LEGISLATIVE COUNCIL

Thursday, March 7, 1974

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

SUPERANNUATION (TRANSITIONAL PROVISIONS) BILL

His Excellency the Governor, by message, intimated his assent to the Bill.

QUESTIONS

REGULATIONS

The Hon. R. C. DeGARIS: I seek leave to make a statement prior to asking a question of the Minister of Agriculture.

Leave granted.

The Hon. R. C. DeGARIS: It has been reported to me that the Minister of Agriculture, in the course of a talk he gave on the Australian Broadcasting Commission's *Country Hour,* said that any member of Parliament could disallow a regulation. The person who phoned me about this matter is somewhat concerned. Can the Minister inform the Council whether he made such a statement and, if he did, what action he has taken to correct it?

The Hon. T. M. CASEY: Some time ago the A.B.C. approached me regarding the poll of egg producers to be conducted throughout the State that was organized by, I understand, a certain member of the Egg Board who is violently opposed to controlled production. As a result, I decided to be interviewed on the *Country Hour* early in the week. When I replied to the specific question I was asked, regarding the levy to be imposed, I pointed out that the levy would be imposed under regulations and could be altered only by regulations that would have to be presented to both Houses of Parliament. The following is exactly what I said:

Now any alteration to this—

I was speaking about the levy—

will have to go before Parliament in the form of a regulation, the levy has to be altered by regulation and if the committee—

I was referring to the egg quota committee—

decide that they want a higher charge in future years then it has got to be presented to Parliament and it can be disallowed by any member in the House. Now once it is disallowed it means that evidence has got to be presented to the Committee on Subordinate Legislation and then if the Subordinate Legislation Committee agrees that the levy is to be increased they will recommend it to Parliament, but this still does not alter the fact that the person who disallowed the regulations can still move that they be disallowed and then eventually a vote is taken on the floor of the House. To say specifically that the charge will be 5c at this stage is completely and utterly wrong.

Even though I did not use the word "move" initially, I did use it in the whole context of the reply I gave. I thought it would be clear to anyone, and most people to whom I have spoken agree that what I said was plain to the ordinary person. Apparently, however, there are people who are violently opposed to controlled production, which has been agreed to by all the States, and these people are using this in devious ways to try to sidetrack the whole issue and bring small innuendoes into it. These guttersnipe tactics are to be frowned upon. I can only say that I am rather disgusted that the people concerned should bring up this sort of trivial thing at this time. I hope I have made the point very clear.

GOVERNMENT EXPENDITURE

The Hon. C. M. HILL: I seek leave to make a short statement before asking a question of the Chief Secretary, as Leader of the Government in this Council.

Leave granted.

The Hon. C. M. HILL: I refer to the growing groundswell of public criticism noticeable at present because of the Government's priorities in regard to public expenditure, particularly in connection with public health and the arts. In February, the Government decided that it was unable to spend about $700 000 to improve a section of Hillcrest Hospital, and the Miniser of Health defended that decision in this Council. The matter is not finalized yet, because a report in this morning's press states that a deputation from the Australian Government Workers Association called upon the Premier only yesterday to press its claim for belter conditions for the patients and staff of that institution.

On February 26 it was publicized that the Premier had signed a cheque for $789 000 for the arts in South Australia. Those two matters came at about the same time. Last evening on television Mr. Anthony Steel, the Government appointee in charge of the Adelaide Festival of Arts, said that the festival was not for the people. Can the Chief Secretary say whether the Government or he will clearly slate to this Council what the Government's attitudes and priorities are in this regard? Is the Government interested in improving the conditions of mentally ill patients and those who care for them or is it more interested in pouring funds into the arts, the central attraction of which, namely, the Adelaide festival, is apparently not for the people?

The Hon. A. F. KNEEBONE: The same question was asked, although perhaps in different terms, in another place. The Premier has replied very effectively and his reply has been reported, but so that it will be clear to the honourable member who has raised the matter I shall ask the Premier to let me have the text of his reply to the question and I shall bring it to this Chamber.

TEACHERS' ACCOMMODATION

The Hon. R. C. DeGARIS: Has the Minister of Agriculture a reply to a question I directed to the Minister of Education in relation to housing for schoolteachers in country areas?

The Hon. T. M. CASEY: My colleague has provided the following reply:

With regard to Penola, currently nine departmental houses are provided for married secondary and primary teachers. One three-bedroom semi-detached house and two three-bedroom transportable units are provided for nine single teachers. Another three-bedroom transportable unit has been approved, and is expected to be delivered during this term. Teacher accommodation provided in Penola, which has a high school and one primary school, compares favourably with existing departmental housing conditions in other country towns of a similar size. Recently, contact has been made with the owners of four private flats. The department is prepared to negotiate a suitable lease when a flat or flats become available for teacher accommodation. One departmental house is provided for the Headmaster of the primary school at Kalangadoo. Recently, a new residence was completed and the school council has requested that the old one be made available for single teacher accommodation. Negotiations are proceeding with a view to granting approval of the council's proposal. When the next residence list is drawn up, the housing needs of Penola and Kalangadoo will be considered in relation to available finance, keeping in mind urgency of needs in other areas.

DOWNY MILDEW

The Hon. C. R. STORY: I seek leave to make a short statement with a view to asking a question of the Minister of Agriculture.

Leave granted.

The Hon. C. R. STORY: My question concerns downy mildew, a disease affecting grapevines, which are especially important to this Stale at present. The wine industry has had a fairly buoyant time over the past few years and the quality of wine has been improved with new techniques. Will the Minister obtain for me some idea of the effect of downy mildew on this vintage and also ascertain what methods are available in winemaking to remove the copper which this year has been applied excessively because of the heavy spraying programme carried out to contain the downy mildew?

The Hon. T. M. CASEY: I shall obtain the information for the honourable member and bring it down as soon as possible.

VIRGINIA WATER

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

Leave granted.

The Hon. M. B. DAWKINS: My question refers to the situation in the Adelaide Plains area, especially the Virginia section, and to the shortage of water from the underground basin. In speaking yesterday of the shortage of water in South Australia, the Minister said that, as South Australia is the driest State, we cannot afford to waste waler. I think every honourable member would agree with that statement. In a summer such as we have just had, with copious summer rains, il would be possible to save large quantities of underground water if the users did not fear being penalized for saving water, as happened on the last occasion, when they had their quotas further reduced according to the amount of water they had used rather than their existing quotas. In the hope of being able to save water in the future when such a season occurs, can the Minister say that any future cuts that may have to be made in water usage in the Adelaide Plains basin will be based on present quotas and not on usage?

The Hon. T. M. CASEY: I think the honourable member's question should be directed to my colleague in another place, and I shall be happy to see that it reaches him. I cannot comment on the matter at present so, if the honourable member is agreeable, I shall refer his question to my colleague in another place and bring down a report.

WHEAT PICKLE

The Hon. G. J. GILFILLAN: I understand the Minister of Agriculture has an answer to my question of February 27 seeking information about what progress has been made in procuring alternative bunticides to those used at present on seed wheat.

The Hon. T. M. CASEY: The Director of Agriculture reports that the company manufacturing the pickle referred to by the honourable member has advised that future formulations will be less irritant than those manufactured in the past. When I replied to the honourable member on February 27, I referred to a new product, which I called "Manzeb": the name should have been "Mancozeb". The Director has further reported to me that there are two alternative pickles on the market that have not produced adverse effects on operators. These are Le San. Ell., which is a water soluble dye that may dissolve in perspiration or saliva to produce a bright yellow stain but is otherwise harmless to the operator; and Vitavax, which is a much more costly material. Another pickle, Benlate, is being tested on a wide scale this season. There is no available evidence to suggest this material is harmful to operators. The effect on emergence of wheat plants after treating seed with Mancozeb-based preparations is not yet fully known. Twenty-seven per cent of last year's crop was treated with these preparations; some delayed emergence and a few crops with very poor emergence were reported. The effect of length of seed storage on seedling emergence following treatment with the new bunticides, including Mankobunt, is currently being investigated by the Agronomy Branch of the Agriculture Department. I have with me a more technical report describing the current situation and departmental investigations now being undertaken by the Agriculture Department, which I am prepared to make available for the honourable member's perusal, if he so desires.

LIVESTOCK MARKETING

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

Leave granted.

The Hon. R. C. DeGARIS: Recently, the Government appointed a consultant to make a study of the rationalization of livestock marketing in the South-East of South Australia. The report of the consultant has been circulated in the South-East and I believe the Government intends appointing another Government committee to report upon the findings of the consultant and to take evidence in the South-East on this matter. On the second Government-appointed committee will there be representatives of the producers and landowners? If not, will the Minister consider such appointments to that committee?

The Hon. T. M. CASEY: This is not the second committee that the Government has appointed to examine this problem in the South-East. The first people engaged by the Government were consultants. The committee that I have set up consists of departmental officers who are experts in their fields. When reading the report of the consultants one would probably discover that the biggest problem associated with any saleyard complex in the South-East is that of effluent disposal. The committee met for the first time recently, and will soon visit selected locations in the South-East primarily involved with effluent disposal. Yard construction will not be considered by the committee and other environmental problems will be handled by experts from different departments. At present I can see no need for producers or stock agents to be represented on the committee, because it is purely a departmental committee. Under its terms of reference, the committee has been instructed to liaise with local government authorities in the areas concerned, and also with producer and stock agent representatives. When the committee's findings are complete, I am sure the report will come to me and we shall then be able to get somewhere as regards the stockyard complexes throughout the South-East.

FAR NORTH ROADS

The Hon. A. M. WHYTE: I seek leave to make a short statement prior to asking a question of the Minister of Health, representing the Minister of Transport.

Leave granted.

The Hon. A. M. WHYTE: At William Creek in the Far North of South Australia the few residents of the area hold a gymkhana each year, the proceeds of which are used to augment the funds of the Australian Inland Mission al Oodnadatta and the Royal Flying Doctor service. Last year these people raised $3 200: a colossal sum for so few people. This year these people are concerned that they will not be able to conduct the gymkhana

because of the bad condition of roads in the area. Therefore, will the Minister confer with his colleague to see whether a special effort can be made to make the roads serviceable for the gymkhana in April?

The Hon. D. H. L. BANFIELD: I will refer the honourable member's question to my colleague in another place.

MONARTO STAFFING

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

Leave granted.

The Hon. M. B. CAMERON: In today's *News* the Premier is reported as saying that thousands of State public servants from al least three Government departments will have to move to the new city of Monarto within eight years, and that if their jobs are in Monarto they will have to go there. The article continues:

It is like a schoolteacher whose job is at Port Lincoln: he is expected to go. They would be in the same position as Commonwealth Public Servants moved from Melbourne to Canberra.

Of course, the distance from Melbourne to Canberra compared with that from Adelaide to Monarto is great. Will members of the South Australian Public Service currently working in the Lands, Agriculture, and Environment and Conservation Departments lose their jobs if they refuse to shift to Monarto? If they have established homes in Adelaide and have families here will they be allowed to stay in Adelaide on compassionate grounds? Further, if they do lose their jobs will they receive severance pay from their respective departments if they are sacked because they refuse to be conscripted to Monarto?

The Hon. A. F. KNEEBONE: At present the whole matter of conditions under which public servants will be transferred to Monarto is being considered. A committee has been set up to look at this matter, and I believe that a questionnaire is about to be circulated throughout the departments mentioned by the honourable member. The whole matter is being investigated by a committee.

The Hon. M. B. Cameron: Called the Monarto conscription committee?

The Hon. A. F. KNEEBONE: No, it is called the re-location committee, on which the Public Service Association is represented as well as various other people.

WHEAT STABILIZATION

The Hon. C. R. STORY: I seek leave to make a statement prior to asking a question of the Minister of Agriculture.

Leave granted.

The Hon. C. R. STORY: For some time the Wheatgrowers Federation, the Commonwealth Minister for Primary Industry and the Commonwealth Government have been trying to devise a basis on which to stabilize the wheat industry, or continue with the present stabilization scheme. Can the Minister say how much discussion has taken place at Agricultural Council meetings in regard to this matter, because I think that the stabilization scheme will cut out soon unless something is done to renew it? Has the Minister an up-to-date report he can give the Council on whether he believes the scheme will get off the ground?

The Hon. T. M. CASEY: I am unable to give a positive reply to the question, because this is a matter between the Minister for Primary Industry and the Australian Wheatgrowers Federation. If they can come to terms, I am sure that wheat stabilization legislation will be enacted for the next five years. Regarding discussions at Agricultural Council, a motion was moved to accept the Government's proposal of $1.20 on first payment and for this year's harvest to be the same basic quota as last year's, except that the reserve the Commonwealth instigated last year, called a strategic reserve of 20 000 000 bushels, will be increased to 73 000 000 bushels. Every State agreed, except Victoria, which would not agree because it said that it was against quotas, anyway.

It seems a strange state of affairs for the Victorian Minister to say that he would not accept $1.20 or the increase in the strategic reserve, because Victoria did not believe in quotas, anyway. This failure to agree resulted in a stalemate at the last Agricultural Council meeting. The wheat stabilization plan is a matter between Senator Wriedt and the Australian Wheatgrowers Federation, and whatever the Senator can obtain from Federal Cabinet will be put up. I understand that there will be a meeting tomorrow, and I hope that wheat stabilization will come to fruition.

RAILWAYS INSTITUTE

The Hon. C. M. HILL: Will the Minister of Health ask the Minister of Transport whether I may be given the current situation regarding the Government's plan to provide permanent accommodation for the South Australian Railways Institute?

The Hon. D. H. L. BANFIELD: I will refer the honourable member's question to my colleague.

BUSH FIRES ACT

The Hon. C. R. STORY: I seek leave to make a statement prior to asking a question of the Minister of Agriculture.

Leave granted.

The Hon. C. R. STORY: Probably over a year ago I asked the Minister whether he intended to amend the Bush Fires Act and bring it up to date as much as possible and whether the Bushfire Advisory Committee had met and given the Minister any recommendations with a view to having the Act amended, brought up to date and consolidated. As I have said previously, the Act is in tatters and is difficult to follow. The Slate could be burnt out while someone was looking it up to see what could be done on a certain day of the year. Can the Minister tell the Council what the present position is and whether he intends to introduce enabling legislation to have the Act consolidated?

The Hon. T. M. CASEY: As I have said previously, I intend to introduce a measure in regard to the Bush Fires Act and changing the title from Emergency Fire Services to "Country Fire Service" as soon as possible. I assure the honourable member that the committee, headed by Mr. Fred Kerr, is working very diligently and I hope that we will soon have a new Act which will cope with the whole situation.

OMBUDSMAN ACT AMENDMENT BILL

Read a third time and passed.

SEWERAGE ACT AMENDMENT BILL

Bill recommitted.

Clauses 1 to 11 passed.

New clause 11a—"Drains to public sewers."

The Hon. T. M. CASEY (Minister of Agriculture) moved to insert the following new clause:

Ila. Section 33 of the principal Act is amended by striking out from subsection (3) the passage "or premises".

The Hon. R. C. DeGARIS (Leader of the Opposition): Yesterday I asked a question about striking out "or premises" but I did not receive a reply to it. Has the Minister a reply now?

Th Hon. T. M. CASEY: Amendments to section 32 included land, which was defined to include premises; so "or premises" becomes redundant.

The Hon. R. C. DeGARIS: I lake it that this amendment is similar to the amendment to clause 11.

The Hon. T. M. CASEY: Yes.

New clause inserted.

Clause 12 passed.

Clause 12a—"Power to drain lands."

The Hon. T. M. CASEY moved to insert the following new clause:

12a. Section 44 of the principal Act is amended by striking out from subsection (3) the word "are" and inserting in lieu thereof the word "is".

The Hon. R. C. DeGARIS: All of the amendments on file appear to be corrections of drafting or grammar, and I see nothing wrong with them.

New clause inserted.

Clauses 13 and 14 passed.

Clause 15—"Notice of. building, etc., to be given to Minister."

The Hon. T. M. CASEY moved:

In paragraph (A) after "passage" to insert "build".

Amendment carried; clause as amended passed.

Clauses 16 and 17 passed.

New clause 17a—"Government land and premises."

The Hon. T. M. CASEY moved 16 insert the following new clause:

17a. Section 66 of the principal Act is amended by striking out from subsection (1) the passage 'which are' first occurring and inserting in lieu thereof the passage "which is".

New clause inserted.

Clauses 18 and 19 passed.

New clause 19a—"Initiation of liability to rates."

The Hon. T. M. CASEY moved to insert the following new clause:

19a. Section 78 of the principal Act is amended by striking out from subsection (4) the word "become" and inserting in lieu thereof the word "becomes".

New clause inserted.

Clause 20—"Collector may collect rent."

The Hon. T. M. CASEY moved:

After "amended" to insert "*(a)*";

and to insert the following new paragraph:

"and

(b) by striking out from subsection (3) the passage 'a poundage of one shilling' and inserting in lieu thereof the passage 'interest at the rate of five per cent per annum.' "

Amendments carried; clause as amended passed.

Remaining clauses (21 to 23) and title passed.

Bill read a third time and passed.

WATERWORKS ACT AMENDMENT BILL

In Committee.

(Continued from March 6. Page 2302.)

Clause 44—"Repeal of second schedule of principal Act."

The Hon. T. M. CASEY (Minister of Agriculture): Yesterday I agreed to obtain answers to questions raised by honourable members. In reply to the Hon. Mr. Geddes, I point out that for many reasons it is not practicable for water meters to be read exactly one year apart. Reasons such as the five-day working week, public holidays, wet weather, leap year, together with the requirement that officers in country areas are also responsible for maintenance, and therefore must fit meter reading in with their other work, mean that it is not practicable to read any particular meter on the same day each year.

In reply to the Hon. Mr. Story I point out that the amendment to the Act is designed not so that changes will be made in respect of country water districts and the land which will come under them but to provide for a more simple machinery of declaring water districts than exists at present. Where districts subject to township water rating previously had lo be added to the second schedule to the Waterworks Act, water districts will continue to be proclaimed in the same manner, but the proclamation itself will make clear whether the area concerned is subject to rating on an improved value basis or on an area basis. There is no proposal to vary the present water districts or the present value or area basis except in so far as is, and has been, necessary from lime to time as townships expand into surrounding farmlands.

The Waterworks Act deals only with reticulated water supplied from water mains, and the amendments have no effect on water diverted from the Murray River by irrigation trusts or private irrigators. The question regarding water diverted is therefore not applicable. However, it is not correct as the proposals, under the Control of Waters Act, 1919-1925, provided not for the sale of water to divertees but for the installation of meters, for which there will be an annual maintenance charge. Licences will provide for an annual allocation of water and for a charge for unauthorized use beyond the allocation approved.

In reply to the question of the Hon. Mr. Geddes about unimproved value, I point out that the amendment to the Act is not designed to result in "injustice to those on land of low unimproved value". In fact, it is designed to provide the same result as al present, but in so doing to ensure that non-business consumers can claim a full taxation deduction for the total bill. For example, previously a consumer with an annual rate, say, of $16, who used 400 kilolitres of waler, would have paid $16 as rates and $24 as excess, and could have claimed only $16 as a lax deduction. Under the amendment his rate would be $40. which could all be claimed. Clause 27 (4) *(a), (b)* and *(c)* is merely machinery whereby the rates necessary to achieve this can be expressed. In the above example, in the case of country lands (4) (*c*) would refer to the base rate on an area basis. However, in the example given the rate would finally be determined under (4) *(a)* in view of the quantity of water provided. Subclause (4) *(a)* and *(b)* would be applicable to township water districts. There is no intention to vary present practice except in so far as this is necessary to comply with taxation requirements.

The Hon. Mr. Story raised another point on the effect on cost of waler or rating levels. The Bill will have no effect on costs of water or rating levels because, as already explained, there is no intention to vary present practice except in so far as this is necessary to comply with taxation requirements. The Bill merely varies the method of expressing the basis of rating and gives the same result as the present powers except in that it meets taxation requirements. Later, the Hon. Mr. Story said he hoped that clause 31 was designed to ensure that the owner of two parcels of land separated by a road would receive one account. I informed him that this was so. However, I wish to clarify that by saying that this situation would apply in a country lands water district, as is al present the case, and not in township water districts, where this is not so and would not be appropriate.

Clause passed.

Title passed.

Bill recommitted.

Clause 16—"Power to supply water by measure"—reconsidered.

The Hon. T. M. CASEY moved:

In subclause (b) before "signed" to insert "and".

Amendment carried; clause as amended passed.

Bill read a third time and passed.

STATUTES AMENDMENT (JUDGES' SALARIES) BILL

Adjourned debate on second reading.

(Continued from March 6. Page 2300.)

The Hon. R. A. GEDDES (Northern): As the Council was informed yesterday by the Hon. Mr. Potter, this is a money Bill and therefore its passage through this Council is necessary. However, I must ask, who is the arbitrator who decides on salary increases for judges in this State? We are well aware that members of the work force of Australia must appeal to arbitration tribunals for a decision on basic salaries. We know, too, that Parliamentarians must give evidence before a tribunal to justify increases in salaries. Members of the legal profession have recently had the blessing of the Commissioner for Prices and Consumer Affairs for a 30 per cent increase in charges. But with monotonous regularity we have a Bill before this Council to increase the salaries of judges, without any reason or explanation given or any criteria stated, with the exception, perhaps, of what we were told when this Bill was introduced: that it was in line with proposals to increase the salaries of judges in New South Wales and Victoria. It seems ludicrous that almost a club atmosphere can prevail when the salaries of judges are decided by persons unknown, presented to Parliament, passed without any great debate, and that is the end of the matter until the following year, when a further Bill is presented for further increases in salaries. In the second reading explanation, the Chief Secretary said:

> However, once again I remind honourable members that, if judicial salaries at their various levels are not such as to attract from the legal profession persons of the highest competence, the consequential effect on the administration of justice will be most serious.

Is this how a competent man within the legal profession measures his ability? Is money the only way in which a Government can get a man or a woman to accept this high office? One must not forget that money can also buy corruption, as has been proved throughout the world, in ancient as well as modern times. Surely this keeping up with the Joneses in New South Wales and Victoria is no criterion in this matter. However, it is, as I have said, a money Bill, and the Council gives its assent on that ground, but I hope that in future the Government will inform the Council just how these increases are determined. I support the second reading.

The Hon. J. C. BURDETT (Southern): The question of judicial salaries is always difficult. In the first place, they must be sufficient to put the judges above financial worry and to remove any risk (which would be negligible with the quality and integrity of our South Australian judges, anyway) of corruption. On the other hand, the salary should not be so much above the top professional financial rewards as to cause people to seek judicial office merely for gain. It is most difficult to get a yardstick as to what a judge's salary should be. Of the three functions of Government (legislative, judicial, and executive) it is in the judicial sphere that it is hardest to get any comparison. In the executive or administrative field there is ample room for comparison with the same functions in the private sector at all levels. The task of carrying out policy is much the same in either the public or the private sector. Even in the legislative field of government there is some basis for comparison. The policy-making function is in essence much the same, or has at least obvious affinities, either in Parliament or in the private sector, but with the judiciary there is no comparison. How do we assess the responsibility of a judge? In civil cases he may have to determine the most difficult questions of fact or law, and great sums of money may be involved. More importantly, in, say, a road traffic case, the compensation for a life almost destroyed by injury may be involved.

In a criminal case a judge has the grave responsibility of presiding over the administration of justice between the Crown and the defendant and, if it comes to sentence, the task of the judge in exercising his discretion is perhaps the most difficult of all the tasks he has to fulfil. Just how does one put a value on this kind of service? I sympathize with the Government's problem in trying to deal with this. It has been most generous, and I support the Bill.

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

TRANSPLANTATION OF HUMAN TISSUE BILL

Adjourned debate on second reading.

(Continued from March 6. Page 2297.)

The Hon. R. C. DeGARIS (Leader of the Opposition): During my period as Minister of Health, legislation in regard to the transplantation of human tissue was before me and my department. Lengthy discussions over a considerable period on this matter took place in the department. This Bill is here on the recommendation of the Law Reform Committee. The second reading explanation states:

> The corneal graft and kidney transplant are well-established forms of treatment, and it now seems likely that the successful transplant of other human tissues and organs will also become a common and effective medical treatment.

My only comment on that part of the explanation is on the word "likely". Rather than say that it is likely that the successful transplantation of human tissues will become a common and effective medical treatment, I would say it is certain there will be an increase in this field.

The whole matter of the transplantation of human tissue has caused considerable controversy in many professional fields. In the medical profession there have been many arguments about the point of death and other matters relating to it. There has been a division of opinion on the matter in other professions as well—for instance, in the legal and the theological professions—and the thoughts in both those areas have added to the controversy. I quote again from the second reading explanation to illustrate some of the points I am making, as follows:

> Concern has been expressed that a medical practitioner, in undertaking the urgent treatment of a potentially healthy donee, may be tempted to pronounce the life of the donor extinct earlier than is proper and may fail to carry out all the resuscitative measures normally taken even in the most hopeless cases. However, the Government accepts the advice of the Law Reform Committee that this complex and delicate question is a question of fact to be decided according to the circumstances of each individual case. The Bill requires the medical practitioner undertaking the removal of human tissues to satisfy himself upon personal examination of the body that life is extinct before he commences the removal of tissues. It refrains from laying down rigid criteria for the determination of that question.

At this point, I quote part of clause 4, which provides:

(3) No part of a body shall be removed except by a legally qualified medical practitioner who must have satisfied himself by a personal examination of the body that life is extinct.

(4) If a person empowered under this section to give authority for the removal of a part of the body of a deceased person has reason to believe—

(*a*) that an inquest may be required in relation to the deceased;

or

(*b*) that the deceased may have died as a result of a criminal act or that the body of the deceased may furnish evidence of the commission of a criminal offence,

he shall not give any authority under this section without the consent of the City Coroner.

The Bill appeals to avoid the point that has been under active discussion for some lime in many parts of the world. I admit that the point is difficult, and I do not know that it has been actually solved so far in any legislation in the world.

For transplantation, the organ must be recovered from a body quickly so that it is viable and suitable for transplant. Quickness of recovery is not so important regarding a cornea or a kidney, but with other organs it is crucial; it is a critical consideration. Although heart transplants appear to have gone out of fashion lately, there is little doubt that such transplants will continue in the future, and there will be, in my opinion, a significant increase in transplantation of other organs. I mention in particular transplantation of the pancreas.

With the pancreas, I am informed that once again quickness of recovery from a body is essential to make sure that the transplantation has a chance of success. So, the person who decides the point of death must make a critical decision (relating both to the patient from whom the tissue is to be recovered and also as far as the person who is to receive the transplant is concerned) and make certain of the viability of the tissue. In this situation we have the pressure of the person who is interested in recovering viable tissue or a viable organ and of the person who is responsible for the person from whom the organ or tissue is to be taken. I am not satisfied that in the Bill these two conflicting interests are adequately covered. I quote once again from the second reading explanation where, towards the end of it, the Chief Secretary said the following:

The medical practitioner removing tissue must personally examine the body and satisfy himself that life is extinct.

I agree that, in the concept of this matter, the definition of "death" should not be included in the Bill and that the decision on the point of death should be a clinical one. Any definition of the point of death, where it is to be determined by some other method such as the use of an electro-encephalogram, for example, should be resisted. Having accepted that the point of death should be a clinical decision, I come back to the need for care in making that clinical decision, and to the fact that it needs to be a disinterested one. The medical practitioner removing the tissue must personally examine the body and satisfy himself that life is extinct, but he may be more interested in recovering viable tissue than he is in the patient from whom that tissue was taken.

The decision regarding the point of death must be a clinical decision, and the person making it should have no professional involvement in the intended transplant. This matter has been the subject of debate and discussion in many parts of the world. Indeed, I was involved in debating the matter about four or five years ago. The Bill does not adequately cover this matter. I accept that the Bill should not attempt to define the point of death; this is a matter for clinical decision. However, any such decision should be made away from any pressure that the transplant is the most important feature.

I suggest to the Chief Secretary that this Bill be referred to a Select Committee for investigation and report. I do not know with what urgency the Government views this Bill, but the problem that the Bill attempts to solve has been with us for some time. A delay in this legislation would not cause great concern. Will the Chief Secretary therefore examine the matters I have raised and tell me whether the Government is willing to refer the Bill to a Select Committee? I am certain this is a matter of great moment and needs to be handled carefully.

Ascertaining the point of death is a question that cannot be idly dismissed. I considered moving an amendment to the Bill along the lines I have already mentioned, but any amendment I moved would be the result of only a day or two's study of the Bill, and it probably needs much closer examination than that. For that reason I suggest that this Bill be referred to a Select Committee. I commend the Government for going as far as it has in this Bill, because I know some of the difficulties it has tried to overcome. However, one point that needs further examination and clarification is that the determination of the point of death must be made by a person who is completely disinterested and who makes a clinical decision. I support the second reading.

The Hon. G. J. GILFILLAN secured the adjournment of the debate.

CLASSIFICATION OF PUBLICATIONS BILL

Bill recommitted.

The Hon. F. I. POTTER moved:

That it be an instruction to the Committee that it have power to consider amendments and new clauses relating to prosecutions in respect of indecent matter under the Police Offences Act, 1953-1973.

Motion carried.

In Committee.

Clauses 1 to 21 passed.

New clause 22—"Amendment of Police Offences Act."

The Hon. F. J. POTTER: I move to insert the following new clause:

22. The Police Offences Act, 1953-1973, is amended by striking out subsection (4) of section 33.

I have already, in the course of previous Committee consideration of the Bill, explained the purpose of the foreshadowed amendment that will remove from the provisions of section 33 the controversial subsection (4), which requires a certificate to be granted by the Minister before a prosecution can be launched against any publication alleged to offend against section 33. This, in some respects, has been one of the most important reasons why little action has been taken hitherto to ensure that offending publications go to the court.

I am not criticizing the Minister for what he has done, because, after all, he can exercise his discretion. The result has been that, by the Minister not exercising his discretion, few cases have come to court, and the feeling has grown abroad, "All right, anything goes". Perhaps if the Minister had exercised his discretion more frequently in the granting of prosecutions the need for the Bill might not have arisen.

The removal of the Minister's discretion is an important factor now, because the Bill sets up a board to classify. The board will have, and always has had, power under the terms of the Bill to refuse to classify. If the board refuses to classify, that publication, as far as distribution and sale, will be permitted only if the police see fit not to take action. A decision on whether to prosecute will be made by the police, and this they are allowed to do in

most other circumstances. It is only in special circumstances that a certificate from the Minister (such as the one the Bill provides) is required.

However, I am not saying that the original provision in the Police Offences Act for the Minister's certificate has not been a wise provision. In some respects it has served a proper purpose if used in the way it ought to be used. Under the new classification system there is no need for the protection of the community or the trade which the original provision in the Police Offences Act was designed to achieve. The protection of the community and the establishment of the limits to which the trade may go are established by the Bill.

I think that only a few publications will not receive a classification of some kind from the new board, so that the number of occasions on which the police may choose to exercise their powers will be limited. With the protection the classification gives, plus the restrictions on distribution, delivery, wrapping, marking, etc., we may achieve in toto a much better situation than exists now. I ask the Committee to support my amendment, which will achieve a useful purpose in the whole scheme of things.

The Hon. R. C. DeGARIS (Leader of the Opposition): As I understand the matter the position will be that, if the amendment is carried, the board will have the power to classify every restricted publication or publications suitable for unrestricted distribution, or it may not classify at all. They are the three options open to the board. If the board classifies any publication for restricted or unrestricted distribution, no prosecution can be brought in relation to that publication?

The Hon. F. J. Potter: That's right.

The Hon. R. C. DeGARIS: If the board refrains from exercising its powers to classify and that publication is sold, in the normal course of events the Police Offences Act applies, with the exception that the Minister does not have to produce his certificate for a prosecution?

The Hon. F. J. Potter: Yes.

The Hon. R. C. DeGARIS: Under clause 13 (1) (a) and *(b)* it is mandatory for the board to classify such material as restricted publications. Clause 13 (2) deals with the possession of unrestricted publications. Clause 13 (3) empowers the board to refrain from assigning a classification in certain areas. Does the Hon. Mr. Potter believe that, regarding a publication that may outrage the reasonable standards of adult persons, the board would not be almost duty bound to classify it as a restricted publication? Should we not write into subclause (3) something along the lines of what the Hon. Mr. Burdett suggested, namely, that the board shall not or may not classify publications that so outrage the reasonable standards of adult persons?

The Hon. F. J. POTTER: The subclauses to which the Leader has referred deal with somewhat different matters. Subclause (1) deals with the need for types of publication that should be classified. I do not think that that subclause has much to do with subclause (3), under which the board may refrain from assigning a classification because it could not give effect to the proper principles it must apply. For the principles we must go back to clause 12, which we have amended. The principles are that adult persons are entitled to read and view what they wish in private, and that members of the community are entitled to protection, extending to themselves and those in their care, from exposure to unsolicited material that they find offensive. If those principles are applied in the manner in which we contemplate they will be applied, certain publications are unlikely to be classified. It will depend not only on their content but also on the way in which they are commonly distributed.

The Hon. C. R. STORY: I said earlier that I would support the amendments put forward by the Hon. Mr. Burdett and the Hon. Mr. Potter, but I made the proviso that I would vote against the Bill if anything was done to tamper with what was done by this place. I stand by that decision.

The Hon. J. C. BURDETT: I support the amendment. The right thing to do with outrageous material was to prohibit its sale and distribution. However, the intention behind this amendment is the same. I have noticed in today's *News* an article stating that the Premier has achieved the excellent record of 21 years in Parliament. As a member of only six months standing, I would wish to allow the Premier some poetic licence; he said that among the things he would like to be remembered for was the removal of false restrictions on the community in areas like films and reading material. Neither the Hon. Mr. Potter nor I would wish to retain false restraints: our aim is for moderate measures.

The Hon. M. B. CAMERON: Any material that does not receive a classification is unlikely to be sold by reputable booksellers, but there is the possibility that such material will be distributed outside the normal field of selling. In such circumstances it is proper for the police to have power to do something about it.

The Hon. A. F. KNEEBONE (Chief Secretary): The Government wishes the Minister to retain the discretion he has in regard to this matter, and I therefore oppose the amendment.

The Hon. M. B. DAWKINS: I commend those honourable members who have made efforts to improve the legislation. I said earlier that the Bill was unacceptable at the second reading stage and that, if it was not improved considerably, I would have to vote against the third reading. However, because the Bill has been considerably improved, I intend to support this amendment and also the third reading. Of course, if the Bill is tampered with later, I will then reserve my decision. Only recently I have had detailed to me some of the filth available under present conditions; it only serves to underline how unsatisfactory the situation has been and I previously indicated my concern about this. Again, I commend my colleagues for the work they have done in framing provisions that will help to control this situation.

The Committee divided on the new clause:

Ayes (11)—The Hons. J. C. Burdett, M. B. Cameron, M. B. Dawkins, R. C. DeGaris, R. A. Geddes, G. J. Gilfillan, C. M. Hill, F. ,J. Potter (teller)., Sir Arthur Rymill, C. R. Story, and A. M. Whyte.

Noes (5)—The Hons. D. H. L. Banfield, T. M. Casey, B. A. Chatterton, C. W. Creedon, and A. F. Kneebone (teller).

Pair—Aye—The Hon. Jessie Cooper. No—The Hon. A. J. Shard.

Majority of 6 for the Ayes.

New clause thus inserted.

Title.

The Hon. F. J. POTTER moved:

After "publications;" to insert "to amend the Police Offences Act, 1953-1973;".

Amendment carried; title as amended passed.

Bill read a third time and passed.

LAND VALUERS LICENSING ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from March 6. Page 2297.)

The Hon. C. M. HILL (Central No. 2): The purpose of this relatively short Bill is to cure two minor problems

that have arisen since the Act was proclaimed in November, 1969. The first of these problems has been the case where the holder of a licence under the Act either fails to renew his licence on time or, for some reason, allows it to lapse for a short period. The Bill makes provision whereby the board can grant a new licence to such a person without that person having to pass the usually required examination.

The second change deals with the case applying mainly to student valuers, and permits such people to practise land valuation under the supervision of licensed valuers while not themselves holding licences. This provision is necessary for student valuers who may apply for licences after four years of practical work in the field of valuation. Such student valuers, under the new provisions, will quite explicitly not be in conflict with section 21 of the Act, which deals with this situation.

I support the Bill. I find from my experience that the Land Valuers Licensing Act is a vast improvement on the old arrangement existing prior to 1969 whereby those who practised land valuation held licences under the old appraisers legislation.

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

WAREHOUSEMEN'S LIENS ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from March 6. Page 2297.)

The Hon. C. R. STORY (Midland): I rise to speak to this short Bill, which has only one major amendment and several other amendments dealing with conversion to decimal currency. The original legislation was brought into this Council in 1941 and has not been amended in any way since that time. It seems to have given satisfaction to people in the community forced to work under it from time to time, but the Government has now had an approach from certain warehousemen (carriers and storage people) suggesting that the period allowed in section 7 of the principal Act should be reduced. The existing legislation provides for a period of 12 months before action can be taken for a warehouseman to recover under his lien, but the object of the Bill is to reduce that period from 12 months to six months.

As the Act appears to contain adequate provision for people to be properly protected, I cannot see that there is anything wrong with what the Government is asking us to do by way of amendment. Section 7 (8) of the Act provides:

> This section shall apply only to cases in which some part of the charges in arrears are in respect of a period more than 12 months prior to the date upon which the notice of intention to sell is given.

That period will now be six months instead of 12 months. I cannot see much objection to that.

Another amendment is to section 8, where £4 becomes $4. One may wonder why in making that conversion £4 does not become $8; but this is a percentage and it makes no difference; it will be the same. Section 10 is amended by substituting $4 for £2 and, in section 12 £10 becomes $20. I see no reason to delay the passage of the Bill, which I support.

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

STATE GOVERNMENT INSURANCE COMMISSION ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from March 5. Page 2262.)

The Hon. C. W. CREEDON (Midland): I support this Bill, which gives the right to our Government Insurance Commission to enter the field of life insurance, in competition with insurance companies, and that seems to me to be important, for a number of reasons. First, it gives the Government Insurance Office the same advantage as other insurance offices have, in that it will be able to work in all fields of insurance activity.

Life insurance is obviously an increasing and profitable business. It is obvious to me that the State should share in this profitability, although it may take some time before it receives any benefit from this venture; but I believe it is a worthwhile venture and in the interests of the State, even if only for the deterrent effect it will have on the excesses of the private companies. The community and the State of the future will give credit to the Government of today for its forethought in providing them with these assets and protection. Secondly, the people who now deal with the Government Insurance Office for such things as vehicle insurance, fire insurance, and other various kinds of insurance, will have an opportunity to take out their life and superannuation insurance with the Government office. After all, if one turns a customer away, it may well be that he will take whatever other insurance he has with the company to the one that will give him the insurance cover he deems necessary for himself. I have no doubt that that is the point that is worrying those who have spoken against this Bill.

I expect that a Government office entering the life field will help people to get the kind of insurance they need and can afford, rather than leave it to the companies whose agents and salesmen do their best to sell whatever cover will give them the best return. We should think about these things that affect the people. Other States have seen the establishing of Government insurance offices in all fields as the right thing to do. For instance, Queensland established a Government insurance office in 1916, and it now makes a reasonable profit. New South Wales set up a Government insurance office in 1926, and that office, too, is a profitable venture. The Commonwealth Government of 1944, sick of the devious practices of insurance companies, legislated against them in such a way that those companies now have a Commonwealth commissioner to oversee their activities. In the interests of our people and our State, we should be pleased that we have the opportunity to see that this legislation becomes law, thus affording the Government Insurance Office the chance to compete on equal terms with all-comers.

The Hon. R. C. DeGaris: You mean both insurance societies and insurance companies?

The Hon. C. W. CREEDON: Yes; I will explain that point more fully later. If left to private enterprise, we could reach the stage where, with take-overs and mergers, only a few large companies, which could dictate their own terms to the public, were left in the field. As it is, over the years, fire and accident companies have joined with life companies, and the smaller companies have merged with the larger companies. If that trend were to continue, in time we would be left in the insurance field as Australia would have been left in its airline enterprises, where the strongest private company swallowed all other private airlines and we were left in the position where we should be grateful for the forethought of the Commonwealth Labor Government of 1940 for its determination to establish a Government airline.

Another example of competition with the Government is the private banks with their high interest rates. Subsidiary finance companies are doing their best to drain every cent from the people who are forced to use their facilities. They would do even better at the expense of the people were it not for the presence of the Commonwealth and State

banks. Insurance companies thrive on the many millions of dollars a year that they extract from the ordinary man's wage packet, in many cases for policies that have not been clearly explained. One of the major gimmicks used by the promoters of insurance policies is that they always peddle the tax savings angle: they never explain to people that it works only on a year-to-year basis and not on moneys paid in total over the years.

The Hon. R. C. DeGaris: What exactly do you mean by that?

The Hon. C. W. CREEDON: Insurance for taxation relief is based only on the premium paid each year; insurance companies never mention the low interest rate offering. Here, I make no distinction between the mutual societies (non-profit-making, so we are told) and the company that must make a profit for the benefit of its shareholders. It is only natural that private enterprise companies do not want the Government to enter this area of insurance cover. New business and profits are at stake. They believe the Government should operate only in less lucrative areas. They would take even that away if they could.

There are always those who complain that Government facilities do not operate profitably. To clarify some of these points, I shall quote from the *National Times* of February 5-10, 1973, at pages 22 and 23. The article is headed "For insurance company boards: long life, safety and mutual security." The article states:

There is no more powerful group in the Australian financial community than the managers and directors of Australia's big six life insurance companies. With total assets of $6 800 000 000 and with the huge investments in shares and property, the life offices are a major influence on the policies of significant sectors of the Australian business community. It is rarely acknowledged, but for five of the Big Six, this power in fact really belongs to the policyholders of the insurance companies. For all but the M.L.C. in the Big Six are owned by their policy-holders. And theoretically the life offices and their managers are supervised by these millions of policyholders. In fact, of course, policy-holders, through ignorance and apathy, have effectively disenfranchised themselves.

When a policy salesman sells insurance he never explains that policy-holders have the right to vote at annual meetings. The article continues:

The result has been the appearance of a self-perpetuating group in the boardrooms of the life offices, who suffer little accountability or scrutiny. It is ironic that while the life offices will increasingly influence the boards and performances of Australia's biggest companies (through their big shareholdings) there will be no one looking over the shoulders of the insurance company boards themselves, except the Commonwealth Insurance Commissioner. Late last month the directors of one of Australia's largest life assurance companies, the National Mutual Life Association of Australasia Ltd, held a little-known extraordinary general meeting at their Collins Street headquarters in Melbourne. They passed new articles of association which gave them the ability to further entrench their own positions as directors. As a result of the move the National Mutual's seven-man board made it more difficult than ever for any outside group of dissident policyholders to successfully try to dislodge it. The directors apparently did not consider it was worth the expense to directly inform more than a mere five of their 500 000 or so policyholders of these moves. Rather, the National Mutual relied on the public notices section in the back pages of the daily press as the only method of communicating notice of the meeting to the vast majority of its policyholders.

The Hon. R. C. DeGaris: What influence would this Bill have on that situation?

The Hon. C. W. CREEDON: I am merely explaining some of the things that private and mutual insurance societies get up to in endeavouring to sell insurance policies. I know that South Australia should allow the Government commission to enter the life insurance field, and I am trying to present arguments to convince people that that should be so. The article continues:

The meeting itself lasted a mere three minutes. No questions were asked, and the motion was passed unanimously on a show of hands. So much for democracy.

The Hon. Mr. Burdett said that no greater democratic societies existed than existed in mutual life insurance offices.

The Hon. R. C. DeGaris: Don't you agree with voting by a show of hands?

The Hon. C. W. CREEDON: I certainly do. The article continues:

This extremely off-handed treatment of its policyholders by the board of such a major life office with a huge $1 100 000 000 in assets which is a powerful force in the Australian commercial scene is an indicator of the attitudes that life offices directors have towards their own policyholders. A cosy atmosphere pervades the boardrooms of the big life offices. In comparison with highly competitive situations which exist in a fair cross-section of the Australian commercial environment, life offices are still in a gentle backwoods with few competitive pressures evident in their performance for policyholders. They are certainly yet to reach the stage where competition forces them to extend themselves in the management of the vast sums of money under their control. Much of a life office's effort is directed at selling more and more policies; less is spent on seeking to maximise the long-run return from the investments. Life offices use only a small handful of staff to manage their huge investment portfolios running into hundreds of millions of dollars. Although they are all vocal supporters of free enterprise and competition none competes on the basis of performance; it has yet to be demonstrated that a dynamic investment management team will win a lot more business in the long run than will a supercharged sales team. Some might well lay the basis for this down to the extreme difficulty that the ordinary policyholder has in comprehending what the life assurance business is all about. As long as he gets his bonus each year he tends to think that he must be doing all right. More than 3 000 000 Australians claimed tax deductions on their payments on life assurance and superannuations of more than $700 000 000 last year. The average policyholder does not have a clue about whether he is getting a good deal or otherwise out of his policy.

The Hon. M. B. Dawkins: Some other people don't have a clue either!

The Hon. C. W. CREEDON: The article continues:

He just pays his money in every year, claims it all as a tax deduction and presumes that all is well with his policy. He is not easily able, nor is he encouraged, to compare the returns on policies offered by different life offices. But these returns vary quite widely, as the *Australian Financial Review* demonstrated in a series of articles some 18 months ago. They showed that on a 20-year endowment policy taken out in 1950 by a man aged 19 and which matured in 1970, rates of returns would have varied widely between different life offices. They show an annual compound return of as low as 3.2 per cent in the case of the Australian Temperance and General Mutual Life Assurance Society Limited to one as high as 4.9 per cent in the case of the Colonial Mutual Life Assurance Society Limited.

The Hon. R. C. DeGaris: What about the Queensland Insurance Commission?

The Hon. C. W. CREEDON: It goes on:

But in a much broader sense, the slowness with which the major life offices have moved into new areas of insurance cover such as disability insurance and term insurance gives grounds to query their dynamism. The big six (the A.M.P., T. and G., City Mutual, Colonial Mutual, Mutual Life and Citizens and National Mutual) together account for around 80 per cent of all the life assurance business written in Australia. And as fellow members of the powerful Life Offices Association, they have a strong grip on the way the business will be conducted in Australia.

The only point that the "super-charged" salesmen make to prospective policy-holders is that they can use the payments

they make as tax deductions. If anyone is intelligent enough to ask how much he will be paid each year he is never told. A company selling such coverage should tell people what they are likely to get out of a policy over the years. Salesmen never endeavour to explain to people that by being policy-holders they have the right to vote at an annual general meeting. The article also deals with the assets, the number of policy holders and voting rights of each of the six major life insurance companies in Australia, and states:

Life office	Assets	No. of policy-holders estimated	Policy-holders who have enrolled on postal voters roll
A.M.P.	$2 750 000 000	1 800 000	60 000
T. and G.	$700 000 000	300 000	none
City Mutual . . .	$300 000 000	100 000	50 000
Colonial Mutual	$1 000 000 000	500 000	Less than a dozen
M.L.C.	$950 000 000	500 000	—
National Mutual	$1 100 000 000	500 000	5

It is about time insurance companies were forced to give policy-holders a yearly statement indicating that each policy-holder has the right to vote if he desires to do so by placing his name on a roll.

The Hon. R. A. Geddes: Will policy-holders get a vole if the Government office enters this field?

The Hon. C. W. CREEDON: That is a Government matter, and people have the right to vote the Government out at any election.

The Hon. M. B. Dawkins: And they will, too.

The Hon. C. W. CREEDON: The grip that insurance companies have on the financial structure of South Australia can be compared with that of banks: a matter I have mentioned previously. As life insurance concerns most householders, the Government has a duty to ensure that people are protected from any likelihood of unscrupulous activity. I support the Bill.

The Hon. Sir ARTHUR RYMILL (Central No. 2): This is the third time on which I have spoken to legislation relating to the State Government Insurance Office. I have looked up what I said on the previous two occasions. I am afraid that honourable members will have to bear with me while I read a few quotes from my earlier speeches, because I do not think I can improve on what I said on those occasions.

In 1967 the Government introduced a Bill that was defeated. An election was held in the meantime, and in 1970 I was worried about whether the Government had a mandate to introduce such a Bill. I decided that the Government did have a mandate and I pointed out that, when voting al elections, people vote on hundreds of issues, so it is difficult to say whether a mandate for a specific issue exists among the hundreds of different issues. I thought it was my duty to support the Government on that occasion because I believed that it had a mandate, and I voted for the Bill to set up a Government fire and general insurance office.

On this occasion not only can I say definitely that the Government has no mandate, but I will undertake to prove that it has a mandate not to introduce this Bill. I will prove it by the Premier's own words in the House of Assembly *Hansard* of 1970 at page 527. Mr. Coumbe, in Committee, asked:

> ...can the Premier assure the Committee that the Government insurance office is not likely to enter into the business of life insurance under his Government or in the future?

The Hon. D. A. DUNSTAN: The reason for our excluding life insurance basically was that we had an investigation made into the profitability of various forms of insurance in offices of medium size. A Government insurance office would be an office of medium size (not the smallest, but certainly not the largest), and it is not possible for an office of medium size to compete effectively in the life insurance field because, in this field particularly, the economies of scale are enormously important. If one has a large-scale office, one is able to offer competitively far better benefits than can be offered through a small office. Quite different considerations arise in relation to other forms of insurance.

In addition, we are not so concerned about the standard of service in the life insurance field: this is a competitive area, given the large companies operating here and it is under the control of Commonwealth Government legislation. Different matters arise there from those relating to the rest of the business that we are interested in having a Slate insurance office deal with. The only reason why originally we had included life insurance was that it was considered that there was an advantage in some policy areas of having people, who were insuring with the Government insurance office, able to take up life insurance in the same office.

Compare that with the second reading excuses for the Bill now before us. The House of Assembly *Hansard* of August 5, 1970, continues:

> . . . frankly, those advantages were minimal as against the difficulty that we would face in being able to compete adequately with the terms of life insurance offered by the larger offices. In consequence, we decided that there were advantages in excluding life insurance, and we have no intention of altering that view.

Let us have a look at the second reading excuses, not reasons, for the Bill now before us. as follows:

> 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

That is in direct contradiction of what the Premier said in August, 1970. Things have not changed since then. I very decidedly query the truth of that statement, which I do not believe to be true. As I will say later, I have had some experience in this area. The second reason given was as follows:

> 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.

What happens now with these large companies to which the Hon. Mr. Creedon referred? Do they not liberally invest in Government stock, in State Government securities, such as Electricity Trust and Housing Trust debentures, etc., and in the private field by supporting companies in this State? Could a State insurance office offer anything more in that way than the offices to which the Hon. Mr. Creedon referred? Of course they could not. I believe that the Bill is quite ridiculous and contains lame excuses for some doctrinaire policy the Government wants to carry out.

If the Government enters the life insurance field, as I said in 1970 about fire and general insurance, its office will be a burden on the taxpayers of the State for years and years to come. The Minister's second reading explanation continues:

> 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.

I wholeheartedly support that statement, because it is right and proper and should enable the State Government Insurance Office to compete more successfully with what, for the lack of a better term, I call the private office. Hitherto the State Government Insurance Office has not done too well, as the Hon. Mr. DeGaris pointed out. He said that for the recently completed financial year the State office had lost almost $1 000 000. I think it may have been $932 000. However, I may be wrong; I am relying on my memory now. *Hansard* of August 20, 1970, at page 893, reports me as saying:

> ...feeling that I know that this insurance office will be a burden on the taxpayers of this State for years to come.

Sometimes one wants to be wrong, and I am extremely sorry that I have been proved right so far on that point; and I hope I am proved wrong soon, but I cannot see it happening soon, unfortunately. I made my point then on the fire and general State office, and I make it now about life insurance, but much more so.

I would like to declare my interest by saying that I occupy occasionally one of those cosy boardrooms that the Hon. Mr. Creedon referred to, because I happen to be a Director of Australia's greatest life insurance company, the Australian Mutual Provident Society, whose assets, I think, exceed $3 000 000 000. I do not know about the cosiness of boardrooms: I find that the decisions that have to be made are not any easier in boardrooms than they are in this place.

As a result of my knowing a little about life insurance, I feel I am qualified to talk on this Bill. It could be said, of course, that I should not be talking on this Bill, because I have a personal interest. Actually, I am much more interested in the welfare of the State of South Australia than in anything else that is in my life, except possibly my own family. I feel I should talk about this Bill because I feel I am perhaps more qualified to talk about it than are most honourable members. In connection with the question of personal interest, I feel every honourable member has a personal interest in life insurance. I feel nearly every honourable member here would have a policy of his own, whether the policy provided—

The Hon. A. J. Shard: Except those who were too old to take out a policy.

The Hon. Sir ARTHUR RYMILL: A man can be old in years but young in his ways, as the former Minister is. So, I think we are all interested in some way in life insurance, and I therefore have no reluctance in talking on this Bill. I can go back to 1967, when this matter first arose. On that occasion I criticized the fact that there had been no financial study made of what is now called the viability (to use a horrible word) of a State Government insurance office. I said that there was no prospectus, but a company would have to issue one if it was going enter the life insurance field. Indeed, if a company tried to enter the field in the way in which the Government did, it would find itself in trouble under the penal sections of the Companies Act. Where is the feasibility study and where is the prospectus this time?

I raised this point again in 1970, and the reply given was that certain people at the Adelaide University had studied the matter. No figures were given, but apparently a few academics looked at it. I said that I did not think any company would place much credence on a study by academics any more than the academics would take a direction from a company on how to run a university. Here again, there is absolutely no feasibility study at all given to us. We have nothing before us as to the likely profitability or, more likely, the lossability (if there is such a word) of the proposed office. It is totally wrong that we should be asked to support a Bill that involves the State of South Australia in a big financial obligation, without anyone apparently having had a proper look at the feasibility of the proposal; or, if they have had a proper look at it, we have not been told about it. I think the Hon. Mr. Shard will be interested in some references to the debate on the State Government Insurance Commission Bill in 1967. While I was speaking during that debate the Hon. Stan Bevan interjected:

> We said—

he meant the Labor Party—

we would do everything that was in the best interests of the public.

I replied:

> In those circumstances, I presume the Minister would claim a mandate for anything.

The Hon. Mr. Shard then interjected:

> I thought you read our policy and our platform from a book.

The Hon. C. D. Rowe, now deceased, interjected:

> Do you mean last month's book?

The Hon. Mr. Shard replied:

> You could not be funny if you tried.

I continued my speech as follows:

> It is perfectly clear that as a House of Review we have no obligation in this matter, and we should adopt the line of doing what we consider to be in the best interests of the people of this Stale.

The Hon. Mr. Shard then interjected:

> No-one has ever denied you that right.

I continued:

> Let us have a look at what the Government has claimed in the second reading explanation as the reasons for the proposed establishment of this insurance office. The main reason given was "to ensure by competition that adequate service is given to the public". Mr. President, this is just laughable. The insurance business is the most competitive business, I imagine, of any.

The Premier's speech in 1970 has already been referred to, and now let us look at what his counterpart in the Commonwealth arena says. An article in the *Advertiser* of February 7 states:

> Australia had too many insurance companies and was adequately supplied with non-bank financial institutions, the Federal Treasurer (Mr. Crean) said yesterday . . . The Government had decided to amend the Insurance Act to prevent new insurance companies being established merely because they met certain minimal financial requirements.
>
> Under present legislation the possession of $20 000 in cash or Government securities was the only financial requirement to start as an insurer . . . Applications to set up as an insurer would then be considered in the broader context of the public interest, with particular reference to the qualifications of directors.

We have not had spelt out to us what the qualifications of the Directors of the State Government Insurance Commission are. I know the Chairman, who is a very capable man. I do not know the other Directors, and I do not know how much they know about life insurance, Further, I do not know what the General Manager knows about life insurance because he is, as I understand it, a fire arid general man, not a life insurance man; the fields are vastly different. The Hon. Mr. Creedon said that take-overs and mergers might leave only a few life insurance companies, which could then dictate their own terms. What rubbish! I am told that Australia has more than 40 life insurance companies operating at this stage.

Where will the lack of competition spring from? How can all these companies merge together so that only a few are still operating? And if that did happen, what

would be the result? The competition between the few companies remaining in operation would be even more fierce than it is at the present time. I then dealt in 1970 with this question, because life insurance came into that argument, although life insurance was not contemplated by the legislation. In my second reading speech I said:

> The Hon. Mr. Casey, by interjection, implied, as I thought, that the Government considered that it might make some profit out of its insurance venture.

The Hon. Mr. DeGaris then interjected and said:

> He suggested that the Government was looking for a profit out of it.

I then said:

> Yes. Fortunately, most of our large insurance companies are mutual companies—

I was referring, of course, to life companies—

> and, therefore, if there are any profits, they all go to the policy-holders; in other words, the policy-holders are the people who receive any advantages that the directors or management of a company may be able to create for them. As far as life insurance is concerned, I cannot see that any Government office could possibly do any better for the people than the mutual companies do. In fact, with all their expertise, one would expect that mutual companies could do better than a newly-formed Government office could do.

If the Government is looking for a profit, which apparently it is, let me say that the mutual companies do not look for profits except for their policy-holders. All their profits go back to the policy-holders by way of bonuses, and so on. How could a Government life office give any benefit to the ordinary citizen that the mutual companies are not already giving? Indeed, if a Government office was seeking to make a profit, it could not give the same benefits.

I want to challenge one or two things the Hon. Mr. Creedon said. I thought his statement that agents sell the cover which will return them (the agents) the best profit was a rotten thing to say. These agents and field representatives are dedicated and honourable men and they should be praised. Black sheep dwell in every fold. There may be a few looking for advantage for themselves, but I know as a fact that the vast majority of the agents try to help the people they are insuring and not themselves. They will tell a man the cover they think will most suit his circumstances and advise him accordingly. They have great expertise and they tell the man they are trying to insure what sort of cover they think will suit him best. They tell him what is available and it is up to the man buying the insurance to decide whether or not the type recommended would be the best type of insurance for him. There is no obligation on him to insure himself, anyway.

The Hon. J. C. Burdett: Many of the agents belong to an institute with a code of ethics.

The Hon. Sir ARTHUR RYMILL: Yes, a high code of ethics.

The Hon. D. H. L. Banfield: There are still some fast talkers among them; that cannot be denied.

The Hon. Sir ARTHUR RYMILL: I do not deny that. As I said, black sheep dwell in every fold, but the vast majority of these people are honourable and dedicated men.

I have said most of what I want to say and I have probably wearied the Council quite a bit, especially by repetitive quotations, but I should like to finish on this note: if the State Government Insurance Commission is permitted to embark on life insurance it will be a vastly costly exercise. Understandably, we have not had any estimation of those likely costs, because if we were given one I think everyone would throw up his hands in horror and say. with me, that if the State embarks on life insurance it will be a heavy burden on the taxpayers of this State for many years to come.

The Hon. M. B. DAWKINS secured the adjournment of the debate.

ADJOURNMENT

At 4.47 p.m. the Council adjourned until Tuesday, March 12, at 2.15 p.m.