

LEGISLATIVE COUNCIL

Tuesday, October 22, 1974

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

QUESTIONS**LIBYA**

The Hon. R. C. DeGARIS: Has the Minister of Agriculture a reply to my question of September 25 about the Libyan contract?

The Hon. T. M. CASEY: The agreement between the Libyan Government and the South Australian Government provides for the following:

(1) Professional staff of the department will be made available for employment by the Jebel Akhdar Land Development Authority to develop and manage a demonstration farm of 1 000 ha at El Marj to be operated in accordance with the practices which have been shown to be effective over similar areas in South Australia.

(2) The staff will be an officer-in-charge, cereal specialist, pasture specialist, livestock specialist, soil and water conservation specialist, and two farm assistants.

(3) The specialists will conduct research and provide advice in other areas of the Jebel Akhdar when not required on the demonstration farm.

(4) The Jebel Akhdar authority will provide counterpart trainee specialists who will work with each of the South Australian specialists and who will take over the work after an initial three-year period.

(5) A senior officer of the department will visit the demonstration farm for up to three weeks each year to act as a consultant, with accommodation and travel expenses paid by the authority.

(6) The department will provide training for selected Libyan specialists in South Australia.

I repeat that the reported cancellation of a contract with a South Australian manufacturer does not affect the validity of the above agreement, and the Government will continue to honour its commitments under the agreement. I have a copy of the contract and, if the honourable member desires to look at it, I shall be very pleased to give it to him.

The Hon. M. B. CAMERON: Has the Minister of Agriculture a reply to my recent question about the Libyan contract?

The Hon. T. M. CASEY: I think I should make it clear at the outset that the reported cancellation by the Libyan Government of an order on a South Australian manufacturer for agricultural machinery is not related to the agreement signed in June this year between the Governments of Libya and South Australia. In fact, I believe that this setback is an isolated case, and will not affect the overall development programme anticipated under the agreement. I assure the honourable member that the South Australian Government still intends to carry out its responsibilities under the terms of the agreement to provide information, advice and training facilities for the Jebel Akhdar Land Development Authority. All staff for the project have now been selected and contractual arrangements are being finalised with the Libyan Government. The officers concerned will be working in Libya on secondment from the Agriculture Department, and their salaries and travelling expenses will be paid by the Libyan Government. I have a copy of the agreement, which I am happy to make available to the honourable member or to any other member of the Council who is interested to peruse it.

MURRAY RIVER FLOODING

The Hon. M. B. CAMERON: I wish to ask a question of the Minister of Agriculture, representing the Minister of Works. In view of the heavy rain that has occurred in the upper reaches of the Murray River, is it likely that we will now see a third flooding of the river later this year or early next year?

The Hon. T. M. CASEY: According to reports received by the Acting Minister of Works (Hon. Hugh Hudson), the flood situation is not expected to worsen to any great extent. That is in line with the statement made just recently by the Minister, but I will check with him again to see exactly what is the present situation and what effect excessive rains in the Albury and Wagga Wagga areas may have on flooding in South Australia. I doubt whether the flood potential in South Australia will be increased, but perhaps the Minister of Lands can add to this answer.

The Hon. A. F. KNEEBONE: The effect of the flooding that originally occurred in the Albury and other areas will prolong the high river, but it will take about 10 weeks to get here. It will prolong the high river, but it will not have the effect of raising the level to any great extent.

SERVICE OF PRESIDENT

The Hon. A. F. KNEEBONE (Chief Secretary): I seek leave to make a Ministerial statement.

Leave granted.

The Hon. A. F. KNEEBONE: I draw the attention of honourable members to the fact that two days ago you, Sir, reached a high point in your career as a politician and as a member of this Council when you completed a period of 40 years service to the State in this Chamber. Honourable members will know that you have served for the whole of that 40 years as an elected member for the Legislative Council District of Northern, and that you were Chief Secretary, Minister of Health, and Minister of Mines from 1939 to 1965, Leader of the Opposition from 1965 to 1967, and that you have been President of the Legislative Council from 1967 to the present time.

I want to say on behalf of all members in this Chamber how much we respect your service and how much we honour you for the service you have given to the State and to the Legislative Council. I look forward to serving with you for the rest of your term of office. I understand that, at the end of this Parliament, you, with several others of us in this Chamber, may be retiring. We wish you and Lady McEwin the best of health and every happiness in your future retirement.

The Hon. R. C. DeGARIS (Leader of the Opposition): I seek leave to make a statement in support of the Chief Secretary.

Leave granted.

The Hon. R. C. DeGARIS: I should like to add my support to the statement made by the Chief Secretary. I thank him for his reference to you, Sir, and your service. You are the third longest serving member in the history of the Parliament of South Australia. On October 20, you completed 40 years of service to this Parliament. I draw attention to the fact that your Parliamentary service spans one-third of the total period of responsible Government in South Australia. When one considers that, one realises it is a remarkable performance. On behalf of the honourable members that I lead in this Council, I extend to you and Lady McEwin our best wishes. We also realise that your term of service is coming to an end, and we wish you and Lady McEwin all health and happiness in your remaining years.

The Hon. G. J. GILFILLAN (Northern): I seek leave to make a statement.

Leave granted.

The Hon. G. J. GILFILLAN: I should not let pass this opportunity of adding my good wishes for your future, Sir, to those of the previous speakers. I have been your running mate in Northern District and have come to see more of you, in some ways, than have other honourable members with perhaps longer service than I have. I recall, when I became a candidate and then an inexperienced member, how much help you extended to me in my Parliamentary duties. I very much appreciate the fact that, during these 12 or 13 years, in spite of your seniority in office and experience, at no time have you ever attempted to tell me what you thought I should do. That is a lesson we should all learn from a man with vast experience and seniority, both in Government and as a member of Parliament, who was big enough to work with a junior colleague without telling him what to do. That is one of the things I have always appreciated, and I am glad of the opportunity to say so.

The Hon. R. A. GEDDES (Northern): I seek leave of the Council to make a brief statement.

Leave granted.

The Hon. R. A. GEDDES: Without embarrassing the Council or you, Sir, as a junior and very humble member for Northern District, a district for which both my father and your father stood and lost many years ago, I wish to reiterate the remarks made by the Chief Secretary, the Hon. Mr. DeGaris, and the Hon. Mr. Gilfillan about the wonderful service you have given the State and the Parliament. I wish to say "Thank you".

The PRESIDENT: Honourable members of the Legislative Council: I have not had time to consult Standing Orders to see whether I am entitled to respond to a Ministerial statement. However, in view of what has been said, I consider that I must acknowledge the remarks made by the Chief Secretary, the Leader of the Opposition, and my colleagues in Northern District. On occasions such as this, one is lost for words: one is sure to say the things that are not so important and to leave unsaid so many important things. However, I may be able to record those things later.

My 40 years of service are short-term in the past but long-term in the future. Indeed, that time has passed rapidly because of the special conditions that I have enjoyed. In this respect I refer to the friendship and confidence of all my colleagues in the Council, going right back to the beginning of my service. It has indeed been a privilege over the years to serve in the Council with men of vast experience—older men than I—not only because of the encouragement but also because of the help they gave me regarding conduct in the Chamber. Those honourable members have indeed helped me and I have enjoyed their confidence. Without indulging in personalities, that has been my experience with members representing both sides of political opinion. I have seen Independent members and members of recognised political Parties working here, but at no time has anything interfered with my personal relations with them in the Council. Honourable members in whom I have confided privately have never abused that confidence in this Chamber.

I have also received great help from an understanding wife, and have been free of domestic problems during my term of service. This has made my 40 years of service pass quickly. I consider that the domestic affairs of any man in public life are indeed important because, to carry out all one's obligations in a position of service to the

public, one must not experience interference from any source or be distracted in any way. In this respect I have been fortunate, and it has made my 40 years service most happy.

When three other honourable members and I leave the Council, as we will, at the end of this Parliament, we will be making way for new blood. I hope that those honourable members who remain here will continue to serve the State for years and will be able to say, as I have with much confidence, that the experience they have had with those who have preceded them has been of great help and assistance to them. I hope I carry on this tradition of being of help to you, as others have been to me. Thank you very much.

QUESTIONS RESUMED

WEEDS

The Hon. Sir ARTHUR RYMILL: I seek leave to make a statement before asking the Minister of Agriculture a question.

Leave granted.

The Hon. Sir ARTHUR RYMILL: First, I should like to subscribe to everything that has just been said, and to say that I hope soon to be able to add to those remarks, with which I agree. My question relates to weeds, this topic being one of my favourite subjects. I recall that last year, when I asked the Minister a similar question about weeds on the new freeway, he got prompt action, which is very important. I refer to the old saying that one years seeding means seven years weeding, and that certainly applies to salvation jane, Paterson's curse, or whatever it is called. Concerning this weed, officers of the Minister's own department have said that seven years hardness of seed is involved once it takes root. My attention has been drawn to the fact that at Nairne, which is somewhere near my farm, there has been a camp (I think an Engineering and Water Supply Department camp) on about one ha of land. Apparently much salvation jane was brought to the area in filling, and the whole camp site, which I believe has now been vacated, is completely covered with weed, which is now starting to spread. This is a matter of urgency because, if such weeds are left at all, it takes seven years to eradicate them. Unfortunately, no selective killer of salvation jane has yet been discovered, and it is therefore necessary to poison the ground. If the weed starts to grow on farmland, then it must be let to grow or no pastures can be grown for seven years, as I understand it. Therefore, I ask the Minister, and I am sure he will co-operate, to look at this problem to see whether something can be done with all possible speed.

The Hon. T. M. CASEY: If many of the landowners in South Australia were as conscious of weed problems as is the honourable member, I would be delighted. I will take this matter up as one of urgency to see whether this outbreak of salvation jane in the Nairne district can be controlled as soon as possible.

CANCER

The Hon. V. G. SPRINGETT: I seek leave to make a brief statement prior to asking a question of the Minister of Health.

Leave granted.

The Hon. V. G. SPRINGETT: Recently we have heard much in the news about cancer. About two years ago I asked the Minister of Health to look into the possibility of establishing a cancer registry in South Australia, along Norwegian lines. I also referred to the establishment of a nation-wide registry, and the making

of cancer a notifiable disease. Will the Minister say whether it is intended to make cancer a notifiable disease and whether it is intended to establish a local cancer registry?

The Hon. D. H. L. BANFIELD: At this stage nothing has been done about making cancer a notifiable disease. I will have another look at the question, but nothing has been done concerning a registry throughout Australia so far.

LAND COMMISSION

The Hon. C. M. HILL: Is the Minister of Lands aware that last week he told me in answer to a question that 785 ha of land in rural areas had been purchased either within, or close to, metropolitan Adelaide by the Land Commission? Will the Minister say whether the commission is being given any preference in rezoning proposals over existing private owners of rural land?

The Hon. A. F. KNEEBONE: I am not aware that any preference is given to the Land Commission in this respect. The honourable member's question is confusing. I supplied a report to the honourable member from the State Planning Authority about this matter.

FLOODING

The Hon. M. B. CAMERON: Has the Minister of Agriculture a reply to my recent question about flooding?

The Hon. T. M. CASEY: In answer to the honourable member's three questions on flooding, my colleague, the Acting Minister of Works, states that, first, the Engineering and Water Supply Department considered that there was a possibility that a major flood, perhaps equivalent to that of 1971, could occur, as a result of the flows in the North Para River and the overflow from the South Para River. Regarding the Warren reservoir, the department considered that there was a possibility that the dam could be overtopped. This would have lowered the safety limits on the dam to below those acceptable under present-day design criteria. As the intensity and duration of the storm could not be predicted, and recognising that any problem would arise at the weekend, it was considered prudent to advise the Police Department and councils in the area so that early consideration could be given to emergency procedures if the situation greatly deteriorated. The answer to the second question is "No". The water would have entered the South Para reservoir and passed through the reservoir via the spillway without affecting the stability of the dam itself. Finally, my colleague assures me that all precautions were taken to ensure the safety of people and property that could have been affected.

WARREN RESERVOIR

The Hon. M. B. DAWKINS: Before asking my question, I should like to take this opportunity to endorse the comments made regarding you, Mr. President, by the Chief Secretary, the Hon. Mr. DeGaris, and other honourable members. Has the Minister of Agriculture a reply to my question of October 9 regarding safety precautions in connection with the Warren reservoir and the possible reconstruction of the weir?

The Hon. T. M. CASEY: The duties of the new Water Resources Branch of the Engineering and Water Supply Department will include a complete evaluation of the total water resources of the rivers in the area, such as the South Para River and the North Para River, to ensure that the fullest use will be made of the total water resources. This will also include an evaluation of the desirable capacity of the Warren reservoir. I point out that any overflow from

the Warren reservoir is not wasted but is impounded in the South Para reservoir for use in the Gawler, Salisbury and Elizabeth areas.

COMMUNITY HEALTH CENTRES

The Hon. R. C. DeGARIS: First, can the Minister of Health say what the Commonwealth-State arrangements are in connection with capital and maintenance contributions toward the establishment of community health centres; secondly, are centres selected for establishment by the Commonwealth or by the State; and, thirdly, when the centres are completed, who will control their operation?

The Hon. D. H. L. BANFIELD: They are financed by the Australian Government.

The Hon. R. C. DeGaris: You mean the Commonwealth Government.

The Hon. D. H. L. BANFIELD: No. They are financed by the Australian Government.

The Hon. J. C. Burdett: Which Australian Government?

The Hon. D. H. L. BANFIELD: As far as I am concerned, there is only one Government in this connection, and it is the Government that we are dealing with in regard to community health centres.

The Hon. C. M. Hill: What about the other six Australian Governments?

The Hon. D. H. L. BANFIELD: Never mind about the other six. The health centres are being financed on the basis of 90 per cent Australian Government money and 10 per cent State Government money. The running of the health centres will be in the hands of the State, and they are established on the basis of need.

STATE GOVERNMENT INSURANCE COMMISSION

The Hon. R. C. DeGARIS: As the Auditor-General's Report discloses a loss of more than \$4 000 000 over two years by the State Government Insurance Commission, first, can the Minister representing the Premier state why the loss occurred; secondly, can he detail the losses incurred in the various sections of the insurance business—fire, accident, third party, comprehensive, etc.; thirdly, as the public field of insurance is increasing its reserves to cater for increased payments, what steps has the commission taken to increase its reserves; fourthly, what check is made on those reserves; fifthly, if a check is made, who makes it; and, finally, what remedial action does the Government intend taking to reduce the commission's losses?

The Hon. A. F. KNEEBONE: I will endeavour to get the Leader replies to all his questions in the shortest possible time.

GRASSHOPPERS

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

Leave granted.

The Hon. R. A. GEDDES: Has the Agriculture Department been able to take any action regarding the grasshoppers that are reported to be hatching in the Gawler Range, outside local government areas?

The Hon. T. M. CASEY: I received a report yesterday from the Chief Entomologist on the present situation in connection with the grasshopper problem. It would be very difficult to control the hatchings in the Gawler Range, which covers an enormous area. There has been a very high mortality rate due to seasonal conditions that are adverse to grasshoppers, and we believe that, if they migrate, they will do so in a southerly direction. So, they will have to cross the gulf. The mortality rate as the grasshoppers cross the gulf could be as high as 70 per

cent. We believe we can deal with them much better if they eventually get to the other side of the gulf. I am very happy with the progress made toward eliminating the grasshoppers. We are making more equipment available to district councils in the West Coast area. This equipment will encourage landholders in the area to do something about the latest hatchings. Overall, I do not think we will have such a huge influx of grasshoppers as was anticipated earlier in the year.

The Hon. A. M. WHYTE: Can the Minister of Agriculture give the name of the gulf lying between the Gawler Range and the area which produces a third of this State's wheat crops and which lies due south of the Gawler Range? This relates to the question asked by the Hon. Mr. Geddes. Really, there is no gulf between the Gawler Range and one of the large wheatgrowing areas of the State.

The Hon. T. M. CASEY: If the honourable member wants to be specific, I will agree that, if one travels directly south, one is still in the Eyre Peninsula area. I have been informed by departmental officers, as I have indicated to the Hon. Mr. Geddes, that, if the grasshoppers travel in a direction that involves crossing Spencer Gulf, the mortality rate is expected to be about 70 per cent. We can only go by figures relating to the previous outbreak (I think in 1956) when we had a similar problem. The honourable member must bear with me. The matter is under active consideration and we do not think that, under the present conditions, we will be faced with a major outbreak, as was feared earlier. However, that will depend on seasonal conditions.

TYRE REEFS

The Hon. C. M. HILL: My question is directed to the Minister of Agriculture, representing the Minister of Environment and Conservation. Regarding the disposal of old and unwanted tyres in South Australia, especially in the metropolitan area, what is the Government's view on depositing such tyres in the sea as artificial reefs to encourage the growth of sea life? Has this been carried out successfully? Further, what plans has the Government to assist in the disposal of such tyres as an environmental action?

The Hon. T. M. CASEY: I shall refer the honourable member's question to my colleague and bring back a reply.

FISHERIES

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, representing the Minister of Fisheries.

Leave granted.

The Hon. C. R. STORY: On September 10, I asked a series of Questions on Notice of the Minister of Fisheries concerning appointments within the Fisheries Department. I received a reply that indicated, as I had suspected, that no Director of Fisheries existed at that time, an Acting Director having been in the position since November 23, 1972. First, has that position been filled, and, secondly, how many of the other positions in the Fisheries Department that were vacant on September 10 have now been filled?

The Hon. T. M. CASEY: I shall refer the honourable member's question to my colleague and bring down a reply.

WORKLIFE UNIT

The Hon. C. M. HILL: I seek leave to make a short statement prior to directing a question to the Minister of Health, representing the Minister of Labour and Industry.

Leave granted.

The Hon. C. M. HILL: Last week, a report by Mr. L. J. Prowse, head of the Government's Quality of Worklife

Unit, was publicised to a certain extent, and the newspaper report indicated Mr. Prowse's current views on worker participation, joint consultative councils, and industrial democracy, following a recent overseas study tour. A later report on October 17 mentioned the Premier's criticism of Mr. Prowse and the method by which Mr. Prowse's report got into the hands of the press. Despite this, however, as those of us who are interested in the whole subject have now had an opportunity to read in the press what seem to be some snippets from Mr. Prowse's report, and as Mr. Prowse is employed and has gone abroad at public expense, can his whole report be tabled so that a close public study can be made of his views and possibly much misunderstanding of this vital subject clarified?

The Hon. D. H. L. BANFIELD: I shall refer the honourable member's question to my colleague and bring down a reply.

PASSPORTS

The Hon. C. R. STORY: Recently, I asked the Leader of the Government in this Chamber a question regarding the decision of the Commonwealth Government to withdraw red passports from Ministers of State Parliament, with the exception of the Premier. Has he a reply to my question?

The Hon. A. F. KNEEBONE: I have discussed with the Premier the question regarding the withdrawal of diplomatic passports as previously issued to State Parliamentarians travelling overseas. The Premier has now written to the Prime Minister on the matter.

CHILDREN'S HOSPITAL

The Hon. C. M. HILL: Has the Minister of Health a reply to my recent question regarding the Adelaide Children's Hospital?

The Hon. D. H. L. BANFIELD: Part of the Allen Campbell Building will be retained and preserved. The old out-patient section will be demolished. It has not been decided to what use the retained portion will be put; however, it could possibly house a museum and archives.

VICTOR HARBOR SEWERAGE SCHEME

The PRESIDENT laid on the table the report by the Parliamentary Standing Committee on Public Works, together with minutes of evidence, on Victor Harbor Sewerage Scheme Extension (Ozone Heights and Ocean View Area).

NATURAL GAS PIPELINES AUTHORITY ACT AMENDMENT BILL

The House of Assembly intimated that it had given leave to the Minister of Development and Mines (Hon. D. J. Hopgood) to attend and give evidence before the Select Committee of the Legislative Council on the Bill, if he thought fit.

The Hon. A. F. KNEEBONE (Chief Secretary) moved:

That the time for bringing up the report of the Select Committee on the Bill be extended until Tuesday, November 26, 1974.

Motion carried.

MORPHETT STREET BRIDGE ACT AMENDMENT BILL

Read a third time and passed.

HEALTH AND MEDICAL SERVICES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 17. Page 1556.)

The Hon. V. G. SPRINGETT (Southern): The original Act was passed in 1949. Its purpose was to provide for the

establishment of an Advisory Council of Health and Medical Services, for the appointment of a Director-General of Public Health and a Director of Tuberculosis, and for other purposes. The last time that the advisory council met as an advisory council was in 1965. It can no longer be called together in its original form, because certain officers (seven in number) who constituted the board do not exist in the Public Service any more, at least by the titles of their appointments.

The original board was constituted by reference to holders of certain offices, so this legislation is really now out of date, as some of the officers concerned no longer exist by their original titles. The Minister of Health, in introducing the Bill in this Council, referred to the fact that it was a long time since the council for which this Act provided last came together (in 1965), and now the principal Act is inoperative and incapable of application without giving rise to misleading action. To serve any useful purpose, therefore, the Act needs reprinting and, before that is done, its dead wood needs removing. That is being done by this amending Bill. The Bill, as I have said, is short. It starts by altering the short title to the Health and Medical Services Act Amendment Act, 1974, so that the principal Act will be cited as the Health and Medical Services Act, 1949-1974. That is quite simple and straightforward. Clause 2 then amends the long title by striking out the passage "for the establishment of an Advisory Council on Health and Medical Services". The title of the 1949 Act was as follows:

An Act to provide for the establishment of an Advisory Council on Health and Medical Services, for the appointment of a Director-General of Public Health and a Director of Tuberculosis, and for other purposes.

Clause 3 amends section 2 of the principal Act by striking out the definitions of "appointed member", "the council", "the chairman", and "member". So, when all those definitions have been struck out, all that is left in section 2 is the definition of "the Minister". Under this short Bill, the short title is brought up to date, the long title is brought up to date, and the interpretation clause is amended to strike out all definitions except that of "the Minister".

Clause 4 strikes out sections 3 to 13, inclusive, of the principal Act, which define duties, functions, terms of office, the power of the council, etc. Section 14 of the principal Act, which remains *in toto*, provides for the appointment of a Director-General of Public Health. Section 15 provides for the appointment by the Governor of a Director of Tuberculosis, and subsection (2) of that section provides:

The Director of Tuberculosis shall be a full-time officer of the Public Service and shall be subject to the Public Service Act, 1936-1949 . . .

As I say, this is a short Bill, and it seems to be free of any embarrassment. When introducing the Bill, the Minister said:

The Act was originally and mainly intended to provide for the establishment of an Advisory Council on Health and Medical Services . . .

That is quite clear. It is with considerable interest that one realises that this original legislation was introduced in 1949, when the President of the Council of this day was probably at the beginning of his period of service as Minister of Health in this State. This Bill is being submitted to Parliament essentially to facilitate the consolidation of the Act under the Acts Republication Act. It is an amazing thought comparing today with 1949, when the advisory committee had the responsibility of inquiring into almost every medical and paramedical service. The Government has decided to set up a working party and a project team to implement progressively the recommenda-

tions of the Bright committee. I am glad to see that some of the advice is being taken. These subjects and problems today will not and cannot be dealt with by an all-embracing advisory committee, as was the case in 1949. Medical affairs and organisations today are widespread in their application. Their costs are becoming astronomical. The personnel they call on are becoming a higher proportion of the working force, with ever-increasing regularity.

The economic strains being experienced by Sweden are great. Sweden is often held out as an example of what a State-controlled health service, in conjunction with other medical activities, can provide for people. Yet I was reading only this weekend a recent report that stated that it is but an example of the problem situation being experienced by all countries, with the highest motive and intention in the world, placing upon the shoulders of the working population a burden of social services (which include medicine in its broadest concept) that is far too great for the working force to bear.

The Hon. R. C. DeGaris: We have to look far beyond that to understand the health system.

The Hon. V. G. SPRINGETT: I agree. The cost to the taxpaying family in Sweden for social security is, for the average family, 55 per cent of its income. For this, Sweden has been held up as an example of ideal Socialism, but the Swede has to wait weeks, if not months, for routine medical appointments, and years for gall bladder or hernia operations and other elective surgery. Such is the lack of continuity and the impersonal nature of taking care of the workers that it is purely accidental if a doctor sees the same patient twice. Alas, in this country, a political ideology is fast leading us in the direction of mass-produced, State-provided and State-controlled medical and ancillary services. Be it good or bad, it seems that it is going to be foisted on the nation.

The Hon. R. C. DeGaris: It's a tragedy.

The Hon. V. G. SPRINGETT: That is a mild word in this respect. This is going to be foisted on the nation, whether it likes it or not, and the well-trying method of adjustment and adaptation to changing views, which has been well proven over the years, is going to give way to the crisp orders of centralised bureaucracy. It is a tragedy when a country such as ours, which has had so many opportunities and which still has to be involved in the same way as other countries, never learns from other people's mistakes. I am convinced that changing things overnight and throwing away the baby as well as the bathwater is not a good idea.

Battle lines are being drawn in relation to the future of the medical services for the people of this country. It seems as though our people are going to experience, to the detriment of the populace, some, if not all, of the disillusionments of countries that have tried to change from personalised self-help schemes to ones fully provided by Government. My remarks are not such a deviation from the Bill as they may at first sight seem to be. Removing dead wood is always good and, indeed, is necessary to give a clear line of fire. This the Government will certainly need to do.

The Hon. R. C. DeGaris: Do you see this Bill as bringing the State into line with Commonwealth thinking?

The Hon. V. G. SPRINGETT: I am sure it is. If it is not deliberate, it is an amazing coincidence. Much will be said in the coming months about the future health and medical schemes that we are going to have lumbered on us if the Government has its way. I remind honourable members that July 1 is the date on which the protagonists have their eyes set. July must be a bad month, as it

was in that month that the United Kingdom Bill was passed, two years after which the national health scheme came into being. Since then, there have been more bitter arguments, strife and disillusionment in the medical and allied professions as well as amongst the people who tried to bring in this system than ever existed in a free enterprise system. I support the Bill, and leave with honourable members the thoughts I have just raised.

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

SAVINGS BANK OF SOUTH AUSTRALIA ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 17. Page 1561.)

The Hon. A. F. KNEEBONE (Chief Secretary): I thank honourable members for the manner in which they dealt with the Bill. I particularly thank the Hon. Sir Arthur Rymill for the way in which he dealt with it. I believe he answered most of the things I thought I would have to answer in closing the debate. Concern has been expressed regarding the effect the Bill will have on the interest that will be paid to the bank's depositors. The amount to be paid by the bank to the Government is related to the surplus amount, which is the amount remaining after deducting from income the expenses of administration and the interest paid on depositors' accounts.

The Hon. R. C. DeGARIS: I think the point raised was whether the bank would be striving for the same profit, even after the payment to State Treasury.

The Hon. A. F. KNEEBONE: I think it would be doing so.

The Hon. R. C. DeGARIS: Therefore, there is a chance that it will affect the bank's profit.

The Hon. A. F. KNEEBONE: I do not think it will. The Leader is asking whether the interest rate will be affected by the sum of money that is paid to the Government. If, as a result of a higher rate of interest being paid to the bank's depositors, there is no surplus, the Government will get nothing. This is a matter for the bank's board of trustees to determine. The assessment of a proper rate of interest is a matter for the board of trustees, and the question of the contribution to revenue arises only after allowance has been made for that decision.

The Hon. R. C. DeGARIS: There is a threshold limit of business profitability, and that can be close to \$1 000 000 a year.

The Hon. A. F. KNEEBONE: I am unable to go into the exact figures regarding the amount of profitability. My information is as I have stated (and the Hon. Sir Arthur Rymill mentioned this by interjection last week), that the sum that will be payable as a result of the passing of this Bill will relate to the surplus after a decision has been made by the trustees regarding the rate of interest. It is the reverse of what has been suggested: the interest rate paid will affect what is paid to the Government, not, as has been suggested, that the amount paid to the Government will affect the interest rate.

There also seems to be some confusion surrounding the definition of "prescribed deduction". I can only reiterate what I said in the second reading explanation: this deduction relates to loans made by the bank to the Government and to the South Australian Housing Trust at concessional rates of interest, and will amount to either \$202 000 or \$61 000, depending on the year under consideration. It will represent a further deduction from the surplus amount before calculation of the 50 per cent to be provided by the bank to revenue. The prescribed deduction represents the monetary deduction of the concessional rate of interest

adverted to in the second reading explanation. Necessarily, this rate declines as the loans to which it relates fall due. That is what I said in the second reading explanation: it depends on the year under consideration. I think this is the answer to the honourable member's problem.

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2—"Disposal of surplus of income over expenditure."

The Hon. R. C. DeGARIS (Leader of the Opposition): I thank the Chief Secretary for his reply to the questions raised in the second reading debate. Am I to understand that the prescribed deduction will always be \$250 000 and that the actual rate of taxation will never reach 50 per cent, even after the repayment of loans made at a rate of interest below the prescribed rate? Is there a statutory deduction of \$250 000, after which the 50 per cent rate will apply? I should like the assurance of the Chief Secretary that that is the position. This Bill does not go quite so far as the taxation currently levied on private enterprise savings bank operations, on which is levied a 47½ per cent company tax as well as income tax. Even in the extreme case of all loans at the existing low rate being repaid, the Bill does not seek a levy of more than 50 per cent.

The Hon. A. F. KNEEBONE (Chief Secretary): I am not sure to what the honourable Leader is referring. I made an explanation about "prescribed deduction", saying that the prescribed deduction related to loans made by the bank to the Government and the South Australian Housing Trust over the years at concessional rates of interest. As I understand it, these rates are about 1 per cent below the ruling rate.

The Hon. R. C. DeGARIS: What is the rate when they are all paid off?

The Hon. A. F. KNEEBONE: The deduction will amount to \$202 000 or \$61 000, depending on the year under consideration. The rest of the question asked by the honourable member concerns what will be the effect of the 50 per cent to be provided by the bank to revenue.

The Hon. R. C. DeGARIS: Will it be 50 per cent of the bank's profit on all loans advanced?

The Hon. A. F. KNEEBONE: The 50 per cent will be calculated after the cost of administration and interest is paid. The amount that is a prescribed deduction will also affect the amount paid into general revenue, as I see it. I do not know whether that answers the Leader's question or not.

The Hon. R. C. DeGARIS: It doesn't, but I think I understand.

The Hon. Sir ARTHUR RYMILL: A wise man told me at lunchtime today that as a member of this House of Review I should understand clearly every clause of every Bill to which this Council agrees. I raised a query concerning this clause in the second reading debate, and I am still not certain about the answer. I pointed out that "the surplus amount" related to amounts disclosed in the balance sheet of the bank, and said that in the normal company in the private sector it would relate to the amount shown in the profit and loss account. I then said, having examined the Statute of the bank, that all that is referred to is a balance sheet and not a profit and loss account. Since then I have obtained from the Parliamentary Library a copy of the annual report of the Savings Bank of South Australia as at June 30, 1974. That shows that there is a balance sheet. There is also a statement headed "Statement of Income, Expenditure and Appropriations for the year."

I said in the second reading debate that the amount disclosed as a surplus in the balance sheet would include capital items, whereas the amount disclosed as surplus in an income and expenditure statement probably would not, or in many cases would not. I think the Government's intention is purely to tax the ordinary profits of the bank, not to tax any surplus arising through any capital appreciation. What would happen under the phraseology of this Bill if, for instance, the bank decided to revalue upwards all its premises, which might involve a large capital profit for the year? Does the Government intend to take 50 per cent of that? I think the answer is "No". If that is not the Government's intention, does not this wording dictated by a curiosity of the Statute of the bank give an interpretation that such could be the case literally, and thus that some Treasurer might feel obliged under this wording to tax such profits? If the Minister is not clear about this (he would be pretty good at finance if he were), I suggest that he report progress and clear up this matter. I do not think there is any urgency, and I should like to understand the position clearly. I can put two different interpretations on this. I think I know what it means, but I do not know that a court would know, especially in regard to what I regard as the slight peculiarity of the Act itself, which is an old Act.

This may stem from the fact that the Savings Bank of South Australia was not a Government institution for a long time. If I remember rightly, the bank sort of owned itself for a long time. No-one was entitled to its profits, and no-one was entitled to tax from it. The Government was not entitled to anything and, at that stage, I do not think the Government guaranteed it. First, I think the Government guaranteed its deposits, and later the then Premier (Mr. Playford, as he then was) took the bank under his wing and made it a Government institution. This could account for the unusual nature of the Act constituting the bank. This makes it very difficult for someone in charge of the Bill to give an impromptu answer to the question I am raising.

The Hon. A. F. KNEEBONE: I thank the Hon. Sir Arthur Rymill for his efforts to assist me on this occasion, too, as in the past he has been most helpful regarding other most complicated financial matters considered by this Committee. I am informed that the reference to the profit and loss statement of the bank was altered recently (I think, last year) to refer to surpluses of income rather than profit and loss. Because of the difficulty in answering the honourable member's question, I ask that progress be reported.

Progress reported; Committee to sit again.

GAS ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 15. Page 1439.)

The Hon. C. R. STORY (Midland): I was surprised to see the Government attacking the South Australian Gas Company and the Mount Gambier Gas Company, because these two companies are not in the same category as are other organisations that have been happy hunting grounds for the Government when it has wanted to levy additional taxation. Earlier today honourable members considered the Savings Bank of South Australia Act Amendment Bill, which the Hon. Sir Arthur Rymill said went some of the way toward bringing the Savings Bank of South Australia into line with private banks. However, the situation is rather different in regard to the South Australian Gas Company, which pays Commonwealth income tax. Of course, the Electricity Trust of South Australia, which is subject to a levy, is a semi-government instrumentality.

The Gas Company will be put to a real disadvantage as a result of this Bill. We must remember that the company, which has shareholders, has to go to the public to raise funds. The company is in business to make a profit and, up to the present, it has done so. However, if this Bill is passed, it will be entirely in the hands of the Commissioner for Prices and Consumer Affairs as to whether the company makes a profit. If the Commissioner does not increase the price of gas, the company will not be able to make a profit and it will therefore become unattractive to investors. Executor companies are able to invest in the Gas Company but, if the company is not showing a profit, the directors of executor companies will not put themselves and their clients at risk by investing in it.

If the Commissioner for Prices and Consumer Affairs does not increase the price of gas from time to time, the Gas Company will not be able to make a profit and, as a result, the company will lose public support. In that event, there will be only one source of finance—the State Government. I do not know why the Government is dabbling in this viable organisation. It would have been very much better to let the company go along as it had been going and to authorise the Commissioner for Prices and Consumer Affairs to keep the price of gas at a reasonable level while allowing the company to make a profit. If the company starts to make losses, as I predict it will, the Government will have another problem on its hands. The oil companies, which also provide fuel for industry, will no doubt be dealt with later this session in legislation that has been foreshadowed. We have heard rumours of a petrol tax, but we have not heard whether it will be imposed on fuel oil. At present the Electricity Trust of South Australia, our biggest supplier of energy, has been netted by the Government to make a contribution, the Gas Company has been netted, and probably the oil companies will be netted in the future.

The shareholders and directors of the Gas Company are entitled to feel disappointed at the Government's move in imposing this levy. I am sure that the investors will display their displeasure when the next debenture call is made. Over the years, South Australia has been very fortunate in the way in which the Gas Company has functioned. There has been very little industrial strife, and the directors of the company have given good service. I am therefore sorry to see further Government intrusion into a viable organisation, but this intrusion is consistent with Socialist policy. As soon as any organisation is making a profit and getting along all right, it must be levelled down; money must be taken from it and handed to some other organisation.

The Hon. R. C. DeGaris: Like the State Government Insurance Commission.

The Hon. C. R. STORY: Yes. Very little can be done about this legislation. There is nothing I can say about the drafting; I think that is all right. However, I hate the principle. I think it is entirely wrong and I think South Australia will rue the day when it allowed the Government to inflict on it this socialistic type of management, because 1974 will go down in history as the year when the big erosion really took place.

The Hon. R. A. Geddes: Would it be better for the South Australian Gas Company to be acquired by the Government and run in the same way as the Electricity Trust?

The Hon. C. R. STORY: The Government will not have to acquire it. The Government has every means at its disposal. It needs only to withdraw the franchise and it could take over at any time. It has a more subtle way of dealing with the matter. It can allow the Gas Company

not to make any profits at all, forcing it to come to the Government for money to carry on. That would put the management of the Gas Company and its shareholders in a cap-in-hand situation in which they must ask the Government to carry the company on. The Government effectively gets the works without the odium and stigma of grabbing it. It is much the same thing, when all is said and done.

The Hon. R. A. Geddes: The Government won't have to pay for it.

The Hon. C. R. STORY: That is right. As I say, 1974 will go down in history as the year in which the people's bank and the Gas Company (another small people's safe investment over the years) were taken under the wing of the Government. The third event in 1974 was that the State Government Insurance Commission showed up in the light expected by sustaining further losses. It will effectively become a burden on the State because it has given private companies (except for one company) the opportunity to move out of third party insurance business. I think the commission will have the whole of the third party business before very long. The taxpayers in this State will continue to pay the piper. This is a significant year, as we will see as history unfolds. I can do nothing but issue a warning to the people. They will have another opportunity in 1976 to rectify what is left of the position, but 1974 is a good time to impress on people what is happening to them and to their assets.

The Hon. A. F. KNEEBONE (Chief Secretary): I thank honourable members for the manner in which they have dealt with the Bill, and I have a brief explanation of some of the points raised. In the second reading explanation of this Bill, I described briefly the method by which the licence fee would be calculated. Subsequent comment by the honourable member who has just spoken suggests that perhaps that part of the explanation should be clarified.

The licence fee will be calculated as 5 per cent of the gross amount received by the supplier during the financial year immediately preceding the licence period. The fee will be payable by equal quarterly instalments during the licence period except where the licence is granted after one or more of the relevant quarter days have occurred, in which case the fee which would have been payable on those days will be payable on or before the next quarter day. Thus the situation will be similar to that of a company paying company tax, in that the fee calculation will always be based on the results of a previous financial year.

The honourable member also sought assurance that the South Australian Gas Company had been given the opportunity to examine the Bill, and I am pleased to give that assurance. Copies of the Bill in draft form were made available to both the South Australian Gas Company and the Mount Gambier Gas Company, and comments and suggestions were invited. The Bill in its final form includes those suggestions in which the Government was able to concur.

Bill read a second time and taken through Committee without amendment. Committee's report adopted.

WHEAT INDUSTRY STABILISATION BILL

In Committee.

(Continued from October 17. Page 1559.)

Clause 8—"Directions by Minister."

The Hon. T. M. CASEY (Minister of Agriculture): There has been a good deal of discussion on this clause, which gives the Commonwealth Minister power to direct the board on the performance of its functions and the exercise of its powers; the board shall comply with those

directions. It seems to me that we should know where we are going, because criticism was levelled at the Commonwealth Government last year when it directed the board to sell wheat to Egypt on terms. According to some honourable members, that was not beneficial to the wheatgrowers of this country. However, I believe history will prove them wrong. In this morning's newspaper there is an indication that Egypt will buy 36 400 cubic metres of wheat from Australia in the coming season.

The Hon. C. M. Hill: Have they got any money?

The Hon. T. M. CASEY: I think the honourable member had better contact Egypt and find that out. I believe that on a previous occasion Libya had the finance available; the honourable member should know that, owing to the oil bonanza, the Libyan Government had a lot of money.

The Hon. C. M. Hill: What about Horwood Bagshaw's deal?

The Hon. T. M. CASEY: What about it?

The Hon. C. M. Hill: Didn't that fall through?

The Hon. T. M. CASEY: I do not think that is relevant to this discussion.

The Hon. C. M. Hill: But you have just claimed that they are very financial.

The Hon. T. M. CASEY: What has the contract with Horwood Bagshaw to do with a contract with Egypt?

The Hon. C. M. Hill: If they can pay for it, they should go on with the contract.

The Hon. T. M. CASEY: I think the Hon. Mr. Hill should do some homework on this; he should contact Horwood Bagshaw and see what transpired between the Libyan Government and Horwood Bagshaw before he tries to make suppositions along those lines. He should know the full facts; he should contact Horwood Bagshaw.

The Hon. C. M. Hill: You tell us the facts. Your officers are advising these people overseas.

The Hon. T. M. CASEY: They are not; that is not true. The honourable member, if he did not know it, should know it by now. If he wants to talk of the contract between the Libyan Government and Horwood Bagshaw, I am willing to talk with him about it at some other time. In the interests of the wheat industry, particularly in the political climate that will probably always obtain throughout the world today, we have to allow Governments to arrange contracts of this nature. We shall find that the Commonwealth Government is prepared to underwrite any agreement signed as a long-term contract. It did on the last occasion with Egypt: it guaranteed up to 70 per cent. On this occasion, it will guarantee the full amount. The Commonwealth Government should be in a position to do this, in the interests of good relations with other countries, as many countries have a developing economy and the cry today is for the developed countries to make more financial resources and food available to the developing countries. That is a role that Australia can play.

The Hon. C. M. Hill: Did Egypt take delivery of that wheat?

The Hon. T. M. CASEY: Yes.

The Hon. C. M. Hill: Did it ever use it?

The Hon. T. M. CASEY: As far as I know, yes.

The Hon. A. M. Whyte: Did it not sell it to Russia for more arms?

The Hon. T. M. CASEY: That may be the honourable member's interpretation of it, but I think his suggestion is completely out of order; it has no substance. If we are going to talk rationally about this, we should look at it on the facts available. I believe the Australian Government, irrespective of the political faction it may belong to, should have this power. It is good to be able to negotiate

with those countries that are unable, for some reason or another, financial or otherwise, to pay right on the knocker; we should allow them to spread their payments over a period of time. Now that the Commonwealth Government has guaranteed it, as far as I am concerned it is acceptable.

The Hon. A. M. WHYTE: I thank the Minister for noticing what I had to say on clause 8. The Minister did some late homework on this matter, but he missed the whole principle of my argument—not that the Government should have the right to negotiate with other countries, but that it should not have the right to negotiate at the expense of one industry within its jurisdiction. If the Commonwealth Government decides it is better to deal with Egypt than with Chile, where we saw a much different approach to the sale of wheat (the Chilean allotment was cancelled because of that country's politics), that is nothing to do with me. I do not care whom the Whitlam Government cares to kiss or whom it cares to repudiate but, if it wishes to negotiate like this, it cannot be at the expense of one industry: it must concern the whole population of the country.

If the Government wants to make these negotiations, it must fulfil its obligations and meet the commitments to which it has committed the industry. Again, the fact that it promised to meet 70 per cent was to me some sort of a joke. It had committed the industry for a wheat shipment and was prepared to meet only 70 per cent of its value. However, the Wheat Board stood firm and is responsible now for having persuaded the Commonwealth Government, and it is entitled to full payment for the wheat regardless of whether it is sold under its negotiations or whether it is sold by the Commonwealth Government under some other negotiations.

The Hon. T. M. CASEY: I agree with that entirely.

The Hon. A. M. WHYTE: That is what the board has done, and I am happy to see that the Minister now proposes to incorporate the Commonwealth wording in the State Act.

The Hon. R. C. DeGARIS: I compliment the Hon. Mr. Whyte on his views of this matter and the Government on its taking notice of what he said. I agree with the Hon. Mr. Whyte in regard to Government trading; I have no objection to the Government's trading with another country but, if that country requires Australian wheat, its Government should pay. There was a strong rumour (I am glad the Minister has refuted it) that the wheat sold to Egypt never left Australia: it was traded for arms with another country. Egypt was trying to swap the wheat from Australia for some other commodity. I am glad the Minister refuted that suggestion.

The Hon. T. M. CASEY: I did not; I said I understood that was the position.

The Hon. R. C. DeGARIS: I accept the Minister's statement as a valid correction of the impression gained by some honourable members. Will the Minister check that statement whether that wheat ever got to Egypt? The rumour was strong, and from several sources, that the wheat did not go, that it was traded for arms for Egypt. If that is so, we should examine this whole matter of Government trading.

The Hon. T. M. CASEY: I make clear that this is the first time it has been brought to my notice that the wheat deal with Egypt last year, or whenever it was, during the hostilities over there resulted in the wheat not leaving Australia. I do not know. I said I understood that the wheat did leave Australia. I did not refute that statement. The fact that the wheat may not have gone to Egypt and was used largely for the purchase of arms by that country from some other country may be so. Nevertheless, now

that the Leader of the Opposition has raised the matter, I will try to obtain information on what exactly transpired during those negotiations.

Clause passed.

Clause 9 passed.

Clause 10—"Delivery of wheat."

The Hon. G. J. GILFILLAN: I raised this matter during the second reading debate. I refer to the retention of wheat for use on the farm on which it was grown. Unfortunately, "farm" is not defined in the Bill. What comprises a farm? Is it a single parcel of land, or can it comprise more than one parcel of land that may be run as one unit? Indeed, there may be three or four parcels of land that are worked as a single farming unit. Because of the penalties involved for breaches of the Bill's provisions, I consider that this clause is a vague approach to the problem in an attempt to catch one or two operators from other States. A clear direction should be given regarding the responsibility of a person in this position. Perhaps, too, the Minister should give an assurance that, when several parcels of land are worked as one unit, the person involved will be free of any obligation regarding this clause.

The Hon. T. M. CASEY: My interpretation is that, if a farmer owns parcels of land that are separated by a road, they would be classed as a unit. I think it makes no difference whether one grows grain on one side of the road this year and on the other side of the road the following year. Such parcels of land are recognized as a unit under the quota system and, if a farmer owned a property comprising, say, three parcels of land, they would still be regarded as one unit. Indeed, if he wanted to retain wheat grown on those parcels of land, it would still be regarded as part of the farm unit.

The Hon. A. M. Whyte: Farms can be made up of many sections.

The Hon. T. M. CASEY: That is so, as roads can go through farming properties. However, it is still regarded as a unit, and one obtains one's quota under the wheat quota legislation because the farm is regarded as a single unit.

The Hon. G. J. GILFILLAN: I still think it is a pity that "farm" is not defined in the Bill. I realise, however, that this Bill is complementary to legislation being passed by the Commonwealth Government and the Governments in other States. However, I would like an assurance from the Minister that, if this lack of definition creates difficulties in the working of primary producing properties (I do not think, for instance, that a farmer should have to contact the Wheat Board for a permit every time he wants to take a truckload of seed wheat to another part of his property), the legislation will be amended.

The Hon. T. M. CASEY: I am pleased to give the honourable member that assurance.

Clause passed.

Clauses 11 and 12 passed.

Clause 13—"Price to be paid for wheat."

The Hon. T. M. CASEY: I move:

After paragraph (c) of subclause (5) to strike out "and"; after paragraph (d) to insert "and"; and to insert the following new paragraph:

(c) there shall be taken into account payments made to the board in accordance with subsection (2) of section 18 of the Commonwealth Act in relation to wheat of that season.

This matter was raised by the Hon. Mr. Whyte. I understand that other State Governments have not been completely happy about it. I have therefore moved an amendment to clarify the matter. Section 18 (2) of the Commonwealth Wheat Industry Stabilization Act, 1974, provides for a Commonwealth indemnity to the board to cover

losses arising from the provision by the board of credit for a longer period than the board would have been prepared to allow on a strictly commercial basis. The effect of this amendment is to ensure that any moneys that become payable pursuant to this indemnity may be treated by the board in the same way as they would have been treated had they been paid pursuant to the credit arrangements. I am sure that covers the point raised by the honourable member.

The Hon. C. R. STORY: It may cover the point raised by the Hon. Mr. Whyte, but I had some points which I made fairly strongly regarding this matter and with which I should like to continue. I do not think it is good enough to include in State legislation, which must be complementary to Commonwealth legislation and that passed in other States, a term like "section 18 of the Commonwealth Act in relation to wheat of that season". This is a State Act and should be readily available to the people of this State to read if they so desire.

There are references throughout the Bill to Commonwealth Acts. I do not mind this in relation to Commonwealth taxation law, as there is a place in Adelaide to which people can go to peruse that legislation. However, any South Australian legislation which is complementary to that passed in other States and the Commonwealth should be capable of being read in one piece and should not refer to, say, a Commonwealth Act. I believe that section 18 of the Commonwealth Act should be included in the Bill.

Even if I lose that point, surely there should be a cross reference in the marginal note when the State legislation stems from a Commonwealth Act. After all, this is done in other States and, indeed, in Commonwealth legislation, and I cannot see why it has not been done in this Bill. Anyone who must examine legislation realises how awkward it is to trace back to other Acts that are referred to. I believe we should insert in clause 13 the whole of clause 18 of the Commonwealth Bill, so that one does not have to run to Canberra to get a copy of the Commonwealth legislation every time one wants to see what the Wheat Stabilisation Act provides.

The Hon. B. A. CHATTERTON: The Hon. Mr. Story is obviously not aware that there is an excellent Commonwealth Government bookshop in Pirie Street that sells all these Acts. Talking about having to go to Canberra is exaggerating the position to an extreme.

The Hon. C. R. STORY: I am obliged to the Hon. Mr. Chatterton for putting in *Hansard* the address in South Australia of the shop where one can buy copies of Commonwealth Acts. That will be of great help to some people, but I want to avoid their having even to go to Pirie Street. We already have a good arrangement at the State Government Tourist Bureau concerning this matter. The bureau is much nearer Parliament House than is Pirie Street. Moreover, I do not know for how long, if an Act is out of print, a person would have to wait to get a copy of the Commonwealth Act. However, after I came back from the bureau and complained in this Council that an Act was out of print, I got some results, and it took only two days to get a reprint of an Act that had been out of print for some time. I believe we should have printed in the State legislation that part of the Commonwealth legislation that is directly referred to.

The Hon. A. M. WHYTE: As I believe there is only one copy of the Commonwealth Bill now available in Parliament House, and as that Bill has not yet become a proclaimed Act, will the Minister have progress reported so that I can find the Bill, wherever it may be, to see whether the

amendment puts into the legislation what I have suggested ought to be written in?

The Hon. T. M. CASEY: I ask that progress be reported.

Progress reported; Committee to sit again.

STATE GOVERNMENT INSURANCE COMMISSION ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 17. Page 1562.)

The Hon. A. F. KNEEBONE (Chief Secretary): Honourable members who have spoken on this Bill have not raised many points requiring an answer from me. The only criticism I have found regarding the Bill came from one honourable member who suggested that the Public Actuary should be asked to report to Parliament on investments made, with the approval of the Treasurer, from funds of the State Government Insurance Commission. I cannot see that the Public Actuary has much to do with the working of the commission, and I consider that it would not be advisable for him to be called on to comment on matters that the Treasurer may be dealing with regarding investments of the commission. Certainly, the commission is not likely to start investing in anything where there is any element of doubt.

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2—"Power to invest."

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

After "amended" to insert "(a)"; after "Treasurer" to insert "on the advice of the Committee"; and to insert the following new paragraphs:

(b) by inserting, in paragraph (c) after the word "Treasurer", the passage "on the advice of the Committee"; and

(c) by inserting after the present contents as amended by this section (which are hereby designated subsection (1) thereof) the following subsection:

(2) In this section "the Committee" means a committee constituted of the Under Treasurer, the Public Actuary and one other person appointed by the Treasurer.

The Chief Secretary has replied to the suggestion I made regarding some check on the Treasurer's approval in relation to investments by the commission. I have further considered the matter, and I consider that what the Chief Secretary has said is probably right, that the Public Actuary should not report to Parliament on decisions of the Treasurer. However, I refer to the Public Service Superannuation Fund: a committee consisting of the Public Actuary, the Under Treasurer and one other person handles the investments of the fund. In this case, I believe there should be an advisory committee to the Treasurer regarding investments needing the Treasurer's approval.

The State Government Insurance Commission is losing money at a fantastic rate. If the losses of the commission are compared with the commission's premium income, I point out that any self-respecting private enterprise organisation with such a relationship would close its doors tomorrow. I believe the total premium income is about \$8 000 000, yet the loss, I think, according to the Auditor-General's report, is \$4 000 000. These figures are staggering, and I believe that a committee is needed to advise the Treasurer on any possible investments that may need his approval. Arguments may be advanced against my amendments; for example, one could say that the board was skilled in investment and that it would not make any unsound recommendations to the Treasurer. Nevertheless,

things are happening in the State Government Insurance Commission that can only cause concern to honourable members; I have drawn attention to some of these things. Earlier today I asked who reported on the reserves of the commission. As far as I know, up to the present there have been no reports in that regard. It would therefore be reasonable for honourable members to consider setting up the kind of committee I have suggested.

The Hon. C. M. HILL: The amendments satisfy the concern that I expressed earlier. The Hon. Mr. DeGaris referred to the serious financial situation of the State Government Insurance Commission. Problems beset the industry elsewhere but, of course, the commission has not built up the reserves that the industry elsewhere has built up to counter the financial predicament that the industry generally is facing at present. It may be said that the commission does not need reserves as great as those needed by private insurance companies, because it is guaranteed by the Government; from a business viewpoint, that is a very poor argument.

A further authority, somewhat comparable to the authority that oversees the investment portfolios of private insurance companies, should be established if the affairs of the commission are to be conducted with the utmost prudence. If an authority of this kind was established, it would not hinder the commission; rather, it would provide a wise and proper check. I therefore support the amendments.

The Hon. Sir ARTHUR RYMILL: This clause asks for precisely the same power as this place agreed to give last session but, because we did not agree to another clause, the Government (in its wisdom or otherwise) dumped the whole Bill. Now, it brings it back again with just this clause. Why did the Government not accept it last time? I think I know the answer, but I will not bother to give it now. I could say, "I told you so". In 1970, when the commission was established, I said that the Government was going into the venture without any feasibility study and that the commission was certain to make losses; this has happened. Labor Governments seem to have an idea that, because some businesses were profitable at one stage, they remain profitable.

Last March we offered the power, but the Government did not accept it. Actually, it was a jolly good thing that the Government did not accept it and that the Bill was dumped, because, if investments had been made in equity shares last March or April, there would have been an even greater disaster than there is now. I do not know who the investment experts are. We have heard much advice on what equity shares one should buy, whether one should buy equity shares or fixed interest securities, and whether one should buy long-term securities or short-term securities. I do not think anyone can be correct at present, mainly because the Commonwealth Labor Government, in its wisdom, has dictated that a credit squeeze, with high interest rates, is the order of the day. In these circumstances no-one can be correct, irrespective of whom one has as an investment adviser.

I cannot support the amendments, because I believe that anyone's guess is as good as the guess of anyone else. The best policy is to attempt to guess what Canberra will do today, tomorrow and the day after. Actually, I do not think that the people in Canberra themselves know.

The Hon. R. A. Geddes: Some try to refer to some Canberra members as being similar to King Canute.

The Hon. Sir ARTHUR RYMILL: He was a much maligned man. The investments covered by this clause may be not simply trustee investments, as the original legislation provided. I do not know why the original

legislation did not say this, because it is the modern trend. Before the Second World War trustee securities were regarded as sacrosanct. However, when one sees Commonwealth stock quoted at \$70 for each \$100 face value, one wonders whether such stock is a marvellous or safe investment but I suppose that, if one sits it out, one will get one's capital back in postage stamps. The modern trend is to invest in a variety of investments. Recent history has proved that one may as well have this sort of investment as have trustee investments. The commission's investments are subject to the approval of the Treasurer, but the Leader in his wisdom has moved to establish an advisory committee. The commission will approve or reject recommendations concerning investments, and those recommendations that are approved will go to the Treasurer for his approval, and, under the Bill, that will be the end of the matter. The Leader has said that, after those processes have been completed, another committee should consider the investments. I suggest to the Leader that he might have another committee presiding over the advice given by the advisory committee, which is advising the commission, which is advising the Treasurer, who is advising the management, and so on.

The Hon. M. B. Cameron: That could be put in the Savings Bank of South Australia and they might get half the profit.

The Hon. Sir ARTHUR RYMILL: That would be very good; the management approves, the commission approves, the Treasury approves, the committee suggested by the Hon. Mr. DeGaris approves, my new suggested advisory committee to the advisory committee approves, and we could have more. I do not know where it would end. Probably the investment would not be any good at all because the powers that be in Canberra would say they did not like such a system. The best thing is to leave the clause as drafted.

The Hon. A. F. KNEEBONE (Chief Secretary): I do not know whether I have read history correctly, but my memory of the situation is that it was his advisers who told King Canute that he had the power to stop the waves. He went along with his advisers, but their advice was wrong.

The Hon. Sir Arthur Rymill: He went along with it to show his advisers they were wrong.

The Hon. A. F. KNEEBONE: Advisers are not always right. My objection to the amendment is that the Treasurer never acts in such matters without the advice of his advisers (although I could not say they would be as bad as those of King Canute). That is why we have an Under Treasurer and other people to advise him. The amendments would mean that another group of advisers, including the Under Treasurer, would give advice, following advice from the managerial committee and the State Government Insurance Commission. Then we add the Public Actuary and one other person appointed by the Treasurer, although we do not know who that may be.

The Hon. R. C. DeGaris: Who is it under the Superannuation Fund?

The Hon. A. F. KNEEBONE: The Superannuation Fund is a different organisation from the State Government Insurance Commission. It does not have to go to the Treasurer for advice on how to invest money.

The Hon. R. C. DeGaris: It does; the Under Treasurer is on the committee.

The Hon. A. F. KNEEBONE: Certainly, but the final result does not go back to the Treasurer in that case. The Bill is drafted in the right form. I see no need for another advisory committee, because the Treasurer is being advised by other people; he is making the decisions not on his own

initiative but on their recommendations. I oppose the amendment.

The Hon. R. C. DeGARIS: Why is King Canute in the Bill?

The Hon. A. F. Kneebone: He is not.

The Hon. R. C. DeGARIS: By all the analogies, he is.

The Hon. A. F. Kneebone: The amendment does not get rid of him.

The Hon. R. C. DeGARIS: It helps him. If we are not to provide a committee to advise the Treasurer, and if he has to give his approval, why not also get rid of the Treasurer and allow the State Government Insurance Commission, which is making a magnificent job of losing money, to continue on with its investments?

The Hon. A. F. Kneebone: Because the Treasurer is answerable to Parliament.

The Hon. R. C. DeGARIS: That may be so, but the important thing is that the Treasurer also influences where money may be invested. Everyone who has been in Government knows that the Treasurer leans on certain funds. He leans, for example, on the Superannuation Fund for the benefit of the Treasury. That has been known for a long time and it has been raised in Parliament. The important thing is the Treasurer's viewpoint. I am trying to give the Treasury an influence but also to balance that with some other influence, looking at it from the point of view of a person such as the Public Actuary, who has investment knowledge, in the same way as the Superannuation Fund has three advisers on investment. I am concerned that, as the Bill stands, the Treasurer can lean on the funds of the commission. There could be a bias in investment to pet investments the Treasurer may feel to be beneficial, not necessarily for the good of the commission but for some promotion towards which he is leaning.

For that reason, I believe it is necessary for the Committee to consider an advisory committee. If the commission wishes to make an investment that needs the approval of the Treasurer, then the Treasurer, before giving that approval, will seek the advice of an established committee, one member of which shall be the Under Treasurer, one member the Public Actuary and one other whom the Treasurer can appoint. While there are arguments on both sides of the question, the important point is the ability of the Treasurer to lean on the fund, not necessarily from the point of view of good investment but in relation to some investment towards which he may have a leaning.

The Hon. Sir ARTHUR RYMILL: Under section 16 (b) the commission may invest moneys under the Act in temporary deposits with the Treasurer on such terms and conditions as the Treasurer may determine. If he wants to push money his own way, he can do that now. I ask the Leader why he finds this qualification of a committee over the Treasurer necessary in October when he did not find it necessary last March.

The Hon. R. C. DeGARIS: I think I answered that very fully in the second reading debate, and I advise the Hon. Sir Arthur to read that. I said—

The Hon. Sir Arthur Rymill: What—as well as listen to it?

The Hon. R. C. DeGARIS: The Hon. Sir Arthur may have been preoccupied by reading the *Bulletin* when I was making that speech. In March, we agreed to give the Treasurer this right. The House of Assembly rejected that. Since then, we have had more time to look at the matter and to investigate the Superannuation Fund and its invest-

ments, so I thought it reasonable that at least the Committee should discuss the same position in relation to the State Government Insurance Commission as exists in relation to the Superannuation Fund.

The Hon. C. M. HILL: I have two further points to make. One is that I do not think the machinery that would be involved in the setting up of this proposed committee would be as cumbersome as has been suggested. The committee could work smoothly in close liaison with both the management and the commission itself. There would be common ground for consent to certain investments as the proposals to invest went through their various stages, as applies to any other insurance company board. It would not be as cumbersome as some people, understandably, might think at this stage.

The second point I make is that the proposal is not intended to restrict or hinder: it is there to contribute to the better financial position of the commission. The industry in this State is alarmed at the financial situation of the commission. I have met no-one with experience in the industry who can foresee how or when it will ultimately get out of the situation, even if its underwriting is first-class (I am not suggesting it is not). There is a problem area, but is it any reason why people's funds should be put at risk?

The Hon. A. F. Kneebone: It is just as well the commission was responsible enough to handle the situation. Others opted out of third party insurance.

The Hon. C. M. HILL: It was not only the commission: a private company did, too.

The Hon. R. C. DeGARIS: Don't forget that the commission offered a cut rate.

The Hon. C. M. HILL: Yes. The point is that it is a proposal to assist the situation. The deficit problem of this commission is such that, despite the quality of underwriting it can undertake, it cannot be made good in the foreseeable future, and I have met no-one who can tell me when he thinks it can be made good. In other words, the profit margin, even on first-class underwriting today, is small in what I may call this service industry. Therefore, any contribution to safety must be considered; otherwise, we shall not be acting responsibly. As I do not think this committee would be cumbersome in its working, restrict the operation of investments or be too time-consuming in its work, surely the legislation will be improved if the amendment is carried. As I have not been convinced to the contrary as a result of the debate, I wholeheartedly support the amendment.

The Hon. M. B. DAWKINS: I, too, support the amendment. The Hon. Sir Arthur Rymill said it would be cumbersome. I think the Chief Secretary, in one sense, answered Sir Arthur when he indicated that what we intend to write into the Statute by this amendment largely happens at present, in that the Treasurer consults his advisers. I see no reason why, if the Treasurer consults his advisers, there should be any objection to writing that into this Bill. The other day the Minister of Agriculture, in the debate on the Swine Compensation Act Amendment Bill, was prepared to set up a committee identical to the one nominated by the Hon. Mr. Whyte but was not prepared to write that into the Bill. As the Hon. Mr. Story then said, it is difficult to see, if a committee is being set up, why that is not written into the Statute. I agree with the Hon. Mr. Hill when he said this is another safety measure in something that concerns everyone—the financial situation of the commission. For that reason, I believe this amendment should be favourably considered by the Government.

The Committee divided on the amendment:

Ayes (10)—The Hons. J. C. Burdett, Jessie Cooper, M. B. Dawkins, R. C. DeGaris (teller), R. A. Geddes, G. J. Gilfillan, C. M. Hill, F. J. Potter, C. R. Story, and A. M. Whyte.

Noes (9)—The Hons. D. H. L. Banfield, M. B. Cameron, T. M. Casey, B. A. Chatterton, C. W. Creedon, A. F. Kneebone (teller), Sir Arthur Rymill, A. J. Shard, and V. G. Springett.

Majority of 1 for the Ayes.

Amendment thus carried; clause as amended passed.

Title passed.

Bill reported with an amendment; Committee's report adopted.

ADJOURNMENT

At 4.57 p.m. the Council adjourned until Wednesday, October 23, at 2.15 p.m.