## LEGISLATIVE COUNCIL

Wednesday, June 18, 1975

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

### HOSPITAL SERVICES

The Hon. V. G. SPRINGETT (Southern): I move:

That the contents of the agreement in relation to the provision of Hospital Services (1975), laid on the table on June 17, be noted.

I wish to make one or two points regarding the agreement that was signed by the Prime Minister and the Premier of South Australia a couple of days ago. This is an important matter, as it involves our health services, something about which most of us feel strongly. This agreement is concerned entirely with health services and is, therefore, of vital importance to us all. The agreement will enable the hospital part of health services to come within Medibank, and I therefore consider that honourable members should have the time and opportunity in the Council to debate the matter.

I point out that the Tasmanian agreement, which is similar to ours, will not become effective until results of the studies undertaken in that State have been reported back to its Parliament. I wonder why our agreement came in as it did, with no opportunity being given to discuss it. Although it will take effect for 10 years, the Minister has made no statement on the agreement. Incidentally, I ask why this is continually being called a free service. It is not a free service, because we all have to pay for it. Since the scheme is to operate for 10 years one wonders whether there are sufficient safeguards against any major changes in policy. I should like the Minister to comment on that aspect in due course.

Certain other points regarding the agreement itself should be raised. We are told in clause 5.3 that all payments made by Australia under the agreement will be made direct from the Commonwealth Government to the hospitals. In other words, the Commonwealth Government will be dealing directly with the hospitals. In a later clause we are told that any financial gains that accrue to this State as a result of payments made by Australia under the agreement from time to time will not be offset by Australia against revenue payments to the State. Bearing in mind the parlous condition of Commonwealth funds, I can understand that they would not want to be offset against general revenue payments.

The agreement deals only with the provision of hospital services, and family care and doctor care have yet to be brought in, even though there is less than a fortnight before the start of the scheme. The hospital services are available to all eligible persons in the State who wish to receive them. Clause 6.2 sets out that it is the desire of the South Australian Government to provide to the best of its ability accommodation, facilities and services for the care and treatment referred to. In conforming with this, the South Australian Government will do its best to provide the accommodation. I agree that no-one can do more than his best but, in starting a service such as this, surely more time should have been taken in preparation so that, when the opening day arrived, the accommodation, services and facilities provided would be those that would be to the best of the Government's ability.

As laid down in clause 6.3, there is a list of the appropriate care and treatment to be provided by hospitals, and they are just what anyone would find in any hospital anywhere in the world. The clause deals with the standards of ward accommodation, meals, medical services, nursing services, and so on. Clause 6.4 makes an important point in respect of a private patient's accommodation in a recognised hospital. It provides that the care and treatment of private patients will be as provided in previous clauses. In other words, standard ward accommodation and medical services would be recognised as being provided for private patients in public hospitals. I draw the attention of honourable members to clause 7.5, which provides:

Where by reason of inadequacy of salaried or sessional staff or for reasons that the Minister for Social Security and the South Australian Minister jointly consider are adequate it is necessary for South Australia or a recognised hospital to make arrangements with medical practitioners not engaged by the relevant hospital on a salaried or sessional fee basis for the provision of medical services to hospital patients at a recognised hospital the following provisions shall apply in respect of those arrangements:

*(a)* The recognised hospital will offer to pay the medical practitioner for the services he renders at rates which correspond with the rates of medical benefits determined in accordance with the Act; and

*(b)* the recognised hospital shall arrange with the attending medical practitioner that he will accept the payment by the hospital in full settlement and that he will not seek any remuneration of any type from the hospital patient in respect of the medical services provided.

I think I am correct in saying that this is one of the points of contention between the medical profession and the Government. Have these points been negotiated with the Australian Medical Association, or have they been decided on without any negotiation? The doctor will not be dealing directly with the patient, in the sense that the hospital will collect the money from the patient, and the hospital will deal with the medical practitioner. This surely is one of the classic points on which the medical profession has been taking a stand lately: the profession maintains that there shall be no third person intervening between the doctor and his patient. The moment the hospital has the job of dealing with a medical practitioner's fee he ceases to be a free practitioner: he becomes a servant of the State. Clause 8.1 provides:

Australia and South Australia further acknowledge and agree that an eligible person who—

*(a)* is a private patient in a recognised hospital; or

*(b)* being a hospital patient in a recognised hospital, elects to pay hospital charges in respect of accommodation in a single room or small ward in the hospital,

is to be charged in accordance with the scale of hospital charges set out in clause 8.2.

Clause 8.2 refers to the relevant hospital charges for each day for standard patients and private patients. Clause 8.2 provides:

*(a)* in respect of an in-patient in a recognised hospital not being a private patient, for—

| | $ |
|---|---|
| (i) a standard bed | Nil |
| (ii) a bed in other than a single room not being a standard bed | 12 |
| (iii) a bed in a single room | 20 |

*(b)* in respect of an in-patient in a recognised hospital who is a private patient, for—

| | $ |
|---|---|
| (i) a bed in other than a single room | 20 |
| (ii) a bed in a single room | 30 |

Can the Minister say where he obtained those figures, because they are extremely unrealistic in view of the current costs of running hospitals? One wonders whether the figures are deliberately being kept low for the time being and whether they will be increased later. Clause 10.1 provides:

South Australia will, from time to time as appropriate during the preparation of its Budget, inform Australia of estimated gross operating costs, revenue and net operating costs for each month of the period of the agreement.

So, that is one lot of figures to be sent to Canberra.

The Hon. D. H. L. Banfield: Don't you think that the Australian Government is entitled to know that?

The Hon. V. G. SPRINGETT: I am thinking of the burden of paper work.

The Hon. D. H. L. Banfield: Estimates have to be worked out now.

The Hon. V. G. SPRINGETT: Clause 10.2 provides:

For the purpose of joint participation of the Governments in Budget preparation, South Australia will, from time to time as appropriate, provide to Australia, in an agreed form, estimates of operating receipts and payments for each recognised hospital and central service in the State.

Another lot of figures. Clause 10.3 provides:

As soon as possible after the end of each three months of the period of this agreement South Australia will provide to Australia actual details of the receipts and payments by each recognised hospital for each month of the relevant three-monthly period.

Another lot of figures. Clause 11.2 provides:

If actual gross operating costs of a recognised hospital exceed substantially that hospital's approved annual budget in respect of such costs, the parties will jointly authorise such investigations as are necessary to establish how the situation may be corrected.

How will that work out? What is meant by the term "substantially"? Will there be a permanent committee with a visiting inspectorate? How will this aspect be covered? Does the term "central service" mean the administrative service? Is it merely another name for it? Who will handle the investigation? If such investigations are undertaken by a permanent committee, will the inspectorate consist of South Australians only, a mixture of South Australia and Commonwealth personnel, or Commonwealth personnel alone? Clause 15.1 is as follows:

Remuneration for medical services to hospital patients in recognised hospitals shall be paid by way of salaries or sessional payments as determined by the appropriate salary or sessional fee determining authority in South Australia.

Have negotiations taken place in the medical profession? If this is the case, what conclusions have been reached? Clause 16.1 states that the cost to South Australia of providing diagnostic services to hospital and private patients in recognised hospitals shall be included in net operating costs and, to this end, South Australia will arrange for the provision of diagnostic services by salaried, sessional, contract or other approved arrangements free of charge to all patients in recognised hospitals. Will diagnostic, pathology and radiology services be free of charge to all patients in recognised hospitals? I presume that this means they will be equally available for private patients or public patients. Clause 17.3 is couched in firm terms, as follows:

South Australia will ensure that recognised hospitals in the State do not avail themselves of supplies of pharmaceutical benefits by means of prescriptions dispensed by pharmaceutical chemists in private practice unless emergencies or the lack of a dispensing service within the hospital dictate otherwise.

Unless the local pharmaceutical chemist is used by the doctor, two or three things will result. First, chemists will not stay in the area because they will not have enough work, and secondly, because hospitals sometimes need pharmaceutical requirements quickly, only if there is a good rapport between the pharmacist and the hospital can quick service ensue. Again, if the pharmacist is to be pushed to one side, all the goodwill normally found in such rural situations will be lost.

Clause 19.1 deals with the resident of a State who depends on the free hospital system provided for by this agreement and who is accordingly not insured in respect of payments for hospital services and incurs hospital expenses in another State. When people are travelling in other States they will get protection by this clause to the extent of a public bed charge in the other State and, if that fails, he will get protection to the extent of a charge for an intermediate bed. Currently, only two States have signed the agreement, South Australia and Tasmania. Many more points could be raised regarding the agreement. However, the fundamental essential is goodwill and a recognition, by both sides, of the problems involved and the way in which they can be tackled. When I read about the extra State commitments, I could not help but wonder what would happen in this State in future. This agreement is the basis of the medical service being provided in Britain and, after 37 years, it is in a parlous state.

The Hon. D. H. L. Banfield: What is the position in Canada?

The Hon. V. G. SPRINGETT: They are trying to get rid of some of their present methods.

The Hon. D. H. L. Banfield: Which Province?

The Hon. V. G. SPRINGETT: Quebec, and I think another one, although I am not sure about that. Recently, I spoke to someone from Canada who told me that their scheme was too much of a burden on that country's national economy.

The Hon. D. H. L. Banfield: As a doctor, do you think a man can get too much medical care?

The Hon. V. G. SPRINGETT: Yes, sometimes I do.

The Hon. D. H. L. Banfield: Who's the one who gives it, if it's not the doctor?

The Hon. V. G. SPRINGETT: Although in some respects the Minister is correct, this sometimes lowers the standard of medicine. Instead of being a leading country in medical care, we will just be pushed aside, the same as has happened in other countries. This scheme will cost more than we think; it is Socialist doctrine. Only 62 hospitals will be recognised under the scheme. Will the Minister say what is the total number of hospitals in South Australia?

The Hon. D. H. L. Banfield: There are 71.

The Hon. V. G. SPRINGETT: So, only nine have not joined.

The Hon. D. H. L. Banfield: No, it's fewer than that. Only five have not answered. We had one rejection, and that has been revoked.

The Hon. V. G. SPRINGETT: I look forward to hearing the Minister's reply to the debate.

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

## TRAFFIC REGULATIONS

Adjourned debate on motion of the Hon. C. R. Story:

That the Traffic Prohibition (Thebarton) Regulations, made under the Road Traffic Act, 1961-1974, on November 21, 1974, and laid on the table of this Council on November 26, 1974, be disallowed.

(Continued from June 11. Page 3286.)

The Hon. T. M. CASEY (Minister of Lands): In reply to the motion for disallowance moved by the Hon. Mr. Story, I should like to emphasise just exactly how these regulations came into being and why I believe this Council should not disallow them. The Corporation of the Town of Thebarton, on September 2, 1974, requested the Road Traffic Board to examine the proposal to close Hayward

Avenue on its southern approach to its intersection with Ashley Street. This proposal was submitted to the board for several reasons:

1. An infants school is located on the south-western corner of the intersection;

2. Hayward Avenue is used as a through route by heavy vehicles to adjacent industrial areas north of the intersection;

3. the intersection is considered hazardous for the young children attending the school;

4. the noise level past the school is undesirable;

5. other through traffic uses Hayward Avenue to travel to the industrial area and also to by-pass the nearby arterials of South Road and Holbrook Road; and

6. only two replies were received from ratepayers in adjoining streets concerning the proposal.

Ashley Street is proposed as a collector street by council's consultants in the area study and it is considered that the intersection is likely to be more hazardous in the future. In addition, it is a bus route. Accident statistics for the three-year period to 1974 reveal thefollowing:

1972, 2 property damage.
1973, 2 property damage.
1974, 2 personal injury and 5 property damage.

Based on this information, particularly in regard to the location of the infants school, the board approved the closure in the interests of road safety. It is considered that the safety features which will result from the closure far outweigh any inconvenience to through traffic that uses Hayward Avenue, and the closure is still supported by the board. For those reasons I believe the Council should not disallow these regulations.

The Council divided on the motion:

Ayes (13)—The Hons. J. C. Burdett, M. B. Cameron, Jessie Cooper, C. W. Creedon, M. B. Dawkins, R. C. DeGaris, R. A. Geddes, G. J. Gilfillan, C. M. Hill, Sir Arthur Rymill, V. G. Springett, C. R. Story (teller), and A. M. Whyte.

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

Majority of 8 for the Ayes.

Motion thus carried.

## RAILWAYS (TRANSFER AGREEMENT) BILL

Adjourned debate on second reading.

(Continued from June 17. Page 3380.)

The Hon. R. C. DeGARIS (Leader of the Opposition): It would be an act of gross irresponsibility if this Council passed this Bill without understanding the total implications, both financially and constitutionally, of its passage into law. I shall be dealing with the Bill on very broad principles, because there are others who have had wider experience in railway administration than I have had, and they will no doubt add a lot of the filling that I will overlook. Before examining some of the constitutional matters, I should like to make some general observations.

On many occasions the Government has demanded in this Council the passage of legislation because the legislation was mentioned, albeit ever so vaguely, in a policy speech. We have heard the cry of "mandate" from the Government whenever any matter is mentioned in a policy speech. Using the cry "mandate", the Government has demanded the passage of legislation without any amendment or any opposition from this Council. However, it is always the right of this Council to examine closely, in the interests of the people of this State, the actual Bill that supposedly puts into operation a measure mentioned in a policy speech. The Bill before us has no semblance of a mandate from the people of South Australia. It has never been mentioned to the people in a policy speech. Indeed, a claim can be made that the Government is going against the express wishes of the people of South Australia, because in referendums that have been held in this State the transfer of power to the centralised bureaucracy has received general opposition and a stern "No" from the people.

I agree that a valid case can be made for the establishment of an Australian National Railways. A case can be made, although it is a weaker case, for absolute centralised control of the total railway system in Australia, with one authority controlling one railway system. However, equally on that general question one can argue that there are inefficiencies in such a large bureaucratisation of rail transport that make the case against it just as strong. If this question of railway control and expansion is to be resolved satisfactorily, it cannot be done by each State doing a separate deal with the Commonwealth, dealing (as South Australia is forced to do at the moment) from a position of financial weakness. This State has virtually no option in connection with any offer of financial assistance from the Commonwealth Government.

This whole question should be placed before a special subcommittee of the established Constitution Convention for report and recommendation, because the constitutional problems are much deeper than is the mere transfer of rural rail services to the Commonwealth. The Hon. Mr. Story has suggested that the Bill be referred to a Select Committee. I suggest that it also be referred to a subcommittee of the Constitution Convention for the reasons I have given. We will still have a hotch-potch system if we have each State negotiating individually with the Commonwealth Government, with the sort of deal that is done depending on each State's bargaining strength. If we are to adopt any new approach, let it be a rational approach. However, this State's financial position dictates that it is in no strong bargaining position with the Commonwealth Government.

The State Government, because of its embarrassing financial position, with which I dealt yesterday, is in no position to resist any offer that will gain it any short-term financial benefit. And that is all that this Bill offers—a capital gain for 12 months. Nothing else! If we examine the matter in the long term, we find that this State will be no better off financially in two years time than it is at present. Once this Bill passes there will be no returning; the move is irrevocable, and there is no long-term benefit to the State financially. That the move is irrevocable demands the close attention of this Council and a total understanding of all the factors underlying the proposed transfer.

In my opinion, the agreement between the State and Commonwealth Governments is not worth the paper it is written on. I challenge the Government to give me any assurance that the agreement will be honoured by the Commonwealth either now or in the future. I refer honourable members to the agreement made in 1907 by this State with the Commonwealth Government to transfer the Northern Territory to the Commonwealth Government. As most honourable members know, the agreement signed in 1907 contained an undertaking from the Commonwealth Government that it would construct a railway line from Adelaide to Darwin. The agreement was entered into almost 70 years ago, but it has not been honoured. So, the question arises (and the Government must answer it) as to how this State can insist upon any terms of an agreement with the Commonwealth Government if the Commonwealth decides upon a different course. If this State had

taken the Commonwealth Government to the High Court in relation to the construction of a railway line from Adelaide to Darwin, what could the High Court have done to enforce the honouring of that agreement? That question must be answered in this Council by the Government. All the assurances in the agreement are of no value, and the verbal assurances given by this Government are merely an exercise in public relations.

There are two reasons for the present haste to hand over control of South Australia's rural rail services to the Commonwealth Government. First, it fulfils the aims of the centralist views of the Australian Labor Party. It brings the Premier's expressed views of the final destruction of the States a step closer. Secondly, there is the financial position of South Australia, which I have previously mentioned. I had some strong words to say on this yesterday, as well as during the September, 1974, Budget debate. I again reiterate that criticism. The Government in South Australia has been guilty of financial dishonesty, both with the Parliament and with the people of South Australia, in the documents it has placed before this Parliament relating to its financial affairs.

I should now like to re-examine instances of this financial dishonesty. In its last Budget the Government estimated a deficit of about $12 000 000. However, an analysis undertaken in this Council showed that, even with the information presented to this Council, the deficit would be $40 000 000. Therefore, the Budget as presented was already $20 000 000 or $30 000 000 out in its estimation. When the Budget was introduced it was said that there would be no further tax increases in South Australia, yet only three or four weeks later savage taxation increases were inflicted on the people of South Australia.

The Premier is reported in yesterday's *News* as saying that there would be no further tax increases in South Australia, yet in today's *Advertiser* he is reported as saying that, if there is no railway transfer to the Commonwealth Government, we face a $64 000 000 deficit in the next financial year. If those figures are accurate, there will be a massive deficit, whether the rural railway system is transferred or not. Doing a further analysis on what I understand to be the so-called long-term benefits that will accrue from the transfer of the railway system, I see that the benefit to South Australia will be about $18 000 000 a year.

If the rural railway system is transferred it means that South Australia faces a deficit of $64 000 000 less $18 000 000, which is $46 000 000; but we are going to remove the petrol tax when the rural railway system is handed over, and South Australia will lose $12 000 000 in revenue. This increases the deficit, even if the rural railway system is not transferred, back to $58 000 000. That is the position. The overall financial benefit will apply only in the short term, and the Government knows that. The Government knows that it must face an election in the next few months and, therefore, any additional few dollars it can rake in at the present time will be of short-term political advantage to it—but to hell with the long-term consequences so far as South Australia is concerned.

I now refer to some of the Government's financial figures. One can add to the $64 000 000 predicted deficit the $28 000 000 credit that it is claimed we will obtain from Medibank. After adding those figures together, we find that this Government's budgeting is about $100 000 000 down the drain. Those figures cannot be denied. Certainly, if one analyses what has been said in the last couple of days, one sees what is South Australia's true financial position. The financial truth is not forthcoming from the Government, because the figures it provides cannot be substantiated.

My main objection to the Bill at this stage lies in the fact that neither the State Government nor Parliament can understand in the short period left in this session the constitutional position regarding the transfer of our rural railway system from the control of the South Australian Railways to the Commonwealth Government. If this Bill is referred for consideration to a Select Committee, as has been suggested by the Hon. Mr. Story, there would be a need for that committee to hear evidence from an experienced and expert constitutional adviser; because I believe the constitutional questions are the most important for South Australia in the long term. To illustrate some of the constitutional problems now involved, I quote from the Chifley Memorial Lecture delivered by the Prime Minister in 1957, as follows:

> A Labor Government should recreate the Interstate Commission. If the commission had been in existence in recent years we might have been spared some of the more far-fetched applications of section 92. The commission could carry out the important functions prescribed in sections 101 to 104 and could prevent many of the restrictions on interstate trade which State railways have imposed.

I emphasize the phrase "and could prevent many of the restrictions on interstate trade which State railways have imposed". The Prime Minister sees in the Interstate Commission Bill, now before the Commonwealth Parliament, a means of getting around the interpretation of section 92 by the High Court and the Privy Council, The Prime Minister says that we might have been spared some of the more far-fetched applications of section 92. What was the Prime Minister referring to there? As most people know, the barrier to the socialising objectives of the Labor Party is the Commonwealth Constitution, as can be seen if one looks at the Interstate Commission Bill, the new Australian National Railways Bill, and at the question of handing over our rural railway services to the Commonwealth, which includes a right to the Commonwealth to operate intrastate road services without the payment of any taxation to the State. When all these matters are considered together, one can readily see a constitutional problem that this Government cannot solve.

This problem will take much sorting out by experts in the constitutional field, and I challenge the Government to make one reasonable reply to the constitutional question I have raised. I believe that, if this Bill is passed and if the Commonwealth Government's legislation is also passed, the future of private transport in South Australia is bleak indeed. I believe that the fundamental point behind this legislation as regards the Commonwealth Government is not so much a concern with the financial problems in South Australia but a concern for taking all power into the Commonwealth sphere.

As I have said, when all these problems are added together, one can readily see that the constitutional question is one that must be treated with absolute caution. If the Bill finally is referred to a Select Committee, I hope that legal advice will be available to it to help it unravel these important constitutional questions. Irrespective of all that, the meat in the sandwich will be the rural community. It is the rural community that has been selected as the chopping block for the views of the Prime Minister.

I now ask other questions in relation to this Bill. What is the position concerning wharves in South Australia? I have read the Bill, and I believe the definition of "railway" includes wharves. I am not able to understand the. full implications of what this means in the Bill, but I believe,

at least, that the control of some South Australian wharves will be transferred to the Commonwealth Government under this Bill. Further, having transferred the rural sector of our railway system to the Commonwealth Government with a saving of about $6 000 000 a year and a $64 000 000 deficit (according to the Premier), we are now faced with the question of pure political blackmail that has been indulged in by this Government. The Government has said clearly, "Unless this Bill passes, we cannot remove the petrol tax in South Australia." I think I have already demonstrated the stupidity of this argument in the figures I have given today. The one person who can allow the petrol tax in South Australia to be removed (this Council cannot take such action, although it included—and very wisely—a provision in the Bill that the tax shall go off on September 24) is the Prime Minister himself, by giving the States a reasonable deal to enable them to fulfil their functions. If the Commonwealth Government can find millions of dollars to take over constitutional control of the rural sector of the railway system, then it can find the money to allow the States to remove the petrol tax. It has nothing at all to do with this Council. The petrol tax lies entirely in the lap of the Prime Minister, and no-one else, and all the Treasurer's shuffling, in trying to get some political gain by blaming this Council, is futile, as the man who holds the key to the situation is the Prime Minister. If the Treasurer wants to remove the petrol tax, he can do so on September 24.

The next point is that, having sold out country rail services to the Commonwealth authorities, the Treasurer and the Government are hanging on grimly to a little bit of the rail services in the metropolitan area, on which it is intended to spend millions of dollars. Does that make sense? Is that reality? Of course it is not. This Council should object violently to this sort of political blackmail which is being placed upon it at present. The Commonwealth Government has the financial power to enable the removal of the petrol tax in South Australia if it feels so inclined, and that is where the blame should rest.

There are many other questions that one could examine in this matter. As I said earlier, I intend to deal with it in fairly broad terms, and I have done just that. There are other honourable members in this Council who have a much wider knowledge than I have of the operation of the railway system in this State. However, I want to reiterate the main points. First, regarding the rural sector transfer, there are constitutional problems in relation to the future of this State. It is not just a question of transferring the railways. It may well be that there is a valid argument for having only one authority regarding a rail system in Australia. But, if there is, let us tackle it at the right point and not rely on deals being done. Honourable members in this Council must understand clearly the constitutional position regarding this transfer. Secondly, no-one in the Council can give any undertaking that an agreement between the Commonwealth and State Governments is worth the paper on which it is written. I believe that, before any further pressure is exerted on the Council, we must understand fully the constitutional and financial implications of the measure.

Before I close, I should like to make one other point: if there is to be any change in the authority regarding our rail services, there are four ways in which we can go. We can hand over the whole of our rail services to the Commonwealth; we can hand over the national line, that is, from Brisbane through to Sydney, Melbourne, Adelaide, Crystal Brook and on to Perth; we can leave things as they are; or finally, we can hand over the rural sector only. Of those four possibilities, what the Government is doing is the most ridiculous. If there is to be a transfer of rail services, I would much sooner pass the whole lot over to the Commonwealth Government than have a division of authority, with the transfer to the Commonwealth of goodness knows what value of real estate, including the mineral rights to the land being transferred.

That is the position, and I believe that what we are being asked to approve is the most stupid of the four avenues that are available to the Government. At this stage, I oppose the Bill. I want much more information not only on the constitutional position but also on the financial position. As I see it, in the long term there is absolutely no gain or benefit to South Australia. I shall be interested to see the Council's reaction to the suggestion of the appointment of a Select Committee. If the Government decides that such a Select Committee is worth while, I will be only too pleased to support the investigation of the Bill by a Select Committee, as I assure you, Sir, that there are many matters which deserve close attention before a Bill such as this can be agreed to.

The Hon. Sir ARTHUR RYMILL (Central No. 2): Mr. President, this is a Bill designed to hand over this State's country railways to the Commonwealth for a mess of pottage. In what is the most barefaced piece of political blackmail I have ever encountered, the State Government has told us that, unless we pass this Bill, it cannot remove the very unpopular petrol tax, thus putting the blame for its retention on the Legislative Council. In other words, unless we agree to this very big step towards centralisation, of powers in Canberra, which, of course, would also be a big step towards the Socialist goals of both the Australian and the South Australian Governments, we are manipulated into a position where we, and not the authors of the petrol tax, will incur the wrath of the electors for its existence. All this has caused me to have a very deep look at the motives and purposes which underlie this Bill.

The other evening, my wife said to me during one of our frequent discussions of the things the Australian Government is currently doing, "It is incredible to me that people can't see that this is the way you take over a country without fighting." I replied that I have always had faith in the judgment of the Australian people, but that unfortunately they are no longer allowed to know the unadorned facts. They are constantly being fed with half-truths, and Government Ministers now have batteries of press secretaries to brain-wash them with versions which they think will be politically acceptable to them.

"You have got to remember", I went on, "that many people are better off at the moment than they have ever been before, because the Australian Government is dissipating our country's accumulated wealth at great speed. You can compare it with a person living like a millionaire for a short time on his life's savings. When it is all gone is when the day of reckoning comes. I am sure it is difficult for the public to see this."

However, Mr. President, the thing that appals me most is the loose thinking of some people who really are informed. More than one man quite high up in the business world has said to me, "Would we not be better off with a Government which has learnt its lessons than with a new one which hasn't?" I have replied in dismay, "Learnt its lessons! Don't you realise that the Australian Government has only pulled back, in the interests of self-survival, on some things which have proved vastly unpopular, or which have unexpectedly hit the little man as well as the people they were aiming at? Don't you realise that all those things remain total Labor policy,

and that, if they get a majority in the Senate as well as in the House of Representatives, they will thrust them all down our throats whether we like it or not? Don't you realise that the Labor Government in Canberra has left all the rest of its socialistic legislation in force to keep gnawing away at the innards of the economy and that, in place of the things they have withdrawn, they have pushed in others much worse?"

"Such as?" "Such as Medibank, which is a propaganda term in itself, if you care to analyse it, to bring the medical profession and us to subservience. Haven't you recently received your identity card in which we have all become numbers instead of people? Such as the attack on our great life insurance offices, of which we should all be proud, to take over by a subterfuge their assets and the premiums paid to them by their hundreds of thousands of free and voluntary members. Such as the attack on the floor price of wool, because that plan was suddenly proving too successful and looked likely to bring a bit of money to the man on the land."

It has become clear to me that the Australian Government is working to a plan, and I believe that that plan is of foreign origin. Every action of the Canberra people is fitting into its place, in my mind. I believe this Bill to be part of the plan. Our State Government gives lip-service to State rights and does a great deal of shadow sparring with its fellow Labor men in Canberra, and then it produces a Bill like this, designed as a major step towards centralisation and Socialism, and towards the destruction of South Australia as an entity.

Mr. President, I cannot, in conscience, support this measure, even if it means a nail in the coffin of this Legislative Council, for which I have always had so much regard and respect. May I say, in conclusion, that this Council was intelligent enough last year, when reluctantly agreeing to the petrol tax, a money Bill, to put a time limit of a year on it so that we could have some control of its future. As far as I am concerned, after the indecency of the threats accompanying this Bill, and the way the State Government has been juggling with the petrol tax, proving to me that it is not the essential tax that the Government has made it out to be, it will not be renewed, and will cease on its expiration in September, if indeed the Government does not see fit to discontinue it before then.

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

*Later:*

The Hon. C. R. STORY (Midland): The Minister is certainly in a hurry in calling on this Bill again as quickly as he has. I thought that when the measure was adjourned earlier we might have had a slight respite, as there is much other business that I can see on the Notice Paper. Apparently the Minister has adopted the axiom of the railways: the railways must go through. As a consequence of that attitude, we now see this measure being pushed through, whether we like it or not. It is this whole attitude of the Commonwealth-State agreement on railways that is causing much consternation, not only to the Opposition but also to people affected by the agreement.

The Government has talked and spouted for a considerable period about worker participation, but this situation is most peculiar because, if ever there was an opportunity for the Government to demonstrate its policy, it is in this Bill now before the Council. If country people in South Australia are not workers, and if there is anything more important to country people than the means of transport in every form, then I do not know who are hard workers, or what is more important to them. These problems are vital to their lives, yet country people and people living in the metropolitan area are to be denied any opportunity to participate in the forming of this legislation.

This situation is similar to the trend in education in recent years, where we have seen student participation facilities provided so that students could have their say in the way they were to be educated. Only a couple of days ago I noticed that the Labor Party at its conference endorsed a policy seeking the placement of more students on school boards to provide students with greater participation. In radio and television debates there is much more time and effort given to audience participation, just the same as has applied in respect of worker participation about which the Government now seems to be so fond.

How much participation is there in respect of the interested public and the owners of our rural railway system? How much opportunity has been given to country people to express any view? How much opportunity has been provided for them to express a view even through their elected representatives? It appears that no opportunity has been provided. Will country people have adequate time to espouse what their representatives believe should be the position in this case? Certainly, the Minister is pressing on with this matter, come what may, yet we have not progressed far in discussions on handing over our rural railway system to the Commonwealth Government.

I see many features in the concept of the co-ordination of transport that are most desirable. However, I do not believe that this is a one-sided argument, and I do not believe that all the brains in South Australia in relation to transport, or any other matter, are the particular preserve of the Labor Party. It appears to me that the Labor Party has adopted its old catch-cry that the Liberal Party was born to rule. It appears that the Labor Party has said this so often that its members seem to have now assumed that mantle. Certainly, it appears strange that two Labor Governments can get together and proceed against the advice of their advisers, especially as there is much evidence to show that the people who advised the Governments in these matters did not recommend the takeover of non-metropolitan railway systems, as provided for in this Bill.

One recommendation to the Government was that, if anything, the whole of the South Australian railway system should be transferred to the Commonwealth Government. If this were the case, it would be a much happier arrangement than the arrangement seeking to split the State's railways. Any system that is split into two and administered separately will result in conflict and additional cost. Moreover, it will bring indecision. The situation in South Australia should be viewed in three ways. It must be considered remembering that legislation has already passed the Commonwealth Parliament that brings a new concept to the Australian railways generally in the form of the Australian Railways Commission Act. This is the first piece of legislation and it has a vast bearing on what will happen to the South Australian Railways if they are handed over under the agreement as it stands. That legislation indicates what situation will then apply.

The next point is that, if the agreement to hand over the rural railway services is read in conjunction with the Interstate Commission Bill, which is currently before the Commonwealth Parliament and which I assume will pass

into law in the spring session of that Parliament, and if one also reads the agreement in the schedule to the Bill before us, it all adds up to a frightening experience for non-metropolitan people in relation to transport generally.

I do not believe that proper safeguards have been provided regarding these matters. I am not complaining especially about any specific philosophy; I am merely saying that, whilst there are States and whilst there is a Commonwealth administration, there will always be conflict. This situation will not melt away in the night nor, when one wakes up, will anyone find that the situation is any better, because this situation will continue for a long period.

If we just hand over the non-metropolitan section of our railways for monetary compensation, as provided for in the Bill, I believe that we are not doing a service at all. If one examines the legislation before the Commonwealth Parliament regarding the Interstate Commission, there can be no doubt whatever about the Commonwealth Government's motives and its desires in relation to transport generally. In his second reading explanation of the Interstate Commission Bill the Commonwealth Minister said:

> It is generally recognised that transport is a service function concerned with the efficient movement of people, freight and raw materials. Very few of these movements can, in fact, be completed with the use of only a single mode of transport and hence it is important that there is adequate co-ordination within, and between, the various modes of transport. But the history of transport in Australia is studded with examples of lack of co-ordination at many levels.

The Commonwealth Minister, in his second reading explanation, went on to give some illustrations regarding what he felt about the matter. This is evident from the following paragraph:

> The Government has decided that these considerations call for the re-establishment of the Interstate Commission. The deliberations which led to the drafting of the Constitution envisaged the role of the commission as being complementary to Parliament, the Executive and the judiciary.

The next paragraph is also relevant:

> Honourable members might be interested to know the range of issues the Interstate Commission could deal with under the four broad headings to which I have referred. Dealing first with adjudication, which represents a decision-making role of the commission, the Constitution, through sections 102 and 104, gives the commission a clear role to adjudicate on railway rates.

This is an important aspect, because under clause 7 a specific provision is set aside to deal with existing freight rates in the present State service. I have read this over several times, and it seems to me to come down to a plain matter of opinion regarding what it means. If one has a precise mathematical formula to work by, it is easy enough for one to adjudicate. However, when it comes down to words, it is much harder indeed and it then becomes a matter of opinion. One opinion may be held by the State Minister and a completely different opinion may be held by the Australian Railways Commission. The matter would then go to arbitration, and it would be left entirely in the hands of the adjudicator to decide who would win. There seems to be no right of appeal anywhere. When one superimposes on legislation the powers which will be vested in the Interstate Commission to adjudicate on railway rates, it cuts away any undertakings that a Minister may be able to give in this Council regarding the meaning of certain things in the agreements made between the Commonwealth and State Ministers. The Minister continued:

> Thus, it would be able to deal with situations similar to those revealed in the 1972 Bland report of rates so set that interstate trade is disadvantaged compared with intra-state trade.

This involves complex questions of law. However, they are real and they are part of this subject that this Council, as a House of Review, is being asked to push through this afternoon and this evening, as I understand the situation.

One might ask exactly what the people outside of this Chamber feel about the matter. I think I speak with a reasonable amount of authority and a fair amount of experience regarding what country people need in the way of transport. In this respect, I refer not only to those in primary industry but also to those in the commercial section, as well as the travelling public. I have lived in an area which has had feeder bus services to dead-end lines and sleeper cars on the 340-kilometre stretch between Barmera and Adelaide. Certain parts of my district have not had an adequate service, so I realise what is needed to transport people in the country. I have a real appreciation of what is necessary for the movement of fresh fruit and other fresh commodities. I also have a knowledge of how inhibiting it is for grain producers to be forced to go to a certain silo. Until it is full and running over, one must ship one's grain to that silo and nowhere else.

These things are indeed real in the minds of the people who are vitally interested: the contributing public, the people who pioneered these areas. Such areas were pioneered by stout-hearted people on the promise that a rail service would be provided. A rail service was provided, and the area was thus opened up. However, under this Bill such a railway line can be closed down at will and the State Minister, good fellow though he may be, can only complain to the Commonwealth Government that he does not think the line concerned should be closed down. His only redress is to submit the matter to arbitration. It is put to arbitration in a slightly different way from that in which other arbitration clauses operate. In other words, two additional things other than the normal social, economic and community interests, are put in specifically to be examined.

One must remember that the bulk handling company has not always built on railway property as a matter of choice: it has done so because Parliament has told it to and, if a line is closed down, an alternative system must be provided to enable grain to be shifted from the silos to the terminals. Conversely, if the commission is empowered to set up as it is under this Bill and under its own legislation (the Australian National Railways Act), and as it will be under the Interstate Commission legislation, we will see road transport operating on very unfavourable terms as compared with the commission. There will be absolutely no need for the commission to pay any form of taxation to either the Commonwealth or State Governments. Of course, that is a tremendous concession. I do not know how long before this would be effective, but if the zoning of deliveries concept that the Labor Party has had in mind over the years and has attempted from time to time to implement should be carried out and, if the private carriers are squeezed out by unfair competition by the railways or one of the ancillary services set up, the farming community would be entirely at the mercy of the Government, and it would not be our Government in South Australia.

One of the great things that has happened in the approach in South Australia is the method applied to closing railway lines. That, of course, means that, the Government having accepted the principle that a line is unprofitable, Cabinet agrees, that the matter should be referred to the Parliamentary Standing Committee on Public Works for a full inquiry. That committee must carry out the inquiry and report to the. Government. It is incidental whether it

reports in favour of the proposal or against it; it reports to the Government and the Government will take whatever action it wishes as a result of that report. If it decides to close the line, the Government will simply introduce a Bill into Parliament and the members affected in the House of Assembly will have an opportunity to debate the matter and to listen to representations from their constituents.

Having passed that House, the Bill comes to the Legislative Council, where it gets similar treatment. Finally, it goes to the Governor in Council. I know it does not suit the bulldozing type of administrator, but it is part of our democracy and we are entitled to it under the Constitution. We are entitled to it under the Statutes of the State, but we would not be entitled to it under the Statutes of the Commonwealth, as outlined in the legislation at present before us. Nor, I suggest, would we be in the happy position we are in regarding freight rates, general rates, and specific rates, because for those to be altered it is necessary for a regulation to come before Parliament. Like any other regulation, it must be laid on the table of Parliament and it must remain there for the statutory period and be subject to disallowance on the motion of any member of the House. If Parliament agrees, it would therefore be rejected.

What is the position under this fairly wide clause in the Bill? It is a widely drawn clause and it is not precise; once again, it leaves the situation open to arbitration. In this case, however, it is sudden death because, under the terms of the Interstate Commission (and I suggest also under the terms of the Australian National Railways Act), there can be no discrimination between States. If the other States come into this scheme (and we are led to believe the Government intends to offer them the opportunity to do so under the same terms) there can be no discrimination, and any advantages we have been given in South Australia in relation to certain classes of goods or commodities carried by the railways or for certain areas of the State eventually will be found *ultra vires* the Constitution, and all the goodwill in the world on the part of the Minister in South Australia and all the pious thoughts delineated in the agreement will be up the spout.

One could say many more things, but I think I have said sufficient to indicate that certain things should be exercising the minds of honourable members apart from the $10 000000 carrot being dangled as at July 1. That is the immediate goal, the $10 000 000 on July 1 or any date previous to that, contingent upon the passing of the legislation through this Chamber. The Minister is always interested in what I say. He is with me in spirit, I know! I have mentioned several aspects, but I draw the attention of honourable members to a letter in my possession from the Stockowners Association of South Australia regarding the Bill. It is dated June 8, 1975, and states:

We have now had the opportunity of studying the above Bill and Agreement signed on May 21, 1975, to transfer the non-metropolitan railways of the State to the Commonwealth Government. This is an exceedingly important matter for members of the association dependent upon country rail services and for country people generally; their complete reliance on adequate and efficient transport services needs no emphasis. The association, therefore, has an obligation to ensure, as far as it can, that the transfer is not only a progressive and sensible move, but also that it will be of long-term practical advantage in providing benefits to the State through more efficient and less costly transport services.

It is our view that there can be no other justification for such a far-reaching measure which will divest the State of some very substantial and valuable assets extending outside the area of railway facilities and equipment. As a matter of principle, we cannot accept that such a drastic step is warranted or justifiable on the grounds of short-term expediency by way of balancing the State Budget, at a time when there is no noticeable attempt by the Government to restrain public spending.

As to the agreement itself, we are concerned about certain aspects which are vital, if the interests of our members, and for that matter the community of the State as a whole, are to be considered. We refer particularly to the constitutional ability of the State to enforce certain of the terms and conditions of the agreement in the face of such proposed Commonwealth legislation as the Inter-State Commission Act, 1975.

In this regard we have in mind the following: clauses 7 and 8—Standards of service and facilities, as well as relative advantage to users, to be maintained. Concessions on non-metropolitan passenger services to be funded by the State. The clauses are vague to the extent of requiring arbitrary decisions which may not be in the best interests of the State. At least some formula could be inserted satisfactory to both parties.

Clause 10: The State to have a part-time Commissioner on the Australian National Railways Commission for the next two five-year terms. The State Commissioner would have very little real power to influence decisions of the Federal Government. The definition of "services" in clause 1 is especially relevant if federal transport legislation should prevail over the State in regard to ancillary services. (See also clause 13.)

Clause 11: Transfer of land to the Commonwealth in fee simple. This could have serious implications regarding the rights of C.B.H. and other authorities to operate facilities erected on railway land; grain storage and stock yards being those of particular interest to the association.

Clause 13: The Commonwealth is empowered to develop and operate new freight or passenger road services without the consent of the State. Further, it is absolved from the payment of fees, taxes or other charges in connection with the operation of the road services, which would give it tremendous competitive advantages *vis-a-vis* private transport operators.

We freely admit that the agreement needs a much closer examination than we have been able to give it. In fact, it warrants an expert scrutiny to fully understand all its implications. We would urge you and your colleagues to delay the passage of the Bill to enable a Select Committee of the Legislative Council to give it the attention it surely deserves in the public interest. Yours faithfully, D. H. Kelly, Executive Officer.

I have an epistle from the United Farmers and Graziers of South Australia Incorporated which forms part of a press release. I seek leave to have it inserted in *Hansard* without my reading it.

Leave granted.

U.F.G. SEEKS RAILWAY INQUIRY

The U.F.G. would like to see a Select Committee inquire into the proposed transfer of the S.A. country railway system to the Australian Government. The Chairman of U.F.G. grain section (Mr. T. M. Saint) said this week the formation of such a committee would provide the opportunity for organisations and individuals to have a say in this transfer.

"The U.F.G. has over 10 000 members, who, in one way and another, will be affected by such a transfer. There should be an opportunity for the public to make its attitude known and to find out more about the proposal. For example, what would be the fate of the State's grain silo facilities? These were worth at least $50 000 000 and yet there had been no real opportunity to discuss their ultimate future.

Silos built on railway land were on a 20-year lease, with the right of renewal. The definition of "railways" set out in the proposed agreement between the State and the Commonwealth specified that "railways" included, among other things, all land, railway lines, bridges, culverts, wharves, buildings, structures, roads, and facilities for storage. Did this mean that the wharves which had a railway line on them would also come under the control of the Commonwealth?

There had been nothing to suggest that the South Australian Co-operative Bulk Handling would lose control over the silo systems, but at the very least, any negotiations in the future would have to be done with a centralist bureaucracy in Canberra, and not at a convenient State level. Clause 8 (i) of the proposed agreement needed much study and explanation, as it seemed ambiguous.

This clause stated that:

> The Commission will ensure that, in general, fares, freight rates and other charges in respect of the non-metropolitan railways and services shall be maintained, on and after the commencement date, at levels not less favourable to users than those levels generally applying on the railways of States other than South Australia and where, in general, fares, freight rates and other charges at the commencement date have established a relative advantage to the users, that advantage shall not be diminished.

S.A. farmers would be very loath to pay higher freight rates on some commodities if they were to be brought into line with interstate rates. They would also react strongly against any proposals to introduce silo zoning which was a right the Australian Government could assume under the proposed transfer arrangement. Country people had a right to have a say in the transfer.

They would be the ones who would be affected by a rationalisation of freight and passenger services. The method of appealing against the closure of lines as outlined in the proposals seemed obscure, and to put country people at a disadvantage. The proposed transfer was not as clear-cut as some made it out to be. For example, the matter of an Interstate Commission was also before the Australian Parliament. If it came into being, this commission would have control over all transport systems, while the Australian National Railways Act had also been debated recently in Canberra. The latter provided for the establishment of a national road transport authority.

"So, it is not just a matter of a simple transfer of the South Australian railway system to the Commonwealth. It is a matter of country people having a right to profess an opinion about this, and also other matters relating to transport control in Australia," Mr. Saint said.

The United Farmers and Graziers adopts a similar attitude to that adopted by the Stockowners Association, but for different reasons. The main problem of the United Farmers and Graziers is in regard to vast assets in the form of spur lines, silos, terminals and weighbridges. All of those assets are at present secured by short-term leases of varying duration. I know that, under the agreement, which was made in good faith, any leases in operation will continue. The United Farmers and Graziers realises this, but what is disturbing is that there will be a new landlord who will not be residing on North Terrace, where he is easily accessible. The new landlord is at present located in Melbourne, and his big boss is located in Canberra—a very long distance away for the average South Australian farmer.

When one considers the distribution of population and the number of South Australian representatives in the House of Representatives, it is frightening; we have only a small number of representatives in the House of Representatives to advocate anything. Even in the Senate, where the number of South Australian representatives is equal to the number from each other State, we have to win the support of the majority of the Senate to make our voice heard. I do not think there is any doubt that these things need close consideration. I do not deny that there are some advantages to be gained, provided that those advantages are not gained as a result of making huge sacrifices on the contra side that will be detrimental to the people of this State. At least at present they have their freedom. They can deliver their goods, sell their goods, and transport their goods as they wish. However, there is no guarantee, even if this Bill is passed, that this agreement will be binding.

I do not know that the Government is hiding any facts, but no-one can find out what ought to be known. It always takes four weeks to five weeks to get the message to seep through. We do not get very much help from the media. It was almost a non-event until an ingenious journalist wrote the following leader, headed "Running in the Red", in today's *News:*

Every week South Australia's railways system loses a massive $400 000—$23 500 000 in the red in the nine months to the end of March. And the rate of loss is getting worse. Railways throughout Australia have always—regardless of the Party in power—been run for a ragbag of political considerations rather than as a business operation. These astronomical losses are the inevitable price.

Now the South Australian and Federal Governments have agreed that country services—and the burden of running them—should be handed over to the Commonwealth in a move towards a national system. It would mean immediate relief to the State Government's finances, and Mr. Dunstan says he would, as a result, be able to lift his 6c a gallon petrol tax. But the enabling measure faces possible blockage in the Legislative Council.

The hand-over has obvious long-term implications for South Australia especially for that part of the population living outside metropolitan Adelaide. It is right and proper, therefore, that a House of Review should subject the Bill to rigorous scrutiny. But the Opposition would be acting unwisely if it threw the measure out.

Apart from financial relief the State would lose, Mr. Dunstan would be given further ammunition for an election campaign around the theme of Council obstructionism, an opportunity he would relish. For years the problems of our railways have been allowed to languish because of bureaucratic inertia and petty political squabbling. It is time for this country to get the national rail system it requires.

The Hon. R. C. DeGaris: What do you think the Canberra bureaucracy will do?

The Hon. C. R. STORY: We have had much experience with the Canberra bureaucracy. We have seen it at its best in relation to the wine industry. People have got the bit between their teeth and have used all their persuasive eloquence, as did the Treasurer, all the backroom work, as did our Minister of Agriculture, and all the heavyweights throughout the wine industry, as well as the Commonwealth Minister for Agriculture, but not even they could shift the bureaucracy, which had made up its mind that the wine industry was a brilliant and affluent part of society. One cannot get through to the bureaucracy, and I do not see how bureaucracy, in relation to the railways, will be any better. I think the priceless part is that the Council is enjoined in the first place to subject the Bill to rigorous scrutiny and, having done that, it would be unwise to throw the measure out!

How else, other than through investigation by a Select Committee can the Legislative Council subject this Bill to a rigorous scrutiny? How else can the Government blame the Legislative Council if it does throw this legislation out if, by chance, it denies the South Australian people the right to put their case clearly and freely before an all-Party Select Committee, which can bring down its findings and bring some sanity to this whole matter? It is no good talking of going to the electors or anything else. One can win the battle but still lose the war. If the Government goes to the electorate it thinks it is showing good logic. I do not think it is.

I believe this situation represents a situation similar to that applying to Chowilla dam. Certainly, the last thing I would take on in this way is the railways. Chowilla was a seven-day wonder, but this matter would be only a two-day wonder. In the end result the South Australian people would still not be given the necessary guarantees for them to have a proper and efficient railway service in their State. I have made my position clear as to what I believe the course of this measure should be. The proper course is to refer this Bill to a Select Committee, which should work expeditiously in order that proper consideration could be given to all sections of the South Australian public.

The Hon. C. M. HILL (Central No. 2): I oppose the Bill. I listened with interest to the contribution of the Hon. Mr. DeGaris, who quoted Mr. Whitlam's 1957 Chifley

Memorial Lecture. In that lecture the Prime Minister effectively spelt out the very situation we are now facing when he described the role of Labor Party members of State Parliaments in giving more power to the national Parliament. In giving the Chifley Memorial Lecture, the Prime Minister stated:

> When the Labor Party holds office, in the Commonwealth Parliament, the States which have Labor Governments could readily make agreement under section 51 (33) and (34) for the acquisition and construction and extension of the railways in the States by the Commonwealth.

From that statement, and from reports that we hear from day to day, it is obvious to me that Mr. Whitlam's financial squeeze on the finances of the States is continuing. This is for the specific purpose of forcing the States into such a financial plight that, by offering an attractive financial proposition to them, Mr. Whitlam ensures that more and more powers are referred to the central Government.

I oppose this form of centralism, and I believe that the majority of people in South Australia oppose it. However, we must accept that improved economic and social standards in Australia are not dependent in our Commonwealth system on an all-powerful central Government in Canberra. Those aims and the provision of a political climate in which both private enterprise and the public sector can achieve such aims are possible by the States themselves having efficient State services; by the States themselves providing the climate in which private enterprise in commerce and industry can operate efficiently and profitably. If the States are made strong by those means, then we have a strong nation.

Applying that concept to the situation in relation to the railways, I admit that a case can be made out if it is possible for the States at some stage to get together to evolve an agreement which includes conditions and provisions sought by the States for a transfer of their non-metropolitan railways, as a whole, to the Commonwealth Government. Whilst it might be held that that situation might never be achieved (perhaps based on historical precedents), it is interesting to see that there is at least one committee still sitting in review of the Commonwealth Constitution.

Moreover, I believe there is some commission or secretariat formed by some of the States to try in the future to get the other States to join them, too, so that the States can speak as a single voice in their dealings with Canberra. It might be possible at such a time (and I stress the importance of the States' terms and conditions) for a proposition to be put to the Commonwealth Government for it to take over non-metropolitan railways to the advantage of all the parties concerned.

However, this Bill has nothing to do with that situation. This Bill (forgetting Tasmania, which all honourable members will agree has a small railway system) singles out South Australia in seeking to transfer its non-metropolitan railway system on terms which, if this State had all the controlling say in the agreement, I am sure would not apply, but this Government is willing to transfer its non-metropolitan railway system under this Bill. Much has been said of the financial aspects, especially in relation to the financial generosity of Canberra and of Mr. Whitlam, but when one really analyses the financial situation, I believe that not a rosy picture is presented at all.

Despite all the offsets that the Minister has referred to in his second reading explanation, the cold hard facts are that South Australia at this time is only getting new money to the amount of $10 000 000 for this total transfer. The sum of $26 400 000 has also been referred to, but $16 400 000 is, in fact, made up of credits or moneys owing under the Grants Commission arrangements in relation to South Australia. The new hard cash that is involved in this total transfer is $10 000 000.

One could easily ask whether Mr. Whitlam has $10 000 000 to spare and whether he genuinely wants to see, in the interests of the people of South Australia, our country rail services upgraded. Why cannot that $10 000 000 be given to the South Australian Railways for that purpose? Why could not that sum be used for the purpose of lifting the petrol franchise tax? These questions are being asked of me by people in the street who are taking an interest in this matter and looking behind the propaganda that is being projected by the present Government into the public arena.

All the money that the Commonwealth Government intends spending in the future on non-metropolitan railways could well be directed to South Australia in the form of grants to help finance the deficit and debt charges associated with the non-metropolitan railways, as well as financing the upgrading of rolling stock and other improvements in that part of our railway system. We have heard much about the widened base for future financial aid. Can any undertaking be given that the Commonwealth Government will not refuse financial assistance to South Australia in future years to offset its specific deficit on its newly acquired railways in South Australia? No guarantee whatsoever can be given on that point. Many of us know what hard bargainers the Commonwealth Treasury, Treasurer and Prime Minister can be when it comes to financial aid for South Australia.

I can well imagine the time when, if this Bill passes, the Treasurer from this State would knock on Canberra's door for special aid: he would be told that, in view of the tremendous drain on the situation in Canberra, caused specifically by this State's railways, some adjustments would have to be made. These things can happen in the future. If we pass this Bill, we are being asked to open the door to allow that to happen, and the only way to stop this happening in the future is simply, as I see the situation, not to pass the Bill.

Again, I pose the question: can we say with certainty that we will gain financially by not having to meet the railway deficit from our general revenue? One should look at what happened in this financial year. In August last year, in presenting the Budget to this Parliament, the State Treasurer told us that $6 000 000 had been promised by Canberra, and this had been written into the Budget figures. And what happened in February this year? The State Treasurer had to report that, in fact, he did not get the money.

These are the problems that are associated with the negotiations and dealings between the respective Treasurers. It is all very well for some of these undertakings to be left in the air and not be written into the agreement. It is all very well to have understandings regarding what can apply in future in relation to these financial arrangements. But we have absolute proof that some of these promises are not kept.

It is therefore highly dangerous, from this State's point of view, looking at the matter from the financial aspect, and despite the carrot that is being dangled in front of us of avoiding the $32 000 000 deficit (of course, it is not emphasised when that carrot is dangled that the $25 000 000 that we get through the Grants Commission is automatically going to stop), to talk of the widened base, which, I am prepared to say, will help our formula. But, it is in the area of special financial aid which is needed in these times and which will be required in future, when we queue up

in Canberra for consideration under this heading, that this State will be cut back. I challenge the Government to rebut this point with absolute certainty. It simply cannot be done.

I should like also to deal with the actual value of assets that are being transferred under this agreement. This comes under the consideration of the financial aspects. I am concerned not with the historic book value, on which most of the assets are recorded, but with the current market value. I would have expected that the Government might produce plans of the land that is being transferred under the agreement for honourable members to see. Such plans could easily have been displayed on the notice board. That would have been particularly desirable, because in the schedule included in the agreement the actual area of the land concerned is not referred to.

Although the boundaries are shown, the number of hectares involved, the situation of improvements, and perhaps a short description of those improvements, are not included. It is therefore hard for one to gain a real impression of what assets are being transferred. However, when one pauses and considers the value of areas such as the Mile End and Islington yards, the Islington Workshops, and so on, as well as all the other assets named in the schedule, one is surely entitled at this stage to ask whether, during the period of the negotiations, the Government has made a realistic estimate, based on current market values, of the value of such assets. I come now to the question of the Commonwealth franchise tax. If money that Mr. Whitlam has available could be made available, that in itself could ensure, by initiation from Canberra, the abolition of the petrol tax.

I join with those honourable members who have in the Council this afternoon criticised this method of political blackmail. If the Government thinks that honourable members in this area alone are going to yield to this kind of political blackmail, the Government has another think coming. Speaking for myself, anxious though I am to see the petrol tax abolished, I will not yield to blackmail of this kind in regard to this matter. The petrol tax is a separate issue, and any reputable Government would maintain it as such. It should stand alone and be debated and dealt with by Mr. Whitlam and Mr. Dunstan as a separate issue.

Lastly, in regard to the financial aspects, I have a query relating to sinking fund payments for the 1975-76 year. I notice that in the 1973-74 year these were $2 600 000, and I understand that during some of the negotiations prior to the signing of this agreement Canberra agreed that this State would be reimbursed for this amount of sinking fund payments. I have not been able to find any mention of that in the Minister's second reading explanation or in the agreement, and I should like the Minister to clarify that point because it could involve a considerable sum of money.

I move on now to a point which has been mentioned already in some detail but which should be emphasised because it is extremely important. I refer to the conflict that arises, in my view, between the agreement which this Bill is endeavouring to ratify and the Australian Constitution. This important conflict deals with the whole question of preferential freight rates that South Australia experiences in comparison with other States and preferential freight rates actually existing here in South Australia. Clause 8 (1) of the agreement states:

> The commission will ensure that, in general, freight rates and other charges in respect of the non-metropolitan railways and services shall be maintained, on and after the commencement date, at levels not less favourable to users than those levels generally applying on the railways of States other than South Australia and where, in general, fares, freight rates and other charges at the commencement date have established a relative advantage to the users, the advantage shall not be diminished.

The Commonwealth Government is moving to establish the Interstate Commission in South Australia, as provided in the Australian Constitution. This commission is charged, under section 101 of the Australian Constitution, as follows:

> . . . with such powers of adjudication and administration as the Parliament deems necessary for the execution and maintenance within the Commonwealth of the provisions of this Constitution relating to trade and commerce and of all the laws made thereunder.

Then I move on to the most important section of the Constitution, section 99, which states:

> The Commonwealth shall not, by any law or regulation of trade, commerce or revenue, give preference to one State or any part thereof over another State or any part thereof.

Therefore, because the Commonwealth Government has decided to establish this commission (and quite clearly, might I add, existing trade differentials are in contravention of section 99), a user of railway services could complain about freight differentials and the Interstate Commission would be obliged to adjudicate under section 99 and rule invalid any existing differential; that is, country people in South Australia would be confronted with a freight rise, as all freight charges would have to be equalised.

In these circumstances it is obvious that the assurance contained in clause 8 (1) of the agreement, which I read out (the assurance that existing advantages shall not be diminished), is worthless. Therefore, on that issue alone I cannot support the Bill, because it will lead undoubtedly, for the reasons I have given, to increased freight charges controlled by Canberra throughout the country rail system in South Australia.

If the Minister can dispute that argument I should like him to do so when he replies, but I am not dealing with assumptions in the matter; I am dealing with the Australian Constitution, with what this Interstate Commission is charged with, not by regulation or provision of any current Bill that might be going through the Parliament, but under instruction as it is charged within the Constitution itself. On that basis of reasoning this clause in the agreement we are being asked to ratify, which some country people might think gives them protection, is worthless. That is a most important aspect of this legislation, and surely that matter must be investigated very closely by this Council. Unless the Minister has some further explanation which has not been brought to my notice, on that issue alone in my view this Bill should be rejected.

Then there is another issue just as important to country people and just as important to the State, in my view. It deals with the abolition in South Australia of the present open road policy. The relevant subclauses in this agreement are 13 (2) and 13 (5), which state:

> (2) Nothing in this clause shall operate to restrict the introduction of new freight or passenger road services or the extension of those freight or passenger road services which exist on the commencement date by Australia, the commission, the State or the State authorities.
>
> (5) Australia or the commission shall not be liable to pay any fees, taxes or other charges in respect of the application or approval referred to in subclause (4) or in connection with the operation of the road services referred to in this clause.

Also the agreement contains a definition of "services", which states:

> "services" means services, including freight and passenger road services, that are principally or mainly incidental or supplementary to, or are principally or mainly operated in association with, the non-metropolitan railways;

That is a vague definition, but by the same token it is also a wide definition. If we consider subclauses (2) and (5) of clause 13 and bear in mind that definition of services, that surely means that the Commonwealth Government can set up parallel road services in competition with private enterprise. The competition would be unfair, because the Government services would be exempt from State taxes such as the ton-mile tax, and if that happened it is quite obvious what the next step in the tragedy would be.

The private road hauliers in South Australia would be faced with bankruptcy and they would be going cap in hand to the Government; they would be at the mercy of the Government. That kind of situation will occur, in my view, if the Bill is passed in its present form. At this point, therefore, the Bill conflicts most seriously with the open road policy in South Australia. It stands to put the private road haulier in all our country areas out of business, and that is a state of affairs to which I do not intend to agree, nor do I intend to give my vote to a Bill which could result in that state of affairs coming to pass.

On that issue also, standing on its own in the Bill, I believe there is sufficient reason for honourable members to reject the measure. There are other aspects not quite so important as the main headings I have referred to. There is, for instance, the matter of uniformity. We have heard much of the need for uniformity and we have heard that this is the start of uniformity towards a national railway system. How far will this uniformity be achieved by this method of trying to eat up one system at a time? There is no indication that the States that are not involved will agree to it. So, the cause of uniformity falls down.

Further, there is the problem of very serious administrative difficulties. For instance, the arrangement involves taking over staff, even those who operate in the metropolitan area, and then, by some form of book entry, offsetting the accounts so that a happy arrangement results. Another difficulty pointed out to me last Friday deals with members of different unions doing the same work within South Australia on the railways if this Bill is passed. I understand that there are some porters on the present Commonwealth lines who are members of the Australian Workers Union, but the present members of the existing State system are members of the Australian Railways Union. If the arrangement results in a demarcation dispute, we will have a dispute the effects of which will be far worse than the effects of the steel dispute at Port Adelaide last year.

I have grave doubts as to whether all these matters can be ironed out, even if the Bill is passed. Regional planning throughout the State would be seriously affected if Commonwealth influence was allowed to spread throughout South Australia, as it would under this Bill. The Commonwealth Government could acquire land related to purposes associated with railway development. What if the Commonwealth's requirements conflicted with town planning regulations? There would be further conflict in that respect.

These latter difficulties are by no means as important as those to which I gave more time. I stress again the principle associated with centralism, the financial considerations that have been glossed over by the Government, the question of country freight rates, and the looming abolition of this State's open road policy if this Bill passes. For all those reasons, I oppose the Bill.

The Hon. A. F. KNEEBONE (Central No. 1): I do not intend to usurp the prerogative of my Leader in answering statements made by various speakers. I have had handed to me a document that is interesting, in view of the Hon. Mr. Hill's opposition to this Bill. I remember very well that in May, 1968, there was an article on page 1 of the *Advertiser* headed "Cuts in Railway Services". The article was based on a statement by the then Minister of Transport (Hon. Mr. Hill) and it said that some country services would be cancelled and that this would leave the way open for private operators to take over. The following list refers to the services curtailed as a result of that decision:

Gawler to Angaston—daily services;
Roseworthy to Eudunda and Robertstown—daily service;
Gladstone to Wilmington—daily service;
Gladstone to Port Pirie—daily service;
Adelaide to Bowmans—daily service;
Bowmans to Balaklava return—Monday to Saturday;
Adelaide to Moonta—twice daily;
Adelaide to Tailem Bend return—7.00 a.m. Monday to Friday;
Peterborough to Quorn—Monday, Wednesday and Friday;
Wallaroo to Snowtown and Brinkworth return—daily;
Tailem Bend to Pinnaroo—daily service;
Tailem Bend to Loxton—four weekly;
Tailem Bend to Barmera—daily;
Tailem Bend to Murray Bridge—Monday to Friday morning service; and
Strathalbyn to Milang—daily.

Those services were cancelled.

The Hon. C. M. Hill: Which ones did you agree to cut out two months ago in Cabinet? Then, you went to the Trades Hall, and they stopped you. So, don't say you don't do it.

The PRESIDENT: Order!

The Hon. A. J. Shard: The Hon. Mr. Kneebone has got the Hon. Mr. Hill on the raw.

The Hon. A. F. KNEEBONE: In his usual fashion, the Hon. Mr. Hill was supporting the private sector as opposed to the public sector. He intended to reduce the work of public employees and hand over the work to private enterprise. This was in line with his general attitude while he was Minister.

The Hon. C. M. Hill: We controlled the deficit in two years. That is a long way from what you did. We didn't retrench anyone.

The PRESIDENT: Order!

The Hon. A. F. KNEEBONE: We have listened at length to members opposite extolling the virtues of private enterprise as opposed to public ownership. Apparently it is all right to opt out of services and leave them to private enterprise at no cost to private enterprise and no return to the Government, still leaving the Government to pay interest on the capital cost of the establishment of those services, yet apparently it is entirely wrong to negotiate with the Australian Government to transfer facilities and eliminate a major liability and great financial burden to the State! In return it would receive substantial financial assistance from the Australian Government. If this Bill is passed, I am sure that it will result in an upgrading of country rail services in South Australia rather than in the provision of fewer and fewer country services, as apparently was the policy of the L.C.L. Government between 1968 and 1970.

It must be confusing for honourable members opposite to hear the attitude of the Hon. Mr. Hill on this occasion. He is not willing to support a Bill which seeks to have returned to this State some financial reward for the transfer of facilities that previously he was willing to hand over to private enterprise at no return to the State.

The Hon. A. M. WHYTE (Northern): I seek merely to give a brief outline of my position in relation to this stupendous piece of legislation, which seeks to hand over

our country railway system to the Commonwealth Government. I have no real concern about who runs our railways, whether it is the Commonwealth Government or the State Government, provided there are sufficient safeguards to ensure proper functioning. However, when we are dealing with legislation involving a certain amount of political threat and blackmail in relation to what the Legislative Council will do with this legislation, it makes it difficult to determine what would happen if the Bill were presented to the public, thereby providing for every sector in the community affected by the proposed changeover to examine the situation.

The Hon. T. M. Casey: What sectors will be affected?

The Hon. A. M. WHYTE: How can a country man ask a question like that?

The Hon. T. M. Casey: Let's get this one straight: what sectors will be affected by this changeover?

The Hon. A. M. WHYTE: I am not sure whether they will be adversely affected or advantageously affected, but the Minister knows that every section of the country that is served by a railway line would be interested to present its case, or at least to listen to what the final arrangement would be in this mammoth venture. I am not debating whether it is good or bad, but how can the Minister wonder who will be affected? I suggest that he examine the Bill to find out which sectors will be affected.

The Hon. T. M. Casey: You made the statement, I didn't. I still don't know.

The Hon. A. M. WHYTE: I didn't realise you were so far behind.

The PRESIDENT: Order!

The Hon. A. M. WHYTE: South Australia's railways are operated at a huge loss, and I am not sure that, when the Commonwealth Government eventually takes them over, it will operate them any better. Although I have the greatest admiration for the ability of the Commonwealth railways, with its good network, good co-operation, and good service (perhaps providing some of the best service in the world), it has always dealt with long hauls, known quantities, and known commodities and, as a result, it has functioned satisfactorily. However, it should be remembered, as the Minister should know as he lived in a railway town, that, when things were going badly for the Commonwealth railways, it was the South Australian railway personnel that were called on to help the Commonwealth railways out of its predicament.

The Commonwealth railways has not always operated so smoothly; it has had its difficulties, and I predict that whoever runs the South Australian system will have difficulties. Whether the Commonwealth railway administration is smarter than our own administration, and can operate our country rail services at a gain instead of a loss, remains to be seen. I well remember a transport authority saying that, instead of South Australia accepting a continuing railways deficit each year, it would be better to tear up the tracks, sell them to Japan, pension off all railway workers, and spend the deficit that would normally be incurred on first-class highways, so that in this way our transport problems would be overcome. Whether that could be done, I do not know.

The Hon. A. F. Kneebone: How do you spend a deficit?

The Hon. A. M. WHYTE: The Government, of which the honourable member is a member, knows more about creating a deficit than spending one. Of course, if a deficit is not incurred, there is then room for funds to be spent elsewhere. I agree entirely with the views of the Hon. Mr. Story. I support his contention that this matter be referred for further consideration to a Select Committee, and I shall be pleased to support that contention, as I believe that it is essential for this additional consideration to be undertaken. Many sections of our community know little about this Bill, yet they will find that, if it is passed, they will be affected markedly. I believe that these people have every right and should have the opportunity to express their desires in relation to this Bill. I am not influenced by the fact that the Commonwealth Government is dangling some sort of bait in front of the South Australian population, nor am I impressed by the Treasurer's remarks about the obstructionist role of the Legislative Council.

If he likes to call it that, that is his affair. Indeed, if he wants to call an election on that basis, that is his affair again. I have no influence whatever on him, and I do not intend to have my decision on this matter influenced by his propaganda, or what is reported in the press. I believe that the consideration of this Bill by a Select Committee is the proper way for this matter to proceed, and I shall be pleased to support such a motion at the appropriate time, failing which I intend to vote against the Bill.

The Hon. M. B. CAMERON (Southern): I make clear from the beginning that I support the view of my colleagues in another place in relation to this agreement, which is full of loopholes and which obviously has been rushed into Parliament to cope with a huge deficit that has resulted from the mismanagement of the economy by the Commonwealth Government and this State Government. However, I do not intend to obstruct the Government in the course it is taking, although I warn it that it will eventually answer for its sins. Although this Bill is not a money Bill, it is clear to me that, if the Council refuses to pass it, it will immediately be blamed for the State's deficit and any new taxes that will ensue from it.

Already the Appropriation Bill that was considered by this Council contained clear reference to the agreement contained in this Bill and, in fact, the amount appropriated was built around the sum involved in this agreement. The stage has been set for the blame to be attached to the Council for the State's deficit. Therefore, although technically this Bill is not a money Bill, in practical terms this certainly is the situation. The State needs the money because, without it and unless the Commonwealth Government can be persuaded to provide additional assistance, we will have new taxes being levied on the people of South Australia.

All that this proves is the need to get rid of the present State and Commonwealth Labor Governments. What will they sell next year to finance their grandiose schemes? What is really needed is a complete renegotiation of the whole agreement, but not on the basis used by the Government in this instance, that is, "We are broke" and, "What will you give us for our railways?"

The Hon. R. C. DeGaris: The non-metropolitan railways.

The Hon. M. B. CAMERON: Just the non-metropolitan railways? Why not go the whole hog? I can see no advantage in just letting go half of South Australia's railway system. All the Government is doing is splitting the railways administration, thereby doubling administration costs. Therefore, there will be more expense for both Governments. What really is needed is an Australia-wide study of railway systems and, in the case of South Australia, if it is proved to be necessary, to transfer our railways to the Commonwealth system. If that were to obtain, we would not be just giving half our railway system away.

I believe that we are achieving nothing at all if we merely divide the present South Australian railway system and virtually double its running and administration costs.

Why are we going half way? Is it because the State Government has not the gumption to take the necessary action to reduce the railways deficit? Is it landing all the problem areas on another Government? Why does it not take the necessary action to reduce the deficit? If anyone wants to know what is needed, one has merely to refer to a report on the railways that was made some years ago. Anyone who has read that report would know that there is no area, apart from one, in which the railways does not lose money. Surely something could have been done about this. All we have seen is a continuing increase in the deficit to an astronomical level that this State just cannot afford.

The Government, wanting this Council to shoulder the burden of its failure to run a State Government instrumentality, is really admitting that it is a failure as a Government. However, it has been elected to office, and I do not intend to obstruct it. I regard this Bill as an admission by the Government of its failure effectively to govern the State and, if there is an election on this issue, as has been forecast in the challenges and counter-challenges that have been issued on this matter, we will seek an immediate renegotiation of this whole deal. If we must sell our assets to finance the State Government, the sooner we rid this State of its Labor Government the better it will be.

The Hon. R. A. GEDDES (Northern): Apparently, the Commonwealth Government now wishes to wear the cap of the multi-national company in the South Australian railways sphere. This afternoon, the Hon. Sir Arthur Rymill said that the Commonwealth Government could well be receiving its orders from overseas. Who does not remember the Communist manifesto which says that the control of communications and transport is one of its prime aims? The Socialist aim is so similar to Marxism that the type of innuendo to get control of the railways in this form of negotiation will lead to the ultimate downfall of the Australian Government and the total Australian scene as we know it.

The theme I should like to develop in this debate is: what care is being shown regarding South Australian Railways employees who will be transferred under this agreement? What guarantee has the employee who started as an apprentice with the South Australian Railways got against losing his job if, and when, control goes to Canberra? What right of appeal will he have? Are these things written into the agreement? Any honourable member who is familiar with the Commonwealth Railways line from Port Augusta to Western Australia would have seen the deplorable conditions in which fettlers there must live. This is a disgrace to any nation. Is this the sort of down-grading that our railway employees can expect in the future?

The Hon. A. F. Kneebone: You should have seen some of the South Australian conditions before we came into office.

The Hon. R. A. GEDDES: I did, and I have seen some since the Labor Government has been in office. They are better than the ones on the Commonwealth line.

The Hon. A. F. Kneebone: But they weren't when we came into office.

The Hon. R. A. GEDDES: They were better then, and they are still better. However, that is not a reflection on the Commonwealth Government. These are the people who will be taken over under this agreement. Do we want a down-grading of the houses of these employees who have taken on their jobs in South Australia and want to stay in this State? How do they know they will not be moved to any other part of Australia under this all-embracing octopus-type of control?

The Hon. Mr. Story outlined the process that has to be undergone regarding the closure of railway lines in South Australia, including the taking of evidence from the public by the Public Works Standing Committee. Under this Bill, the only appeal the citizens of this State will have will be by arbitration. However, it will not be a matter of John Citizen having a right of appeal through arbitration: it will be a matter of the State *versus* the Commonwealth. Therefore, the voices of the farmer and storekeeper in the small country towns that are served by the railways will be lost.

The same applies in relation to freight rates. The agreement provides that they shall be fixed by arbitration. Again, it will not be an arbitration involving John Citizen: it will be a matter of one Government against another Government, and the voices of the people to whom I have referred and whom honourable members represent will be lost. This is a very grandiose scheme and, with the mighty control that will eventuate in years to come, the railway system will become a dead limb.

I refer now to the different methods of traffic control used by the Commonwealth and State railways. Until now, it has been impossible for a South Australian train crew to operate a train on the Port Pirie to Port Augusta Commonwealth line because the method of operation is entirely different. Does this mean that all the South Australian Railways employees who are employed on the rural side of the railways system and whom it is intended will be taken over will have to adopt the Commonwealth method of control? Does this mean that a load of superphosphate being carried from, say, Port Adelaide to a northern railway station will need to involve two types of train control, two types of engine driver, guard, and so on? Are these Gilbert and Sullivan situations to occur? It is not stated how this will operate. It seems ludicrous to be talking about a transference of book debts, which, in effect, is really all the agreement suggests. A total involvement could mean a vast increase in running costs because of the different operating systems.

Reference has been made to wheat traffic from silos. It was stated that, if lines were closed, wheat would have to be moved by road transport and that perhaps the Commonwealth Government could operate road transport at cheap rates. But where is it provided in the agreement that, if this agreement is implemented, road maintenance money will be used to maintain the roads over which these heavy trucks run? The Government and Parliament know how hard it is to get money for rural roads. Those who are familiar with the road from Cowell to Port Lincoln will realise how it breaks up every summer when wheat is carted on it because there is no rail system in the area. If we are to have a series of silos served by road transport, is there any guarantee that the State will get reasonable finance for the maintenance and upgrading of rural roads? The Commonwealth Government has said, I believe with tongue in cheek, that under the Medibank system of hospital care the Commonwealth will take over all the debts of all the hospitals in South Australia. If is it good enough for Medibank to take over the debts of the hospitals, why is it not good enough for the Commonwealth Government to take over the debts of the South Australian Railways and let the system operate and be operated by South Australians for South Australians?

The Hon. R. C. DeGaris: The South Australian Railways has never had a fair go from anyone.

The Hon. R. A. GEDDES: I take the point made by the Leader. It is because of the noose around its neck with interest payments that this has happened. Some people facetiously say that the Railways Commissioner is still paying off the costs of the first dam built at Gawler to service steam locomotives. If it is good enough for the Commonwealth Government to wipe off the debts of the hospitals and allow them to be operated by South Australians and for South Australians, surely it is good enough for the railways system to be operated in the same way. This agreement does not please me at all; I hope my comments have registered that point. I do not support the Bill.

The Hon. D. H. L. BANFIELD (Chief Secretary): I never fail to be amazed at the way in which the minds of members opposite appear to work. They never fail to criticise the Government if it does not balance its Budget. They never fail to criticise the Government if it takes measures to raise money to balance the Budget. They never fail to seek special financial treatment for certain sections of the community at the expense of the rest of the community. They have consistently opposed legislation that would have assisted in decreasing the annual deficit of the railways. Actions taken by members opposite have stopped the Government on occasions from keeping up the income of the railways. Now the Government has achieved something which will lessen the financial deficits, and members opposite are still not satisfied. I do not know what the position is. We simply cannot please them.

The Hon. T. M. Casey: They would not be playing politics, I suppose?

The Hon. D. H. L. BANFIELD: I do not think so, although the Hon. Mr. Story raised the question this afternoon. It appears to me that members opposite are not the least bit interested in matters that will assist the State. All they are interested in is finding sufficient ill-founded ideas for their own political purposes. The Hon. Mr. Story indicated that their relegation to the Opposition benches was a bitter blow. It is one from which there is no way of recovery. Members opposite take every opportunity to criticise the Government.

The Hon. R. C. DeGaris: Will you answer some of the specific points that were raised?

The Hon. D. H. L. BANFIELD: What specific points were raised by members opposite? They brought in Medibank, which has nothing to do with this Bill. If they would like me to go through Medibank at this stage, I am quite willing to do so. Is that one of the questions the honourable member wants answered? What specific questions does he want answered? The Hon. Mr. DeGaris said, and I agree, that the South Australian Railways has never received a fair go from anyone. Of course, it has not. It did not receive a fair go from members on the Opposition benches when they were in Government, and it is not getting a fair go from Opposition members now. The Hon. Mr. DeGaris claimed that the transfer had never been referred to the public. Many times we have seen the Leader hold up the policy speech given by the Hon. Mr. Dunstan in March, 1973. Has the Leader seen page 11 of the policy speech where reference is made to this proposition? He says it has never been put to an election, but I refer him also to the policy speech in the Commonwealth sphere in 1972 when this matter was referred to the people of this State. They supported that policy. For the Hon. Mr. DeGaris to say that this matter has never been referred to the people is just not true.

The Hon. R. C. DeGaris: Would you read it?

The Hon. D. H. L. BANFIELD: The honourable member can look up the policy speech for himself. He has done so many times and he can do it again. I am refuting the allegation by the Leader that this matter has never been referred to the people. It was referred to them on two occasions. The Hon. Mr. Story said there should have been discussions with officers and employees of the South Australian Railways. There have been discussions, and we have been continually discussing the proposition with representatives of the 8 500 officers and employees of the South Australian Railways.

The Hon. T. M. Casey: They are all in favour of it.

The Hon. D. H. L. BANFIELD: Of course they are, and they have indicated that to honourable members opposite. If they were not in favour of it and if they did not know about this agreement, how could they have made representations to members opposite saying that they were in favour of it? Members opposite try to tell us we have not consulted people in the industry. That is the way in which they try to get their propaganda over, by just not telling the truth. It is as simple as that. The Hon. Mr. Hill opposes this Bill, which at least provides that the State is being recompensed for its assets. That is more than the honourable member was going to do when he was going to dispose of the assets of the South Australian Railways or make it much easier for private enterprise to cash in at the expense of the railways and the State. For people opposite to say that the Government is not doing the right thing is so much hogwash.

The Hon. R. C. DeGaris: By how much will the Budget benefit next year from the transfer of the railways?

The Hon. D. H. L. BANFIELD: From July 1 the Commonwealth Government is to take over the asset of the non-metropolitan system, and it has agreed to take over the outstanding liabilities which correspond with those assets. These liabilities are under the headings of part of the State's public debt, special borrowings under rail standardisation arrangements, and current liabilities such as sundry creditors. These are the benefits that will accrue. The Commonwealth Government is also to take responsibility for the annual operating deficit of the non-metropolitan system, which is estimated at about $32 000 000.

The Hon. Mr. Story referred to the article setting out the position. When the agreement comes into operation the State is to receive immediately an additional grant of $10 000 000 and a completion grant of $10 000 000 payable without further review under Grants Commission procedures. This would in the normal course of events not be paid until the 1976-77 financial year after a full review by the Grants Commission. In addition, the State will receive $6 400 000 of grants assessed by the Commission in respect of past years but withheld from payment until actually needed to cover a deficit within the deficit standard set by the Commission.

The Hon. R. C. DeGaris: That is available anyway, isn't it?

The Hon. D. H. L. BANFIELD: It just might not be available because, from the way honourable members opposite have been talking this afternoon, they are going to defer this agreement. Part of the agreement is that it commences as from July 1. We do not know whether it is available or not; it is all in the lap of members opposite. They appear to have some political axe to grind. I am telling honourable members what is available if the agreement is signed. If honourable members do not approve the railway transfer, the loss on the non-metropolitan lines is likely to grow faster than are the financial assistance

grants. This will have a drastic effect on the State's Budget—something about which members opposite are always complaining. They appear to be taking a step that will worsen the budgetary situation.

Honourable members opposite make much play about the fact that the Government has indicated that it cannot lift the petrol tax if this Bill is not passed. If the State does not receive the financial assistance that would result from this Bill, it will have to get money from somewhere. It would therefore be impossible to lift the petrol tax. Honourable members opposite want to deny us two ways of getting money to run the State. They want to throw out this agreement and they also want the petrol tax lifted at the same time. Yet honourable members opposite call themselves business experts! When we attempt to improve the State's financial position, they will not co-operate. Some honourable members want to refer the Bill to a Select Committee. However, as mentioned by the Hon. Mr. Story, if that were done, it would be impossible to meet the time table.

The Hon. C. R. Story: I didn't say that.

The Hon. D. H. L. BANFIELD: The honourable member said that the committee's report would not be available by June 30.

The Hon. C. R. Story: I did not suggest that in any circumstances. I deny it.

The Hon. D. H. L. BANFIELD: I will take it back. If the honourable member did not suggest it, I will suggest it. Honourable members opposite know that it would be impossible to conduct the hearings of the Select Committee in time for this agreement to take effect on July 1. Can honourable members opposite deny that? Not only would it mean further financial loss for South Australia but also it would necessitate another agreement, which could not be drawn up between the two Governments in the near future, because the Commonwealth Parliament will not sit again until next August. The agreement in this Bill hinges on the commencement date of July 1.

The Hon. R. C. DeGaris: Are you opposing the formation of a Select Committee.

The Hon. D. H. L. BANFIELD: I am not opposing a Select Committee. I am saying that it would be impossible to have the Select Committee's report in time for the agreement to be in operation by July 1. I do not oppose the Bill's going to a Select Committee, but I inform honourable members opposite that, if the Bill goes to a Select Committee, there is no way whereby the report could be made in time for the agreement to come into operation on July 1. I must also inform honourable members opposite that, as a time factor is involved, the Government cannot accept the proposition that this Bill be referred to a Select Committee, and the Government will therefore treat referral to a Select Committee as a rejection of the agreement.

The Council divided on the second reading:

Ayes (9)—The Hons. D. H. L. Banfield (teller), M. B. Cameron, B. A. Chatterton, T. M. Casey, C. W. Creedon, A. F. Kneebone, A. J. Shard, C. R. Story, and A. M. Whyte.

Noes (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, Sir Arthur Rymill, and V. G. Springett.

Majority of 1 for the Noes.

Second reading thus negatived.

## BEEF INDUSTRY ASSISTANCE BILL

Second reading.

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

*That this Bill be now read a second time.*

All honourable members of this Council will be aware of the currently depressed state of the beef market and the hardships that are presently being undergone by those dependent on this industry. This concern is shared by the Commonwealth Government and, it goes without saying, by this Government. As evidence of this concern, agreement has been reached between the Governments for the establishment of an emergency assistance scheme. This scheme will be financed by equal contributions by the two Governments and will provide short-term finance at a concessional rate of interest. It is intended that advances from the fund proposed to be established will be made to specialist beef producers who cannot obtain carry-on finance from their usual sources but who, if they can obtain assistance of the kind provided for, will be able to remain in the industry. It therefore follows that persons seeking assistance must have a sound asset structure and demonstrate future capacity to survive should they be granted assistance.

Clauses 1 and 2 of the Bill are formal. Clause 3 sets out the definitions used for the purposes of the measure and I would draw honourable members' attention to the definition of "specialist beef producer". Clause 4 sets out the matters that the Minister is enjoined to take into account before he declares a person, firm or partnership to be a specialist beef producer for the purposes of the measure.

Clause 5 contains the substance of the measure. Subclause (1) formally provides for the grant of assistance and incidentally provides that the Minister to whom the measure is committed may be advised by a committee appointed by him for the purpose. Subclause (2) indicates the terms and conditions under which assistance will be provided. In this regard I draw honourable members' attention to the schedule to the measure. Subclause (3) sets out the circumstances in which assistance may be granted, and in this regard paragraph *(b)* of this subclause is of particular importance. Clause 6 provides for the establishment, in the Treasury, of a beef industry assistance fund. While most of this clause is in the usual form, I draw honourable members' attention to the fact that moneys received in repayment of advances may not be re-lent but are returned to the source, Commonwealth or State, from which they are derived.

Clause 7 provides an exemption from stamp duty and certain other fees on documents executed in connection with the scheme of assistance. Clause 8 is proposed in order that advances may be made to "specialist beef producers" immediately, even though this measure has not yet been enacted. Accordingly, it takes the form of a validating provision that, in the Government's view, has a reasonable degree of retrospectivity.

The Hon. C. R. STORY (Midland): This Bill results from an agreement between the State and the Commonwealth Governments in regard to assistance urgently needed by the beef industry. I am very pleased that some sanity appears to exist in the Government. The original legislation brought before another place was highly objectionable and was not in any way beneficial to the industry. As a result of negotiations that have taken place between representatives of the industry and the Government, and with the assistance of some Opposition members, a clarification of the agreement with the Commonwealth authorities has enabled the redrafting of this legislation.

It is now squarely on the shoulders of the Minister who is responsible for this legislation as to the way in which it will be administered. I hope that the Minister will take the responsibility squarely on his shoulders and use the powers that Parliament is about to give him. Certainly, if he shirks his responsibility in any way and leaves this to just another formula to be drawn up (and this has been the case in relation to several assistance grants that have recently been provided), I believe that we will be in no better position than we were with the hide-bound formula that belonged to the original legislation introduced in another place.

The State has already appropriated $1 500 000 to supplement the $1 500 000 recently provided by the Commonwealth Government. The whole tenor of this legislation relates to the definition of the specialist beef producer. The specialist beef producer was defined in the first part of the legislation and dealt with about 450 South Australian producers. The criteria in that case was that a person applying for assistance under the agreement had to have at least 50 per cent of his income from beef production. This was coupled with two other requirements. The first requirement was that any person in a partnership, where one partner had an interest other than in beef production, would immediately be ineligible as a recipient of assistance, and the second requirement related to a family company, where any shareholder in the company would automatically wipe out the company's eligibility for assistance if that shareholder had other employment.

This is a ludicrous situation. People applying and those in need of assistance must be at the bottom rung; in other words, they must have exhausted all other forms of finance and, as in the case of a partnership, if the wife is forced to go out to work, that would deprive the husband of the opportunity of keeping his property as a beef producing farm. This would apply in the case of a proprietary company, say, involving a family of three, if two of the family members were forced to go and work either contracting or doing something similar. That would automatically cut out that family company from obtaining any assistance.

That situation was completely untenable so far as the industry and Opposition members were concerned. I am pleased with the amendment moved in another place, which resulted from the work of the member for Victoria (Mr. Rodda) in conjunction with the Minister of Works, and the Minister of Lands. I believe that the amended Bill will benefit people if it is administered properly, but we have no guarantee about that. We can only hope that the Minister will accept the challenge offered to him in this legislation to determine who is eligible for this assistance within the wide guidelines set out in the amendment. I hope that it will not be necessary for this type of legislation to be in operation for much longer but, in the present trading conditions throughout Australia and internationally as well, we are not making much progress in improving our beef marketing arrangements.

It is a tragedy that Australia, which had such a credit balance of trade only three years ago, and even as recently as two years ago, now is in the parlous situation of being in a deficit position in relation to its world balance of trade payments. True, beef and wool have played an important part in this situation, and it appears that the policies that have been adopted over this period have not helped in winning friends, especially new friends, to take up the slack production of the beef industry.

The Minister of Lands has recently visited oversea countries in relation to this matter. When I first saw reference to his trip with the Samcor General Manager, I thought his prime objective was to write business in Middle East countries. However, I have not heard of anything happening, except from the scattered reports that I did receive that this trip was not so successful, and that there were not so many oil dollars about for buying Australian beef. However, this legislation might be a lifeline, at least, to keep people in the industry afloat. It will certainly not get them out of their difficulty, as nothing short of improved trade conditions can do that. If we can now keep people afloat and on their properties, that is an achievement, because if these properties revert to the mortgagor, or whoever may be involved, it will certainly not make the position any better for primary industry.

No-one will look after a property like the primary producer who is dedicated to it. That primary producer's lack liquidity at this time should not be a barrier to their being able to continue in their chosen avocation, if they desire to do that. I will wholeheartedly support the legislation in order that it be dealt with expeditiously, as so much is in the hands of the Minister in relation to who will get a loan and how many people will benefit.

The Hon. A. M. WHYTE (Nothern): I rise to give this Bill my blessing. The sooner it can be put into operation the better. The Hon. Mr. Story has referred to the anomalies, which worried honourable members when the Bill first came before Parliament and which have now largely been corrected. The sum to be distributed is not large. It will not go far to alleviate the problems faced by the whole industry but, for those who do qualify for assistance, it is important. At this time it is most fitting that some funds be made available to keep the beef industry alive. Nothing more than that can be done, and this assistance will keep in production only those who qualify for this assistance.

It was an ironic twist of fate that some of our largest beef producers had many fat cattle ready for market when the market was buoyant. However, because, of floods, it was impossible to bring those cattle through and, by the time the roads were accessible again, the market had fallen to a point where it was not possible to send the stock out because it would not have been a profitable proposition. Although this Bill represents only a small part of what is needed to help the industry, it will be gratefully received. As the Hon. Mr. Story said, the administration of this legislation will rest largely in the hands of the Minister and his staff. I know that the Minister has staff members who are competent and understand the needs of the industry, and I am sure that, with their assistance and discretion, the legislation will benefit the people to whom I have referred.

The Hon. R. A. GEDDES (Northern): I support the Bill. The Hon. Mr. Story and the Hon. Mr. Whyte have outlined the problems of the beef industry. Unfortunately the collapse of the world market has created enormous problems in keeping the industry viable in these inflationary times. When the Hon. Mr. Chatterton was appointed Minister of Agriculture he said that farmers could not expect Government help if they were not able to justify that help. It is obvious that there is a crying need for aid to the beef industry. However, I do not believe that this Bill will work. Under clause 5(3) we have the anomalous position where assistance under the legislation may not be granted to a person or body unless the Minister is satisfied that the applicant has no other reasonably available source of assistance of the kind applied for. Clause 5(3) provides:

Financial assistance under this Act may not be granted . . .
*(b)* unless the Minister is satisfied that the applicant for such assistance ...
(iv) can provide reasonable security for the repayment with interest of the amount applied for by way of assistance.

We have the anomalous position that, if a man who qualifies under this Act as a cattle breeder is able to provide security, he will be able to borrow money from other sources. However, if he has no security and no other reasonably available source of assistance, he will not be able to borrow from outside sources, although he could do so from the Government, in which event he would have to provide a reasonable security. Therefore, clause 5 (3) *(b)* (i) and clause 5 (3) *(b)* (iv) are contradictory.

The Hon. M. B. Dawkins: They cancel one another out.

The Hon. R. A. GEDDES: That is so, if the Bill is taken in its correct sequence. The Bill will not therefore work.

Bill read a second time.

In Committee.

Clauses 1 to 4 passed.

Clause 5—"Grant of assistance."

The Hon. A. M. WHYTE: Following closely on what the Hon. Mr. Geddes has just said, I suggest to the Minister that this clause, which is identical to the rural reconstruction requirements, should be modified, as it will not work without the Minister's using his discretion. It will be necessary for the Minister so to use his discretion, and I believe that an interpretation outside of the clause will be the only way in which the legislation can work. I suggest that in future drafting of similar legislation the provisions be made more sensible and workable.

The Hon. M. B. DAWKINS: I endorse what the Hon. Mr. Whyte and the Hon. Mr. Geddes have just said. It seems to me that the type of person referred to in subparagraph (iv) would not be a person in the position referred to in subparagraph (i). I therefore suggest that the Minister consider carefully the deletion of subparagraph (iv). Certainly, we do not want to see contradictions of this type in future legislation.

Clause passed.

Remaining clauses (6 to 8), schedule, and title passed.

Bill read a third time and passed.

*[Sitting suspended from 5.53 to 7.45 p.m.]*

## LOCAL GOVERNMENT ACT AMENDMENT BILL (ADMINISTRATION)

Adjourned debate on second reading.

(Continued from June 17. Page 3393.)

The Hon. C. M. HILL (Central No. 2): When I sought leave to conclude my remarks I had touched upon some of the principles in the Bill before us. The Hon. Mr. Dawkins had mentioned in detail the clauses which raised queries, and I concur in what he said. The first matter I wish to raise deals with clauses 39 and 40. These measures introduce power to local government to provide and maintain libraries and community school libraries in the first instance; secondly, clause 40 deals with provisions for local government to provide child care centres.

I do not object to local government having these new powers, but there is some doubt in the minds of people who are interested in local government, particularly those interested in the residents associations which in the last few years have been formed in many Adelaide suburbs, as to the real function of local government. We had the Local Government Act Revision Committee report brought down in 1970 following a long and deep study of local government commencing in about 1967.

We live in changing times and in times when change occurs very quickly. We have had in recent times the inroads of Commonwealth Government assistance into local government, and a general trend towards regional local government has become established. These are two instances of a new approach to some aspects of local government. Already it is time for another inquiry regarding local government. Times have changed so rapidly that many of the recommendations in the Local Government Act Revision Committee report are now outdated. Particularly do I believe that an inquiry should be instituted into the future functions of local government.

If the community had some guidelines after such an inquiry as to what those functions should be, recommendations such as those in the Bill (for instance, giving power to local government to establish libraries and child care centres) would already have been investigated and the community would have a clearer picture as to whether this is wise or whether it is infringing some other areas of administration. One area which it might infringe is education or the Education Department.

I am not opposed to these provisions but I wonder whether, when such change is proposed, sufficient preliminary inquiry has been made into the need and into whether or not local government should enter these areas. I mentioned the advent of residents' associations as relatively new associations within the community. From attending meetings of those associations I believe a growing body of opinion is seeking clarity on where local government is going and what its powers should be both now and in the future.

It would be as helpful to members of residents' associations as it would be to local government, especially those who have only entered that field of community service in the last few years, if guidelines were established as to what the future of local government is in relation to its services to the community. Whilst I do not oppose these provisions I believe there is a need for some further inquiry as to the present and future powers of local government.

The last matter to which I shall refer is one of the most important aspects of the Bill, relating to the new Part to be inserted to deal with litter. I commend the Government for introducing these provisions. Honourable members will have noted that the penalties for littering are to be increased by the Bill and, taken as an overall measure, the whole problem is tackled very well indeed in this measure.

There is another Bill before the Council at present which in the main is a litter Bill. I shall not refer to it except to say that the approach of the Government in this Bill to litter control should be the approach adopted by the Government regarding the whole question of litter. If we give more power to local government to involve itself in this problem I think this is where the control should lie.

If we support local government and give it an opportunity to become involved in this question of litter, I think that in the main the problem is best dealt with at this level. I commend the Government for providing these new clauses and this new Part in the Bill. I believe local government, once given these powers, will involve itself more than it has done in the past. The control of litter will be far more effective in future than it has been in the past.

I am especially interested in the increase in the maximum penalty for depositing litter. It could be claimed that these increases might result in fines being too great, but it is my considered belief that the higher a council has the right to make these penalties for littering the fewer will be the offences. It can be said that problems of policing are difficult, but there is less need to involve a policing system to a large extent when penalties are high. Of course, the same number of offences do not occur when people know what the maximum penalties are. These penalties can be publicised by councils along various streets, as is done overseas. In this way fewer offences will be committed.

One or two clauses must be further considered in Committee. I make a plea that the Government hasten with its rewriting of the principal Act. I know that that is a big job, but it would overcome to some extent the need for the amending Bills that come before this Council each session. I. support the second reading of the Bill.

*Later:*

The Hon. G. J. GILFILLAN (Northern): The Bill has been canvassed thoroughly by previous speakers, and I took the adjournment to enable amendments to be drafted, so that some agreement could be reached with the responsible Minister. There is much merit in the Bill and little to which I can take exception. The matters raised should be looked at thoroughly, to the advantage of the Government and of local government.

The matter of urban farm lands has been raised, and from what has been conveyed to me privately I understand the Minister is not unsympathetic to the proposals put forward by the Opposition but that it is a matter of finding the correct drafting to give effect to the amendments without unduly decreasing the revenue of local government. Section 5 of the principal Act is to be amended by striking out from the definition of "urban farm land" the reference to 0.8 hectares. I do not think it has been mentioned that this provision relates only to land in municipalities and not to land in local government areas generally. Profitable enterprises are carried on by way of intensive farming, such as nurseries, carried out on small blocks of land in municipalities. Obviously, some concession should be made in the rate to these people, who compete with others on a different system of rating outside the municipalities. I understand the problem is even more serious in areas where some people are in the townships and others are outside in the grapegrowing areas.

The provisions of the Act at present stipulate that, to be accepted as urban farm land, land in a municipality must be wholly or mainly used for the time being by the occupier for carrying on one or more of the businesses or industries of grazing, dairying, and so on, from which business or industry the occupier derives the whole or a substantial part of his livelihood. The last few words are creating the problems because, if anyone works this sort of land and earns a salary from some outside source which could be in excess of the income from the land, he is not eligible for this concession. Such ratepayers are virtually on a means test. I do not think that is intended by the Government, but that is the situation that has obtained for some time. In recognising that areas of less than two acres can be used to make a living with nurseries and intense culture, the Government should also consider the other problems of these people.

I welcome the widening of the franchise. The spouse of a ratepayer or a person renting a house should have a vote, and people in flats and their spouses should be entitled to vote; in effect, they pay rates as a proportion of their rental. I do not think many flat dwellers will take advantage of this provision, because in the main they are not in the area for a long time. The tendency would be for the more permanent dwellers to attempt to get their names on the voters' roll. People should be interested in local government in the areas in which they live. I am pleased to see that the Minister has placed on file an amendment to cover the situation where a person has had the advantage of an urban farm land category with the reduced rate; when he disposes of that land he must pay for the advantage he has received in the previous five years. That is in line with the provisions of the Land Tax Act and is much fairer than the previous provision of 10 years in the Bill.

The Bill gives more rating power to councils, and previous limits on the rate in the dollar have been completely abolished, with responsibility being placed on the councils. If the Government contemplates giving local government such high taxing powers it should also give it the right to make its own decisions as to whether land within the municipality used for rural purposes is being properly used as urban farm land. Without this means test being imposed on a person, I believe local government would be competent in its own area to assess whether urban land was being used for rural purposes. If the Government sees fit to give local government such wide taxing powers it should give some discretion regarding exemptions and other facets of the rate gathering function. I seek leave to conclude my remarks.

Leave granted; debate adjourned.

## SUPPLY BILL (No. 1) (1975)

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

The Hon. D. H. L. BANFIELD (Chief Secretary): I move:

*That this Bill be now read a second time.*

It provides for the appropriation of $160 000 000 to enable the Public Service of the State to be carried on during the early part of next financial year. In the absence of special arrangements in the form of the Supply Acts, there would be no Parliamentary authority for appropriations required between the commencement of the new financial year and the date, usually in October, on which assent is given to the main Appropriation Bill. It is customary for the Government to present two Supply Bills each year, the first covering estimated expenditure during July and August and the second covering the remainder of the period prior to the Appropriation Bill becoming law.

The amount of the Bill now before honourable members is considerably higher than the amount provided by the first Supply Bill last year. This is, of course, a result of rising salary and wage rates and other costs together with a steady expansion in the services provided by the Government. It represents about two months expenditure based on recent activity levels. The absence in the Bill of any detail relating to the purposes for which the $160 000 000 is to be made available does not give the Government or individual departments a free hand in spending during the early months of 1975-76. Clause 3 of the Bill ensures that, until the main Appropriation Bill becomes law, the amounts made available by Supply Acts may be used only within the limits of the individual lines set out in the original and supplementary Estimates approved by Parliament for 1974-75. In accordance with normal procedures,

honourable members will have the opportunity to debate the 1975-76 expenditure proposals fully when the Budget is presented.

The Hon. R. C. DeGARIS (Leader of the Opposition): This is the normal Bill to enable the Public Service of the State to be carried on during the early part of next financial year. There is very little that this Council can do except approve the Bill. In his second reading explanation, the Chief Secretary said that honourable members would have the opportunity to debate the 1975-76 expenditure proposals fully when the Budget was presented. I hope that the 1975-76 Budget is somewhat more accurate than was the 1974-75 Budget.

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

## INDUSTRIAL CONCILIATION AND ARBITRATION ACT AMENDMENT BILL (SEX DISCRIMINATION)

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

## BEVERAGE CONTAINER BILL

In Committee.

(Continued from June 11. Page 3286.)

Clause 1 passed.

Clause 2—"Commencement."

The Hon. R. C. DeGARIS (Leader of the Opposition): I thought it might be advisable for me to make a few general comments on this matter at this stage. The Bill has been referred to a Select Committee, from which nothing has come except a deadlocked committee. If the Government wishes to proceed with this Bill, despite evidence mounting against the approach taken in it, the Government must take the blame for its own stubbornness in the matter. A committee is due to report to the Commonwealth Parliament on July 1, and it is almost certain that it will come to the same conclusions as did the Jordan committee, which was appointed in this State to investigate all matters concerning the environment. On this question, it suggested that the last approach the Government should take would be to move into the deposit legislation field. Already, the House of Representatives Standing Committee on Environment and Conservation has reported. On page 75 of its report, this joint Party committee states:

The committee concludes that a study of problems associated with the disposal of beverage containers in isolation from packaging and solid waste generally is unsatisfactory. We are conscious, however, that the reference given the committee by the Minister for the Environment and Conservation reflected the wishes of the Australian Environment Council and that the environmental impact of beverage containers, while only part of a wider problem, raises a number of specific issues.

Non-returnable beverage containers for beer and soft drinks comprise a highly visible, readily identifiable and growing proportion of litter.

The cost to the consumer of beverages currently marketed in non-returnable containers is generally 3 cents above the cost of the same beverage sold in a returnable deposit-bearing container if the deposit is redeemed.

Until recently, the returnable glass bottle was the normal type of container for beer, carbonated soft drinks and milk. The packaging industry increasingly has replaced these containers with non-returnable cans and bottles. This process has involved the demise of local bottling and brewing firms and the increasing consolidation of beverage manufacture in the hands of national brand manufacturers. Encouragement to this trend has been given by heavy advertising and promotion and by the increasing development within the community of demands for convenience packaging.

The costs to the community of this convenience are summarised as higher costs to the consumer for the actual beverage contents of non-returnable containers; a high and growing component of beverage containers in litter; avoidable use of scarce resources in the manufacture of containers for which an alternative re-usable product is available and exacerbation of the growing problems of solid waste disposal.

The beverage container component of litter is the issue which has created the greatest public concern and comment. The scale of the problem can be illustrated by the fact that of the 3 491 million beverage containers (bottles and cans) filled in 1972-1973, it is estimated that 2.6 per cent or some 91.1 million items were littered.

More significant in real terms is that the increasing burden of costs for litter collection and solid waste disposal falls largely on local government authorities and ultimately on ratepayers.

The committee rejected the proposal that a small tax should be imposed on all non-returnable beverage containers with the funds collected being used to finance litter collection and to improve enforcement, education and equipment. This measure would not directly affect the level of litter created by beverage containers but would act to alleviate the problem once it has occurred.

The committee concludes that imposition of a substantial tax on beverage containers not carrying a deposit would have the effect of discouraging their use by increasing the cost differential between the contents of containers not carrying a deposit and those carrying a deposit.

Manufacturers of all non-deposit-bearing beverage containers could be expected to react by imposing a deposit on such containers and littering of them would be discouraged by the monetary motive for their return. In addition, there would be an incentive for others to collect discarded deposit-bearing containers.

The tax raised on non-deposit-bearing containers would be channelled through local government and other bodies responsible for litter collection and waste disposal and to finance other anti-litter measures such as public education programmes, enforcement of litter laws and the provision of litter bins and collection facilities.

A tax system combined with deposits for beverage containers used for beer and soft drinks would have the following results:

*(a)* considerably reduce the beverage container component of litter;

*(b)* achieve substantial savings in the use of resources currently employed in the manufacture of non-returnable beverage containers;

*(c)* contribute to a significant extent to the reduction of the total volume of solid waste;

*(d)* reduce the costs of litter collection;

*(e)* produce a monetary incentive for the collection of littered deposit-bearing beverage containers;

*(f)* provide funds for the collection of littered containers;

*(g)* create greater awareness of the desirability of conserving finite resources and encourage the development of a community philosophy directed to this end;

*(h)* reduce other forms of litter as a secondary impact since litter is known to encourage further littering,

*(i)* provide an equitable contribution to the beverage container litter problem since litterers would forfeit their deposits or pay a tax to be used for the collection of litter;

*(j)* consumers would enjoy lower net prices for beverages assuming a tax and deposit scheme led to a move away from non-returnable containers.

Special factors exist in the case of 740 m*l* glass beer bottles which already have a very high rate of return without a deposit through an efficiently organised and long-standing scheme operated by marine dealers. In the interests of uniformity and to ensure continued re-use of this type of container, we believe that the same conditions should apply as to other beverage containers.

There are difficulties associated with placing a deposit on an item such as a steel or aluminium can which is greater than its inherent value and for that reason the committee rejected a uniform deposit on all containers as an unsuitable solution.

I shall requote that phrase:

There are difficulties associated with placing a deposit on an item such as a steel or aluminium can which is greater than its inherent value, and for that reason the committee rejected a uniform deposit an all containers as an unsuitable solution.

That was an all-Party committee set up by the then Minister for the Environment, Dr. Moss Cass. The report continues:

It is desirable in the Australian context for an optional tax deposit scheme to involve to the maximum extent existing marine dealers who have the organisational structure to operate a system of direct purchase of deposit-bearing containers from the public and retail outlets.

The committee expresses concern at the expanding use of plastic and coated cardboard containers for beverages and milk and the resultant litter and waste disposal problems. It will give greater consideration to this trend in a succeeding report dealing with solid waste management generally.

The committee places on record its appreciation of the significant contribution to its work and dedication of the former Clerk to the Committee, Mr. T. J. P. Richmond, during this and earlier Inquiries.

December, 1974.

(Signed) H. A. Jenkins, Chairman

That is a report on deposits on beverage containers from the House of Representatives Standing Committee on Environment and Conservation. It covers almost 80 pages and makes a recommendation exactly opposite to the provisions of the Bill. A further report will be made available from a committee set up under the Australian Environment Council. Although it is to report on July 1, I have heard that it may not report at that time but that it will report soon after that date. It is almost certain to come down with exactly the same recommendation, and yet we see the Government intent on proceeding with a Bill that has been reported against by every committee that has examined deposit legislation.

The Bill was modelled on the Oregon legislation which the Government claimed solved all the litter problems in that State. It is obvious from information I have received that the Oregon legislation is to be repealed because the approach made in other States has proved far more effective. The Select Committee that reported on the Bill now before us could not make any firm recommendation to guide us in our decision, and I feel that is most important.

I wonder whether the Government, in its present mood, understands the impact this Bill would have on employment in South Australia. The effect would be dramatic, and I think the Government knows it. If the Government was approaching this matter in its true perspective it would be willing not to go any further with it. It has been reported to me that Cabinet has expressed great concern about the effect of the Bill on employment. No doubt it will have a dramatic effect on employment in South Australia at a time when such an effect should not be seen in this State. I wonder whether the Government, in its present mood, cares. I wonder whether the Government understands the position in which it will place this State if it moves unilaterally, in view of the fact that a Commonwealth report may, in a few weeks, recommend a totally different approach.

I know that several Cabinet Ministers are becoming concerned about the impact of the legislation and would like the Legislative Council to save them from their own dilemma. They would then have the best of both worlds: they could blame this Council for the defeat of the Bill and they could also be perfectly satisfied with the outcome. If the Government wants to proceed with the Bill, that is its business, but a reasonable approach at this stage would be to report progress, let the Bill remain on the Notice Paper until next session, let the Commonwealth report come down, follow it up, and then consider the position. I assure the Government that this Council will not be made a chopping block for the Government.

The Hon. T. M. CASEY (Minister of Lands): The Leader of the Opposition has an unusual habit of trying to blame the Government. Actually, this Bill was referred to a Select Committee for various reasons that are known to all honourable members. We have seen the Leader use these tactics before.

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

The Hon. T. M. CASEY: The Leader adopts an attitude of criticism. Of course, he is entitled to criticise, but he cannot substantiate his criticism because it is based on his own supposition. I have been in this Council long enough to know that the Leader holds himself up as the spokesman for South Australia when, in fact, he is the Leader of the Opposition in the Legislative Council. He knows that he has the numbers in this place and that he can command exactly which way legislation will go. He then twists the situation around and blames the Government. He tries to throw the onus from his own political aspirations on to the Government.

Last week I was approached by an Opposition member, who said, "I do not want you to take a vote on the Bill at this time, because a deputation is going to meet the Minister." I replied, "If that is the case, I am willing to adjourn it for a week." There was no deputation to the Minister who introduced the Bill in another place. These things annoy me, because some people are not dinkum. I believe that the time has come when we must decide whether we will accept or reject the measure. Irrespective of what the Leader has said, there is a big difference between what the Commonwealth can do in respect of taxation and what the State can do in respect of taxation. I therefore ask the Committee to pass the measure, which has much merit.

The Hon. R. C. DeGARIS: True, I asked the Minister last week to defer consideration of the measure because there was to be a deputation to the Minister of Environment and Conservation. That was reported to me, and I believe that they made approaches to the Minister, but they were unable to arrange a deputation. I have since been informed that the deputation is still seeking the Minister's ear to put a case to him. I reported to the Minister about the deputation in good faith; it was not my fault that the deputation did not eventuate. The Minister seemed to imply that I had been dishonest. I believe that the deputation will still see the Minister, and I believe that my submission is reasonable and just.

The Oregon legislation is likely to be repealed in Oregon, because it is having adverse effects on many parts of the Oregon economy. It is therefore perfectly reasonable to ask the Government to defer this matter until the second report is received. I was horrified to read in the *Women's Weekly* an article evidently sent in by the Government's public relations people alleging that one of the great reforms was the Oregon legislation and that the introduction of similar legislation here was being hamstrung by the Legislative Council. Actually, the Oregon legislation has failed and has not been recommended by any committee. Of course, what the Government is afraid of is that the Commonwealth report will further substantiate the viewpoint taken in this Council. The Government is trying to put the Council on the hook.

Clause passed.

Remaining clauses (3 to 17) and title passed.

The Hon. T. M. CASEY (Minister of Lands) moved:

*That this Bill be now read a third time.*

The Council divided on the third reading:

Ayes (5)—The Hons. D. H. L. Banfield, T. M. Casey (teller), B. A. Chatterton, A. F. Kneebone, and A. J. Shard.

Noes (11)—The Hons. J. C. Burdett, Jessie Cooper, M. B. Dawkins, R. C. DeGaris (teller), R. A. Geddes, G. J. Gilfillan, F. J. Potter, Sir Arthur Rymill, V. G. Springett, C. R. Story, and A. M. Whyte.

Pair—Aye—The Hon. C. W. Creedon. No—The Hon. C. M. Hill.

Majority of 6 for the Noes.

Third reading thus negatived.

## CIGARETTES (LABELLING) ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from June 17. Page 3387.)

The Hon. R. C. DeGARIS (Leader of the Opposition): I support the Bill in principle, although there are matters I believe the Government must consider as amendments to it; they are the amendments outlined yesterday by the Hon. Arthur Whyte. It is somewhat strange to hear the constant battering against the cigarette smoker and the statistical figures given in relation to the health of the individual who is a tobacco smoker, but on any analysis of the figures one could only say that a great deal of bias is involved. Any person who is a smoker will agree that smoking does nothing for his health. Nevertheless, I am sceptical of the figures given by people who, I believe, have a bias against tobacco and smokers as such.

Be that as it may, the Government must examine some questions in relation to this legislation. At the Health Ministers' conference which I attended some time ago, it was agreed by the Ministers that a warning should be placed on all cigarette packets to the effect that smoking was a health hazard. When that was agreed to, certain provisos were made. One was that the legislation would not be proclaimed in the States unless other States indicated that they would have substantially the same law operating in their States, because it would be ridiculous for the industry if one State had regulations covering the branding of cigarette packets and the others did not. That situation was achieved, and I think the amendment in that regard was introduced by the Premier in the Lower House. I suggest that a similar amendment should be made to this Bill.

The Hon. Arthur Whyte also raised some most important questions. First, about 3 000 000 advertisements are in operation in Australia from the various tobacco companies, and to insist that they all be changed by September is utterly ridiculous; it could not be achieved. Then there are other matters in relation to the size of the warning that must go on these hoardings. Sometimes a cigarette advertiser has a very large "A" in the advertisement, shall we say, and yet the total warning that smoking is a health hazard must be one-quarter of the size of the sign, so the whole sign would be covered by the warning. Many problems are involved and I think the indication by the Hon. Mr. Whyte that those signs already in existence should be left as they are for a period of two years and that new signs erected should have the warning on them is a reasonable request. It would be foolish if only one State made a move towards this type of legislation.

It was the Premier's move in the other place when the first Bill came through in 1971 to include this amendment that the State would not proclaim the legislation unless it was indicated that the other States intended taking similar action, and I think that is a reasonable request. The Bill as it presently stands is not workable and it is not practicable. Our aim in this Council should be to make it as practicable as possible. I also indicate to the Minister that the Tasmanian Minister of Health has clearly stated that the Tasmanian Government will not proclaim the legislation unless four other States pass similar legislation and intend proclaiming it. If the Minister will give the necessary undertaking, I shall be happy. I support the second reading.

The Hon. D. H. L. BANFIELD (Minister of Health): I thank honourable members for the attention they have given to the Bill, which only enables us to introduce regulations. Of course, regulations can be debated in this Council after they have been laid on the table. All State Ministers of Health agreed that they would introduce similar legislation. I appreciate the position of tobacco companies. At no time have I refused to co-operate with representatives of tobacco companies. I had three people to see me the other day, and I am given to understand that at no time has anyone been refused an appointment to see me. We want to co-operate with the industry. When the representatives were with me about three weeks ago, I pointed out to them that I appreciated that they had difficulties in connection with their present signs and contracts. I also pointed out to them that they had already had, since the 1974 Ministers' conference, notice that we intended to introduce this legislation. So, we are willing to confer with the industry in connection with the date of operation of the legislation.

I ask honourable members to bear in mind that from September, 1976, there is to be a complete ban on cigarette advertising on radio and television, and I would not like there to be a gap between September, 1976, and July, 1977, as proposed in the amendment foreshadowed by the Hon. Mr. Whyte. This could result in a flood of advertising in papers and journals for a period during which there would be no warning. I hope honourable members agree that the date of operation should, at least, be no later than September, 30, 1976. If honourable members agree to that, I would be willing to undertake that we could continue to talk with the industry and see whether there are insurmountable problems. If there are such problems, we would be happy to consider their position and to see how the problems could be solved. The Leader suggested that we could insert a clause to the effect that this Bill could not be proclaimed until all other States had done similarly. He said Tasmania would do a similar thing.

The Hon. R. C. DeGaris: The very thing I am talking about is in the principal Act now.

The Hon. D. H. L. BANFIELD: The Hon. Mr. Potter has asked whether fewer people are smoking nowadays. We believe that the educational programme is effective. Of course, the addict will continue to smoke, but we are reaching the younger person with our educational campaign. Only a fortnight ago it was reported in the press that a group of schoolgirls had decided to put pressure on their fellow students to ensure that those students did not start the smoking habit. I am not over-impressed with the voice that gives the warning on television advertisements, but at least it must be having some effect. If we prevent only one person from having his lungs affected, the warning is achieving something.

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2—"Commencement."

The Hon. R. C. DeGARIS (Leader of the Opposition): Can the Minister of Health give an undertaking that the Government will follow the sort of procedure to which I have referred? The Tasmanian Minister of Health has already given an undertaking. If progress is reported, the matter can be further considered later.

Progress reported; Committee to sit again.

*Later:*

The Hon. R. C. DeGARIS: I have shown my intended amendment to the Minister, but I am not anxious to proceed with it. Will the Minister give an undertaking that no action will be taken in this matter unless a majority of Australian States intend to proceed with similar legislation? I shall be pleased to accept such an undertaking.

The Hon. D. H. L. BANFIELD: It was agreed at the 1974 Ministers of Health conference that action such as that contained in this Bill should be undertaken. This attitude was reaffirmed at the 1975 conference held in Perth. I believe that all the Ministers have the support of their Governments, and I shall be pleased to give an undertaking that the regulations will not be proclaimed until such time as it seems likely that the majority of other States will be taking similar action. However, we could be placed in the difficult position where none of the other States would move on this matter because they were placed in exactly the same situation, and then we would have to move. However, I can give the undertaking that, if it seems that most States will proceed with similar regulations, we will not move until that time.

Clause passed.

Clause 3 passed.

Clause 4—"Definitions."

The Hon. J. C. BURDETT: The definition of "advertisement" means any representation to the public or to a section of the public by any means whatever for the purpose of promoting directly or indirectly the sale of a product. As there are anomalies in this clause, I seek an assurance that the Government is willing to adopt a reasonable attitude in relation to this matter. Will the Minister assure me that this will be the case? For instance, I understand there is a Winfield cup for football, which would obviously be an advertisement within the meaning of the definition. It involves representation to the public, the word "Winfield" being printed in large letters on the cup. It is obviously intended to promote, either directly or indirectly, the sale of that product. There is also, I understand, a horse race called the Marlboro Plate, and a Peter Stuyvesant trust, which sponsors art exhibitions. Will the Minister say whether these types of advertisement will have to contain the warning, and will he undertake to consult with the industry and be reasonable before regulations regarding these matters are proclaimed?

The Hon. D. H. L. BANFIELD: I am not an unreasonable person, and I would certainly consult with the industry. If, for instance, W. D. & H. O. Wills sponsored something, I do not think it would be considered a cigarette advertisement. The words "cigarette" and "smoking" are not generally included in the sort of thing to which the honourable member has referred, and W. D. & H. O. Wills have interests other than tobacco.

The Hon. J. C. Burdett: But Winfield haven't.

The Hon. D. H. L. BANFIELD: It is also a company as well as being a cigarette manufacturer and distributor. If a football match is sponsored by Winfield, I do not think it would be caught up in the regulations, as I have already indicated to industry representatives. However, if the words "cigarette" or "smoking" were used, it would have to come under the regulations. If someone was handing over, say, the Winfield Cup to a prizewinner, it would not involve advertising. Indeed, that is not the sort of thing at which the regulations are aimed. I assure the honourable member that I will continue consulting with the industry, as I have done in the past. Indeed, I have spoken to the industry regarding this matter, and it seems happy with the position. I referred earlier to the press release, it having being stated that representatives of the trade were not aware of it. I give the assurance as required by the honourable member.

The Hon. A. M. WHYTE I move:

After "amended" to insert "*—(a)*", and after the definition of "advertisement" to insert the following new definition:

"exempt advertisement" means an advertisement or an advertisement of a class for the time being exempted by regulation under this Act.

The purpose of my amendment is to allow the Minister to exempt certain advertising signs for a specified period. I think this covers the matter with which he has been dealing. It is perhaps unfortunate that honourable members have had so little time to examine this amendment. As there are other amendments on file in my name which honourable members have not had time to study fully, I ask the Minister to report progress to enable them to do so.

The Hon. D. H. L. BANFIELD: Although I should like the Bill to proceed tonight, to enable honourable members to study the amendments more fully I ask that progress be reported.

Progress reported; Committee to sit again.

*Later:*

The Hon. A. M. WHYTE: My amendment will allow the Minister to exempt any type of advertisement by regulation for any specified period.

The Hon. V. G. SPRINGETT: If the amendment applied in only one State, what would be the effect in other States?

The Hon. A. M. WHYTE: I cannot see any problem in that respect. My amendment merely gives the Minister the power to exempt for such time as he desires: it is not compulsory. When legislation of this type is accepted by all States, the Minister will be able to take the appropriate action.

The Hon. D. H. L. BANFIELD: There will be some advertisements that we should exempt from time to time. I am certain that it will work satisfactorily and that we will not work contrary to other States.

The Hon. C. R. STORY: The Hon. Mr. Burdett referred to the presentation of cups associated with sport. Of course, a cup is not presented for any motive other than that of advertising the product. If a company had girls walking around with trays of cigarettes at the same time as the cup was being presented, would that be an infringement of the provision?

The Hon. D. H. L. BANFIELD: I do not think that that would be an infringement. There may be a sign saying "W. D. & H. O. Wills Cup". Further, the cigarette packets given away by the girls would have a warning printed on them. There is a distinction between the cigarette packets and the name of the firm donating the cup. I am confident that we can arrive at a satisfactory solution.

Amendment carried; clause as amended passed.

Clause 5—"Regulation of advertisements of cigarettes."

The Hon. A. M. WHYTE: I move:

In new section 4a to strike out "On and" and insert "(1) On and"; and to insert the following new subsection:

(2) This section shall not apply to any exempt advertisement.

This means that the penalty will not apply to exempt advertisements.

Amendment carried; clause as amended passed.

Clause 6—"Regulations."

The Hon. A. M. WHYTE: I move to insert the following new paragraph:

*(f)* and providing exemptions for any advertisement or any advertisement of a class of advertisements".

The Minister has the right to exempt certain items and, as he has given an undertaking that this legislation will not come into effect until other States agree to complement the situation, I foresee no difficulty, as the amendment does all that is sought.

Amendment carried; clause as amended passed.

Title passed.

Bill read a third time and passed.

## ADJOURNMENT

At 9.22 p.m. the Council adjourned until Tuesday, June 24, at 2.15 p.m.