HOUSE OF ASSEMBLY.

Wednesday, December 2, 1959.

The SPEAKER (Hon. B. H. Teusner) took the Chair at 2 p.m. and read prayers.

QUESTIONS.

WHEAT PRICES.

Mr. O'HALLORAN—Can the Premier say whether the figures stated in the press this morning are correct, namely, that the price recently fixed by the Wheat Board for wheat for local consumption has been increased by 7d. a bushel in South Australia and only 4d. a bushel in Victoria? If that is correct, why should there be a different rate in South Australia, and a greater increase in this State than in Victoria?

The Hon. Sir THOMAS PLAYFORD—I did not see the statement to analyse it, but it was made by the Attorney-General in another place, and I presume that it was correct because he was conversant with the facts. The quantity of wheat held in the Port Adelaide division by the Wheat Board is very much less than is necessary to meet the requirements of the local trade, without even considering the continuance of exports from this State. A continuance of these exports is necessary for, unless the flour mills can work on a reasonable basis, the cost of milling goes up greatly. It means that a large quantity of wheat has to be brought into the Port Adelaide division to meet home consumption requirements and a reasonable quantity for export. The Wheat Board has not retained that wheat in the Port Adelaide division and, as a consequence, the board is now demanding that the South Australian price be increased by almost 3d. a bushel to enable wheat to be brought from other divisions to the Port Adelaide division to meet the needs of the people. It was suggested by the board that the wheat exported should come from Victoria, but that was not acceptable to the millers here because, they said, the Victorian wheat was unacceptable to the customer as it was not of the same quality as the local production. This matter is being investigated at present by the Government and I made representations to the Prime Minister about it when I was in Canberra. It will mean an increase in the bread price, but I believe that the price would not necessarily have had to be increased if we could have avoided this cost. True, the cost in itself will not mean a halfpenny a loaf, but, as the bakers were already carrying additional charges through increases in Arbitration Court awards and such like, this will probably turn the scale and involve us in an increase in the bread price. The Government is greatly concerned about the matter. In the Port Adelaide division we have heavy consumption, yet it appears that from it, for convenience sake, the Wheat Board always exports wheat first.

Mr. O'Halloran—And we have to pay for it.

The Hon. Sir THOMAS PLAYFORD—We have to pay for wheat coming in to take its place. If this were the only occasion that this had happened there might be an excuse, but it is the third occasion in eight years that we have had to pay an additional amount. In 1957-58 the South Australian consumers had to pay £100,000 in excess cost in bringing wheat to the Port Adelaide division because of wheat being exported from it. Members will see that this is a matter of serious concern to the State and the whole fabric of our price structure. I believe that South Australian wheat should be exported from every other division before it is taken from the Port Adelaide division, but, for convenience sake, the Wheat Board always seems to export more promptly from that division, and then the South Australian consumers are called upon to meet excess cartage costs in bringing wheat to the division.

The Hon. C. S. Hincks—Does it benefit the producer?

The Hon. Sir THOMAS PLAYFORD—No. In some instances it could be detrimental to him. In my opinion there have been some unusual wheat movements by the Wheat Board. The Prices Commissioner is at present investigating the matter and I expect that within a week or 10 days I shall be able to make a statement that will be backed up by a complete knowledge of the facts associated with the matter. If the home consumption price for wheat has to be fixed at a certain price it surely must oblige the Wheat Board to see that reasonable home consumption requirements are safeguarded. If the State authorities—and in this I include members of Parliament—had been as negligent in regard to water supplies as the Wheat Board has been in supplying the consumers with wheat, we should have had nothing to drink in Adelaide in the last three months. Where we supply the needs of a community, surely there is a need for reasonable precautions to be taken to meet exigencies, but because this has occurred three times in eight years it has become a serious matter.

Mr. O'HALLORAN—I have heard a rumour that the Wheat Board intends to import

250,000 bags of wheat from Eyre Peninsula in order to meet the demands in the Adelaide division. I should think that the cost of bringing wheat from Eyre Peninsula to Port Adelaide would be considerable. Has the Premier any knowledge of this rumour and can he indicate the cost a bushel of bringing wheat from Eyre Peninsula to Port Adelaide?

The Hon. Sir THOMAS PLAYFORD—The Wheat Board has divided South Australia into a number of zones, and certain areas of Eyre Peninsula adjacent to Cowell are included in the Wallaroo zone from which wheat has been brought into Adelaide. I presume that the wheat, immediately it comes into the Adelaide zone, loses its identity, so I should think there may be some substance in the rumour. The largest amount I have seen for any wheat brought to Adelaide at an additional cost has been 1s. 1½d. a bushel, and possibly it could have been from this area. The Government is not at all convinced that the Wheat Board has been concerned about the welfare of the consumers in this State, and the Government is now making a comprehensive investigation into the operations of the Wheat Board in South Australia. I shall be able to inform the honourable member in due course what wheat is to be brought into Adelaide and from what areas.

FIRE FIGHTING ORGANIZATIONS.

Mr. LAUCKE—Yesterday, in reply to a question by the member for Port Pirie, the Treasurer said that the State's financial position did not permit additional expenditure this year, and I appreciate that position. The stringency is primarily attributable to the drought conditions now prevailing. Bearing in mind that a close analogy can be drawn between the effects of bush fires and those of drought conditions on the economy generally, I think it is time to consider financial assistance being given to voluntary fire fighting organizations because they are engaged in the important work of protecting rural production. This year £7,000 was made available by the Government and £7,000 by insurance companies, which amounts were by no means favourably commented upon at the recent annual conference of the Barossa Ranges Fire Fighting Association. When next year's Estimates are being considered will the Treasurer consider the following resolution passed at that conference: "That the Government be respectfully requested to increase to 75 per cent the subsidies on fire-fighting equipment, trucks, mobile radios and repairs"?

The Hon. Sir THOMAS PLAYFORD—I will have that matter examined. The Government assists fire-fighting generally, and has done so on a reasonably uniform basis. In the metropolitan area it provides a certain percentage of the cost of fire control measures taken to protect property. It does not provide 75 per cent by any means; the largest amount is provided by insurance companies, a certain amount by local government, and a certain amount by the State Government. I believe there is an obligation on landholders as well as the Government to take steps to protect their own property. The amount provided this year was, I think, the amount asked for by the department. I do not think it was cut in any way, and the Government will consider this matter next year as sympathetically as possible to see if any increase is possible, taking into account the amount paid by insurance companies and such matters. In the country we are equalling the insurance companies' contribution, which we are not doing in the metropolitan area.

EXCHANGE OF TEACHERS.

Mr. HUTCHENS—In the *Advertiser* of December 1 appeared the following pleasing and most encouraging statement:—

> Opportunities for teacher exchange between South Australia and the United Kingdom are expected to improve. The Minister of Education (Mr. Pattinson) said yesterday the department proposed to make arrangements through the League of the British Commonwealth and Empire with the London County Council and local education authorities in England and Scotland for exchange of assistant teachers. Preference would be given to those applicants who were members of the League of the British Commonwealth and Empire. Teachers would receive the same salary in England as they would in South Australia.

Can the Minister of Education enlarge on this statement and state to what extent he expects an improvement in opportunities for teacher exchange?

The Hon. B. PATTINSON—In recent years very few applications have been received from teachers for exchange with teachers in the United Kingdom and, when applications have been received, difficulty has been experienced in obtaining suitable exchange teachers from the United Kingdom. In August this year the Director of the League of the British Commonwealth and Empire wrote to the Director of Education stating that the council of the League had been concerned about the decline in the number of teacher exchanges with Australia and had decided that all United

Kingdom teachers going to Australia would in future be given a Government grant towards the cost of transport. This information had been advertised in the educational press and the Director of the League stated that it had already stimulated applications in the United Kingdom. In order to inform our own teachers of this new factor, it was considered desirable to republish the circular dealing with exchange of teachers with the United Kingdom in the *Education Gazette,* and to add the information that, under the new arrangements, there were likely to be increases in the number of teachers in the United Kingdom who would apply for exchange positions in Australia. Under the exchange scheme, teachers are granted leave of absence of 12 months, plus the time occupied in travelling to and from England. Teachers eligible for exchange are regarded as having the status of assistants only, and no salary in excess of that of an assistant is paid to a teacher on exchange duty. I cannot answer the honourable member's question as to the expectations for the future, but I hope that the numbers will increase as a result of the attractive offer made by the United Kingdom.

STUART ROYAL COMMISSION.

Mr. HEASLIP—The report of the Stuart Royal Commission has not yet been received. I appreciate that until the Commission has brought in a finding the matter cannot be discussed and, as Parliament will not be sitting when the report is made, will the Premier explain as fully as possible the commutation of the sentence on Stuart and various other matters affecting the Commission so as to allow the public to have a far better understanding than they have had regarding the reasons for the commutation, and the complications concerning the case?

The Hon. Sir THOMAS PLAYFORD—The Government has no control over the time when the Commission will complete its work. If it is concluded in time, I assure members that the report will be presented to Parliament. Regarding the second matter raised by the honourable member, if any supplementary matters appear to require a statement I shall certainly be prepared to make it. I shall also be prepared to state the reason that actuated Cabinet in recommending to His Excellency the Governor the commutation of the sentence.

SCHOOL FIRE EXITS.

Mr. CLARK—I understand that on Friday last a demonstration was given at the Magill primary school of emergency exits to be used in case of fire in prefabricated school buildings. I regret that, although I was interested in the matter, because of another engagement I could not be present, but I understand that the member for West Torrens and the member for Burnside were present. I understand that two methods of emergency exits were tried. Will the Minister state how successful these two methods were, in his opinion, and whether the department decided to adopt either or both methods in timber-frame school buildings in the future?

The Hon. B. PATTINSON—In my opinion, and in the opinion of the member for West Torrens, the member for Burnside, the President and Secretary of the School Committees Association, the Director and Deputy Director of Education, the new Director of Public Buildings, the Works Manager of the Building Division of the Architect-in-Chief's department, and one or two other interested parties, both experiments were successful; that was the general consensus of opinion. They were pleasantly surprised with the great speed at which the children were able to leave the classroom. I think in one case 40 primary school students between eight and ten years old were able to clear the classroom in under 25 seconds through the hopper window, and an equal number of infant children between six and seven years old were able to clear it in less than 20 seconds through the kick-out panel. Instructions are being given to put both the experiments into practical effect in accordance with a statement I made at the conclusion of the experiments last Friday.

Mr. Clark—Is that in old buildings and new ones?

The Hon. B. PATTINSON—In all new timber-frame buildings it will be standard practice for this kick-out panel to be introduced. The hopper window will be introduced in all existing buildings and also, as soon as possible, considering the tremendous demands on building generally, the kick-out panel will be introduced in classrooms serving the infant grades. I think the members for West Torrens and Burnside will agree that that is substantially what was agreed at the conference, and the Architect-in-Chief's Department and the Education Department are co-operating to put that into effect. The hopper windows have already been introduced at the Paringa Park primary school and the Marion high school where fires recently occurred, at the Plympton primary school where the first experiment was conducted at the request of the member for West Torrens, and also as an experiment at the timber classrooms at Forbes

primary school, which is the largest primary school in South Australia. It can be done very easily, simply and cheaply, and it will be done to many hundreds of classrooms in a very short time.

WALLAROO HOSPITAL.

Mr. HUGHES—For some time the Architect-in-Chief's Department has been aware of the bad condition of the western wing of the Wallaroo Hospital. It is sinking down, with the result that it is leaving the main building. It is over two years since the matter was reported to the Hospitals Department; various departmental officers have examined the building, but nothing seems to eventuate. Has the Minister of Works any knowledge of the bad state of this building, and if so, will he say why steps have not been taken to prevent further damage to this part of the hospital? If not, will he discuss the matter with the Architect-in-Chief's Department with a view to taking action to prevent further damage?

The Hon. G. G. PEARSON—This matter came to my notice some two or three months ago when I saw the report, and that was the first intimation I had had that there was any problem at the hospital. However, that does not mean that the department has not been aware of the problem for a longer time. The honourable member mentioned this matter to me yesterday, and I hoped to be able to get him precise information this morning but I have been unable to do so owing to pressure of other business. It is not correct to say that no steps have been taken. On the last occasion I saw the docket, probably three or four weeks ago, it contained a full report by an officer of the Architect-in-Chief's Department on the extent and cause of the damage, as far as he was able to assess it, and a complete set of plans prepared by the department for underpinning the outer walls of the wing. These plans were in complete detail and showed the points at which underpinning should be undertaken, the method of underpinning, the materials to be used and a suggested programme for the work to be carried out. This shows that the matter has not escaped attention and that much detail work has been done on it. I regret that I was not able this morning to get the latest information. I will endeavour to have it tomorrow. If the honourable member desires to ask a question tomorrow he may do so, otherwise I will make whatever information I can get tomorrow available to him.

OPAL MINING.

Mr. LOVEDAY—On November 18 the Premier replied to a question I asked relating to mining operations at the opal fields at Coober Pedy and Andamooka, and after explaining an accident that took place at Andamooka, he pointed out that there was no power under the Mining Act to prescribe the method prospectors and mining lessees should use to work their holdings. That was in reference to the use of bulldozers. Under the Mining Act a prospector may peg a lease but is supposed to register it within 30 days, but where a bulldozer is used a lease can be pegged and completely worked out within 30 days. Bearing that in mind, and the fact that the opal fields provide a living for a large number of aborigines and other diggers using manual methods, the effect upon the price of opals that might be produced by extensive bulldozing, the dangerous condition in which bulldozers' cuts have been left, and the fact that the provisions of the Mining Act can be evaded, will the Government give full consideration to the effect of these new methods with a view to amending the Mining Act next session so that the best advantages will be secured for all the people getting a living from the field?

The Hon. Sir THOMAS PLAYFORD—I will have the question examined, but it will take some time. For many years the opal industry exempted itself completely from the provisions of the Mining Act. By long accepted practice anyone appeared to have the right of going up and digging for opals. He pegged out his claim, but as far as I can understand never troubled to register it, and never paid prospector's licence fees or any other charges to the State. Up to now this industry has been completely immune from Government interference. I have discussed with the Minister of Mines and the Director of Mines what form any interference should take. We consider it a rather tricky subject because, as the honourable member knows, many of the people on the field are aborigines and it was felt undesirable to impose upon them any restrictions that might be detrimental to them.

COLLECTION OF OUTSTANDING HOSPITAL FEES.

Mr. DUNSTAN—I understand that the collection of outstanding moneys owing to the Hospitals Department was undertaken by the Crown Law Office, but that recently the Hospitals Department has engaged a private firm of debt collectors for this purpose. If that is

the case, can the Premier say why this function has been taken away from the Crown Law Office and why a private firm of debt collectors is engaged in collecting moneys for the Government in this way?

The Hon. Sir THOMAS PLAYFORD—For some time the Crown Law Office has been understaffed and unable to secure officers to carry out its functions in the way it desired. I believe there is a grave shortage of young legal practitioners in South Australia at present, although we have a few in this House we could spare. That is the only reason I know of, but I will make inquiries and inform the honourable member. The function has not been taken away from the Crown Law Office in the sense that it has been deprived of that work. It is rather, I imagine, that because the Crown Law Office has more work than it can handle it has sought outside assistance.

COMMUNITY HOTELS AND INDUSTRIAL CODE.

Mr. FRED WALSH—Last week I asked the Premier a question about bringing persons employed in community hotels under the provisions of the Industrial Code and he informed me that a submission had been prepared for Cabinet and that he thought that Cabinet would probably support such a move, but that he would notify me later. As this is the penultimate sitting day of this session, can the Premier say whether legislation will be introduced this week?

The Hon. Sir THOMAS PLAYFORD—Cabinet has considered this matter and has asked the department to report on it. The position is very much as I stated last week, but a resolution would have important implications in other directions, particularly regarding some Government and semi-Government institutions. It would affect hospitals, for instance.

Mr. Fred Walsh—Clubs are specified in the Code, as are the railways.

The Hon. Sir THOMAS PLAYFORD—The full implications are clouded and Cabinet is further examining the matter, but it is not prepared to introduce any resolutions to the House until it fully understands the position. It is not proposed to take action this session.

MURRAY BRIDGE HIGH SCHOOL LAND.

Mr. BYWATERS—I am President of the Murray Bridge High School Council, which, about five years ago, secured a lease of land from a Mr. Jaensch, with the right to purchase at the end of the lease at a price much below present-day values. This year, realizing that the lease was nearing completion, we made representations to the Education Department for it to purchase the land. There has been a considerable delay, but I understand the purchase has been approved. At a council meeting last Friday night we were informed that Mr. Jaensch had stated that he intended to subdivide this property if the option were not taken up by December 31, when the lease expires, and that he hoped the Education Department would not exercise the option so that he could make more money from the land. I have approached the department and been told that, although the matter has been approved, it is at present in the hands of the Crown Solicitor. I would not like to hazard a guess at the delay that is likely to occur, particularly in view of the great activity in the Crown Solicitor's Office, with staff changes and the recent Royal Commission. We are concerned lest the lease expire before the actual purchase is effected. This would be most embarrassing because one of our buildings is located partly on this property and we have plans in hand for further work in the area and we have no other suitable area for buildings. As it is important that this matter be finalized before December 31 will the Minister of Education regard this as urgent and ascertain what can be done to expedite the matter?

The Hon. B. PATTINSON—I shall be pleased to do so, and as soon as Parliament adjourns will give it my personal attention and let the honourable member know the outcome as soon as possible.

BOX FLAT BUSH FIRE PROTECTION COMMITTEE.

Mr. NANKIVELL—I have been approached by a very responsible body calling itself the Box Flat Bush Fire Protection Committee. It was formed through the actions of the members of Keith and Tintinara Emergency Fire Service and local members of the Tatiara and Coonalpyn Downs Council. Their concern is the vast area of Crown lands held under various leaseholds situated in the triangle between the border and the Pinnaroo and Bordertown railway lines. During the last 10 years there have been three major fires in the area: in 1949, 1954, and a smaller one in 1958. The 1954 fire would have been disastrous had not the wind changed just before the fire reached Keith. This area is still a very serious fire menace and the committee has suggested that the Government consider developing and settling the area as expeditiously as possible in order to reduce the fire hazard.

Can the Minister of Lands make a statement on the matter?

The Hon. C. S. HINCKS—Yesterday the honourable member gave me much correspondence on this matter, and this morning I was able to get the following reply for him:—

The Secretary, Box Flat Bush Fire Protection Committee, was instructed to write Mr. Nankivell and request:—

> That with a view to countering the fire hazard in the Box Flat area the matter be brought up in the House with the object of having this area settled and thus do away with this hazard permanently.

On August 20, 1953, His Excellency the Governor referred to the Parliamentary Committee on Land Settlement for enquiry and report the developmental and closer settlement possibilities of Crown lands and lands held under terminating tenure in counties Buccleuch, Buckingham and Chandos, with a view to the use of such lands in the settlement of ex-servicemen. The committee reported:—

(*a*) That the lands were not suitable for development and settlement in terms of the War Service Settlement Agreement.

(*b*) That practical steps are warranted to extend land development for some distance immediately south of the Lameroo district council district.

(*c*) The Land Board take early appropriate action to implement a scheme of settlement of the lands referred to in the preceding paragraph; make a detailed investigation of the soil types with a view to determining which portions of the area are suitable for development and settlement in average farm maintenance areas; arrange for road surveys to be undertaken, and invite applications for the subdivided lands on the basis recommended by the Land Board in giving evidence before the committee.

To date it has not been possible to give effect to the recommendation of the committee owing to the activities of the development and survey officers of the department having been confined to a great extent to the settlement of ex-servicemen. Now that the settlement of ex-servicemen is nearing finality it is anticipated that the department will be able to take action as recommended by the committee.

QUEEN ELIZABETH HOSPITAL.

Mr. HUTCHENS—Has the Premier obtained a reply to the question I asked recently following on a suggestion by one of my constituents that the trained nursing staff at the Queen Elizabeth Hospital was doing clerical work instead of clerical workers being employed?

The Hon. Sir THOMAS PLAYFORD—I have received the following report from the Administrator of the Queen Elizabeth Hospital:—

This is an opening hospital and it is, of course, quite impossible and uneconomical for a complete staff to be recruited immediately. As time goes on it will be observed that the distribution of staff and their economic employment will change its pattern. It is intended that clerks shall be employed in the outpatients' clinic: one is already in post and another is about to be appointed. But until a short time ago the volume of work did not justify clerical assistance in terms of expenditure or otherwise. It is, of course, absolutely essential that fully trained sisters are required in an outpatients' department since they are called upon to carry out certain immediate investigating techniques, or to prepare patients for such techniques. Thus they were appointed first and took what clerical duties were necessary in their stride.

SEWERAGE REGULATIONS.

Mr. LOVEDAY—Can the Minister of Works say whether the sewerage regulations are likely to be printed shortly and when they will be available?

The Hon. G. G. PEARSON—The regulations are complete and are bound, at least in a duplicated form, and are at present being examined by the Master Plumbers Association in accordance with an undertaking that before the new regulations were gazetted they would be submitted to that association for consideration. I think they have been in the hands of the association for about two weeks and it would seem likely that as soon as the volume of printing caused by the Parliamentary session has diminished the Government will be requested to put the regulations into print. They have yet to be formally approved by Cabinet and Executive Council. If the honourable member desires information on any matter it can be supplied to him.

SUCCESSION DUTIES ACT AMENDMENT BILL.

Mr. FRED WALSH—My question relates to assurances given at different times by the Treasurer, and particularly those to me recently. I would no doubt be out of order in referring to the last one, but I will content myself with referring to the assurance given to me by the Treasurer when this House was discussing the Succession Duties Act Amendment Bill in Committee. I sought to move an amendment to clause 5 by deleting the words "full time" from paragraph (*c*). I believe that at the time the Committee would have accepted this amendment, but the Treasurer said:—

I will look at this as it may have some bearing in other directions that I do not at the moment appreciate. I suggest that the honourable member allow the Bill to go through

Committee today and I will consult with him before the matter is dealt with in another place. I have now learned that the Bill has passed another place without amendment, but the Treasurer has not consulted with me in any way. I have always regarded the Treasurer's assurances and promises as things that one could accept, but this has created an element of doubt in my mind. Can he explain why he did not give effect to the assurance he gave me last week about this matter?

The Hon. Sir THOMAS PLAYFORD—I regret that I did not carry out completely the undertaking I gave the honourable member. I did not overlook the matter: I investigated it thoroughly and found that the amendment would be completely impossible of any administrative control. It was strongly opposed, and it could not be given effect to. Unfortunately, having gone that far with it, I overlooked that I had not spoken to the honourable member.

Mr. Fred Walsh—I am concerned about your assurance.

The Hon. Sir THOMAS PLAYFORD—During the Parliamentary session Ministers are under a considerable amount of strain, but we do our utmost to get information for members. The honourable member could just as easily have reminded me that I had not spoken about it. As a matter of hard fact, I sent a message yesterday to the Attorney-General asking him to hold up the Bill, but unfortunately I received a note that I was too late and that the Bill had passed. A division had just been held when the note came to me, so there was no intention of overlooking the conference with the honourable member. Probably I should not have given the commitment because, after all, it is difficult always to remember precisely every statement made during a debate. I regret that I did not honour the commitment but my omission was completely unintentional.

ALBERT NAMATJIRA'S GRAVE.

Mr. RICHES—This week I read an article in an interstate publication in which the writer said that Albert Namatjira's grave was unkempt and, with the exception of visits from his widow, uncared for. The writer said that it appeared that Namatjira had already been forgotten, and he appealed for the last resting place of this great Australian to be marked. Although I realize that certain organizations and, possibly, other Governments have more direct responsibility than this Government in this matter, will the Minister of Works ascertain whether anything is being done and, if nothing is being done, perhaps take the initiative? I am not suggesting an expensive memorial, as I recognize that there are other ways of spending any money available, but it would be bad for Australia if something were not done to mark the last resting place of Albert Namatjira.

The Hon. G. G. PEARSON—I will make the inquiries the honourable member desires.

LABELLING OF FOOTWEAR.

Mr. HUTCHENS—Has the Premier a reply to my recent question concerning the branding of footwear?

The Hon. Sir THOMAS PLAYFORD—I have obtained a reply from the Secretary for Labour and Industry, who reports:—

The Footwear Regulation Act, 1920-1949, requires manufacturers of footwear to brand all footwear in accordance with the provisions of the Act and it is an offence for a person to manufacture or sell any boot or shoe which is not so branded. There is similar legislation in each State of Australia. The Secretary of the Boot and Shoe Manufacturers Section of the South Australian Chamber of Manufactures recently wrote to me and subsequently discussed with me the question of the branding of footwear which is imported from overseas and the application of the Act to that footwear. This matter is under consideration and I will shortly submit a report thereon.

PERSONAL EXPLANATION: METROPOLITAN MILK SUPPLIES.

Mr. RICHES (Stuart)—I ask leave to make a personal explanation.

Leave granted.

Mr. RICHES—My attention has been drawn to the report of remarks made by me during the debate on the metropolitan milk supplies motion a week or so ago. The inclusion of the word "Yes" in the report in my answer to an interjection gives the implication that Mr. Allington, the former secretary of Schofield & Sons, had given me an assurance that an agreement between that firm and Mr. Cox had been signed. My statement should have been confined to the remainder of the sentence, without the word "Yes." My information was that an assurance had been given, but it was not given to me personally and I did not intend to convey that it had. I have never met Mr. Allington, and if he has been embarrassed by the report I apologize.

PERSONAL EXPLANATION: DRAINAGE BILL.

Mr. McKEE (Port Pirie)—I ask leave to make a personal explanation.

Leave granted.

Mr. McKEE—In this morning's *Advertiser*, in the report of the debate on the South-Western Suburbs Drainage Bill, the following appears:—

Mr. McKee (A.L.P.) said the Port Pirie Council had refused Government assistance in drainage problems. He asked the Government to be consistent and subsidize the works of country councils.

That, of course, is not correct. I cannot imagine any country council refusing Government assistance. However, *Hansard* has reported me correctly thus:—

The Government has apparently decided to subsidize metropolitan councils to the extent of half the cost of this drainage. Port Pirie has considerable drainage problems—as have, no doubt, other country centres—and it has sought, but has been refused, financial assistance from the Government. If the Government is now prepared to subsidize metropolitan councils, will the Treasurer be consistent and do the same for country councils engaged on drainage works?

I would appreciate it if the *Advertiser* would correct its error.

STAMP DUTIES ACT AMENDMENT BILL.

The Hon. Sir THOMAS PLAYFORD (Premier and Treasurer) moved—

That the Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole for the purpose of considering the following resolution: That it is desirable to introduce a Bill for an Act to amend the Stamp Duties Act, 1923-1956.

Motion carried.

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

The Hon. Sir THOMAS PLAYFORD—I move—

That this Bill be now read a second time.

It was not the intention of the Government to impose additional taxation this year, but the season has broken extremely badly and the Government has been involved in very high additional costs—quite apart from arbitration awards—in maintaining public services. Under those circumstances the Government has had to look at what additional revenues it can secure to enable it to carry out its necessary functions and to maintain the necessary services of the State. This Bill, in fact, imposes additional taxation. It imposes a stamp duty on hire-purchase agreements at a rate of 1 per centum on the cash price of the goods comprised therein; where the cash price is £100 or less the amount payable is 5s. per £25 or part of £25. No duty is payable where the cash price does not exceed £10. South Australia appears to be the only State, with the possible exception of Queensland, where hire-purchase agreements generally are not subject to payment of any stamp duty. The rate in New South Wales and Tasmania is 1 per cent, in Victoria 2 per cent and in Western Australia one-eighth per cent. I understand that in Queensland the Government has proposed a duty of 1 per cent while the Tasmanian Government has made a proposal to increase the duty to 2 per cent.

The Government sees no reason why hire-purchase agreements should be excepted from the general range of stamp duties. Deeds and conveyances of property are subject to duty, and, indeed, the present Act already provides that a hire-purchase agreement is chargeable as a conveyance in cases where the owner of the goods is not by trade a seller or hirer-out of goods. But this means that for practical purposes hire-purchase agreements are not dutiable. In the light of experience in other States it appears unlikely that a moderate stamp duty of the order which I have mentioned would bring about an increase in costs to the consumer or re-act unfavourably upon business generally. The Government has made a most intensive investigation and has found that the charges here are at least as high as the charges provided where the two per cent stamp duty at present operates. In other words, there will be no necessity whatever for this increase to be passed on to the consumer, and the Government intends that it shall not be. The Government has accordingly decided to introduce this Bill which will bring South Australia into line with the other States. It is difficult, of course, to anticipate what revenue might be expected to accrue from this source, but an estimate of over £200,000 has been made.

The Bill imposes the duty through the operation of Clause 6 which inserts another line in the schedule to the principal Act. This clause also provides for a general exemption where the cash price is not over £10. Clause 5 introduces three new sections, the first being a definition section based upon the definitions in the Hire-Purchase Agreements Bill, and the second providing that the duty may be denoted by an adhesive stamp and that hirers shall

not be chargeable with duty either by the Crown or by the owner, while the third of the new sections re-enacts the existing provisions of the Hire-Purchase Agreements Act of 1931 that the duty on assignment of a hire-purchase agreement shall be 1s. per £50 of consideration. The Government sees no reason to increase this amount since the agreement itself would already have been subject to duty in the first instance. Clause 4 of the Bill strikes out the existing provisions of the Act concerning the charging of duty on the very limited class of hire-purchase agreements already provided for at the rates applicable to conveyances.

Mr. O'HALLORAN (Leader of the Opposition)—I do not propose to delay the House in debating this Bill. The stamp duty on hire-purchase transactions in New South Wales is 1 per cent; Tasmania 1 per cent, although I understand there is a move before the Tasmanian Parliament to increase that to 2 per cent; Victoria, 2 per cent; and Western Australia ½ per cent. At the moment South Australia and Queensland are the only States that do not impose stamp duty on these transactions, but I understand that a proposal is now before the Queensland Parliament to apply a duty of 1 per cent there. From inquiries I have ascertained that the general cost of hire purchase transactions in South Australia, where there is no duty, is the same as in Victoria where there is a duty of 2 per cent. I think, on balance, the argument is in favour of imposing a stamp duty in this State, more particularly in view of the present serious financial position. If I had any doubt that these charges would be passed on to the hirer I would not support the Bill, but the interest of the hirer seems to be adequately covered by subsections (3) and (4) of new section 31b, which reads:—

(3) Notwithstanding the provisions of subsection (2) of section 5 of this Act the hirer shall not be liable for any duty chargeable upon a hire-purchase agreement.

(4) An owner shall not add the amount of any duty upon a hire-purchase agreement or any part of such duty to any amount payable by the hirer (whether under the hire-purchase agreement or otherwise) or otherwise demand or recover or seek to recover any such amount from the hirer; in the event of a contravention of this subsection the hirer may recover any such amount from the person to whom he paid it as a debt due from that person.

I am not unmindful that unless steps are taken in another Bill before the House the owners may find some indirect way of imposing the charge upon the hirer, but I believe we can provide for that. I support the second reading.

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

SUCCESSION DUTIES ACT AMENDMENT BILL.

Returned from the Legislative Council without amendment.

UNDERGROUND WATERS PRESERVATION BILL.

Adjourned debate on second reading.

(Continued from November 24. Page 1804.)

Mr. O'HALLORAN (Leader of the Opposition)—I agree with the broad principles sought to be established in this legislation. As was pointed out by the Premier in moving the second reading, South Australia is unfortunately situated regarding adequate supplies of water. In fact, that has been brought home forcibly to us during recent weeks, and more particularly as recently as a few minutes ago when the Premier had to retract the statement he made some months ago that there would be no increase this session of charges levied on the people. He now proposes taxation which will raise an estimated £200,000 to help meet, amongst other things, the very high additional cost of providing water to certain parts of the State as a result of the phenomenally dry season we are now experiencing.

I suppose I am stating the obvious, but it is apparent that with no lakes and no rivers, and with a comparatively low rainfall, underground water is very important to South Australia, and with the increasing use of underground water for watering stock in those areas where it is so used, and particularly for the purposes of irrigation (because there has been a very wide extension of irrigation from underground sources in recent years), underground water supplies of the State assume a very great importance indeed.

The Bill is designed to protect underground waters from pollution and deterioration. Of course, underground waters can be polluted in many ways. They can be polluted by the discharge into wells or bores of drainage containing foreign matter which will be injurious to the underground basin into which it eventually percolates. I understand that the principal fear is that underground waters, particularly in the metropolitan area and in what is known as the Virginia basin, may be detrimentally affected by over-pumping. That is to say, that basin has supplies of fresh water either below or above supplies of salt water, and while the supply of fresh water in the

basin can be maintained at a reasonable level, the *status quo* will also be maintained and there will not be a danger of the underground supplies being polluted with salt water, but if the pumping becomes excessive, and if the supply of fresh water is depreciated to the extent that the salt water encroaches generally in the basin, the water supply will be detrimentally affected.

The Bill suggests that remedial measures may be adopted, and that where water has been detrimentally affected it may be possible to remedy the trouble, but as one who has had some experience in the northern parts of the State I have found that, once through overpumping the underground supply becomes impregnated with salt, it is usually permanently detrimentally affected. Because of this fear, I have much sympathy with the general principles of the Bill. However, the Bill probably impinges more on the rights of landowners than anything passed by this Parliament, certainly in recent years. I know the argument can be used that, after all, it is an insurance measure and if underground water supplies are not protected the owner of the land who now benefits from them will lose the use and the benefit of these supplies for all time, but I repeat that this Bill does make a sweeping change in the position of landowners. The owners of land in these areas have always believed that the underground waters in their areas were their own property; in other words, that they not only owned the land, but everything down below. Now we are telling them that, whilst they may own the land, we are going to have a very large say in what they do with the water down below.

Mr. Clark—We are going to have the right to turn it off.

Mr. O'HALLORAN—Yes, the Bill provides that the Minister may order a person to close down his bore or well altogether, and he may instruct that person to use only a certain quantity of water from that bore or well. It means that, in any part of the State where this law is eventually applied by regulation, the control of underground waters will revert to the Minister of Mines at that time. Regulations may be made, on the recommendation of the advisory committee, applying the provisions of this Act to any part of the State. The Minister is to be guided in his oversight of the use of these underground waters by an advisory committee which, according to clause 21, shall consist of:—

(*a*) an officer of the Department of Health;
(*b*) an officer of the Department of Engineering and Water Supply;
(*c*) an officer of the Department of Mines;
(*d*) a private well drilling contractor;
(*e*) a person to be nominated by the council or councils of the local governing area or areas affected by a question referred by the Minister under this part; provided that such person shall be a member of the committee only when the committee is investigating a question affecting the area or areas in respect of which that member is so appointed; and
(*f*) such other persons as the Minister considers necessary.

There is no provision for a permanent representative of landowners on the committee, unless, of course, the Minister makes such an appointment under paragraph (*f*). If it is intended to use that paragraph in appointing a representative or representatives of landowners the Minister should have said so, and before we agree to the Bill we are entitled to an assurance that at least one permanent representative of landowners will be appointed to the committee. I realize that there is provision for a right of appeal against any decision of the Minister which a landowner may consider affects him injuriously. I have no objection to clause 25, which provides that the members of the appeal board shall be:—

(*a*) a person qualified as a barrister and solicitor, not being a person employed in the Public Service of the State, who shall be chairman;
(*b*) a qualified engineer, not being a person employed in the Public Service of the State; and
(*c*) a legally qualified medical practitioner experienced in bacteriology.

Undoubtedly the legal man will interpret the law, the engineer will determine whether the Minister's proposals are in accordance with the best engineering practices, and the bacteriologist will assess whether the damage that it is alleged will be done to underground waters is a real danger and could have serious effects. I have no quarrel with the personnel of the appeal board, but I think it is in additional argument why the landowners, who, after all, are vitally concerned, should have a permanent representative on the advisory committee.

I have a serious complaint to make about the limited time afforded the House to discuss this most important matter. We received the Bill from the Legislative Council last week and have had little time to study it as closely as we should have liked because of other important matters that have claimed our attention. It seems to me that there has been

some backing and filling by the Government with this legislation. In 1957 a somewhat similar Bill was introduced and the second reading speech was delivered by the Minister. I commenced examining its implications and preparing a second reading speech, but was suddenly informed that it was not the Government's intention to proceed with it. I do not know why it was abandoned.

The Hon. Sir Thomas Playford—It went into the question of underground riparian rights and was extremely difficult and complex.

Mr. O'HALLORAN—It probably would have been because when riparian rights are involved the matter becomes complex and is regarded as a windfall for the legal profession. However, that Bill could have been amended and tidied up and presented again in 1958, but we have had to wait until this session for its introduction in the Legislative Council, where it has been the subject of a lengthy debate and considerable amendment. Amendments were made to 18 clauses and the number of amendments was 40. The Bill contains 49 clauses, and there have been amendments to 18 of them: in other words, 36 per cent of the original Bill has been altered. Members will realize from that that either there was imperfect consideration of the Bill before the Government introduced it or the Bill that has emerged from the Legislative Council is not what the Government desired to have passed. The Premier did not mention this when he introduced the Bill here.

I understand the Bill had to be reprinted twice during the course of debate in the Legislative Council so that members might be fully aware of the implications of the amendments that had been made. I think it is wise to examine some of those amendments. The first was in clause 5, relating to proclaimed areas and prescribed debts. In the original Bill this was subject to control by means of proclamation by the Governor. However, the control is now to be exercised by means of regulation by the Governor. This has the effect of vesting the final control in Parliament as opposed to the Governor and I agree that that amendment improves the Bill. In the definition clause the definition of "well" was amended on two occasions, and the following words were inserted:—

but does not include any well used exclusively for the drainage of roof or pavement run-off from a private dwelling or any soakage pit used for the disposal of effluent from any septic tank, or of waste water from a private dwelling.

That is a wide exclusion and I question the wisdom of excluding effluent from septic tanks. Septic tanks are widely used in Peterborough and in some parts its disposal is extremely difficult and it is an onerous task to try to keep the peace between residents when the effluent from an overflowing septic pit begins to flow past the premises of adjoining residents, particularly at night. I wonder whether the effluent will not eventually effect the quality of the water in that town.

A new paragraph (*d*) was inserted in clause 5 to provide that the Governor may, by regulation, "exempt from the provisions of this Act or any part thereof any well of less than a prescribed depth for the particular area in which the well is situated." That may be all right as a means of securing the passage of the Bill in the face of opposition, but it is delightfully vague. I think a survey would have to be made of every area to be brought under control and that all the underground strata would have to be examined to ascertain the prescribed depth of the well that should be excluded and the prescribed depth of the well that should be included. Country members know that there is a wide variation in the depth of the water table in country districts. In some places good supplies are encountered at 20ft. or less, whereas a short distance away one has to go to 60, 70 or 100ft.

Mr. Jenkins—That may be why it has been left so vague.

Mr. O'HALLORAN—Yes. I should not like the task of determining the well. Clause 9 relates to the power of the Minister to refuse a permit. The Minister's power has been increased so that he may revoke a permit if he has reasonable cause to believe that contamination or deterioration of the underground water is being caused. Even after a permit has been issued the Minister may revoke the permit, and that is probably necessary but it is a provision that will have to be administered with extreme caution. If an applicant is refused a permit he can apply to an appeal board, but if the refusal is endorsed he cannot apply again for 12 months.

An amendment made in another place was that the membership of the committee would be extended to include a representative nominated by the councils concerned. It seems to me that in the original Bill there was no direct representation of landowners. Now, as the result of the amendment in another place, one can be nominated by the council in whose area matters are being investigated. There was in

the original Bill a provision that applied the Royal Commissions Act to the work of the advisory committee, but it was deleted in another place. It said:—

(1) For the purpose of making investigations under this Part the advisory committee shall be deemed to be a Royal Commission.

(2) The Royal Commissions Act, 1917, shall apply to the advisory committee and its proceedings as if—

(*a*) the committee were a commission to whom a commission of inquiry had been issued by the Governor;

(*b*) the chairman and each other member of the committee were the chairman and a member respectively of such a commission; and

(*c*) the secretary of the committee were the secretary of such a commission.

I wonder why it was deleted, for without some power to compel the disclosure of information the advisory committee will be hampered in its work. Another important amendment provided that a person employed in the Public Service was precluded from being a member of the appeal board, except in the case of a legally qualified medical practitioner experienced in bacteriology. I agree with this because the protection of the persons concerned will be best observed if the appellate tribunal is as far as possible divorced from the various Government departments represented on the advisory committee.

The Bill confers extraordinary powers on the Minister. He can have wells closed, control the quantity of water extracted from wells, and reduce it if necessary. He can exercise oversight in the repairs to the timbering of wells and the casing of bores. I doubt whether some of the powers are necessary. Under the Bill there must be an application for a permit to maintain a well on a property, and then having obtained it the owner is responsible for advising the Minister of the slightest alteration he makes to the well. I can see much form-filling being required. Although I believe in the principle sought to be established in the Bill I am not happy about the method under which it is to be established, and that is why I gave notice yesterday that, if the second reading were carried, I would move that the Bill be referred to a Select Committee. I do not think that in the preparation of the Bill the people most concerned have been adequately consulted. I have in mind the landowners in the areas where the Bill will apply immediately, and in areas where it will apply later.

Mr. Millhouse—That course did not commend itself to you yesterday when I suggested a Select Committee on another matter.

Mr. O'HALLORAN—If the honourable member can show me where this Bill has received any examination except by departmental officers I will withdraw and apologize.

Mr. Millhouse—I thought you said it had been under consideration for a long time in another place.

The Hon. Sir Thomas Playford—Where it was well and truly examined.

Mr. O'HALLORAN—The amendments moved indicate that it was there for a long time.

Mr. Millhouse—This is a strange change of front on your part.

Mr. O'HALLORAN—I want to know why we are given such a short time to discuss the matter here. The Bill discussed yesterday had been inquired into fully by the Public Works Committee over a long period. All the available evidence had been tendered to it.

Mr. Millhouse—You are using the same argument today as I used yesterday, yet you objected yesterday.

Mr. O'HALLORAN—I am setting out the facts about yesterday's Bill. It had been subjected to the fullest inquiry possible, yet Mr. Millhouse wanted it referred to a Select Committee. Actually, he did not want that, but wanted to defeat the Bill although the principle had been established many years ago. I do not think the people most vitally concerned in this Bill have been adequately consulted and, despite Mr. Millhouse's opposition, I will persist with my move for a Select Committee, but in the meantime I support the second reading.

Mr. HALL (Gouger)—I think I represent as many constituents who are vitally concerned with this Bill as any member. I am pleased that the Leader of the Oppoistion supports the second reading. The member for Gawler is concerned about the Bill as it affects some of his constituents, and other members will be similarly affected. The Leader of the Opposition said that the people most vitally affected had not been consulted sufficiently, but I assure him that residents in my area are only too willing for the Bill to be passed. I have talked with many of them and their main worry is the preservation of the water basin. The title of the Bill refers to the preservation of underground waters. I have tried to get information about the need for the legislation in my area. There is a property several miles west of Virginia on which

are 14 bores. Until 1956 they were all artesian bores, but in that year they ceased to overflow, and the water had to be pumped by windmill. Since 1956 the water levels in the bores have fallen as much as 30ft. Since they have ceased to overflow there has been no drain on them except for stock water, yet the water table has fallen considerably.

Mr. Riches—What sort of water is it?

Mr. HALL—It is good water. Three miles to the north-east of that property, towards the Gawler River, there is extensive irrigation for vegetable growing. I asked one man what he thought of the water position and he said there was plenty available but over the last few years it had been the general occurrence for all bores in the district to be deepened. Years ago there were shallow bores with compressor pumps, but they have all been deepened and now turbine pumps are used. There is competition amongst the producers to keep their supplies of water going. I cannot give exact figures but I think the deepening is anywhere between 50ft. and 100ft. At St. Kilda a bore down 300ft. had to be deepened to 400ft. in the summer of 1957.

Wherever I went I found that was the general story. One man said it was natural to put down a bore and pump water from it, but when the area was drained of much water a balance was reached under which the level did not go. I think that can be refuted by the fall in the artesian water basin, where, apart from the stock water taken from it, there has been no drain on the water.

Mr. Harding—Have you any idea how much water is pumped from the average bore each hour?

Mr. HALL—About 10,000 gallons, but that quantity is not drawn for very long for gardens. The level of the whole basin is dropping, not the level around one part. Some say that is due to the dry years, and that may be so. It has been said that there has been no substantial intake into the basin for three years, but there is no assurance that there will be any intake for another three years, as there may not be any run-off into the basin. If that is so, and there is no legislation to protect these bores from an increase of salt water, the whole area will face economic ruin.

The teeth of the Bill are in the clause that prescribes that permits and notification are necessary. Clause 18 gives the Minister the wide power of closing any well within any area, not only those constructed under permit, but those that existed long before. That is perhaps the widest power in this Bill and, of course, it is backed up by the penalties provided in clause 46. Although provision is made for preventing contamination by effluent and other things, I am sure the main purpose of the Bill in the area I am thinking about is to stop water from becoming salty because of poor bores and to prevent the ingress of poor water from outer areas. I hope the House will give this legislation favourable consideration, as it may be needed for a long time. This natural asset has been built up and is being used economically by a fine body of people whose livelihood I hope we can preserve. These people are near the markets and, if blocks continue to be sold and no limitation is placed on the use of the water supply but no power is given to preserve the quality of the water, undoubtedly there will be great trouble in these water basins. I hope that eventually this legislation will be coupled with endeavours to recharge the basin. This matter was raised in the House recently by way of question, and I think we could at least experiment more along those lines.

Mr. Riches—An inquiry may show that.

Mr. HALL—I think I have pointed out the difficulties that may face us even at the end of this season. Experiments will take perhaps 10 years, but this Bill is coupled with the problem. Much could be done to recharge the basin. I hope that recharged bores will be put down along the Gawler River and other small streams to see if some substantial quantity can be saved. This legislation may be needed at any time; in fact, bores have been put down on the northern side of Two Wells which, according to the Mines Department map, is in a doubtful area. They will reduce the pressure on what is perhaps the salt edge of the basin, and we can expect trouble. I commend the Bill as a measure aimed at protecting, not only the water basin, but the livelihood of the people in that area, and I will support it through all stages.

Mr. RALSTON (Mount Gambier)—I regard this Bill as extremely important and believe all members will support it, as they will realize the importance of protecting all the underground water available. Naturally, where the interests of northern districts are concerned, I expect members of those districts to present the facts, so I will confine my remarks to the possible effect on the southern portion of this State, especially the lower South-East, which completely depends on underground water for domestic supplies, stock watering, irrigation of commercial crops such as potatoes and onions,

and for summer fodder for stock purposes. During the disastrous fires in January, many homes were saved when irrigation sprays were used to provide a screen of water. The ample supply of underground water used in that way proved easily the most effective method of combating the fire.

This Bill, which is for an Act to enact provisions for the purpose of preventing contamination and deterioration of underground waters and for other purposes, provides that the Minister has the right to restrict the amount of underground water that may be taken from a well. Clause 18 provides that the Minister may issue a notice to an owner or occupier to restrict the amount of water taken from a well or bore. I am in complete accord with the Leader about the need for a representative of landholders, who are the people who must abide by this Bill if it becomes law. Under clause 21 the committee shall consist, among others, of a person to be nominated by the council or councils of the local governing area or areas affected by any question referred by the Minister, and such other persons as the Minister considers necessary. I am sure the Minister will consider it necessary to appoint someone to represent landowners, who are no doubt the interested people.

The South-East depends completely on underground water. Dr. Ward's investigation in this matter is still regarded as a standard reference. His conclusion is that the supply of water in the lower South-East comes from Victoria, mainly from County Lowan, and that the area is known as the Murray basin, so in some regard the people of Victoria have access to this water prior to its flowing to South Australia. The southern edge of this basin is on the coastline of the lower South-East and across the border in Victoria. This enormous supply of water must be protected and kept from any form of contamination or deterioration from any other water that may percolate into it through bad wells or bores. Under clause 4 "well" is defined as:—

Well, bore, hole, excavation or other opening made for the purpose of procuring a supply of underground water or for drainage, together with all works constructed or erected in connection therewith but does not include any well used exclusively for the drainage of roof or pavement run-off from a private dwelling or any soakage pit used for the disposal of effluent from any septic tank, or of waste water from a private dwelling.

I should like some assurance on how this interpretation will affect the people around Mount Gambier. In view of the nature of the soil in this area, the health authorities have provided that a pit not exceeding 20 feet in depth properly covered and protected complies with the Health Act for the disposal of waste from toilets in private homes or business premises. This method of disposal has prevailed for many years. In view of the proposal to sewer Mount Gambier soon, no doubt this problem will be solved, but I should like to know if the definition of "well" in this Bill will mean that these soakage pits will comply with the health regulations pending the provision of sewerage. When the Bill is in Committee I will ask for a reply to this question. Apart from that, the Bill appears to be extremely good in every way. The provisions will be considered in more detail in Committee. I do not think any member of this House would cavil in any way with the principles behind the Bill, and I feel sure they will support it. I support the second reading.

Mr. JENKINS (Stirling)—I support this Bill because I believe it is both timely and necessary. It will not affect my district at present because that district is not one that would be likely to be proclaimed soon. However, it could be proclaimed in time to come, because in the Langhorne's Creek area there is a good artesian basin which I do not think has been declared up to now. Much pumping from bores occurs in the Macclesfield and Paris Creek areas. Bores put down in the Hindmarsh Valley area are supplying good quantities of pure water from a very shallow depth of about 40 to 50 feet. The Mines Department until recently considered that there was no water there, but that has been proved incorrect, and that water will be very useful again this year and will be needed to supplement the reservoir in the Hindmarsh Valley.

South Australia is geographically unfortunate in that a great area of the State has a rainfall so low as to contribute little or nothing to our few rivers and underground water resources, particularly in seasons of drought such as this. Owing to the great increase in population and in primary and industrial expansion, the underground water resources are going to be in far greater need of preservation than they have ever been. The Mines Department has played a very excellent part in research and the plotting of artesian basins and other underground water resources as well as the quality and quantity of these

supplies. This information must prove invaluable to the Government and to primary producers in the future. It has carried out some 526,700 feet of boring between 1945 and 1958. Two-thirds of these bores have been put down for private people and the balance for the Government, resulting in a daily flow of 100,600,000 gallons. That is a very great effort, and gives some idea of the need for the preservation of our underground water supplies.

Outside of artesian basins the supply and quality is not so constant, therefore a careful watch and control must be kept on the drawing off of this water, as well as a careful protection of its quality, which may be endangered from over-use. We must also see that it is not contaminated from surface drainage and the drainage of effluent by bores. Salinity seems to be the chief danger from over-use of underground water resources, and the Mines Department gives due warning of these dangers in its report on the underground waters. The other danger is from bores which dispose of ground drainage and effluent from towns with industries and sewerage systems. The Mines Department publication *Groundwater Handbook,* at page 82, states very clearly some of the dangers that can be met with in this regard. The report on that matter states:—

A water may be crystal clear but still unfit for consumption if it contains harmful bacteria such as typhoid or dysentery germs. Pollution by such bacteria can generally be traced to decaying organic matter, commonly human or animal excreta. The presence of nitrates or nitrites in a chemical analysis may indicate the presence of organic matter. Special tests are necessary to confirm the presence or absence of such bacteria, involving the collection of special samples in sterilized containers, and the close study of samples by a qualified staff in a laboratory. When harmful bacteria are found, steps must be taken to destroy them, by sterilizing the water before it is safe for human consumption. Boiling is one ready practical method which should always be carried out before drinking any unknown water. In township supplies, chlorination is the general method of sterilization. The location of a bore should be considered in relation to obvious local sources of pollution, such as lavatory, stable, etc., and whenever possible it should be located to avoid this danger.

This Bill is designed to control and protect these underground water supplies. Clause 5 is a most pertinent clause and deals mainly with these things. It empowers the definition by regulation of areas to which the other provisions of Part II will apply. Clause 6 requires occupiers of existing wells or wells in course of construction to notify the Minister of their existence, while clause 7 provides that wells may not be sunk or deepened or used for drainage purposes if they have not been previously so used, nor may the casing of wells be altered or repaired in any way without a permit, application for which is to be made to the Minister under clause 8. The Minister may, under clause 9, refuse or revoke a permit if he has reasonable cause to believe that the work or use of the well would be likely to cause contamination or deterioration of any underground water. I think that is a very pertinent part of this Bill. The Minister may, under clause 11, include in a permit any terms and conditions, including terms and conditions restricting the amount of water that may be taken from a well which he deems necessary to prevent contamination or deterioration of underground water.

That, I think, would be quite a contentious point with many landowners, as indicated by the Leader, but I think the over-riding necessity for the preservation of our waters from contamination and over-use outweigh the other considerations. Some of my constituents have voiced a fear that the civil or individual right of landowners will be interfered with. I was somewhat concerned at first by what I was told may happen, but since the second reading of this Bill, and having looked at the Mines Department report, I feel that the Bill if carried will eventually take care of the interests of the primary producer as to quantity and quality in no uncertain way. I think probably the whole of this Bill has been based on the findings of the hydrological officers of the Mines Department. Page 83 of the publication *Groundwater Handbook* states:—

Although most countries throughout the world have introduced legislation in some form or other to control the exploitation of the natural resources such as mineral wealth, forests, wild life, and surface waters within their borders, legislation to conserve and control the usage of underground waters has not generally been introduced in a comprehensive form, except in isolated cases where a crisis has precipitated the necessity for action in controlling and conserving water supplies for the benefit of the community concerned. Reasons for the absence of such legislation may be ascribed to:—

(1) Sufficiency of surface-water supplies.
(2) Sparsity of population.
(3) Ignorance or lack of realization of the potential value of underground water resources.
(4) A wide-spread belief—unfortunately erroneous—that underground water supplies are unlimited.

I think that bears out the argument put forward by the member for Gouger (Mr. Hall) in his speech this afternoon. The report continues:—

Some countries may be geographically or topographically fortunate in that the natural rainfall is conserved in surface catchments to provide the entire water needs of the populace. Other countries, States, or regions, may be so sparsely populated that the need for water control, both surface and underground, has not arisen. Thirdly, and of paramount importance, is the general lack of understanding and appreciation of the value of underground water as a natural asset. Changing circumstances can, and have in many cases, awakened communities to the necessity of conserving underground water resources. In South Australia, a large proportion of which is comparatively arid and low in rainfall, the increase in population and heavier demands of all sections of the community on existing water supplies, is fast reaching a stage when legislation to conserve and control groundwaters in some areas is now desirable for the communal good. Chief among the hazards of uncontrolled exploitation of groundwaters are depletion of supplies and pollution of storage zones and basins, or a combination of these hazards. Equally dangerous in some areas, is the indiscriminate drilling of bores, faulty construction, and unscrupulous abandonment of unsuccessful bores by unwittingly incompetent drilling operations, over which no control can at present be exercised.

These hazards are precisely what this Bill is designed to control. It goes on:—

Experience in other countries has shown that in regions dependent on underground water supply, where there is more arable land than can be watered from supplies available, some measure of control is necessary to prevent depletion of the underground water supplies. Legislation governing the operation of well drillers is an essential part of the effective control of underground water. In addition to the granting of permits for the drilling of each bore to prevent over-development in a proclaimed area, all work should be done in accordance with specifications governing the proper drilling, casing, cementing, repairing, and plugging of bores to prevent wastage, leakage, and possible pollution of the underground supply. This would ensure that not only would the private hirer have his bore properly constructed by a competent driller, but in addition, all necessary precautions are taken to conserve the groundwater resources for continued use.

I think that last paragraph is a very important one indeed, and that it should have some consideration of this House. Page 84 of the report states:—

The Loans for Water Conservation Act, 1948, provides assistance to settlers in the provision of underground water supply. To convince those sceptical of any communal benefit or advantage that might be gained by the introduction of hydrological legislation, it must be made clear that the objective in no way usurps existing rights of landholders, nor is any financial gain from licences, permits, or other means contemplated, but is for the prevention of wastage from defective bores, and the prevention and rectification of pollution problems. Wastage occurs in many ways, but chiefly from artesian bores flowing uncontrolled, badly capped, or through defective casing, and from sub-artesian sources pumped continuously to waste in surface tanks or catchments. The chief cause of pollution in underground waters is by the entry of saline waters into the fresh water aquifers, often causing serious and lasting damage. Salt water is generally introduced by two methods.

I emphasize the part of the report which states the danger of over-development by drilling. Contamination follows this in many cases by allowing saline water into the fresh water layer, and it eventually destroys all the good water for all time. On that matter I agree with the Leader of the Opposition, who made a similar statement but with more amplification. I shall watch the Bill in Committee stages very closely, but I feel that it is entirely in the interests of the whole State as well as the individual. The Minister under this Bill has wide powers, but I am sure that with a committee such as is to be appointed, those powers will be wisely applied by regulation to a Bill which in the future of this State will gain in importance.

Mr. CLARK (Gawler)—I am most interested in this Bill, although I am rather concerned about some of its provisions. This legislation has had rather a peculiar history. It had a stormy passage in the Legislative Council, where 18 or 19 clauses were amended and the Bill was twice reprinted. The Bill obviously was not fully considered before its introduction and it is still not good. When the Leader referred to a similar Bill that was introduced in 1957 and abandoned the Premier interjected that the difficulty was in reconciling that legislation with claims for underground riparian rights. It is obvious that in this Bill the Government has completely given away any consideration of underground riparian rights. I realize that the principle behind this Bill is good. We appreciate the great benefits that can be derived from our fresh water basin and in this State, more than in others, water is the life-blood of our economy. We are not oversupplied with surface water and underground water is an important factor in our development, particularly in my electorate where there is so much subdivision going on. At present it is impossible to supply reservoir water to many of those blocks and

underground water is extremely important. I admit that there is a probability that salt contamination can occur to underground supplies and I remember reading recently that in New York State a few years ago salt water contaminated the fresh water basins to such an extent that it took almost five years to restore the water to its original condition.

Sooner or later some form of control will be necessary, but I have yet to be convinced that it is necessary now. Fears over the lowering of bores have been greatly exaggerated. A friend of mine, a technical adviser on the installation of bores, has informed me that whilst some bores are appreciably lower, as one would expect in a dry season, generally speaking the situation has been grossly exaggerated. I am afraid that this is panic legislation inspired by some effective lobbyists, who are always about when controversial subjects are being debated.

My experience has not been the same as Mr. Hall's, because constituents from one part of my electorate abutting his have expressed grave concern about this legislation and have produced cogent arguments to support their fears. However, not one of them denies that the principle behind the idea of conserving our underground waters and preventing their deterioration is good. This is a highly technical Bill. When members, to support their argument, have to read lengthy extracts from Mines Department publications it is a good indication that the subject is technical and that members experience difficulty in making points without assistance.

The Bill apparently was not carefully pre-investigated. Specific areas are not named, although they are hinted at. Why does the Bill cover the whole of the State? Two members, in private conversation with me, said that they were not particularly concerned about this legislation because it did not affect their areas, but I point out that the Bill applies to the whole State. I believe that the problems that have been mentioned are still an unknown quantity and that the methods of investigating them are still an unknown science. I am certain that a thorough and complete investigation should be made before anything is done. I understand an investigation has been commenced in part, and if it is found necessary surely next year's sittings would not be too late for the introduction of such legislation?

Much of this Bill can be attributed to dry season panic. I was interested to hear Mr. Laucke's question yesterday and the Minister of Works' reply about re-charging underground basins with fresh water in winter months. I think further investigations of that possibility would be profitable. I am not happy with the blanket control contained in clause 18, which states:—

(1) If the Minister is satisfied that action by the owner or occupier of land within a defined area on which there is a well, is necessary or desirable for the purpose of preventing contamination or deterioration of underground water or preventing the use of contaminated or deteriorated underground water he may issue a notice to such owner or occupier.

(2) Any such notice may direct the person to whom it is addressed to do any one or more of the following things within the time specified, namely—

(*a*) to close and shut off the supply of underground water from a well;

(*b*) to restrict the amount of underground water taken from a well in accordance with directions in the notice, or discontinue the use of a well;

(*c*) to disconnect all pipes or drainage works discharging into or around a well and take all necessary steps to prevent any fluid, gas, substance, effluent, waste or other matter or thing gaining access to the well;

(*d*) to close or to partly or entirely block or backfill a well;

(*e*) to treat any fluid, gas, substance, effluent, waste or other matter or thing in any way directed by the Minister before it is allowed access to a well.

The complete shutting off of bore water from those who depend on it for their livelihood would place them in an awkward position. I might be happier with the provision if some form of compensation were provided. In parts of my electorate Italian market gardeners are paying £1,000 an acre for land and they are completely dependent on underground water for their existence and to recoup their expenditure. In his second reading speech, the Premier said:—

Clauses 16, 17 and 18 provide generally for the maintenance of wells and for the Minister to direct owners or occupiers to take proper steps to ensure the prevention of contamination or deterioration of underground water.

That was not a lengthy explanation of the clause and I do not blame the Premier for not stressing it. The Minister will be enabled to entirely shut off a bore or limit the pumping of water therefrom. As a matter of fact, he will be able to do anything he likes when he wants to. I do not suggest that the Minister would arbitrarily exercise his powers, but I am not happy about the inclusion of such rights in legislation. When introducing the Bill in another place the

Minister in charge appeared to be rather evasive on the matter of controlling the quantity of water. On a number of occasions he persisted in denying that the Bill controlled quantity, but I am happy to believe that clause 18 provides for that. In his second reading speech here the Treasurer said:—

> The way I see this Bill operating in practice is this:—
>
> (1) The first step would be a thorough technical examination of the problem areas by the Mines Department—such areas already exist unfortunately, and their condition could be aggravated by this drought year—and if a serious contamination threat on a district basis exists, the department reports accordingly to its Minister.

An investigation is essential, but I am not certain that the steps proposed are correct. The first steps envisaged by the Premier after the Bill is passed should have been taken before the legislation was introduced. Most of us know that no body could be more qualified than the Mines Department to make such an investigation. It has done much good work on this matter and it has commenced an investigation into the matters set out in the Bill, but from the Premier's statement it is obvious that it has not yet been completed. The Bill is too hasty. I believe the position has been much exaggerated, yet a complete investigation into the matter of our underground water supplies is desirable, but it should have been made before the introduction of the Bill. I would like to know why a representative of the borers got on to the advisory committee when the landowners did not get a representative. The Bill contains a desirable principle, but I will find it difficult to support the measure in its present state, although its objects are good. There should have been a complete investigation before the Bill was introduced.

Mr. QUIRKE (Burra)—If we were to await an investigation prior to the passage of this Bill we would not deal with it in our time. Notwithstanding all that is known about underground waters, a great deal of damage would be done to them if we had to await the result of a complete investigation. That is why we have the Bill. The man with a title to the land on top does not have inalienable rights to the waters underneath the land. The origin of the water under the land could be hundreds of miles away. Water that falls on a piece of land cannot constitute a basin under it. It is said that the basin under Adelaide and to the north forms along the fault at the foot of the Mount Lofty ranges. The water seeps through the fault, which has been going on for geological ages. Geologists say that the water in the artesian basin in Central Australia was probably laid down when the animals that are now fossils were roaming the Centre. There has been no evaporation, because the water has been sealed, and the artesian water we are now using in large quantities is probably millions of years old, yet we give little recognition to that fact. The same thing applies to the smaller artesian basins around Adelaide. When they were full there was no chance of putting more water into them, but when we started to draw on them water seeped in through the fault, and so the level rose and fell.

The member for Gawler mentioned his district and I can understand the perturbed mind of people who purchased highly priced small areas of land to grow vegetables, relying absolutely on underground water supplies. If they were cut off we would have another area of land dependent on natural rainfall, and to that extent the land would be useless for vegetable growing. When the land was purchased the buyers assumed that the water would remain there in perpetuity, but no one knew the capacity of the underground basin, and perhaps some thousands of bores, put down for the purpose of getting water for intense cultivation, would go out of existence if supplies failed, and then the older settlers would suffer in the same way as the newer settlers. I do not believe that the landowner has inalienable rights to the water under his land any more than the State gives mineral rights to landowners. If uranium is discovered on freehold land, does the owner have the right to exploit the deposits, or does the State take over after he has been rewarded for his find? The same thing applies to water supplies.

I could take members to a spot where there is a perpetual spring on top of a dividing range. The spring passes along the old Burra Road that ran from Clare to Burra about 1850. It flows year in and year out, and the origin of the water must be many miles away. As water finds its own level, there must be water at a level higher than that of the spring. If someone enclosed the land where the spring is, it would not follow that he would have the absolute right to use the water, particularly if it were needed for the preservation of supplies. If the spring were needed to supplement water supplies in a time like the present, when it has been said that but for the Murray pipeline the metropolitan reservoirs would be dry, who would own the water? I

believe it belongs to the people and is a national asset in the same way as minerals are a national asset. If surface waters were contaminated by an atomic assault in some way we would be dependent on underground waters, because the surface waters would be useless. I think the Government is justified in paying attention to something that is of marked value to the people. We cannot rely on the thousands of people who have put down wells and bores to see that they are not polluted in any way.

In Clare, as in many other country towns where septic systems have been installed, the practice is to put down a bore until water is found and then to pour the effluent into the bore, knowing that it will disappear. This is not a desirable practice, yet it is being done all over Australia. If people strike water they use the bore to take away the drainage water.

The water under one section of Clare has been condemned because of bacterial infection due to septic tanks. The effluent from septic tanks is supposed to be purified because of bacteriological action but most tanks are too small and, when they are over-charged, the water comes out too rapidly for this action and is therefore charged with all the dangerous forms of bacteria. Despite this, it is poured into bores and soakage pits all over the town and it is well known that the bacteria count of the underground water in Clare renders it unsuitable for domestic purposes. Luckily, the town has a water supply from the Murray. The answer to this problem is to have deep drainage and treatment plants to ensure that the effluent is free of bacteria. This effluent can be used for a multiplicity of purposes; it is used at Leigh Creek for watering gardens and even the vegetables grown there. When there are visitors in a house that normally has four or five people, the eight-person septic tank is dangerous because it cannot cope with the extra use. It is vitally necessary to stop pollution caused by this effluent. Obviously we have the job in front of us, but now is not too soon to start.

The Mines Department has a graph showing known strata. In some parts of this State bores provide salt water at a certain depth but, a little lower, fresh water is obtained. It is well known that fresh water will stay on top of salt water. Miles out at sea from the Amazon and other great rivers fresh water remains on the surface. Such a demand is being made on the underground waters of this notoriously dry State that I raise no objection to the contents of this Bill. Although some people may be disturbed, it is better than to have everyone drawing on the supplies so that in another dry season nobody will get any water—and this could happen. The water supply of Adelaide is now being supplemented by 9,000,000 gallons a day from the underground basin which is being pumped into the mains. Is it not necessary to make certain that this is secure from pollution? I would say it is vitally necessary.

At the present time Burra has a water supply that is being pumped from underground. This supply is connected with the galleries under the mines. It is heavily mineralized, but it is practically inexhaustible. Such is the need for water that it is now proposed that the pipeline installed by the Railways Department to pump Murray water to the town for locomotives will now work in reverse so that the water from the mines will be pumped from Burra to Hanson and injected into the Whyalla main. That shows the position we can get into in a year such as this, and in those circumstances there is nothing strong enough to safeguard what is undoubtedly a precious heritage in the form of underground water. We cannot allow this water to be polluted any longer or endanger its existence by the infiltration of saline waters. This legislation is so urgently necessary that I think we should pass it and at a later stage hold whatever investigation is necessary. We should not wait for years after we have found the necessity for this legislation, and the damage has been done, before we pass it.

If it is necessary to prevent pollution from saline waters and from bacteriological infection it must not be overlooked that, if we were subjected to atomic attack, our underground waters would become of great importance, as they would be the only waters not affected by radiation.

I do not fear the legislation, as it contains all the necessary safeguards. Regulations will bring the various features of the Bill into operation. These regulations must come before the Subordinate Legislation Committee and members have access to them, and they can move in this House to disallow them, when they can discuss whether they will be harmful to the people of their districts or of the whole State. I see no dangers in the legislation; I recognize its urgency, and I realize the value of our heritage of underground waters. From geological readings I

know that it has taken millions of years to build up these underground basins which we can easily destroy. I support the legislation in its entirety.

Mr. HEASLIP (Rocky River)—I support this Bill. When a similiar measure came before us two years ago I opposed it, but the present measure is quite different from the previous Bill, which gazetted the whole of South Australia, whereas this measure provides for an area to be set out by regulation, not proclamation. As the member for Burra pointed out, any matter brought before the Subordinate Legislation Committee comes before Parliament and can be rejected, so I think that is the safeguard against proclaiming areas that should not be proclaimed. I cannot envisage the authorities proclaiming pastoral areas, as they do not have pollution of waters such as in the big basins around Adelaide or the South-East. If this were to apply to pastoral areas or if it were not to come before us in regulations, I would oppose it. People in pastoral areas put down bores that are not operated continuously. If they had to get a permit every time they wished to put down a bore the development of those areas would be retarded. Water is hard to get in those areas. I bored over an area of 150 square miles and spent thousands of pounds, but did not get one gallon of fresh water. If it is necessary to get a permit these people will not try to get water—and it is only by trial and error that water can be found in these areas. There is a need for legislation in the Gawler and Adelaide basins and in certain parts of the South-East where there is salt water and fresh water in layers. It is necessary to have some control in those areas if we are to preserve water without which the country is useless. The Leader said he thought it was infringing on the landowners' rights and that the landowners believed they owned, not only the land, but everything below it. What are the landowners' rights? They have a right to graze and use the land and, with certain exceptions, to the minerals under the ground.

Mr. Nankivell—They have no mineral rights.

Mr. HEASLIP—I think all freeholders have mineral rights, but, even if they have not, they have only the right to the ground where they graze their sheep and to the feed on top, not to the water that comes from one area to another. Under riparian rights water can be used while it is on a property but, after taking all that is needed, the landowner must put the excess back into the channel where it leaves his property. It cannot be diverted to another area where it would not naturally have gone. Water in bores and wells does not stay still and if people are going to contaminate it they will pass on to their neighbours water in a different state to that in which it entered the property. I think it is essential that we have a measure such as this. It is far reaching, but to be successful I believe it has to be far reaching. If we do not provide sufficient powers to enable the objects in the Bill to be achieved, the legislation will not be successful.

I have had complaints from some of my constituents, who I think are unnecessarily fearful about what will happen. We give powers under legislation, for instance, to the Police Force, and in other directions; those powers are not abused, and I therefore feel that the power under this Bill will not be abused. The member for Gawler (Mr. Clark) wants a complete investigation before we pass legislation, but if we are going to wait for a complete investigation of underground streams and the behaviour of underground water, we will be heading to the point where the whole of the underground water will be contaminated or dissipated before we understand what is going on. It is essential that we have some control in this matter as soon as possible.

Mr. Hutchens—Have we evidence of contamination to any extent?

Mr. HEASLIP—The member for Burra (Mr. Quirke) gave a striking example of contamination in Clare. He said that where people are using bores or wells to get rid of effluent it is going underground and contaminating all the underground water.

Mr. Hutchens—He just said that; he did not establish that fact.

Mr. HEASLIP—He said that the authorities claim that the bacteria counts in that area show that the water is contaminated. He said that was the finding of the health authorities, and I can quite believe it, for it is only reasonable to realize that that is just what would happen. If we keep tipping bad water down into good water, the badness must build up until all the water becomes contaminated and useless.

Mr. Hutchens—Do you say that happens with a septic tank, for instance?

Mr. HEASLIP—Under proper conditions, the water that comes out of septic tanks is pure, but where one overloads those septic tanks and puts through, say, 10 gallons an

hour instead of two gallons an hour, the bacteria does not have time to purify that water and it comes out impure. That is what happens.

Mr. Hutchens—Has it happened?

Mr. HEASLIP—I am quite prepared to believe the member for Burra. I say it definitely is happening where septic tanks are overloaded. Those tanks are built to do a certain job, and if we ask them to do twice as much they cannot do it efficiently.

Mr. Hutchens—There is no evidence to substantiate the fact that that has contaminated underground water.

Mr. HEASLIP—The honourable member can get evidence any time he wants it if he gets in touch with the health authorities in Clare, and that would confirm what the member for Burra has said. I do not think he is making a wild guess or a wild statement. As the member for Burra has said, if some of the people in his electorate did not have Murray water they would not be able to obtain water fit for human consumption. If the member for Gawler avails himself of the information contained in the Mines Department booklet referred to by the member for Stirling, he will see just what can and does happen. The department issues these booklets periodically. I have one with me dealing with the Willochra basin, and explaining, as far as the department is able to ascertain it, the position in that basin.

Mr. Clark—The Premier said the first step after passing the legislation would be to make an investigation.

Mr. HEASLIP—The Mines Department has made dozens of investigations, and taken hundreds of steps already. It issues booklets about it.

Mr. Clark—Everybody knows that; I admitted that when I spoke.

Mr. HEASLIP—If members read those booklets they would not need to be convinced. Why must we wait for a complete investigation?

Mr. Clark—The Premier said that is the first step we have to take.

Mr. HEASLIP—The member for Gawler puts the move down as a dry season panic. I point out that this is nothing new. Two years ago we had not this legislation but legislation dealing with this very subject.

Mr. Clark—Do you know why it was pulled out?

Mr. HEASLIP—The Mines Department and the health authorities have been delving into this—

Mr. Clark—Do you know why it was pulled out?

Mr. HEASLIP—Yes, I know.

Mr. Jennings—Because you objected to it?

Mr. HEASLIP—It was pulled out, but not because I objected to it.

Mr. Clark—It was because no way could be found of giving persons back their riparian rights.

Mr. HEASLIP—The member for Gawler (Mr. Clark) and the member for Gouger (Mr. Hall) represent the same type of area, yet one supports the measure and the other opposes it.

Mr. Clark—Obviously one is wrong.

Mr. HEASLIP—Yes, you are right there.

Mr. Clark—I am right all right.

Mr. HEASLIP—If the member for Gawler could see far enough, he would realize that the people he is trying to protect are going to be ruined if the present state of affairs is allowed to continue. Those people who have paid £1,000 an acre for land in his electorate will be able, through this legislation, to get water over a period of years. If we allow the present position to continue, so many bores will be put down and the basins will be lowered so much that those people will not be able to get enough water to make a living. This legislation will protect those people.

Mr. Clark—There won't be any small holdings up there if you stop people putting down bores.

Mr. HEASLIP—This legislation will prevent that land from going back to broad acres, and will protect those people that have paid for their land and are producing fruit, vegetables and so on from it.

Mr. Clark—You are not trying to tell me that those areas in my district that have been subdivided were unproductive before? It was some of the best land in the State.

Mr. HEASLIP—Those blocks were nowhere near so productive as they are today. If the honourable member knew anything about primary production he would know that with irrigation one can produce 10 or 20 times as much as one can produce with natural rainfall. I support the Bill.

Mr. STOTT (Ridley)—A good deal of confusion exists regarding this broad principle of underground water. In my study of geography and political science I have never known such a far reaching step as is contemplated in this Bill, which quite definitely contains an infringement of the rights of the

farmer who occupies land. Nobody can deny that.

Mr. Hall—What is the right: to deplete the basin or to use it?

Mr. STOTT—It is an infringement of the right of the individual to use his bore as he wants to. Several clauses of the Bill make that clear. Some people advocate the right of free enterprise and non-interference, yet in this matter they advocate complete interference with the right of the individual. Members must make up their minds; they cannot have a little bit here and a little bit there. A very important underlying principle is involved in this Bill. We will be denying a livelihood to someone by shutting off these bores.

Mr. Clark—Cutting off his water!

Mr. STOTT—Yes. Members cannot have it both ways. We should have a look at where we are going with this Bill. I have made some inquiries from people in the districts represented by the member for Gawler and the member for Gouger, and have found that those people are not at all happy about the provisions of this Bill. Notwithstanding what we have heard from those two members, my information is that those people are not at all happy with the Bill, and it is obvious that some of the stories that have been circulated are completely exaggerated.

Mr. Clark—That is exactly what I said.

Mr. STOTT—That information was given to me by a man who lives in the area, a man for whom I have the highest admiration and respect, and a person who knows something about underground water. He has lived in the area all his life and, possessing his own boring plant, he has a thorough knowledge of conditions in the area. If any person in the neighbourhood has trouble with his bore he immediately seeks the assistance of this man. I accept the opinion of such a person as that.

Mr. Hall—Does he say the levels are static?

Mr. STOTT—The information he has given me shows that the fears that have been expressed are groundless, and that the dangers are grossly exaggerated. The underlying principle that has motivated the desire for the support of this Bill is the fear of the contamination of underground water. We can understand that fear, and I am not denying the rights of this Parliament, with the Sovereign power that it possesses, to protect a community from the contamination of underground water, but I am a little anxious as to whether this is the right time to take the action that is being proposed. I am not satisfied in my mind that this is the right time to take this terrific step. What is being done is a departure from anything I have ever heard of in my experience in Parliament, which goes back well over 26 years. A very important principle is involved.

I have heard insufficient evidence in support of the drastic steps envisaged in this Bill, and therefore I believe we should have made more exhaustive inquiries than are contained in the Mines Department's reports. What I would have supported is the introduction of a Bill to make it compulsory for every farmer in a proclaimed area to have his bore registered, and to furnish the Mines Department with a complete description of the bore and the various soil stratas so that a geographical survey of the entire proclaimed area can be obtained. Such a survey is essential before a man can be authoritatively advised that he will contaminate the underground water if he keeps on pumping from a bore. It is a well known fact in boring for water that the lower one bores the greater the possibility of salinity in bores nearby. A farmer who is sufficiently wealthy could bore deeper than the bore of an adjoining neighbour and by so doing increase the salinity of his neighbour's bore. If that happened, under the powers contained in this Bill, would the Minister order the man whose bore was affected to shut it down? Who would be granted permission to bore deeper and who would be refused? Should a man be adversely affected because of the activities of a neighbour? I am not satisfied on these matters.

It has been said that these matters will be controlled by regulation and that Parliament must approve of regulations. It is true that the Subordinate Legislation Committee examines regulations and that any member has the right to move for their disallowance within 14 days, but in this Bill we provide a regulation-making power and the Minister, in opposing a move for the disallowance of any regulations under this legislation, could say, "Parliament has already passed legislation and these regulations are necessary to carry out Parliament's will." What hope would a private member have of having those regulations disallowed? I believe that this Bill is premature. I would support an inquiry into the whole question of underground water supplies. After all, what harm can come of an inquiry? This Bill has terrific implications and I admit that I do not know what its full effects will be. Clause 40 states:—

(1) The Minister or the director or any authorized person may, at any reasonable time, enter and remain upon any land or premises within defined areas for the purpose of making any inspection which he deems it necessary or convenient to make in connection with the administration or enforcement of this Act.

(2) A person shall not hinder or resist an authorized person making or endeavouring to make an inspection under this section.

(3) An owner of land who is not in occupation thereof and has been directed under this Act to carry out any work on a well on such land, may, after giving seven days' notice to the occupier of the land, enter upon the land with or without servants, agents and workmen and carry out such work and remain on the land for such time as is necessary for that purpose.

Those powers may be necessary, but I have yet to be convinced that we have reached that stage. I do not know sufficient about the contamination of the underground waters basin. I have examined the Mines Department report, but I am not prepared to accept departmental reports without a complete and exhaustive inquiry by practical men. If this legislation is approved, landowners should be represented on the advisory committee. Why should a private well drilling contractor be on this committee? The men most concerned are the landowners. If, because of the activities of a neighbour—as I have mentioned earlier—a landowner's bore is cut off, his livelihood will be affected, and he is entitled to some representation on the committee. A man may pay a big price for land because it has a bore from which water can be obtained for irrigation purposes, but, under this Bill, in one fell swoop that bore could be shut down and his property could be ruined. There is no provision for compensation in the Bill. It is proposed to materially interfere with the rights of individuals. That is sometimes necessary for the general good of the community, but we should provide compensation to the unfortunate individual whose livelihood is affected.

Mr. Hall—What compensation would there be if the basin went salty?

Mr. STOTT—I do not know. I am not completely satisfied that the whole of this basin is going salty. I am relying on the report of an experienced man who suggests that the situation has been grossly exaggerated. If there was voluminous evidence to suggest that the water was becoming saline or disappearing I could not argue against this legislation, but there is no such evidence. I want more evidence before I am prepared to take the drastic step contained in this Bill. I am not happy with clause 12 (1), which states:—

A permit shall not be transferred to any other person without the approval of the Minister being endorsed in writing on the permit, which shall be produced to him for that purpose.

A permit transfer should be automatic with the transfer of the land. If the Minister does not approve of the transfer of a permit it may seriously affect a possible sale and jeopardize a land owner. I do not entirely oppose the principles of the Bill, but believe more information should be supplied before we accept it. After all, if the Minister has any fears of possible contamination to underground supplies—that is, after examining the results of a geographical survey of an area, as I suggested earlier—he should have power to order a man who has been drilling lower to cement the bore and close off the strata where the salt is coming in. I have had experience of bores in the Murray Mallee basin, which has an excellent supply of water, but when a man gets down 35ft. to 40ft. he meets a salt stream and has to go through it to get to the better water, as far as 120ft. or 240ft. The Minister should be able to compel a man to close off the salt water, but under the Bill things are to be done in an entirely different way. We want more investigation into this matter. Many people know a great deal about the condition of our underground water supplies. If information were obtained from them and they said that the basin was contaminated there could be an inquiry. I cannot see why the Bill cannot be delayed for another six or nine months. Then, if necessary, we could proceed with the legislation. I support the fullest inquiry into the matter covered by the Bill before I can vote for it.

Mr. LAUCKE (Barossa)—I agree with the general principles of the Bill and commend the Government for its foresight in seeking to place this legislation on the Statute Book. It is important to our economy that every available drop of water shall be put to good use, and to maintain our underground supplies as far as possible. It will be generally conceded that the purposes of the Bill are highly commendable. They were summed up by the Premier in his second reading explanation, as follows:—

The whole purpose of this Bill is to ensure that these waters are preserved from contamination and will continue to be available for the benefit of the landholder and the community indefinitely.

I am concerned about the inherent rights of the individual being maintained. Underground

water supplies have been regarded as belonging to the owner of the land above the supplies. This confidence in ownership should not be usurped without an unanswerable case in relation to deterioration and contamination. I want to be completely convinced that no permit will be refused unless there is conclusive proof that the use of a well or a bore will contaminate or deteriorate underground water supplies. This brings clauses 9 and 18 strongly into the picture. Clause 9 deals with the power of a Minister to refuse a permit and clause 18 to the directions to owners and occupiers. I am all in favour of the prevention of contamination of our underground water supplies. The use of the word "deterioration" assumes a meaning of quantity. There is also a quality associated with the matter.

These are points which should be considered. They should be dealt with before any area is declared, and there should be a complete and close survey of the wells and bores in the area, with samples of the water being examined from time to time. We should be certain that before an area is proclaimed it has been proved beyond all possible doubt that there is no danger of contamination or deterioration. "Contamination" is a word easy of explanation and definition. It has purely a qualitative meaning. In this matter I have no fears, but I have fears in regard to deterioration, which has an element of meaning as to quantity. I feel that an *ad lib* approach to underground water supplies is highly dangerous. I commend the legislation, because it is easy by allowing salt water to enter a fresh water basin to ruin the good water supplies in the area. For that reason I support the need for care in boring. I am happy to note that Parliament will be the final authority on the promulgation of the legislation in certain areas, and that regulations shall be used to determine or declare areas. That means that the local member will have a say at the time of the declaration. I am pleased that the department desires to have legislation on the Statute book, not so much for immediate action as for having some machinery that can be put into operation when the need demands. The assurance from the department is welcome and it disposes of any fears in my mind as to the incidence of the legislation. As I reflect on this matter, I feel that there will not be a harsh application of the Bill. It is being passed to ensure the future quality of our underground water supplies, but I stress again my fears that when quantity is referred to there is a danger to individual landholders, and it is an aspect of the matter which I shall watch closely in future.

Mr. Clark—Have you had a look at clauses 9 and 18?

Mr. LAUCKE—Yes. I am concerned about both the clauses. Clause 9 has a definite reference to the ability to take water from a well and clause 18 to the direction to owners to do certain things. I referred to this matter earlier. It is the amount of water that may be drawn through a given well that worries me, because if there be no arbitrary dictation as to the quantity it can affect the livelihood of the person concerned, and until there is conclusive proof of contamination or deterioration I would not like to see the provisions of this qualitative element apply, but I am happy in the assurance of the department that the legislation is desired by it to be on hand should the need arise. I will look at the clauses further when the matter is considered in Committee.

Bill read a second time.

Mr. O'HALLORAN moved—

That this Bill be referred to a Select Committee.

The House divided on the motion:—

Ayes (16).—Messrs. Bywaters, Clark, Corcoran, Dunstan, Hughes, Hutchens, Jennings, Lawn, McKee, O'Halloran (teller), Ralston, Riches, Ryan, Stott, Frank Walsh, and Fred Walsh.

Noes (19).—Messrs. Bockelberg, Brookman, Coumbe, Dunnage, Hall, Hambour, Harding, Heaslip, Hincks, Jenkins, King, Millhouse, Nankivell, Pattinson, Pearson, Sir Thomas Playford (teller), Messrs. Quirke, and Shannon, and Mrs. Steele.

Pair.—Aye—Mr. Tapping. No—Mr. Laucke.

Majority of 3 for the Noes.

Motion thus negatived.

In Committee.

Clauses 1 to 20 passed.

Clause 21—"The Advisory Committee."

Mr. STOTT—There is no provision for a landowner to be on this advisory committee, although there is power to nominate "such other persons as the Minister considers necessary." I should like to know if these other persons will be landowners. If the reply is not satisfactory I shall move an amendment to this clause.

The Hon. Sir THOMAS PLAYFORD (Premier and Treasurer)—I presume the honourable member is referring to paragraph (*e*) of sub-clause (2), which provides that there shall be on the committee a person to be nominated by the Council or Councils of the

local governing area or areas affected by any question referred by the Minister under this Part, with the proviso that such person shall be a member of the committee only when the committee is investigating a question affecting the area or areas in respect of which that member is so appointed. This person will be nominated by the council in the area or, if there are a number of councils, it will be a joint nomination. The honourable member spoke about having a landowner on the committee, but there are two distinct problems in this matter. The first problem is that sometimes layers of salt and fresh water are found in various stratas. This happens in the district of West Torrens. The Bill is designed to give control so that salt water will not be drawn into fresh water zones through carelessness or faulty workmanship. Another problem has arisen in one or two of our towns, where people have been putting down bores to dispose of effluent. There has been some suggestion of contamination at Mount Gambier because of the disposal of effluent from septic tanks.

Mr. Ralston—I do not know of that—not from septic tanks.

The Hon. Sir THOMAS PLAYFORD—If a problem existed in the township, obviously it would not be proper to force a council to nominate a landowner. In the Mount Gambier area obviously the corporation would nominate somebody suitable and it would not be right to tie it down to a primary producer. I think the honourable member will realize that the clause is satisfactory.

Mr. RALSTON—I agree with the views expressed by the Premier and, as my district could be involved, I am pleased that he is prepared to accept nominations from the council for a representative on the committee. As I mentioned during the second reading debate, the disposal method in private homes at Mount Gambier would not comply with the definition of "wells" in the interpretation clause, but I think the Premier agrees that these provisions conform with the Health Act.

Mr. STOTT—I move:—

In subclause (2) (*e*) to strike out "person" where appearing and to insert "landowner."

This amendment will not take away the right of a council to appoint a person, but I want to be absolutely certain that there is a landowner on the committee. Under the clause as now framed the council could appoint its clerk or some other person but, as the landowner is vitally interested in these matters, he should have a representative on the committee.

[*Sitting suspended from* 6 *to* 7.30 *p.m.*]

The Hon. Sir THOMAS PLAYFORD—I ask the Committee not to accept this amendment. The Bill will apply to two different types of cases. One is where bores are put down for the disposal of effluent, and the pollution of underground waters results. If that town happens to be a municipality, the person envisaged by the honourable member may not be a landowner at all, but an occupier of a house. The other point is that the honourable member's amendment has no particular virtue, because the suggested "landowner" could be a landowner living at Oodnadatta and owning no land in the district concerned. It may be highly desirable that he be not directly involved. There is a possibility that the matters to be considered in this connection would be matters in which it would be desirable that such a person did not have any direct interest, such as he would have if he were the landowner in the area concerned. On the other hand, the council is elected by the ratepayers who are either in occupation of properties or owners of properties, and I am quite certain the council would appoint an appropriate person in this particular matter.

I do not think the honourable member's amendment does what he seeks. It does not mean that a landowner in the district has necessarily to be appointed. The amendment merely specifies a "landowner," and therefore I do not think it has any particular merit. It could result in the holding up of the appointment by the council of an extremely capable person who may not have the particular qualification of being a landowner. I feel that the councils will obviously select somebody with qualifications in this matter.

Mr. O'HALLORAN—When I spoke on the second reading I expressed the opinion that a landowner's representative should be permanently added to the committee. I have some sympathy with the attempt by the member for Ridley to achieve this, but I think he is going the wrong way about it. I have no objection to subclause (2) (*e*) as it stands, for we would then be sure that a representative chosen by the council of the area would be added to the committee while the committee is investigating the problems of that area, but I suggest that if we are going to give landowners effective and permanent representation the provision should be made in

subclause (2) (*f*), which refers to "Such other persons as the Minister considers necessary." I think it would overcome the difficulty if the Minister would give an assurance that at least one of these persons would be a direct representative of landowners who would be a permanent member of the committee and would represent landowners generally. It seems to me that subclause (2) (*f*) gives considerable latitude to the Minister in choosing additional members, and if we could have an assurance that a landowner's representative would be one of the additional persons chosen by the Minister I think it would meet the position. It would certainly meet it as far as I am concerned.

The Hon. Sir THOMAS PLAYFORD—I am much happier with the suggestion of the Leader, because in those circumstances we would be dealing not with the person elected by the council in a particular area, but with a permanent member of the committee who would not be dealing with the matters in his own particular area. If the Leader or the member for Ridley likes to move an amendment by adding the words "one of whom shall be a landowner," I will have no objection to accepting it. I suggest that the member for Ridley withdraw his amendment and substitute the suggested amendment to subclause (2) (*f*).

Mr. STOTT—I ask leave to withdraw my amendment.

Leave granted; amendment withdrawn.

Mr. SOTT moved—

After "persons" in subclause (2) (*f*) to insert "one of whom shall be a landowner."

Amendment carried; clause as amended passed.

Clauses 22 to 48 passed.

Clause 49.

Mr. RALSTON—This clause states:—

Nothing in this Act shall affect the obligation of any person to comply with the provisions of the Health Act, 1935-1956.

I should like an assurance that under the interpretation of the word "well" the pits which are used in Mount Gambier, and which have been used for some years, comply with the Health Act. Those pits are commonly used in the disposal of sewage waste, and I would like to be assured that they comply with the Health Act, at least until such time as they are replaced by sewerage.

The Hon. Sir THOMAS PLAYFORD—I am not quite sure of all the implications of the honourable member's question. Certainly, arbitrary action will not be taken.

Mr. RALSTON—The pits I am referring to are 20ft. in depth and properly covered with fly-proof wire. They have been operating for some years, and the health authorities have no objection to them, as they agree that under the conditions of their operation there is no possible chance of the contamination of underground water. Does this provision exclude them?

The Hon. Sir THOMAS PLAYFORD—I think they are already excluded under the Act.

Clause passed.

Title passed.

Bill read a third time and passed.

Later:

The Legislative Council intimated that it had agreed to the House of Assembly's amendment.

HIRE-PURCHASE AGREEMENTS BILL.

Adjourned debate on second reading.

(Continued from November 24. Page 1789.)

Mr. O'HALLORAN (Leader of the Opposition)—I am not opposed to hire-purchase as a principle. I believe that for many years hire-purchase was an essential part of our economy and that it enabled people to enjoy the benefit of the use of articles whilst they were paying for them. We all remember the old days when many worthy people had to skimp and save for years to purchase small amenities and conveniences for their homes. Frequently a married woman, who required a washing machine to cater for the large wash of her growing family, found that the need had diminished somewhat and she was really too old to enjoy it when sufficient had been saved to purchase the machine. Today, however, young people, by the judicious use of hire-purchase, are able to equip their homes with a reasonable number of these items that are no longer amenities but necessities.

The hire-purchase principle, however, has been somewhat devastated by what might be termed the profit motive. Many reputable hire-purchase organizations have not sought to unduly exploit the public, although I do think that all companies exploit the public unnecessarily in interest rates. From time to time we have heard complaints about go-getter salesmen inveigling people into signing contracts for articles on which they must find it extremely difficult, if not impossible, to maintain payments. That, of course, is due entirely to the profit motive. Salesmen working on salary and commission tend to induce the prospective purchaser to sign on the dotted line thereby causing much of the trouble that

has occurred in the past from hire-purchase transactions.

Then, of course, there is the effect on the economy of undue resorting to hire-purchase. Hire-purchase, judiciously used, is a benefit to the community, but injudiciously used can be detrimental, not only to the nation but to the individual. We have frequently heard warnings from responsible Parliamentarians, Ministers and economists that the growing hire-purchase debt is having the effect of withdrawing from that ambit of investment money that should be available to finance public works. In other words, the loan market is suffering because of undue resorting to hire-purchase by the community as a whole. That can be appreciated when we examine the steps recently taken by the Commonwealth Government in making loan conditions more attractive to induce people to invest and thereby overcome the difficulty that has been created by hire-purchase transactions.

There is also the question of the individual who, through the pressure of go-getter salesmen, signs more agreements than his wages or salary will carry. Thus we find that this dual difficulty has reached proportions that have recently been mentioned by various authorities. I draw attention to a statement made by Mr. Stanley Wilson, published in the *Mail* of October 17; Mr. Wilson is one of the principal executives of Farmer's, a large commercial concern in Sydney. The report stated:—

He urged a uniform law for Australia. He said the financial structure of hire-purchase was reaching immense proportions. This was later borne out by a report from Canberra which showed hire-purchase debts at a peak of £361,000,000. It was an increase of more than £4,000,000 over the July record. Mr. Wilson compared the hire-purchase debt with Australia's national income, and said it now represented more than 7 per cent of the national income.

I emphasize that last sentence. The report continued:—

According to Mr. Wilson a variety of practices, procedures and anomalies have grown up in the various States. "It is futile to attempt to regulate the position through a variety of State laws. Common legislation in all States is the desirable goal," he added.

I agree entirely with Mr. Wilson, but there are difficulties in securing uniformity through Commonwealth legislation. The main and insuperable difficulty is the Commonwealth Constitution. The Bill provides a degree of unanimity, and for that reason I am sympathetically disposed towards it. In amplification of Mr. Wilson's remarks, the outstandings in hire-purchase transactions in Australia have grown in the last 10 years from £70,000,000 to £361,000,000. These figures must cause every member to pause and think, and then take reasonable steps to put hire-purchase on a proper plane. In other words, we must make it serve the needs of the people, and not allow it to become the master of the people.

The South Australian figure shows an alarming position. From the *Monthly Summary of Statistics,* issued by the Commonwealth Bureau of Statistics for the month of September this year, which is the last available publication I can find, I have obtained some interesting information. In 1954-55 the balance outstanding on hire-purchase transactions was £18,633,000, and in August this year it was £33,078,000, an increase of £15,000,000 in a little more than five years, which pinpoints the need for this legislation. The hire-purchase debt per capita in Australia is about the same in each State. It shows that the practice of indulging in the hire-purchase business is the same in all States. As at March 31 last, the figure for New South Wales was £35 17s., Victoria £35 2s., South Australia £35 1s., and the average for all States was £34 7s. I said earlier that I had a sympathetic approach to the matter of hire-purchase and I point out that the Opposition has made three attempts in recent years to pass legislation in this House dealing with the subject. The first Bill was introduced in 1954, the second in 1955 and the last in 1958. If members read the provisions of those Bills they will see that there is a strange resemblance in many respects between them and the measure we are now considering.

Mr. Jennings—That is one of the good things about this Bill.

Mr. O'HALLORAN—Yes. In view of the vigorous opposition to our Bills, it is strange that the Treasurer found it possible to agree with representatives of other States to bring down this legislation to effect a uniform system as far as it goes, and to have the legislation based on many of the premises contained in my Bills.

The Hon. Sir Thomas Playford—It has some of those premises, but not all of them.

Mr. O'HALLORAN—This Bill has some of the good points that were contained in the Opposition measures. For instance, there is a provision for a proper agreement to contain all the details of the transaction, such as the cash price and the various units that make up the accommodation charge, which is a new name for the interest charge.

Mr. Dunstan—When we suggested that the Treasurer treated it as a joke.

Mr. O'HALLORAN—He said it could not be done as it would inflict a burden on the people.

The Hon. Sir Thomas Playford—I said that no one could work out your calculations.

Mr. O'HALLORAN—I am not talking about calculations. Clause 3 deals with the form and contents of hire-purchase agreements, and says:—

Every hire-purchase agreement—

(*a*) shall be in writing.

(*b*) shall be signed by or on behalf of the hirer and all other parties to the agreement;

(*c*) shall—

(i) specify a date on which the hiring shall be deemed to have commenced;

(ii) specify the number of instalments to be paid under the agreement by the hirer;

(iii) specify the amounts of each of those instalments and the person to whom and the place at which the payments of those instalments are to be made;

(iv) specify the time for the payment of each instalment; and

(v) contain a description of the goods sufficient to identify them;

(*d*) where any part of the consideration is or is to be provided otherwise than in cash, shall contain a description of that part of the consideration; and

(*e*) shall set out in tabular form—

(i) the price at which at the time of signing the agreement the hirer might have purchased the goods for cash (in this Act called and in the agreement to be described as "cash price");

That was one of the fundamental principles I sought to establish in my Bills. I felt that if the prospective hirer were able to see at a glance the difference between what he could purchase the article for cash and what he would ultimately pay as the result of the terms and conditions in the agreement, it would act as a brake and cause him to consider whether it was worthwhile engaging in the transaction. The clause contains all the items I included in my Bills, but the Treasurer said they were impracticable and his dutiful followers joined with him and said "No" to the second readings. In that way they also said that the items were impracticable. I wanted the hirer to have the right to choose his own insurance company, but that was said to be impracticable, yet it is in the Bill.

Another provision I sought to put in was one that said that if there was a rebate on insurance, as is often the case with motor car insurance, the hirer could obtain the benefit of the rebate. That provision is also in the Bill. There is also one that protects the hirer in connection with repossession, so that if the goods are to be sold the hirer can see that they are sold at a reasonable price, and if they bring more than the amount owing on them that he gets a refund of the balance. The Bill also contains another very good provision, that the owner cannot use force in repossessing an article on hire-purchase. Not long ago the member for Semaphore (Mr. Tapping) mentioned a case in which, in the absence of the hirer, agents of a hire-purchase organization went to a home, forced an entry and took away the article, thus depriving the hirer, who was a widow who thought that her husband had completed payments before he died, of the article. Some negotiations took place but, because of the absence of the member for Semaphore, I am not able to state the results. Such things will not be possible after this Bill is passed.

I know the Premier will say that this Bill, being the result of a conference and an agreement, should not be subject to substantial alterations, but I intend to support the amendment foreshadowed by the member for Light (Mr. Hambour) to provide for a small deposit on hire-purchase transactions. I will also ask the House to agree to an alteration of interest rates.

The Hon. Sir Thomas Playford—Did you make a deal with the member for Light?

Mr. O'HALLORAN—No. With my limited capacity for dealing I would find that difficult. I can handle sheep deals fairly well, but I will leave horse dealing entirely to the Premier. There should be a limit to interest charges, as high charges have a tendency to cause competition—not competition as we know it to sell an article at a lower price to the competitor, but competition to sell an article at the greatest possible price to get the greatest rake-off from the deal. Hire-purchase transactions are often referred to as the small man's overdraft account. If a man in business or a private individual has sufficient acceptable security he can go along to the bank with which he deals and obtain overdraft accommodation. The rate of interest he pays is approximately 6 per cent and is calculated on the actual amount overdrawn. That is, he pays an effective rate of interest of approximately 6 per cent. The small man, however, who has no acceptable security is forced to operate on hire-purchase and for the same

type of accommodation he has to pay a very much higher rate of interest.

This fact is reflected in the earnings of hire-purchase companies in recent years. I examined the latest balance-sheets available of two of the biggest finance companies operating in Australia. After making provision for taxation, one of them had a net profit over 12 months trading equal to about 14 per cent of the shareholders' funds and the other about 21 per cent. That shows that this form of trading is enormously lucrative to those financing it. Hire-purchase companies maintain that shareholders' funds represent only a small proportion of the total funds employed in their operations and that the relation of profit to shareholders' funds does not give a true picture, but I do not agree with this view. When payment has been made for the use of these other funds—for example, the interest on fixed interest debentures—and there is still sufficient to show a profit after taxation of about 14 per cent and 21 per cent—I consider that the rates of interest charged on hire-purchase transactions are too high for the service rendered. That is why there should be a limit to the interest charged on hire-purchase transactions, and I have given notice of an amendment to provide for a simple interest rate of five per cent for the duration of the transaction. To give a simple illustration, that would mean that on a 12 months' transaction the effective rate would be about 9¼ per cent.

The Hon. Sir Thomas Playford—A little more than that: about 9¾ per cent.

Mr. O'HALLORAN—I accept the correction, but that would be better than the 14 per cent and 21 per cent I quoted. I think my proposal is fair.

Mr. Shannon—What is the rate in New South Wales?

Mr. O'HALLORAN—It varies from seven to 10 per cent.

Mr. Shannon—Aren't you getting away from that?

Mr. O'HALLORAN—There is nothing in the Bill limiting interest, and I will deal with this in a moment.

The Hon. Sir Thomas Playford—The Leader is very difficult tonight.

Mr. O'HALLORAN—I thought I was very clear and plain. I have given the principles that I have enunciated so often that I know them off by heart. I would have preferred interest to be calculated on a reducing balance, and I am not satisfied that that could not be done. I believe I had a proposal in one of my Bills that would have enabled this to be done in a simple way.

The Hon. Sir Thomas Playford—Nobody would have been able to calculate that.

Mr. O'HALLORAN—The Premier said he had a report from some high actuarial authority or mathematician, but he never produced it in the House. I questioned and importuned him and did my best to get it, but I came to the conclusion that the author of the report was the Honourable Sir Thomas Playford, and that it would not bear examination. Being unable to get it, I have contented myself with a proposal to limit interest rates to five per cent simple interest for the duration of the contract, which is simple enough to work out. I can work it out myself, and they did not teach much about interest rates at the academy of learning I attended in my early days, which was known as Townsend's Barn.

I think it is essential to have the consent of both husband and wife to a transaction where both are living together in one house. The member for Stuart suggested that that may do away with house-to-house canvassing. I think if it is in the Bill it will prevent one of the greatest evils of such canvassing in that the go-getter will not be able to get women to sign things in the absence of their husbands at work. I can foresee that there will be some argument about departing from the uniform provisions of the Bill but, after all, those provisions will deal only with a certain type of hire-purchase trading. The great bulk of reputable traders already conform to the principles set out in this Bill, which they started to do when I started to educate them by bringing in a Bill in 1954. However, there are types that must be dealt witn, and they will be dealt with when this Bill is passed.

This measure does not touch the matter of deposits, control of interest rates and the signatures of both husband and wife. We will probably be told that this will depart from the principle of uniformity but, when introducing this Bill, the Premier said:—

> While some States preferred not to interfere with interest rates and deposits, others were of the opinion that there should be some control exercised over these also. As regards these two somewhat controversial matters, it was agreed that the manner in which they would be treated by the individual States would not affect the uniformity of the legislation proposed.

I draw attention to the last sentence.

The Hon. Sir Thomas Playford—That is pretty good stuff. Who said it?

Mr. O'HALLORAN—The Premier said it, and I hope that in view of that erudite statement he will agree that we can depart from the principle of uniformity to the extent I have mentioned. With those few remarks, and with no criticism, but with a genuine desire to improve the Bill, I support the second reading.

Mr. HAMBOUR (Light)—I should like to give this Bill my blessing, as I believe it is quite good as far as it goes—the second reading explanation and the contribution of the Leader of the Opposition. At the outset, let me say I do not like hire-purchase and possibly my remarks will be somewhat clouded by that dislike. It reminds me of an old Chinese proverb—"He who rides the tiger cannot dismount." We are right in the saddle with hire-purchase and I feel we cannot dismount for a long time, but I hope we can gradually start to slide off the saddle. It is my earnest wish that hire-purchase will be reduced from the heights it has now reached. I realize that it is now part of our economy and we must accept it as it is, but it must be brought into line, which this Bill, as regards the transaction, does. It regularizes the dealings, and the hirer will be sure of getting protection. I have here a hire-purchase agreement that can hardly be read. It is traced over.

Mr. O'Halloran—It is not in 10-point type.

Mr. HAMBOUR—It is not typed at all; it is scrawled. Not only the agreement, but the sale, was bad, and I hope we will be able to deal with that. I have another agreement here that my nostrils will not stand. It is a document concerned with the payment of £7 a week by a man who receives £14 a week and has a wife and three children. It is such instances as this that really put me off hire-purchase.

Another document I have here concerns a person who went through the Bankruptcy Court. That man had five children and a wife with poliomyelitis. If honourable members wish they can have a look at these documents, and they will see the court action taken by one company. In the latter case that I mentioned the man had enough summonses to paper his kitchen walls. He had been in gaol for 10 days. He was at his wits end, he had no money, his goods were taken and all he had was a liability. Honourable members will realize that I have a distaste for this type of business. In 1940 the amount of money on hire-purchase was £23,000,000. The shareholders' funds amounted to 58 per cent and the amount on overdrafts amounted to 42 per cent. Today hire-purchase business exceeds £360,000,000. The total funds of 34 groups amount to £224,000,000, from which I assume that £128,000,000 of credit is being used for hire-purchase finance, at, I would say, a fairly high interest rate.

I know there are arguments for hire-purchase, and I will not deny that. It certainly develops compulsory saving for some. It gives a wider distribution of goods, and it removes much of the drudgery and provides amenities for the home.

Mr. Jenkins—And employment.

Mr. HAMBOUR—It maintains production at its highest level, and the hirer gets goods two, three, and up to five years in advance, so I realize it has its benefits for many people. The manufacturer enjoys inflated production; I do not think that can be denied. It gives a high return to the money lender, and it creates a high level of employment.

Mr. Riches—The money lender's rake-off is the big trouble.

Mr. HAMBOUR—If the capital were diverted to more stable development I feel the employment figures would balance out. It was said by the Prime Minister that we can have as much money as we need to build houses. I think everyone will admit that our house-building capacity is at its fullest, and if we could get more labour into brick-making and home building I believe that money would be better spent.

Mr. Clark—You would have to get rid of the profit makers.

Mr. HAMBOUR—Hire-purchase sets up an artificial level of production. It sets up a precarious state of security for both the hirer and the manufacturer, and I think it is bringing about a resurgence of usury as we have not seen for the past 50 years, until the last 15 years or so. It draws capital from development, and I think it tends towards softer living. Whether or not that is desirable members must judge for themselves. I am sure all members will agree it has stepped up the cost of money. I am not referring to the cost of money for hire-purchase, but to the cost of money to Governments for investment purposes. It has almost become the measuring stick, because it is absorbing so much of the savings of the people. I think all members will admit that the cost of money is the greatest problem Australia has to face today.

I believe that hire-purchase is inflationary, and almost the greatest contribution to the inflationary trend that we have had over the

last 10 or 12 years. I think that is admitted by all. It is admitted by Mr. Menzies and by the workers' leaders, and I am sure that if honourable members really analysed hire-purchase they would see that it is inflationary. I also believe that it is responsible for investment in wasting commodities. People commit themselves in advance, for what they could normally save is mortgaged in advance in the purchase of commodities that have no durability. Only quite recently we had an increase awarded to the metal trades. The court said that the industry had the capacity to pay. I do not wish to debate that point, because the court said it and I accept it, but the inference is that industry is thriving and making high profits which in turn are passed on to the men and if not checked will be passed on to the consumer. The dog will be chasing its tail again, and where we have had a 2 per cent or 3 per cent inflationary spiral over the last few years it could easily go up to 4 per cent or 5 per cent, and this is something we definitely want to avoid.

The Leader was permitted to deal with a proposed amendment, and I too, foreshadow an amendment. If a deposit were provided it would only affect a reasonably small proportion, not of the number of sales, but of the money that goes into hire-purchase. We know that 70 per cent of the money spent on hire-purchase goes into the purchase of motor vehicles, on which a minimum deposit of 25 per cent is demanded. We also know that 5 per cent of hire-purchase goes into machinery, for which a deposit is also demanded. That leaves us with 25 per cent of hire-purchase on consumer goods. I say—and I think the member for Chaffey will endorse this statement and perhaps go even further—that of that remaining 25 per cent more than half of the people involved pay a deposit anyway, so we are only going to deal with a very small number who do not pay a deposit. Why do those people not pay a deposit? I would say that of the remaining portion that do not pay a deposit more than half could but are not asked to.

I took from a Sunday newspaper a few advertisements to show the enticement and sales talk given to the people in an endeavour to sell goods. I am convinced that if the people had to put down a deposit the sales would still be made. Here are some of the examples of the inducement held out:—28 guineas, 6s. 6d. a week, buy now, begin payments January 1; priced from 22s. 9d., no deposit needed; and so on. All the other advertisements say that people do not have to find any money until next January. It is only sales talk to induce people to come in and buy something. I venture to say that if people really need a particular item they will buy it anyway and put up whatever is asked by the selling authority as a deposit. An article dealing with the hire-purchase business in the United States of America states:—

> The United States car industry is looking to a new boom this year, as most of the hire-purchase contracts made in 1955-56 boom were of three-year duration. There are in this situation the seeds of a self-perpetuating cycle. Had controls of consumer credit been imposed in 1955, the sales boom and expanded capacity of 1955-56 would have been less, but the recession of 1957-58 would have been less severe.

I therefore think that if we can moderate hire-purchase, even if we suffer a little set-back now it will be more than compensated by a continuity of steady business which I am sure is the desire of all manufacturers. That is my earnest plea. In his Budget speech of 1955 the Treasurer referred specifically to the growth of hire-purchase as a factor contributing to the resurgence of inflation. The annual reports of the Commonwealth Bank for 1955 and 1956 pointed to the strain being imposed on our internal and external reserves—they are not all internal manufactures—by the levels of expenditure, stimulated by a high rate of development and a rapid growth of hire-purchase finance for consumer durable goods. Those reports also stated that uncontrolled hire-purchase finance will increase the inflationary pressure and the severity of recessions.

That statement is not invented by the humble member for Light; it is endorsed by our Federal Treasurer and other people who are in a position to weigh this question fairly. I believe the provision for a deposit would have a steadying influence, and no severe effect on employment, if any. Provision for a deposit was contained in the model Bill. New South Wales has it, Queensland, I believe late last week, approved of a deposit in a model Bill, Tasmania has a proposal for it, Victoria has slung the deposit provision out, and Western Australia has not yet made up its mind. I maintain that a deposit proposal should be put in. Objections will come from manufacturers, dealers and financiers, and their main objections will come from their pockets, because there is no doubt it will affect their profit to a very small degree. However, it will only be a nine days' wonder before they will become inured

to a new basis of hire-purchase finance and the new conditions generally relating to it.

It will probably be said that there will be a surplus of production. I do not believe that can be of any great moment, because, after all, what I am asking for is only the equivalent of three monthly payments. At the outset, the production could only step up over a period of a few months. I throw out a challenge to our manufacturers that it is about time they stirred themselves and looked outside the home market for the sale of their products. Up until the present they have been quite content to reap profits from a lucrative protected home market.

Mr. Coumbe—Do you refer to Australia?

Mr. HAMBOUR—Yes, to Australia as a whole. Each and every one of us, if we believe this country must go forward, must look to the outside world for the sale of some of our goods if we hope to develop economically and push our manufactures ahead. I look to the expansion of the economy of Australia not only through internal sales but external sales. The argument has been put up that hire-purchase can be controlled by the central bank entering the field. We all know that the Commonwealth Bank was in the field at one time, when it had £15,000,000 out on loan. Today it has £17,000,000 on loan, but its competitors have risen from an almost infinitesimal amount to £50,000,000, and today there are private financial organizations with as much as £50,000,000 of money out on loan.

How can we control the monetary market? The Commonwealth Government has not the power and the State Government has not the power. Unless all Governments get together on this question it cannot be controlled. It is useless for one State to control interest rates because it is only a question of a person stepping over the border and doing what he likes in South Australia. With my amendment I am sure it is not going to be profitable for anybody to go to Victoria to save a small deposit. I realize that if anybody wants to cross the border and secure goods without paying a deposit they can do so, but I believe the majority of South Australians will make their purchases here. It has been suggested that restricting the number of payments could curtail this, but that would depend upon the type of goods handled.

Mr. Coumbe—That could cause hardship.

Mr. HAMBOUR—Yes, and I have no desire to do that. I support the second reading and will have more to say in Committee when I move my amendment.

Mr. McKEE (Port Pirie)—I consider that this is one of the most important Bills that has come before the House this year. I cannot agree with Mr. Hambour because I believe he would make it more difficult for people to purchase goods on hire-purchase. The present hire-purchase system is definitely one-sided and completely unfair. It is exploitation of the worst type. Although this Bill adjusts some of the anomalies, the main anomaly—the unrestricted interest rates charged—has not been considered and there is no provision to control interest rates. The Government knows that the workers are being touched left and right and these get-rich-quick finance companies are exploiting the Australian workers, yet the Government has not attempted to do anything about it. It should be the duty of any Government to try to bring justice to the working buying public. I contend that, in these days of understanding, no society can hope to survive unless its organization is based on some moral foundation. Men of all nations are brothers and are entitled to the best life can give, and no group of men should be permitted to exploit another group. The workers create the wealth of a country, but to acquire the essential needs of life they are forced into debt by the excessive interest rates attached to the present hire-purchase system.

I do not object to hire-purchase that is administered reasonably and it should be the Government's object to ensure that it is carried out reasonably to protect the public from unscrupulous profiteering financiers. The hire-purchase system requires interest payments out of all proportion and this has the effect of shrinking the money supplies, not expanding them, because millions are being directed into the pockets of a few men. For example, Custom Credit, which is recognized as the biggest hire-purchase organization in Australia, in a few years has accumulated assets worth £70,000,000. This was recently announced by its managing director. In order to make this fabulous sum it is obvious that the buying public has not had a fair deal and that business must be charging the people more than is necessary to make a fair profit for the services rendered. It is most unfortunate that the Government favours and accepts this type of exploitation when it knows full well that the wealth of the country is produced by the workers—workers of all types working together socially. If one traces the production of an article through all its stages of production one

discovers that hundreds of workers have co-operated to bring the finished product to the market. Men on the land, miners, transport drivers, foundry workers, factory workers, distributors and others are all concerned in social production. We frequently read in the press that various companies have increased their profits enormously. For instance, General Motors-Holdens recently paid out millions in profits, but when it was first established it promised a Labor Government to put a cheap car on the market.

Mr. O'Halloran—A worker's car.

Mr. McKEE—Yes, but unfortunately for the buyers that promise was never kept. Today there is secondary exploitation because high prices not only apply to cars and television sets, but the prices of refrigerators and clothing are further increased by excessive interest rates attached to them and consequently millions of pounds are controlled by comparatively few men. A few months ago the Broken Hill Proprietary Company Limited gave away millions of bonus shares to its shareholders and no-one can deny that that wealth was produced through the co-operative efforts of workers. Of course, most of that wealth went to overseas shareholders and the workers and the country were exploited.

We frequently hear members opposite speaking about encouraging small businessmen and private enterprise whilst all around them monopoly marches on. We have had several instances mentioned in this House of people being pushed out of business. Capitalism is consolidating its power and crushing out the small traders. To substantiate that claim I need only read a copy of a letter sent to the Premier by Mr. T. R. Oborn, who is being forced out of business. He wrote as follows:—

I seek the opportunity to bring to your notice certain business practices that are providing extreme embarrassment to my livelihood. I am a returned soldier and, for the last three years, I have operated a business known as Domestic Wholesalers. This business is engaged in the distribution of domestic hardware to the storekeeper trade. As my capital is limited, my method of trading is to offer 5 per cent cash discount for prompt payment, or 2½ per cent 30 days, similar to the large wholesale hardware merchants.

In recent months, the large hardware merchants of this State have made combined approaches to various manufacturers in an effort to have my supplies curtailed if I do not cease giving my prompt discount terms. As my method of trading is ethical as well as practical, it is only with reluctance that I am forced to look for new capital to meet these demands. If these merchants are successful in dictating how I should trade, I could be put out of business. Supplies of various items for which I hold Government contracts are being jeopardised. This will put me in a position of not being able to honour my obligations to the Supply and Tender Board.

I have taken the liberty of placing these facts before you, only after carefully considering all other methods of combating these unfair practices. Your views expressed in the "William Queale Memorial Lecture" given in 1956 under the heading "Free Enterprise under Changing Economic Conditions" prompted me to write this letter. It is not desirable or my wish to be involved in proceedings that will only gain supplies under pressure. The tactics adopted by the hardware merchants are undesirable and eliminate the free competition on which our type of community thrives.

I understand that there is no legal protection from these practices, except under the Prices Act which can only cover price-controlled items manufactured within the borders of this State. Gaining supplies under the Act, could always be problematical if the manufacturer was unco-operative. If official representation could be made to the five hardware merchants engaged in these restrictive practices requesting them to cease applying pressure and to withdraw their demands on interstate manufacturers, it would provide the ideal solution.

Mr. Coumbe—What has that to do with this Bill?

Mr. McKEE—I am trying to explain how monopoly and capitalism are marching on and consolidating and how the money derived from hire-purchase by excessive interest rates is being directed into the pockets of get-rich-quick finance companies that are restricting trade practices. I am sure my colleagues will agree that this is definitely monopoly dictatorship. Prices today are held by two means—monopoly control and restrictive trade practices. Manufacturers insist on their prices, and, in many instances, insist on fixing the retail selling prices as well. In a period of plenty this deprives the consumer of any benefits to be derived from a period of changing economic circumstances. Many will say that rising prices are associated with rising wages, but I do not agree because the employee receives his wage rise after the commodity has increased in price—and frequently a considerable time after. It is not, as claimed by Mr. Hambour, a case of the dog chasing its tail, but the tail chasing the dog. Of course, when wages rise, industry is reluctant to absorb that increase and makes every effort to replace manpower with machinery. It all ties up with the economic situation. In these days the economic position is involved and I strongly believe that as a nation we should approach this problem from the standpoint of the nation and not for the benefit of private enterprise

or monopoly groups. I do not dislike hire-purchase in a reasonable way. It has to some extent raised the standard of living of many workmen on low wages. It would not be wise to restrict the business. I do not agree with Mr. Hambour's remarks about a deposit being necessary. I have known people to trade in an electric iron not worth "two bob" on a refrigerator or a television set. It is possible to buy a vacuum cleaner for a "bob" from Godfrey's in Gawler Place and then have it accepted as a deposit on a new refrigerator. The restriction of hire-purchase business could create unemployment. We must clip the wings of these get-rich financiers. I suggest that interest rates should be controlled by the Government, but there is no mention of that in the Bill. A reasonable amount of profit should be allowed, but the present interest rates charged by the hire-purchase people are far too high. The Government owes some protection to the workers who produce the goods. The contract should always be clear and the signature of the husband and the spouse should always appear on it. I cannot support the move for a deposit. Sales of refrigerators are advertised at a cost of 2s. 6d. a day, which is the cost of a block of ice. No-one would buy a block of ice when a refrigerator could be obtained at that low price. I cannot support the Bill under these circumstances.

Mr. HALL (Gouger)—I appreciate Mr. McKee's remarks, but I remind him that we have two years to go before there is a State election and perhaps it would have been better for him to retain some of his statements until then. There is exploitation in the hire-purchase business, but many of the deals are entered into unnecessarily. It is the duty of the purchaser to know what he or she is getting into. I do not say that idly, because I know where in several cases unnecessary articles have been purchased. I know of a case where a woman traded in a sewing machine worth £5 for a new machine costing £120.

Mr. Hughes—Would it be a lady in the Gouger district?

Mr. HALL—I do not want to quote the lady's name. That was one case, and there are others. The exploitation is not all on one side, because many of the transactions are unnecessary. Mr. McKee referred to monopolies. He should know something about them because he is associated with one and he knows the power it wields. People who buy articles under hire-purchase should study the contracts a little more than they have done in the past. It may be a good move to adopt the deposit basis, because the purchase of goods without a deposit could bring about a recession. Mr. Hambour referred to the boom in the sale of motor cars in America when they were obtainable at a low deposit. It brought about a recession as an aftermath.

Mr. McKee—The people would not be in such a financial position if they did not pay too much for the goods.

Mr. HALL—They are certainly paying too much in some instances and if they had to pay a little more as deposit there would be more equity in the goods.

Mr. McKee—There is no equity at present.

Mr. HALL—Not if they are bought on no deposit. It would be a great help if there were a 10 per cent deposit. The *Current Affairs Bulletin* of May 11, 1959, contained the following:—

> The user of hire-purchase pays dearly for the service. For example, to buy a £1,200 new car on a three-year hire-purchase contract, paying a deposit of one-third, total insurance premiums of £116, and a flat rate of 6 per cent per annum, the buyer will pay about £220 more than the cash price—£183 in hiring charges and about £40 more in insurance premiums.

Even at a flat rate of 6 per cent per annum goods are not obtained cheaply. It behoves the people to pay a little more as deposit, which means a lower interest payment on the smaller balance. Undoubtedly too many people are putting too much of their wages into hire-purchase business. It is said that this type of business does not put anyone in gaol, but I have been told that there are people in the Adelaide Gaol owing £14 of an £18 a week wage. It is the start of the trouble. I have spoken to a hire-purchase dealer in Adelaide who said he favoured a minimum deposit. He said he always endeavoured to collect a 10 per cent deposit, but that the competition from no deposit business was forcing him to accept a lower deposit, and that ultimately he would be forced to accept transactions with no deposit at all. He pointed out that one man wanted to buy a luxury article worth £200 and when asked what deposit he could pay he said £5. When told that that was rather low for that type of business, he was asked what work he did. He said that he did not have a job, and on being questioned further, he said he hoped to meet the payments out of his unemployment relief. Of course, that is an extreme case,

but it illustrates the irresponsibility engendered in no deposit hire-purchase business.

Mr. Riches—Do you favour a low rate of interest?

Mr. HALL—A deposit in this business would bring about more sanity in, and perhaps reduce the interest in the hire-purchase business. I support the Bill, but I had hoped that there would be a limitation on the number of payments needed for each article, but I can see that amendments to the Bill would not be received in a favourable light. The other day a refrigerator was advertised for sale at £149 10s. on no deposit and with payments of 16s. a week. On inquiry I found that it would take five years to pay for the refrigerator on that basis. I support the Bill and hope that more information on several matters will be given in Committee.

Mr. QUIRKE (Burra)—I support the Bill. I know that under our existing economy hire-purchase is necessary, but that does not make me like it. Hire-purchase enables people, who have not the money to pay cash, to buy on terms. The total industry of Australia does not put into the hands of the people sufficient money to purchase its output. As a result hire-purchase is necessary and the people who buy these things pay heavily. Hire-purchase has the virtue that from the time the person enters into a transaction the article is his to use; that is the attraction. Some people ask why people do not put a certain sum away each week so that ultimately they can reap the advantages of paying cash, but that is easier to advocate than to do. It might take two or three years to save enough money to pay the cash price and in that time people buying on terms have the use of the article. The advantage of hire-purchase is that whether or not a deposit is paid the article can be used immediately.

There is one virtue in the proposal to have a deposit. People get into trouble mainly when they have weekly payments that are too high. In one case mentioned tonight, a man had to pay £7 a week out of a wage of £14. If he had to pay £2 10s. a week rent, how could his family live? He may have his wife's wages and the youngster may be becoming a delinquent; there is substantial evidence that that is happening in some cases. The main virtue of having a deposit is that it will curb people who would otherwise become too heavily involved by buying several articles and paying out on several agreements at the one time. We hear these insidious advertisements asking us to buy and pay only 2s. 6d. a day, but that is 17s. 6d. a week which, added to another and another 17s. 6d., takes the whole thing out of balance, the income of the family suffers, and probably the health also suffers because the first thing that goes under such conditions is protective foodstuffs, which are the most costly to buy. It can truthfully be said that were it not for hire-purchase the industries of Australia would never have reached their present peak. If the incomes of the people cannot purchase the output of industry they have to mortgage their future incomes, as they are doing, and the term of such mortgages is increasing. It started off as two years but, as the member for Gouger said, people can obtain a refrigerator on paying 15s. a week, the terms on which work out at 16 per cent, for five years. As saturation point is being reached in these various lines, extended terms are being offered; five years is being allowed to pay for a refrigerator.

Mr. Clark—The total cost would give you a shock.

Mr. QUIRKE—It would. This Bill does not approach these problems; it regulates only the methods under which hire-purchase contracts are made up. It does not attack the vicious principle of making the person without the cash pay dearly for necessary articles for his home. At one time many of these hire-purchase companies were financed on overdraft. About 45 per cent of their funds came in that way—probably the most inflationary method of finance. Now, owing to the restrictions placed on the banks by the central bank, only 6 per cent of the total funds of these companies is from bank overdraft. The rest is subscribed by people under the attraction of high interest rates. Can anyone say this is right? The person who invests money in these companies receives 8 per cent return so the first charge the buyer has to meet is 8 per cent paid to a person extraneous to a manufacturer, wholesaler, or retailer. I do not think it can be said that that is a fair deal on a national basis. That investor presumably can make more money than the finance company, as 8 per cent flat is nearly 16 per cent simple interest, so there is only 8 per cent from which charges such as office expenses come. This can no longer be condoned. It will break this country, as hire-purchase business is different from banking business. These companies are doing banking business in a different way. There is no tangible asset in hire-purchase—the vast proportion of it is only

paper debt. It can be said that the companies have the security of the things put into the homes, but they are no security. If the companies were required to take them and heap them in one place, what would they do with them? They have no security. The whole of this vast superstructure is just a paper house of debt. I have here an English book entitled *Hire-purchase in a Free Society* edited by Ralph Harris and Arthur Seldon. Under the heading "Hire-purchase bankers" appeared the following statement:—

When Professor R. S. Sayers in *Modern Banking* wrote: "Every banker is always insolvent," he was doing no more than draw attention to this feature of an advanced banking system. Thus against total deposits running well above £6,000 million, the eleven London clearing banks have a combined "cash reserve" of little more than £500 million. That this does not lead to actual insolvency is due to the fact that depositors do not at any one time all clamour for cash—if they did there is not enough legal tender money in the Kingdom to meet their demands. Instead the public leave their deposits or draw on them only in the form of cheques which find their way back into the deposits of the banking system. Unlike the commercial banks, finance companies cannot pay their debts (or extend loans) by drawing cheques upon themselves. Except to the diminishing extent these companies borrow from the banking system, they have to rely for their source of funds upon genuine savings —whether from equity shareholders, from depositors, or from the policy holders of those insurance companies which lodge money with finance companies.

The author elaborated on that, and I will show just how this has been brought to a head in South Australia. Later in the book he said:—

As explained in Part II, the finance houses cannot create credit and thereby feed inflation except to the extent that they borrow from the commercial banks, whose cheques are bank money. But it is for the Government to control the commercial banks by bank rate and open market operations, and so reduce their capacity to give credit and create money.

I have a report made in 1941 that will show that this has not changed very much. Incidentally, Mr. Chifley was one of those responsible for the report. In 1941 the average flat rate on new motor vehicles was 7.3 per cent with a 33⅓ per cent deposit. On used motor vehicles the average flat rate was 8.35 per cent and the deposit 33⅓ per cent; on refrigerators 7.2 per cent with a 10 per cent deposit; on domestic appliances, refrigerators, furniture, wireless, gramophones, and pianos there was a 10 per cent deposit but the interest rate varied. The rate on furniture was 10 per cent flat, which was the highest, on wireless it was 9.6 per cent, and on the others it varied from 10 per cent down to 5.6 per cent. However, there was always a deposit. It was interesting to read a report in yesterday's *News* under the heading "Commonwealth Bank's £20,000,000 Call":—

The Commonwealth Bank today announced a call of £20,000,000 to the special accounts of trading banks. This will lift frozen funds from £265,000,000 to £285,000,000. It is the second call within a month. Previous call was £15,000,000 at the end of October.

Why was it done? The article continues:—

Commenting on the call in Adelaide today the Governor of the Commonwealth Bank, Dr. H. C. Coombs, said that the move was in line with bank policy. He said that the call was part of the general programme described at the time of the October call, to absorb excess bank liquidity. "The banks were asked to see that their lending policies were consistent with not more than a moderate expansion of bank credit over the financial year," he said. The allocation of advances continued to be determined by the banks themselves in accordance with accepted banking principles. However, banks had been asked to continue to refrain from granting advances for the extension of hire-purchase and instalment selling and to avoid giving any stimulus to speculative tendencies, he said.

Mr. Laucke—The banks only pay £12 per £1,000 of hire-purchase funds at present.

Mr. QUIRKE—Yes, I know. At one time it was 45 per cent of the total. The point I am making is that there is control of the private banks. It is exercised strongly and efficiently, because that £25,000,000 is not £25,000,000 of credit amongst those people but multiples of 25, which can be £100,000,000 based on the 25, and of course that is well-known. The 25 is a mere bagatelle, but on the liquidity, according to the ratio allowed by the trading bank, it can be four times that figure. That, of course, is bank credit which is distinctly inflationary when used in relation to hire-purchase, and measures have been taken to curb it. Now it is down to 6 per cent of the total, and that is good. However, no such control operates, or can operate under our existing system, on the other money pouring in and which is now equal to 35 per cent of total bank advances.

Mr. Loveday—It will probably be 50 per cent soon.

Mr. QUIRKE—It could be. The Commonwealth Bank has placed restrictions on advances, and those restrictions have been wisely placed because without them it is directly inflationary, whereas using the people's savings is not so. When hire-purchase is constantly being repaid every day the cash of the people is pouring into

the banks that are associated with these hire-purchase companies, and it is that cash that is pegged because it is on that cash that advances are based, not the deposits. It is that very thing that the Governor of the Commonwealth Bank is catching hold of, and he is pegging it so that they cannot use it. However, there is no such control on the hire-purchase companies who have to be repaid, and when money is being repaid day after day it is available for re-loan. Those companies can actually be advancing money all the time out of all proportion to the amount of money they actually have in invested funds, and that is where the profit comes in.

Do we do anything to curb that, and do honourable members think it should be curbed? I definitely think it should, but we cannot do so because of the ramifications that go right down through the economy of this country. The Leader says that the interest rate should be fixed at a flat 5 per cent, but many people who can afford it have invested in hire-purchase, and they would be in a bad way under the impetus of such an action. However, I agree that over a period of time a gradual restriction should be placed upon it, in the same way as the Commonwealth Bank places a restriction on the other banks through its powers as a central bank. It could be worked by an Act of Parliament, and a gradual restriction could be placed so there would not be a sudden impact on the financial structure of this country. A sudden impact would be something that many people did not deserve.

Mr. Dunstan—Which Parliament could do it?

Mr. QUIRKE—I do not know, but it must be done because £16 is too great a charge for the loan of £100, and the people that are paying it are the people who can least afford to pay it. The highest possible charges in Australia today are falling on the people who can least afford to pay them. That is undeniable because the man who enters into hire-purchase is the man that has not the money to pay cash. This Bill does nothing whatever to attack that problem. Perhaps this is not a State matter, but I believe the State could handle it, and we do not want to be afraid to handle it.

In America some years ago people went into the western plains and built up a vast granary of wheat and looked to the future with the thought that that was the granary of the world, but what happened? Those people had seven years of prosperity, and then experienced seven years in which the centre of that continent blew away. Do we know sufficient of the history of the Australian continent to say that the bad season we have had this year is going to be the last, and that next season must necessarily be a good one? We cannot say that. When Sturt travelled overland and reached the Murray he found that the country around Albury was a howling desert. It must have been dry for a long period. That country has never been dry and has never been other than a prosperous part of the Continent in our knowledge, yet it was dry then. Let next year be a repetition of this year—and God forbid that it should so happen—and see just what will happen and what we will have to do as a State Parliament in order to remedy the conditions that will operate when people cannot pay these charges. If that can happen with the ordinary charge for the item, what about the interest of 16 per cent and sometimes 20 per cent that has to be met by people who have no income? That hangs over us like the sword of Damocles and if it happens this paper bubble—because all it is is paper—will go up in smoke. I defy anybody to place any other evaluation on hire-purchase than that it is a paper empire and nothing else. There is nothing else behind it; there is no collateral, and no security of any description. These hire-purchase companies are trusted by people who put their money into them.

I have mentioned a few facts which indicate my support for this measure, which in effect only stipulates how a contract shall be made out. It gives the people the right to select their own insurance company, and that is a good thing because if one buys a motor car on hire-purchase he pays exactly the same charges and rate of interest on the three years' insurance that the company carries as he is paying for the money loaned for the car.

Mr. Clark—There might be some agreement between the hire-purchase company and the insurance company.

Mr. QUIRKE—There always is. Apart from the fact that hire-purchase keeps the wheels of industry turning, were it not for hire-purchase there would be grave unemployment in this country today. It is now an integral part of our economy. It is necessary that we must have it, and we must handle it carefully for that reason, but we must proceed to take it further in hand than we are doing on this occasion. With those few pertinent remarks I support the Bill.

Bill read a second time.

Mr. HAMBOUR moved—

That it be an instruction to the Committee of the whole House on the Bill that it has power to consider amendments relating to provision for compulsory minimum deposits.

Motion carried.

Mr. O'HALLORAN moved—

That it be an instruction to the Committee of the whole House on the Bill that it has power to consider a new clause relating to a maximum rate of terms charges.

Motion carried.

In Committee.

Clause 1 passed.

Clause 2—''Interpretation.''

Mr. MILLHOUSE—I move:—

In the definition ''statutory rebate,'' in paragraph (*b*) (ii), after ''months'' to insert ''Provided that where the insured has under any contract of insurance been paid for a total loss of the goods insured no rebate of premium for insurance in respect of the current annual period shall be allowed.''

The effect of the Bill as drafted is that if the insurance comes to an end during the currency of the premium, portion of the premium has to be returned to the hirer. I do not quarrel with that, but my provision would cover the case where there had been a total loss and the total amount of insurance had, in fact, been paid out. Let us consider the case of a motor car worth £500 insured for £500.

The Hon. Sir Thomas Playford—Could you get £500 insurance on a car worth £500?

Mr. MILLHOUSE—Perhaps not. Let us assume that goods are insured for £500 and that there is a total loss during the currency of the insurance period and £500 is paid out under the policy. The proviso would prevent a proportionate return of the premium. A simple analogy is life insurance. A man insures his life for £5,000 and pays £100 premium annually, but dies a month after the premium is paid. The estate collects £5,000, but it would be entirely wrong for the estate to also expect a return of eleven-twelfths of the premium. I think this is a fair amendment.

The Hon. Sir THOMAS PLAYFORD (Premier and Treasurer)—No goods are insured to their complete value, and one only gets back the total amount the insurance company will allow a person to insure goods for. Let us consider the position of a motor car, which Mr. Millhouse conveniently discarded, worth £500 insured for £400. There is an accident and the insurance company has to pay the entire cover in repairing the vehicle. The car continues to be insured for the remainder of the period. Under the amendment the car would not be insured and this would be a definite advantage to the insurance company. I hope the amendment is not accepted.

Amendment negatived; clause passed.

Clause 3—''Summary of proposed hire-purchase transactions to be given to the prospective hirer.''

Mr. MILLHOUSE—I move—

After ''hirer'' where first appearing to insert ''(or if there are two or more prospective hirers to one of them)''.

Under the clause, before a hire-purchase agreement can be entered into, a notice in the form of the first schedule has to be given to the ''hirer'' but when we remember that the singular embraces the plural, the position is that notices must be forwarded to all partners in a business undertaking or to a wife if a husband is the prospective hirer. If I have nine partners, nine notices must go out, before I can enter into a hire-purchase agreement. However, only one person has to sign the agreement. In other words, notices have to be given to everybody—and that will take time—but the hire-purchase agreement only has to be signed by one. My amendment will provide that only one will get the notice and one will sign.

The Hon. Sir THOMAS PLAYFORD—This topic was the subject of a Bill introduced by the Leader of the Opposition three years ago. This matter has been considered by the States generally, but I do not want the Committee to think that I am suggesting the Bill should not be amended, because that is not the Government's attitude. No Bill, to be passed by a number of Governments, will be precisely the same in every clause, and I will not oppose any amendment that improves the legislation. The Leader's Bill provided that both partners would have to sign an agreement. A wife could not enter into an agreement without the consent of her husband. This clause provides that before an agreement is entered into and the signing takes place both partners, if two persons are interested, must get a notice so that if there is any objection by either party it can be stated. Mr. Millhouse is trying to remove the necessity for sending out copies of the agreement to all parties. One would have a copy of the agreement and one would sign it, and the others, who would be bound by it, might not be consulted about it. The purpose of the clause is to ensure that before an agreement is signed the people vitally interested have an opportunity of knowing what is happening.

Other States have found this provision necessary and I hope the Committee will not accept the amendment.

Mr. MILLHOUSE—I point out that whilst everybody may still have to get a notice, that won't matter at all, because even though they may object after they have received the notice, one partner can go in and sign an agreement.

Mr. Jennings—Would any firm do business with him?

Mr. MILLHOUSE—How would it know? Other partners may object after they receive the notice, but the person can still go in and sign the agreement.

Amendment negatived.

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

After "agreement" in subclause (2) (*b*) to insert "provided that where a hirer is a married person the agreement shall be signed by that person and the spouse of that person if both are living together in the same residence."

This is an eminently desirable amendment as it will prevent a canvasser from approaching a wife while a husband is at work and getting her signature to a contract that will take a considerable portion of his wages for a considerable time. Conversely, it will prevent the husband from signing away a considerable portion of his wages without the consent of the wife. In my long experience of investigating hire-purchase problems I have had more complaints on this aspect than on any other. It is an amendment that deserves serious consideration.

The Hon. Sir THOMAS PLAYFORD—I ask members to oppose the amendment. It goes further than the provision that Mr. Millhouse objected to just now as going too far, which indicates that the clause is somewhere near the mark. I have always opposed such a provision because I think it is unnecessary and is likely to create difficulties rather than overcome them.

Mr. DUNSTAN—I appreciate that the Treasurer has tried in discussions elsewhere to provide some sort of an arrangement to cope with the situation, but the Bill does not cover the point raised by Mr. O'Halloran. The husband may not be a party to a contract signed by the wife, and he repudiates it and refuses to meet the payments. How many members have complained about the activities of characters who went around selling on hire-purchase books said to be school books approved by the Education Department? In this matter many wives signed agreements. How many of them could have been easily dealt with when the husband returned home if the Leader of the Opposition's provision had been in operation? Dozens of husbands had to appear at the local court and incur expense in getting out of transactions entered into by their wives. The Treasurer said there would be difficulties under this amendment, but the provision has been in Victorian and NS.W. legislation for years, and there has been no difficulty about its administration. There may be objections to it from the hire-purchase companies. Many wives came to me about the school books and told me how the salesmen had got them to sign, and no doubt members on the Government side also had people come to them. The provision suggested by the Leader of the Opposition would have overcome the difficulty. The position would not have arisen if the husbands had been able to repudiate the agreements. I can see no virtue in the clause as drafted, and I hope the amendment will be accepted.

The Committee divided on Mr. O'Halloran's amendment:

Ayes (15).—Messrs. Bywaters, Clark, Corcoran, Dunstan, Hughes, Hutchens, Jennings, Loveday, O'Halloran (teller), Quirke, Ralston, Riches, Ryan, Stott and Frank Walsh.

Noes (14).—Messrs. Brookman, Coumbe, Hall, Hambour, Heaslip, Hincks, Jenkins, King, Nankivell, Pattinson and Pearson, Sir Thomas Playford (teller), Mr. Shannon and Mrs. Steele.

Pairs.—Ayes—Messrs. Tapping, Lawn, Fred Walsh and McKee. Noes—Messrs. Laucke, Millhouse, Bockelberg and Harding.

Majority of 1 for the Ayes.

Amendment thus carried; clause as amended passed.

Clauses 4 to 14 passed.

Clause 15—"As to hirer's rights and immunities when goods repossessed."

Mr. MILLHOUSE—I move—

After "due" first occurring in subclause (1) (*b*) to insert "and the owner may recover from the hirer the amount by which the net balance due exceeds the value of the goods."

The purport of the amendment is to carry out the obvious intention of the clause. Subclause (1) lays down that the owner upon repossession must not make a profit, which is perfectly proper, but it does not go on to say that the owner is entitled to recover what he has lost on the deal.

Mr. Ryan—He has the goods back.

Mr. MILLHOUSE—But they may not be worth as much as the balance owing.

The Hon. Sir THOMAS PLAYFORD—I think this amendment is entirely unnecessary as the person concerned has already recovered the goods and, according to the member for Light, he will have had a deposit as well.

Amendment negatived; clause passed.

Clauses 16 to 25 passed.

Clause 26—"Liens."

Mr. MILLHOUSE—I move—

In subclause (2) to strike out all words after "hirer."

As the clause stands, it reverses the law in this State. Under the clause, if a repairer carries out repairs he can hold the vehicle until the cost is paid, whereas at present he has not a lien unless the vehicle is the property of the person who brings it to him. Subclause (2) provides:—

The lien is not enforceable against the owner if the hire-purchase agreement contains a provision prohibiting the creation of a lien by the hirer and the worker had notice of that provision before doing the work upon the goods.

If someone takes a motor vehicle that is on hire-purchase to a repairer and says that it is under hire-purchase and there is therefore no power to create a lien, nobdy will repair it. No repairer would ask because, if he did, he would lose his lien. As the clause is now worded there will always be a lien for anything under hire-purchase, which is the reverse of the present law that has worked well. It will give greatly increased rights to repairers, which is unnecessary, but, if the amendment is carried, the law will remain as it is now.

The Hon. Sir THOMAS PLAYFORD—I should like to put the other side of this matter. I do not know how many motor vehicles on the road are subject to hire-purchase agreements, but there would be many. They are not identifiable by an ordinary workman as they do not carry any notice that they are under hire-purchase. The honourable member is saying that any workman doing work in good faith on a vehicle could be denied all his rights of taking action. He says the present law should be continued, but I think that would be unfair.

Mr. Millhouse—Have you had any complaints about it?

The Hon. Sir THOMAS PLAYFORD—I have not. People speak about complaints relating to hire-purchase transactions but, strangely enough, I have had very few complaints in the last 10 years about any hire-purchase agreements. I believe the bulk of hire-purchase transactions are honourably entered into and carried out. I do not think owners of these particular vehicles should have any protection that other vehicles have not got, or *vice versa*. To all intents and purposes, these vehicles are unidentifiable. I hope the amendment will not be accepted.

Amendment negatived; clause passed.

Clauses 27 to 36 passed.

Clause 37—"As to service of notices."

Mr. MILLHOUSE—I move—

Before "any" first appearing in subclause (1) to insert "Notwithstanding the provisions of the Acts Interpretation Act, 1915-1957."

The clause deals with the service of notices. Members may say that notices may be sent by registered letter. Under this clause effect would be given under section 33 of the Acts Interpretation Act where it is provided:—

Where any Act passed after the passing of this Act authorizes or requires any document to be served by post, . . . then, unless the contrary intention appears, the Act shall be deemed to provide—

(*b*) that, unless the contrary is proved, such service shall be deemed to have been effected at the time at which the letter or packet would be delivered in the ordinary course of post.

The vital phrase is "unless the contrary is proved." Let us consider the position if a letter is posted in the ordinary way and then is returned because it has not been received. One cannot prove that there has been service and it is impossible to effect service or even go through the motions which under this clause service are deemed to have been effected. It is a complete stalemate and the person trying to serve the notice is up against a stone wall.

The Hon. Sir THOMAS PLAYFORD—I think it is a good and useful amendment and I am prepared to accept it.

Amendment carried; clause as amended passed.

Remaining clauses (38 to 44) and schedules passed.

New Part VII—"Minimum Deposits."

Mr. HAMBOUR—I move to insert the following new Part:—

Part VII.—Minimum Deposits.

45. Where an owner enters into a hire-purchase agreement without having first obtained from the proposed hirer thereunder a deposit in cash or in goods or partly in cash and partly in goods to a value equal to at least one-tenth of the cash price of the goods comprised in the agreement, the agreement shall be void.

46. (1) No deposit—

(*a*) to the extent that it is in cash and that it is made out of moneys borrowed directly or indirectly—

(i) from or through the owner (if the owner is not a banker);

(ii) through the dealer; or

(iii) from or through any person whose business or part of whose business it is by agreement with the owner or dealer or any person acting on behalf of the owner or dealer to advance money to enable deposits to be paid in respect of hire-purchase agreements with the owner.

(*b*) to the extent that, where the deposit is in goods or partly in goods and the amount allowed in respect of the goods is substantially greater than the value of the goods, that amount exceeds that value;

(*c*) to the extent that it is made out of an amount allowed or credited in respect of or by reference to amounts paid by the hirer as rent or hire under a bailment of the goods before the making of a hire-purchase agreement in respect of the goods; or

(*d*) to the extent that it is provided by goods that were to the knowledge of the owner or dealer acquired by the hirer for the purpose of being used by the hirer to provide the deposit under the agreement,

shall be taken into account for the purpose of determining whether the provisions of section 45 of this Act have been complied with.

(2) The provisions of this Part shall be deemed to have been complied with by the owner if a deposit in accordance with the provisions of this Part has been obtained by the dealer.

(3) Where a dealer buys goods from a proposed hirer and the price, or part of the price, of the goods is applied as or towards a deposit under a hire-purchase agreement, they in relation to the agreement—

(*a*) the goods shall, for the purposes of this Act, be deemed to have been obtained by the dealer as a deposit; and

(*b*) the price, or the part of the price, as the case may be, so applied shall, for the purposes of this Act, be deemed to be the amount allowed by the dealer in respect of the goods.

(4) The dealer shall, in relation to the deposit obtained by him under a proposed hire-purchase agreement, certify in writing—

(*a*) where the deposit was paid or provided solely in cash, that the deposit was paid or provided solely in cash;

(*b*) where the deposit was provided solely in goods—the nature and description of, and the amount allowed by the dealer in respect of, the goods;

(*c*) where the deposit was paid or provided partly in cash and partly in goods—the amount of the deposit that was paid or provided in cash and the nature and description of, and the amount allowed by the dealer in respect of, the goods.

(5) A dealer who under subsection (4) of this section certifies as the amount allowed by him in respect of goods an amount that is not a reasonable estimate of the value of the goods or gives a certificate that is false in any other material particular shall be guilty of an offence against this Act.

(6) Notwithstanding anything contained in this Part where an owner in entering into a hire-purchase agreement acts on the faith of a certificate given under subsection (4) of this section by the dealer and the amount certified in the certificate as being the amount allowed in respect of the goods whose nature and description are certified therein is substantially greater than the value of those goods the agreement shall have the same effect as if the amount so certified were the value of those goods.

Nothing in this subsection shall affect the liability of any person to be convicted of an offence against this section.

(7) Any person who knowingly enters into or procures, arranges, or otherwise assists or participates in a transaction contravening this section shall be guilty of an offence against this Act.

47. (1) Any person, other than a banker, who (whether or not he carries on any other business) carries on the business of lending or making loans to other persons for the purposes of enabling those other persons to pay the deposits required by or under section 45 of this Act shall be guilty of an offence against this Act.

(2) Any person who accepts as a deposit under a hire-purchase agreement any money or other consideration that he has reasonable cause to believe or suspect was lent to the hirer by any person, other than a banker, who carries on the business referred to in subsection (1) of this section shall be guilty of an offence against this Act.

48. In this Part "cash" includes a cheque drawn on a banker.

The object of the amendment is to provide for a minimum deposit of one-tenth of the cash price of the goods comprised in an agreement. Up to the present Queensland and New South Wales have minimum deposits, Victoria has rejected the proposal and as yet Tasmania and Western Australia have not made a decision. I have a publication issued by the Hire-Purchase Conference in which the following appears:—

> No-deposit hire-purchase? This is bad for the public. Hire-purchase should not be made so easy that it encourages people to undertake commitments they cannot really afford. This leads to excessive repossessions. Conference companies insist on deposits sufficient to give a hirer a reasonable equity in the goods he is buying.

I ask the Committee to accept my amendment.

The Hon. Sir THOMAS PLAYFORD—I think the honourable member was wise in confining himself to general remarks and not seeking to explain to the House what his amendment really does do. If honourable members will look at the amendment on the file,

particularly the provision in new clause 46 (1) (*b*) and give me any interpretation of what that really means, I am prepared to give that member a garden party at the appropriate time. Of course, it has no legal meaning at all. If the honourable member looks at new clause 46 (1) (*a*) he will see that even there he is in a considerable difficulty. Some of the banks have their own hire-purchase subsidiaries and they are, of course, exempt.

Mr. Dunstan—Esanda is not a banker.

The Hon. Sir THOMAS PLAYFORD—They are in the same premises.

Mr. Dunstan—That does not make any difference.

The Hon. Sir THOMAS PLAYFORD—Leaving that aside I would say that the provision contained in new clause 46 (1) (*b*) has no legal interpretation whatever. I have submitted the amendment to the Crown Law Department which cannot give me any legal interpretation, and I venture to suggest that it would be completely impossible of interpretation. However, I do not rest my objection to the amendment upon that fact. This amendment, if it serves any purpose at all, will serve to take away credit from the people who require necessities. Every member knows that a motor car cannot be purchased today unless a substantial deposit is paid. The amendment does not affect that sort of transaction, but it affects the small household hire-purchase transaction where probably the person concerned cannot afford a deposit, and for that reason it discriminates very unfairly against people who are probably in the most need of the assistance of hire-purchase.

The honourable member would stop all hire-purchase, because he is opposed to it, and he believes this is one of the ways in which he can prevent it. It would be a great calamity if there were any substantial interference with hire-purchase at present, because it would cause unemployment and take from the people a source of credit that is so useful to them, which enables them to improve their standard of living and to have amenities they could not have had under any other circumstances. The fact that the honourable member is by nature opposed to hire-purchase does not, in my opinion, justify this House in accepting an amendment which if not designed to knock the Bill out directly, is putting in a provision that will substantially alter it.

I know some members are committed to voting for this clause, but I believe it is wrong. People use that credit to purchase articles that they may need very badly, and we have no right to take that credit away. We should not single out the poorer people and deprive them of the right to purchase such articles. Honourable members may attempt to justify that action, but I cannot and will not do so. Some members may say that by so doing we will be protecting people from themselves. I know of innumerable instances where people, if they had had to put up a deposit, could not have got things that have added materially to their comfort and way of life. I hope the Committee will not accept this amendment, for I regard it as a vital amendment and strenuously oppose it. It is not the common law of all the States of the Commonwealth, and in fact it was strenuously opposed by many Governments at the conference. One Government said that if that provision was required to be in the Bill it would not have a Bill.

Mr. O'Halloran—What did New South Wales say about it?

The Hon. Sir THOMAS PLAYFORD—New South Wales said it had that provision in the Bill but that it was extremely hard to police it.

Mr. Clark—Has it killed hire-purchase there?

The Hon. Sir THOMAS PLAYFORD—I believe no attempt is made in New South Wales to police the provision, because so many subterfuges can be resorted to. I do not blame the honourable member for this particular clause, because I think it is a clause that New South Wales has been trying to bring into effect. It has not originated from the honourable member or the Parliamentary Draftsman of this State.

Mr. Hambour—It is out of the model Bill.

The Hon. Sir THOMAS PLAYFORD—There is no model Bill. The model Bill is the one introduced to this House by the Government.

Mr. Hambour—You said it was prepared by all the Parliamentary Draftsmen of Australia.

The Hon. Sir THOMAS PLAYFORD—I know a little about the conference because I attended it. Certain provisions were agreed to by all the States as being necessary for a uniform Bill, and that is the Bill which has been introduced by the Government in this House. One or two States, and New South Wales in particular, desired to go further than the uniform Bill. If New South Wales wants to do something I have no objection, but the South Australian Government does not want this provision. One State said that if it were necessary for this provision to be in a

uniform Bill it would go home that day. The provision is not in the uniform model Bill, for it is something that has been adopted by only one or two States. I believe the provision takes away from the poorer people the right of credit that is available to them when the owner of a commodity is prepared to advance credit, and I cannot see why honourable members opposite support a provision of this description. Last year when I introduced a provision to enable a person to purchase a house on a five per cent deposit one or two members opposite said they would have preferred the provision to have gone further because many people did not have five per cent deposit. Hire-purchase covers household linen and many other necessities. We can advance 95 per cent on a house, but not 95 per cent on the bed that will go into that house. Members opposite would be happy if the State Bank advanced 100 per cent on house purchases, and as a matter of fact I believe a majority of Government members would be prepared to consider that if we could afford it. Mr. Hambour, who frankly admits that he is opposed to hire-purchase and would stop it if he could, cannot do so, so moves to take hire-purchase away from the poorest section—not the people who want to buy motor cars or luxury items, but those who make petty purchases. I hope the Committee will oppose this particular amendment, which will not do any good to the community, but will embarrass many poor people who have, through hire-purchase, received considerable assistance, particularly in setting up homes.

Mr. O'HALLORAN—The Premier said he could not follow the reasoning in the amendment, but frankly I cannot follow the logic of his arguments. He said that we want a low deposit on houses. So we do, but a house is durable and is a tangible asset, but many of the commodities that are the subject of hire-purchase agreements that the amendment will cover are not durable and soon become intangible and in the interests of all concerned a small deposit is necessary. As the Premier said, it will not apply to the big transactions.

Mr. Shannon—It could.

Mr. O'HALLORAN—It could, but that is a matter between the owner and the hirer. The owner of a motor car who sells on hire-purchase is not compelled to accept a 10 per cent deposit: he can, and no doubt does, ask for considerably more. I understand that the standard of deposit is about 30 per cent. The Opposition has been guided by the experience that New South Wales has had with its deposit provision.

Mr. Clark—It hasn't killed hire-purchase.

Mr. O'HALLORAN—No. As a matter of fact New South Wales has the highest ratio of hire-purchase transations of any State. New South Wales has £35 17s. *per capita* and South Australia £35 1s. New South Wales has had a deposit system for at least seven years.

Mr. Ryan—It has no unemployment either.

Mr. O'HALLORAN—That is so. I realize that New South Wales had difficulty in implementing the deposit system initially, but it overcame it by means that I understand Mr. Hambour has incorporated in his amendment. The present deposit in New South Wales is 10 per cent, but it is considering increasing it to 15 per cent because, as Mr. Quirke commented, people have gone mad on hire-purchase. I believe we are mortgaging our future to a greater extent than we should and I want to gently back pedal before the real crash comes. If we encounter a slight drought—and we are in the middle of one now—there will be many poor people, not only among the hirers, but among the owners who have been involved in hire-purchase transactions. We do not want to boom hire-purchase more than is necessary, and the amendment will protect the owner and give the purchaser a stake in the transaction. After all, on a £100 purchase £10 is not a big sum for a person to lodge as a deposit. The amendment is reasonable.

The Hon. Sir THOMAS PLAYFORD—I understood that the purpose of Mr. Hambour's amendment was to curtail hire-purchase and that the Leader desired to back-pedal somewhat in respect of hire-purchase, but it is rather significant that the State we are told has had a deposit system for so long has the highest *per capita* investment in hire-purchase of the Commonwealth. This matter requires more consideration, and I move that progress be reported.

Progress reported; Committee to sit again.

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

Returned from the Legislative Council with amendments.

ADJOURNMENT.

At 11.01 p.m. the House adjourned until Thursday, December 3, at 2 p.m.