

## HOUSE OF ASSEMBLY

Friday, October 4, 1974

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

## MINISTERIAL STATEMENT: BUILDING SOCIETIES

The Hon. D. A. DUNSTAN (Premier and Treasurer) moved:

That Standing Orders and practice be so far suspended as to enable him to make a Ministerial statement and the Leader of the Opposition to make a statement thereon forthwith.

Dr. EASTICK (Leader of the Opposition): I support the motion.

The SPEAKER: I have counted the House and, there being present an absolute majority of the whole number of honourable members, I accept the motion for suspension. Is the motion seconded?

Dr. EASTICK: Yes, Sir.

Mr. MILLHOUSE (Mitcham): This is a motion of which I have had no—

The SPEAKER: Order! In accordance with Standing Orders, the honourable Premier has moved for the suspension of Standing Orders, his motion having been seconded by the honourable Leader of the Opposition. Standing Orders provide that only two members shall speak to any motion for suspension. I have accepted the honourable Premier, as mover of the motion, as the first speaker, and the honourable Leader of the Opposition as the second speaker. Therefore, Standing Orders having been complied with, I put the question—

Mr. MILLHOUSE: On a point of order, Mr. Speaker. In fact, the Premier moved the motion and did not speak to it; he said not one word beyond moving the motion. That being so, I suggest that the Leader, who briefly supported the motion, must be counted as one of the speakers, but there still has not been another speaker and, under Standing Orders, another member is permitted to speak. That is my point of order.

The Hon. D. A. Dunstan: You've got to be joking.

Mr. MILLHOUSE: I'm saying—

The SPEAKER: Order! I accepted the motion for suspension on the basis that one speaker was the mover (in this case the honourable Premier). I accepted the second speaker as being the honourable Leader, who seconded the motion. As Standing Orders provide for only two speakers and as I have ruled that there have been two speakers, I will now put the question "That the suspension of Standing Orders be agreed to". There being no dissentient voice, the motion for suspension is agreed to.

Motion thus carried.

The Hon. D. A. DUNSTAN: I regret that it was necessary to call members together this afternoon, but I am happy to inform them that I do not intend to put any measure before them this afternoon, as it is no longer necessary to do so. It is apparent that already the statements of the Government and the Opposition have made the necessary assurances to the public as to the facts in relation to building societies' finance in this State, and that no longer this afternoon is there the call on building societies' finance in the withdrawal of depositors' accounts that had been occurring earlier. I am very heartened that that is so. It is apparent that the same situation has already occurred in other States, where, in the past two days, there has also been

some significant withdrawal of depositors' accounts with building societies. The Government had intended, if necessary, to cover the societies until full banking arrangements could be made to provide State finance for them to ensure that the assurances I gave publicly yesterday would be honoured. A Bill has been prepared, and I table it as an earnest of what the Government was willing to do in the matter and of its belief in the soundness of the societies.

I spoke again this morning with the Acting Commonwealth Treasurer, who drew my attention to the statement he made on Wednesday evening in which he said that prompt action would be taken as necessary to ensure that adequate liquidity was appropriately available through the banking system to meet the essential needs of sound institutions. He reiterated this morning that the depositors of any permanent building society which met the criteria of being responsibly managed and of having adequate asset backing might be assured that arrangements made within the banking system would ensure that, if they wished to withdraw funds, they would be paid. I spent this morning checking with the banking system in South Australia, and I am entirely satisfied that there will be no difficulty about depositors withdrawing their moneys from the building societies, which I have previously mentioned, if they wish to do so, and there is no difficulty in consequence facing depositors or the societies. Since there is adequate bank backing, which has been finally determined this morning, there is no necessity for the State to proceed with emergency measures to finance the societies until that backing can be arranged.

It is apparent that the Hindmarsh Building Society has received the full support of its bankers during the past few days, and I assure all depositors and the public generally that that support will continue. There is therefore no need to proceed with the Bill, and I am pleased that at last, publicly, good sense is prevailing and that not only have depositors ceased from the previous draw on funds of the societies but that a great many depositors are, in fact, putting money into the societies. I think that that is a happy resolution of some extraordinary difficulties of the past couple of days, and I appreciate that members have been able to make themselves available just in case anything further needed to be done. I am sorry to have found it necessary to call them together, but I am pleased that it is unnecessary to proceed further.

Dr. EASTICK (Leader of the Opposition): I welcome the fact that the House is not being called on to consider legislation that might, in different circumstances, have been necessary. I point out that my colleagues were willing to take whatever action was necessary to support a reasonable Bill, the nature of which, I believe, is contained in the document the Premier has tabled, in the best interests of the investing public in the State, more particularly those associated with building societies. The run on the Hindmarsh Building Society is an unfortunate episode in the history of that organisation: it is unfortunate that it was placed (and, indeed, other building societies were also placed) in the embarrassing situation that was caused yesterday by incorrect information existing in the minds of the public about that society, and possibly other societies, being associated with companies that had failed. This highlights the need for factual information, and the need for information that will be reported on to be thoroughly checked before any detail is given which detail, if misused, can lead to such a situation as we have seen. Not many weeks ago, we had in this House the spectacle of members opposite making cries of derision at the statements made

by members of the community in this State and elsewhere in Australia about the threat that one Jack Munday had made to the economy and to the system of proper—

The Hon. D. A. Dunstan: What's this got to do—

The SPEAKER: Order! I call attention to the fact that the House has suspended Standing Orders for a specified purpose, and I think that, in all fairness to the House, remarks should be confined to that purpose. If I can advise the House from the Chair, I think that politics would be better left out of the statement.

Dr. EASTICK: I take heed of your comment, Mr. Speaker. I make the point, politics apart, that we do not have to have physical confrontation to cause massive problems for the economy and the Australian public. The creation of rumours such as we have had in the past few days, whether attributed to the person whose name I have used or not, is sufficient to cause a situation that can bring a whole community (indeed, the whole of Australia) to its knees.

*Members interjecting:*

The SPEAKER: Order! The honourable Leader of the Opposition.

Dr. EASTICK: I have already pointed out that I am thankful that the affairs of this House can be concluded in such short time this afternoon, which, in effect, means that the economy of this State in relation to the run that was made against certain financial organisations in this State is in a situation that is very satisfactory to all members of this House. I say that with sincerity. I hope that in future, whether by rumour or whatever other source of action problems such as those that we have experienced in the past few days occur, we are not called on to have to consider such measures again.

#### ADJOURNMENT

At 2.13 p.m. the House adjourned until Tuesday, October 8, at 2 p.m.