

**HOUSE OF ASSEMBLY.**

Tuesday, September 30, 1952.

The DEPUTY SPEAKER (Mr. Dunks) took the Chair at 2 p.m. and read prayers.

**PT. AUGUSTA SUB-BRANCH R.S.S. & A.I.L.A. (PURCHASE OF LAND) BILL.**

His Excellency the Lieutenant-Governor by message recommended the House to make appropriation of such sums of the general revenue as were required for the purposes indicated in the Bill.

**PUBLIC PURPOSES LOAN ACT.**

His Excellency the Lieutenant-Governor intimated by message his assent to the Act.

**QUESTIONS.**

**RADIUM HILL POWER LINE ROUTE.**

Mr. O'HALLORAN—If the proposed power line to Radium Hill follows the main road it will pass through a number of towns that desire, if possible, to have power supplied to them from the line. If it is decided that the line shall follow that route will it be possible to supply power, particularly to a town like Terowie, *en route*?

The Hon. T. PLAYFORD—All things are possible, of course; the whole thing boils down to a matter of finance. A power line to take electricity to Radium Hill would, of course, have to be of very high voltage. I have not conferred with Mr. Drew, the chairman of the trust, on this point, but the voltage would probably be about 172,000 volts, or perhaps 165,000; and it would be very expensive to reduce the voltage to one that would be normally used for household and ordinary purposes. I will have figures taken out in regard to the cost to give the honourable member some idea what would be involved. It would be a very round about way to take electricity to Terowie from the existing main source of supply and would mean thousands of pounds additional finance, and I doubt whether it could be made available at present. I will obtain further facts, as I promised the honourable member the other day, and let him have them as soon as possible.

**BULK DRYING OF FRUIT.**

Mr. MACGILLIVRAY—Has the Minister of Irrigation obtained a report as promised in answer to the question I asked last week about the bulk drying of fruit?

The Hon. C. S. HINCKS—I discussed the matter with the Secretary for Irrigation. The

manager of the packing shed at Berri, Mr. McKay, had written to the Secretary for Irrigation, but as it was a Commonwealth matter it was sent to the Commonwealth Government for a report. A reply was received on the 24th of this month stating that it was not an economical proposition and that the Commonwealth was therefore opposed to the scheme. Consequently, we now find it necessary to call for tenders for the erection of the racks for the settlers at Loxton.

Mr. Macgillivray—Will the Minister make the report available?

The Hon. C. S. HINCKS—I will.

**TUBERCULOSIS AMONGST MIGRANTS.**

Mr. FRANK WALSH—Was the Premier's attention drawn to an article in yesterday's *News* headed "T.B. Rife in D.P. Camps"? It stated that at least 10 per cent of the people in the camps showed evidence of active tuberculosis, and also mentioned mental cases. Will the Premier ascertain if any of the migrants who have entered South Australia over a period are suffering from tuberculosis?

The Hon. T. PLAYFORD—The question has been raised in the Commonwealth Parliament on a number of occasions, and a previous Minister for Immigration, Mr. Calwell, assured the House that there was a close screening for health and other things before migrants were accepted for entry into Australia. I presume that that procedure is still followed. A large number of persons have come into Australia in the last few years and it would be unusual if there were not an odd case of disease among them, but I have not heard reports which would indicate that there has been an undue incidence of tuberculosis amongst migrants. So far as I know, the matter has not been raised until today. I shall see if there are any reports giving information on the matter.

**FOOD SUPPLIES TO EYRE PENINSULA.**

Mr. CHRISTIAN—The m.v. *Yandra* has been held up since September 24, because of some trouble between the seamen and the owners. I do not know the reason, but these stoppages occur periodically and obviously towns on the West Coast served by the vessel are, metaphorically speaking, left high and dry in regard to food supplies, particularly perishables. This leads to a great deal of inconvenience, and there is considerable hardship because these people cannot get food supplies regularly. Because of the circumstances, will the Minister of Works confer with Transport Control Board with a view to permits being issued to persons

to carry the necessary foodstuffs to these towns by road and to get back loading right through in the way of stock for the Abattoirs market?

The Hon. M. McINTOSH—The Transport Control Board was formed for the purpose of co-ordinating road, rail and sea traffic. Whilst looking with a great deal of sympathy at any application of the kind mentioned, the board must bear in mind that doing justice to one set of people may do injustice to another. The Board has pointed out to me that it considers all cases sympathetically on their merits, but it is not prepared to do anything of a permanent nature which would jeopardise sea traffic, because the companies concerned have already lodged complaints about the falling off in traffic offering. The honourable member knows that the Lee Transport Company has been asked to co-ordinate rail and road traffic on the West Coast.

Mr. Christian—Only in respect of certain towns on this side.

The Hon. M. McINTOSH—It has a considerable fleet and it has rendered good service, and if permits were granted as suggested the company's interests would be jeopardized. I shall be glad to confer with the honourable member and the chairman of the board in an effort to overcome the present difficulty which I hope is one of a transitory nature.

#### PORT PIRIE TRAIN SERVICE.

Mr. DAVIS—Has the Minister of Railways anything further to report regarding an additional night train to Port Pirie?

The Hon. M. McINTOSH—The Deputy Railways Commissioner reports:—

There is still a considerable amount of overtime which is being worked by train crews and the training of qualified staff must first take care of this excess time with a view to its reduction. The next consideration is the restoration of passenger services to country districts which do not now have a daily service. As we are in a position so to do, consideration will be given to the restoration of these services on their merits. In this connection, as far as Port Pirie is concerned, it is pointed out that commencing on Saturday 4th October, with the additional night passenger train, there will be four night passenger trains to that town each week, viz., Wednesdays, Fridays, Saturdays and Sundays.

It seems from that that until further trained men are available no additional service can be made available to Port Pirie.

#### LIQUID FUEL CONTAINERS.

Mr. HEASLIP—Can the Premier say if he and the other Prices Ministers at the recent Perth conference were aware of the fact that

as from last Monday all fuel companies are charging, and consumers have to pay cash, for all 44-gallon containers, which previously were issued on loan? Is he aware that practically all primary producers obtain their fuel, whether it be petrol, kerosene or distillate, in these containers?

The Hon. T. PLAYFORD—Yes. This fact was reported to the Prices Ministers and considered prior to the decision being made.

#### RATIONING OF SUPERPHOSPHATE.

Mr. FLETCHER—The following is an extract from the *Advertiser* of September 24, under the heading "Rationing of Superphosphate may stay off":—

"Extra sulphur from America, which had enabled rationing of superphosphate to be lifted for the current season, had been a bolt from the blue," Mr. W. Steele, chairman of Wallaroo-Mount Lyell Fertilizers Ltd., said at the annual meeting yesterday. "Our hope is that sufficient imported sulphur will reach us to make it unnecessary to ration next year," he added. The company itself was a comparatively small user of imported brimstone, obtaining the bulk of its requirement from the roasting of zinc concentrates. Electrolytic Zinc in future intended to do the whole of the roasting of zinc concentrates at Hobart, but the change over would probably not take place for two years, by which time the new Birkenhead plant for the manufacture of acid from pyrites was expected to be completed.

Can the Premier say what effect this will have on the pyrites venture at Nairne? Will it give rise to a flood of sulphur from outside at a lower price, and will the manufacture of acid from the Nairne pyrites be an economic proposition if acids and sulphur are allowed to come from other parts of the world?

The Hon. T. PLAYFORD—The cheapest sulphuric acid produced in Australia has come from the roasting of zinc concentrates. As mentioned in the article, these concentrates will not be available to us in future because, according to the plans of the company owning them, they will be processed in Tasmania. It is wrong to assume that imported sulphur comes in at a cheap price. Sulphur today is at an abnormally high price and there is a world shortage of it. The price of imported sulphur makes superphosphate a very costly luxury.

Mr. Christian—How much does it cost?

The Hon. T. PLAYFORD—I think the price that has been paid is well over £20 a ton. We are getting an additional amount this year only as a special favour from the World Allocation Committee to assist primary production in particular, so it cannot be assumed

that the small amount of sulphur that we will get this year, purely to tide us over, will make unnecessary the Nairne venture, which is founded on quite good economics and which, under any foreseeable price overseas, will be able to more than compete with the imported sulphur that is likely to be available.

#### COAL SUPPLIES.

Mr. DUNNAGE—I understand from the press that a very large supply of coal is now available and easily obtainable in New South Wales, and that coal interests there are looking for markets. Can the Premier say whether his Government intends to continue stockpiling coal and also whether it has any choice in the quality of coal it receives? Some time ago he said that the quality being received was very bad. Are we now able to get gasmaking coal for stockpiling?

The Hon. T. PLAYFORD—It is true that additional coal supplies from New South Wales have been made available, but the quality leaves much to be desired. Indeed, it has been the subject of repeated protests from South Australia to the Coal Board. Some of the coal that has come here recently has had abnormally low fuel value, but more is available and the Coal Board is prepared to forward additional supplies to us. The difficulty is to finance it. As present I think we are holding in this State about half a million pounds' worth of coal and it becomes very costly to hold large supplies. In fact, we have had to tell the Coal Board that we have not the finance to accept delivery of and pay for more than 20,000 tons a week, which is adequate for our present circumstances. I think we have about seven weeks' supplies on hand at the moment.

Mr. Stephens—Do you have to pay the same price irrespective of grade?

The Hon. T. PLAYFORD—Prior to the war we paid for coal on its b.t.u. value, but under a more recent arrangement with the Coal Board it sends the coal on and we pay the cost of the particular consignment from which ever mine it comes. Under that system the lowest grade coal may have attached to it the highest price. We would be willing to dispense with the lower grade Western Field coal which we have been receiving, and to receive all our supplies from the Newcastle field, particularly from the Greta seam, which as well as being of good quality, sells at a relatively low price without carrying high railway costs and loading charges at Balmain. The whole matter is being examined and it

may be that we shall again be able to have our own mine representative in New South Wales to approve of the consignments before they are sent to South Australia, which would be a distinct advantage, for some of the consignments we have received have been of deplorably low quality.

#### MONEYLENDERS' INTEREST RATES.

Mr. STEPHENS—Can the Treasurer say whether the rates of interest charged by moneylenders are controlled by the Prices Commissioners, and, if not, who fixes those rates?

The Hon. T. PLAYFORD—The Prices Commissioner does not fix the rates of interest either in the Federal or the State sphere. It is true that the Commonwealth has a capital issues control board of some description, and all large new issues have to be approved by that body before being submitted to the public. Quite recently that board approved, for instance, of a very large loan being sought from the public by the Colonial Sugar Refining Company at a rate of 5 per cent, and, incidentally, I believe that issue was only partly successful. To all intents and purposes the only control of interest rates is through the Loan Council, which controls Government and semi-governmental rates of interest, but I am dismayed at the number of loans being forced on the market and the gradual rise of interest rates. The rise in semi-governmental loan rates must affect the whole economy in a very short time and I am concerned because we have not a steadfast policy on this matter because I am certain—and this view is supported by leading underwriters—that not an extra pound is really made available and that all we are doing is to pay a higher cost for the same amount of money. If there is one matter that must be taken up in Australia at present it is the question of where we are going with our financial policy.

#### CORNSACK PRICES.

Mr. PEARSON—Has the Minister of Agriculture received a report, which he promised to obtain, regarding the price of new season's cornsacks?

The Hon. Sir GEORGE JENKINS—The Adelaide office of the Australian Wheat Board says that distributors were advised last week that the price of new cornsacks would be 70s. 1d. per dozen for cash and 70s. 7d. per dozen on credit. It is expected that an announcement will be made in the press in the near future.

## PETROL PRICES.

Mr. RICHES—Last Saturday's *Advertiser* contained a report of the recent Prices Ministers' meeting, which indicated that the meeting had reached a majority decision approving an increase of one penny a gallon in the price of petrol. Would it be a breach of confidence for the Premier to indicate the stand taken by this Government on that issue? According to the report the New South Wales Prices Minister said that inquiries would be made in the States on the question of the margin charged for petrol delivered to outports. Can the Premier say who will conduct those investigations in South Australia and whether they will be broadened to include an inquiry into the differential rates charged in South Australian country distributing centres?

The Hon. T. PLAYFORD—The report in the *Advertiser*, based, I understand, on a statement given by the chairman of the Prices Conference, Mr. Finnan, was not correct. A correct version would have been that it was a compromise decision, approved by all States. There were two distinct viewpoints in connection with the price. Three of the States considered that an increase of one halfpenny a gallon would be sufficient until further information on one or two factors was obtained, and the other three States believed that a case had been adequately proved for an increase of 1½d. The compromise ultimately accepted was an increase of one penny, which is halfway between the two. It is not now usual for the votes of Prices Ministers to be made public. In the past that led to unnecessary lobbying against certain Ministers who perhaps took up one point of view as against another. However, I can discuss differences of opinion. They arose because some companies have to bring their petrol long distances under adverse circumstances because of the closing down of the Abadan refinery and there is a very big difference between the landed costs of the various companies. That was the problem which confronted us. It was decided to have an examination of terminal charges because during the intense investigation that has taken place it was discovered that certain freight rates bore a considerable loading for outport terminals. Just how much that compensated for the outport terminals was not clear, but three or four ports, particularly in Queensland, were obviously very much affected by it. I believe Port Pirie and perhaps Port Lincoln are affected, and Geelong is considerably affected, and so are Newcastle and Port Kembla. These matters are being investigated by prices officers, and in due

course they will be the subject of further decisions if further action appears warranted.

Mr. Riches—Who will take action on them?

The Hon. T. PLAYFORD—The Prices Commissioners in each State. I presume there is no objection to my indicating my attitude at the conference, because I feel no embarrassment on the matter. I believed that before we went beyond the halfpenny increase, we should have had further information on one or two matters of the kind I have mentioned. I favoured the halfpenny increase pending further investigation, but I am not going to start a heresy hunt and say which States were in favour of one thing and which were in favour of another, because perhaps that is undesirable.

## ADDITIONAL IRRIGATION PLANTINGS.

Mr. MACGILLIVRAY—From time to time I have approached the Minister of Irrigation regarding the possibility of ex-servicemen in irrigation areas undertaking their own settlement schemes by being able to plant their land and repatriate themselves. The Minister has given reasons why that should not be done. I received a letter from him dated April 21 last in which he pointed out that the allocation of plantings was limited and that there were no plantings available for the men in whom I was interested. Since then, I understand, that position has changed and the Minister has ample plantings available to repatriate all the men who wish to undertake fruit growing as an occupation. Part of the Minister's letter was as follows:—

There are also other factors to be taken into consideration before an expansion of plantings can be agreed to in existing areas and, in order that the department will be able to determine how far extensions can be permitted, District Officers were asked some months ago to report on the position for the areas under their control, taking into account:—(1) the capacity of pumping plants; (2) the sizes of main channels and pipelines; (3) the suitability of soils.

Have those things been considered by the district officers and, if so, what report have they made on the possibility of further plantings in existing areas?

The Hon. C. S. HINCKS—The survey has been completed and I have full details of land in the present irrigation areas. Further, officers right along both sides of the river are inspecting areas which would be suitable to bring about the position the honourable member desires.

Mr. Macgillivray—May I have a copy of that report?

The Hon. C. S. HINCKS—Yes.

COUNTRY ABATTOIRS.

Mr. BROOKMAN—Can the Minister of Agriculture say whether it is correct that an application for permission to slaughter export lambs by privately-owned country abattoirs has been refused, although the company concerned has been granted a licence to export lambs? If so, in view of the fact that the company can slaughter lambs more cheaply and with less waiting and lower transport costs than the Metropolitan Abattoirs, will the Minister reconsider his decision and thereby allow some competition in lamb slaughtering?

The Hon. Sir GEORGE JENKINS—I will get a full report and bring it down for the honourable member.

SLAUGHTERING OF SHEEP AND LAMBS.

Mr. CHRISTIAN—Has the Minister of Agriculture any further information to give the House in reply to the question I asked last week about stepping up the slaughtering rate at the Metropolitan Abattoirs in order that larger numbers of sheep and lambs for export may be handled?

The Hon. Sir GEORGE JENKINS—The general manager of the Metropolitan and Export Abattoirs Board reports:—

In 1947 the slaughtering capacity of the works was increased by the installation of an additional dressing chain. At that time—based on a 5½-day working week, and calculated on a full manning scale of four dressing chains, the estimated capacity of the works was 15,000 sheep and lambs for local trade and 70,000 lambs for export. Since that time a 40-hour week was introduced, also the manning scale of the dressing chains has been reduced by the union by approximately 16 per cent, in addition to which there has been a large increase in the slaughtering for local trade, all of which factors have affected the capacity of the works for the treatment of lambs for export. If skilled operatives were available to fully man the four dressing chains on the reduced manning scale, the full capacity of the plant at the present time in a normal working week is estimated to be:—Local trade, 20,000 sheep and lambs; export trade, 52,000 lambs. In July and August of this year when the works was in a position to slaughter up to 150,000 sheep and/or lambs, the total number of head of stock slaughtered for export during that period was:—6,298 lambs, 5,385 sheep, 11,683 total. Immediately after the new export prices for meat were made known to producers and others the flow of stock to the works and markets increased tremendously, and without any prior warning, which is reflected in the slaughtering figures for export in September:—93,765 lambs, 19,971 sheep, 113,736 total. Prior to the commencement of the export lamb season, a number of men are trained each year for chain slaughter-

ing and more men are engaged for the same purpose as the season progresses. A special learners' chain is now in operation and everything that can be done with the limited number of men available of the right type will be done to increase the output.

IMPORTED CEMENT.

The Hon. S. W. JEFFRIES (on notice)—

1. Does the Government possess or control considerable quantities of imported cement which it does not require for its own purposes?

2. If so, is the Government attempting to sell such imported cement?

3. If so, what is the price thereof?

The Hon. T. PLAYFORD—The replies are:—

1. As at August 31, 1952, the Supply and Tender Board held stocks of clinker which, with the 5 per cent of gypsum added when clinker is converted into cement, totalled 4,676 tons 12cwt.

2. The board is selling such of this cement which, in its consideration, is surplus to the now curtailed needs of Government departments. The object is to quit the cement, either to Government departments or the public, by the time locally manufactured cement is in adequate supply to all users.

3. The selling price to the public (which has been widely advertised) is £1 a bag (£24 ton) *ex works*.

SAVINGS BANK LOANS.

The Hon. S. W. JEFFRIES (on notice)—

1. Is it the present policy of The Savings Bank of South Australia not to advance more than £2,000 on the security of any house?

2. If it is—(a) has such policy come under the notice and has it the approval of the Government; (b) what is the reason for it?

The Hon. T. PLAYFORD—The replies are:—

1. Yes, with exceptions under special circumstances.

2. (a) The Savings Bank of South Australia is controlled by a board of trustees who are appointed pursuant to the Savings Bank of South Australia Act, and it is their responsibility to formulate Savings Bank policy. (b) The aim of The Savings Bank of South Australia is to make the funds available for investment in mortgages serve the needs of as many borrowers desiring to build or buy homes as possible. Loans approved by the bank since July 1, 1952, number six hundred and fifty-seven for a total amount of over £950,000.

## IRRIGATION AREAS PUMPING PLANTS.

Mr. MACGILLIVRAY (on notice)—

1. How many tons of Leigh Creek coal were supplied to the pumping plants in the Upper Murray irrigation areas?

2. What was its landed cost per ton at the various pumping plants?

3. What extra labour costs were incurred in using it?

4. What other costs, if any, were incurred?

The Hon. C. S. HINCKS—The replies are:—

1. Tons of coal used, 5,102—equal to approximately 15,000 tons of green firewood.

2. Landed cost per ton—Berri, £3 10s. 3d.; Landed cost per ton—Loveday, £3 8s. 10d.

3. Extra labour costs, £4,078.

4. Other costs—	£
Conveyors . . . . .	1,300
Forced draught fans . . . . .	1,290
Electricity for fans . . . . .	327
	—————
	£2,917

When the conveyors are no longer required, they will be either transferred to other work or be sold. The supply of coal was not undertaken to effect financial saving, but to ensure that the irrigation areas were maintained at a time when firewood could not be obtained.

## TEMPORARY SCHOOL TEACHERS.

Mr. GEOFFREY CLARKE (on notice)—

1. How many members of the teaching staff of the Education Department who have reached the retiring age are now employed in the department as temporary teachers in a lower grade?

2. Are they paid the same salary while temporary teachers as they received immediately prior to their reaching the retiring age?

3. Do they receive their superannuation pensions while employed as temporary teachers?

The Hon. M. McINTOSH—The replies are:—

1. Fifteen.

2. No.

3. Yes.

## FOOTBALL CLUBS AND ROAD PERMITS.

Mr. TAPPING (on notice)—

1. How many road permits were issued during August and September, 1952, by the Transport Control Board to football clubs desirous of travelling interstate?

2. What was the number of such applications lodged during that period?

The Hon. M. McINTOSH—The replies are:—

1. Five road permits were approved during the months of August and September, 1952, for football clubs to travel interstate.

2. Seven applications of this type were lodged during the same period.

## EMERGENCY HOUSES.

Mr. TAPPING (on notice)—

1. How many emergency houses have been completed in the metropolitan area since the inauguration of the scheme?

2. How many have yet to be built to complete the scheme?

3. How many have been constructed on LeFevre Peninsula?

4. How many have yet to be constructed on LeFevre Peninsula?

The Hon. T. PLAYFORD—The replies are:—

1. 2,002.

2. 220.

3. 578.

4. 59.

## ISLINGTON WORKSHOPS CANTEEN.

Mr. O'HALLORAN (on notice)—

1. What profit was made by the canteen at the Islington Workshops in each of the last five years?

2. Is there any restriction on the nature or location of the amenities which may be provided out of canteen profits?

The Hon. M. McINTOSH—The Railways Commissioner reports—

1. Net profit or loss, excluding interest on buildings and equipment, but including maintenance and depreciation of buildings:—

	£
1947-48 . . . . . (profit)	239
1948-49 . . . . . (profit)	280
1949-50 . . . . . (loss)	137
1950-51 . . . . . (loss)	900
1951-52 . . . . . (loss)	1,768

2. The only restriction on the nature or location of the amenities is that they must be recommended by the Chief Mechanical Engineer and approved by the Railways Commissioner.

## POLIOMYELITIS INSURANCE.

Mr. HUTCHENS (on notice)—

1. Is the Treasurer aware that an insurance organization, acting on behalf of Lloyds, has more than doubled the rate of charges on renewal of premiums in connection with poliomyelitis insurance?

2. Does any legislation obtain which would limit such charges?

3. If not, will the Treasurer consider placing this type of insurance under the control of the Prices Commissioner?

The Hon. T. PLAYFORD—The replies are:—

1. Private advice is to the effect that rates have been substantially increased.

2. No.

3. The Government has been informed that heavy losses have been incurred on this type of insurance.

PERSONAL EXPLANATION: TRAMWAYS TRUST CONTROL.

Mr. MOIR—I ask leave to make a personal explanation.

Leave granted.

Mr. MOIR—On Friday last *The Advertiser* printed a statement from one of its reporters who attended the Kensington and Norwood Council special meeting. It stated that I said the Lord Mayor and the chairman, Mr. Sutton, had left the combined councils' meeting held on Tuesday last and went into the parlor. This was incorrect. What I said was that the Lord Mayor and Mr. Sutton went into the parlor before the meeting and had a discussion, and that then the Lord Mayor welcomed the councils' representatives and moved for Mr. Sutton to be chairman. According to today's *Advertiser*, the Lord Mayor has now practically repeated the same statement, and this is what caused me to make this personal explanation.

DARLINGTON SCHOOL.

The Deputy Speaker laid on the table the report of the Public Works Standing Committee on the Darlington school. Ordered to be printed.

BARLEY MARKETING ACT AMENDMENT BILL.

Introduced by the Hon. Sir GEORGE JENKINS and read a first time.

PORT AUGUSTA SUB-BRANCH R.S.S. & A.I.L.A. (PURCHASE OF LAND) BILL.

Committee's report adopted.

MUNICIPAL TRAMWAYS TRUST ACT AMENDMENT BILL.

The Hon. T. PLAYFORD moved—

That the Deputy Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole for the purpose of considering the following resolution:—That it is desirable to introduce a Bill for an Act to amend the Municipal Tramways Act, 1935-1949, and for other purposes.

Motion carried. Resolution agreed to in Committee and adopted by the House. Bill introduced and read a first time.

The Hon. T. PLAYFORD (Premier and Treasurer)—I move—

That this Bill be now read a second time.

I thank the Leader of the Opposition for enabling me to bring this Bill before Parliament at short notice today. I assure him that the Bill will be available in print in about half an hour's time, so it will be on members' files before the conclusion of today's proceedings. The Bill is one which must receive urgent consideration, for reasons which I shall give later. At the outset I propose to place before members the history of the municipal undertaking.

Mr. O'Halloran—Have you a report?

The Hon. T. PLAYFORD—Yes. I have a number of reports which will be available to the honourable member. In addition there are other details which are not tabulated but which I hope will be of some use to the honourable member in considering this matter. It will be of advantage to members if they have placed before them the history of events leading up to the establishment of the Municipal Tramways Trust, a report of the investigations undertaken by the Government, an outline of the recommendations of the committee of inquiry, and a report of the negotiations which led to the introduction of the Bill.

From a perusal of *Hansard* and the records of Bills in the Parliamentary Draftsman's office, it seems quite clear that when Parliament was considering the question of unifying and electrifying the metropolitan tramways, the issue of Government, as opposed to municipal, control was very much debated and the metropolitan councils came down strongly on the side of municipal control. I think it is a fair conclusion that the fact that they are now responsible for the tramways trust is due to their own efforts in the years 1900 to 1906. In 1900 a private Bill authorizing Francis Hugh Snow and others to buy out certain metropolitan tramway companies and electrify and operate the lines was introduced and passed in the Legislative Council, but was shelved in the House of Assembly. A deputation representing city and suburban councils waited upon Sir Frederick Holder, who was then Premier. It seems clear that at this deputation the councils advocated a Municipal Tramways Trust. Mr. Ware, who was then Mayor of Adelaide said the matter of urban and suburban transit was recognized in Great Britain as much a municipal duty as the

making of roads and footpaths, street-lighting and sanitation. He pointed out the profits and advantages if control of the trams belonged absolutely to the people who created them and for whom the tramways existed, and they undoubtedly were the residents and ratepayers of the city and suburbs. They felt that the Government, as representing the whole colony, should confine itself to its legitimate spheres of action and not seek to interfere with the rights and privileges of the local authorities of any particular area. Sir Frederick Holder, in reply, said, "The Government would desire to work with the corporations if the corporations were unanimous and brought forward a scheme which the Government could approve of. The position of the Government was that the trams belonged to and should be worked in the interests of the people and whether the corporations were the instrument to work them, or whether the Government were, mattered not to them; but they should be worked in the interests of the people . . . If the councils were prepared to agree upon a scheme they would find no one more willing to help them than the Government. He would be glad to see them in a few weeks when they had completed the scheme and he hoped that they would be able to lay before the Government plans."

Following on this deputation, the Government caused the Bill of 1900, providing for a privately owned tramway system, to be shelved. In 1904 the Government introduced a Bill empowering the Government to buy the metropolitan tramways and either to work them or to let them to persons who were willing to electrify them. This Bill was passed and the Government subsequently took some action towards acquiring the trams and in a Supreme Court case the basis of compensation was settled. Thereupon the Government made an agreement with the various companies for the purchase of the tramways and in 1906 introduced a new Bill ratifying the agreement and authorizing it to be carried out, and also providing for a Municipal Trust to take over and operate the trams and to accept liability to the Government for repaying the capital cost of purchase and electrification. This Bill was introduced in August, 1906. It was shelved in October, 1906. The principal objection to the Bill was that although it gave suburban municipalities representation on the Trust it did not give any representation to the suburban district councils.

In December, 1906, another Bill was introduced by the Premier (Hon. T. Price) and

passed. When introducing the Bill, Mr. Price said:—

When the previous Bill was before Parliament a good many members were of opinion that the district councils had not been treated fairly. Subsequently these councils asked to be included. The matter had engaged the most careful attention of the municipalists and he was glad to say that as a result the Bill provided for the inclusion of the district councils and that at a meeting held on 22nd November, 1906, at which were present all the mayors and chairmen of district councils (*i.e.*, in the metropolitan area) they had unanimously agreed to support the Bill with one or two minor amendments which had been given effect to.

The municipalities were Kensington and Norwood, Unley, St. Peters, Hindmarsh, and Thebarton, and the District Councils were Burnside, Campbelltown, Mitcham, Payneham, Prospect, Walkerville, West Torrens, Woodville and Yatala South. The 1906 Act is, of course, in substance the present Act. There have been some amendments and it was consolidated in 1935 but it contained substantially the present scheme. It seems, therefore, that the position of the councils in relation to the Tramways Trust was not only accepted but actually sought by them at the time when the trust was inaugurated. From that history of the trust, contained in a report prepared by Mr. Bean (Parliamentary Draftsman), members will see that the trust came into operation after negotiations which extended over a period of six years, during which a number of Bills were introduced, some being passed by one House or the other and two by both Houses.

Mr. Stephens—Were those two Bills proclaimed Acts?

The Hon. T. PLAYFORD—The first was, and the matter actually went before the court on the question of compensation for the acquisition of the assets, but ultimately the distribution was approved in another Bill. The summary I have given reports substantially what was the position until recently, when financial difficulties confronted the trust. That position had been maturing over the last two or three years until it reached the stage where the Government received requests for an investigation into the affairs of the trust from representatives of the various local government authorities and from the trust itself.

Mr. O'Halloran—Also from the Opposition.

The Hon. T. PLAYFORD—I do not deny that, because, as the Opposition is always asking for something or other, I suppose it also asked for this. The request came not from the Government but from the authorities concerned, and up to the time that request

was made no similar request that the Government had received had passed unheeded. The request was for a committee to inquire into the control, administration, management and financial indications of the trust. The personnel of the committee appointed gave satisfaction to the trust and to local government authorities at the time of its appointment. It consisted of Mr. C. B. Anderson, a former Railways Commissioner, Mr. W. D. Howard, Assistant Auditor-General, and Mr. J. S. Mehan, a businessman of considerable experience. The committee produced two reports, both of which have been printed and are available to honourable members. The first, which was made available on March 10 of this year, contained no recommendations but set out a fairly comprehensive list of conclusions, the first eight of which stated:—

#### *General.*

1. That the method of control is a factor of major importance in the success or failure of public street transport undertakings.
2. That control of such undertakings is usually a function of the local authorities in the areas in which they are situated.
3. That it is essential for the success of the undertakings that they be directly controlled by the authority responsible for the finances, and which insists that they must not run at a loss.

#### *Control of the Adelaide Tramways.*

4. That the present method of control of the Adelaide tramways undertaking has failed because the method of appointment of the trust does not ensure that the members have the necessary experience or capacity to administer such an undertaking, and the condition of this undertaking and its financial position as set out in the report are evidence of the weakness in the machinery of control.
5. That the weaknesses inherent in the method of control have become emphasized under the inflationary pressure since 1946.
6. That the financial provisions of the Act are unsatisfactory for the reason that while the councils are liable for interest and sinking fund payments under the debentures, there is no right of recourse against them or any other authority for any loss on operating other than sinking fund and interest.
7. That in view of the manner in which certain capital moneys have been expended in the past, and what is visualized for the future, there should be some restriction on the trust in the expenditure of capital moneys.
8. That while weaknesses in the financial provisions of the Act could be remedied by minor amendments, the weakness in the present machinery for selection of the trust is such that the trust in its present form should be abolished.

The report then goes on to discuss alternative methods of control and questions of administration and financial policy, but at this

juncture I do not propose to go into those questions. The more important report was the second, which was also unanimous and was forwarded to the Government on June 11. It contained further conclusions. With regard to finance the committee reported:—

1. Urgent action will need to be taken to provide sufficient cash to enable the transport services operated by the trust to carry on and without which they will cease to operate in the near future.

2. Such action could include (concurrently or alternatively):—(a) A drastic modification of the frequency of the services, having due regard to the nature of the loading, and having as its objective the elimination of as much as possible of the present uneconomical running. (b) The transfer of as many as practicable of the light traffic routes by lease or licence to private operators, who should be required to pay a reasonable levy on gross receipts in return for the franchise; such transfers to be accompanied by all possible consequential reductions in the tramway organization. (c) Making provision, by amendment of the Act, for temporary financial accommodation by way of bank overdraft. The provision of a bank overdraft would only be advisable if at the same time adequate corrective action were taken to obtain financial equilibrium to ensure that the temporary accommodation did not resolve itself into a permanent loan, and leave the financial problem still unsolved. (d) Implement the provision of the Act whereby the metropolitan councils, upon default by the trust, are liable to the Government in respect of debenture payments. (e) The Government to provide financial assistance by way of a loan or a grant.

#### *Financing Capital Works.*

3. The problem of providing capital funds is no less acute than that for working purposes.

Expenditure on obsolete rolling stock and plant should cease at the earliest possible moment, but in view of the fact that the debenture liability now is partly represented by assets due to be retired and accrued depreciation on others, approaching in all £1,000,000, the greatest caution should be exercised by the trust with regard to fresh borrowings.

5. The provision of additional capital funds by the Government may be overcome partly, and at least temporarily by the exercise of existing powers under the Act under which some of the light traffic routes suitable for fuel bus services could be leased to private operators who would provide their own rolling stock.

#### *Operating Costs.*

6. The operating costs of the Municipal Tramways Trust have increased at a considerably higher rate in recent years than those in the tramway undertakings of Melbourne and Brisbane, and had the operating costs (excluding statutory charges) been kept down to the Melbourne rate of increase, the

trust's expenditure would have been over £400,000 less for the year ended January 31, 1952, and at the Brisbane rate of increase, £600,000 less.

7. The indications given in the interim report (pages 13 and 14) that the Adelaide tramway undertaking is relatively costly in manpower have been strengthened by further investigation, and the substantial increases in the numbers employed in recent years, despite the diminishing business, call for a detailed expert investigation into the manpower needs.

#### *Annual Budget.*

8. A decided weakness in the financial administration of the trust is the absence of detailed cash budgets as an aid to control its working and capital expenditure.

#### *Administration.*

9. In view of all the circumstances, and the alternative methods of control, it is desirable that the Government take over the control of the public street transport system and appoint a trust, consisting of five (5) members with the necessary experience, qualifications, and ability to ensure its efficient administration in the future.

The other main conclusions on the administration are contained in the interim report.

#### *Future Development.*

10. Public street transport is an essential service for the metropolitan area of Adelaide, and it should be continued and extended where justified as the development of the metropolitan area proceeds.

11. Trolley buses or fuel buses could handle the traffic through the city at present and in the foreseeable future without difficulty.

12. It is an economic proposition to abolish the trams on the lighter traffic lines in the Adelaide tramway system as soon as practicable, and replace them with trolley buses or one-man operated fuel buses. There is not the same urgency on the heavier traffic lines using "F" (drop-centre) type cars, which have a remaining life of about fourteen (14) years, but the indications are that there would be substantial savings on these lines if trolley buses replaced trams when these trams are worn out.

13. There should be no more extensions of tram lines or any new tram line services established in the metropolitan area.

14. The costs of two-man operated trolley bus and one-man operated diesel fuel bus operations show a substantial saving compared with tramway operations on the lighter lines, but the indications are that even these could not operate existing tram schedules on some routes with the present passenger loading without incurring financial loss.

15. The alternative appears to be to hand over these services to private operators if they cannot be made to pay.

16. The indications are that the existing transport services could be operated more economically and efficiently and the committee is of the opinion that the whole of the traffic operations should be investigated by an

acknowledged expert, preferably from another tramway undertaking, with a view to reducing the operating losses.

17. The provision of additional outlets north and south of the city will become necessary, as the population increases, to enable the public street transport vehicles and other traffic to move freely through King William Street.

18. The widening of the Hilton Bridge will become an urgent matter as the extensive housing development in the areas west and south-west of Adelaide proceeds.

19. Removal of tram tracks on the abandonment of trams will be necessary where there is macadam ballast, but if the portion of the roadway for which the trust is responsible adjacent to the tramline and the road itself are in reasonably good condition this work should only be undertaken when it is necessary in any case to renew the road surface.

20. It is essential for the efficient operation of the public street transport system that the free flow of its vehicles should not be impeded by the parking of private motor cars.

21. It is desirable that there should be a proper co-ordination of public transport services in the metropolitan area.

Other conclusions arrived at as a result of the investigation are:—

#### *Financial.*

(a) The contention of the trust that it should be compensated for losses in running through the park lands is not soundly based.

(b) The trust's suggestion that the permissible charges by taxi drivers for separate and individual fares, which now must exceed one shilling and sixpence (1s. 6d.) for a single journey and three shillings (3s.) for a return journey, be increased to exceed two shillings and sixpence (2s. 6d.) for a single journey and five shillings (5s.) for a return journey is reasonable.

(c) The burden of providing free travel to incapacitated servicemen and blind persons on the tramway system should not fall on the tramway passengers but on the community as a whole. The free registration of motor vehicles operated by the Trust is, however, an offsetting factor.

#### *Administration.*

(d) An investigation into a complaint regarding the letting of a contract for advertising on the trust's vehicles revealed that the trust, in letting this contract without calling for tenders, did not act in the public interest.

(e) An investigation into a complaint regarding the cost of the staff superannuation scheme showed that the scheme as a whole is not unduly generous.

(f) The amount of the liability of the trust in connection with the superannuation scheme, at present about £244,000, should be disclosed in the annual balance-sheet of the trust.

(g) An expert report on the Hackney workshops, arranged for by the committee but not yet carried out, is desirable and should be made as soon as possible and submitted to the Government.

(h) The investigation carried out into the accounting branch by Mr. H. G. Rosevear (Efficiency Officer of the Railways Department) at the request of the committee and with the co-operation of the trust, showed that considerable economies and improvements can be effected.

(i) It is desirable that highly competent investigating officers be employed to examine all other sections of the internal organization.

(j) The purpose of the Franklin Street loop, constructed at a cost of approximately £25,000, could have been achieved at about one-sixth of that cost.

(k) It appears advisable that the Municipal Tramways Trust Act be amended to prevent undesirable competition with the public transport vehicles, as referred to on page 13 of this report.

(l) It is desirable that the provisions of the Act regarding the "exclusive rights" of the trust be amended as indicated on pages 13 and 14 of this report.

#### *Future Development.*

(m) It is unlikely that gas turbine propelled street transport vehicles will supersede Diesel fuel vehicles within the next ten years.

(n) There should be more standardization in the trust's transport vehicles.

(o) In developing new services and re-arranging existing ones, feeder services should be avoided wherever possible.

As a result of the investigation the Committee makes the following recommendations:—

1. That the Government take over the control of the public transport system and appoint a trust of five (5) members with the ability, experience, and qualifications necessary for its efficient administration.

2. That trolley buses or one-man operated fuel buses replace obsolete trams operating on light traffic lines as soon as practicable, particular attention being given to those lines where renewals of the tram line would otherwise be necessary.

3. That on heavy traffic lines where the trams being used are not obsolete, the trams be maintained for the time being, but they be not replaced by new trams without a detailed investigation into the economics of alternative forms of transport at the appropriate time.

4. That no further extensions be made to existing tram routes, and no new tram services be established.

5. That while it appears that some financial assistance from the Government will be necessary for rehabilitation purposes, the financing of the undertaking should not become a permanent burden on the State budget.

6. That in view of the fact that a very considerable part of the borrowed capital of the trust is now represented by worn-out or obsolete assets, the greatest caution be exercised in the matter of additional borrowing.

7. That consideration be given to placing some restriction on capital expenditure, similar to that provided in the Victorian legislation.

8. That to avoid at least some of the borrowing for the urgent replacement of worn-out rollingstock, consideration be given to the

matter of leasing light traffic lines to private operators as authorized by the existing legislation.

9. That the operators on any such leased services, and licensed operators now operating in well-developed districts be required to make some contribution by way of a levy on gross receipts in return for the franchise granted.

10. That in view of the saving in cost of power if supplied by the Electricity Trust (estimated at over £140,000 per annum) the charge over be given a high priority.

11. That in view of the relatively high cost of operating, a detailed investigation, preferably by independent experts, be carried out into all of the operations of the trust with the view to reducing costs.

It is a full and excellent report; the committee made a comprehensive examination of all the matters placed before it. I know members will agree with that comment, whether they agree with all the recommendations, some of them, or none of them.

Mr. O'Halloran—The Government does not agree with all of them.

The Hon. T. PLAYFORD—And I do not know that any honourable member does. The recommendations of a committee with wide terms of reference could not be expected to be acceptable in their entirety to everyone because we all have our own individual approach to various problems.

Mr. O'Halloran—It seems from the Bill that the Government does not agree with the main recommendation.

The Hon. T. PLAYFORD—The honourable member will see that the Bill follows almost entirely the committee's report. I believe I am speaking for members in opposition as well as for members on this side of the House in expressing appreciation of the work the committee did, whether we agree with all its findings or not. The report is a magnificent piece of work and will provide the means of closely examining the problems confronting the tramways. When the report was received it was immediately made available to the press because this was the only means of informing all sections interested of its ramifications. The press set out in full the recommendations and conclusions of the committee. I then summoned a conference of municipal authorities concerned at my office on June 27. I told them that the trust's position was precarious and that it was necessary for a speedy determination to be made to enable assistance to be granted to carry on the service and provide for future developments. I placed before the constituent bodies' representatives what seemed to me to be three logical alternatives. The first was that the present administration under

the Act be continued. If the councils desired some other form of administration there seemed to me to be two alternatives—firstly, that they continue to take the prime responsibility of transport but that the weaknesses disclosed by the report in the method of appointment of the trust be remedied and that we provide a more efficient control.

Mr. Stephens—That would not be hard to get.

The Hon. T. PLAYFORD—The other alternative was that the councils renounce completely their interest in transportation matters, in which case the Government would set up a control over the transportation system.

Mr. Moir—Which has got to come.

The Hon. T. PLAYFORD—The representatives, of course, were not in a position to commit their respective bodies and desired an opportunity to refer the matter back to their councils. Much of the time of the conference was taken up in considering the best way to reach agreement on one of the three propositions. From June 27 to August 17 the various councils considered this point and on the latter date a meeting was held at the Adelaide Town Hall between councils comprising groups A and B. Most of the councils were in favour of Scheme No. 3, but there was a tag attached to it—though to what extent that was to be insisted on was not quite clear—that the councils also desired to be relieved of their obligation regarding financing the tramway losses. I think one group was prepared to accept Scheme No. 3 outright, but the other group was prepared to accept it only with an amendment enabling councils to escape rating obligations. However, the Adelaide City Council favoured Scheme No. 2. It made it clear that it was not in favour of handing over its transportation controls. I think the other councils, with two or three exceptions, were in favour of relinquishing their prerogative in regard to parking and transportation matters. I then met the Lord Mayor, the member for Norwood, and Mr. Sutton (chairman of the Municipal Association) and decided to call another conference of council representatives at my office. After further discussion another meeting between Groups A and B and the City Council was held. During the discussions the Lord Mayor telephoned me and asked whether the Government would be prepared to accept an amendment to Scheme No. 2 to provide that instead of the councils appointing the body controlling the trust that the Government should do it. I advised him that he could inform the meeting that if

that was the wish of the councils the Government would be prepared to accept it. I believe that this conference was attended by one representative of each of the constituent authorities, and the upshot was that the persons present, with one or two exceptions, decided to recommend to their councils the acceptance of Scheme No. 2, as amended. One or two representatives may have said they would not recommend it, but would place it before their councils.

Mr. Moir—The majority agreed to that proposition.

The Hon. T. PLAYFORD—Scheme No. 2, as amended, was not unanimously accepted by the councils. On September 11, at the request of the Municipal Association, I asked the seven councils who were still out of line to send representatives to confer with me at my office. I told them that it was necessary to come to a quick decision because of the precarious position of the trust and that if councils were prepared to renounce their traffic powers the Government would be prepared to take over full control of the Tramways Trust or, if they favoured scheme No. 2 as amended, the Government would be willing to accept the proposal. At the outset of negotiations with the councils I stated that the Government would give substantial financial assistance if schemes Nos. 2 or 3 were accepted. The Inquiry Committee stated that it was necessary for the trust to have financial assistance, either by way of grant or loan, to enable it to rehabilitate the undertaking, and also that the tramways should not become a permanent burden on the State Budget. I asked my Treasury officers to tell me what amounts would be necessary to assist the trust in rehabilitation and in establishing more economical services. They told me that not less than £450,000 would be required from the Government during this financial year, and that for the next four years the Government would have to advance £350,000, £250,000, £100,000, and £30,000 respectively. I pointed out to the councils that I would recommend the payment of these amounts by the Government, irrespective of whether proposal No. 2 or No. 3 was accepted. I said that I was not prepared to advance money to be wasted, as reported on by the committee of inquiry, and that I would not agree to proposal No. 3 unless ancillary vehicles came under the authority of the constituted body. The Government had no preference for either proposal No. 2 or 3. It recognized that the

tramways are the property of the councils and that it had no right to take the tramways from them.

Mr. O'Halloran—Apparently the Adelaide City Council was the main objector?

The Hon. T. PLAYFORD—The Adelaide City Council objected from the beginning. In fairness to the council, however, I point out that under the Act it has assumed one-third of the total obligations of the tramways system. Of the councils making loud statements, one has no obligation at all. The Adelaide City Council has accepted one-third of the responsibility.

Mr. Moir—It has not had to meet that obligation.

The Hon. T. PLAYFORD—Not one council has had to meet its obligation. The Government has sought to protect the councils from levying a rate for that purpose. The Adelaide City Council assumed one-third of the total obligation of the trust and it has as much right as any other council to voice its views. I do not criticize any council in the A or B groups. They have rights established by law that cannot be taken from them. The Brighton Council, which I understand has no obligation under the Act, has the right to voice its objections, and so has the Adelaide City Council.

Mr. Macgillivray—Do not rights assume responsibility?

The Hon. T. PLAYFORD—Normally, but if you base it on responsibility one-third of the total responsibility of the trust has been assumed by the Adelaide City Council.

Mr. Macgillivray—In connection with rating, has not the existence of the tramways increased land values?

The Hon. T. PLAYFORD—That has nothing to do with this Bill. At a meeting on September 23 in the Adelaide Town Hall all metropolitan councils either agreed to proposal No. 2 as amended, or to abide by the majority decision, except that the Norwood City Council objected and the Adelaide City Council included a proviso that it would not agree if it meant the taking away of some of its rights under the Act. I cannot say that the Bill has been accepted by the metropolitan councils. It has not been accepted by the Norwood Council, but it has by the other councils. With the exception of the Norwood council, all the councils agreed to abide by the decision made at the meeting on September 23. I do not overlook the fact that the Norwood Council has every right to disagree with something it does not want.

Mr. Macgillivray—Can the council contract itself out of this legislation?

The Hon. T. PLAYFORD—I have provided a means whereby it can do so. The Government does not desire to force any council to agree to something it does not want. Here are approximate figures in relation to the financial position of the trust today. The figures are as nearly accurate as it is possible to get them without drawing up a complete balance sheet. The trust has an overdraft at the State Bank, after drawing this week's pay money, of £135,000. The limit of the overdraft is £150,000, so at present the trust has only £15,000 to draw from the State Bank. The overdraft has been provided against £400,000 of Commonwealth stock owned by the trust, which the bank holds as security.

Mr. O'Halloran—How long has it taken to develop the overdraft?

The Hon. T. PLAYFORD—It is difficult to say. I think it has developed since June 27, but it may not be correct to say that because there may be the matter of outstanding amounts at June 27 and now.

Mr. O'Halloran—Substantially the overdraft has developed over the last three months?

The Hon. T. PLAYFORD—I would think so, but I speak subject to correction. I cannot give accurate information on the matter. The trust has barely sufficient to pay its salaries and wages, and it has not enough to pay for materials, interest, etc. It owes £175,000 for materials, interest, etc, which it cannot pay. That amount is due to traders, and is increasing every day. Unless action is taken by Parliament, it will not be long before credit to the trust will be refused. Interest and sinking fund payments amounting to £100,000 will be due to the Government in a few months' time. It is necessary to take action quickly to set up some form of control and to provide the wherewithal to enable the tramways to carry on.

Mr. O'Halloran—If it does.

The Hon. T. PLAYFORD—I have heard pessimistic remarks about the future operations of the trust, which was established in 1906, and which for the first 44 years of its existence paid its way.

Mr. O'Halloran—There were two financial adjustments in that period.

The Hon. T. PLAYFORD—In those 44 years the trust carried out its obligations extremely well.

Mr. O'Halloran—Did it meet all its original commitments, interest and sinking fund, etc.?

The Hon. T. PLAYFORD—I think so, but I will make a check. From memory, four or five years ago I learned that the trust had not had a good deal from the State Government over a period of years, and I introduced legislation to financially assist it, because of debt charges which should not have been levied on it. I do not agree that it is beyond the ability of South Australia to run its tramway system successfully. We must give it sufficient money to enable it to be worked successfully, and we must have a board to control its operations and avoid some of the mistakes of the past. Many of the present difficulties of the trust arise from conditions in industrial awards. The report of the inquiry committee showed that in the 40-hour week of the tram conductor he collected fares for only 20 hours, all due to the rosters that were necessary.

Mr. Macgillivray—That would be a matter of the policy of the management.

The Hon. T. PLAYFORD—Possibly, or it may be due to the industrial awards imposed on the management. I do not know how many of the awards have been arrived at by agreement and how many have been given by a tribunal, nor do the reports give that information, but, if they have been arrived at by agreement, that does not alter the fact that at present a very heavy obligation is placed by them on the management.

Mr. O'Halloran—Have you made any comparison with the lay-off time of the drivers of private buses?

The Hon. T. PLAYFORD—No, I have not set myself up to be an authority on street tramways or to condemn the management which has operated in the past. Indeed, for the first 44 years of their operation the South Australian tramways services were conducted in a manner which gave satisfaction to the South Australian public. This Bill contains the amendments of the legislation respecting the Municipal Tramways Trust which are necessary to provide for the re-constitution of the trust and the payment of annual grants to meet the deficit on the tramway system. The Bill also contains some amendments which are consequential on the appointment of a new type of controlling body. They deal with such matters as audit, accounts, and reports, and there is also a provision extending the trust's rights in relation to the carriage of passengers by motor omnibuses in the metropolitan area. It will be convenient if I explain the clauses of the Bill in their order. Clause 3 deals with the commencement of the Act. It is contemplated that there will be some short interval

between the day on which the Act is assented to by the Governor and the day on which the new members of the trust are appointed; and as some of the provisions of the Bill will not be required until the trust is re-constituted it is proposed that these shall not come into operation until what is called "the proclaimed day," that is to say, the day on which the re-constitution of the trust takes effect. Clause 4 is a consequential amendment only.

Clause 5 contains the provision for the re-constitution of the trust. As I indicated the new members will take office on a day to be fixed by the Governor by proclamation. It is, however, provided in clause 5 that a proclamation for this purpose will not be made if within 7 days after this Bill is assented to any metropolitan council presents a petition to the Minister of Works praying that the trust shall not be re-constituted. It is also provided in clause 5 that until the proclaimed day the present members of the trust will carry on under the present Act except that any casual vacancy which may occur will be filled by the Governor.

Mr. Macgillivray—What will be the position if a council does not approve of this legislation?

The Hon. T. PLAYFORD—The Bill contains only three provisions relating to the operation of the trust. One provides for financial assistance, and it is hardly feasible that in view of the present deplorable circumstances of the trust any council would object to its being given financial assistance. Another makes certain amendments which are necessary because of the altered value of money and are non-controversial. The matter in this Bill which may be controversial relates to the establishment of the new board, as that is the only clause which takes away any rights of any municipal council or of the City Council.

Mr. Macgillivray—What will be the position if a council does not approve of this legislation?

The Hon. T. PLAYFORD—If it objects the Governor may reconstitute the board.

Mr. Macgillivray—Would the whole Bill be void?

The Hon. T. PLAYFORD—No, the provision for financial assistance and the provision necessary because of the altered value of money would remain. Under the Bill any council may object to the reconstitution of the board, although I do not think that is

likely because even the council which I understand does not agree with the majority decision of the councils is concerned about other matters and not about this one.

Mr. O'Halloran—The really important aspect is that money should not be made available until the board is reconstituted.

The Hon. T. PLAYFORD—That is an important question, and I offered the councils two proposals which involved the taxpayers of this State in a very substantial grant, the basis of each proposal being that there must be a reconstituted efficient board of control. Even if a council petitioned to continue the present board, the other provisions of the Bill would still require the consideration of Parliament.

Mr. Macgillivray—But if a council says it does not want to come under this legislation the provision for a petition would be an empty gesture.

The Hon. T. PLAYFORD—It is not possible to segregate a suburb.

Mr. Macgillivray—Therefore your proviso is only an empty gesture.

The Hon. T. PLAYFORD—No, it enables the councils as a whole to carry on in their own way if they wish to. After the proclaimed day the trust will consist of five members appointed by the Governor. The term of office for each member will be five years but during the first five years of the existence of the re-constituted trust one member will retire at the end of each year. The Governor will decide the order of retirement of members. As a consequence of the reduction in the number of members from eight to five it is proposed by clause 6 to reduce the quorum from five to three. By clause 7 it is provided that in future the remuneration of members of the trust will be at a rate to be approved by the Governor and the Chairman's rate may differ from that of the other members. At present the remuneration is fixed by the Act itself. The provision for the payment of members of the board is necessary because we must ensure that the most competent men are appointed.

Mr. O'Halloran—And we want to make it possible for them to devote some time to their job.

The Hon. T. PLAYFORD—Yes, and if they are to put in much time on it it will be necessary for the Government to fix fees commensurate with their ability. By clause 8 the accounting year of the trust is changed so that it will correspond with the Government's financial year ending on June

30. Under the present law the trust's accounts are made up to January 31 in each year. Under this Bill it is proposed that the Auditor-General will be auditor of the trust and the trust's accounts will be audited in very much the same way as those of any other Government department and it will be convenient to adopt the normal financial year. The present provisions requiring that the trust is to appoint its own auditors are repealed and clause 9 provides that the accounts of the trust are to be audited by the Auditor-General. This clause also provides that the trust is to present a report to the Minister on its operations during each financial year, and that the report is to be laid before both Houses of Parliament as soon as practicable after the receipt thereof. There is no such provision for an annual report in the law at present.

Clauses 10 and 11 deal with the rights of the trust to carry passengers by motor omnibuses. Under the present law the trust has the sole right of carrying passengers in the metropolitan area at separate and individual fares for each passenger of not more than 1s. 6d. for a single journey or 3s. for a return journey. It also has the sole right to license other omnibus proprietors to carry passengers at such fares within the metropolitan area. These amounts were fixed in 1928 when fares were very much lower than they are now and, having regard to the lower value of money and the higher fares generally charged, it is proposed to increase the amounts prescribed by the Act. The effect of clauses 10 and 11 is that the trust will have an exclusive right to carry or license other persons to carry passengers in buses in the metropolitan area at fares up to 2s. 6d. single, or 5s. return. As a safeguard it is provided that the amendments will not affect the right of any persons carrying passengers in vehicles plying for hire under the licence of a municipal or district council. Clause 12 provides that the Treasurer may out of money voted by Parliament make grants to the trust to enable it to pay its expenses. This is a permanent provision and the only limitation upon it is that the grants must be provided by Parliament. The Leader of the Opposition asked what would be the position if, for instance, the municipal authorities decided to exercise their right and petition against the appointment of the new trust. I point out that this measure will be passed before the Estimates are presented.

Mr. O'Halloran—Obviously, no sane Parliament would make finance available unless the present control were improved.

The Hon. T. PLAYFORD—Parliament will decide whether it will make grants available, according to the confidence inspired by the trust. The honourable member will see that the contingency he has mentioned is provided for. Clause 13 makes amendments consequential on those which I have previously explained in relation to the exclusive right of the trust and its licensees to carry passengers on buses within the metropolitan area.

To summarize the position, the Bill does not set out to deal with what I find to be a very live and complex question concerning metropolitan transport. I had a fair and frank discussion with council representatives when I discussed this matter with them. Had I put only one proposition to them on our first meeting with one or two exceptions they would possibly have accepted it outright. I find there is a great divergence of opinion among the municipal authorities concerning the control of ancillary transport, such as taxi cabs, and also parking problems, etc. I think the member for Norwood will agree that the big difficulty in meeting the position was not the solving of the tram issue, but other issues that cropped up in the discussions. I was very surprised at the deep-seated feeling which existed on the subject of the various municipal authorities, particularly regarding the licensing of taxis. Some councils gave much more consideration to this than to the problem of running the tramways. I think that commonsense demands that we should get a co-ordinated plan for the control of ancillary vehicles plying for hire. The Government proposes to appoint a committee, which will probably be presided over by a stipendiary magistrate. I have not yet approached the senior magistrate, but I believe he would willingly agree to make the services of Mr. Gillespie, S.M., available as chairman. In addition I will invite the municipal councils to nominate one representative to act on the committee and metropolitan district councils to nominate one.

Mr. Whittle—There are no district councils in the metropolitan area now.

The Hon. T. PLAYFORD—In that case I will ask the municipal councils to nominate two representatives, the Adelaide City Council to nominate one, and perhaps ask the Commissioner of Police either to sit on the committee himself or nominate one of his very senior officers to do so. The duty of the committee will be to inquire into this question of ancillary vehicles and try to arrive at a co-

ordinated plan for their control and administration which will be acceptable to the councils, including the Adelaide City Council. In due course the committee will report to me. If we are to succeed, it is necessary for much common sense to be applied to these problems, and I believe this committee will be competent to examine them. It may even be necessary to ask the Minister of Local Government whether the Commissioner of Highways could assist.

Mr. Fred Walsh—What about representation from the unions, which are more competent to deal with it?

The Hon. T. PLAYFORD—The licensing authorities for these vehicles are the municipal councils. They receive reports from the Commissioner of Police which enable them to know whether the persons seeking a licence are satisfactory.

Mr. Whittle—There is more co-ordination in the control of taxis now than ever before.

The Hon. T. PLAYFORD—I do not know whether that is so or not, but Mr. Moir will agree that in the discussions on the control of the tramways there has always loomed in the background the question of the control of ancillary vehicles. The member for Glenelg said it had been notorious for a considerable time.

Mr. Whittle—My statement still stands good.

The Hon. T. PLAYFORD—If the position is satisfactory then the committee will no doubt say so.

Mr. Pattinson—I can tell you what the recommendation will be.

The Hon. T. PLAYFORD—We should not anticipate it, but wait to see what it is. Members will agree that the subject matter of the Bill is one of urgency and I ask them to facilitate the debate to the greatest possible extent.

Mr. O'Halloran—It is also a matter of considerable importance.

The Hon. T. PLAYFORD—I do not question that for one moment, but the trust has been carrying on on an overdraft from the State Bank, and if it is to pay wages and meet expenses by realizing on its Government stock, or by some similar arrangement, it can be done only at very great loss. I place the matter before honourable members in the hope that out of these deliberations something useful will arise.

Mr. O'HALLORAN secured the adjournment of the debate.

LANDLORD AND TENANT (CONTROL OF RENTS) ACT AMENDMENT BILL.

In Committee.

(Continued from September 17. Page 576.)

Clause 12—"Contracts to evade Act."

Mr. GEOFFREY CLARKE—I move to insert the following proviso at the end of new subsection (2) of section 107:—

Provided that if any such agreement, licence or arrangement was made before the seventeenth day of September, nineteen hundred and fifty-two, the only provision of this Act which shall apply with respect to that agreement, licence, or arrangement shall be the provisions of this Act relating to the control of rents.

This is a simple amendment. Certain agreements, licences and arrangements have not at common law and by decision of the courts, been regarded as tenancies, although they give right of occupation. The Premier explained that the clause would have a retrospective effect and bring all such agreements within the ambit of the law. This would act harshly in some respects as many of these agreements have been entered into in good faith. Less harm would be done by giving the benefit of the doubt in all cases in respect of obtaining possession, than if retrospectivity were applied.

Amendment carried; clause as amended passed.

Clause 13 passed.

New clause 6a—"Notice to quit after sale of dwellinghouse."

Mr. SHANNON—I move to insert the following new clause 6a:—

Section 45 of the principal Act is amended—

(a) by striking out the proviso to subsection (1) thereof and by inserting in lieu thereof the words "unless the notice to quit is for such a period that the notice expires upon a day subsequent to the expiration of the aforesaid period of six months";

(b) by striking out the proviso to subsection (2) thereof and by inserting in lieu thereof the words "unless the notice to quit is for such a period that the notice expires upon a day subsequent to the expiration of the aforesaid period of six months".

The effect of my amendment is to enable the purchaser of a house to give six months' notice to quit instead of 12, as at present. The easing of building restrictions and the greater number of houses becoming available, evidenced by the Housing Trust's difficulty in selling prefabricated houses—

Mr. O'Halloran—Has the trust encountered any such difficulty?

Mr. SHANNON—I understand one can now buy as many prefabricated houses at £2,450 as he likes. Recently the member for Torrens was told, in answer to a question on notice, that 186 persons had declined to purchase Housing Trust homes since July 1.

Mr. O'Halloran—That may have been due to financial difficulties.

Mr. SHANNON—It seems that people are not anxious to purchase prefabricated houses from the trust.

Mr. Fred Walsh—Because the value is not there.

Mr. SHANNON—I agree the value is not there, but that applies to most houses now being constructed. Many people fear that they will be evicted from their present homes when the landlord and tenant legislation is repealed. We should encourage them to purchase a home of their own and make it easier for them to obtain possession. At the moment there is a substantial premium on houses for sale with vacant possession, an artificial premium which would be reduced by accepting my amendment.

Mr. Quirke—The owner would still have to apply to the court for possession.

Mr. SHANNON—Unfortunately, yes. I think the owner should only have to prove ownership, not hardship, but I do not think the committee would agree to an amendment along those lines.

The Hon. T. PLAYFORD (Premier and Treasurer)—I oppose the new clause. The purchaser referred to by Mr. Shannon would be under no hardship in this matter because when he purchases a house he knows that 12 months must elapse before the tenant can be evicted. I ask the honourable member not to force his amendment, because it will create a hardship, particularly to the poorer people who may be in housing difficulties. The honourable member said that houses are readily available now, but that is not correct, although it is true that more are available than two or three years ago. The Housing Trust has received thousands of applications for houses and the applicants have had to wait years for consideration. Last month the trust accommodated nearly 400 additional families. Many of the applications go back five, six or seven years. Whilst Mr. Shannon was moving his amendment one honourable member gave

me a letter seeking assistance for a distressing case, so it cannot be assumed that the housing problem has disappeared. The amendments in the Bill were recommended by a committee completely separate from political influence. Last year we halved the period to 12 months, and as a result many distressing cases come under my notice almost daily.

New clause 6a negatived.

Clause 7—"Discretion of court"—reconsidered.

Mr. SHANNON—I move:—

After "amended" to insert "(a)" and at the end of the clause insert the following:—

(b) by adding at the end thereof the following subsection:—

(8) If in any such proceedings where application is made in respect of a dwellinghouse upon a ground specified in paragraph (g) or (m) of subsection (6) of section 42 proof is given to the satisfaction of the court—

(a) that the lessor has constructed or caused to be constructed a dwellinghouse upon land in which he had a beneficial interest;

(b) that the dwellinghouse was completed after the passing of the Landlord and Tenant (Control of Rents) Act Amendment Act, 1952; and

(c) that the dwellinghouse on its completion was available for occupation by the lessee as a residence but the lessee has not so occupied the dwellinghouse,

then the court shall not take into account any or the matters mentioned in subsection (1) of this section.

I know of one case where a landlord financially assisted a tenant to build a house for himself, but on its completion the tenant sold it and retained the occupancy of the landlord's house. That is unjust. The tenant knew that his rent was reasonable and that the opportunity to make a big profit on the sale of the house was too good to miss. This sort of thing will be done more freely by tenants now that there has been an easing of building materials restrictions. I want to make it clear that where an owner agrees to build a house for a tenant the owner can use that as a ground for evicting the tenant when the house is ready for occupancy. There will be no hardship to the tenant under this amendment because he will have a house to occupy.

The Hon. T. PLAYFORD—I have examined the amendment and think it improves the clause. It is not unreasonable and may prevent undesirable trafficking.

Amendment carried.

The Hon. T. PLAYFORD—I move the following consequential amendment:—

After "(k)" in the second line of the clause to insert "(l)."

Amendment carried; clause as amended passed.

Title passed; Bill reported with amendments.

#### ADVANCES TO SETTLERS ACT AMENDMENT BILL.

Second reading.

The Hon. T. PLAYFORD (Premier and Treasurer)—I move—

That this Bill be read a second time.

Its purpose is to extend the powers of the State Bank of South Australia to make advances under the Advances to Settlers Act. The Advances to Settlers Act, 1930, provides that the State Bank may make an advance to a settler for such purposes as making improvements on his holding, stocking his holding or discharging an existing mortgage. Section 7 of the Act lays down various limits to which advances may be made for various purposes but it is provided that the total amount which may be advanced to a settler for these purposes is not to exceed £1,200. Advances of this kind are to be secured by a first mortgage of the settler's holding. It is also provided that this type of advance can only be made to a settler who holds his holding under a Crown lease or agreement and, thus, there is no power to make an advance to a settler who owns the fee simple of his holding. In 1944 it was provided by an amendment of the Act, in addition to making advances of the kind previously mentioned, the Bank could make an advance to a settler up to a maximum of £1,000 for the purpose of erecting, enlarging or altering a dwellinghouse on his holding for occupation by himself, a member of his family or an employee. An advance for this purpose can be made up to nine-tenths of the value of the security and, in any case where the Land Board recommends the making of such an advance, the advance may be made on the security of a second mortgage. Furthermore, it is provided that a housing advance of this kind may be made both to a Crown lessee or purchaser or to a settler who holds his holding in fee simple. Thus, the Act now provides that a settler may borrow from the Bank a maximum of £2,200, made up of a maximum of £1,200 for improvements and £1,000 for a dwelling-house.

It is considered by the Government that these maximum amounts are now inadequate. The

amount of £1,200 was fixed by legislation passed in 1927 as the maximum which may be advanced for improvements whilst the maximum advance of £1,000 for housing purposes was fixed in 1944. Obviously, there have been considerable changes in conditions since those times. It is therefore proposed by the Bill to increase these maximum amounts. Clause 3 amends section 7 of the Act, which deals with the making of advances for improvements. It is proposed by clause 3 to increase the maximum advance for improvements from £1,200 to £2,400. It is also proposed to delete from section 7 the subsections providing for various limits of advances for various purposes and to provide instead the general limitation that an advance under this section is not to exceed nine-tenths of the value of the security. Clause 5 deals with advances for dwellinghouse purposes and in this case the maximum to which an advance may be made is increased from £1,000 to £1,750. The latter amount is the amount fixed as the maximum for housing loans under the Advances for Homes Act and the Homes Act. Thus, the combined effect of clauses 3 and 5 will be to increase the maximum advance under the Act from the present amount of £2,200 to £4,150.

As has been previously mentioned, the Act now provides that, except in the cases of loans for dwellinghouse purposes, advances can only be made to settlers who hold their holdings under Crown lease or agreement. It is proposed by clause 3 to amend the definition of settler so that this term will include any person engaged in agricultural, horticultural, viticultural or pastoral pursuits on land of which he is the owner in fee simple or of which he is a Crown lessee or purchaser. Thus, the scope of the Act will be extended to include settlers who own the fee simple of their land. Clauses 4, 7, 8, and 9 make various amendments to the Act which are consequential upon the alteration proposed by clause 2. Clause 6 deals with another topic. As has been previously mentioned, the bank can, in an appropriate case, make an advance to a settler for dwellinghouse purposes which may be secured by a second mortgage. Where the security of a lender is subject to prior mortgage or charge, it is sometimes in the interests of the lender to take over the obligations of the borrower in the case of default in his obligations under the prior mortgage or charge. The purpose of clause 6 is to provide that, where the bank's security is subject to a prior mortgage or charge and the mortgagor

defaults in his obligation under this prior mortgage or charge, the bank, if it is satisfied that for the proper protection of its security it should do so, may pay to the person entitled the whole or any part of the amount by which the mortgage is in default. Any amount so paid by the bank is to be added to the amount of the advance made by the bank. Clause 10 makes a drafting amendment to section 28 of the Act. Clause 11 repeals section 30 of the Act. This section deals with the procedure to be followed when regulations are made under the Act. The general procedure in these matters is provided for in section 38 of the Acts Interpretation Act and the effect of repealing section 30 of the Advances to Settlers Act will be that section 38 of the Acts Interpretation Act will apply with respect to regulations made under the Advances to Settlers Act. This Bill is in accordance with the general Government policy of assisting the development of primary industries.

Mr. O'Halloran—Is there any great demand for this type of finance?

The Hon. T. PLAYFORD—Yes. We have recently undertaken to provide homes erected by the Housing Trust on individual farm properties, and at the outset there appeared to be a good demand for that type of housing.

Mr. O'Halloran—A great amount was not provided on the Estimates for that work.

The Hon. T. PLAYFORD—No, but if Parliament approved of a purpose under the Public Finance Act it would be possible for the Government to make available any additional amount necessary. The Government has received requests for this legislation and I believe it will be useful. At present we have not enough people with the old pioneering spirit to go out and develop blocks.

Mr. O'Halloran—I could find the pioneers, but where are the blocks available?

The Hon. T. PLAYFORD—The A.M.P. Society has purchased large areas in the Upper South-East and there is still much land in that vicinity which may be acquired, but it would involve taking on undeveloped land and being prepared to go through the trials and tribulations associated with its development.

Mr. O'Halloran—A considerable amount of initial capital would be required.

The Hon. T. PLAYFORD—Yes, and the provisions of this Bill liberalize the assistance available. In fact, they nearly double the assistance previously available under the various Acts.

Mr. O'HALLORAN secured the adjournment of the debate.

ELECTRICITY TRUST OF SOUTH  
AUSTRALIA ACT AMENDMENT  
BILL.

Second reading.

The Hon. T. PLAYFORD (Premier and Treasurer)—I move:—

That this Bill be now read a second time. The first matter dealt with is the age at which persons are eligible to be appointed to the Electricity Trust. The Act at present provides that a person over 65 years of age cannot be appointed. During the next three years this provision will, unless altered, prevent the re-appointment to the trust of two members who, in the Government's opinion, are still capable of performing useful services. The loss of these men would be particularly unfortunate at this juncture because only two of the original members now remain on the trust and their knowledge and experience are of considerable value. The Government realizes, of course, that it would not be wise to allow members of the trust to continue in office without any age limit at all, but considers that some relaxation of the present law is desirable. It is proposed, therefore, in this Bill to allow persons over 65 to be appointed to the trust and at the same time to impose a rigid retiring age of 70. If a person is over 65 when appointed the normal term of office—five years—will be shortened in his case so that he will not remain on the trust after the age of 70. Under the present Act, if a member happens to be aged 64 years 11 months and 28 days he can validly be appointed to continue until almost 70.

The other matter dealt with in the Bill is the issue of inscribed debenture stock. At present the trust has no power to issue this form of security and it is proposed by the Bill to confer such a power. As members are doubtless aware, inscribed debenture stock differs from the present type of debentures issued by the trust. Under the existing system, the title of a debenture holder is evidenced by a document issued to him which, like any other document, may be lost, stolen or fraudulently used. Under the system of inscribed debenture stock, however, no document of title is issued to the holder of the stock, but his title is evidenced by and depends upon an entry made in the books of the trust. This form of security has definite advantages and is preferred by many investors. The trust has been informed that if inscribed debenture stock were available it would assist in the successful flotation of loans. The technical details relating to the issue and transfer of such stock are set out in clause 5. The general principle of the clause is similar to that governing the issue of inscribed Commonwealth stock to investors in Commonwealth loans, but the details have been worked out to meet the special requirements of the trust. I do not propose to go through all these details at present, but if in Committee any member desires further information on any point I will be glad to supply it.

Mr. O'HALLORAN secured the adjournment of the debate.

ADJOURNMENT.

At 5.18 p.m. the House adjourned until Wednesday, October 1, at 2 p.m.