

HOUSE OF ASSEMBLY.

Tuesday, September 4, 1962.

The SPEAKER (Hon. T. C. Stott) took the Chair at 2 p.m. and read prayers.

QUESTIONS.

GAUGE STANDARDIZATION.

Mr. FRANK WALSH: An article in the *Advertiser* of Friday, August 31, headed "New Senate Attack on Premier", states:

"I do challenge the sincerity of the Premier and the Leader of the Opposition in the South Australian Parliament because it created an impression that the resolution sent to the Federal Senators was the result of some mutual interest," Senator Paltridge said.

First, let me say that I do not know Senator Paltridge. I believe the Premier would agree with me that the resolution passed by this Parliament was a really sincere expression and in the interests of all South Australians. That was why I moved it and I make no apology to Senator Paltridge for that. The article continues:

He (Sir Thomas Playford) asked the Government for £50,000 as a grant for a survey of the line between Port Pirie and Broken Hill. Within four months of his request he received the £50,000. This was how the £50,000 Sir Thomas Playford wanted so badly was spent—in 1960-61, £8,500 was spent; 1961-62, £4,800; 1962-63, £2,000. Of the £50,000 grant, only £15,441 had been spent since 1958.

If the £50,000 was in connection with the gauge standardization to which the resolution referred, that sum would hardly have bought any equipment needed for our getting on with the job. What does the Premier intend to do as regards the £50,000? Is there a balance left over and, if so, will it be used this year? What further financial assistance does he expect?

The Hon. Sir THOMAS PLAYFORD: When the work on broadening the gauge in the South-East was nearing completion, I applied to the Prime Minister for £50,000 (at the request of the Railways Commissioner, if my memory serves me rightly) for preliminary survey work on the Broken Hill line. At that time the Prime Minister advised that the Commonwealth Government did not have the money available for the purpose. I then wrote again suggesting that, provided the Commonwealth Government accepted the work as standardization expenditure, the State would advance £50,000 to enable a preliminary survey to be carried out, and we could recoup it later. That proposition was not accepted,

either; but just before the election I received a telegram from the Prime Minister saying that in the policy speech of that evening he would be announcing the £50,000 for South Australia. But that goes back a long way: it was not the last election. The £50,000 was duly made available to the Railways Commissioner for preliminary survey work, as might be necessary, upon the Port Pirie to Broken Hill line.

I cannot say when the Railways Commissioner spent the money. There was some delay regarding the deviation to be permitted from the line. That became an essential part of the work. As far as I know, all the money has been spent, but I will check on that. The £50,000 was the preliminary expenditure on survey work. As the Lands Department took aerial photographs we were able to push on with the survey much faster than we had expected to, in some instances. I think all the money has been spent. While we are on the subject, I believe a small balance of the money that was left over from the South-East broadening was recalled by the Commonwealth Government eight to ten months ago.

Mr. RICHES: Mr. Speaker, can you inform the House whether you have received any replies from the South Australian Senators to the request that was recently sent to them from this Parliament, and, if so, what was the nature of the replies?

The SPEAKER: On August 23 a letter was sent to all South Australian Senators and the next morning, by 10 o'clock, copies of *Hansard* pulls were available in all the Government offices of the Senators but, up to the present, I have received no reply. None of the 10 Senators has had the courtesy to reply to the letter from this Parliament, and none has had the manners even to acknowledge receipt of the letter.

Mr. CASEY: Last week in the Senate, Senator Paltridge made statements about railway standardization, and stated the case differently from the way it was stated by the Premier. He said that in 1956, when he attended a dinner (at which the Premier was present) at Port Augusta on the completion of the line to Marree, the Premier had said that if the Commonwealth Government was interested in standardization the best job for it to undertake was the work on the Melbourne-Adelaide line. He also said that in 1958 the Premier asked for a grant of £50,000 toward the cost of surveying the line from Broken Hill to Port Pirie, and that the request was granted within four months

of its being made. Senator Paltridge also said that after receiving the £50,000, which he said he needed so badly, the Premier spent £8,500 in 1960-61, £4,800 in 1961-62 and £2,000 in 1962-63; since 1958, the total amount spent was £15,441. The Senator went on to say that some months ago, when the Commonwealth Government made available £1,300,000 for the purchase of diesel-electric locomotives and other rolling stock for the Broken Hill to Port Pirie section, Sir Thomas Playford said that he preferred that the Chowilla dam be given priority over any railway works to be carried out in South Australia by the Commonwealth Government. In fairness to this House will the Premier comment on these statements?

The Hon. Sir THOMAS PLAYFORD: I have not seen Senator Paltridge's statements, and I hesitate to speak about statements of which I have seen only a portion. However, on Thursday last (before Senator Paltridge had made his statement, but after Senator Spooner had made a similar statement) I answered a question asked by the Deputy Leader of the Opposition regarding priorities. As the honourable member was ill then, however, I will again outline the position. South Australia urgently needs both these activities. When the Chowilla dam was first mooted, it was mooted as a South Australian dam. Let me make it clear that at that time the Commonwealth Government had no interest in it because it was to be a South Australian dam. It is now prepared to finance its share of a dam for the Murray River Commission, but when it was to be a South Australian dam the Commonwealth Government would not convene a conference, nor would it take part in a conference. I convened a conference, which was attended for only a short period by Senator Spooner—and then only as an observer. He did not even sit out the conference! This State realizes that money is limited. If asked whether a dam should come before a railway, I would be unable to give a priority. I was prepared to curtail expenditure on standardization if we could get the Commonwealth Government to agree to build, in co-operation with us, a South Australian dam. Although this was never a Cabinet decision and was not written into any document, in discussion I told the Commonwealth that if it was prepared to advance £7,000,000 for a South Australian dam the South Australian Government would advance £7,000,000, but we realized that we would have to go slowly regarding standardization for that period. There is no question of

priority; both works are urgent and, indeed, the dam will become of great urgency before 1970 in present circumstances.

I have said before publicly, and I now say categorically, that South Australia has never opposed but has always supported expenditure on railway standardization in any State. I did not oppose standardizing the Albury-Melbourne line. I believe that it is a good thing and that it will ultimately lead to the standardizing of Victorian lines; I hope it will do so. Through the whole of the period during which he was Commonwealth Minister for Transport, Senator Paltridge in every letter he wrote to me indicated that he was not prepared to recommend implementing the standardization agreement to which the Commonwealth and South Australian Governments were committed. He was prepared to talk to us in relation to the Port Pirie to Broken Hill line only if we would regard it completely in isolation, but I had no authority to set aside an agreement which was beneficial to South Australia and which South Australians had every right to believe should be carried out. I have not seen the statement of Senator Paltridge mentioned by the honourable member but I would not class other statements by the Senator which I have read as being remarkable for their veracity.

Mr. LAWN: The Premier said that Senator Paltridge during the whole of the time he was Minister for Transport had refused in correspondence to recommend the implementation of the standardization agreement between the Commonwealth and South Australian Governments. Will the Premier make that file available to the House so that members may see the correspondence that has taken place?

The Hon. Sir THOMAS PLAYFORD: The present file is active and I could not table it because it would then cease to be the property of the Government, and would become the property of the House. However, I have no objection to bringing the file down tomorrow so that any honourable member may examine, in what is now a very heavy file, the mass of correspondence that has taken place between the Commonwealth and the States on this matter. Honourable members will be able to see, in particular, the matter to which I have referred today, which will be verified in every way. That docket can be made available but, for the reasons I have stated, I cannot table it. If honourable members would like to ask questions upon one or two of the letters there, I should be happy to read the letters so that they might be included in *Hansard*.

ROAD SIGNS.

Mr. JENKINS: In many countries, and in some other States, signs indicating the height above sea level are erected on highways. This is of great interest to tourists and to the travelling public. Will the Premier take this matter up with the Minister of Roads to see whether such signs could be erected at appropriate places in the Mount Lofty Ranges, on Sellicks Hill, Willunga Hill and elsewhere?

The Hon. Sir THOMAS PLAYFORD: The Highways Commissioner is permitted to spend money on certain works, but I am not sure whether these signs would come within that category because, after all, such expenditure would not be associated with road works, although the signs might be of interest. I will make some investigations. I believe that one or two of these elevation notices may be of some interest, but I should not be prepared to spend much money on them.

BRIDGE AT HAMLEY BRIDGE.

Mr. FREEBAIRN: Has the Minister of Works a reply from the Minister of Roads to my recent question about the completion of the new road bridge at Hamley Bridge?

The Hon. G. G. PEARSON: My colleague, the Minister of Roads, advises that the construction of road approaches to the new bridge over the River Light at Hamley Bridge on the Templers to Port Pirie Main Road 23 is in progress. These works are extensive, and it is not expected that the bridge will be open to traffic until early November, 1962.

OLD BELAIR ROAD.

Mr. MILLHOUSE: Has the Minister of Works a reply from the Minister of Roads to the question I asked on August 8 about the Old Belair Road?

The Hon. G. G. PEARSON: My colleague, the Minister of Roads, states that an investigation has been carried out by the traffic section of the Highways Department and certain recommendations have been made which are now being taken up with the Mitcham council. A further report will be made when any proposed action has been decided upon.

YOUTH CLUBS.

Mr. BYWATERS: I was interested to hear the comments of the Minister of Education last Saturday after a youth procession on the sum to be made available to the National Fitness Council this year. The Minister said that, whereas two years ago the grant to the council was £8,000, this year it would be £16,000. This is somewhat misleading, and I

should like the Minister to explain it in view of the fact that last year the grant was £10,000 and it was agreed that the grant should be increased by £1,000 a year, which would make this year's grant £11,000. I believe that the additional £5,000 will be for distribution to various youth clubs, but I understand that the Youth Council, in a deputation, requested £20,000 for its work. Can the Minister say whether the sum he mentioned is the sum to be allocated this year or whether further sums will be allocated for youth work?

The Hon. Sir BADEN PATTINSON: The amount I mentioned is the amount that will be allocated this year and it includes a special allocation of £5,000 that will be distributed among youth clubs or the representatives of youth clubs according to their importance and the size and scope of their operations.

RESERVOIR INTAKES.

Mr. LAUCKE: In view of the poor prospects for further intakes into our reservoirs this year, can the Minister of Works say when full-scale pumping into the Warren reservoir will be resumed, and whether any restrictions of usage within the Warren reticulation system are expected during the coming summer?

The Hon. G. G. PEARSON: The general position regarding the metropolitan reservoirs is better now than it was at the corresponding date last year. I did not receive notice of this question, but it so happens that I have in my bag the figures of the holdings in the reservoirs up to this morning. The present storage in the metropolitan reservoirs is 11,850,000,000 gallons compared with 7,524,000,000 gallons at this stage last year. The honourable member will see that we are over 4,000,000,000 gallons better off. However, the present figures include 1,200,000,000 gallons in the Myponga reservoir which, of course, last year was not able to take water and was not included then. So far as the metropolitan system is concerned, the question of full-scale pumping does not actually arise at this point. We did not start full-scale pumping last year until about the third week of October. Surprising as it may seem, a useful intake is still coming into the metropolitan reservoirs. Last week, for instance, we gained about 400,000,000 gallons from natural intakes. The position is being closely watched. Up to the present, water from the Mannum-Adelaide main pumping has gone into the Onkaparinga system. With the raising of Mount Bold we have a much increased capacity and there is no risk of any water we pump going over the spillway

in the event of heavy spring rains. The position at the Warren reservoir is being closely watched and I know that the Engineer for Water Supply will divert more water from the pumping operations into that system when he believes it is necessary to do so. There is no proposal to commence full-scale pumping at this stage. However, as members are aware, the early incidence of hot dry weather has caused much concern to the department and the public generally, but I assure members that the position will be carefully watched. Regarding possible restrictions, I think the honourable member can take courage from the fact that even in the drought year of 1959 we did not find it necessary to impose restrictions in the metropolitan area. I think the honourable member can anticipate that the department will perform as well this year as it did then.

HAPPY VALLEY WATER SUPPLY.

Mr. SHANNON: Some months ago I requested by petition a supply of water for residents of Happy Valley who, although they reside within sight of the banks of the reservoir from which water is reticulated, do not have a supply. Although I admit that some of the people interested have subdivided land and are hoping for a water supply to increase the value of their subdivisions, others who have resided in the district for a long time (some for more than 20 years) have added their names to the list of people pressing for this supply. Although I believe the Engineering and Water Supply Department has investigated the matter, I have not received any report about the practicability of the scheme. It was thought at one time that these people might be able to get water from the tank at Chandlers Hill. I know that the pumping proposition is not a very attractive one, but I understood that the Chandlers Hill proposal was to be examined. Will the Minister of Works obtain information on this matter?

The Hon. G. G. PEARSON: The honourable member's correspondence and petition were forwarded to the Engineer-in-Chief for a report on how the scheme could be physically carried out and on the economic and other factors involved. I know that the honourable member, in his capacity as Chairman of the Public Works Standing Committee, appreciates the problems that occur, particularly in the kind of project he mentions where development is close enough for almost suburban type houses and blocks of land and yet so scattered (so far as the average length

of main to each of the premises is concerned) as to make them rather difficult to connect on a reasonably economic basis. As soon as I get a report from the Engineer-in-Chief I will make the honourable member aware of its contents. If there are, in addition to those already listed, people requiring supply, it would be advisable for them to notify the department of their desires and requests, indicating where they live, the number of their block, and other details so that if a scheme is prepared it can be as comprehensive as possible under the circumstances.

If I may say so, we have had this year many requests for extensions of water supplies. I assure the House that the department is doing its very best to cope with extensions under rather difficult circumstances, both regarding the resources of finance and water. I assure honourable members generally that their requests are fully and sympathetically considered; the Government has diverted every possible pound it can from the Loan programme to the extensions of water supplies, and we will do the very best we can to meet those needs, particularly the very urgent needs that occur from time to time.

UNEMPLOYMENT.

Mr. McKEE: The unemployment position at Port Pirie is getting worse each day. Work has been completed on the silos, and several men were laid off yesterday. I believe that more than 200 men are registered at the employment bureau, and those who will be leaving school at the end of the year will aggravate the position. I have received a letter from a married man in Port Pirie who states that he has not worked since May 22. His letter concludes with the plea, "Please help me to obtain employment." In view of this serious situation, can the Premier say whether the Government has seriously considered this unsatisfactory position, and has he anything in mind to relieve the situation soon?

The Hon. Sir THOMAS PLAYFORD: A number of new jobs will become available as a result of the Loan programme, the consideration of which is well advanced in the Legislative Council. I hope these jobs will relieve the position. It will be somewhat later before we can commence rail gauge standardization work, because that depends upon investigation by the Public Works Committee and the passing of a Bill. That standardization would provide work because it would, I think, fit the particular circumstances of the area. In addition to that,

outside of the Loan programme there is a project which is to start very early for connecting the Polda Basin with the Tod River scheme to overcome a shortage of water in that area. I will ask the Engineer-in-Chief to consider the area the honourable member has mentioned.

MALLALA-BALAKLAVA ROAD.

Mr. HALL: Has the Minister of Works a reply to my previous question regarding the proposed reconstruction of the Mallala-Balaklava road?

The Hon. G. G. PEARSON: My colleague, the Minister of Roads, states that the reconstruction of the nine miles unsealed section of the Mallala-Balaklava road will be commenced during this financial year, probably in March, 1963.

BETHLEHEM HOMES INCORPORATED.

Mr. DUNSTAN: I have asked the Premier a number of questions concerning the possibility of a licence being granted under the Collections for Charitable Purposes Act for Bethlehem Homes Incorporated. I understand that the home for which Mr. Halleday originally contracted, anticipating that it would be taken over by the incorporated society, is now to be sold because of the delay in instituting an appeal for the incorporated society. As it seems that this proposed charity is likely to collapse unless a licence under the Act is given, will the Premier indicate future possibilities?

The Hon. Sir THOMAS PLAYFORD: The report I have received states:

Mr. D. A. Dunstan, M.P. has queried the advisory committee's attitude in connection with the application of Bethlehem Homes Incorporated for a licence under the Collections for Charitable Purposes Act. He refers in particular to two matters:

(a) Scope of enquiries which should be made by the Advisory Committee;

(b) Delay in the granting of a licence.

In respect of the first, Mr. Dunstan states that the advisory committee should only concern itself with the application being for "a bona fide charitable organization" and with no other matter. Section 11 (2) of the Act reads:

In considering any application for a licence the advisory committee, in addition to taking into account any other matters thought fit by the committee, shall consider whether, having regard to the objects of the applicant, those objects would be more effectively or economically carried out by any other person, society, body, or association being the holder of or an applicant for a licence under this Act.

It follows that in considering any application the advisory committee is, either of its own accord, or required by this section to take into account matters other than only considering whether the applicant is "a bona fide charitable organization set up for the purposes it proclaims".

In respect of delay, the application of Bethlehem Homes Incorporated was first considered by the advisory committee on September 20, 1961, when the committee requested information from the Children's Welfare and Public Relief Board. On receipt of this information the licence was not recommended. Mr. F. E. Halleday, Secretary of Bethlehem Homes Incorporated, subsequently appeared before the advisory committee to make submissions in support of the application. He made submissions at some length. Subsequently the advisory committee reported that it would recommend a licence if the Children's Welfare and Public Relief Board was satisfied with the plans and proposals of Bethlehem Homes Incorporated.

The board was not satisfied for the following reasons:

(a) The number of children proposed cannot be suitably housed and the property is too large and expensive to maintain to be used for a small group.

(b) The supervision of boys up to 16 years of age by the proposed all female full-time staff is not likely to be satisfactory.

(c) It has not been possible to obtain any definite information regarding proposals to alter and extend the existing building.

The board is at present giving further consideration to the plans and proposals and is awaiting further information from Bethlehem Homes Incorporated. This has not yet been supplied.

The application has admittedly been under consideration for twelve months, and there has been some delay through some members of the committee being absent from the State. However, for the information of the honourable the Premier, the delay is mainly brought about by the vagueness of the plans and proposals of Bethlehem Homes Incorporated as set out by Mr. Halleday to both the advisory committee and the Children's Welfare and Public Relief Board.

The advisory committee, the members of which are the Right Honourable the Lord Mayor of Adelaide (Chairman), Sir William Bishop, Mr. T. C. Eastick, Mr. A. J. Baker and Miss K. H. Hilfers, has not "deliberately prevented Bethlehem Homes Incorporated from getting its proposals under way" as suggested by Mr. Dunstan, nor has Mr. Halleday ever been informed, "We have a limited amount of money to be used in the charitable pool. We think that one kind of home for children should have most of the market in this regard, and we cannot have competition from another home."

I do not know whether that report completely answers the honourable member's question but, if he will set out in writing any subsequent matters, I will get a report for him upon them.

KALANGADOO-GLENCOE ROAD.

Mr. HARDING: Six years ago, about the time when the narrow gauge spur line to Glencoe was demolished, an undertaking was given that an all-weather road would be built

to serve the district of Glencoe and Tantanoola, which is a grazing, dairying and forest area. Since then much work has been put into this project and many negotiations have taken place; land has been acquired and corners taken off. I understand that the Highways Department now has taken a gang there building this new road on a new alignment, but that this gang will only form the road with earth adjacent to the road and that it will leave when the formation work is finished. Naturally, that formation will quickly deteriorate and the gang will not return until March, 1963. Will the Minister of Works ask his colleague, the Minister of Roads, for a full report on the proposed Kalangadoo-Glencoe road?

The Hon. G. G. PEARSON: Yes.

CLARENCE PARK STATION.

Mr. LANGLEY: I believe the Minister of Works has an answer to my recent question about the Clarence Park railway station.

The Hon. G. G. PEARSON: My colleague, the Minister of Railways, states that the station buildings at both Clarence Park and Emerson are listed for replacement. Provision has been made on the Estimates for the current year for the buildings at Emerson, and it is hoped to start this work in the very near future. With regard to the station buildings at Clarence Park, it is regretted that the necessity to complete works of a higher priority has prevented these buildings from being listed for replacement during 1962-63. There is no change in policy, however, and a new structure will be provided as soon as circumstances permit.

POLICE ACTION.

Mr. FRED WALSH: A letter that has been handed to me by the Minister of Education (Hon. Sir Baden Pattinson), from a constituent of mine who resides in North Glenelg, states:

I should like to draw your attention to a most distressing incident which arose from a trivial offence committed by my son in January last when he unwittingly walked on Brighton beach with a puppy not on a leash. As a result of this breach of their local by-law a summons was received while my son was hiking in Tasmania as a result of which his case was adjourned until April. He had no alternative but to submit a plea of being technically guilty and asked for leniency under the circumstances. He was told by the police sergeant at Brighton that there was no need to attend court and he would be advised of the result. This was some weeks before the hearing and the matter was forgotten until yesterday—a Sunday afternoon—when a police constable appeared at the door to arrest my son for non-payment of £6

13s., being the fine and costs imposed by the April court.

This was the first intimation we had ever had and as the amount appeared incongruous compared with the "crime", we asked for further information which could only be obtained from Brighton Police Station. This we did but in the meantime my son had to remain in the custody of the police failing payment of the fine. I appreciate that police action was strictly according to regulations but would have thought some discretion could be allowed the officers concerned.

What I am chiefly concerned about is that although the police usually advise absent victims of these local courts about fines imposed, they claim they are not obliged to do so and in this case there is no evidence that they did in fact post a notice and certainly none was received.

If it is incumbent on a defendant to discover the verdict of a court this fact should be strongly stressed to him at the time of lodging his plea otherwise surely mere common courtesy demands notice and a reminder before execution of a warrant for arrest. Apart from the indignity of a police call on such business, had we not been at home we could quite easily have returned to find our son in gaol as we do not keep much cash in the home since a burglary last year. While appreciating the need for regulations in the community interests for restricting such things as dogs on beaches I do not think the public interest is best served by the present unimaginative administration of these by-laws.

Last Tuesday I attended a police court as a witness to a motor car collision in which I was involved and a policeman I knew told me that many young policemen were prosecuting persons for the most trivial offences—ridiculous cases, in the main. He instanced prosecutions for defaced registration discs. Apparently discs are frequently defaced by women with long finger nails when they are washing the wind-screens. Another offence relates to windscreen wipers that are not properly seated. He expressed the opinion that the Police Force could be open to public ridicule and he was disgusted with the actions of some young police constables. In view of the letter I have quoted from a reputable citizen, and in view of the two types of trivial offence I have mentioned, will the Premier ask the Chief Secretary to call for a report on this matter?

The Hon. Sir THOMAS PLAYFORD: Yes.

WAR SERVICE LAND SETTLEMENT.

Mr. FRANK WALSH: Can the Acting Minister of Repatriation say whether under the War Service Land Settlement Agreement Act a settler has any right of appeal against his final rent and valuation and, if he has, to whom?

The Hon. D. N. BROOKMAN: Under the War Service Land Settlement Agreement the final rental and the valuation are different. Whilst there is an appeal against the valuation, there is no appeal against the final rental in the agreement. The Crown Lands Development Act, under which this State operates, gives power for the Minister, on the recommendation of the Land Board, to vary the obligation of a lessee if he applies for a variation. In other words, the lessee may apply for a reduction in rental and the Minister may, on the recommendation of the Land Board, agree to it. The State strongly supports that provision. However, under the War Service Land Settlement Agreement there is no obligation on the Commonwealth to consider an appeal. Any person who appeals properly under the Crown Lands Development Act to the Minister of Lands would have his appeal considered and it could then be taken up with the Commonwealth Government.

LEAVING HONOURS CLASSES.

Mr. CURREN: Can the Minister of Education say when he will be able to make an announcement about the establishment of Leaving Honours classes in country high schools?

The Hon. Sir BADEN PATTINSON: No. As I informed the honourable member and other honourable members some time ago, whether or not Leaving Honours classes will be established is a matter of Government policy. It is a decision not for me, but for Cabinet, to make. I have referred the matter to Cabinet and it is receiving consideration. As soon as a decision is made it will be announced.

Mr. LOVEDAY: The Minister will recall that parents of students at the Whyalla Technical High School were disappointed that a Leaving Honours class was not established this year. Parents this year are anxious to know whether such a class will be available next year. In view of their distance from the city they are considering what arrangements will have to be made in the event of there not being such a class. The problem of arranging for books and staff is a matter for the school itself. Can the Minister indicate when Cabinet's decision is likely to be made?

The Hon. Sir BADEN PATTINSON: No, I cannot give any information other than to repeat that much consideration has been given to the pros and cons of establishing Leaving Honours classes in some country centres. I have discussed this matter in detail with

senior departmental officers and I have also submitted it to Cabinet, where it has been discussed. I have also had lengthy discussions with the Premier, and I hope that a final decision will be made and announced soon.

DRIED FRUITS.

Mr. HUTCHENS: During a recent broadcast, I heard that the Prime Minister had given an assurance that should the dried fruits industry find itself in difficulties, the Commonwealth Government would assist it. Since then, a further report indicates that Turkey has made another substantial cut in the price of its dried fruits for export, and this has caused grave difficulties to the Australian industry. Can the Minister of Agriculture say whether action has been taken to ensure the survival of the South Australian dried fruits industry?

The Hon. D. N. BROOKMAN: As the honourable member knows, my duties do not encompass the marketing overseas of dried fruits, but I shall be happy to take up the question with the Chairman of the Dried Fruits Board and obtain a report for the honourable member.

PORT PIRIE TO PORT BROUGHTON ROAD.

Mr. McKEE: I understand the Minister of Works has a reply to a question I asked earlier this session regarding the Port Pirie to Port Broughton road.

The Hon. G. G. PEARSON: My colleague, the Minister of Roads, states that as this road is lightly trafficked it is not included in forward planning for early reconstruction and it is not practicable at this stage to indicate when it can be reconstructed.

RED HILL SCHOOL BUS.

Mr. HALL: Has the Minister of Education a reply to my question of last week concerning the Red Hill school bus route and the proposed inspection of that route by the Transport Officer?

The Hon. Sir BADEN PATTINSON: I submitted the question to the Education Department's Transport Officer, who has stated that he will visit the Red Hill district next month and will make an inspection of the route of this suggested bus service. Before doing so, he will communicate with the representatives of the parent bodies and make an appointment with them. If the honourable member so desires he will be informed also.

ROBINSON CROSSING.

Mr. FREEBAIRN: I believe the Minister of Works has a reply to my recent question concerning Robinson crossing near Salter's Springs.

The Hon. G. G. PEARSON: My colleague, the Minister of Roads, states that although a survey has been made, plans for improvement have not been prepared because of more urgent work of a higher priority elsewhere. At this stage it cannot be stated when any improvements can be effected.

GOUGER ELECTORATE.

Mr. RICHES: It was my discomfort to have to travel through the electorate of Gouger to attend Parliament today, and I was distressed at the disturbance I found there. Can the member for Gouger (Mr. Hall), in the interests of decentralization, say whether he could arrange to contain his district within its electoral boundaries, instead of allowing it to blow over the metropolitan area? Secondly, as the member representing Red Hill, can he

say whether there is any political significance in the changing of the colour of the water at Lochiel to the most vivid pink I have ever seen?

Mr. HALL: I am sorry if the honourable member was distressed when journeying through my district. I assure him that many areas in my district are suffering undue wind erosion, and I hope the Minister of Agriculture can look after that matter. If the Lochiel Creek has turned pink, all I can say is that the honourable member has passed too close to it and some of his political colour has run off into it.

RADIUM HILL SALE.

Mr. FRANK WALSH (on notice): How much was received by the Government from the sale of houses, other buildings, furniture and fittings, and sundries, respectively, at Radium Hill?

The Hon. Sir THOMAS PLAYFORD: The following sales have been effected at Radium Hill:

	Houses.	Other Buildings.	Furniture, Fittings, and Sundries.	Total.
	£	£	£	£
Cash receipts	20,750	19,544	19,933	60,227
Outstanding	58,350	116	142	58,608
	£79,100	£19,660	£20,075	£118,835

The outstanding amount on houses is due by the South Australian Housing Trust, which has recently been invoiced this amount. In addition to the above amounts, the following sales have been made at Radium Hill:

	Plant and Equipment.	Stores.	Total.
	£	£	£
Cash receipts	229,269	16,195	245,464
Outstanding	20,916	—	20,916
	£250,185	£16,195	£266,380

This makes a grand total of: cash receipts, £305,691, outstanding, £79,524, grand total, £385,215, and some sales are still being processed.

COOPERS' COMPENSATION.

Mr. CURREN (on notice):

1. Have premiums on workmen's compensation insurance been increased recently?

2. If so, to what extent have they been increased in respect of coverage for employees in the coopering industry?

The Hon. Sir THOMAS PLAYFORD: The replies are:

1. Workmen's compensation premiums are reviewed every two or three years and adjusted upward or downward in the light of claims experience. The review is made in this State by the Fire and Accident Underwriters Association in respect of its member companies, and it is understood that the non-tariff companies adopt rates which follow substantially the same pattern. The last review of premium rates was effective from October 1, 1961. Subsequently premiums were increased by 5 per cent to take up the calculated additional liability imposed by the Workmen's Compensation Act Amendment Act, 1961.

2. The premiums in respect of coopers were increased from 44s. to 90s. per £100 of wages paid from October 1, 1961. This increase was due to a very bad claim experience in the period since the preceding review. The subsequent general increase of 5 per cent brought the premium rate to 94s. 6d. per £100 of wages paid as from November 16, 1961. At the last review only 147 rates were increased, whereas 192 were reduced and 34 were not altered.

WALLAROO HOSPITAL.

Mr. HUGHES (on notice): What was the balance of funds held by the Commissioners of Charitable Funds on account of the Wallaroo District Hospital, at June 30, 1962?

The Hon. Sir THOMAS PLAYFORD: The balance of funds held by the Commissioners of Charitable Funds on account of Wallaroo Hospital at June 30, 1962, was £521 6s. 3d.

DENTAL HOSPITAL.

Mr. Hughes, for Mr. TAPPING (on notice):

1. Is there a waiting list of patients for treatment at the Adelaide Dental Hospital?
2. If so, to what extent?
3. Is a means test applied at this hospital?

The Hon. Sir THOMAS PLAYFORD: The replies are:

1. Yes.
2. (a) 2,250 persons are awaiting dentures. Preference is given to patients with medical histories such as duodenal ulcers, diabetes, etc., to expectant mothers and mothers of large families.
- (b) 1,000 persons, mainly children, are awaiting orthodontic treatment.
- (c) (i) 2,475 persons are listed for conservative treatment.
- (ii) 369 children are on a special waiting list for conservative treatment.
3. Yes.

TRUST ARCHITECTS.

Mr. FRED WALSH (on notice):

1. How many registered architects are employed by the South Australian Housing Trust?
2. Do architects employed by the trust have the right of private practice during their hours of employment?
3. Has an injured party the right to bring any action, whatsoever, against any trust architect responsible for negligent supervision?

The Hon. Sir THOMAS PLAYFORD: The replies are:

1. 25.
2. No.
3. As trust architects are employees of the trust, they perform their work for the trust as servants of the trust and have no contractual duty to other persons. If an architect were negligent in any trust work, that negligence would be a matter to be dealt with by the trust as his employer. If any right of action should arise in respect of a house sold by the trust by reason of an architect's negligence, that right would lie against the trust and not the architect.

EYRE PENINSULA WATER SUPPLY (AUGMENTATION FROM POLDA BASIN).

The SPEAKER laid on the table the report by the Parliamentary Standing Committee on Public Works, together with minutes of evidence, on Eyre Peninsula Water Supply (Augmentation from Polda Basin).

Ordered that report be printed.

WATERWORKS ACT AMENDMENT BILL.

The Hon. G. G. PEARSON (Minister of Works) obtained leave and introduced a Bill for an Act to amend the Waterworks Act, 1932-56. Read a first time.

SEWERAGE ACT AMENDMENT BILL.

The Hon. G. G. PEARSON (Minister of Works) obtained leave and introduced a Bill for an Act to amend the Sewerage Act, 1929-60. Read a first time.

ESTIMATES OF EXPENDITURE.

His Excellency the Governor, by message, recommended the House of Assembly to make appropriation of the several sums for all the purposes set forth in the accompanying Estimates of Expenditure by the Government for expenditure during the year ending June 30, 1963.

Referred to Committee of Supply.

THE BUDGET.

In Committee of Supply.

The Hon. Sir THOMAS PLAYFORD (Premier and Treasurer): This, my twenty-fourth Budget, proposes payments on Revenue Account of £96,854,000 and receipts of £96,251,000, thus giving an estimated deficit of £603,000 for 1962-63. I present the Budget to members following six months of steadily improving economic activity. Whilst the rate of improvement in this State has been more rapid than elsewhere in Australia, further rapid improvement is undoubtedly necessary. Our economy is necessarily greatly affected by the rate of recovery elsewhere in Australia, and there would appear to be a nationwide reluctance to trade and operate in a really expansive and confident fashion. In such a situation it seems to me that it is the duty of a State Treasurer to frame financial policies, within the limits of the resources available to him, which are designed to encourage and expedite a return to full employment of our labour and other productive resources.

At the beginning of 1961-62, when the economic outlook was less promising than it is today, my Government decided to do all in its power to maintain and promote employment by pushing ahead vigorously with a programme of capital works, which would have the further advantage of meeting some of the State's more pressing needs for services. To do this the Government committed all Loan moneys which it expected to become available currently, planned to use in development works the Revenue surplus of 1960-61, authorized in addition the depletion of certain cash balances, and decided to allow the Loan Fund to move into deficit. At the same time the Revenue Budget avoided increases in general charges and taxes which may have had an adverse effect on business activity, and a nominal Revenue surplus of £3,000 was anticipated.

As members are aware, a special Loan Council meeting was held in February last to discuss the failure of business activity and employment to pick up quickly, and to plan remedial measures. As a result additional funds were made available for housing and for other employment-producing works. My Government took steps immediately to allocate the funds to departments and authorities, and members will recall from the discussion on the Supplementary Estimates in April last that part of the funds were expended through Loan Account and part through Revenue Account. It remained the Government's intention at that time to overspend on Loan Account as originally planned, and to achieve a Revenue Budget result close to a balance.

The eventual financial results for the year 1961-62 were a deficit on Loan Account of £372,000, which took the total deficit at June 30, 1962, to £422,000, and a surplus of £507,000 on Revenue Account, a more favourable result than expected. The more favourable result was due almost entirely to an improvement in railway finances. There was a surprisingly well sustained carriage of grain which boosted receipts appreciably, and at the same time operating expenses were kept well below estimate. There was also an increase in land tax yields above estimate due in large measure to considerably fewer claims for exemptions on the part of holders of rural land than had been anticipated. At the same time as a Revenue surplus became a possibility as the end of the financial year approached, plans to reduce electricity tariffs in certain country areas reached maturity, and the Government was faced with the problem of how to finance the reductions. It thus appeared both

desirable and convenient to allocate the surplus almost entirely for this purpose, as the financing of the reductions would otherwise have been a charge against limited Revenue funds in 1962-63 and subsequent years. Therefore the Government submitted legislation to finance the reductions substantially by the transfer of the 1961-62 Revenue surplus to the Electricity Trust of South Australia, which will be responsible for the detailed administration of the scheme.

Looking back on the year 1961-62, I believe that the weight of evidence shows that the Government's policy of using all available financial resources to push ahead with a large programme of capital works was the right one. As well as achieving worthwhile progress on a multitude of projects essential to the continued development of the State, the programme provided an invaluable impetus to employment, both in direct Government employment and through contractors who were in a position to marshal quickly unemployed resources of labour and equipment. An inspection of official figures reveals that during the first half of 1961-62 the degree of unemployment in this State was kept lower than in any other State except Western Australia. This was achieved despite the severe effects of financial restrictions on the motor vehicle and home appliance industries which are such important employers of labour in South Australia. In the second half of 1961-62 the degree of unemployment in this State was consistently the lowest of any State in Australia. The Government is naturally pleased that its policies were able to contribute to such a situation, but there are some rather stubborn problems which still remain to be overcome.

As I mentioned a few minutes ago, I consider that my duty is to present financial policies which aim, so far as it is within the power of the State, to continue to assist the return towards full employment and complete public confidence. Therefore in this year, 1962-63, the Government has again avoided any increases in general charges and taxes which might have an adverse effect on further business recovery. This decision of itself has made very much more difficult the financing of the essential day to day running of Government activities during 1962-63. When one considers also that the increase in the taxation reimbursement grant will this year be only £1,575,000 or 4.7 per cent, compared with an increase of £2,498,000 or 8.1 per cent in 1961-62, it can be seen that the problem of finding the money to pay for our growing needs for the daily operation of services is a serious one. The failure

of the taxation reimbursement grant to move upwards as far as in the previous year is due to the relatively small upward movement in the level of average earnings, which, with population, is a determining factor of the grant.

The State will receive a special grant of £1,312,000 towards employment-producing works this year, but, even after taking this entirely into Revenue Account towards financing employment in essential maintenance works, it is clear that the State faces a large deficit. Following a very careful review of all proposed expenditures, and an allocation to ensure that essential services continue to function adequately, the prospective Revenue deficit is estimated at £603,000. In these circumstances it would be futile to contemplate a repetition of last year's procedure in transferring part of the special grant to Loan Account to finance capital works, as that would correspondingly increase the Revenue deficit. Any deficit on Revenue Account would normally be taken up by absorbing Loan funds, and thereby reducing the amount of finance available for works and development. But at this particular time, as well as being faced with a difficult Revenue situation, the Government has had the problem of maintaining and even increasing the capital works programme to provide employment opportunities, and to give a lead in development. The total funds currently available for these two purposes are clearly inadequate. This was a matter on which I commented when presenting the Loan Estimates to the House, and, as I explained, the Government's view is that, in the absence of any supplement from special sources to call upon, there is no alternative to running the Loan Fund further into deficit if a satisfactory rate of progress on capital works is to be maintained. Accordingly, with a prospective Loan deficit of about £1,000,000 and a prospective Revenue deficit of £603,000, the aggregate deficit which the State may face by June 30, 1963, will be of the order of £1,600,000.

I think it appropriate to point out that in South Australia we are, at this stage, attempting to meet our abnormal problems with funds limited to those available through the normal channels. In so far as those channels are financed or supported from Commonwealth revenues, they are shared by all States in the recognized normal proportions. But the majority of the other States have not in recent years been so limited, and in the present year they are being helped by the Commonwealth with very considerable financial supplements for special development projects. I am at a loss to understand why South Australia's claims for

a modest share of the supplementary finance made available by the Commonwealth for State development works should be dismissed so lightly. It would certainly be most unjust if the recent better employment achievement in this State is the excuse for ignoring its claims for special assistance. The State of South Australia would thereby be actually penalized for its very successful efforts to counter unemployment by the well-judged early use of its own resources. Whatever the reason, it is an unfortunate fact that Commonwealth finance provided for special projects to benefit the States in the past three years, together with comparable proposals for 1962-63, amount to a total of £131,000,000, and that South Australia's share of that total is £1,300,000, or a bare one per cent.

In this context one of my Government's main concerns is the failure of the Commonwealth to provide finance to enable the standardization of the Broken Hill to Port Pirie line to go ahead. This project is so vital to South Australia that the Government feels bound to consider ways and means of allocating some finance from its already strained resources to carry out sections of the work without awaiting Commonwealth allocation of funds in accordance with the rail standardization agreement. The Government will continue to press for just treatment for South Australia's claims. Whether or not that just treatment is quickly forthcoming, the Government will continue to do all in its power to use available funds to the best effect in the development of the State, and to promote the full restoration of public confidence and economic activity.

THE YEAR 1961-62.

The Budget which I introduced to Parliament in September, 1961, envisaged a nominal surplus of £3,000, whereas the actual result for the year was a surplus of £507,000. Receipts at £93,203,000 were £1,656,000 in excess of the original estimate of £91,547,000. Payments at £92,696,000 were £1,152,000 in excess of the original estimate of £91,544,000. The main explanation of these substantial excesses above estimates is to be found in the detailed accounting for the Special Commonwealth Grant of £970,000 which I have already referred to in general terms. The grant was taken into Revenue Account in its entirety, which is required by Statute so that Parliament might control its disbursement. Subsequently £645,000 was appropriated to supplement Loan Account. The remaining £325,000 of the special grant was allocated within Revenue

Account mainly for increased expenditure by the Engineering and Water Supply Department and for public works under the control of the Director of Public Buildings. Thus the final figures for both receipts and payments were increased above estimate accordingly. Members will recollect that these appropriations were the subject of Supplementary Estimates during the latter part of 1961-62.

The second major factor was the improvement above estimate in the net result of railways operation. Receipts bettered the estimate by £243,000 due to heavy carriage of grain held at sidings from the previous year, movement of the new season's crop, and improved traffic in Broken Hill ores late in the financial year. At the same time, continued increased efficiency and economy in operation were responsible for expenditure being held to a figure £245,000 below the original estimate. The net improvement of £488,000 against estimate for the overall result of the Railways Department was by far the most significant factor leading to the surplus of £507,000 on Consolidated Revenue Account.

For receipts there were several marked variations from estimate. Land tax yielded £388,000 more than was anticipated to be received from a new quinquennial assessment of land values. This increase, however, was offset by falls below estimate of £123,000 for stamp duties, £118,000 for succession duties, and £37,000 for receipts of the Betting Control Board, as business activity and levels of values recovered more slowly than had been expected. Consequently, taxation as a whole was only £79,000 above estimate. While Harbors Board receipts from the bulk handling of grain improved, there was a marked fall in receipts from inward wharfage and handling charges for coal. Inward wharfage also felt the effect of a general decline in imports. In total, Harbors Board revenues fell £90,000 below estimate. For Hospitals Department, receipts were £130,000 above estimate. This was due largely to a continuation of the trend for the South Australian community to take advantage of the benefits of health insurance, and thus an increasing proportion of patients were placed in a position to meet reasonable hospital fees. Territorial receipts exceeded the estimate by £77,000. Land sales at Whyalla were greater than anticipated, and tonnages of iron ore and Leigh Creek coal mined were above expectation.

Among payments the major variation was for the Engineering and Water Supply Department, for which the total was £472,000

above estimate. Of this, the excess for maintenance and operation was £213,000, and the excess for power for pumping through the two major mains was £259,000. The excess expenditure for maintenance and operation was in part provided out of the special grant referred to previously.

Expenditure of the Education Department was £457,000 above estimate. Of this, £260,000 was required to meet the cost of a new award for teachers, operative for the last four-and-a-half months of the year. Agriculture Department figures showed a saving against estimate of £101,000, primarily because of the continued freedom from any fresh outbreak of fruit fly; and Harbors Board expenditure fell £109,000 below the original estimate because of a temporary transfer of dredging operations from maintenance works to new capital works.

ESTIMATES FOR 1962-63.

RECEIPTS.

The Estimates of Revenue, copies of which have been made available, show the details of the estimated receipts for 1962-63 compared with actual receipts for 1961-62. I anticipate that receipts on Consolidated Revenue Account from all the sources set out in that document will amount to £96,251,000 this year. Such a total, if achieved, will exceed last year's receipts by £3,048,000.

I propose now to comment on the principal items, and to explain any significant anticipated variations from last year's actual receipts, or from what would be expected in the normal course. The estimate for State taxation receipts is £13,042,000, which would be an increase of £467,000 over actual receipts in 1961-62.

Within this group the largest variation is in the estimate for motor vehicle taxation which, at £4,775,000, is expected to be £226,000 greater than actual receipts for 1961-62. This item has no final effect on the Budget result, because the proceeds of motor taxation, less the costs of the Motor Vehicles and Highways Departments, are transferred to the Highways Fund in accordance with Statute for road purposes exclusively. Nevertheless, motor vehicle taxation receipts, and the annual increase therein, are important factors in the State's finances, not only because they go directly to play an important part in the development of the State's highway and road system, but also because they have a secondary effect under the existing Commonwealth aid

roads legislation. The present Commonwealth Aid Roads Act, which authorizes financial assistance to the States in each of the five years 1959-60 to 1963-64 inclusive, provides for assistance in two ways. The first way is for the distribution of a defined annual "pool" between the States according to area, population, and motor vehicle registrations. The second way is for the distribution of a smaller annual "pool" according to the same factors, but only to match contributions by each of the States for roads purposes, out of its own resources, in excess of its contribution in the base year, 1958-59. In South Australia the annual increase in motor vehicle taxation is the major factor in providing the required increased State contribution, but it has been necessary for my Government to make available from Loan Account relatively small supplements from time to time to roads funds to attract the full grant available. To the extent that such supplements are necessary they naturally subtract from the amount available for other urgent works, and therefore the Government has a close interest in the annual increase in motor vehicle taxation.

For stamp duties I have estimated receipts for 1962-63 at £2,373,000, an increase of £161,000 above actual receipts for 1961-62, but still £74,000 below the receipts of the peak year, 1960-61. At the moment it is still somewhat difficult to gauge the prospective extent of expansion within the economy, and therefore it is impossible to estimate with any certainty the likely return from a revenue such as stamp duty, which depends not only on the volume of business but on the level of values at which that business is conducted. I must say that, while I was very pleased during the course of 1961-62 to see the relatively lighter impact of unemployment in South Australia than in other States, due in considerable measure to my Government's efforts, I was disappointed at the failure of some revenues, particularly stamp duty receipts, to reach the Budget estimate. However, even though stamp duty receipts in 1961-62 eventually fell markedly below estimate, the second half of the year did show improvement on the first half. Having in mind this improvement and other indications of a movement upward in the economy, I have anticipated a gradual increase in the rate of stamp duty receipts sufficient to yield £161,000 more than last year.

Succession duties are estimated at £2,350,000, which would be an increase of £58,000 above actual receipts for 1961-62, but would fall £52,000 short of the record 1960-61 figure.

Succession duties receipts have been subject to the same depressing influences as stamp duties, particularly affecting property and investment values, and I anticipate that as conditions improve levels of values will move upwards with a consequent improvement in revenues. For receipts from taxation on land, betting and liquor, and for revenue from miscellaneous licences, I have estimated only nominal increases, as no changes in either assessments or rates are contemplated. Receipts from public works and services are estimated at £45,590,000, an increase of £643,000 over actual receipts for 1961-62. The increase is expected to come from:

	£
The operation of public undertakings—an increase of	363,000
Other departmental fees and recoveries—an increase of	405,000
	768,000
Offset by—	
Recoveries of interest and sinking fund—a decrease of	125,000
	£643,000

For the operation of public undertakings the principal variation from last year is expected to be for the Engineering and Water Supply Department. New extensions and connections, both in the metropolitan area and in country areas, and increases in direct sales of water are expected to result in increased receipts of £399,000, taking the total receipts of the department to £7,249,000. Exclusive of special Treasury transfers towards working expenses and debt charges, railways receipts are estimated to amount to £14,068,000, a decrease of £13,000 from actual receipts for the transport of passengers and freight in 1961-62. Railway freight traffic depends to a very large extent on seasonal conditions, and, until the outcome of the present season can be forecast with more assurance, it is difficult to make a reliable estimate of probable receipts. However, on present indications, it appears that the carriage of wheat and barley will decline appreciably, mainly because the amount of the previous season's grain held in country storages at June 30, 1962, was very much below the amount in storage awaiting transport twelve months earlier. This reduction is expected to be offset by increased carriage of general merchandise and by increased receipts from interstate passenger traffic.

Harbors receipts are expected to rise by £80,000 this year to a total of £2,660,000. The main factors working towards such an increase

are likely to be increased handling of gypsum and grain through bulk handling installations, and additional oil imports at Port Adelaide. On the other hand some further reduction in coal handling at Osborne is probable. Recoveries of interest and sinking fund are estimated to total £9,023,000, a decline of £125,000 from last year's actual recoveries. The reason for a decline is that debt services totalling some £660,000 per annum in respect of the uranium production project have in recent years been met from the State Budget and then charged to the project and recovered to the Budget. With the cessation of uranium production the payment and receipt of these moneys has now ceased. The reduction in receipts from this particular source is expected to be largely offset by increased recoveries from the Electricity Trust, the Housing Trust, and from the several advances schemes administered by the State Bank on behalf of the Government. These increases follow automatically as additional Loan funds are made available. A further increase is also expected in receipts from interest on a number of departmental advances, and higher earnings are anticipated on moneys held temporarily at the Reserve Bank.

Within the increase of £405,000 for the group "Other departmental fees and recoveries" the principal movement is in education receipts. The anticipated total for such receipts, £1,882,000, will be £160,000 greater than actual receipts last year. The increase stems primarily from increased recoveries from the Commonwealth Government for university purposes. As I have explained to members previously, the Commonwealth Government makes available an additional £100 approximately for each £180 made available by the State to meet the growing requirement of the university for normal operating funds. The finance for new buildings, for furnishings, and for equipment is being provided equally by the State and the Commonwealth. The total of State and Commonwealth grants together is appropriated in the Estimates of Expenditure, while the moneys to be recovered from the Commonwealth are included in the Estimates of Revenue.

Hospital receipts are expected to rise by £112,000. Increased numbers of patients will mean greater recoveries from patients' fees and from receipts under the Commonwealth Hospital Benefits Scheme. The inclusion of a wider range of drugs under the Commonwealth Pharmaceutical Benefits Scheme will lead to greater recoveries on account of drugs used

extensively in mental hospitals. For the Registrar-General of Deeds Department an increase of £60,000 is expected to be achieved from a gradually improving volume of business, and from revision of fees in accordance with increasing costs of services rendered. A decrease of £61,000 in rents received from temporary housing accommodation is anticipated as the programme to replace such accommodation with permanent housing continues.

A small increase of £21,000 in territorial receipts is anticipated, mainly as a result of increased mining royalties on a growing volume of Leigh Creek coal. Under "Commonwealth" receipts the taxation reimbursement grant is expected to be about £34,800,000, an increase of £1,575,000 above the 1961-62 figure. A special grant of £1,312,000 towards employment-producing works will be received, an increase of £342,000 above a similar grant received last year.

PAYMENTS.

The Estimates of Expenditure, copies of which have been tabled, contain details of proposed payments by departments. Provision is included therein for:

	£
Annual payments for which appropriation is contained in special legislation	26,208,000
Proposed payments in respect of the various departments for which appropriation will be sought in an Appropriation Bill founded on the Estimates	70,646,000
<hr/>	
Making a total of payments proposed for 1962-63 of	£96,854,000

Full details of all proposed payments are set out in the Estimates and explanations of the provisions will be made by Ministers during the debate in Committee on the individual lines. Therefore I will now restrict my comments to the larger items or those of particular interest. The proposed payments under Special Acts total £26,208,000, an increase of £1,360,000 above actual payments in 1961-62. The increase arises largely from the payment of interest and sinking fund on new borrowings and to higher interest payments on existing loans following their conversion on maturity to higher rates of interest presently prevailing. Continued borrowing to finance important capital works is of course essential to the continued development and expansion of the

State, to the provision of adequate employment opportunities, and to ensure a rising standard of living to the entire South Australian community. The works and purposes to be financed with the new borrowed moneys were explained in detail when I presented the Loan Estimates to Parliament last month. The provision of the capital works and services, however, is only half of the story. Their subsequent staffing, operation and maintenance is equally important, and the Estimates of Expenditure necessarily contain increased provisions for these latter purposes.

Within the field of the social services I would like to comment first on the health services. For the Hospitals Department the proposed expenditure for operation and maintenance this year is £6,845,000, an increase of £568,000, or just over 9 per cent. Ten years ago the expenditure of the Hospitals Department for the operation and maintenance of Government hospitals was only £2,700,000, and I believe it would be appropriate to refer briefly to the extent of additions to hospital accommodation and improvements to services which have been made during the past decade, and which have cost in total some £17,000,000.

At Royal Adelaide Hospital we have seen completed the Eleanor Harrald Nurses' Home accommodating 300 nurses, the new radiotherapy building complete with orthotron and two cobalt therapy units, additions to McEwin Building and Bice Building, and additions to the dental hospital. At the latter a new wing of five floors has recently been opened and work is still in progress on another wing of four floors. With the occupation of the new east wing providing 487 beds, the first step in the Government's plan for rebuilding the Royal Adelaide Hospital has been completed. The plan envisages Royal Adelaide as a series of separate major structures, each designed to house a particular area of hospital activity and linked by covered ways at all necessary levels. As I have explained to members, the Loan Estimates provide funds this year for initial work on the next step of the rebuilding programme.

During the last 10 years medical achievements have been considerable, and possibly some of the most gratifying achievements have derived from the establishment of a special cardiac surgical team. This unit has available to it some of the very latest equipment in the world, including heart lung by-pass and associated investigational and monitoring equipment, and the team has achieved spectacular successes. Members will recall that during

1954-55 portion of the nurses' home at the Queen Elizabeth Hospital was opened as a 55-bed maternity hospital. The maternity block was occupied in May, 1957, whilst the first beds in the general section were occupied in February, 1959. In November, 1960, the Mareeba Children's Hospital became an annexe to the Queen Elizabeth Hospital. This year the hospital will reach full capacity when the total available beds will be:

	Beds.
General	378
Maternity	122
Children's annexe	30
Total	530

A constant daily average bed occupancy of 90 per cent in the general section and 85 per cent in the maternity wing is being maintained in meeting the demands of the community, and this may be regarded as full justification of the Government's decision to build this magnificent modern hospital in the western districts. In 1961 we saw the opening of the new 200-bed hospital, complete with nurses' home and service buildings, at Mount Gambier. In 1959-60 a new air-conditioned theatre and hospital block for 70 patients at Port Pirie was occupied, and a new service building is now completed. Additions have been made to the hospital at Port Augusta and plans are being prepared for a new 80 to 90-bed hospital there with associated service buildings. Tenders are being called for a new 50-bed hospital block at Port Lincoln, with extensions to the nurses' quarters and new service buildings. Plans are being prepared for extensions to Barmera Hospital.

The Estimates of Expenditure include very large increases in provisions for mental institutions. Last year actual expenditure at mental institutions was £1,269,000. This year it is proposed to spend £1,547,000, an increase of almost 22 per cent. The major part of this increase will be required to employ additional medical and domestic staff to bring the patient-staff ratio to a figure strongly recommended by the Director of Mental Health. It was necessary this year to refer back the original estimates of expenditure of many departments so that they might be suitably revised to enable all proposals to be financed equitably with the amount of money available to the Government, but the Director of Mental Health was not asked to reduce his proposals, so that the provision included in these Estimates for mental health treatment and administration is the full amount which I, as Treasurer, was

requested to make available. The Director of Mental Health, in co-operation with officers of the Public Buildings Department, is examining the requirement for new buildings and services in the mental institutions, and just as soon as firm proposals can be determined the Government will make every effort to allocate sufficient Loan moneys to enable work to go ahead. The Government has already accepted a number of recommendations from the Director of Mental Health involving reorganization of these services, which are now being planned with all possible speed for eventual submission to the Public Works Standing Committee. The Government's policy of improving the hospital facilities in South Australia is not confined to its own hospitals, and an examination of the Estimates under "Chief Secretary—Miscellaneous" will reveal proposals for grants towards the rebuilding, extension or alteration of many hospitals operated by autonomous boards of management.

When the management of the Adelaide Children's Hospital decided to replace buildings which were no longer adequate for their purpose, and to provide accommodation for the ancillary departments which are essential for a first-class, modern hospital, the Government agreed to subsidize this major building programme which is estimated to cost £2,400,000. On the basis of a Government subsidy of £2 for each £1 paid by the hospital, £100,000 was provided in 1960-61, £500,000 in 1961-62, and £500,000 is proposed in the Estimates now before members. A final £500,000 in 1963-64 is expected to complete the programme. Building was commenced in 1961 and, when completed, new accommodation will be available for the outpatients' department, with its clinics and services; the department of child health, X-ray department, pharmacy and laboratories; and an additional 52 beds for in-patients, a suite of operating theatres, and a new block for maintenance services will be provided.

In addition to this substantial assistance to the building programme of the Adelaide Children's Hospital, the annual maintenance grant, which is also proposed in the Estimates, is over £500,000. By its increasing annual grants for maintenance the Government has shown its full support of the progressive policy of the hospital, an indication of which is the fact that in 1961-62 the 10,000 in-patients who were treated had an average stay in hospital of only nine days, whereas three years previously the average stay was over 11 days. Funds are also provided for major additions to the Lyell McEwin Hospital at Elizabeth, estimated to

cost approximately £173,000 and to provide 46 additional beds; the Millicent (Thyne Memorial) Hospital, estimated to cost approximately £205,000 and to provide 50 beds; the Naracoorte Hospital estimated to cost over £150,000 and to provide 34 beds to replace older accommodation; and for many other country and community hospital building projects.

The Government is at present carrying on detailed discussions with the management of the Queen Victoria Maternity Hospital on the matter of a major rebuilding scheme for the hospital. When agreement is reached as to the needs of the hospital, substantial grants will be required to finance construction. These Estimates provide a grant of £145,000 towards the current operation and maintenance of the Queen Victoria Maternity Hospital. A further large proposal still in the discussion stage is for a major hospital project at Whyalla, and here again, when agreement is reached as to the needs of the hospital, substantial Government grants will be required towards construction. Might I say again how much my Government appreciates the extent to which the South Australian community supports local hospital projects, not only with locally raised finance, but also with time and effort in unselfish committee service. This comment applies equally to the many organizations which work for crippled and spastic children, for the mentally retarded, and for other handicapped people. I believe that there is an important place in our community life for the voluntary work and true charity thus given.

In the field of law, order and public safety, the main provision is for the Police Department. Proposals for 1962-63 total £3,052,000, an increase of £200,000, or 7 per cent, above actual payments last year. This provision will enable the force to be further strengthened. Throughout the world there has been a sharp rise in the number of crimes committed during the last 10 years, and this State has been no exception. Between 1951 and 1961 the population of South Australia increased by 30 per cent, but during the same period offences against property alone, that is, theft, burglary, vandalism and similar offences, practically trebled. This trend, together with the general development of the State, expansion of the residential areas, and greater volume of traffic, has necessitated additions to the Police Force in both manpower and equipment. The active strength of the Police Force increased by more than half from 943 members in 1951 to 1,431 in 1961. The strength at June 30, 1962, was 1,479 members.

It is well known that, on average, there are less than three inhabitants to the square mile in South Australia, but even in the more densely populated portion of the State, within a radius of 20 miles from Adelaide, the average is only about 1,000 people to the square mile; less than the inhabitants of a single street in the large cities of Europe. Therefore it has been essential to aim at developing a highly mobile and versatile Police Force to give an effective coverage over wide areas. Mobility is being achieved by increasing the number of radio-equipped patrol cars, and versatility will be obtained through the cadet training system. The radio channel used by the patrol cars is taxed to its limit, and a site has been purchased at Summertown for the installation of a transmitting station to provide a second channel. It is highly desirable that this additional transmitter be in operation prior to next summer, so that in the event of a bush fire one frequency can be allotted entirely to the police cars and vehicles working with the emergency fire services, without interruption to normal policing requirements. Radio-equipped patrol cars are now in use in the larger country towns, and four-wheel-drive vehicles, fitted with long-range wireless sets, are operating in outback areas. The latter vehicles are used extensively in search and rescue operations in conjunction with members of the police emergency operations group.

The highway patrols cover all main roads outside the metropolitan area, and the crews carry out general police duties in addition to enforcing the requirements of the Road Traffic Act. Motor cycle police are confined mainly to the area within a 60-mile radius of Adelaide and in the vicinity of country towns through which pass roads carrying heavy traffic. For the year ended June 30, 1962, the total distance traversed by four-wheeled vehicles on patrols, inspections, searches, conveyance of prisoners, etc., was 4,272,000 miles, while in the same period the motor cycles covered 2,029,000 miles. It is generally accepted that the many and varied duties of a police officer, in modern times, require that the best available recruits be selected for the force and that they receive adequate training. With this in mind, the Government purchased the Fort Largs property and buildings from the Commonwealth Government in order to establish an academy where police cadets can be given extensive training in many spheres to qualify them as police officers. The Intermediate standard of education is now the minimum requirement and general recruiting has been limited to cadets. The objectives of the cadet training system are:

1. To provide a regulated intake;
2. To ensure that each young man undergoes a comprehensive course to make him proficient, versatile and physically fit;
3. To mould the character of each trainee by example and discipline so that he will become a responsible and respected police officer; and
4. To give the department an opportunity of carefully assessing the youths and making sure that they are suited to the job before appointment as constables.

Additional buildings and facilities will be required at Fort Largs to make the scheme fully effective, and when that is done the South Australian Police Force will have a training academy which should compare very favourably with that of any other force of its size. I believe that the standard of the members of the Police Force is even more important than their numbers, and I think full credit should be given to the Commissioner and his senior officers for their very successful efforts to set and maintain a high standard throughout the force.

The proposed appropriation this year for Sheriff and Gaols and Prisons Department is £559,000. This is an increase of £30,000, or almost 6 per cent, above actual payments in 1961-62. Provision is included for the salaries and wages of additional prison staff and additional probation officers. Expenditure on education has increased in recent years more rapidly than expenditure on any other major service. The proposals for the Education Department for this year total £14,665,000, an increase of £1,469,000, or 11 per cent, above actual payments last year. This follows increases of 14½ per cent in 1961-62 and almost 12 per cent in 1960-61. Some idea of the impact of the department on the Budget may be gained by comparing the increase required this year (£1,469,000) with the anticipated increase in the tax reimbursement grant (£1,575,000). The increase in the State's major revenue item will be seen to be almost swallowed by the increase required for this department alone.

A new award for teachers operated from February 12 last, the total annual cost being approximately £680,000. The actual cost in 1961-62 was £260,000, so that an additional £420,000 is required in 1962-63 to meet a full year's cost. Of the total proposed increase of £1,469,000 there will remain, then, some £1,049,000 for general expansion of the

department's activities. The department has been very successful in its campaign to attract young people to undertake training in the teachers' colleges for a permanent career in the teaching profession. The number under training today is 2,435 compared with 885 five years ago. In January, 1960, 419 young men and women commenced teaching in schools after completing their course of training at teachers' colleges. In January, 1962, the number rose to 627, and in January, 1963, the number is expected to rise further to 820.

Under "Minister of Education—Miscellaneous" the proposed appropriations for 1962-63 total £3,730,000, an increase of £304,000, or almost 9 per cent, above actual payments last year. The increase is due to greater grants to the University of Adelaide and to the Institute of Technology. Members are aware of the general provisions of the legislation under which the State and the Commonwealth provide finance for the university. It may not be so well known that the Institute of Technology falls under the same provisions in so far as it gives courses of university standard. The institute now has courses which lead to the degrees of Bachelor of Technology and Bachelor of Applied Science, the degrees being awarded by the University of Adelaide. There will inevitably be further development of the institute as of the university, and the Government will be called upon for additional funds to enable that further development to take place.

For the public undertakings increased funds are to be made available and there are several points which may be of interest to members.

The provisions for the Engineering and Water Supply Department this year amount to £4,521,000 compared with £4,641,000 last year. However, for comparative purposes it is best to deduct from these figures the amounts included therein for power for pumping through the two major mains and for South Australia's contribution towards the maintenance of River Murray works. If these items were deducted it would be seen that the amounts remaining for what could be regarded as normal operation and maintenance would be £3,727,000 actual for 1961-62 and £3,751,000 proposed for 1962-63. The increase for normal works is thus £24,000. It should be remembered, however, that the department was allocated £150,000 of the special grant for employment-producing works last year in addition to its normal provision. On present indications it will not be possible, with the limited funds available, to make any

such special distribution this year, though to take care of ordinary expansion in maintenance and operating requirements the normal provision for this year will be a little over the combined normal and special provisions last year. To estimate the likely cost of power for pumping is naturally a major problem as the seasonal outlook can change radically at such short notice. In 1959-60, because of a very dry season, the cost of power for pumping water through the Mannum-Adelaide main, through the Morgan-Whyalla main, and from bores in the Adelaide water district climbed to £922,000. In 1960-61, following a very good season, the cost fell to £275,000, but in 1961-62, a poor season, it rose again to £834,000. At the moment reservoirs are holding well below a satisfactory level for this time of the year, and off-peak pumping from the Murray to Mount Bold reservoir has been continuing since early August. The Estimates now before members provide £646,000 for power for pumping through the two major mains, but the actual figure will vary from that according to the outcome of the season. The cost of pumping through the Morgan-Whyalla main will, of course, increase in future, irrespective of seasonal influences, as the development of Whyalla, Iron Knob, and Port Augusta forges ahead.

It seems certain that South Australia will always be faced with a water problem and that the Government will need to take steps continually to overcome that problem as it has succeeded in doing so far. For the metropolitan and near-metropolitan areas the stage has been reached where two major new projects, the Myponga reservoir and the raising of the Mount Bold dam, are practically completed, and yet an additional new project, the Kangaroo Creek reservoir, must be put in hand immediately. Further than that the Government is convinced that an assured supply to the metropolitan area will require a second pipeline from the River Murray by 1970, or possibly even sooner, and initial planning is already under way, having in mind a probable route from the vicinity of Murray Bridge. To have said only a few years ago that our source of water through the River Murray itself would need further safeguards would have seemed fantastic, yet today the demand for water has grown to such an extent that we must treat as vital the need for a very large additional storage dam on the Murray to protect South Australia's requirements in a dry year. I have on other occasions given members as full information as I am

able in respect of the building of such a dam at Chowilla. Among proposals to maintain adequate supplies for country areas two of the most essential are the duplication of the Morgan-Whyalla main and the utilization of the Poldia Basin underground supplies to relieve a critical shortage on Eyre Peninsula.

For the Harbors Board the proposals this year total £1,550,000, an increase of £79,000, or 5½ per cent, above actual payments last year. The appropriation will cover the board's maintenance requirements and the increased operation of bulk handling facilities. Since 1958 the Harbors Board has constructed bulk loading plants at Wallaroo, Port Lincoln, and Thevenard, and a fourth is nearing completion at Port Pirie. In addition, planning for a fifth installation at Port Adelaide is well advanced. The total capital investment in all five plants will be about £1,272,000. Since the first installation commenced operating about 54,000,000 bushels of grain and 60,000 tons of gypsum have passed over the plants, and the loading time for grain vessels has been cut from an average of 10 days to an average of two days. Including the bulk loading plant of the Broken Hill Proprietary Company Limited at Ardrossan, which is extensively used for the shipment of grain, South Australia possesses more bulk grain loading terminals than any other State in the Commonwealth.

At this stage it may be of interest to members if I were to complete the picture by commenting on the operations of South Australian Co-operative Bulk Handling Limited. The South Australian Government has continued to give its support to the company by guaranteeing further substantial sums of money to be made available by the Commonwealth Trading Bank for the acceleration of the silo construction programme. Last year the deliveries of bulk wheat from the growers amounted to over 24,000,000 bushels, representing approximately 80 per cent of the total State deliveries. In addition 3,600,000 bushels of barley, converted to bulk from bagged stacks, have been shipped through the bulk barley silo at Ardrossan. Agreement has been reached between South Australian Co-operative Bulk Handling Limited and the Australian Barley Board to provide storage facilities for 500,000 bushels of barley in bulk at both Wallaroo and Port Lincoln terminals, and half the capacity of the proposed 2,000,000-bushel Port Adelaide terminal silo will be available for bulk barley.

At the present time considerable extensions are being constructed at the terminal port silos

at Wallaroo, Port Lincoln and Ardrossan, as well as a new 1,000,000-bushel silo terminal at Port Pirie. These will all be ready for operation by November this year and will increase the bulk grain storage capacity at these ports by over 3,000,000 bushels. I am informed that new silo capacity, amounting to 7,300,000 bushels, and involving 21 additional vertical concrete silos, is being constructed this year in South Australia. This represents an increase in bulk storage of approximately 40 per cent in one year. I think it an outstanding achievement that, although the first silo was completed only at the end of 1955, South Australian Co-operative Bulk Handling Limited will be receiving wheat at 70 silo centres this season. If an average harvest is experienced for the 1962-63 season, the company plans to build 13 concrete vertical silos next year with an aggregate capacity of 4,000,000 bushels. Largest of these will be the 2,000,000-bushel terminal silo at Port Adelaide. The question of the bulk handling of oats is now receiving attention by the company, which has been encouraged by the successful handling of three bulk oat cargoes from the Port Lincoln shipping terminal.

The Railways Department has a total provision of £14,430,000, which is £60,000 less than actual payments last year. To a very small extent the decreased requirement is due to the expectation of a slight decline in traffic, but primarily it arises from efficient administration and operation. The South Australian railways organization has made substantial progress in the matter of improved efficiency. Not all of this has been brought about by the modernization of its motive power and rolling stock, or by the increased effort that has been put into the maintenance of tracks and structures. It can also be attributed in considerable measure to wise management and careful control of finances. The last 10 years have seen a revolutionary change in the face of the department. Whereas in 1952 it had only five diesel locomotives, today it has 52 diesel locomotives and 93 modern railcars. In fact, except for one or two industrial trains, all suburban passenger services are now operated by diesel railcars, while the country services are handled either by air-conditioned railcars or by diesel hauled trains.

The improved efficiency over recent years has meant that any rises in working expenses have been proportionately lower than have been the rises in costs of labour and material. One example of the savings that have been effected is the fuel bill, which has decreased from

nearly £2,500,000 in 1951-52 to less than £1,000,000 in 1961-62, despite an increase in both the tonnage and ton mileage of freight and livestock hauled. At the same time a substantially greater effort has been put into the maintenance of the tracks and structures. Since 1952 a total of nearly 45,000 tons of new rails has been used in re-laying, and approximately 2,500,000 sleepers renewed. The South Australian Railways Department is making a valuable contribution to the economy of the State. This applies in particular to the agricultural areas, where it operates services to remote locations which could not be served adequately by other forms of transport, and, in so doing, charges the same rates as apply on the lines carrying a high traffic density. Its assets are being maintained, its efficiency will continue to improve, and I believe that the railways administration should be complimented for the outstanding work being done.

In the development and maintenance of the State's natural resources the two principal departments concerned are the Departments of Agriculture and Mines. Including provision for combating fruit fly the Department of Agriculture will have funds totalling £843,000 available to it this year. Provision is included for the setting up of additional road blocks considered necessary because of the outbreak of fruit fly at Merbein in Victoria, and also because of the expected overland traffic to and from Perth for the Commonwealth Games. One project, that of artificial breeding of dairy cattle, which the department introduced successfully into this State, has now been handed over to the control of a separately constituted authority, the Artificial Breeding Board.

For Mines Department the provision for 1962-63 is £760,000, an increase of £117,000, or 18 per cent, above actual payments last year. This will enable the department to further extend the work of exploring, testing and recording the mineral resources of the State. The oil search programme in South Australia is being expanded rapidly, and during the current year very large expenditures will be undertaken on the part of both the Government and private operators. On the Government side, two seismic parties are currently in the field. One of these parties commenced in the Lower South-East and has worked its way north to the vicinity of Renmark. It has already located several very significant sections in the Murray Basin and these will be followed up in due course. The second party is continuing the work in the Great Artesian Basin which commenced several years ago. Through the

work of these parties the Government has been able to direct the attention of the licensees to the more promising areas and has greatly expedited the oil search programme. In addition to these seismic projects, which are estimated to cost £250,000 during the present financial year, portion of the geological survey of the Mines Department has been regrouped to enable a more effective geological contribution to be made to the State-wide exploration programme.

The work of the private exploration companies is also accelerating rapidly. At the present time four contract seismic crews and one contract gravity crew are operating in the State. In addition, two drilling projects are in progress, and three more will commence before the end of 1962. The entry of a French petroleum company during the next few months will mean a very substantial increase in exploration activity, and it is expected that a total of more than £2,000,000 will be expended by private companies in South Australia on petroleum search within the next 12 months. This rate of expenditure is expected to increase during the following years. The Government is very conscious of the tremendous importance of oil and gas exploration, and is taking all possible steps to ensure that the programme is carried out vigorously by all concerned.

At the same time the search for mineral deposits throughout the State is being pursued. Trial parcels of iron ore have been extracted from the Braemar deposit near Yunta for metallurgical investigations, and further geological work has been carried out on the Warramboe iron deposit. Geological work and drilling by the Mines Department at Ediacara, 30 miles south of Leigh Creek, have indicated widespread low-grade lead mineralization at shallow depths, together with some encouraging copper mineralization. A considerable amount of field and metallurgical work will be necessary to evaluate properly the economics of this occurrence, and this work is now proceeding. A re-examination of several of the old copper deposits at Kapunda and Burra is under way by the department, whilst private enterprise is active in the areas of Wallaroo-Moonta, Tumbly-Lipson, Callington-Kanmantoo, and Radium Hill. In the non-metallic field special emphasis is being placed on the search for evaporite type deposits, particularly potash and bromine, and also for rock phosphate. A review of the opal industry is also in progress.

As members will see from a perusal of the Estimates, provisions are also included for all

the smaller departments and for a wide range of grants and subsidies. I believe that the funds will ensure the continued efficient operation of all public services.

GENERAL ECONOMIC AND FINANCIAL MATTERS.

Twenty-five years ago a general economic review of the South Australian scene would have entirely centred around seasonal factors. As a predominantly primary-producing State, we had an over-riding interest in the probable output of grains, wool, meat, fruit, and dairy produce of our primary industries. The picture has now substantially changed, and, whilst our rural industries are still the outstanding strength of our economy, showing most gratifying increases in efficiency and output, the State has also built up a strong well-balanced industrial structure. We have developed a wide range of secondary and tertiary industries which help to support our economy when seasonal fluctuations depress our primary production.

We have, of course, a vital interest still in seasonal conditions as they affect our rural industries. After a long run of favourable seasons up to and including 1956-57, the State has experienced three poor years in the last five. It has been most gratifying, however, to see the way in which improved farming techniques and reserves built up in good years have enabled the rural community to come through that recent period of alternating bad and good seasons with so little ill effect. At the moment the current season is in the balance. After good opening rains the follow-up rains have in general been sufficient to assist continued growth of crops and pastures, but certainly not sufficient to soak the subsoil to give a reserve against a dry spring which could so easily occur. Because of the State's industrial progress, we now have an additional concern with the seasonal outlook for an entirely different reason. The growth of secondary industry has been largely responsible, directly or indirectly, for the marked rise in the consumption of water in the metropolitan area and in some of our country towns. To the extent that this demand cannot be met because rainfall occurs at the wrong time, or is insufficient to fill storages, water must be pumped over long distances at considerable cost.

While speaking of secondary industry I am pleased to inform members that the major projects of an oil refinery at Christies Beach and steelworks at Whyalla are progressing

satisfactorily. The motor vehicle industry is showing its confidence in the future and in this State by further expansion. Developments by General Motors-Holdens Pty. Ltd. at Elizabeth are going ahead, and recently Chrysler (Australia) Ltd. announced proposals for major plant extensions at Tonsley Park. It is quite as pleasing to note that a considerable number of smaller projects, which individually do not hit the public eye, have been established in recent years and are under way now or are planned. In total their effect in the long run will be as beneficial to the State as the large projects. The service industries or public utilities which are essential to permit continued industrial progress are growing all the time and are keeping pace with other developments. They are largely the responsibility of the Government, and I have given full information on them when appropriate.

Throughout Australia there continues to be widespread speculation and concern about the future of our international trade, about the level of internal activity and the pace of development which can be sustained without forcing up wage, cost and price levels, and of course about the effect if Britain joins the European Common Market. We are concerned to ensure continued adequate water supplies, both short-term and long-term, in a State which in that particular regard is poorly endowed, and we are concerned, too, that the State is not at present sharing adequately in Commonwealth provisions towards major developmental projects. The Government will continue to direct its best efforts and its full resources to meet these problems, and to make secure the full employment and good living standards of our people. With the goodwill and co-operation of the people of the State there is every reason to believe those efforts should be successful.

May I say a few words of commendation of my Treasury officers. I am sure that honourable members who have occasion to approach those officers will approve of what I am saying not only because of the courtesy that they receive but also because of the great efficiency that they discover. The Treasury officers of this State enjoy a reputation far beyond South Australia; their formulae are accepted by the Loan Council without hesitation, and our public accounts were once recommended as an example to another Government that wished to improve its public accounting system. I think the State recognizes that it is well served by its Treasury

officers, but I believe that it is not generally recognized that the number of Treasury officers today is about half the number serving when I first entered the Treasury 24 years ago. Results have been achieved not by the building up of an enormous department but by efficiency and by careful control over the State's developing resources. I commend Mr. Seaman, Mr. Carey and Mr. Barnes particularly for the assistance they always give me on financial problems that occur from day to day. I move the adoption of the first line.

Progress reported; Committee to sit again.

COMPANIES BILL.

The Hon. Sir THOMAS PLAYFORD (Premier and Treasurer) introduced a Bill for an Act to consolidate and amend the law relating to companies. Read a first time.

The Hon. Sir THOMAS PLAYFORD: I move:

That this Bill be now read a second time.

This Bill is designed to consolidate the State law relating to companies and to make such amendments to that law as would best serve the commercial needs and the interests of the public of this State. There has for many years also been a growing demand in responsible commercial circles throughout Australia for uniformity in company law because, with Australia's growth as an industrial nation and the spread of business interests from one State or Territory of the Commonwealth to another, the differences in the legislation of each State and Territory had tended to cause confusion and delay in the country's commercial activities and development. The need for all States and Territories to bring their company legislation up to date in the light of developments both in Australia and overseas afforded the Governments of the Commonwealth and the States an excellent opportunity to pool their research and experience in an endeavour to improve, and achieve uniformity in, company law throughout Australia.

The Attorneys-General of the Commonwealth and the States accordingly formed themselves into a standing committee with the object not only of eliminating as far as possible the differences in the existing legislation but also of facilitating the operation of legitimate business, strengthening the provisions aimed at preventing fraudulent and undesirable practices and those designed to safeguard the investing public, and improving and simplifying the legislation in the light of conditions and developments in Australia and overseas. After close collaboration by the Ministers and their

advisers extending over a period of two and a half years, the Ministers finally approved of a draft uniform Companies Bill which they have recommended to their respective Governments for adoption subject to necessary variations to suit the local needs of each State and Territory.

The uniform Bill was prepared after a close examination of the existing legislation and practices in each State and Territory and after considerable research into Australian and overseas conditions and experience. I should also mention at this point that this State was represented at all the conferences on company law and made an important contribution in shaping the policy and form of the proposed uniform legislation. The Ministers also obtained valuable assistance from various representations made from time to time by persons and organizations interested in the project. The Ministers and their advisers have also had the advantage of considering the Model Corporations Act produced by the American Bar Association after many years of research, the report of the Cohen Committee on Company Law Amendment in England, the report of the Company Law Reform Committee in Eire published in 1958, the report of the Departmental Committee on Company Law Amendment in Northern Ireland published in 1958, and the report of the Royal Commission appointed to consider Company Law in Ghana. Individual members of the Ministerial standing committee and of the associated committee of officers have also had the advantage of discussing many of the problems associated with company law in Australia with members of the Federal Securities and Exchange Commission of the United States of America, the Board of Trade and individual members of the Jenkins Committee on Company Law Amendment whose report was published in June, 1962. It is significant that many provisions of the uniform Bill give effect, in principle, to some of the recommendations contained in the recent report of the Jenkins Committee.

In November, 1960, the Ministers had reached a stage in their discussions when a draft Bill was ready for consideration and they decided to release the text of the proposed legislation to give interested persons and organizations throughout Australia an opportunity of examining and criticizing the draft at that stage. As the Attorney-General of New South Wales had hoped to introduce the legislation during the then current Parliamentary session in that State, he agreed to have the draft Bill printed and made available

to the interested public at a nominal charge. A limited number of copies was made available for issue to certain representative Commonwealth and State bodies with a view to stimulating their interest in, and criticism of, the proposed legislation. At the same time the views and comments of all interested persons and bodies were invited informally and through announcement in the press, and applicants in this State for copies of the draft Bill were either issued with copies from the supply received for distribution by this State or referred to the Government Printing Office in Sydney where extra stocks of the Bill were held. Well over 1,000 comments and representations were received by the Ministerial standing committee and by individual Attorneys-General. These comments and representations were carefully considered by the standing committee and most of them were adopted in a revised draft which was settled at the end of August, 1961. It might here be mentioned that in certain cases provisions favoured by some persons and organizations were not favoured by others. The Ministers, in making their decisions, had foremost in their minds the best interests of the public as well as the business communities throughout Australia. Inevitably, therefore, everyone could not be satisfied.

I have expanded at some length on the background of the uniform Companies Bill so that honourable members might appreciate that that Bill was neither hastily nor arbitrarily framed and that every interested person and organization not only had every opportunity but also was encouraged to submit any comments or representations on the Bill for consideration by the Ministers. At this point I would like to mention that although the standing committee of Attorneys-General has recommended that the uniform Bill be passed in all States and Territories of the Commonwealth substantially in the form in which it had been settled by them, it had been clearly understood that no Government or Parliament of a State or Territory was obliged to adopt the legislation unless it was acceptable. Indeed, variations to the uniform Bill to suit local needs have been made by the Governments or Parliaments of New South Wales, Victoria and Queensland and the Australian Capital Territory where the legislation is already in force and my Government also has, after a closer examination of the uniform Bill, found that, so far as the needs of this State are concerned, it is deficient in certain transitional and procedural provisions as well as other provisions which, without affecting the principles laid down in the

uniform Bill, should apply only to certain classes of locally owned and operated companies. Representations have also been made to the Government by local professional and commercial organizations which have drawn attention to certain improvements some of which the Government has agreed to adopt.

Those deficiencies and improvements have accordingly received attention in the Bill which is before this House. In the preparation of this Bill, however, care has been taken to retain, as far as is consistent with the policy of my Government, the language of the uniform Bill and the numbering of clauses 1 to 380 which constitute the main body of the uniform law. This will not only ensure uniformity in regard to the main body of company law and practice throughout Australia, but also facilitate quick references to the corresponding provisions of the relevant enactments of each State and Territory by lawyers, text book writers and by officers and advisers of companies having interstate operations or dealings. Considerable advantages could also accrue from judicial interpretation in any State or Territory of particular provisions of the legislation. As honourable members are in possession of the explanatory notes relating to each clause of the Bill I ask leave to have them incorporated in *Hansard* without the necessity of my reading them.

The SPEAKER: Is the Premier seeking leave to more or less dispense with the second reading of the Parliamentary Draftsman's explanation of the clauses of the Bill?

The Hon. Sir THOMAS PLAYFORD: Yes.

The SPEAKER: As I understand it, there is no specific authority in Standing Orders for the adoption of that course. I will agree to that procedure only with the unanimous approval of the House. If that is forthcoming, it should be understood that this should not be taken as a precedent, otherwise a second reading explanation that might be abusive and outside of Standing Orders could be printed in *Hansard*. The Speaker should be in the Chair to watch it. On that understanding I accept the proposal.

Leave granted.

Explanation of Clauses.

Clause 4 deals with the repeals and the usual and necessary savings and transitional provisions designed to preserve continuity in relation to existing matters. It also postpones the immediate effect of clause 9 (1) (b) and (c) in relation to the appointment and acts of auditors.

Clause 5 is the general definition section. It is important to note the distinction between "company" and "corporation". "Company" covers the range of all existing and future locally incorporated companies while "corporation" is a wider expression which includes any body corporate formed or incorporated in the State or outside the State but does not include public authorities or Crown instrumentalities, bodies incorporated by special Acts or corporations sole. In short, a corporation could be either a locally incorporated company or a foreign company. The definition of "exempt proprietary company" is important, particularly to companies which may want to claim exemption from publishing accounts both in this State and any other State or Territory of the Commonwealth. Reciprocity of exemption between States would apply by virtue of clause 348 (5). Shortly stated, an exempt proprietary company is a proprietary company wholly owned directly, or through a chain of not more than four proprietary companies, by individuals. In future, if a share in a proprietary company is owned by a public company, that proprietary company would have to file its accounts with the Registrar. The policy governing this requirement is designed to ensure that public companies make full disclosure of their financial position and do not form or acquire controlling interests in proprietary companies for the purpose of obtaining exemption from filing accounts. Other definitions of importance are "officer", "private company" (which defines the private company as it now exists in this State) and "promoter".

Clause 9 goes further than its corresponding provision in the existing Act in that it prescribes qualifications for registration as a company auditor and also enables a firm to act as auditors for a company if all its members are registered auditors. Clause 10 provides for the appointment of qualified persons as official liquidators for the purpose of conducting winding up proceedings and assisting the court in such proceedings. Clause 14 and subsequent clauses provide for the incorporation of companies. No provision is made for incorporation in future of private companies as they exist in South Australia as the small family or business concern is adequately catered for in the proprietary company, and the existing South Australian private company is really an anomaly having no counterpart in any other part of the British Commonwealth.

Clause 15 widens the definition of proprietary company in the existing Act by disregarding members who are or have been employees of a subsidiary of the company in determining whether the company satisfies the limitation placed on the number of its members. It also does not prohibit a proprietary company from accepting money on deposit from non-members. Clause 17 is based on the corresponding English provisions adopting a recommendation of the Cohen Committee. It is designed to stop a subsidiary from becoming a member of its holding company. Clause 20 abolishes the doctrine of *ultra vires* so far as it applies to transactions between a company and third parties not authorized by the company's memorandum. It is based on a similar provision in the American Model Corporations Act. However the clause does not affect the rights of members or debenture holders against the company.

Clause 22 departs from the provisions relating to names of companies contained in sections 27 and 27a of the existing Act. It prohibits the registration of a company by a name which, in the opinion of the Registrar, is undesirable, subject to an overriding control by the Minister. It is proposed that in future Registrars throughout Australia will be guided by a list of undesirable names agreed upon by the Commonwealth and State Attorneys-General and published in the *Gazette*. The clause also permits abbreviations of words in company names. Clause 26 provides for conversion from a public or private company to proprietary company and from a proprietary or private company to a public company. In order to encourage private companies to convert to either proprietary or public companies the clause provides that no fee shall be payable in respect of such conversion if it takes place before July 1, 1965.

Clause 27 (7) is designed to strengthen the law in relation to the raising of funds from the public by proprietary and private companies. Such companies are prohibited from inviting the public for share and debenture capital, but there have been cases where such companies have got round the prohibition by obtaining funds from the public by the use of solicitors, brokers and agents. The provision prohibits such transactions if arranged through a solicitor, broker or agent who by advertisement has invited the public to make use of his services. Clause 38 is designed to protect the investing public by requiring a corporation to issue a debenture in respect of a deposit or loan of money made in consequence of an invitation

to the public and, where the deposit or loan is not to be secured by a charge over the corporations assets, the debenture must be described as an unsecured note or unsecured deposit note.

Clause 40 applies the prospectus requirements to any advertisement offering or calling attention to an offer of shares or debentures if the advertisement contains information other than that prescribed by the clause. It goes further than section 51 of the existing Act and corresponding provisions of other State Acts which have proved ineffective for the purpose of stopping misleading and irresponsible advertisements through which the public have been deceived or misled into investing in shares and in debenture issues the true nature of which had not been disclosed in the advertisements. Similar provisions have been in force in South Africa, New South Wales, Victoria, Queensland and Tasmania. However, in this Bill protection has been given to newspaper proprietors and other publishers if they obtain from a company a certificate accepting full responsibility for the advertisement. The clause also provides a defendant with a defence if he proves that he did not know and that by the exercise of reasonable diligence he could not become aware of the nature of the advertisement. A further safeguard is provided in subclause (9) which prohibits the taking of proceedings for the offence without the Minister's consent.

Clause 41 is designed to prevent companies from retaining over-subscriptions to debenture issues unless they expressly reserve the right to retain them and the amount of over-subscriptions is limited. It also regulates statements by companies as to the asset-backing for any debenture issue.

Clause 44 provides that where a prospectus states or implies that application is to be made for Stock Exchange listing of shares or debentures offered thereby, any allotment of shares or debentures pursuant to the prospectus would be void if permission for such listing is not applied for and granted within the specified time. The provision is designed to stop companies and promoters using a reference to Stock Exchange listing to induce the public to subscribe for shares or debentures unless they take steps to ensure that the listing will be permitted by the Exchange. As a Stock Exchange does not normally grant permission to list shares or debentures unless its listing requirements are complied with, subclause (8) provides that where permission has been

granted subject to compliance with the requirements of the Exchange, permission will be deemed to have been granted if the directors have given a written undertaking to comply with those requirements; and in order to protect the interests of the persons who have subscribed for the shares or debentures and to ensure compliance with the undertaking it is further provided that if the undertaking is not complied with (except in relation to a requirement of the Stock Exchange made after the undertaking was given), each director who is in default shall be guilty of an offence against the Act. Thus protection is afforded a director where, for instance, an undertaking has been given to comply with future requirements of an Exchange.

Clause 47, which follows the corresponding English provision, prescribes a penalty for a person who authorizes or causes the issue of a prospectus containing any untrue statement or wilful non-disclosure. The clause, however, protects a defendant who proves that the statement or non-disclosure was immaterial or that he had reasonable ground to believe that the statement was true or the non-disclosure immaterial. A similar provision in relation to a statement in lieu of prospectus is contained in clause 51 (3). Clause 63 will allow the court to validate issues or allotments of shares which are invalid if the court thinks it just and equitable. Clause 66 prohibits the allotment of preference shares or the conversion of issued shares to preference shares unless the memorandum sets out the rights of holders of such shares. Clause 68 provides that, except where debenture holders have an option to take up shares by way of redemption of the debentures, a public company must not grant options over unissued shares with a currency of more than five years.

Clause 70 requires a company which issues debentures to keep a register of debenture holders. The corresponding provisions of the existing Act (section 94 and the fifth schedule) implied, but did not require, that a register of debenture holders should be kept. The effect of the clause is virtually to make mandatory what is only implied in the existing law. Clause 74 requires any corporation offering debentures to the public to make provision in the debentures or in a trust deed for the appointment of a trustee, but the trustee must be a corporation whose accounts are available to the public. Clause 75 is designed to prevent a trustee for debenture holders from indemnifying himself against liability for breach of trust. It follows the corresponding provision

of the English Act. Clause 93 gives a company the right, if authorized by its articles, to have a duplicate common seal. Clause 98 gives statutory authority to the practice of certain companies of marking transfers with a certification, to indicate that script for the quantity of shares or debentures shown in any transfer has been produced to the company.

Clause 114 will require public companies to have three directors and proprietary and private companies to have at least one director. In the case of a public company, at least two directors must be natural persons ordinarily residing in the Commonwealth and in the case of proprietary and private companies, at least one director must be such a person. Clause 120 adopts a corresponding provision of the English Act and provides for the removal of a director of a public company by an ordinary resolution of which special notice has been given. The requirements for special notice are found in clause 145.

Clause 124 follows the corresponding provision of the Victorian legislation requiring a director at all times to act honestly and use reasonable diligence in the discharge of his duties. It also prohibits any officer of a company (which term includes a director) from making use of any information acquired by him by virtue of his position to gain an improper advantage for himself or to cause detriment to the company. A defaulting officer is, in addition to a penalty, made liable to the company for any profit made by him or damage suffered by the company as a result of the default.

Clause 125 follows the corresponding provision of the English Act which prohibits loans by a company to a director. It provides a wide range of exceptions which include loans to provide a director with funds to meet expenditure necessarily incurred for the purposes of his duties and to acquire a home, if the company approves the loan in general meeting. The principle supporting this provision was contained in a recommendation of the Cohen Committee (and endorsed by the Jenkins Committee) which stated that it was undesirable that directors should borrow from their companies for the reason that if a director can offer good security, it is no hardship to him to borrow from other sources; whereas if he cannot offer good security, it is undesirable that he should obtain from the company credit which he would not be able to obtain elsewhere.

Clause 126 is similar to the corresponding provision of the English Act. It requires a company to keep a register of directors' share-

holdings and debenture holdings which is to be open to inspection to members and debenture holders and to persons acting on the Minister's behalf. The clause will afford members some degree of protection and information which could not otherwise be available to them and provides a means for placing on record the directors' dealings in the company's shares and debentures. Clause 128 follows the corresponding English provision which prohibits tax-free payments to directors except under a contract in force prior to the commencement of the Act and which provides expressly for such payments.

Clause 139 lays down the conditions under which a poll may be demanded on any question at a general meeting of a company. It also provides that a company must accept a form of proxy if it is lodged no later than 48 hours before the meeting in question. Clause 143 gives the right to a proportion of the total membership or of the voting rights of a company to require the company, at the expense of the requisitionists, to give notice to the members of any resolution proposed to be moved by the requisitionists at the next annual general meeting of the company together with a statement with respect to the proposed resolution. But the company is not obliged to circulate the statement if the court is satisfied that the right conferred by the section is being abused to secure needless publicity for defamatory matter. Clauses 144 and 145 set out the requirements relating to special resolutions and special notices. Clause 152 permits a company to keep its register of members at an office in the State other than its registered office. This permits the register to be kept by a public accountant or a share transfer office, but, in such a case, notice of the place where the register is kept must be given to the Registrar.

Clause 156 is similar in effect to section 125 of the existing Act but although, except as provided in the clause, it prohibits the entry of notice of a trust on a register, it provides that shares held by a trustee may, with the company's consent, be marked in the register so as to identify them with a particular trust. Subclause (5) provides that a person who holds shares in a proprietary company or a prescribed private company as defined in clause 397 as trustee for a corporation must give the secretary of the company notice thereof in writing. This is to enable the secretary to determine whether or not his company falls within the description of an exempt proprietary company, a prescribed proprietary company or a prescribed

private company—the three classes of company which under this Bill will receive exemption from filing their accounts.

Clauses 158 and 159 correspond with sections 129 and 130 of the existing Act which require companies to make an annual return, but instead of being made up to September 30 or some other day agreed to by the Registrar, the annual return must be made up to the date of the annual general meeting of the company or a date not later than 14 days thereafter. It is to be noted that, except in the case of an exempt proprietary company or a prescribed proprietary or a prescribed private company as defined in clause 397, the eighth schedule to this Bill requires a copy of the last balance sheet and the last profit and loss account of the company to accompany this return. Clauses 161 to 164 which deal with the accounts to be kept by companies are more comprehensive than the corresponding provisions of the existing Act.

Clauses 165 to 167 deal with the appointment and removal of auditors, the right of 10 per cent of the members or the holders of 10 per cent of the issued capital of a company to require the company to prepare a statement showing the emoluments paid to the auditor, and the powers and duties of auditors. Every company is required to appoint an auditor but, if all the members of an exempt proprietary company agree, they may dispense with the appointment of an auditor. Clauses 168 to 180 deal with the appointment of inspectors to investigate the affairs of companies. Some of these provisions are similar to corresponding provisions of the existing Act and the new provisions are designed to strengthen the powers of investigation. Clauses 177 to 179 give the Minister power to appoint one or more inspectors to investigate the true ownership of shares in a company. They follow the corresponding provisions of the English Act. Clause 180 will enable inspectors to operate throughout Australia where the company being investigated is operating beyond the limits of any State. Clauses 181 to 186 relate to arrangements and compromises between a company and its creditors or between a company and its members and to reconstructions and amalgamations of companies.

Clause 184 regulates the procedure to be followed in take-over offers. At present there is no law regulating take-over offers. The clause sets out the basic information that must be given by the corporation making the offer and requires the corporation receiving the offer

either to furnish the offeror corporation with certain information or to furnish that information to its own shareholders. The clause, however, would not apply to any scheme involving an offer for the acquisition for cash by a corporation of all the shares in another corporation which are beneficially owned by the directors of that other corporation. The nature of information to be supplied both by the offeror and by the offeree corporations is prescribed in the tenth schedule.

Clause 186 gives a member of a company a right to seek protection from the court where the affairs of the company are being conducted in a manner oppressive to one or more members. The court may order that the company be wound up or, if that course would unfairly prejudice the minority, make an order regulating the conduct of the company's affairs or for the purchase of the members' shares. Clauses 198 to 215 contain new provisions which will govern the new procedure to be known as official management which is designed to assist the rehabilitation of a company which has run into financial difficulties. This is done by the creditors appointing an official manager who will undertake the management of the company.

Clauses 216 to 318 deal with the winding up of companies. The standing committee of Attorneys-General intend to review these provisions when the Commonwealth Bankruptcy Act is revised. These clauses, however, apply the bankruptcy rules to company liquidations, so far as this has been practicable. Clause 232 provides for the method of fixing a liquidator's remuneration. Clause 263 provides that after the commencement of a winding up, any attachment or execution shall be void and no action shall be proceeded with or commenced against the company except with the leave of the court. It also empowers the court to require any person to pay or deliver to the liquidator any property in his hands belonging to the company.

Clause 292 sets out which debts must be paid on a winding up in priority to all other unsecured debts. The clause is similar in effect to section 279 of the existing Act but the limits in regard to wages or salary have been raised from £50 to £300 and in regard to workmen's compensation from £100 to £1,000. Amounts due by the company in respect of annual leave and long service leave are also given priority, and where any amounts had been advanced to the company for the payment of wages, salary, annual leave or long service leave, those amounts are given the same priority as the employee would have had if he had not received the payment. Clause 293

provides that any transfer, mortgage, payment, or other act relating to property made or done by or against a company which, had it been made or done by or against an individual would be void or voidable in his bankruptcy shall, in the event of the company being wound up, be similarly void or voidable. Clause 295 gives the liquidator of a company the right to recover from a director the amount by which the cash consideration for property acquired by the company from the director exceeded its true value or the amount by which the value of property sold by the company to the director exceeded the cash consideration.

Clauses 334 to 343 constitute a new division which applies to certain companies, which may be proclaimed as investment companies, whose main business is the investment of shareholders' funds in shares, debentures and other marketable securities. It is intended to deter directors of such companies from investing funds under their control in other companies, or from borrowing, to a greater extent than would be safe in the interests of shareholders. Legislation similar to this division has been in force in Victoria since 1938 and had been adopted by Western Australia and Tasmania to control the activities of persons who float public investment companies and use the shareholders' funds to fill the subscription lists of public share and debenture issues which had been underwritten by them but which have been undersubscribed. The division is intended to provide a reserve power in the Government to proclaim such companies if it becomes necessary in the interests of shareholders and the public. The division applies restriction and control only to proclaimed investment companies.

Clauses 344 to 361 deal with foreign companies. A company operating in this State as a foreign company will be in no better position, so far as the filing of documents and accounts is concerned, than a comparable locally incorporated company. Clause 348 requires a foreign company to file with the Registrar its balance sheet containing such information as it is required to prepare in its place of incorporation but, if the information filed is not sufficient to disclose the company's financial position, the Registrar may require the company to prepare and file further information but not more than the foreign company would have to file if it had been a locally incorporated public company. The foreign companies that will be exempted from filing balance sheets in this State are English exempt private companies and companies incor-

porated outside this State which are equivalent to an exempt proprietary company as defined in clause 5. Clause 353 will control the use of names by foreign companies in much the same way as clause 22 will do in relation to locally incorporated companies.

Clause 364 provides that where a shareholder's whereabouts have not been known for 10 years or more, the company, after advertising notice of intention to do so, may transfer the shares to the Treasurer who shall dispose of them and deal with the proceeds as if they were unclaimed moneys. Clause 367 provides that an inspector appointed under the Act shall not require disclosure by a legal practitioner of any privileged communication except as respects the name and address of his client. The provisions relating to inspection and to the appointment and powers of inspectors are contained in clauses 168 to 180. Clause 376 prohibits the payment of a dividend by any company except out of profits or pursuant to clause 60 which permits payment of a dividend out of the share premium account if the dividend is satisfied by the issue of shares to members.

Clauses 379 and 380 contain provisions relating to penalties and default penalties. At this point I would like to mention that the Bill fixes no minimum penalties, but in many instances maximum penalties have been increased. It should be borne in mind that penalties generally in South Australia have been unchanged since 1934 and there has been a considerable change in money values since then. As there are no fixed penalties provided for, it is essential that the maximum penalty for each offence should be adequate to meet the varying degrees of blameworthiness in relation to that offence. Many defaults in relation to companies have occurred in the past which, though not attributable directly to fraud, have proved to have greatly facilitated and even encouraged the perpetration of frauds and other undesirable practices through which the public have suffered great loss. It is therefore thought that the penalty appropriate in all the circumstances of a case should be left to the court. I would also like to mention that the application of the provisions relating to default or daily penalties has been changed. Under the existing Act a default fine is payable as from the commission of the offence but under this Bill it accrues only (if the offence continues) after conviction.

Clause 382 provides that (except where the Act provides otherwise) proceedings for any

offence against the Act may be taken by the Registrar or with the written consent of the Minister by any person. Under the existing Act there is no restriction on the institution of proceedings for an offence and any person may institute proceedings for an offence without reference to any authority. The main object of the clause is primarily to protect companies from mischievous complaints by shareholders and members of the public. Clauses 382 (4) to (6) and 383 to 397 reproduce many of the provisions of the existing Act which have not been included in the uniform Bill. Clauses 397 to 399 constitute a Part which contains special provisions relating to locally incorporated and operated proprietary and private companies. These companies are defined as "prescribed proprietary companies" and "prescribed private companies" in clause 397. Their basic features are that they must have no more than 50 members and must operate only in the State.

Clause 398 exempts, from the obligation to file its accounts, any prescribed proprietary or prescribed private company which is wholly owned by individuals or by other such companies or by a combination of individuals and such companies. A company claiming exemption must include in its annual return a certificate that it possesses the necessary qualifications for exemption. Clause 399 provides that all private companies which, prior to July 1, 1965, have not converted to proprietary companies or to public companies and which, after the Registrar has given them a further opportunity to convert by a specified date, have still not converted, shall become public companies, but that will not prevent such a company from converting thereafter to a proprietary company if it qualifies to do so.

The second schedule contains the fees to be paid under the Act. The upper limit on existing capital fees has been removed but the rate of fee decreases as the nominal capital increases. The increase in the capital fees will not represent a proportionate increase in revenue. The fees are not a recurrent expenditure and are payable on nominal capital. In the past many companies (because of the existing upper limit on fees) have incorporated with highly exaggerated nominal capital far in excess of their needs. The removal of the upper limit would result in companies incorporating with more realistic nominal capital in future. In this connection I would also like to mention that the Jenkins Committee in its recent report has recommended that com-

panies should pay a moderately large annual registration fee (to cover registration of documents) coupled with a substantial initial registration fee of an amount designed "to check the spate of irresponsible incorporations". This fee would be in addition to the stamp duty which is payable in England at the rate of 10s. per £100 of nominal capital. The maximum rate of fee payable under the Bill is £1 per £1,000 of nominal capital over £5,000, and the rate decreases to 5s. per £1,000 after the first £500,000 of nominal capital. The fee for registration of a foreign company, however, is half that for a locally incorporated company but where a foreign company registers in this State solely for the purpose of opening a share register or share transfer-office, the maximum fee payable therefor is £500.

The ninth schedule requires more comprehensive details to be disclosed in company accounts than at present, and the tenth schedule prescribes the requirements with which take-over offers must comply as well as the requirements relating to the information which must be given by both the corporation making and the corporation receiving a take-over offer.

The Hon. Sir THOMAS PLAYFORD: I think it can fairly be said that the Bill is a most comprehensive measure which provides a large degree of protection to the public with a minimum of interference with legitimate business. It cannot possibly satisfy all sections of the public, but I am sure that honourable members will agree that the measure, if passed in this State, will go a long way to achieve the objects which the standing committee of Attorneys-General had in mind. All provisions in the Bill which are new in relation to existing legislation have been included only because there have been strong demands or pressing reasons for their inclusion and all new provisions which are designed to strengthen the law aimed at preventing or discouraging fraudulent and undesirable practices or to protect shareholders or the public follow the corresponding provisions contained in the laws of other places where those provisions have been in force and have proved effective.

I have already mentioned that measures substantially the same in form and effect as this Bill are already in force in New South Wales, Victoria, Queensland and the Australian Capital Territory. I am informed that the legislation is likely to be in force in Western Australia before the end of this year. The legislation is at present before the Parliament of Tasmania. No legislation could have received

wider publicity or discussion. As I have already mentioned before, the Parliament of this State is not obliged to pass the legislation unless it is satisfied that it is acceptable. However, the fact that the legislation is already in force in the three Eastern States and Canberra and is likely to be in force shortly in Western Australia and Tasmania and the fact that the measure had been widely acclaimed by persons and organizations closely connected with the various fields of company law throughout Australia as one well suited to the needs of the country are, I think, sufficiently pressing reasons for its adoption in this State without delay. A departure from uniformity by this State would deny the numerous South Australian companies which now are successfully operating in, or which hope to extend their operations to, other States and Territories the benefits of reciprocal rights contemplated by the uniform legislation.

In conclusion I should like to mention that the Governments of the Commonwealth and the States have agreed that the standing committee of Attorneys-General should keep this legislation under constant review with a view to removing anomalies, improving the legislation and maintaining uniformity as far as practicable.

I take this opportunity of thanking Mr. Ludovici, the Assistant Parliamentary Draftsman, for the tremendous work he has put into this measure, not only in drafting the Bill but in compiling the notes that have been made available to members. I am sure that they will be useful to all members when they study this legislation. Mr. Ludovici has carried out his duties in a most praiseworthy manner, and I commend him.

Mr. FRANK WALSH secured the adjournment of the debate.

SUPPLY BILL (No. 3).

Returned from the Legislative Council without amendment.

MOTOR VEHICLES ACT AMENDMENT BILL.

Received from the Legislative Council and read a first time.

UNCLAIMED MONEYS ACT AMENDMENT BILL.

Received from the Legislative Council and read a first time.

ADJOURNMENT.

At 5.01 p.m. the House adjourned until Wednesday, September 5, at 2 p.m.