LEGISLATIVE COUNCIL

Wednesday, February 27, 1974

The PRESIDENT (Hon. Sir Lyell McEwin) took the Chair at 2.15 p.m. and read prayers.

QUESTIONS

OVERSEA TOURS

The Hon. R. C. DeGARIS: I seek leave to make an explanation prior to asking a question of the Chief Secretary.

Leave granted.

The Hon. R. C. DeGARIS: Some time ago the Government announced as a policy matter its intention to sponsor oversea study tours to be undertaken by members of Parliament who, on return, would report to Parliament on their studies. Every honourable member would support the Government in this matter. I think we all realize that it is important that members of Parliament at the State level have the opportunity to study matters overseas that would be of interest to the State's future development. Can the Chief Secretary say whether it is the Government's intention to make these oversea study tours available to members of the Legislative Council?

The Hon. A. F. KNEEBONE: I understood that the tours applied to all members of Parliament and that applications were made on that basis; indeed, I would be surprised if this were not so. However, as it is a policy matter I will discuss it with my colleagues. It is my impression that the tours are made available to all members of the South Australian Parliament, but I will check and let Lhe Leader know.

FLOODING

The Hon. A M. WHYTE: I seek leave to make an explanation prior to asking a question of the Minister of Lands.

Leave granted.

The Hon. A. M. WHYTE: Yesterday afternoon I received a report from the floodbound areas adjoining the Cooper and Diamentina Rivers where a local grazier has been making surveys over the flooded areas in a light aircraft but, because no aviation fuel is available in the area, he can go only as far as his fuel supply will permit, allowing for his return. Two herds of cattle were reported by him to be stranded by floodwaters, one of about 30 head and the other of about 70 head, with a large expanse of water between them and any other land. The value of the cattle could be estimated at about $20 000. Cattle lost will be difficult to replace because of the huge losses in Queensland and other parts of the country. I realize that it is difficult to feed these stock that are stranded. Can the Minister say whether a small aircraft, probably not as large as the one he and his party travelled in the other day, but specially fitted with fuel tanks (which I believe some of the airlines own) that would give greater endurance could be used? This would enable a follow-up survey to the one conducted by the Minister and his party the other day, and it could be used to assess the number of stranded cattle and whether the Government needs to provide finance to get fodder to the stock.

The Hon. A. F. KNEEBONE: I will look at the honourable member's suggestion. During the two-day survey that I undertook in the North we were in the air for nearly 16 hours, 12 of which were spent over the flooded areas. We flew at a fairly low altitude over most of the areas and we were able to spot only one group of cattle that was isolated; there were about 50 or 60 cattle in the group. However, I do not mean to imply that what the honourable member has said is incorrect. This is the first time for many years that the areas have been flooded like they are now and, according to my officers who have spent much time there, even though at present some cattle may be stranded they will be able to walk out or swim out very soon. Be that as it may, I shall look at the honourable member's suggestion and bring back a reply as soon as possible.

BREAD PRICE

The Hon. C. M. HILL: I seek leave to make a short statement before asking a question of the Chief Secretary, representing the Premier.

Leave granted.

The Hon. C. M. HILL: On January 18 of this year an announcement was made of an increase of 2c in the price of a loaf of bread. At the same time the Premier stated that he and his Government intended to investigate the whole question of the cost of bread production and to hold a general inquiry into the retail price of bread and other matters, such as distribution, which would affect the industry. I have not been able to ascertain whether that inquiry's findings have been completed or whether any public announcement has been made about it. However, about 10 days ago I heard a further report that an application had been made for an increase of another 2c in the price of a loaf of bread Can the Chief Secretary say whether the inquiry that the Premier announced has been held and, if it has, can its report be made available to the Council?

The Hon. A F. KNEEBONE: I cannot give the honourable member the latest information on the matter he has raised, but I will take his question to the Premier and bring down a reply as soon as it is available.

FRUIT FLY

The Hon. C. W. CREEDON: I seek leave to make a short statement before asking a question of the Minister of Agriculture.

Leave granted.

The Hon. C. W. CREEDON: In South Australia we have been fairly fortunate in that, although we have had small outbreaks of fruit fly over the years, they have not been very serious Recently in the Mildura area, particularly on the New South Wales side, there has been a fairly serious outbreak of fruit fly, and no doubt it is causing concern, because it is not far from the Mildura area to our own Murray River fruitgrowing areas. Can the Minister of Agriculture say what action has been taken or is being contemplated to protect the Murray River fruitgrowing areas against the spread of fruit fly from New South Wales?

The Hon. T. M. CASEY: What the honourable member has said is correct; there is an outbreak of fruit fly in the Mildura area on the New South Wales side of the river. However, I do not think it is confined to New South Wales and by now it could be in Victoria. It is a source of worry to me. because this area is not far from our own fruitgrowing area further downstream on the Murray River. I have discussed this problem with my departmental officers and I assure all honourable members that my officers are liaising with officers of the Agriculture Department in Victoria who. in turn, are liaising closely with officers of the Agriculture Department in New South Wales, to see what further steps can be taken to prevent any further infestation in Mildura and elsewhere along the river. About 18 months ago I warned the Victorian representatives at Agricultural Council that, in my opinion, insufficient

measures were being taken in Victoria to restrict the movement of fruit fly; all indications were that the fly was moving in a westerly direction in Victoria fairly rapidly. Unfortunately, the New South Wales people do not worry about fruit fly because it is already present in that State. There are no fruit fly blocks on the border between Queensland and New South Wales, and I do not think there are any on the border between New South Wales and Victoria.

The Hon. F. J. Potter: There are in some places.

The Hon. T. M. CASEY: Very few.

The Hon. Sir Arthur Rymill: There are on the Victorian side.

The Hon. T. M. CASEY: Yes, but not on the New South Wales side. This situation has been a source of worry to Victoria and South Australia. I could believe that the fruit fly might move rather rapidly in Victoria, because all the information we have had has indicated that this would be so. I assure the honourable member that, within the department, we view this outbreak seriously. We are hoping that perhaps the Commonwealth Scientific and Industrial Research Organization, which took up the challenge of fruit fly at my instigation at Agricultural Council 18 months ago, will be able to help in this matter. However, it is still a big problem and we hope the fruit fly from other States does not get into South Australia.

WHEAT PICKLE

The Hon. G. J. GILFILLAN: I seek leave to make a short explanation before asking a question of the Minister of Agriculture.

Leave granted.

The Hon. G. J. G1LFILLAN: My question relates to the pickle used to prevent smut in wheat. It is used on seed wheat. As honourable members know, the use of mercury in wheat pickle has been discontinued because of the residual effects of mercury, as was illustrated in shark meat. Because of a growing build-up of mercury its use as a wheat pickle has been discontinued. The substitute that has taken its place has been found to be quite a serious irritant to the operators; in fact, officers of the Agriculture Department have warned operators that they should wear industrial masks and gloves as a protection against irritation. A further problem has arisen because it is suspected that the use of the current variety of pickle is affecting the pre-emergence of the grain of the plant—not the germination, but the pre-emergence, where the wheat has been pickled for some time or where seed has been on the property for some time. I understand experiments are taking place departmentally In view of the serious implications in the use of this substance, the problems concerning the irritation caused, and also the effect on the pre-emergence of the grain, will the Minister take this up as a matter of the utmost urgency and encourage experimentation to find another substitute if these problems cannot be solved?

The Hon. T. M. CASEY: I am prepared to do what the honourable member wishes. I think the answer to the problem is to come up with some other pickle that will eliminate irritation to the skin and decrease the pre-emergence of the grain. As he has indicated, H.C.B., which was used previously, has been ruled out because of the mercury compound. The new product, the name of which, I believe, is Manzeb, is manufactured in America Whether or not it has worked over there I do not know, but it will be difficult to produce a compound that will do what the honourable member wishes to do. If the Americans have not perfected it by now, it is even less likely that our manufacturers in Australia can do so. Nevertheless, I will examine the situation.

WINE INDUSTRY

The Hon. M. B. CAMERON: I seek leave to make a short statement prior to asking a question of the Chief Secretary, representing the Premier.

Leave granted.

The Hon. M. B. CAMERON: I understand that the Premier today in a speech indicated that he believed the Commonwealth Budget had had an adverse effect on the wine industry and that the wine industry had no greater friend than the present South Australian Government. In view of this and of the effect that the Commonwealth Budget has had on the wine industry, will the Premier approach the Commonwealth Government to see whether the provisions in the Commonwealth Budget that affect the wine industry can be suspended until the industry has had an opportunity to recover from the disastrous fire at Berri the other day, which will obviously have a continuing effect on the brandy industry for the next few years?

The Hon. A. F. KNEEBONE: I shall be happy to convey the honourable member's question to the Premier and bring down a reply as soon as it is available.

AGRI-BUSINESS

The Hon. R. A. GEDDES: I seek leave to make a short statement before directing a question to the Minister of Agriculture.

Leave granted.

The Hon. R. A. GEDDES: In recent weeks Senator Wriedt, the Minister for Primary Industry, has exhibited great interest in a new thing called agri-business, the concept of which is to get people together to conduct farming operations more efficiently. From radio talks on the Australian Broadcasting Commission's stations and from press reports, it appears that the Minister for Primary Industry will promote agri-business as a means of teaching the farming community how to move into the 1980's more proficiently, if that is possible. Is the Minister of Agriculture aware of this change in thinking about this new way of approaching the problem; if so, is there any chance of the State Agriculture Department taking an active interest in agri-business to provide an opportunity for promoting a more efficient way of conducting farming operations?

The Hon. T. M. CASEY: I point out that "agribusiness" is an American term. The Americans have been using that type of term for several years. One has only to read some of the agricultural and economic reports from the United States to find similar words used. I was not surprised when I read Senator Wriedt's remarks on the use of "agri-business". Apparently, he is following in the footsteps of a very efficient farming organization in America—the American Department of Agriculture. I assure the honourable member that if we can implement a similar scheme in South Australia for the benefit of primary producers we shall do so.

FISHING

The Hon. M. B. CAMERON: I seek leave to make a short explanation prior to asking a question of the Minister of Agriculture.

Leave granted.

The Hon. M B. CAMERON: On September 12 last year I asked the Minister about the effects of revaluation on the fishing industry. At that stage total revaluation was about 30 per cent. A committee was set up at that time

by the Commonwealth Government to examine whether or not revaluation had adversely affected the industry and whether compensation should be paid to people involved in the industry. In his reply the Minister said, in part.

Nevertheless, I will refer the honourable member's question to my colleague to see whether perhaps he can make representations to the committee for a speeding up of this inquiry.

I understand that as yet the industry has not received a reply and, as it is now almost 18 months since revaluation took place, will the Minister make a fresh approach to the relevant Commonwealth Minister to see whether the inquiry can be speeded up and a reply given to the industry shortly?

The Hon. T. M. CASEY: I will refer the honourable member's question to my colleague, the Minister of Fisheries, in another place. I should also like to point out that the fishing industry was not the only industry affected by revaluation, and to tell him of a telephone conversation I had with a newspaper reporter who asked me what was going to happen to the fishing industry as a result of revaluation. The reporter said that cray fishermen had lost much money. I told him that woolgrowers, cattlemen, sheep-men, and wheatgrowers had also been affected. I then asked him whether he liked crayfish and he told me that he loved it. That prompted me to ask him how often he bought crayfish each week, to which he replied, "Never, it is too dear." I leave that comment with the honourable member for him to consider.

SCHOOL BUSES

The Hon C. W CREEDON: I seek leave to make a brief statement prior to asking a question of the Minister of Agriculture, representing the Minister of Education.

Leave granted.

The Hon. C. W. CREEDON: School buses have become a necessity in our daily lives because they help to transport children from outback areas to make use of school facilities in larger centres. Commonly, one sees school buses on the road that are crowded from the back to the front by children, sometimes sitting three to a seat and all standing room having been taken. When children attend secondary schools in second and third year they are almost as big as adults, thus making the bus even more crowded. What, therefore, is the permitted percentage of standing passengers that is allowed to be carried on buses of this nature?

The Hon. T. M. CASEY: I will refer the honourable member's question to my colleague, the Minister of Education, in another place and bring down a reply as soon as it is available. I should also like to point out that I believe children are not classed as adults and that therefore more schoolchildren can be carried. However, that does not overcome the honourable member's problem when he says that some secondary schoolchildren are almost as large as adults, anyway.

WORKMEN'S COMPENSATION REGULATIONS

The Hon. R. C. DeGARIS (Leader of the Opposition): I move:

That the regulations under the Workmen's Compensation Act, 1971-1973, made on December 20, 1973, and laid on the table of this Council on February 19, 1974, be disallowed.

Perhaps I should explain to the Council why I have taken this course of action. I realize that the regulations are before the Joint Committee on Subordinate Legislation and that it is my usual practice not to put forward a motion of disallowance before a report is received from that committee. But I believe there are factors relating to these regulations that should be aired so that people in the community who are concerned with the principal legislation passed last year may at least understand the position and give evidence to the Subordinate Legislation Committee if they so desire.

The Government has always taken a delight in introducing as many difficult and complex Bills as possible at the end of a session, or in this case in the middle of a session prior to a recess. This practice places considerable pressure on honourable members in attempting to digest, understand and deal with the legislation that is introduced. I draw to honourable members' attention and to the Government's attention the unfairness of this practice; most honourable members would understand that statement. On the other hand, we find that the Premier, in particular, uses this position to try to portray the Legislative Council as being unresponsive, unco operative and obstructive when we are trying to get through several extremely complex Bills at the end of a session or prior to a recess.

The Workmen's Compensation Bill, from which these regulations stem, was introduced in the dying hours at the end of the Christmas part of the session. That Bill went much further than any policy-speech mandate that may or may not have been given to the Government with regard to workmen's compensation. If the Bill had been passed in its original form, the premiums would be between 30 per cent and 50 per cent higher than are necessary to cover the present interpretations being placed on the meaning of the Workmen's Compensation Act. However, the Council achieved significant and realistic amendments to the Bill, but the general concept with which the Government went to the people at the last election, namely, average weekly earnings with regard to workmen's compensation, was maintained.

Due weight was given by the Council to the Government's mandate at the last election for average weekly earnings, but the Bill as presented to the Council went beyond that concept. When the amendments were introduced, the House of Assembly, as was its rights, disagreed to them, and a conference of managers was called to deal with the matters on which there was disagreement. The point which the public must understand is that, if the Bill had been lost and we had not achieved agreement with the House of Assembly, there remained the possibility of having premiums 30 per cent higher than those now being permanently inflicted on the economy of the State.

I was not present at the conference, but as Leader I understood the intentions both of the managers of the House of Assembly and of the Legislative Council because of the reports that were made to me personally and to the Council. Since the Bill has been proclaimed a number of statements have been circulated by several organizations and counter statements have been made by the Minister of Labour and Industry that have added to the total confusion existing in the community as to the meaning of the new Workmen's Compensation Act. Statements made by the Minister so far have only added to the confusion. I quote one, although I could quote others. The Minister said:

There is no confusion in the mind of the Government or in the mind of the court in relation to the meaning of the Act.

I ask honourable members to examine the Minister's statement. One must ask oneself the question: how can a Minister interpret what is in the mind of the court when not one case has come before it under the new legislation?

Indeed, the regulations, which are before us today, tend to explain exactly what the Act really means.

The Hon. Sir Arthur Rymill: That's simple; there's nothing before the court to confuse it.

The Hon. R. C. DeGARIS: I think the honourable member is saying that when something does get before the court it will confuse it. As the Minister is so hopelessly confused, it is no wonder that the private sector is unable to know what is happening. If one examines this question from the point of view of a person who wishes to insure himself for workmen's compensation, any insurance company will inspect the Act. If there is any doubt the company will take the most conservative view of its meaning; it must do that. This is where I believe some of the real trouble lies now. As far as I am concerned (and I am certain that as far as most honourable members are concerned) there is no confusion over the nature of the general agreement that was reached between the House of Assembly and the Legislative Council managers on this matter.

I believe that it is my duty to outline to the Council what those agreements were and to ensure that the regulations made under the Act conform to the general nature of the agreement that was reached. As I understand it, the general principle was to ensure, in relation to contractors and subcontractors, that a subcontractor who provided labour only should be covered by his employer for workmen's compensation; that is probably an over-simplification of the case, but I believe it is the basis of the agreement in the area where most confusion exists in the public mind.

I will deal with this matter at greater depth. First, take the rural sector. Under the concept, the equipment-owning contractor who performs the work of hay baling, fencing, dam sinking, well drilling, and so on, should be excluded from being covered by workmen's compensation. That is, if a person comes on to a property, sinks a well with his own equipment, and gives a contract price, the person giving the contract should not be required to cover him for workmen's compensation. However, I believe that under the regulations such a person is caught. Therefore, unless the regulations are made clearer I shall be forced to seek their disallowance. Let me examine this matter from the viewpoint of an existing award. There was something in the agreement that a person not covered by an existing award would be exempt from workmen's compensation. I refer honourable members to the following announcement in the *Government Gazette* of September 5, 1973:

Pastoral Industry (South Australia)—Consolidating Award (June 1, 1973)

SOUTH AUSTRALIA—In the Industrial Commission. 1972 No. 121—In the matter of the occupations of persons employed in connection with the management, rearing or grazing of sheep, cattle, horses, or other livestock, the sowing, raising, or harvesting of crops, the preparation and treatment of land for any of these purposes, and the shearing or crutching of sheep.

One sees from that announcement that, in connection with a person in the rural sector who is contracting for well drilling or dam sinking, it is necessary for the principal to cover that person by workmen's compensation. I do not agree that this was in the concept of the agreement between the two Houses, but I believe that the regulations could catch these people and impose requirements in connection with workmen's compensation.

Let me turn to another aspect of the rural industry, the shearing industry. Many primary producers use shearing contractors, who very often perform some of the work in the shed themselves. I agree that shearers, crutchers and shed hands should be covered by workmen's compensation; that is beyond argument. But what is the position of the shearing contractor who undertakes to do the work for a certain price and actually performs some of the work in his team? Here is an area where there is complete confusion in relation to the principal Act and the regulations. I could enumerate several other sectors of the rural industry where there will be complete confusion unless the regulations are made more specific.

Let me turn now to the transport industry, which has a big bearing on the rural sector. I am concerned about the owner-driver contractor who contracts to cart grain, superphosphate, livestock, merchandise, motor vehicles, etc. What is the position of the principal in relation to responsibility in connection with workmen's compensation? I believe that, under the regulations, this person is also probably in the net. Let us suppose for the moment that he is in the net. Can the Council comprehend the confusion of an owner-contractor who carts a mixed load for several principals? Where will responsibility lie in connection with workmen's compensation? Any honourable member can see how much confusion there is in interpreting what the legislation really means, and in the interpretations connected with the regulations.

I turn now to the question of dual employment. My Labor Party friends refer in a derogatory fashion to people who are sometimes called moonlighters. My Labor Party friends have a hatred of anyone who wants to press ahead in the world and who takes a couple of jobs. What is the position of a person who is employed as a shop assistant during the day and who works five or six hours of an evening driving a taxi? How does the concept of average weekly earnings come into this situation? This is not clear in the regulations. If an accident occurs while the person is employed as a taxi driver, does the policy cover him for total average weekly earnings for the two jobs? That question is unanswered in the regulations. I could raise many other questions in this connection. I am trying to point out that the regulations do not clearly spell out the agreement reached between the two Houses by the managers. I said earlier that general agreement existed on the question that a person under contract supplying labour only should be covered by workmen's compensation. However, under the regulations this matter goes much further. I have dealt with some matters in the hope that people outside may come before the Subordinate Legislation Committee. I seek leave to conclude my remarks

Leave granted; debate adjourned.

SUPERANNUATION (TRANSITIONAL PROVISIONS) BILL

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

The Hon. A. F. KNEEBONE (Chief Secretary): I move:

That this Bill be now read a second time.

Honourable members will be aware that the Government intends to bring down a Bill in this resumed session to provide for a new scheme of superannuation for persons employed in its service. In the course of the preparation of that measure it has become clear that, if the scheme encompassed by it is to come into operation on July 1 of this year, the South Australian Superannuation Fund Board will require legislative authority to take certain preliminary steps well before that day.

Tn substance, this Bill empowers the board to require present contributors to make certain elections as to the conditions under which they will enter the proposed new scheme. It is essential that the board be apprised of the

wishes of each contributor in these matters well before the date of operation of the proposed new scheme, not the least for the reason that it relies heavily on the use of computers, which, while they are capable of performing mathematical feats of great complexity very speedily, require a considerable amount of time to programme. However, at the outset I wish to make clear that consideration of this Bill need not and indeed should not involve consideration of the merits or demerits of the proposed new superannuation scheme. Such consideration should be deferred until the Bill providing for that scheme is placed before honourable members. In short, this present Bill is a machinery measure only and its passage by this Council should in no way inhibit consideration of the proposed new scheme. Should this Council, in its wisdom, ultimately reject the proposed new scheme, the elections made by contributors pursuant to this measure will, of course, have no effect. For these reasons, I ask that this Bill be given a speedy passage, since it is clear that unless it is passed and in operation within a comparatively short period an orderly introduction of the proposed new scheme on the date proposed could not be achieved.

Clause 1 of the Bill is formal. Clause 2 provides for the Act presaged by this Bill to come into operation on April 2 this year. This is not to suggest that consideration of this measure can be deferred until some time nearer that day. If the time schedule proposed in relation to the introduction of the new scheme is to be adhered to, much work remains to be done before that day. Clause 3 contains the definitions necessary for the measure. The definition of greatest significance is that of a "prescribed contributor", who is in effect a contributor who on June 30, 1974, will be within six months of the age at which he or she may retire under the proposed new scheme.

Clause 4 empowers the board to require present contributors to choose the level of benefit that they wish to contribute for under the proposed new scheme. In substance, this involves a choice of contribution rate, the higher being for the maximum benefit, the lower being half the higher rate and entitling the contributor to a benefit of half the maximum benefit. The choice is essentially one for the contributor in the light of his financial circumstances and other commitments. Clause 5 (1) enables a contributor who, under the present Act, has what arc known as "neglected units" (that is, units in respect of which he does not make contributions and in respect of which he will not receive a pension) to make additional contributions under the proposed scheme so as to derive a pension directly related to those units.

Subclause (2) of this clause relates to a contributor whose present contributions exceed those he will be required to make under the proposed new scheme. If this contributor desires to make only the payments he is required to make, his final pension will be subject to deduction of a fixed sum that will be notified to him or he may avoid this deduction by somewhat increasing his contributions by a fixed amount that will also be notified to him. A further effect of this subclause is to provide that a person liable to make a payment referred to in subclause (1) of this clause must elect to make that payment before he can elect to make the payment provided for by this subclause. Finally, I point out that "prescribed contributors" referred to above are not able to make an election under this clause. They will, however, be able to achieve the same result by making a lump sum payment provided for in the proposed new scheme.

Clause 6 merely provides for the situation where a contributor does not make an election required of him under this measure. It is not thought that there will be many such cases, but prudence demands that such a provision shall be included. The result of not making an election will be for contributors who are at present contributing for half or more of their present pension entitlement to be deemed to be higher benefit contributors and for all other contributors who fail to make an election to be deemed to be lower benefit contributors. Clause 7 is intended to inhibit the options open to certain contributors being persons who have joined the present scheme since January 1, 1973, but who were eligible to join the scheme not less than two years before that day. Contributors who fall into this category, it is felt, should not be able to lake undue advantage of the somewhat generous transitional arrangements. Accordingly, the options that they may exercise on transfer are somewhat more restricted than they would otherwise be. If any such contributor does not desire to exercise the options to make payments open to him he will, in future, be treated as a new contributor under the proposed new scheme.

Clause 8 entitles any present contributor to withdraw from the present scheme and, if he does so, he is entitled to a refund of his previous contributions to the fund together with interest calculated in accordance with the formula set out in this clause. Clause 9 will enable contributors to the present scheme who, at the present time, have "reserve units" that they have not drawn upon to withdraw their contributions for these reserve units notwithstanding that they have not contributed for these units for five years or more. At present, no withdrawal is permitted until the unit has been contributed for over that period. In the Government's view, this restriction should no longer apply, since under the proposed new scheme "reserve units" will have no part to play. Finally, I again remind honourable members that this measure is but a machinery one. Without its speedy passage it will be almost impossible to introduce any new scheme of superannuation by July 1. Whether any such scheme is in fact introduced on that day lies, of course, within the hands of this Parliament in its consideration of a measure which will, in due course, be placed before members.

The Hon. R. C. DeGARlS secured the adjournment of the debate.

STATE GOVERNMENT INSURANCE COMMISSION ACT AMENDMENT BILL

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

The Hon. A. F. KNEEBONE (Chief Secretary): I move:

That this Bill be now read a second time.

Honourable members will recall that the principal Act, the State Government Insurance Commission Act, 1970, in its terms precluded the commission from undertaking the business of life insurance. The Government has now received a recommendation from the commission that it be permitted to enter that field of insurance. In making its recommendation the commission took into account, amongst other things, the fact that (*a*) there is a growing tendency on the part of insurers in this State to offer a complete insurance service (that is, one covering general and life insurance) and any insurer who is obliged to confine itself to only one aspect is likely to find its ability to give complete service to its customers somewhat restricted; and *(b)* the creation of a fund from life insurance premiums paid to the commission will, in time, generate a considerable amount of moneys available for investment in both the Government and private sectors of the State. The Government has accepted the recommendation of the commission,

and this short measure provides the legislative framework within which the commission may undertake life insurance business.

Clause 1 is formal. Clause 2 amends the long title to the principal Act by striking but certain words of limitation and so making clear that the commission may enter into the business of life insurance. Clause 3 amends section 12 of the principal Act, which sets out the functions of the commission, and again is. intended to remove the limitations which prevented the commission from entering the business of life insurance Clause 4 is a significant clause, and I draw honourable members' attention to it. It removes the present limitation in section 16 *(a)* of the principal Act on the investments that may be made by the commission to what may be generally termed "trustee securities" and replaces it with a considerably wider power of investment. The only limitation now proposed is that the investments must be approved of by the Treasurer. It goes without saying that the investment policy of the commission will be a prudent one, if for no other reason than the existence of clause 15 of the principal Act. The plain economic facts of the matter are that in these inflationary times an investment programme limited to relatively long-term and relatively low interest trustee securities is just not capable of keeping pace with the situation. The need for investment powers of the nature proposed becomes even more apparent on the proposed entry of the commission into life insurance.

The Hon. R. C. DeGARIS secured the adjournment of the debate.

WATERWORKS ACT AMENDMENT BILL

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

The Hon. T. M CASEY (Minister of Agriculture): I move:

That this Bill be now read a second time.

It is divided into two major parts. The first of these commences from the beginning of the 1973-1974 rating year. The second major part is to commence from the beginning of the 1974-1975 rating year. The purpose of the first series of amendments, which are to commence from July 1, 1973, is to clear up doubts as to the power to levy differential rates under the principal Act and to deal with various other relatively minor matters.

The amendments, accordingly, provide that no rate declared either before or after the commencement of the new amendments shall be held to be invalid on the ground that it differs from a late declared in some other water district. This provision is inserted because the Crown Solicitor has reported that it is not altogether clear that there is power to levy differential rates between water districts. The amendments provide for the declaration of water districts as country lands water districts. This amendment, which is designed ultimately to replace the present outdated schedule of country water districts, will not come fully into effect until the commencement of the 1974-1975 rating year. Amendments are made to section 10 of the principal Act, under which the Governor is empowered to make regulations on the matters mentioned in that section. The power is at present vested in the Minister but it is considered more appropriate that a regulation-making power of this kind should be exercised by the Governor. Various metric amendments are made to the principal Act. Provisions are inserted facilitating the proof of an agreement under which water has been supplied by the Minister.

The second series of amendments, which are to commence from the beginning of the 1974-1975 rating year, is of greater significance. Under the present provisions of the principal Act, a system of water rating exists under which the consumer pays an annual rate that entitles him to the use of a certain quantity of water. If he uses water beyond that entitlement, he is liable to a further payment based on the additional quantity of water so used. Under section 72, of the Commonwealth Income Tax Assessment Act, only the rate component of the total charge of water qualifies as an allowable deduction for non-business taxpayers The charges made for additional water consumption are not allowable deductions for these taxpayers. In effect, the present rating system requires householder's to pay for a certain quantity of water depending on the value of their property irrespective of whether that quantity of water is required. Now, it is necessary of- course for a water supply authority to fix its charges at a level that will give it revenue to operate. These charges can be entirely by way of rates or by payment for water used. The first method would confer total deductibility in respect of payments made by non-business taxpayers while the second method would confer none. In Brisbane, the first method is used with very few exceptions and non-business taxpayers may deduct a total payment made.

In South Australia' and other States, the situation generally is that the largest component of the charges made is by way of rates. In fact, the water allowance in respect of rates paid is such that the majority of consumers need no further water. The difficulty, however, of this system is that it may lead to wasteful use of water, as in general the consumer can use more water than he actually requires without having to make any further payment. This-situation is one which must inevitably cause concern in a dry continent like Australia, and particularly in a State like South Australia where water supply is difficult and costly. In 1970 a special committee, after hearing sub-missions from all interested sections of the community, submitted a report in which it suggested that the present system of rating was not equitable, was conducive to waste, and that greater emphasis must be placed on payment for water used. The same conclusions were also reached by the Royal Commission of Inquiry into Rating, Valuation and Local Government Finance held in 1967 in New South Wales, which reported that the need for conserving water and for treating different consumers equitably required that a greater measure of payment for water used should be intro-duced into the system of water rating and charging. A similar approach is adopted by the Australian Water Resources Council.

The effect of the amendments proposed in Part III of the Bill is to establish a system of rating under which all charges for water become rates. The amendments, there-fore, provide that the principal basis for calculating rates is the amount of water supplied to a property. However, if this amount does not exceed a basic component calcu-lated on the basis of the annual value of the land or a minimum amount fixed by the Minister, the rates will be fixed at that base level. This amendment will, therefore, enable the Government to declare rates that will be tax deductible in all instances (subject, of course, to limitations imposed under the income tax law of the Commonwealth). It will, therefore, make the rating sys-tem much more flexible and enable the Government, as the need arises, to formulate rating policies based more heavily upon the quantity of water actually consumed by the ratepayer.

Clauses 1 to 4 are formal Clause 5 inserts a definition of "country land water district" and makes certain other

minor amendments to the definition section of the principal Act. Clause 6 makes an amendment consequential upon the repeal of the Compulsory Acquisition of Land Act, 1925. Clause 7 removes any doubt about the validity of differential water rating between water districts. Clause 8 empowers the Governor to declare any water district to be a country lands water district. Clause 9 provides for the Governor to make regulations. This is substituted for the present power of the Minister to make by-laws. Clauses 10 and 12 make amendments consequential upon the repeal of the Compulsory Acquisition of Land Act, 1925. Clauses 11 and 13 make metric amendments. Clause 14 makes a consequential amendment. Clause 15 makes drafting amendments. Clause 16 facilitates the proof of agreements under which water is supplied by the Minister. Clauses 17 to 22 make minor amendments to the principal Act, some of which are consequential upon previous amendments and some of which are related to metrication. Clauses 23 to 25 are formal. Clause 26 inserts various definitions that are necessary for the purpose of the new rating provisions

Clause 27 enacts a new section 66 in the principal Act. This new section confers the power to levy rates. It provides, in effect, for the rates to be calculated on the basis of the quantity of water supplied. If, however, the rates so calculated do not equal or exceed rates based on annual value or fixed by the Minister as minimum rates, the rates applicable to the land will be calculated on the basis of the annual value or the minimum rates, as the case may require. In the case of land that forms part of a country water district, the basic component of rates will be calculated on the basis of the average unimproved value a hectare of the land and its. area, or the minimum rates applicable to the land. Subsection (4) provides the Minister with the power to fix rates on the basis of various factors. Subsection (5) provides for the fixing of differential rates. Subsections (6), (7) and (8) deal with the valuations upon the basis of which rates shall be calculated. Clauses 28 to 30 make consequential amendments to the principal Act.

Clause 31 enables the Minister, in his discretion, to levy water rates upon two or more parcels of land that are subject to the same ownership or occupation as if they constituted a single parcel of land. Conversely, he may levy rates separately on a parcel of land notwithstanding that it is held jointly with other land under the same ownership or occupation. Where the waler supplied to two or more separate parcels of land is not separately measured, the Minister may apportion the total volume of water amongst the various parcels in such manner as he considers just Clause 32 repeals section 89 of the principal Act. This is a consequential amendment Clauses 33 and 34 make consequential amendments to the principal Act. Clause 35 repeals and re-enacts section 94 of the principal Act. This section deals with the time for payment of rates. Basically, the system will remain unaltered. The ratepayer will pay the minimum amount for which he is liable in four instalments and, if it subsequently appears that he is liable for a further amount, he must pay that upon receiving a written demand by the Minister.

Clauses 36 to 38 make consequential amendments. Clause 39 repeals Part VI of the principal Act. This Part at present deals with levying a construction rate on country lands. The provisions of this Part are now incorporated in new section 66. Clause 40 provides for the commencement of proceedings for an offence against the principal Act at any time within two years after the date of the alleged commission of the offence. This amendment is necessary because offences are sometimes not detected until a substantial time after they are committed. Clause 41 repeals section 115 of the principal Act. This section, which imposes time limitations upon the commencement of proceedings by and against the Minister, is a rather outdated provision, which is accordingly removed. Clauses 42 to 44 make consequential amendments to the principal Act.

The Hon. C. R. STORY secured the adjournment of the debate

CLASSIFICATION OF PUBLICATIONS BILL

Adjourned debate on second reading.

(Continued from February 26. Page 2153.)

The Hon. A. M. WHYTE (Northern): I rise to make only a few brief comments on this Bill because other honourable members have covered many of the points ahead of me. As it stands, the Bill does not comply with my requirements for such legislation, and I hope that it will be amended so that it is acceptable. Indeed, the amendments on file will make it better than it is at present. I do not believe that publication classification has any importance whatever until it is backed by some effective means of censorship. People can classify their own material, so why have a board of men to make a classification for them when no real means of protection exists for the type of literature that the public already receives.

It has often been said that we live in a changing world and must accept change. Of course, I agree with that contention. Perhaps we do have to accept change, but so far I have been able to determine little change in the interpretation placed on sex by human beings. It does not matter how far back in history one goes, it seems that the same attraction and the same publicity existed for sex. In fact, it has been a saleable product and so, too, has pornography. Back before people were good with paint brushes the old sculptors made a “bob” or two on the side by making rude nudes. So, it is not really a matter of change at all in this case, it is something with which society has contended from the beginning of time. It is also recorded in the annals of history that nations that have not controlled pornography have invariably tumbled.

Clause 5 of the Bill establishes a board of five members who shall be appointed by the Government. Clause 6 (2) states that the Governor may appoint a suitable person to be a deputy of a member of the board, and such a person, while acting in the absence of the member of whom he has been appointed a deputy, shall be deemed to be a member, of the board and shall have all the powers, authorities, duties, and obligations of the member for whom he deputizes. Therefore, it is possible for the five members or their deputies to be present when considering a publication. Clause 7 states that three members of the board shall constitute a quorum. I do not accept that as being a good practice because it is important that the five members or their deputies should be present to decide whether literature should be exhibited: it should not fall to the responsibility of three members.

Some very worthwhile amendments are on file that will alter substantially the intentions of this Bill, thus making it better legislation by spelling out the areas about which we are guessing. I believe emphatically that classification of publications, no matter who handles the classification, means little or nothing unless it has sufficient backing by effective censorship. However, I will reserve my judgment on the Bill until it is considered in Committee.

The Hon. C. R. STORY secured the adjournment of the debate.

FILM CLASSIFICATION ACT AMENDMENT BILL

Third reading.

The Hon. A. F. KNEEBONE (Chief Secretary): Unfortunately, the clean print of this Bill has not arrived, and in order that we may proceed with it I move:

That Standing Order No. 314 be suspended so that the Chairman of Committees need not give a certificate.

The Hon. Sir ARTHUR RYMILL (Central No. 2): I have certainly not seen a clean print of the Bill, but as there seemed to be some confusion about the amendments yesterday I doubt that the course suggested by the Minister is the best one. I imagine there is not much to worry about, but I suggest that he defer the third reading of this Bill until tomorrow.

The PRESIDENT: Order! The Minister has moved a motion and there can be no debate on this question.

The Hon. A. F. KNEEBONE: My motion was not seconded, and I seek leave to withdraw the motion.

Leave granted; motion withdrawn.

OMBUDSMAN ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from February 26. Page 2156.)

The Hon. R. C DeGARlS (Leader of the Opposition): This Bill seeks to amend the Ombudsman Act in four areas. First, it brings within the Ombudsman's jurisdiction (that is rather an odd word, but it is used in the Minister's second reading explanation) the University of Adelaide. Secondly, in the original Act departments could be proclaimed as coming under the Ombudsman's jurisdiction. However, now all departments will be under the Ombudsman's jurisdiction, but the Government may by proclamation declare that any department or council shall not come under the Act. Thirdly, it is necessary that the Ombudsman lay before the President and the Speaker a report on the exercise of his powers and functions Fourthly, there is a drafting amendment to section 30.

Although I do not see very much wrong with anything contained in the Bill, I will raise one or two queries. First, the Government can by proclamation declare a department of the Public Service or a council to be a body to which the Ombudsman Act does not apply. If the State is to have an Ombudsman I do not think that his duties should be able to be varied simply by proclamation. This is a worthy point if one realizes that under (he Bill now before us it is necessary that the Ombudsman table his report through the President and the Speaker; in other words; his report comes to Parliament. Yet the Executive can apparently by proclamation, without any reference to Parliament or without the expressed opinion of Parliament, allow a department or a council not to come under the Ombudsman's jurisdiction.

We may consider once again the old question we have had before us on many occasions, namely, the power of Parliament *versus* the power of the Executive. I believe that, in varying the Ombudsman's jurisdiction, this principle becomes doubly important. I ask the Government the reasons why the Executive can simply by proclamation remove certain areas from the Ombudsman's jurisdiction. I prefer this to be done by regulation so that Parliament itself is consulted on the question of where the Ombudsman's jurisdiction should begin and end. The second point I raise is whether, in the new approach whereby the Government may by proclamation declare a department to be not under the Ombudsman's jurisdiction, we should not go slightly further.

Although I have said that I prefer regulation, I think there should be a power by regulation for part of a department to be removed from the Ombudsman's jurisdiction. In the schedule to the original Act, the Police Department was excluded from the Ombudsman's jurisdiction; I believe that that is reasonable because, if one studies the department's operations, one will realize that it would be foolish for the Ombudsman to have jurisdiction throughout the department, although there may be some aspects of the department's work where it is reasonable that the Ombudsman's jurisdiction should extend. I refer particularly to some administrative matters away from the Police Department's normal operations. Secondly, I cite the Prices and Consumer Affairs Department, over part of which the Ombudsman should have jurisdiction, but over certain parts of which (the nature of the department being what it is) the Ombudsman should not have jurisdiction.

Having made those two points, first, that the Ombudsman's jurisdiction should be handled by Parliament and covered by regulation and, secondly, my request to the Government that it examine the question of giving the Ombudsman jurisdiction over part of a department (not the whole of a department as catered for in the Bill), I support the second reading.

The Hon. C. M. HILL secured the adjournment of the debate.

SEWERAGE ACT AMENDMENT BILL

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

ADJOURNMENT

At 3.38 p.m. the Council adjourned until Thursday, February 28, at 2.15 p.m.