflection on the magistracy. Four or five people can be convicted of, say, travelling at the same excessive speed in similar traffic, yet all are fined different amounts. It can be seen, therefore, that magistrates do not always make exactly the same decision. The Minister said that I was reflecting on magistrates by saying that different decisions would be made. While one magistrate may say that a person is not guilty of an offence, another magistrate may say that a person in similar circumstances is guilty and that he does not have a reasonable excuse; that person is then convicted. That is the risk we take under our system, and there is no way of altering it. The amendment provides that a person shall not be convicted if the court is satisfied that, in all circumstances, the person had a reasonable excuse for not complying with the provision. I stress the words "in all the circumstances". In that case "shall" means practically the same as "may". I oppose the motion.

The Hon. D. N. BROOKMAN: There is one simple test that will show whether the Minister means what he says: is he willing to see the Bill laid aside if he does not succeed in removing the amendment from the Bill?

The Hon. G. T. Virgo: It is the Legislative Council, not the Government, and you know it.

The Hon. D. N. BROOKMAN: Because of the procedures of the Committee, the Minister will not be forced to answer the question I have posed but, if he wants to prove his sincerity, he should answer it. Would he set the Bill aside or accept this amendment?

The Hon. G. T. Virgo: They are not the choices I have got; it is not even my Bill.

Mr. GOLDSWORTHY: During most of their working hours magistrates must make judgments of the type required in this amendment. The mover referred to the Justices Act.

The Hon. G. T. Virgo: That is out of order.

Mr. GOLDSWORTHY: The mover made the point, so I take it that it is not out of order for me to reply to it.

The CHAIRMAN: The reference to the Justices Act as an Act is out of order. The member for Mitcham referred to a section of that Act and related it to an amendment under consideration. All other members must do likewise.

Mr. GOLDSWORTHY: In section 75 of the Justices Act the word "trifling" is used; a charge can be dismissed if the matter is deemed trifling. That requires the judgment of the magistrate, and it is a judgment of the same type as that required by this amendment. If a person has a reasonable excuse for not wearing a seat belt, he should not be convicted. There is no substance in the point that too much onus is being placed on magistrates: this is the sort of judgment that they have to make daily.

The Committee divided on the motion:

Ayes (29)—Messrs. Becker, Broomhill, and Brown, Mrs. Byrne, Messrs. Corcoran, Coumbe, Crimes, Curren, Groth, Hall, Harrison, Hopgood, Hudson, Jennings, Keneally, King, Langley, Mathwin, McKee, McRae, Millhouse (teller), Payne, Simmons, and Slater, Mrs. Steele, Messrs. Tonkin, Virgo, Wells, and Wright.

Noes (12)—Messrs. Allen, Brookman (teller), Carnie, Eastick, Evans, Ferguson, Goldsworthy, Gunn, McAnaney, Nankivell, Rodda, and Venning.

Majority of 17 for the Ayes.

Motion thus carried.

Alternative amendments to amendments Nos. 7 *and* 8:

Mr. MILLHOUSE: I move:

That the Legislative Council's alternative amendments to amendments Nos. 7 and 8 be agreed to.

I am sure all honourable members will be glad to hear that. The amendment is reproduced twice: it is the same amendment in two places. It refers to the production of a certificate of exemption and provides that instead of having to carry it with him the person concerned may produce it to a police station or to a member of the Police Force within 48 hours. Substantially, but not exactly, it is the same as the obligation to produce a driver's licence, and I think it is an amendment that we can well accept.

Motion carried.

A message was sent to the Legislative Council requesting a conference, at which the Assembly would be represented by Messrs. McRae, Millhouse, and Payne, Mrs. Steele and Mr. Virgo.

ADJOURNMENT

At 10.43 p.m. the House adjourned until Wednesday, November 3, at 2 p.m.