

HOUSE OF ASSEMBLY.

Wednesday, August 25, 1954.

The SPEAKER (Hon. Sir Robert Nicholls) took the Chair at 2 p.m. and read prayers.

QUESTIONS.**MEDICAL EXAMINATION OF ACCUSED PERSONS.**

Mr. DUNSTAN—Has the Minister representing the Attorney-General a reply to the questions I have asked about accused persons having their own doctor in attendance at medical examinations?

The Hon. B. PATTINSON—I have received the following advice from the Attorney-General:—

The accused person being examined is almost invariably under arrest, and in those circumstances there seems to be no reason why a police officer should not be present, provided he does not by his presence, or actively, hinder or interfere with the examination being conducted. If anything occurs that will assist the court in the determination of the truth of the charge the Attorney-General sees no reason why evidence of the facts should not be led.

Mr. TRAVERS—My question relates to the tendering of evidence of a conversation between a medical practitioner and a man in custody. If it is the intention to tender evidence of this conversation, is it intended also to depart from the age-old practice of not attempting to prove a conversation between an arrested man and his legal adviser, and, if not, on what principle and in what way will it be possible to distinguish between the confidential nature of the two conversations?

The Hon. B. PATTINSON—I shall refer the honourable member's question to the Attorney-General and get a reply.

ELECTRICITY IN MURRAY DISTRICTS.

Mr. WHITE—The Electricity Trust has extended its mains to homes in the river settlements of Wall, Ponde and Pompoota and as far as I can ascertain all the privately owned homes in these areas have been wired throughout for lighting and power. The only homes left are those owned by the Government and occupied by Government employees. Can the Premier indicate when these homes will be wired so that the people can also enjoy the amenities the electricity supply has brought to other people at these places?

The Hon. T. PLAYFORD—In due course these connections will be made. The honourable member knows that the Government has

no authority to expend money except that voted by Parliament, and it sometimes happens that a particular line of expenditure has been drawn on to the fullest extent approved by Parliament. I have not the slightest doubt that where they are in range of the transmission lines the homes will in due course be connected.

TIMBER SURCHARGE.

Mr. TAPPING—The following is an extract from this morning's *Advertiser* under the heading "Timber Rate to Rise by 25 per cent":—

Several shipping companies had placed a 25 per cent surcharge over Sydney and Melbourne rates, on timber shipped to Adelaide from U.S. Pacific Coast ports, Adelaide shipping agents announced yesterday.

As this will mean an increase in the price of timber coming from Pacific Coast ports, will the Premier obtain a report as to why the surcharge has been placed on timber coming to South Australia?

The Hon. T. PLAYFORD—I understand that the surcharge has been imposed because of working conditions at Port Adelaide, where there has been a dispute in regard to the employment of tally clerks. Until that dispute is satisfactorily settled I feel that the shipping companies will persist in their present attitude of imposing a surcharge. As far as I can see the timber companies are within their lawful rights; they seem to be assured so by the Arbitration Court. As often happens, the public are being penalized by the action of a few people trying to enforce an illegal demand by direct action.

Mr. JENNINGS—Is the Premier aware that in respect of this dispute, the procedure the unions want followed is standard procedure in other States? Secondly, is he aware that a Conciliation Commissioner recently found on the facts for the unions, but that this finding was upset on purely legal grounds on an appeal to the Arbitration Court and, thirdly, is he aware that the dispute is the result of the insistence of the timber merchants on employing their own clerks for two or more shifts when there are tally clerks available who have not had one shift for that day?

The Hon. T. PLAYFORD—All those facts may be correct—in fact, they are probably all correct—but that does not alter the basis of my reply, that the timber merchants in South Australia are employing men in a perfectly legal way. That has already been upheld by no less an authority than the Arbitration Court.

Under similar circumstances, the Government employs its own officers to do overtime rather than taking in casual workers to do it. In any case, the timber merchants are perfectly within the law in the action that they have taken. So far as I can see, under those circumstances, if they are doing something lawful there is no reason why they should not be permitted to continue doing it.

WINE LICENCES.

Mr. QUIRKE—Yesterday in reply to my question concerning licences for the sale of wine the Premier said:—

Certain investigations are being made in connection with this matter. Information which has been obtained to date does not support an alteration of the Licensing Act.

Will the Premier inform the House who is making the investigation and from what source the information is being obtained, as the matter is of vital importance to the wine-growing areas which provide a living for many thousands of South Australian people?

The Hon. T. PLAYFORD—I have received a deputation from the wine industry, and as I heard the case myself I know the grounds on which action is requested. I am personally making an investigation into the statements made in support of the case. Without going into details, the case submitted to me was to the effect that sales of wine in Australia have fallen off considerably and that the falling off was due to not having sufficient means of selling the wine. Further, it was said that the hotelkeeper sold beer in preference to wine, and that hotels were not a medium in which wine was readily available to the public. It was also said that some people did not like to go to a hotel for a bottle of wine but would not mind getting it from a grocery shop. I have investigated hotel charges and I will be prepared, if the honourable member desires, to submit to him the standard charges made in this State and in other States and the margins which are being charged by hotels. Broadly speaking, the margins are 33 per cent, and in view of the fact that the commodity is somewhat higher-priced than beer and that the turnover is not so rapid the margin does not appear to be high in relation to the margin for beer or for other commodities sold. I have not yet fully proved this matter, though I am examining it. Secondly, whereas it is true that there has been a falling off in wine sales in Australia generally the figures I have had for South Australia so far—and I am getting them confirmed—do not show a falling off to the

same extent; indeed, the South Australian figures, by and large, show that sales have been maintained. Thirdly, the avenues for the sale of wine have been examined by me. I have had three reports from the Chief Inspector of Licensed Premises on the number of licences and storekeeper licences available, and I have even obtained information about the streets where licences are located in the metropolitan area. Generally speaking, there are many more licences in operation than I realized when I first took up the investigation. There are one or two matters I have not yet checked to my satisfaction, but a thorough checkup is being made. I am devoting a considerable time to this matter myself and as soon as a comprehensive report has been obtained it will be submitted to Cabinet. So far, the investigation made shows that there is a good delivery service throughout the metropolitan area to private homes, and it is not necessary to go to a store to get a stock of wine. When I have the full information available I shall be pleased to make it available to the honourable member. The Government is just as concerned as honourable members about the position of this important industry, but we do not want to pass legislation based on false premises.

Mr. MACGILLIVRAY—According to a press statement, the Government recently received a petition from young ex-servicemen in the Cooltong and Loxton areas regarding the present position of the wine industry. Can the Premier inform the House of the purport of the petition and what decision, if any, the Government has come to following on receipt of it?

The Hon. T. PLAYFORD—I have a copy of the petition in my possession at the present time and am examining it in regard to the matters raised by Mr. Quirke. I have a number of documents on this matter but I think that the request was much the same as the one previously mentioned by Mr. Quirke.

Mr. STOTT—In making his investigation will the Premier consider the amount of money involved in the distillery in connection with the soldier settlement scheme at Loxton? Will he also consider the effect on the soldier settlers who are growing grapes for delivery to the distillery?

The Hon. T. PLAYFORD—All these facts will be taken into consideration. Earlier I told Mr. Quirke that the Government was concerned about maintaining the welfare of the industry. It is important that we legislate on proper grounds and in a way the examination shows to be justified.

SALES TAX REDUCTIONS.

Mr. PEARSON—In today's *Advertiser* appeared a letter from a correspondent stating that an article he desired to buy was one that was included in the list of articles on which the Federal Treasurer's recent budget reduced the sales tax. The writer claimed that he had inquired the price of a heating appliance from a retailer and that the price quoted was exactly the same as the price had been before the Federal Treasurer announced sales tax reductions. Underneath the letter appeared a footnote purporting to come, and I presume came, from a responsible officer of the firm concerned, who stated that the sales tax reduction would be passed on to the consumer after existing stocks had been exhausted, but not before. That seems to be contrary to the Federal Treasurer's statement that the operation of sales tax reductions would start from the morning following his Budget speech. Can the Treasurer say what is the usual practice and whether he is aware of any departure being made in the usual practice on this occasion, so that the public may be fully informed of their rights?

The Hon. T. PLAYFORD—The prices of a number of items which came within the scope of the sales tax reductions announced by the Federal Treasurer and which are under price control have been adjusted by the Prices Commissioner and new orders have been made accordingly. Some of those reductions were announced in the press yesterday, and I think that the price of feltex is one that is being announced today. I think that sales tax reductions should have come into operation immediately. Sales tax is only paid when the article is sold and there is no reason why it should not come into operation immediately. Electrical equipment of the type mentioned by the honourable member is not under price control now, and that probably accounts for the fact that there has not been a prices order in connection with it.

STEEL WORKS AT WHYALLA.

Mr. RICHES—I endorse entirely the tribute that the Premier paid yesterday to the Mines Department for the work it is doing in the treatment of uranium ore. I add a tribute to the Director of Mines for the courageous statements he has made to Parliament from time to time on the desirability of establishing a steel industry at Whyalla. I ask the Premier whether he has had an opportunity of studying the report tabled yesterday, and, if so, can he make any statement of policy in relation to the

proposed conference to be held with the Broken Hill Proprietary Company and can he say when it will be held? A statement appears in today's *Advertiser* which is attributed to the Premier. He is reported to have said:—

The Broken Hill Proprietary had agreed with the Commonwealth Government that it would not object to the importation of structural and other types of steel from overseas during the period to the end of December.

Are we to infer from that that permission has to be obtained from the Broken Hill Proprietary before Australia is able to import structural steel, or has the Premier been wrongly reported?

The Hon. T. PLAYFORD—The honourable member has touched on quite important topics and with the permission of the House I should like to reply at some length. The Director of Mines' report is a statutory report required by Parliament, and it has not been the Government's practice to 'edit officers' reports if they are required to be tabled in Parliament in accordance with statute. The report of the Director of Mines is his own unedited report and does not necessarily express the views of the Government. If Parliament wants edited reports it should say so. Reports submitted by officers, in accordance with statutory requirements, are the completely unedited reports of the officers concerned. In this instance, the report does not contain the views of the Government. The Government believes that the maintenance of a civilized society depends upon the sanctity of agreement. If we are going to repudiate agreements we will speedily get back to the position where might is right and the whole system upon which our civilized community has been built up will be broken down. The Government will not repudiate agreements. If an agreement has been a bad one it does not alter the position that it was freely made by the Parliament of the time and the Government does not intend to countenance its repudiation.

Mr. RICHES—That does not prevent negotiation.

The Hon. T. PLAYFORD—No. The honourable member agrees with the Director of Mines' statement, but that is a matter of opinion. Negotiations have been going on and arrangements have been made for directors of the Broken Hill Proprietary Company to come to South Australia. They were to have been here next week, but owing to circumstances beyond my control the conference has had to be postponed for another week and I think the next conference will take place in a fortnight.

These conferences are not attended by the Government with the object of making threats of repudiation. It will be a conference on the basis of two parties trying to reach an agreement on what both may believe to be desirable.

Mr. RICHES—I do not ask for a repudiation of any agreement, nor do I think does the Director of Mines, but I hold that the B.H.P. Co. has broken the spirit of the agreement under which the Morgan-Whyalla pipeline was constructed. The establishment of steel works in places outside South Australia is not in keeping with the undertaking given in this House when the Indenture Bill was considered. Will the Premier reply to my question about the inference to be drawn from the published statement in this morning's press? Was the Premier correctly reported, and does the statement mean that the Australian industries have to get the approval of the company before structural steel can be imported?

The Hon. T. PLAYFORD—I am pleased to be able to tell the honourable member that I was correctly reported, as usual. The words he quoted, as far as my memory goes, were the precise words I used. The Commonwealth Government has given permission for steel to be imported and the company has not objected to the importation. It has been common practice for many years for the Commonwealth Government, before issuing import licences, to consult industries. It learns whether or not the importation of certain material would jeopardize the welfare of the Australian industry manufacturing that material. It has been done in connection with a large number of industries. It is invariably done by the Customs Department before issuing import permits. I was correctly reported and the statement I made in the House, as far as I know, is quite correct in every detail. However, it does not mean that we have to go to the Broken Hill Proprietary for permission to import; it merely means that the Broken Hill Proprietary Company was consulted, as so many other industries are, in connection with import licences.

BURRA TRAIN DELAY.

Mr. HAWKER—This morning's train from Burra was 55 minutes late in arriving in Adelaide. No explanation was given to passengers as to the cause of the delay nor were they told when the train was likely to arrive in Adelaide. Not until about 10 minutes after the scheduled time of the arrival of the train was an announcement made at the Adelaide railway station that this lengthy

delay had occurred. Will the Minister representing the Minister of Railways ascertain whether, in similar circumstances, some official announcement can be made to passengers as to the cause of the delay and the probable time of arrival, and an early announcement at the Adelaide railway station as to the probable time of arrival of the train?

The Hon. T. PLAYFORD—Yes.

RURAL AREAS DEVELOPMENT.

Mr. TEUSNER—In the *Advertiser* of August 14, under the heading of "Rural Areas Benefit in £650,000,000 Plan," the following article appeared:—

Development of rural areas, rather than extension of already crowded cities, is stressed in a £650 million national development programme detailed today by the Minister for National Development (Senator Spooner). Water storage and distribution schemes take more than half of the funds for the development projects listed, apart from the £422 million Snowy Mountains hydro-electric plan which is not included in the total. S.A. projects in the list total £82 million.

They include:—Water supply and irrigation, £29 million; electricity, £10 million; railways, £17.5 millions; harbours, £23 million; and airports, £2.8 million.

Can the Premier say whether any of the projects are new undertakings or whether they are all projects in respect of which work has already been commenced or will be commenced during the next financial year?

The Hon. T. PLAYFORD—I did not see the report mentioned but it would appear to relate largely to State undertakings past, present and future, which have been enumerated at some length in some Commonwealth document.

PAYNEHAM TRAMLINE.

Mr. DUNSTAN—Earlier in the session I asked the Minister of Works questions relating to the tramline which runs down the northern side of the Payneham Road, and to the danger to motorists which has arisen from that fact. I was told that the present lighting was a sufficient warning to the motorists, but that the tramways were investigating other forms of reflectors on trams. Is the Premier aware that another serious accident occurred last week on that line, arising out of a collision between a motor car and a tram travelling west along the line on the northern side of the road? In that accident the former mayor of Campbelltown, Mr. Atkinson, was seriously injured. Will the Premier take up the matter with the Tramways Trust to see if some special warning device can be placed on the trams?

The Hon. T. PLAYFORD—Yes.

EX-SERVICEMEN LAND SETTLEMENT.

Mr. MACGILLIVRAY—Some time ago the Minister of Irrigation said it was intended to circularize ex-servicemen qualified for land settlement to see how many still required settlement. Are the figures now available?

The Hon. C. S. HINCKS—All the 118 applicants for irrigation blocks still remaining on the books were circularized and replies came from 95 to the effect that they are still interested in irrigation settlement. The others have not replied and it seems they do not want to proceed with their applications.

ELECTRICITY CHARGES.

Mr. WHITE—My question relates to the electricity supplies for country areas. In order to give some point to my question I shall give an account of what is happening in one part of my district, as it could be typical of sets of circumstances elsewhere in the country. Recently a meeting was held at Purnong to discuss the possibility of getting an electricity supply for that area. At Bowhill, which is only seven miles from Purnong and therefore included in that scheme, there is one landholder who will use £1,000 worth of electricity per annum for irrigating his orchard and vegetable garden. His present pumping plant is fuelled with diesel and it works out cheaper than electricity, but to help along the proposition for the district he intends to use electricity when it is available. This one large user will make it economically possible for the area in question to have an electricity supply. Can the Premier say if, in cases like this, the Electricity Trust will supply power to large users at a concessional rate?

The Hon. T. PLAYFORD—At present the Electricity Trust does, in effect, base its charges on the quantity of electricity used by an individual consumer. When a consumer has used a certain number of units at a higher rate the charge comes down as he uses a greater number of units. That is the standard practice and I have no doubt it will be adopted in connection with country extensions in the same way as city extensions.

BRIDGE FOR BLANCHETOWN.

Mr. STOTT—Can the Premier say whether it is a fact that surveyors have already started making soundings of the River Murray at Blanchetown for the erection of a bridge? If so, will the surveyors be making a report to the committee that the Premier says has been established for the purpose of inquiring into the erection of a bridge there?

The Hon. T. PLAYFORD—I have no direct knowledge that surveyors are at work at the moment, but I would not be surprised if they were. A committee has been appointed to draw up proposals, and I think it will be necessary for it to check previous surveys made in the area. A close survey was made of the river when the lock was established at Blanchetown and all the detail of that survey is undoubtedly available to the committee, but it may be that it desires to check that information because there may have been some substantial alteration in the deposit of material that has come down the river since the weirs were established. However, I should think that little survey would be necessary in view of the comprehensive material already available.

DRAINAGE OF BERRI AND NOOKAMKA AREAS.

Mr. MACGILLIVRAY—What is the intention of the responsible departments regarding the seepage drain from "K" caisson area, *via* Lake Winterfield?

The Hon. C. S. HINCKS—This drain has caused the department considerable concern. I believe that some years ago the honourable member, with members of the department and myself, inspected this area. As he knows, since then several schemes have been put into operation to assist the settlers in that locality. I have a more recent report as follows:—

As a result of the action taken last year, there has been an improvement in the disposal of drainage water from "K" caisson in the Berri area through number 2 Nookamka main drain, but the position is not yet completely satisfactory. The operation of this scheme will be observed closely during the current irrigation season by a local committee, and their report will be considered before a final decision is made as to what additional work, if any, is needed to provide an adequate drainage service.

COMPENSATION FOR QUORN RESIDENTS.

Mr. RICHES—Have any of the officers of the Premier's Department that have been exploring the situation at Quorn with regard to the possibility of establishing some industry there brought forward any proposals, or is there any other way of compensating Quorn for the loss that the town has suffered as a result of the altered railway policy to be put into operation?

The Hon. T. PLAYFORD—I can give the honourable member some information but it has not been discussed in Cabinet, nor has there been any Cabinet decision on it. I think

that some solution to the problem lies in the fact that when the new line comes into operation it will shorten the mileage from Leigh Creek to Port Augusta by about nine miles. This will mean a saving in coal costs of about 4½d. a ton. With the large tonnages of coal to be brought down when the power station is in operation this will mean a considerable saving each year, and I feel that out of that saving it should be possible to devote a sum for the purpose of compensation for Quorn. I have discussed this matter with the chairman of the Electricity Trust and I think it will be possible to work out a scheme which would mean that the general taxpayer will not be required to foot the compensation bill. It seems that economies as a result of the new line will be able to meet it. The honourable member only has to do a little arithmetic to realize that with 1,000,000 tons of coal being brought down a saving of 4½d. a ton is substantial in one year. However, these proposals are only tentative.

LOXTON AREA DOMESTIC WATER SUPPLY.

Mr. STOTT—Soldier settlers in the Loxton area have been waiting five years for a domestic water supply. I have taken this matter up before with the Minister, and he explained that there was some difficulty over the erection of a tank and the foundations. Is it a fact that the foundations that were originally put down, and some of the material for the erection of the tank, have had to be abandoned, what officer was responsible for the design of the faulty foundation, and what loss is involved?

The Hon. C. S. HINCKS—It is true that the honourable member has mentioned this problem to me on several occasions and that the locality that the engineers thought would be most suitable for the tank is not suitable. It has been found that the strata under the ground were not sufficiently strong to carry such a tremendous weight.

Mr. Macgillivray—The engineers knew that in the first place.

The Hon. C. S. HINCKS—They would not have recommended it if they had. Another scheme has been devised whereby this problem can be overcome, and it will be put into operation as soon as possible. It does not mean that because the tank has not yet been erected no work has been done. Pipes have been laid through most of the settlement and I will get a more detailed report on when the engineers expect the scheme to be completed.

PERSONAL EXPLANATION: WATER AND SEWERAGE CHARGES.

The Hon. T. PLAYFORD—I desire to make a personal explanation. Yesterday I gave some incorrect information in answer to a question by the member for Gawler. It concerned a department which does not normally come under my control. The information I gave was generally correct, but not precisely so. I said that the water and sewer connections that the honourable member mentioned were inside the private fence of the consumer, but they are in fact connections necessary to take the water service and sewers to the consumer's boundary. On the other hand, I considerably understated the loss being made by the department on the services. I checked up this morning and found that last year the loss was no less than £186,000, whereas I said it was £100,000.

PLACES OF PUBLIC ENTERTAINMENT ACT AMENDMENT BILL.

Received from the Legislative Council and read a first time.

CONSTITUTION ACT AMENDMENT BILL.

Mr. O'HALLORAN, having obtained leave introduced a Bill for an Act to amend the Constitution Act, 1934-1953. Read a first time.

PREVENTION OF CRUELTY TO ANIMALS ACT AMENDMENT BILL.

Mr. JENNINGS, having obtained leave, introduced a Bill for an Act to amend the Prevention of Cruelty to Animals Act, 1936-1949. Read a first time.

MOTOR SPIRITS DISTRIBUTION BILL.

Mr. DUNSTAN, having obtained leave, introduced a Bill for an Act to provide for the licensing of motor service and petrol stations and to prohibit any financial interest in such stations by petrol and oil wholesalers. Read a first time.

ROAD TRAFFIC ACT AMENDMENT BILL.

Mr. RICHES, having obtained leave, introduced a Bill for an Act to amend the Road Traffic Act, 1934-1953. Read a first time.

Mr. RICHES (Stuart)—I move—

That this Bill be now read a second time.

I am confident that the Bill will be found not to be controversial. It amends one section of the Road Traffic Act to make it possible for a concession in motor registration fees to be passed on to charitable organizations. It will be seen that the provisions of the Bill adequately safeguard the situation.

The charitable organizations to benefit will be those which may, from time to time, be proclaimed by the Government. Such charitable organizations, if they own a motor vehicle, will be entitled to register that vehicle for 25 per cent of the normal registration fee if they can satisfy the Registrar by statutory declaration that the vehicle is used wholly for the purpose of carrying on the work of that organization. I recognize that there may be some discussion on the 25 per cent, but I ask that the Bill be permitted to proceed to Committee and discussion take place there.

Mr. Teusner—What is the definition of “charitable organization”?

Mr. RICHES—It means “any association of persons, whether incorporated or not, declared by the Government to be a charitable organization for the purposes of this paragraph.” One of the difficulties in framing the Bill was to define a “charitable organization.” I am convinced, after giving much thought to the matter, that the proclamation of what are charitable organizations can be safely left to the Government after it has consulted the Registrar. The Act already provides for concessional motor registration. In some cases vehicles can be registered without the payment of any fee at all. In other cases vehicles can be registered at a concessional rate of 50 per cent. If any concessions are to be granted an excellent case can be made out for charitable organizations. For instance, a lot of the work done by the Salvation Army is of a charitable nature. Where vehicles are used on this work the Government could grant a concessional rate. For consular vehicles no fee is paid at all, and the Road Traffic Act sets out other people to whom concessions can be granted. It is an anomaly that organizations working purely for others in a charitable way should have to pay the full fee. Last year there was an increase in the fees, which has meant that many organizations have been severely hit.

I mentioned the Salvation Army, but the Whyalla and Iron Knob Boy Scouts Local Association is also concerned. It has pointed out that local conditions do not lend themselves to scouting and camping without transport for personnel and water. Means of public transport are strictly limited, and they are expensive for organizations such as that. The conditions brought forward a suggestion in 1944 that the association acquire a truck for the use of the boys. Six years later, by various

methods, mainly salvage collections, the boys raised £690. The Broken Hill Proprietary Company then offered an army body for a Mack truck, which was accepted. It was then decided to purchase a five-ton Morris truck for £854. Minor modifications to the body and the provision of removable bench-type seating provided a vehicle, for which was obtained a certificate of safety for the carriage of 44 passengers. The vehicle was registered as a canopy truck and the seats are removable to enable the collection of bottles to be continued. Proceeds from these bottle collections are divided equally between the troops for their funds and the association for the maintenance of the vehicle which is available for trips at 8d. a mile. The vehicle is used almost exclusively for scout purposes, but is occasionally made available to kindred organizations for Sunday school or other picnics. Except during school holidays, when longer camping trips by various troops are taken, the vehicle is idle six days out of seven. The total mileage in four years will just exceed 22,000 miles. Restricted use for and by the boys on a non-profit basis is therefore vitally associated with annual charges and other running costs. The old rate was £17 10s., but the new rate, under the classification of a vehicle capable of carrying goods, would be £38 10s., an increase of £21. Averaging the yearly mileage, the new registration rate would be 1.68d. per mile. Having regard to the fact that similar vehicles owned and operated in the same district, and travelling over the same roads, can be registered for 50 per cent of the usual fee, the Boy Scouts Association thought it would be possible for a concession to be passed on to it, but the Registrar advised that the Act does not contain a provision permitting any association or body doing social work to obtain a registration at a reduced fee.

The object of the Bill is merely to insert into the Act a clause providing that a charitable organization which can prove to the Government that it is doing charitable work can get a registration at 25 per cent of the usual fee. In certain instances ambulances are entitled to free registration, primary producers get registration for 50 per cent of the usual fee, and councils, municipalities, the Crown and the Tramways Trust get free registration. Members must be seized with the desirability of giving the Government power to proclaim an organization doing charitable work and grant it a concessional registration rate. I cannot conceive that there will be

any objection to the proposal. It will not cost the State much money, and it will encourage charitable organizations in their work.

The Hon. T. PLAYFORD secured the adjournment of the debate.

HIRE-PURCHASE AGREEMENTS ACT AMENDMENT BILL.

Having obtained leave, Mr. O'HALLORAN introduced a Bill for an Act to amend the Hire Purchase Agreements Act, 1931. Read a first time.

Mr. O'HALLORAN (Leader of the Opposition)—I move—

That this Bill be now read a second time.

I thank members for the privilege of moving the second reading forthwith. It is desirable that the explanation should be given as soon as possible after the introduction of the Bill, because it contains some technical provisions, and without some explanation it may be difficult for members to completely grasp what I seek. The Bill does not impose restrictions on the whole gamut of hire-purchase transactions. Over a lengthy period I have had complaints from many sources, but any exploitation resulting from the use of hire-purchase is confined mainly to the purchase of household goods. The principal legislation was passed in 1931 during the depression to deal with the circumstances existing in that period. The Act is designed to protect the owner rather than the hirer. There is no explicit provision in our legislation to protect the hirer of goods under a hire-purchase agreement. In New South Wales there is an Act specific in its nature and it affords a considerable measure of protection to the hirers of the goods without any appreciable limiting of the availability of this type of business. Because the main complaints have been about the purchasers of household goods I have restricted the application of my amendments to them, namely, furniture, floor coverings, refrigerators, washing machines, and personal effects such as clothing. In my investigations I find that the hire-purchase system has many advantages and disadvantages. I also find a wide difference of opinion on the extent to which control should be exercised. For instance, there was a fairly substantial body of opinion that the interest rates or charges associated with these agreements should be at bank rates. Then there was another body of opinion that substantial deposits should be required. On the question of interest rates, I point out that it is difficult to state in

legislation any rate which might be appropriate in a hire-purchase transaction because the nature of the transaction and the risk involved to the owner is not always the same. Some types of commodities could be handled profitably by the owner at a low interest rate, whereas other types, which are expendable, would require a considerably higher rate. Therefore, I find it impossible to set a figure which would meet the various types of transactions and at the same time ensure that the benefit of hire-purchase to the community was not eliminated as a result of undue restrictions.

I have a personal feeling that deposits should be required and also that they should be substantial, but here the weight of opinion was against me. I find that the percentage of re-possession by firms engaged in selling commodities on no deposit was so low that it seemed that the deposit did no affect to any extent the completion of the transaction to the satisfaction of both the owner and the hirer. Secondly, there is a certain type of time payment business which has been in operation for some time that depends not so much on the nature of the transaction as on the customer to customer relationship between the owner and the hirer. That seems to be a valuable part of the system which has grown up with the years and which, of course, does not require the security of a deposit such as would be required when strangers went to a firm to purchase goods under a hire agreement. It seems that even firms that advertise the sale of goods on no deposit do not entirely carry out that principle. In other words, if they have any doubt about the credit-worthiness of the prospective hirer a deposit is insisted upon. I draw attention to an excellent article to be found in the *Review* of January-March, 1954, issued by the Victorian Institute of Public Affairs. The writer comments on what is called "instalment credit" in the United States, and the hire-purchase system in Australia. Dealing with the advantages and disadvantages of this system the writer states:—

Hire-purchase obviously leads to expanded business turnovers and thus to greater employment opportunities. By widening the range and class of buyers, instalment credit facilitates volume production of costly articles and hence may mean lower costs and improvements in quality. During their visits to America the British Productivity Teams discovered that instalment purchase tends to promote harder work by employees. American workers realize that with a little extra effort the dazzling appliances in the shops can be brought within the reach of the weekly pay envelope. The high standard of living of the average American is undoubtedly promoted by the fact that

instalment buying enables and encourages him to buy the things he wants. Hire-purchase has also a special value for the smaller businessman as he is able to obtain capital for his business that would not be possible under ordinary overdraft conditions. All forms of credit, however, should be used with circumspection, both by lender and borrower. In prosperous times hire-purchase could conceivably encourage the expansion of retailers' sales and of manufacturers' output to a boom level which could prove a serious embarrassment should economic conditions change for the worse. It is in the interests of lenders—and it is also their responsibility—to keep an eye on the future and not to encourage unwise borrowing. Difficulties would clearly arise if consumers committed too great a proportion of their incomes to purchases on credit. By mortgaging their future earnings they run the risk of financial embarrassment in the event of illness, cessation of overtime earnings or loss of employment. Hire-purchase will continue to enjoy a good repute only so long as these principles are observed.

Regarding hire-purchase in Australia the writer states:—

The spectacular growth in hire-purchase and time-payment in Australia over the last two years needs careful watching. While the proportion of instalment credit sales to total sales in department stores in the United States has fallen since 1950, in Australia it has grown rapidly. Before the war, Australia was a long way behind the United States, but we have now caught up, and, if the present trend continues, it appears that we may even shoot ahead. But with the sharpening of competition a few firms are breaking the golden rule that the first or deposit payment should be sufficiently substantial to make the hirer feel that the article is in fact his—even though it may not be legally. Firms indulging in this kind of business will, of course, have only themselves to blame if they incur subsequent losses. Hire-purchase credit is a natural response to modern economic processes, and, if rightly administered, contributes to the national good. But its inherent dangers should not be overlooked. It thrives on a rising level of incomes and its accompaniment, a low rate of repossession. Whether or not present trends in hire-purchase are to be regarded as healthy depends on one's estimate of the future level of incomes in Australia. If incomes do not continue to rise then sooner or later the upward trend in hire-purchase and time-payment facilities must come to an abrupt halt.

That article shows there is a responsibility on the owner and on the firms that engage in hire-purchase transactions to see that the safety limits are not overstepped. Of course, hire-purchase facilitates the production of goods, and by an increase in turnover, quality is probably improved and prices are reduced. It assists the small business man to finance a larger turnover, thus increasing his profit. Young people starting in life are able to obtain those things that their mothers and

fathers had to scrape and save nearly all their lifetime to get. Whether that is a good or bad principle is arguable, but I think that within the limits of wise use it is a good one. I do not see why people should have to wait until they are too old to enjoy them for some of the modern conveniences that science has brought to the home. For instance, why should a mother with a young family have to wait until her children were grown up and left the home before she could purchase a washing machine? Obviously, she requires a washing machine most when the family is young. Likewise, why should a young married couple have to wait many years for a refrigerator when by wise use of time-payment one can be obtained soon?

Parliament should endeavour to establish homes that will be permanent, and to make them permanent we have to place within them those things that the occupants really enjoy and need. On balance, the arguments are in favour of the wise use of hire-purchase and I have sought in this Bill to limit the possibility of abuse whilst not incommoding the use of the hire-purchase system.

This Bill proposes to amend the Hire-Purchase Agreements Act by prescribing certain conditions to be observed by parties to hire-purchase agreements relating to household goods, personal effects and clothing. The chief aim of the legislation is to protect *bona fide* purchasers of these classes of goods, but it is hoped that if the Bill is passed, a better and healthier atmosphere will surround hire-purchase business in this State. In the great majority of hire-purchase agreements the charge imposed by the seller for the credit accommodation extended to the purchaser is calculated at a flat rate for the whole period during which the purchaser is paying for the goods. To the extent that the charge represents interest—and that is what it is to the purchaser—it can be expressed in terms of a percentage per annum of the net purchase price (that is, the cash price less any deposit paid) for the period of the agreement. Considered in this light, we find that the charge represents an effective rate of interest which is always higher than the rate as quoted by the seller. The flat rate system is based on the assumption that the purchaser owes the net purchase price for the whole time, whereas in fact the purchaser is paying something off the net purchase price with every instalment. The concept of the flat rate no doubt traces back to the time when the hire-purchaser was deemed not to have made any contribution towards

the purchase price until the last payment was made. The Act still provides for the imposition of the flat rate in cases of default; and it may be that provision gave some sort of sanction to sellers to apply the system to hire-purchase agreements generally.

Having regard to the general level of interest being charged in connection with hire-purchase agreements and the rate of interest at which traders and finance corporations obtain funds to finance this class of business, we believe that a form of profiteering is being practised at the expense of persons who undertake to purchase goods by deferred payments. The dividends being declared by some of the organizations which have prospered as a result of the very great increase in hire-purchase business in recent years are sufficient evidence that some exploitation is being perpetrated; and this exploitation of course involves all—or practically all—hire-purchasers, although we are for the moment concerned more particularly with the need for the protection of the ordinary people who may be compelled to resort to hire-purchase in order to furnish their homes or to keep somewhere near the general standard of amenities which industrial progress since the war has made possible. I point out at this juncture that the terms on which some business houses are selling household appliances, etc., under hire-purchase are quite fair and reasonable, representing the legitimate costs incurred in conducting this class of business. A flat rate of 5 per cent is fair enough in view of the existing overdraft rates charged to the traders by the banks. But the rate imposed by most retailers is 8 per cent, and some of them are charging 10 per cent, so that the gap between the effective return that these rates represent and the overdraft rate is far more than is necessary to meet the cost of conducting hire-purchase business.

One of the objections which business houses raise to giving purchasers the benefit of decreasing interest charges in accordance with reducing capital indebtedness is that it would considerably increase their costs. Adjustments would have to be made every time a purchaser paid an instalment. Every hire-purchase transaction would involve as many calculations as there were periodical payments. Nevertheless, the purchaser is entitled to the benefit of interest payments based on a reducing balance, and if we can achieve this without adding to the seller's costs, we ought to make an effort to do so. In this respect the solution lies in providing the seller with tables or formulae from which he can calculate without much

trouble a periodical payment based on the true rate of interest instead of the flat rate. If all hire-purchase agreements were for the same amount, for the same period and for the same periodicity of payments, simple tables could be constructed showing the amounts of periodical payments for the various rates of interest charged; but with such a multiplicity not only in the rates of interest but also in the period of agreements, the periodicity of payments and amounts involved, a rather unwieldy table would be necessary to afford the necessary information to the seller. However, formulas to reduce flat rate periodical payments to actuarially calculated periodical payments—with some slight approximation—have been worked out and included in the schedule to the proposed new section which the Bill seeks to insert in the Act. The search for this simple formula was one of the major difficulties I encountered in drafting this measure. I was seeking some method which would enable the interest to be reduced as the periodical payments were made without involving the seller in costly and complicated bookkeeping methods. I have to thank my excellent secretary, Mr. Henry Brown, for helping me to devise a system which, we think, meets the position, at least approximately, and which will be a great improvement on the present method.

Mr. Teusner—Does it provide for a case where instalment payments are considerably in arrears, as frequently happens?

Mr. O'HALLORAN—That is a matter I have discussed with managers of firms engaged in time payment. Provision cannot be made for those cases and it must be left to the principals concerned—the owner of the goods and the hirer—to work out some method of overtaking the arrears, either by lump sum payment or by adding to the periodical payments. In some instances the old agreement is terminated and a new agreement which provides for a longer period and for reduced periodical payments within the range of the hirer is arrived at.

Mr. Teusner—Nevertheless, there would be the right to re-possess?

Mr. O'HALLORAN—Yes, but if members go into this matter fully they will ascertain that the last thing the owner of the goods wants to do is to repossess or, at least, to repossess in any quantity. If people selling refrigerators on time payment had to repossess a large number the market for secondhand refrigerators would be swamped and the same

applies to other commodities. I do not propose to provide for cases when hire-purchase agreements get into arrears and if Mr. Teusner can devise an amendment which will guarantee abstract justice in all those cases I will be happy to hear from him. I am seeking to establish a system under which a substantial measure of justice will attach to the great majority of hire-purchase transactions which are completed in accordance with the original agreement. It would be a comparatively simple matter for the seller to apply the appropriate formula to the amount which he would have already calculated on the flat rate principle. That is, in fact, the basis of the proposed amendment—that the seller shall calculate the periodical payment as he does at present and then deduct therefrom an amount arrived at by applying the appropriate formula. I will explain this aspect more fully in a moment.

Without any further control of interest rates on hire-purchase transactions than merely directing the seller to charge something less than the effective rate he is now charging, it is of course obvious that the seller would respond by raising the interest rate sufficiently to give him the same return as he is getting now. Thus you might ask what good it will do if we prescribe the procedure which I have just described: and of course there is no guarantee that any appreciable improvement for the purchaser will result from this provision merely as it stands. But other provisions operating in conjunction with it will, I feel, have the effect of making hire-purchase transactions a little less onerous to the purchaser and at least give him the satisfaction of knowing that the rate which the seller quotes is really the rate he is being charged. One of the other provisions in the Bill is to the effect that the seller must first of all quote the rate of interest he proposes to charge—and would charge as a flat rate if he were not directed to reduce the periodical payment in accordance with the provisions of the Bill. That rate, if it is acceptable to the purchaser and an agreement is entered into, must also be stated in the agreement itself. The emphasis on the explicit statement of the rate of interest will, I believe, have the effect of increasing competition between sellers. Prospective purchasers will at least have the opportunity to ascertain what rates are charged by the various business places and that whatever rate any one of them charges is a true rate. The Bill seeks to achieve its purpose by providing that no hire-

purchase agreement relating to the specified goods shall be enforceable unless these conditions are observed.

Here is a brief explanation of the principles expressed in the application of the formula to the flat rate periodical payments. Suppose the net purchase price is £100 and the proposed flat rate of interest is 10 per cent per annum and the period of the agreement is two years, with monthly periodical payments. In such a case the amount of the flat periodical payment would be calculated by adding two years' interest—that is, £20—to the £100, making a total of £120, and then dividing that amount by 24, the number of periodical payments. That is the procedure followed at present. The periodical payment in this case would be £5 a month. Applying the formula for monthly payments, the seller would then multiply 100, the number representing the net purchase price, by 10, representing the rate of interest charged, and divide by 150, calling the answer shillings. This gives 6 $\frac{2}{3}$ shillings, or 6s. 8d. This amount is then deducted from the previously calculated £5, giving the periodical payment at the true rate of 10 per cent of £4 13s. 4d. In this particular case, if the seller did not raise his interest rate, the purchaser would save £8. That is, instead of paying £20 by way of interest over two years, he would pay £12. That description of the formula seems rather complicated, but it has been tested with a wide variation of amounts with different periodicities of payments and has been found to work out to within a few pence of being mathematically correct in every instance.

In the majority of cases where the formula would be applied, the amount of the deduction would be slightly less than the difference between the flat payment and the actuarial payment for any given rate of interest, so that the application of the formulae would not involve the seller in any greater diminution of periodical payment than if he adjusted it according to actuarial tables. It will be realized, also, that the more frequent the periodical payments, the smaller the amount of the net purchase price and the lower the rate of interest charged, the smaller would be the difference between the flat and the actuarial payments; and for that reason the Bill provides that where a deduction calculated in accordance with the appropriate formula would be less than 1s., the seller is not obliged to make any deduction from the flat payment.

It will also be appreciated that the more frequent the payments the greater the proportionate cost each payment represents to the seller.

The circumstances of a hire-purchase agreement might best be described in the following way. The seller says to the purchaser, "I have charged you a certain amount for the advantage you will enjoy in having the use of the goods you require without paying cash for them. That charge, but for the fact that I am obliged to observe the provisions of the Hire-Purchase Agreements Act Amendment Act would be really the simple interest on the amount you now owe for the whole period of the agreement, that is, until the time fixed for the last instalment. I calculate the amount of the instalment by adding the charge to the original debt and dividing by the number of instalments you agree to pay. Under that system you pay a fixed amount each fortnight or month, as the case may be, and part of that fixed amount is interest and part is a contribution towards reducing the original debt. This may not be the strictly legal position, but since you intend to become the owner of the goods within the time agreed upon the actual position is perhaps more important than the legal. You will of course, realize that under these circumstances I am actually charging you a greater rate of interest than I quoted for the simple reason that you are paying something off the capital debt each time you make a payment. Now, under the provisions of the Hire-Purchase Agreements Act Amendment Act, I am required to place these matters fairly and squarely before you, and, in addition, from whatever periodical payment I would work out on my system I must deduct an amount bringing that payment nearer what it would have been if I had worked it out actuarially in the first place. You will, of course, understand that it costs me a certain amount to run this branch of my business, and if I find that I cannot afford to conduct it at the same nominal rate of interest as I have been charging, I will have to give it up or charge a higher rate. I will be guided in these matters by what my competitors do; for if you can get your hire-purchase accommodation for the same or a lower rate of interest elsewhere, you will of course do so."

The other important provision in the Bill is one that requires a husband entering into a hire-purchase agreement for household goods, personal effects or clothing to have the consent of his wife—and for the wife to have the consent of the husband. I believe this is a provision of much greater value than can be

theoretically assessed or practically demonstrated. One of the things we have to guard against is the danger that hire-purchase transactions will get out of hand both for the individual and for the country as a whole. The hire-purchase agreement may be regarded as a good servant but a bad master. It is in the interests of all concerned that a person unable to purchase for cash should not saddle himself with more than he can safely and conveniently carry in the way of committed expenditure. It is very easy, especially if only one of a married couple has the say, for that one to be persuaded that more commitments than are really possible may be undertaken; and it is in the interests especially of the average couple building up their home and endeavouring to make the best use of their income and prospects that they should have the benefit of each other's counsel in these matters. Briefly, the Bill proposes that in all hire-purchase transactions there shall be stated the annual rate of interest which is represented by the charge imposed by the seller over and above the cash purchase price of the article so that all purchasers of commodities under hire-purchase will know what the annual rate of interest is on the transactions. Where periodical payments are provided for it is proposed that there shall be an adjustment so that the interest will be the true rate and not the flat rate as is the case now. Also, there is the provision that both parties to a marriage shall be required to consent to the signing of a hire-purchase agreement.

The Hon. T. PLAYFORD secured the adjournment of the debate.

PUBLIC ACCOUNTS COMMITTEE.

Adjourned debate on the motion of Mr. O'HALLORAN—

That in the opinion of this House it is desirable to appoint a Public Accounts Committee to—

(a) examine the loan and revenue accounts of the State and all statements and reports required by law to be submitted by the Auditor-General to Parliament;

(b) report to Parliament, with such comment as it thinks fit, any items or matters in those accounts, statements and reports of any circumstances connected therewith, to which the Committee is of the opinion the attention of Parliament should be directed; and

(c) report to Parliament any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them or in the mode of receipt, control, issue or payment of public moneys.

(Continued from August 18. Page 419.)

The Hon. T. PLAYFORD (Premier and Treasurer)—I oppose the motion on the

grounds that I believe that the functions usually performed by a public accounts committee are the functions of this House, not to be delegated to a committee of this sort, but to be debated by members when the Loan and Revenue Estimates are before them, and before Parliament passes the Bills appropriating moneys for the purposes set out in the Estimates. In point of fact, as far as items (a) and (b) of the proposed terms of reference of this committee are concerned, an examination of the Auditor-General's report reveals that he carries out in great detail the duties which the Leader of the Opposition proposes to hand over to the committee. As to item (c), the form of accounts is under constant review, and members can readily see from the Auditor-General's report the changes in the form of presentation of accounts which have been and are taking place. The matter of receipt, control, issue and payment of public moneys is surely, too, a matter coming directly within the scope of the Auditor-General's duties. Members have his annual report and those of the various departments to assist them. They are also supplied with several financial statements with the Budget speech. A careful study of these reports and statements will give members a wealth of information, and if further facts are required, the Government will endeavour to provide answers to questions raised in the proper way.

All types of Government expenditure and the efficiency of departments are under the watchful eye of the Auditor-General. Under the Audit Act he is vested with wide powers to investigate and report on expenditure of all public moneys and on any matters associated with the public accounts. It appears to me that the main matters which the Leader of Opposition had in mind when he said that expenditure may be wasteful or extravagant surely come within the category of the powers given to the Auditor-General. Mr. Bishop, the Auditor-General, is a very able man, has considerable capacity, and has had extensive experience not only as Auditor-General but in various capacities throughout the Public Service in many responsible positions. He has a very able staff, the senior members of which are experienced in auditing and investigating, with years of experience in these classes of work. I have no fears that the Auditor-General and his staff are not capable, not only of auditing the accounts of the State, but also of detecting what is called by the honourable member wasteful or extravagant expenditure. I cannot agree with him when he states that

the Auditor-General is what his title connotes—“An auditor whose duty it is to ensure that money voted by Parliament is expended on the items for which it was approved. His position is similar to that of a private auditor, who does not inquire into the efficiency of an undertaking, but merely examines and certifies its accounts.” It has not been his practice for many years to confine his responsibilities in the manner suggested, nor is it the practice of Auditors-General in the Commonwealth service or the service of the other States to merely confine their responsibilities to that of auditing. In some cases it may be the practice of private auditors to merely examine and certify accounts, but I can assure the House that this is not the practice with the Auditor-General of this State, nor is it the case with many chartered accountants who are consulted by large public companies on efficiency matters.

Each year the Auditor-General is required to furnish the House with his annual report, which covers nearly 300 pages and gives a very comprehensive review of all matters which come under his notice in connection with his examination and investigation, not only of public accounts, but of all matters which he considers he should deal with in the course of his duties. Many matters which come under his notice during a year are satisfactorily settled by him with heads of departments, and I can say that during my term as Treasurer I cannot recall an instance where heads of departments and the Auditor-General have failed to settle amicably and to the satisfaction of the Auditor-General any matters raised by him.

What I am about to say has been said in this House before, but I believe can be repeated with advantage. The financial records of this State are annually subjected to a searching examination by the Commonwealth Grants Commission. The commission calls evidence from the Treasurer himself, senior members of the Treasury staff, the Auditor-General, and senior officers responsible for a wide range of public activity. The chairman of the commission, Mr. A. A. Fitzgerald, is one of the most highly regarded of Australian chartered accountants. His experience in both public and private accounting and finance is very wide. His services as an efficiency consultant are often sought by the Commonwealth and other Australian Governments, and by many large Australian companies. After having reviewed the accounts and finances of the State and compared them carefully with those of other States, the commission reports

annually thereon and makes an appropriate recommendation for financial assistance from the Commonwealth. Reports of the commission are available to members and are ordinarily published before the Estimates are brought down. Further, the main investigations of the commission are conducted as public hearings within this building, and it is therefore open to any member who desires to do so to attend the hearings.

To indicate the way the commission goes about its examinations, and its opinion of the high standard maintained by the Treasury and the Auditor-General in the compilation, presentation and explanation of the State's finances, I desire to quote two statements made by the chairman of the commission at the public hearings in Adelaide and shown in the official record of the proceedings. The first was made on October 31, 1951, at Adelaide, when the chairman said, in replying to a statement I had submitted to the commission:—

Speaking for myself, I would like, although I have referred to this on more than one occasion in the past, to make a special reference today to the quality of the work that has been done by your finance and accounting officers. It is commonplace to criticise the form of Government accounts, not only in Australia, but all over the English speaking world. In the last five years or so in this State the accounts that have been presented to us—and not only to us, but your Auditor-General's report and the entire financial statements—have been of a very high quality indeed.

I would like to say to you, Sir, that they reflect the greatest of credit on your accounting officers. I think that the form and the clarity of the Government financial statements in this State are equal to anything that I have seen anywhere else in the world, either in public or private accounting. That, of course, is of very great help to the commission, as it must be to anybody else who is concerned with the analysis or the examination of your accounts.

The second statement was made by the chairman at Adelaide on March 11, 1953, when he said, in addressing me:—

During the hearings (I think in your absence) I had occasion, when we came to deal with the Auditor-General's report, to ask Mr. Drew if he would convey to that officer our very great appreciation of the great amount of value that was contained in his report in very concise form indeed. The existence of such a report (and it is typical of the reports generally in this State) eliminates a great deal of the work that used to be done around this table in teasing out the facts of the financial situation.

Whether the Commonwealth Grants Commission has had the authority to do it or not, for the last eight years (and maybe even for a

little longer) we have tried to influence the quality of the accounting work that is done in the three claimant States. We have had no trouble at all in this State and I would like to say, as a man not without experience in the preparation and analysis of financial documents, that, almost without exception, in this State the accounts of the Government and of the Government instrumentalities are models of clarity, conciseness and consistency, and that has been proved in one particular instance by the fact that the forms of railway accounts that were developed in this State have now been adopted throughout the Commonwealth. I think the forms of some of the other accounts prepared in this State might very well be used in the same way as models. It is not merely in the rather mechanical matter of presentation of your documents that your officers have excelled themselves: it is in the thought they have given to the development of a consistent philosophy of governmental accounting in relation to such matters as depreciation provisions and provisions for debt repayment. Throughout your accounts, you have practices dealing with such matters which have been carefully and logically thought out, and which are consistently applied and which, for our part as a Commission, we find completely satisfactory.

Mr. Macgillivray—You are not hiding your lights under a bushel.

The Hon. T. PLAYFORD—I would not have said this but that the Leader of the Opposition's motion does not deal with proposed expenditure but only with post mortems on expenditure.

Mr. O'Halloran—And in the course of expenditure.

The Hon. T. PLAYFORD—It could not deal with that matter because it could not know how money was being expended. Before there can be any expenditure on public works, proposals estimated to cost more than £30,000 must be investigated by the Public Works Committee. We have also a committee which deals with land settlement projects, and the Industries Development Committee, so we already have expert committees investigating proposed expenditure. To inquire into expenditure of money we have the Auditor-General, who reports direct to Parliament, and the Commonwealth Grants Commission, which has been established by an authority outside the State. Incidentally, I am pleased that some members do attend the sittings of the commission in this building. An officer of the Commonwealth Treasury is present at the sittings and all information is supplied to him. When a second hearing is held in Canberra the Commonwealth can put up a case against our claims. It can submit evidence on any matters associated with our accounts. An outside authority has to find the money

recommended by the Grants Commission and that must ensure the appointment of a competent body.

Mr. O'Halloran—So long as we do not spend more money than the contributing States are spending on a particular item there is no question by the commission.

The Hon. T. PLAYFORD—That is not so. Not only does the Commission take evidence from the Treasurer, the Auditor-General and senior officers, but it inspects the works upon which money is being spent. It is wrong to suggest that the commission just sits down and makes a mathematical calculation. Mr. Macgillivray knows that it went to his area to inspect projects. There is no part of the State that has not been covered by the commission when making inspections. All our activities have been inspected. It is not merely a matter of formal evidence being supplied. The commission submits our officers to a cross-examination. It is not a matter of submitting a statement that our expenditure is so and so. The commission goes further into the matter than that. It refers to matters in a most cogent way by saying that because such and such a thing is happening, the grant to the State will be reduced. I have not seen the commission's report for this year, but I have been told that there is to be an adverse adjustment in our grant of about £450,000, owing to the commission's deciding that our water, sewer, harbour and railway charges are below the standard. If any honourable member desires he can bring in a private Bill to increase railway and water charges. The public accounts of this State have displayed for years and years, and the Public Works Standing Committee in report after report on water extensions has pointed out, that proposed projects will not pay working expenses or will pay only working expenses and a small amount of interest. That does not alter the fact that honourable members desire to give service to the community as cheaply as possible provided that the financial position of the State is not prejudiced, but they do not rush forward to encourage the Government to increase water charges because the department is not paying expenses. If Mr. Lawn would like that to be done I point out that the Adelaide water district is not paying expenses now, but do we bring in a Bill to increase charges? We do not, and I do not blame members for it because they wish to provide services as cheaply as possible.

Mr. Lawn—Who would introduce private Bills along the lines you have mentioned?

The Hon. T. PLAYFORD—One private member has introduced a Bill to reduce taxation; it would have been just as feasible to move to increase it.

Mr. Frank Walsh—You know that is not right.

The Hon. T. PLAYFORD—I do not. I believe that in point of fact members could bring in a Bill to alter the basis of water rating tomorrow if they so desired; I know of no Standing Order to prohibit it.

Mr. Coreoran—It would not go far in this House.

The Hon. T. PLAYFORD—It is open to members to do so. In contradistinction to the member for Adelaide, I point out that the temporary homes we are providing are not paying their way and I could name quite a number of other activities in the same position.

Mr. Stephens—Only a little time ago it was mentioned in this House that the Adelaide water district was the only one paying its way.

The Hon. T. PLAYFORD—For many years it more than paid its way, but now a more costly service is being provided; instead of constructing a dam and letting the water run down the hills we have to pump it from the Murray. The chairman of the Grants Commission is not only an able chartered accountant but is a man with many years of experience behind him on business investigations, and he subjects the many works which he inspects in South Australia to a very critical examination and the heads of departments, engineers and other officers of the Public Service to pleasant but critical examination on the results of their labours.

Mr. Hawker—Anyone can attend the meetings of the commission.

The Hon. T. PLAYFORD—Yes, it is a public inquiry held in this building; it is open to every member, and one or two have attended on occasions.

Mr. Macgillivray—I have been here 16 years and have never known that a private member could attend.

The Hon. T. PLAYFORD—If the honourable member desires, I will see that he is notified of the time of hearing of the next sitting. The annual reports of the Public Service departments are tabled in the House and are available to members for examination. This is also the case in regard to the semi-governmental authorities such as the Tramways Trust, the Electricity Trust, and the Housing Trust. These reports contain many pages of statistics and information in regard to the works that have been carried out by the authorities or

departments in respect of which the report is written. Much information is also supplied in respect to the operating results of public utilities and business undertakings.

The Leader of the Opposition in his remarks on the large amounts advanced to the Housing and Electricity Trusts, said:—

Parliament has a duty to the taxpayers who have to provide the revenue to meet interest and sinking fund payments on these huge sums.

A cursory glance at the Auditor-General's report of the Ways and Means which are issued with the Estimates will show that the interest and sinking fund amounts in respect of moneys advanced to the Housing and Electricity Trusts are paid to the Government each year by those two bodies and that there is accordingly no charge against the taxpayer. In fact, the amounts in question are recovered by the Housing Trust through its rents and by the Electricity Trust through its tariffs.

All members are aware that before a work which is estimated to cost over £30,000 is started, it is referred to the Public Works Standing Committee for report. This committee subjects officers concerned with the planning of the work to close examination, and those reports are available to members. The Land Settlement Committee investigates land settlement matters and issues its reports and recommendations. The Industries Development Committee investigates applications to the Government for financial assistance and reports are made to the Treasurer as to whether the guarantee is recommended or not before any commitment is made by the Government. In regard to works to be carried out by departments there is still a further safeguard after the finance necessary has been approved by Parliament; no purchase of materials of any magnitude can be made by departments without reference to the Supply and Tender Board. The chairman of this board, Mr. Rice, is an officer with many years' experience in the purchase, handling, distribution and storage of materials used in Government departments. He is ably assisted in his duties by the Chief Storekeeper, Mr. Rice, also an officer with many years of experience in his particular sphere. I do not know of any member who has ever had occasion to ask him for information or assistance who did not immediately realize that he knows his job and gets on with it in a remarkably efficient manner. All heads of departments desiring to purchase materials, plant, equipment, etc. (excepting in cases of certain dredging equipment and rolling-stock for the Harbors Board and railways

respectively) have to requisition through the Supply and Tender Board, and have to justify their recommendations to the board. The board does not function purely as a rubber stamp, but takes a real active part in the purchase, use and storage of materials and other public property. Unlike the Parliamentary committees and the Supply and Tender Board, the proposed Public Accounts Committee would not examine anything before the money was expended but would come along afterwards in the way of a coroner to hold an inquest.

Experience is that a Public Accounts Committee mainly starts from matters reported to Parliament by the Auditor-General in his annual report. I believe it is the responsibility of members of this House to follow up that report by debating any matters they desire to ventilate on the floor of the House. Surely that is the purpose of Parliament—to supervise.

Mr. Lawn—We do not control the purse strings and we do not sit early enough.

The Hon. T. PLAYFORD—In the last 15 years no financial debate has been subjected to any limitation whatever; I believe I would be correct if I said in the last 50 years. The debate on the Estimates has the widest possible scope and the longest possible time is allowed for discussion, as members know from listening to speeches. Debate on financial matters has never been curtailed and I do not object to the time spent because it is time well spent. The charges for public utilities are not sufficient to enable them to pay their way without some form of outside finance and I welcome any suggestions that the honourable member for Adelaide might make on this matter.

Mr. Lawn—I cannot make suggestions in this debate.

The Hon. T. PLAYFORD—A matter is before the House on which the honourable member can make some comment. I would welcome it because it will enable me to deal more closely with the problem and I hope in due course to satisfy him.

Mr. Macgillivray—To what Bill are you referring?

The Hon. T. PLAYFORD—The Prices Bill; I would like to hear his comments on that at the proper time.

Mr. Lawn—What about the Hire Purchase Agreements Act Amendment Bill?

The Hon. T. PLAYFORD—I will make some comments on that, too. I believe, Mr. Speaker, that the appropriate place for the discussion of and inquiry into the spending of public moneys is surely this House, and it can be

done when the House is considering either the Loan Estimates or the Estimates of Expenditure from Revenue. With the wealth of information available to members from the Auditor-General's report, the reports of various departments, and the information which will be given by Ministers if requested by members, I can see no reason why it is necessary to appoint a Public Accounts Committee. I contend that the appropriate place to discuss the expenditure of public money, and how such money has been expended, is this Chamber. It has been for many years one of the greatest claims of the House of Commons that money should not be expended until it has been duly considered and approved by the House itself. The House of Commons does not have a Grants Commission examining its financial affairs, but apart from the report of the Auditor-General, South Australia's accounts are critically examined by a most competent authority. Every year the Grants Commission issues a report, and I was pleased to see the member for Prospect examining it the other day. I advise the member for Adelaide to borrow it occasionally. I oppose the motion.

Mr. HUTCHENS (Hindmarsh)—I appreciated the Treasurer's interesting speech against the motion, but his remarks really establish the necessity for carrying the motion. He said that the examination of the accounts of this State was a function of this House, and members on this side wholeheartedly support him there. To a large degree that is the purpose of the motion. The examination by the Grants Commission is to assist the Commonwealth Government, not the taxpayers of South Australia to whom this Parliament is responsible and whose interests we must protect. The Treasurer referred to the Auditor-General's report, but no member, in supporting the motion, would cast any reflections on Mr. Bishop. I am sure that every member appreciates his ability and his interest in the State generally. However, as the Leader of the Opposition pointed out, he is an auditor and not charged with the responsibility of investigating whether money was wisely spent or not. The purpose of the committee would be to examine the expenditure of public money to see whether it had been wisely spent, not to make sure whether it has been spent, which is the purpose of auditing. The Treasurer quoted some pleasing remarks made by the chairman of the Grants Commission about the South Australian Public Service. Mr. Fitzgerald had good reason to make those remarks, but the Treasurer quoted only some of them. Accord-

ing to *The Advertiser* of November 20, 1953, Mr. Fitzgerald said:—

The Public Service has to be more efficient and something has to be done to lessen the limitations of the present personnel system and to improve the system of budgetting and estimating future costs.

That suggested that the method of spending our money should be investigated by a responsible committee. The committee should be a Parliamentary one along the lines specified in the motion. The Leader of the Opposition stressed that this motion was not a Parliamentary matter, and there is much evidence to prove that it should not be considered as such. This is the fourth attempt to have a Public Accounts Committee established in South Australia. On each occasion it has been supported forcibly by people who are acknowledged with appreciation to be great South Australian statesmen. The previous attempts were made in 1926, 1931, and 1953. The Leader of the Liberal Party was successful in 1931 in having a similar motion carried in another place.

Mr. Frank Walsh—A similar motion was carried in 1926 in this House.

Mr. HUTCHENS—That is further proof that this is not a Party matter. In 1902 a Public Accounts Committee was established in New South Wales under the Audit Act. Section 16 of that Act states:—

(1) A Public Accounts Committee shall be appointed as hereinafter provided and such committee shall—

(a) Enquire into and report to the Legislative Assembly upon any question which may have arisen in connection with the Public Accounts, and which may have been referred to the committee, either by a Minister of the Crown or by the Auditor-General or by a resolution of the Legislative Assembly.

(b) Enquire into and report to the Legislative Assembly upon all expenditure by a Minister of the Crown made without Parliamentary sanction or appropriation.

This legislation has been retained since 1902. Mr. Waddell moved the second reading of the Bill, but he was not a member of the Labor Party. He said:—

I would like to point out, as bearing on the importance of this measure that year after year the call on the Treasury must, under our democratic system, increase very considerably, and it must be more and more difficult for the Government of the day and the Treasurer to so manage the finances as to keep them in a safe way in the best interests of the country.

He said it was necessary to pass such a measure in a State where great development would take

place. South Australia is developing rapidly, so it is necessary to examine our expenditure to see whether it is being wisely spent. New South Wales is not the only Government that has a committee such as the Leader of the Opposition advocates. In 1913 a Bill was introduced in the Commonwealth Parliament to establish an Accounts Committee, and it operated until the early 1930's. It did not operate again until 1950, when a Bill was introduced in the House of Representatives by Sir Arthur Fadden, who put forward arguments similar to those now adduced by Mr. O'Halloran. Mr. Waddell and Sir Arthur Fadden were not Labor Party supporters, but we on this side of the House give them credit for their wisdom in realizing the necessity of Public Accounts Committees. To give further proof that this motion is outside Party politics I shall quote some remarks made by the Speaker of the House of Representatives, Mr. A. G. Cameron, who is not a member of the Labor Party. Giving evidence before the Commonwealth Accounts Committee, referring to the methods by which the Commonwealth Parliament dealt with the Budget and the lack of consideration given to it by members, he said:—

The House should be increasingly critical in its examination of all money measures. It is not only what is raised and what is spent that matters, but the way in which it is raised and spent. The present policies produce a growing and top-heavy administrative structure and I do not believe in authorities independent of Parliament. For every penny spent some Minister should be answerable to the House.

That is the crux of the question. I know what the Premier said this afternoon had all the elements of truth: this House is not restricted in time on debates on money matters if members are able to understand them, but is not the very essence of the motion to give members an opportunity of far greater study of proposed expenditure. The Premier said that reports are tabled which members are called upon to discuss immediately, but if this committee were established there would be a continual investigation and members would have the committee's very valuable reports to aid them in formulating their opinions. Mr. Travers, speaking on another measure yesterday, made a strong plea to members not to "pass the buck." He said that he was not prepared to delegate the powers of this Parliament to other bodies; and we have heard this afternoon that the Electricity Trust, the Housing Trust, the Tramways Trust and all other trusts supply us with detailed reports which we can study, but why

then have members on this side in particular been so critical of the lack of information from, in particular, the Tramways Trust? I submit that members on this side are not being informed sufficiently as to how the money is being spent. Surely in a democracy taxpayers have the right to expect that their representatives shall have the right and opportunity to examine critically the manner in which the money they provide is used. We are here in their interests and therefore we should examine every account and be given every opportunity to criticize public expenditure.

When a motion of this description was carried in 1926 the State revenue was about £10,000,000, and the expenditure about £12,000,000, whereas today it is nearly £50,000,000 so surely it is more than ever needed.

Mr. Dunks—Doesn't the honourable member think we are given every opportunity when we sit for three weeks to examine the Estimates?

Mr. HUTCHENS—We are given certain opportunities. We vote, for example, a certain sum for the Highways Department, and in due course it furnishes a report showing details of the expenditure, but members complain that they do not have enough opportunities for criticism. I acknowledge with considerable gratitude the explanation the Premier gave yesterday of the Loan Estimates, possibly the best we have had for many years.

Mr. John Clark—Why?

Mr. HUTCHENS—Possibly because of complaints that have been made, and possibly the very suggestion of this committee may have helped to bring out the fuller explanation. Last year I directed a question to the Minister of Works regarding the estimated cost of widening the Hindmarsh bridge by 11ft., and I was told that it was £53,000.

Mr. Dunks—Was that done by private enterprise?

Mr. HUTCHENS—It was carried out by a respectable Government department, but had it been done by private enterprise some person would have been responsible for trying to effect savings. For example, I saw on that job huge bulldozers standing idle for weeks on end, and surely this must have added to the cost.

Mr. William Jenkins—It might have been more costly to take them away and bring them back.

Mr. HUTCHENS—That emphasizes my point—we do not know, and if the proposed committee were established it would examine things such as that.

Mr. Dunks—The honourable member could have moved the adjournment of the House to bring it under the notice of Parliament.

Mr. HUTCHENS—I am glad to be advised of what I can do, but I know just how valuable such a move would have been.

Mr. Shannon—Just as valuable as what the honourable member advocates now—it would have drawn attention to the matter.

Mr. HUTCHENS—The facts are that the value of such a committee has been appreciated in other Parliaments; the House of Commons has a Public Accounts Committee; it is a very vital part of the British administration and is accepted by all Parties. Both the Federal Parliament and the New South Wales Parliament have one, and there have been repeated requests since 1926 for such a committee in South Australia. It would assist the Public Works Standing Committee, the Land Settlement Advisory Committee, and the Industries Development Committee and would ensure that the taxpayers got value for their money—and it would be done at little cost. Therefore I hope that, attention having been drawn to the necessity for it, members will support the motion.

Mr. BROOKMAN (Alexandra)—I am not sure of all the arguments the honourable member tried to produce, but I must admit that I agreed with him when he compared rather unfavourably Government enterprise with private enterprise. It is most unusual to be able to listen to a lucid statement such as that from a member opposite.

Mr. Dunks—He has seen the light.

Mr. BROOKMAN—I have no sympathy whatever with the motion to add to the 28 members of the two Houses of Parliament already engaged on various official committees.

Mr. Dunks—There are a few odd ones left.

Mr. BROOKMAN—Yes, and this is one way of mopping up the unattached members and giving them something to do. There are 59 members in the two Houses. Two of them occupy the positions of Speaker and President. There are eight members in the Government, seven each on the Public Works Standing Committee and the Land Settlement Committee, and four on the Industries Development Committee, bringing the total to 28. In addition a member of this House is chairman of the State Traffic Committee which is not a committee of

this Parliament. I am reminded that I omitted the Subordinate Legislation Committee, so there are few members not engaged on one or the other.

Mr. O'Halloran—And the one proposal would be the most important of the lot.

Mr. BROOKMAN—The reasons given for the appointment of this committee are rather confusing and mystifying. One of the Leader of the Opposition's reasons for suggesting this committee was that it would help members of Parliament in discussing State accounts. I believe he used the expression that we were as lazy as we dared to be. He said the committee's findings would enable members to discuss matters intelligently.

Mr. O'Halloran—The great point is that no private member can secure the information that could be secured by the committee.

Mr. BROOKMAN—In effect, the Leader of the Opposition said that the committee would dish up information so that private members could discuss State accounts. That does not justify the appointment of a committee. Every member can get a great deal of information through the present available channels. Does every member read the Auditor-General's report right through or all Parliamentary Papers? Before members claim that they are not getting sufficient information they should prove that they are utilizing the information supplied to them.

Mr. John Clark—Are you speaking for yourself?

Mr. BROOKMAN—I am asking how many members study the Auditor-General's report fully.

Mr. John Clark—Are you asking that question of members individually?

Mr. BROOKMAN—I am asking them collectively. I am not claiming that the member for Gawler is personally involved, so he can relax and feel assured that there is no personal slur intended. There is a Minister in charge of every Government department and the Auditor-General reports on the way moneys are expended. During the Budget debate there can be a line-by-line discussion in the fullest possible manner. There is no limitation whatever on debate affecting the Budget. There is also the Grants Commission. There are many avenues from which members can obtain information. They can debate the motion for the adjournment if they want to raise any point and in extreme cases they can always move for the appointment of a Royal Commission to investigate any State activity. This committee

would obviously require wide powers similar to those of a Royal Commission and would be able to call and demand evidence. The Leader of the Opposition envisages that on that committee would be members from all sides of the House and they would have power to make full investigations into any department. The committee could call in public servants and question them and subsequently recall them and trick them if possible. It could confuse and completely mystify any witnesses. It would not be difficult to use the committee's powers in cross-examination to embarrass anyone, how ever clear his conscience. Probably the more conscientious a man is the more embarrassed he would become. The committee could deliberately use its power to embarrass a witness and that should not be allowed.

I do not criticize the Federal Public Accounts Committee. The chairman is a prominent expert in administrative affairs apart from his political life. Last year that committee investigated the Department for National Development and brought down a very critical report on it. It attacked the department for having oil equipment and for the fact that it exceeded its estimates. It even attacked the cost of the journal the department published which cost about £1,200. It said it was too expensive. It provided a great deal of information for the political parties to use in subsequent debates. In fact, it was described to the Opposition as a heaven-sent opportunity for it to attack the Government on a political level. I feel sure that that was not the committee's intention, but that was the effect of its report. Its investigations continued through September and October last year and subsequently there was a debate on its report to which the Minister in charge of the department concerned replied. The committee was thereupon recalled and prepared an answer to the Minister's reply. That was the actual reason for recalling the committee. In December it was announced that oil had been struck in Western Australia and no more criticism was heard of this department, nor of the oil equipment it held. It was quite clear that this department had helped the company which was drilling for oil and had advised and encouraged it in many ways. Long before oil was struck the company acknowledged the encouragement it was receiving from that department. I doubt whether this committee would have made its report had it known that an oil strike would so closely follow.

The appointment of a committee, as envisaged by the motion, would have a most stultifying effect on any public servant. I do not

see how a public servant can be expected to reveal initiative and enterprise when at every turn he is liable to be called before and cross-examined by such a committee. I suggest that members use the voluminous information at their disposal in order to discuss the State's finance and not attempt to establish another powerful committee in order to create more jobs for members of Parliament.

Mr. FRANK WALSH (Goodwood)—I support the motion. It would appear from the remarks of Mr. Brookman that the appointment of such a committee would constitute a writing down of the ability of members of Parliament. If our Constitution provides for members to be elected to committees, why attempt to write them down? Is it any wonder there is adverse comment in the press of our work? The motion does not provide for anything new. The member for Burnside was keen a session or two ago to have some such scheme implemented. I believe he had in mind there was need for members of this Parliament to know as much as possible about the finances and expenditure of the State. In 1933 Mr. R. L. Butler (now Sir Richard Butler), who was then Treasurer introduced the Committee of Public Accounts Bill and the present Treasurer, who was then a back bencher, supported it. The Bill was carried in this House, but was eventually lost sight of in the Legislative Council. According to Mr. Butler's second reading speech, he was successful in getting a resolution in favour of such a committee carried by the House in 1926, but nothing had been done in the intervening years. The object of the committee was to examine the annual accounts and receipts of expenditure of the State and report to the House on any circumstances connected with them. His speech then followed in a similar strain to what is provided in the Leader of the Opposition's motion.

The Hon. T. Playford—It looks as if Mr. O'Halloran is taking our policy.

Mr. FRANK WALSH—Apparently the Premier has changed the opinion he held at that time.

The Hon. T. Playford—Have you ever heard the saying "You live and learn"?

Mr. FRANK WALSH—I would not even be a judge of whether the Treasurer has lived and learned, but I have lived and learned since the Treasurer has been in this House of some of his qualifications. The late Mr. Andrew Lacey was Leader of the Opposition when Mr. Butler introduced his Bill, and he entered into

an intensive research and indicated that as far back as 1861 the British House of Commons expressed the desire to have this type of legislation introduced. A few years afterwards a Bill was passed. There is much on record concerning the desirability of this type of provision. I entirely disagree with the Treasurer, who said there is no need for a committee. I should like to know what the member for Burnside thinks. Without reiterating what has taken place in regard to this question, I support the motion.

Mr. DUNSTAN (Norwood)—The Treasurer, in a voluminous speech, said very little at very great length. He said the same thing time and time again, and this is a habit of his. It all amounted to this: members of this House do not need such a committee for the simple reason that they can attend meetings of the Grants Commission and hear the evidence given, and examine the Auditor-General's reports; and if they wanted further information on various financial matters they could get it by raising the matters in the financial debates of this House, and consequently the proposed committee would be superfluous. I think the easiest way to test this is to examine these sources for information required concerning various enterprises carried on in this State at the moment. I am particularly interested in the Municipal Tramways Trust, which has a policy of scrapping trams and substituting buses. In the last Auditor-General's report there was a reference to the

scrapping of H1 trams and to the running of buses being more economical than trams, but there is inadequate information about the whole project. In the Commonwealth Grants Commission report there is no information about it. That brings us back to what happens in this House. With all due respect to the Treasurer, members can ask questions and debate matters here until they are blue in the face, but the amount of information they get is nil. On a great number of matters it is impossible for members to find out the things they need to know on behalf of constituents. The Opposition wants some means by which it can get information as to why particular policies obtain regarding State instrumentalities. We cannot get the information at present, and we cannot get it by the ways suggested so blithely by the Treasurer. He knows perfectly well that we cannot get it. He opposes the motion not because he thinks a committee would be superfluous, but because he does not want us to get the information. There is nothing else to it. It is proposed that the committee shall find out for the people the things they need to know, but the Treasurer says, "I don't want them to know." It is simple for the people to judge the position on that basis. I support the motion.

Mr. TAPPING secured the adjournment of the debate.

ADJOURNMENT.

At 5.22 p.m. the House adjourned until Thursday, August 26, at 2 p.m.