HOUSE OF ASSEMBLY

Wednesday, August 10, 1966.

The SPEAKER (Hon. L. G. Riches) took the Chair at 2 p.m. and read prayers.

QUESTIONS

URANIUM.

Mr. HALL: Is the Premier aware of a report that an American firm is considering a large-scale search for uranium in South Australia; secondly, is he aware of the present oversea market prospects for uranium; and, thirdly, does he believe that, if the search is successful, a new mining venture for uranium may be initiated in South Australia?

The Hon. FRANK WALSH: This morning I requested the Minister of Mines to take this matter up and have investigations made. As soon as I have a reply I shall inform the honourable member.

EDUCATION ALLOWANCES.

The Hon. T. C. STOTT: I understand that country students of Leaving Honours and tertiary standard have in the past been allowed a living-away-from-home allowance, amounting to $200. This no doubt helped country people, whose financial commitments in such circumstances obviously are greater than those of people living in the city. I understand, however, that at the beginning of this university year when students were paying the usual entrance fees they were told by the Finance Officer at the university that it would be futile to apply for this $200 allowance because a means test that had been brought into force undoubtedly would prevent the approval of the application. Can the Minister of Education say whether those are the facts of the case, and, if they are, can he say why this means test has now been applied?

The Hon. R. R. LOVEDAY: I should like to have details of the case the honourable member mentions. When he mentions a means test, this would refer to the work of the committee that considers applications for assistance with fees for those students who have not received a scholarship or who are not getting assistance from other sources. This committee was functioning under the previous Government, when it employed the same means test as it is now employing. The only difference is that the present Government has increased the amount of money available for assistance with fees from about $68,000 to $140,000. If the honourable member tells me the circumstances of the case he has in mind, I will look at it.

The Hon. Sir THOMAS PLAYFORD: At a time when the university had recommended a fairly steep increase in charges the Government was concerned, and I agreed to the charges only on condition that a committee should be set up to examine cases of hardship. The sum of $60,000 was placed on the Estimates for the year and that sum was to be used by the university to meet the expenses of cases of hardship arising out of the increased fees. In fact, in that year the committee evidently took a conservative course because, instead of allocating $60,000 it spent between $10,000 and $12,000 of the sum available. The Government took up the matter with the university and stated that the policy was that all country students should be regarded as having some disability because they lived away from home. In effect, the committee was to consider country children as coming under the heading of "cases of hardship" irrespective of the parents' means, because living away from home placed such students in an unfavourable position. Can the Minister say whether that earlier decision of the Government has been altered or rescinded?

The Hon. R. R. LOVEDAY: No. The committee concerned discussed the matter with me and a formula was devised whereby the means test applied to a student in the metropolitan area varied from that applied to a student from a country area. That decision meant that, because of the means test, a student in the country would receive about $200 a year advantage over a student in the metropolitan area.

The Hon. Sir Thomas Playford: That was the original procedure.

The Hon. R. R. LOVEDAY: That procedure has been and is still being followed by the present Government.

MURRAY RIVER SALINITY.

Mr. CURREN: The matter of salinity in the River Murray is of great importance to irrigators in my district, and in a year such as this when there is a very small flow the salinity naturally increases with the lack of flow. Can the Minister of Works say what is the state of the storages under the control of the River Murray Commission, and whether restrictions on the supply of water to South Australia are likely?

The Hon. C. D. HUTCHENS: The honourable member was good enough to say yesterday that he would ask this question. On August 1 the River Murray Commission declared a period of restriction in terms of

clause 51 of the River Murray Waters Agreement. Hume reservoir now holds 1,050,000 acre feet compared with its capacity of 2,500,000 acre feet. The amount stored in Lake Victoria is 450,000 acre feet compared with its capacity of 551,000 acre feet. A joint technical committee is now carefully examining the water resources likely to be available during the coming irrigation season, and when this assessment has been completed the commission will decide upon the extent of the restrictions necessary to safeguard the situation. Present indications are that if diversions are restricted as from September 1 a reduction of 30 per cent in normal quotas will be necessary. This means that New South Wales and Victoria would be required to reduce their diversions from the Murray by 30 per cent.

South Australia would receive the normal basic flow of 47,000 acre feet a month to meet evaporation and other losses but the quantity available for irrigation and other diversions would be reduced from the normal 509,000 acre feet during the period September-April inclusive to 356,000 acre feet. Total diversions for irrigation and water supply purposes from September, 1965, to April, 1966, inclusive, were 309,000 acre feet. The reduction in total flow to South Australia during the September to April period would be from 885,000 acre feet to 732,000 acre feet. In these circumstances it is unlikely that there will be any actual shortage of water in South Australia, although it will be necessary to exercise every care in controlling the flow. It should be made clear that the figures given are based on present indications. The situation could improve greatly during the next three months or, on the other hand, there could be some deterioration if actual stream flows are less than those which have been assumed in assessing the position.

HOUSING.

The Hon. B. H. TEUSNER: According to a report a few days ago in a Sydney newspaper the cost of a house of average size in New South Wales has increased by about $400 since the recent basic wage increase was announced. Apparently, this is due in part to the price of bricks, which has been increased last week by $2.50 a thousand. Can the Premier say whether there is any likelihood of an increase in the cost of building a house of average size in this State because of the increase in the basic wage, and whether an application has been made for an increase in the price of bricks since the basic wage increase was granted?

The Hon. FRANK WALSH: I understand that no application has been made for an increase in the price of bricks, although some time during this year the price of "pink" bricks was increased. The manufacture of bricks today is a competitive business. I believe that the return from bricks produced by the tunnel kiln method is better than 90 per cent and that such bricks can be continued to be produced without necessitating a further increase in price. Having been in close contact with the Prices Commissioner recently, I believe that no application has been made for an increase in the price of bricks, and I have received no correspondence along these lines. I shall endeavour to obtain from the General Manager of the Housing Trust information relating to the increased cost of houses consequent on the recent basic wage rise.

Mr. COUMBE: Could the Premier indicate in that report what increase is likely in the cost of Housing Trust houses?

The Hon. FRANK WALSH: That will be included.

SOUTH PARA RESERVOIR.

Mrs. BYRNE: Has the Minister of Works a reply to the question I asked on July 28 about the provision by the Engineering and Water Supply Department of toilet facilities for the public at the South Para reservoir?

The Hon. C. D. HUTCHENS: The Director and Engineer-in-Chief reports that plans for a toilet block at the South Para reservoir have been prepared. It is pointed out that this is not a priority job but, consistent with the availability of staff and money, the cost will be estimated and approval sought for the work. In the ordinary way, tenders would then be called for construction.

GUM TREES.

Mrs. STEELE: Many people, including me, are deeply concerned that the stand of about 100 fine native gums on Montacute Road, adjacent to the new Newton school, is to be removed so that the road can be widened to cope with increased traffic, and so that the hazard to the safety of children attending the school may be reduced. Although the Highways Department and Campbelltown council are committed to this scheme, I understand on good authority that a difference of opinion on this matter exists among engineers of the department. In order to spare the gums, and to ensure children's safety, a solution has been put forward that the road should be curved

away from the existing road at this point to a maximum of 14ft., returning to the line of the road near its intersection with St. Bernard and Newton Roads. I believe this scheme is likely to be rejected, as it is not 100 per cent perfect (I am told that it is only 95 per cent feasible), but the importance of retaining such an aesthetic feature (of which few are now left) alongside a main road is, I suggest, as important as ensuring 100 per cent perfection in a road engineering project.

I believe that members of the school committee do not wish to see the gums removed, provided an alternative solution, consistent with the safety of children attending the Newton school, can be found. Will the Minister of Lands therefore ask the Minister of Roads to stay commencement of this road work until the whole matter is re-investigated? Secondly, as an alternative, will the Minister take up with the Minister of Education the question of moving the Montacute Road entrances to the school to Robson Road, and negotiating with the Campbelltown council with a view to placing a school crossing and lights adjacent to the intersection of Montacute and Robson Roads?

The Hon. J. D. CORCORAN: I shall be happy to take up the honourable member's request with my colleagues and to obtain a report for her.

ABORIGINES.

Mr. FREEBAIRN: My question is prompted by a report appearing in today's *News* headed "Natives Flood into City for Jobs". The report states:

Aborigines are crowding into Adelaide looking for jobs and decent housing, according to two experts on Aboriginal affairs.

The experts are listed as the Secretary of the Aboriginal Education Foundation (Mr. L. Bryan) and the Aboriginal President of the Aboriginal Progress Association (Mr. Malcolm Cooper). Will the Minister of Aboriginal Affairs say whether the Government has made any specific housing and jobs available to these Aborigines who are reported to be flooding into the city?

The Hon. D. A. DUNSTAN: No specific job opportunities have been made available in the metropolitan area for Aborigines as Aboriginal people are in the same position in this matter as other people. Aborigines requiring housing in the metropolitan area are expected to apply for Housing Trust assistance the same as other people apply. In certain cases the Aboriginal Affairs Department considers that specific welfare assistance should be given to a family, but that would be done for clear reasons where the Housing Trust is not prepared to assist. In some cases we bought houses from the trust to provide some accommodation in the city. However, it is not possible for the Aboriginal Affairs Department to provide many houses for Aborigines in the metropolitan area, as basically our housing programme must be devoted to the northern part of the State, where we have purchased available surveyed land in Copley and Oodnadatta. Also, we have acquired blocks in other northern and western areas, for instance, at Marree, to provide additional housing for Aborigines in the area where it is most vitally needed at the moment, where housing standards are far below those of the general community, but where Aborigines could properly move into houses of a good standard if these were provided.

Mr. FERGUSON: I have been told that Aborigines employed on Aboriginal reserves by the Aboriginal Affairs Department are not receiving the basic wage. Can the Minister of Aboriginal Affairs say whether this information is correct and, if it is, whether steps will be taken to remedy this position?

The Hon. D. A. DUNSTAN: The rate fixed by the previous Government for employment on the reserves was significantly below the basic wage in this State. This, apparently, was a policy decision by the previous Government under which it ensured that there was some economic pressure on Aborigines on reserves for them to leave the reserve. The amount had been agreed with the Koonibba Aboriginal Council, and it was specified for all reserves at the same rate. It is the policy of this Government that there shall not be the economic pressure on Aborigines on reserves and that the basic wage shall be paid. However, it was found that we could not increase immediately the amount to the full basic wage on Aboriginal reserves without endangering other parts of the department's programme (last year there was a 14 per cent increase in the money spent by that department—the biggest increase in expenditure of any department), but it was agreed with councils that the amount would be increased by $2 a year regularly until the basic wage was reached, and that has been done.

Later:

The Hon. D. A. DUNSTAN: I seek leave to make a personal explanation.

Leave granted.

The Hon. D. A. DUNSTAN: The member for Albert very kindly drew my attention to

the fact that in replying to the member for Yorke Peninsula I had, in referring to the increase in wages on Aboriginal reserves, referred to an increase of $2 a year instead of $2 a week each year. I am grateful to honourable members for giving me the opportunity to make that correction.

GAS.

The Hon. Sir THOMAS PLAYFORD: Has the Premier a reply to my question of yesterday about how many drilling rigs are operating in the exploration for gas in South Australia, particularly in the Moomba field?

The Hon. FRANK WALSH: The Director of Mines reports:

Having completed the developments of the Moomba bores Nos. 1 and 2, the company (Delhi-Santos) has now transferred the drilling rig to complete a commitment for drilling in Queensland, so that at the present moment there is no drilling proceeding in the Moomba field.

It is suggested that as soon as the company has finished work in that area it will return to the Moomba field to complete drilling there.

The Hon. Sir THOMAS PLAYFORD: Does the Premier consider that the Moomba field has been tested sufficiently to establish the reserves available and, if this has been done, can he say what the reserves are at this field?

The Hon. FRANK WALSH: To the best of my recollection, I gave a figure of more than 5,000,000 cubic feet daily for No. 1 well and more than 8,000,000 cubic feet daily for No. 2 well at Moomba. Geologists consider this to be a good field. When I was in Dallas (Texas) during my recent oversea tour, I met representatives of the Delhi organization. I submitted facts about the financing of a gas pipeline and said that I would make representations at the Loan Council meeting in Canberra on June 15. They met afterwards, and next day asked if we had any objections to the company's having permission to take the drill from No. 1 well before it was tested and transfer it three miles to commence drilling at No. 2 well. I consulted my colleagues and they said that, in view of the structure of the country, if No. 2 well when drilled gave the same flow as No. 1 had given, this would indicate a good field of gas. I was informed at the Premiers' Conference, held prior to the Loan Council meeting, that the No. 2 well gave every indication of being as good as No. 1, if not a little better. That strengthened my case on behalf of this State for a special Commonwealth loan to construct the pipeline. I received information only last week concerning the results of gas testing. I have indicated that as soon as the company has fulfilled its obligations in Queensland it will resume drilling in this State, and fully test the Moomba field.

However, if I had anything to do with the company's policy, I should expect, before resuming drilling here, to know how soon this Government intended to commence constructing the pipeline, bearing in mind that it has been firmly established that the gas reserves have been estimated to last for more than 20 years. The Government is doing its utmost to present a case to the Commonwealth Government. I cannot force the hand of those making the inquiry; I can only be patient until I can present an open and shut case to the Commonwealth Government with a view to obtaining the necessary assistance. The Bechtel Pacific Corporation will again be advising in this important matter. I assure the House that no falling-out has occurred between the Government and the drilling authorities. I cannot tell the people concerned to remain in this State if they have commitments elsewhere. The member for Gumeracha, who was well acquainted with the field, knows that the last drilling undertaken at Gidgealpa did not live up to the company's (or the Government's) expectations. He knows, too, that the company up to that time had invested much money in the project but that insufficient gas reserves had been proved. Although the present Government has been in office for only a little over 12 months, I think we have made much progress towards advancing an economic proposition for the future use of natural gas in South Australia.

MOUNT GAMBIER INDUSTRY.

Mr. HALL: Has the Premier a reply to my recent question about industry at Mount Gambier?

The Hon. FRANK WALSH: I have received the following information as a result of correspondence. Eighteen years ago Mr. Rowe and a friend established an electroplating service in Mount Gambier. The only services available then to the district were from Adelaide or Melbourne. The business gradually grew and reached its peak in 1960 on a reasonably profitable basis, and at that time employed seven persons. During the 1961 recession, there was a drop-off in turnover, and during the following period there was no recovery in volume of work. At about the same time an off-shoot of an American firm in Sydney

installed plant for the repair and replating of all automotive parts. Also at that time most insurance companies concerned with motor car insurance commenced a "squeeze" of all repair costs and the off-shoot of the American firm was able to quote prices far below the already established prices for this class of work. A great deal of discussion and negotiation went on between the Victorian Association of General Electroplaters and the insurance companies. The Mount Gambier firm was a member of that association since 75 per cent of its work was coming from the western districts of Victoria, and there was no similar association in South Australia.

By effecting economies and improved efficiency, and investing considerably more money on modern types of plating equipment, the Mount Gambier firm found it possible to meet the lower prices. However, despite the fact that it was working on Melbourne prices and had not reduced the quality of work or service, the amount of work available gradually diminished. It was discovered that insurance companies were directing back to Melbourne work which normally could have been expected to be done in Mount Gambier. Within the last 12 months, it is understood that the Ford Motor Company of Geelong has instituted a similar service for all Ford parts, and it is understood that the General Motors-Holden group will probably do likewise. During the first few years of activities by Electroplaters Proprietary Limited it discovered there were seasonal flat spots. In order to maintain staff and turnover, the company undertook the manufacture of tubular and solid steel furniture and other forms of light fabrication. However, the plant was primarily established for the replating of automotive work, and the volume of furniture manufacture for the limited market available is insufficient to maintain activities at an economic level without the automotive work. For the last four years the company incurred a trading loss each year, and this finally resulted in a decision to close down.

In summing up the situation, Mr. Rowe has stated that he thinks the company is the victim of present-day circumstances which exist on a national if not an international level. It is in no way different from hundreds of small businesses being gradually assimilated or squeezed out of existence by more powerful organizations, and prevailing economic pressures. A resident of Mount Gambier has shown some interest in taking over the business, but up to the present has been unable to arrange the necessary finance.

In the *Border Watch* of August 6, under the heading "Suggestion of Decline Denied", the President of the Chamber of Commerce said he did not agree with a reference in Parliament to declining industries. That comment followed a question in Parliament by the Leader of the Opposition. The President went on to say that the position of industries here was sound, but that he was a little perturbed that some businesses were closing down. I invite the Leader's attention to the *Border Watch* of August 6, for I think he would find that the report of the President of the Chamber of Commerce was accurate.

PARILLA WATER SUPPLY.

Mr. NANKIVELL: The township of Parilla has had a township water supply for at least 15 years, this supply being from a town bore and a 10,000-gallon overhead tank. Provision is made from this supply for water not only for the town but also for the bowling green in the town. I understand that there is considerable trouble with the bore at present, and that work is being done on it to try to remedy the situation. Will the Minister of Education obtain from the Minister of Mines a report on the condition of this bore, indicating what the department is currently doing to try to remedy the position, and, in view of the approach of spring when heavy demands will be made on this supply, will he also ask his colleague to seriously consider this matter so as to ensure that whatever action is taken to remedy this situation will be taken as speedily as possible?

The Hon. R. R. LOVEDAY: I shall be pleased to do that.

OVINE BRUCELLOSIS.

Mr. RODDA: An accreditation scheme is being conducted by the Agriculture Department to control the disease of ovine brucellosis, which is responsible for epididymitis in rams. Many studs in the South-East are using this scheme, with studmasters being charged $8.40 an hour for the service of a veterinary surgeon, whether he be from the department or in private practice. It would appear that there has been some clinical upset in some of the specimens. I understand that some of the bigger studs are receiving treatment free of cost, while some smaller studs are still pressing on under a pay-as-you-go scheme. As it is certainly a worthwhile venture to try to ensure disease-free flocks in the interests of the fat lamb industry, will the Minister

of Lands, in the absence of the Minister of Agriculture, investigate this problem, and will he report to the House on the accreditation scheme?

The Hon. J. D. CORCORAN: I take it the specific query concerns the fact that the large studs are not paying for this service while the smaller studs are paying for it.

Mr. Rodda: I think the query is brought about by the clinical upset.

The Hon. J. D. CORCORAN: I shall be happy to get a report for the honourable member.

CONSTITUTION ACT.

Mr. McANANEY: Earlier in the year, in reply to a question, the Premier indicated that amendments to the Constitution Act would be considered. Has the Premier considered this matter, and are amendments likely to be brought down this session?

The Hon. FRANK WALSH: All I can say at this stage is that the matter has not been finalized.

CITIZEN MILITARY FORCES.

Mr. MILLHOUSE: On several occasions in the last few weeks I have asked the Premier about the question of civil servants in the Citizen Military Forces getting their full civilian pay while on full-time duty. As I understand that the Premier is not extending to me the usual courtesy of telling me when he has replies to my questions, I ask him whether he has yet been able to get a reply to this question, as he said he would do last Thursday.

The Hon. FRANK WALSH: I have no information for the honourable member on this matter.

HOPE VALLEY INTERSECTION.

Mrs. BYRNE: Residents living near the four-way intersection of Grand Junction Road and Reservoir Road, Hope Valley, are concerned at the number of accidents occurring at this corner, several of which have resulted in deaths. The property on one corner is owned by the Engineering and Water Supply Department, and I understand that at one stage this land was covered with small trees but was partly cleared to allow better visibility. Can the Minister of Works say what plans the department has for further improving the safety measures at this dangerous corner?

The Hon. C. D. HUTCHENS: As I understand that this matter is being investigated I shall obtain a considered reply for the honourable member.

GROUP CERTIFICATES.

Mr. FREEBAIRN: Has the Minister of Education a reply to my recent question about the issuing of group certificates to school teachers in respect of the last financial year?

The Hon. R. R. LOVEDAY: Previously, I gave the honourable member a brief answer but I can now elaborate on that. Every effort is made to despatch the 17,000 group certificates issued by the Education Department as soon as possible. However, because of the huge volume and the necessity to balance the total instalments shown on certificates with the total amount forwarded to the Taxation Department, it is not practicable to improve the position under existing conditions. It is expected that similar conditions will apply at the end of the 1966-67 financial year, but in succeeding years with the changeover to automatic data processing it is expected that all certificates will be issued within 10 days of the date of the last pay period.

MURRAY BRIDGE CANNERY.

Mr. McANANEY: Has the Premier an answer to my question of August 3 about facilities being made available for the Murray Bridge Cannery to crush oranges for a special order?

The Hon. FRANK WALSH: The Murray Bridge Cannery, which I am informed is not a registered co-operative, has been assisted by the Government with loans from the Country Secondary Industries Fund. At present it owes the Government $29,000 which is due in December next. The cannery has latterly been operating at a loss and as a result its difficulties have been increasing. The attitude of the Government has been that if the company should make an application for financial assistance for the specific project of processing a certain tonnage of oranges to meet a firm order, then the matter would be immediately investigated. If it were then demonstrated that the project could be undertaken without further loss, the matter would be referred to the Industries Development Committee for recommendation. However, I am now informed that the company has called a meeting of creditors for August 19, 1966, with a view to appointing a liquidator.

NAILSWORTH PRIMARY SCHOOL.

Mr. COUMBE: Following the current work on the headmaster's accommodation at the Nailsworth Primary School, can the Minister of Education say when a sick bay is likely to be provided and what are the possibilities of

erecting a modern toilet block at this school soon?

The Hon. R. R. LOVEDAY: I shall be pleased to obtain a report for the honourable member.

INFESTED CATTLE.

Mr. HEASLIP: I have been informed that last week, when it came to selling over 200 cattle that had been trucked from Broken Hill to Snowtown for sale, all but, I think, 30 were condemned because of an infestation in the cattle of noogoora burr. Those cattle cannot now be sold; they have to be cleaned and plucked of this burr at Snowtown. Can the Minister of Lands, in the absence of the Minister of Agriculture, ascertain why cattle are allowed to come into South Australia in such a state, spreading the burr, and why they are not inspected before leaving Broken Hill for Snowtown?

The Hon. J. D. CORCORAN: I shall be happy to refer the honourable member's question to the Agriculture Department and to obtain a report.

BLACKWOOD LAND.

Mr. MILLHOUSE: On July 27 I asked the Premier a question about the method of assessment of back land tax on property acquired by the Highways Department from Mr. A. K. Ashby. As a fortnight has now elapsed since I asked the question, and as the Premier undertook to examine the matter, has he yet a reply for me?

The Hon. FRANK WALSH: The land referred to is an area of 2 roods 18 perches at Blackwood, purchased by the Highways Department from Mr. A. K. Ashby for road purposes. The price paid for the land was $6,200, which included the value of the land at a rate of $5,000 an acre, plus compensation. The land was portion of a larger area owned by Mr. Ashby and declared to be rural land under the provisions of section 12c of the Land Tax Act. Between 1961-62 and 1965-66 tax was payable on the unimproved value of the land, assessed as land used for primary production at a value of $200 an acre.

Under the provisions of section 12c, the difference between the tax paid and the tax that would otherwise have been payable, if the land had not been declared rural land, became payable on the transfer of the land. The difference in tax was calculated on the basis of the difference between the assessed value of $200 an acre as declared land and $3,000 an acre, the unimproved value assessed under the general provisions of the Act. Therefore, the assessment on which the claim for the payment of $167.79 deferred tax was based was only 60 per cent of the price paid as the value of the land by the Highways Department.

ROAD TRAFFIC ACT AMENDMENT BILL.

Returned from the Legislative Council without amendment.

LEAVE OF ABSENCE: MR. JENNINGS.

Mr. BROOMHILL moved:

That one month's leave of absence be granted to the honourable member for Enfield (Mr. J. J. Jennings) on account of ill health.

Motion carried.

GREYHOUND RACING.

Adjourned debate on the motion of Mr. McKee:

(For wording of motion, see page 830.)

(Continued from August 3. Page 832.)

Mr. BURDON (Mount Gambier): The motion of the member for Port Pirie (Mr. McKee) has three provisions: the repeal of the Coursing Restriction Act; the amendment of the Lottery and Gaming Act; and the control of greyhound racing in South Australia. I support this motion because it will bring about legislation for greyhound racing in this State, and people in my district have said that they wish to see legislation of this nature put on the Statute Book. These people and people throughout the State interested in greyhound racing are asking for only equality with their counterparts in the Eastern States and, what is more important, to have greyhound racing on an equal basis with other forms of racing in this State.

There are many greyhound enthusiasts in my district who have to travel only 11 miles or so to cross the Victorian border and be able to race a dog behind a mechanical lure and bet on greyhound racing. All that these people ask for is that similar opportunities be afforded them in their own State, and that they be given the freedom to follow the sport of their choice. There is no justifiable reason why a man should be denied this opportunity; trotting men, racing men, football followers, and cricket enthusiasts do not have limitations placed on their actions.

Some members may well ask: what of the cruelty attached to greyhound racing? Let me answer that with a question: where is the supposed cruelty? New South Wales, with 41 race tracks, has had only one case of cruelty relating to greyhounds in 10 years, and this was

not in the training procedure. A significant point to remember in this connection is the fact that the Animal Welfare League of that State advertises greyhound racing in its monthly journal. Victoria has had three cases of cruelty in seven years and those responsible were properly dealt with. I understand those found guilty of these breaches of the Act were disqualified for life.

As my colleague, the member for Port Pirie, in his speech quoted a letter from Mrs. J. Richardson (Secretary of the Animal Welfare League of South Australia) supporting this measure, I do not intend to repeat the letter in its entirety but part of it stated:

In efforts to completely ban "blooding" of greyhounds in training or at any time, the Victorian honorary animal welfare organizations are pressing for the registration of all greyhound racing tracks, including privately-owned training tracks, to ensure they are licensed and open at all times for inspection by the police, animal welfare officers and greyhound racing officials.

People interested in greyhound racing in this State have asked that this provision be included in any Bill brought before this Parliament. To my mind, this clearly indicates the sincere wish of these people to have properly controlled and organized greyhound racing here. In some respects the State is still in the "horse and buggy days". However, I believe this motion, with enlightened legislation that at long last is starting to come forward, will correct these anomalies, which should not exist and which I believe most fair-minded people would say have existed far too long.

As there is no legal objection to one dog running behind a mechanical lure, the only purpose of the 1927 Coursing Restriction Act was to stop racing and thus stop betting. It had nothing to do with cruelty at all; in fact, it is more likely to have increased the use of small animals to train and blood greyhounds in this State. We find that greyhound racing then took place by using a pilot dog to lead the field of dogs racing around a track to a cage of live rabbits. For a dog to win it needed to be made keen enough to be first to the live rabbits. It was this type of racing at White City in Victoria in the early 1950's that led to the use of hundreds of rabbits and possums to train greyhounds. This brought about the introduction of the mechanical lure in Victoria (I think in 1956), and since it has been in operation there have been few problems in this respect.

There were more cases of cruelty with other racing sports in those States during the same period. The public demand for greyhound racing can be gauged by the statistics of the Totalizator Agency Board and totalizator in New South Wales. T.A.B. holdings a night on dog racing are far in excess of what is held on trotting. The totalizator at Wentworth Park, New South Wales, on dog racing has more money invested on it each night than the sum held by the totalizator at Morphettville race meetings. It is quite obvious that greyhound racing, when properly conducted as it is in the Eastern States, is popular with the public.

In 1956, when a Bill similar to this motion was debated, the member for Onkaparinga (Mr. Shannon) said, when he supported that Bill (and I hope we will have his support on this occasion):

This sport will afford an opportunity for people who are not on a high level of income to own animals and experience the pleasure of racing them.

Greyhound racing, as English migrants coming to this country will say, is a most popular form of sport in the United Kingdom. In the United States of America, 27 States enjoy the benefits of legalized racing.

Mr. Clark: The United Kingdom has 113 tracks.

Mr. BURDON: Yes, and New South Wales has 41 tracks. The breeders of greyhound racing dogs in South Australia are at a distinct disadvantage compared to their colleagues in the Eastern States, for in the Eastern States breeders have been able to command a fairly lucrative export market for greyhounds to the United States of America. Because greyhound breeders do not have the facilities for greyhound racing in South Australia, dog owners from this State do not have this privilege because of their lack of experience in mechanical lure coursing. Several points put forward by the National Coursing Association of South Australia on September 14, 1965, were:

(1) To be allowed to operate a totalizator at our greyhound racing meetings.

(2) To allow greyhounds to race behind a mechanical lure. The National Coursing Association would prefer to be allowed to operate a totalizator at race meetings if a preference must be made.

(3) The National Coursing Association should remain the controlling body of all greyhound racing in South Australia.

(4) The National Coursing Association should be the only body to apply to the Chief Secretary for licences for and on behalf of individual clubs, thus enabling them to design the area for greyhound racing to the best advantage of the greyhound fraternity.

(5) The National Coursing Association will have a set of rules to race under similar to those

in operation in Victoria, New South Wales, Tasmania and Queensland. These rules give a very tight control over greyhound racing. In actual fact there are 199 rules in these regulations in Victoria.

(6) The National Coursing Association would operate the greyhound racing meetings to be held in the metropolitan area. This would be conducted by a management committee appointed by the National Coursing Association.

(7) Present indications are that the greyhound racing will be conducted at the Thebarton Oval.

(8) The metropolitan area to be defined as a radius of 15 miles from the G.P.O. of Adelaide.

(9) Greyhound racing to be non-proprietary.

(10) All mechanical lure training tracks to be registered with the National Coursing Association.

(11) All greyhounds on public property should be suitably muzzled.

(12) No person shall lead or be in control of more than four greyhounds at any one time.

(13) No person under the age of 14 shall be in charge of or responsible for any greyhounds.

I ask the House to support the motion so that a Bill can be introduced to provide for (*a*) the repeal of the Coursing Restriction Act, 1927; (*b*) the amendment of the Lottery and Gaming Act, 1936-1966 to allow the licensing of totalizators at greyhound race meetings; and (*c*) the control of greyhound racing in South Australia. Those proposals are the recommendations of the National Coursing Association. Let us prove that we can benefit from experience gained in other States and countries by producing greyhound racing at the highest possible level. Further, let us show the rest of the world that the people of South Australia can control the sport as well as if not better than it is controlled anywhere else.

Mr. HALL (Leader of the Opposition): It appears from the type of debate that is developing that we could be addressing ourselves to a Bill.

Mr. Nankivell: We should be.

Mr. HALL: I said "could be" because we are not so doing. In discussions that will probably continue for several weeks members will say what they wish on dog racing and will pinpoint their desires. At the end of the debate members will be expected to carry this motion in general terms. Some of us in this House have been caught before by such a method, which seems to have been introduced by the Government on social questions. I understand that the member for Port Pirie has been deputed by his Party to raise this matter in the House in this way.

The Hon. C. D. Hutchens: That's not correct.

Mr. HALL: I have been told that this is so but, if it is not, I will not press it.

Mr. Clark: Would you mind saying who told you?

Mr. HALL: I will not betray a confidence but, if it is not so, I accept that assurance from members opposite. In any case, it does not make any difference to the argument. We are supposed to define our views and then give general approval to whatever legislation may be introduced. Only recently we dealt with another Bill, but I suppose I should not transgress and refer to another debate. However, along with other members, I have voted for a motion in this House and I have seen the Bill presented in a different form with a different emphasis from what was expected. I do not intend to be caught often in this way, nor do I intend to speak at length on this motion.

I would like to see a Bill presented on this matter if it is to be properly discussed and and an adequate solution arrived at. Are we expected to vote on the proposals advanced by the member for Port Pirie last year? Are we to consider them in detail when we are voting? Am I voting for the abolition of live hare coursing?

Mr. McKee: Of course not!

Mr. HALL: But how do I know?

Mr. McKee: It has not been indicated or referred to.

Mr. HALL: It does not have to be referred to. The motion states: "the control of greyhound racing in South Australia". I do not know how wide would be the Government's interpretation of that phrase. In 1964 in another debate members opposite advocated a certain course, but later, as the Government, they brought in a Bill on a social question that did not embody what was advocated in 1964. Therefore, if I support this motion, that support can be taken by the Government as an indication of approval of whatever its thoughts may be on coursing in South Australia. I will not go as far as that; I will remain uncommitted on what we are supposed to be considering.

Mr. Ryan: Even on this?

Mr. HALL: I should be pleased if the member for Port Adelaide explained exactly what the motion means. Can he assure me and guarantee—

Mr. Ryan: I will be voting on it; will the honourable member be voting?

Mr. HALL: Can the honourable member guarantee to members all the details he would expect to be included in a Bill, because the public of South Australia would consider any

vote passed here to be a vote on the essence of the question?

Mr. McKee: I particularly included in this motion greyhound racing so that it would not interfere with the question of live coursing.

Mr. HALL: The honourable member for Port Pirie may have done so, but the Government would not feel bound to adhere strictly to that. The honourable member has already brought into his argument the protection of animals. I remain uncommitted on the subject, and I want to see a Bill before I vote on the matter. The honourable member for Mount Gambier has voiced certain opinions, and he is entitled to them. However, he cannot be sure if he votes for this motion that these matters will be included in a Bill, and how can we as an Opposition be sure of what will be included in a Bill? I intend to say no more about this question.

Mr. Ryan: Thank goodness for that.

Mr. HALL: It is nice to know that the honourable member for Port Adelaide is pleased with my attitude, and I hope he will either join me in it or press his Government to bring in a Bill, which would be the only answer to the question. If he can persuade his Government to introduce a Bill he can fairly ask every honourable member to consider every detail of it and to commit himself, but he cannot fairly ask members of this House to vote on a question as so loosely included in this motion. I remain completely uncommitted on the questions that are raised in this House, and I will impartially consider any Bill that definitely sets out provisions. I will not commit myself in the eyes of the public or of members opposite by supporting this motion.

Mr. RODDA (Victoria): I supported the honourable member for Port Pirie (Mr. McKee) last year when he got one of the quickest hammers I have ever seen and we ended up with a line ball. We get many of these motions.

Mr. Clark: You have three or four on the Notice Paper from your side.

Mr. RODDA: That is about all we can do. I would much prefer to be addressing myself to a Bill on greyhound racing, because I do not like this idea of motions from the Government getting members on this side to commit themselves.

The Hon. C. D. Hutchens: It's not fair to say that.

Mr. RODDA: It is fair. If I indicate that I support this motion I am committed.

The Hon. C. D. Hutchens: This is not a Party issue at all, and members on this side are absolutely free to vote as they wish.

Mr. RODDA: To set the mind of the honourable member for Port Pirie at rest, I will say that I am not at all opposed to people racing dogs or coursing dogs. If one of our citizens wants to race dogs, then provided he does it within approved precincts and in a way that is not offensive to society, he should be allowed to do that. Knowing the initiative, knowhow and pugnacity of the member for Port Pirie, I cannot see that he is incapable of drafting a Bill.

Mr. McKee: You know I can't do that.

Mr. RODDA: The honurable member underrates himself.

Mr. Clark: It would be a financial measure.

Mr. RODDA: The honourable member would not have to look far for somebody with the ability and the authority to draft a Bill. The issue is whether we are going to license greyhound racing, and we are being asked a straight-out question on it. I will not be so positive as perhaps my Leader has been. We have a free vote on this matter, and the House knows what I did last year. I emphasize that I think a Bill should have been introduced.

Mr. McKee: You are making excuses.

Mr. RODDA: It is not my excuse. I am castigating the honourable member for not introducing a Bill or getting hold of someone who has the necessary rank to do so. In my infancy here, I am learning that the honourable member on whom I am casting aspersions as to his ability to draft a Bill—

Mr. Clark: Did you vote on T.A.B. last year?

The DEPUTY SPEAKER: Order!

Mr. RODDA: I voted in favour of the T.A.B. motion last year.

Mr. Clark: Surely this is the same thing.

Mr. RODDA: I do not like motions on such matters as this. I know that there are members on the Government side who will hurry out of their warrens on issues like this, and that is their business. I am not opposed to the honourable member approaching somebody who has the rank to draft a Bill for the introduction of greyhound racing into South Australia, but like my Leader I reserve my right to look at the pros and cons of the matter. I will give the honourable member the opportunity to bring in a Bill.

The DEPUTY SPEAKER: The honourable member may be ruled out of order if he does.

Mr. CLARK secured the adjournment of the debate.

PUBLIC ACCOUNTS COMMITTEE.

Adjourned debate on the motion of Mr. Nankivell:

(For wording of motion, see page 704.)

(Continued from July 27. Page 708.)

Mr. McANANEY (Stirling): I support the motion moved so ably by the honourable member for Albert (Mr. Nankivell). About the first or second time I spoke in this House I said that a public accounts committee was most desirable, and I still adhere to that belief. The question of accounts, whether they be Government accounts or the accounts of public companies, is certainly in the limelight today. The duties of an auditor with respect to accounts is becoming more important, and it should be made clear to Parliament who has the responsibility to spend money. The Auditor-General's Department, ably led and with an adequate staff, is doing a splendid job for this State, but its report is made to Parliament. It is not possible to investigate thoroughly all the matters raised whereas, if a public accounts committee were appointed, one of its duties would be to inquire into these matters and report its findings to Parliament. It would be ridiculous if the Auditor-General reported to Parliament about everything wrong with departmental accounts. Many errors are found by the staff, but those officers report to the department and the errors are corrected. Because of these discrepancies and differences of interpretation it is important that Parliament should appoint a committee to investigate these aspects fully and report to Parliament to ensure that corrective action will be taken. We receive a Budget and an Auditor-General's Report showing many details, which make it difficult for a layman to see the correct picture. This was emphasized when the last Budget was introduced, particularly in respect of contra accounts, and even now I am not clear about everything that was in that Budget although I have had experience of accountancy.

In Victoria accounts for the Railways Department and for public utilities are shown under a different section from the ordinary expenditure and revenue accounts, giving a clear picture of the position. In the recent education campaign it was said that this State was not doing an adequate job for education because the Government spent 21 per cent of the Budget on it. However, nearly 50 per cent of our income from revenue and taxation was spent on education in this State last year. No doubt a public accounts committee could simplify accounts so that the general public could ascertain easily where our revenue was spent, and could determine whether service charges should be increased to make up the losses and whether certain sections of the community should be penalized by sectional taxation to meet deficits. This type of committee could inquire into many organizations as a similar committee does in other States: in many cases it has caused the saving of much money. I have a high respect for the Public Service and I correct an impression I gave in the House a fortnight ago when I spoke derogatorily about the part played by the Agriculture Department. I was opposing the appointment of a committee of experts and public servants, because I consider that one member of a committee should have practical experience.

However, I went to the other extreme and stressed that the experts had not provided much for farmers. I withdraw that remark: I want a balance between those with practical experience and the experts, as then a better solution is arrived at. Often one will see council employees working for the Highways Department carting sand four or five miles for road filling. An adjoining council has employees doing similar work, but taking the sand from the road and dumping it in a property to fill a hole. Perhaps experts could give a reasonable explanation for this but the average person thinks it is a waste of money. No-one argues with engineers about the kind of road we should have: they are experts, but glaring examples occur of breakdowns in organization. A public accounts committee could inquire into these matters and perhaps effect savings to the taxpayer. When one inquires of one department a person may receive a prompt reply but, when dealing with several, a person may take some time to receive an answer. Perhaps a committee of this kind could inquire into the lack of organization between various departments, in order to obtain a solution and save money. Nobody disputes the fact that the Public Works and Industries Development Committees inquire into certain projects, and do an excellent job and save much money in the process.

Mr. Nankivell: They only approve the works, though; they don't check them.

Mr. McANANEY: Nobody can ensure that the work is carried out according to the original terms of reference. The Public Works Committee deals only with projects estimated to cost over $200,000, but many projects that involved less than that sum could be examined,

and a great saving effected by a public accounts committee. Such a committee would also provide good training for members of Parliament; backbenchers could witness the working of the various administrative departments, take an interest in their functioning, and gain much valuable experience. The member for Albert has adequately dealt with the history of the Public Accounts Committee in the United Kingdom since it was established about 100 years ago. That committee has worked to advantage and in one case, I think, was responsible for the saving of £4,000,000. In Tasmania much money unnecessarily was wasted at one time through the buying of an incorrect part for an aeroplane. I am not critical of the Public Service, but it is now such a tremendous size that the setting up of a public accounts committee becomes absolutely necessary. With the growth in size of large private companies, the personal service is lessened, and mistakes begin to occur.

Up until the recent amalgamation of two pastoral companies a mistake had never been made in my accounts with them, but since they have not been able to give so much personal attention to my accounts, mistakes have occurred. In fact, at one stage when I owed money to the organization concerned, I practically had to plead for an account showing how much I owed. The tremendous growth of the Public Service necessitates the setting-up of a Public Accounts Committee. The committee would keep various departmental officers on their toes, as they would know that the committee was examining matters that might not otherwise be examined. On the other hand, the civil servant, himself, would receive protection. Through their lack of knowledge, members of Parliament may make a derogatory remark or false accusation about something that an officer has done. Other than his ability to reply through the Minister concerned, the civil servant has no redress, but the opportunity for him to appear before a public accounts committee and to receive a reasonable hearing would be a good thing for the individual concerned.

It has been the announced policy of the Government to set up a public accounts committee. In fact, it introduced a Bill to that effect last year, on which little debate took place, but the Bill lapsed at the end of the session. I hope the Government will heed this motion. A similar motion was more or less withdrawn last year on the understanding that a Bill giving effect to that motion would be introduced. I think it would be only fair now for the Government to establish a public accounts committee; I hope it will support the motion and introduce a Bill so that the merits of such a scheme can be debated further. The establishment of a public accounts committee could not be disadvantageous; indeed, the arguments that I have heard raised against establishing the committee lead me to believe that it is even more essential to establish one. It is up to Parliament to have the committee investigate matters thoroughly, and I am confident that the results of setting up such a committee would be of great benefit to South Australia as a whole.

Mr. FREEBAIRN secured the adjournment of the debate.

ENFIELD BY-LAW: ZONING.

Order of the Day No. 4: Mr. McKee to move:

That by-law No. 20 of the Corporation of the City of Enfield, in respect of zoning, made on October 12, 1965, and laid on the table of this House on June 21, 1966, be disallowed.

Mr. McKEE (Port Pirie) moved:

That this Order of the Day be read and discharged.

Order of the Day read and discharged.

MENTAL HOSPITALS.

Adjourned debate on the motion of Mrs. Steele:

(For wording of motion, see page 569.)

(Continued from August 3. Page 838.)

Mr. QUIRKE (Burra): In speaking to this motion, I should like to refer to a visit to a place where handicapped children are cared for, which left an indelible imprint on my memory, and from which I came away convinced that we should do everything possible to assist in the training of such unfortunate children. However, the grief associated with this matter is that many of these unfortunate people would be almost incapable of being trained for anything. But they must be cared for. Although I apportion no blame in the matter, I understand that the Strathmont Hospital was to be established, but the present Government in its wisdom has not seen fit to commence the project, for reasons that are probably good. I offer no criticism of that, but the training of people to look after the unfortunate handicapped people in this State should be undertaken as soon as possible. If that training had been undertaken a long time ago it would have been far better than undertaking it now. However, a crying need exists in this matter today and, if the Government during

this coming financial year can see to it that one of the proposed institutions is established, I am sure that every effort made will be forever to the Government's credit. This work has been started but has been slow in reaching fruition. Nevertheless, we must remember that any delay now concerns people in need of training as a result of which they can help young people sorely in need. It should be remembered that people are being deprived of assistance because we are unable to fulfil what is desirable in the training of people prepared to help bring some form of usefulness to the lives of people born without the capacity to care for themselves as they grow older. Strict training for these people is necessary.

I do not blame anybody for what has happened because I suggest that throughout the world there has been a lack in looking after these people. Honourable members who have studied the history of the matter will know about the awful conditions suffered by people who were mentally sick. In those days they were called lunatics; they were detained, chained and treated more or less as animals. Times have changed and there is now a greater appreciation of the needs of these people. They are regarded as being unfortunate and a charge on the community. They should be given the best that they are capable of absorbing. This applies particularly to unfortunate youngsters who are born in some way deficient. Many people are prepared to acccept training to look after these people. The only reason I am speaking in this debate is because I have seen what needs to be done. I offer no apology for its not having been done before but it is necessary that it be done now. If the work is carried out help will be afforded by all who have the interests of these people and institutions at heart.

I commend the member for Burnside for moving the motion. I visited an institution (and I will not name it because I do not believe in that) with her. Of course, she had prior knowledge of the conditions there because she had seen them before. It was because of my known interest in such matters that she undertook to take me to the institution. Although this happened some time ago it left an indelible impression on me. I made my visit belatedly as it was a long time after I entered this House that I undertook my journey to that place of human misery. That could be wrong, because the people there did not appear to be miserable—they did not appreciate what was miserable. I suggest that any member who wants to know the urgency of this matter should visit one of these places, too. There it will be brought home to him how vital it is that we, in this country, who are bound by our Christian attitude to misfortune, should look after these people, although ultimately they might not amount to much. They are human beings born under unfortunate circumstances and physically or mentally deformed in some way—but they are still our responsibility.

If this work can be brought about in the shortest possible time it will mean that we will have people educated, trained, capable and willing to look after these unforunate youngsters. This job needs willingness, compassion and the capabilities and dedication to do it. I cannot imagine that anyone would undertake this work unless he possessed those attributes. People undertaking this work must have compassion for young people suffering disabilities. If they have this compassion and undertake the work they are accepting one of the highest forms of service anybody could undertake. It cannot be said that this is necessarily a pleasant job but, because people are prepared to recognize what must be done, accept the burden of doing it and willingly take up the cross of carrying it out, every credit must accrue to them. These people are essentially humble and dedicated. Because of their dedication they carry out the work without thinking of any undue reward other than normal payment to maintain their ordinary livelihood.

I have practically exhausted what I have to say on this matter, because once one speaks of the necessity of doing this work for compassionate reasons and for reasons that are directly charitable, and when one has said that people who will accept the burden must be trained to do the work, then one does not have much more to say. However, we must expedite the means of giving people what is necessary for them to exercise the capabilities for which they have been trained. I hope the House will look at this motion not as a motion coming from the Opposition but as a genuine attempt by the member for Burnside to bring before the House a situation that she, of her own personal knowledge and contact, knows to be urgent. I do not blame the Government for its attitude, which is to do something when it has the means to do it. However, perhaps the Government could leave something else in abeyance for a short time so that this work could be expedited and the conditions of those concerned alleviated. The very purpose of these institutions is to alleviate conditions

which, unless they are alleviated, could be a reproach to us as a Christian people. We must do that. Mr. Speaker, I do not want to go on repeating myself. I remember one famous occasion in this place when a member complained that although he had spoken for three-quarters of an hour he had received only a quarter of an hour's reporting. The Leader of the *Hansard* staff at that time said to him, "You were fully reported, Sir; you repeated yourself three times." I do not want to be listed in that category. With those few pertinent remarks, I support the motion with the greatest of confidence that the Government will heed it and that when the time comes members will carry it.

Mr. McANANEY (Stirling): I, too, support the motion, which I think is really good and necessary. If this State is unable to go on with at least one of these hospitals before the end of this financial year, there will be quite a chance that this Government will lose the $1 for $3 subsidy from the Commonwealth Government, and if that happened it would be a tragedy. I remember a few years ago listening to a debate on this matter in the Commonwealth Parliament. At that stage, some of the other States had not spent any of the funds available under this special subsidy, while South Australia had spent a fair share of its allotted proportion and had received this additional subsidy from the Commonwealth Government, which was of great benefit.

We consider it is essential for sick and mentally ill people to be helped, because they represent a section of the community that cannot help itself. At all times the sick and the aged must receive every support from those of us who are fit and well and who under present conditions should be able to carry out our obligations. This section of the community needs sympathy, understanding and material assistance if those people are to regain their places in the community. Looking at it from a purely selfish viewpoint, if those people do not receive this treatment they are a dead loss to the community. It is essential that they receive this consideration, assistance and support. With modern methods, many of these people can be rehabilitated and can again become useful citizens of the community, and that is something that would be of benefit to us all.

This extra subsidy from the Commonwealth Government would assist South Australia in its present dire straits, when people are walking the streets looking for employment. Any little help in this way starts the ball rolling again. The momentum has been slowing down, and we are not making the progress in South Australia that we once made. It takes very little action to slow this momentum down, and at the same time it does not take much to get it rolling the other way again. It is desirable to get back to the state of affairs that existed a few years ago. Therefore, this motion is a very good one. We know the great interest the honourable member for Burnside takes in crippled people, in those suffering from mental conditions, and in the down-trodden, for she is always in the forefront waving her banner for support for those people. We commend her for that interest. Mr. Speaker, I ask leave to continue my remarks.

Leave granted; debate adjourned.

GAS.

Adjourned debate on the motion of the Hon. Sir Thomas Playford:

(For wording of motion, see page 832.)

(Continued from August 3. Page 833.)

Mr. QUIRKE (Burra): I am pleased to have the opportunity to speak to this motion. The major factor that will prevent the pipeline from being built will be the cost. It will take 500 miles of special pipeline to convey the gas, and that is a highly expensive project. It is so expensive that perhaps it may prevent the use of the gas on an extensive scale: the cost has been estimated at $40,000,000. If that cost is met by the orthodox method of borrowing money and by amortizing the line for 20 or 25 years, the $40,000,000 will become $100,000,000. It works in the same way as does the purchase of a house: to do that over a period with a certain rate of interest means that at the end of the time the house costs about two or two and a half times its original cost. The Auditor-General's Report is evidence of this.

Over the last 25 to 30 years we have made tremendous industrial advances in this State: the State has found much money, and we have constructed reservoirs and mains, and have increased the water supply, but we still have a total debt of $1,000,000,000. This is unnecessary. If the Government builds the pipeline under the old system, it will have to negotiate to borrow $40,000,000 for the period it takes to build the pipeline, and by the time it is built, $100,000,000 will be added to the existing State debt. We must consider these things and recognize that there is another way, as we cannot continue in this way. People have said it does not matter as it is an internal debt:

they do not realize that the interest on that debt at present is greater than the total taxation collected in this State. We fight about this and that tax, and we say that we must not increase succession duties, land tax must not go up, and no further burden should be placed on the people. However, if we continue as we are going there is nothing to stop these increases. All progress in this State will demand more and more taxation in addition to the taxation collected by the Commonwealth Government. Without breaking the people by taxation that we are called on to obtain in order to meet the interest costs, we will never overtake those charges set against us.

Is there another way to break this chain of debts that ties us down? I am not accusing the Government: this applies to every Government in Australia. Victoria is $20,000,000 down: we will be some millions of dollars down, and we will go further down if we progress, because we have done something without the wherewithal to pay for it. Our deficit finance is caused by doing something necessary for which we do not have the money. If this gas can be supplied cheaply it will be one of the greatest assets accruing to this State: if it is expensive, it will be better left where it is. Why should this natural asset, although 500 miles away, be a burden? I have a scheme with nothing unorthodox about it: it acts the same as any other advance of money that comes into existence in this country. It will cause no more inflation than if the money were borrowed. Every loan by the Savings Bank to the Commonwealth Government must be an inflationary measure. No deposits in the Savings Bank are reduced when it lends $2,000,000 to the Commonwealth, but the Commonwealth spends $2,000,000 and it increases the deposits in the Savings Bank. After the Commonwealth Government pays out $2,000,000 to the savings banks, it merely cancels the debt. That fact is recognized and admitted; I have not conjured it up out of my imagination. I visualize that we ask the associated banks of this country to seek the release from the Commonwealth Reserve Bank of $15,000,000 of the statutory reserve deposits. The sum in that account last June was $665,000,000. It can fluctuate over a month to a greater extent than the $15,000,000 that I should desire.

Then, I should ask that the banks use that sum for the specific purpose of providing the funds to build this pipeline. If they did that, it would be the first time those banks have ever done anything like it. The associated banks do not contribute largely to the development of the country. After developmental money had been spent they could cash in on the production resulting from the spending of that money. I ask these banks to take their place in the scheme of things. Surely, nobody can disagree with that. I am sure that everyone agrees that the banks do a masterly job, but they must reverse their order of priorities and play a part in the country's development. The sum of $15,000,000 would not be sufficient, but those banks could, without question, advance twice that sum and provide $45,000,000. They could create credit of about $30,000,000, based on the $15,000,000 worth of statutory reserve deposits released to them. That is done practically every day of the week.

We should not go on to the money market to ask people to invest money at 4½, 5 or 6 per cent. I should ask the banks to provide this money at 1½ per cent on $15,000,000, which is exactly 100 per cent more than they would receive while it was pegged away in statutory reserve deposits, where ¾ per cent is received. I should like the Reserve Bank to release $15,000,000 to the State banks and to allow them to increase that sum by credit advances which, I repeat, is able to be done, and always is done. We should allow interest of 1½ per cent on $45,000,000. The resultant figures would be extraordinary. I should not repay any credit; there would be no amortization, and no repayment of the statutory reserve deposits, except by way of accrued interest which, over 25 years at 1½ per cent, would repay the sum advanced from the statutory reserve account. The banks would then be taking their place alongside the people of Australia in producing the things that will make this country great. At present we are absolutely and utterly bogged down. No State in the Commonwealth has sufficient money even to go ahead with its ordinary programme of the development that is necessary and vital if this country is to amount to anything. The Government is finance, and finance is Government. Nobody knows that better than the people at present in Government.

The cheaper the supply, the greater the benefits to be received by the people of South Australia. Although millions of dollars have been spent in proving the supply, many millions more will need to be spent in piping the gas to population and industrial areas. The 500 miles of pipeline that will be needed will probably cost about $40,000,000, which when finally amortized will amount to $100,000,000 (although it could be more than that). This

sort of financing defeats the object of supplying cheap gas to the consumer. Gas must be cheap to provide cheap fuel for electricity generation and for all industrial purposes for which gas is used. It must also be cheap in the house for heating and cooking. The pipeline can be financed cheaply; the Commonwealth Reserve Bank should release to the private banks $15,000,000 in statutory reserve deposits for the specific purpose of financing the pipeline. The banks would add credit on a two to one basis, giving a total of $45,000,000. Interest at 1½ per cent would be paid on the total amount until such time as the interest payments totalled $15,000,000 (the sum of the released S.R.D.). When the $15,000,000 had been repaid, the pipeline would become Crown property, free of all encumbrances. No harm would be done to anybody. A trust would be formed to administer the building, maintenance and use of the pipeline until the final interest payment had been made (and thereafter, if necessary). I believe the trust's personnel should comprise representatives of the banks (including the Savings Bank of South Australia), the Electricity Trust of South Australia, the South Australian Gas Company, the Engineering and Water Supply Department, other consumer representation, and a Government-appointed chairman.

As I have said, statutory reserve deposits held by the Commonwealth Reserve Bank totalled $665,000,000 at the end of June last. These deposits represent a percentage of the liquidity of private banks, which is compulsorily placed in reserve so that the Reserve Bank can exercise control over credit advances made by the private banks. When the liquidity of the banks increases to any extent it is compulsorily drained off by the Reserve Bank and placed into the statutory reserve on which the banks receive ¾ per cent interest. Those reserves are released to the banks as the need, in the opinion of the Reserve Bank, arises. When released, they form the basis of advances to the public. The liquidity of banks comprises cash, working balances, Treasury bills and other Government securities, known together as "L.G.S.", and banks must maintain a minimum of 16 per cent of L.G.S. to their deposit liabilities. That has been reached by agreement with the banks and the Commonwealth. The S.R.D. reserves usually total 10 or 12 per cent of the banks' liquidity, so to obtain a clear picture, L.G.S. is the basis of bank lending, and S.R.D. is the percentage of L.G.S. frozen by the Reserve Bank to control bank advances. I do not think that is difficult to understand, but that is the method that is used today. That is the way the Commonwealth controls the credit advances of the private banks. Banks can lend in excess of a released quota of S.R.D. The excess amount is variable according to existing conditions, but the conditions I envisage would permit a release of $15,000,000 and no damage to the economy by advancing $30,000,000 in credit on the basis of $15,000,000—a total of $45,000,000.

One of the difficulties of making that a precise figure is that the banking industry of Australia always has overdrafts and other lending that is not taken up, but it stands there against them and is recognized by the Commonwealth as a potential source of release of credit. So great has that become (I do not know whether it is operating at present) that banks are formulating a scheme of charging interest on overdrafts which have not been used but which prevent them from an expansion of credit as long as they stand there. It was suggested that that could be up to 1 per cent according to the sum held on overdraft that had not been used. This $40,000,000 would be drifted into the economy during the time of building the pipeline—probably two years or more. There is nothing unorthodox in this proposal and it will not inflate the internal situation. Interest at 1½ per cent is exactly double what is paid to the banks on S.R.D. The Commonwealth Bank will always have hundreds of millions of dollars parked away in the statutory reserve deposits because that is the way the system works. It can release $15,000,000 to the banks tomorrow and, through increasing liquidity, it could have made that up in a month according to the activities in the country, because every release of credit will ultimately build liquidity. That is where the fear of inflation comes in, and that is why the Commonwealth Bank puts it into cold storage, but $15,000,000 is just pin money in relation to the total economy of Australia. As it is to be for a specific purpose—to build a pipeline—and as the credit to be advanced will be advanced to a trust that will do nothing but build a pipeline, all the banks will be involved and at the same time, and all will have money coming in. That is why banks balance every day and, if they are equal, nothing happens.

The Hon. R. R. Loveday: All the other applicants would be in for it, too.

Mr. QUIRKE: We can control these things. This matter is of paramount importance to this State.

The Hon. R. R. Loveday: No-one would disagree with that.

Mr. QUIRKE: No-one could disagree that we should build the pipeline at minimum cost in order to give cheap gas to the people. I do not say this should be done in every instance but it could be done extensively for public works in exactly the same way. It is an alternative to the tremendous over-burden of debt that is growing, because $1,000,000,000 sounds terrific to the people of South Australia, as all honourable members know. When the full amount of $45,000,000 has been advanced (and it need not necessarily reach $45,000,000; there should be something held in reserve), interest of $675,000 will be paid annually to the financing banks from the 1½ per cent interest that is being allowed. In 25 years this would amount to $16,875,000 and would be in excess of $15,000,000 S.R.D. advanced. I suggest that would expire the total debt.

The Hon. R. R. Loveday: People who trade in money would not be satisfied with that.

Mr. QUIRKE: I know they would not be, but isn't it time, in the interests of the country, that we rose above people who trade in money?

The Hon. R. R. Loveday: We have tried to do that for a long time.

Mr. QUIRKE: Well, we should find out why it cannot be done.

The Hon. R. R. Loveday: They would tell us.

Mr. QUIRKE: Then it would become a matter of debate. This is a sovereign Government. However, it is not a sovereign Government at all if it does not control its own finances; if it gives away its financial control it has lost its sovereignty. The financial agreement was the instrument that did this and there are other factors, too. At one time it was even attempted to destroy the Commonwealth Bank, because it was known how far it could go. A certain person, who has risen to high rank in Australia, wanted to issue debentures and distribute them amongst the trading banks of Australia so that they would have the controlling interest in the Commonwealth Bank. However, the people of this country destroyed that little plan. The people of the country should realize the importance of looking at this matter. I know it is extremely difficult to get them to think about anything except the Totalizator Agency Board and similar matters, which we are now struggling to bring into existence to raise a few pennies needed to finance the State. This is a degrading thing for a so-called sovereign people.

The total interest paid to the financing banks would amount to $16,875,000 in 25 years. That is a lot of money from 1½ per cent interest, and it would be in excess of the $15,000,000 S.R.D. advanced. I suggest that the debt would then be expired—it would have been paid back. No repayment of any portion of the principal S.R.D. and credit is contemplated. The payment of 1½ per cent interest on the created $30,000,000 of credit is designed so that sufficient money will have accrued from the 1½ per cent in order to pay off what were actually the liquid assets of the bank when it advanced the $15,000,000. As soon as that is paid off the whole debt goes—it is not handed on in perpetuity for ever and ever. Can any honourable member, who has thought about this, give me any reason why it should continue after the repayment of the $15,000,000 has been made?

In this way the cost to South Australia would be between $15,000,000 and $17,000,000 as a total cost and would guarantee that costs to consumers would be kept low. The cost factor is thus entirely in the hands of the banks. They will suffer no loss through the scheme; in fact, they could gain enormously. Banks get their liquidity from the return to them of money that they have advanced. That is why their advances are kept low by the Commonwealth to prevent their liquidity getting high and, when it does get high, they drain it off. It has got to the stage now where we cannot get any money for anything of major importance in this country unless we are prepared to bow our heads to the yoke of debt. I maintain that there is no necessity for the massive debt that is now inflicted on this country. In the first place, banks will always have millions of dollars in frozen assets for which they will receive $7,500 per $1,000,000 a year. This scheme will give them $15,000 a year on $1,000,000. On $40,000,000 it reaches astronomical figures. The banks have everything to gain and nothing to lose, and for a change they will be providing developmental money in the best interests of the State, a thing which up to now they have not done. The $1,000,000,000 that is our debt in this State, the spending of which has brought into existence the amenities that we have, is the basis of it: it is upon that that the money advanced by banks is based. In this case I say, "You will provide the money for this and it will not do you any harm; in return you will have the accrued balances that will come when that money returns to you through the expenditure of it." That amount could

be so great that the Commonwealth will be pulling more off, and they can't possibly lose; there is no loss in this to them.

The scheme is completely dependent upon the co-operation of the Reserve Bank of Australia, but any proposition that will bring so many advantages and injure no-one must be worthy of close consideration. The constitution of the proposed trust is important. There can be no harm in the banks representatives being appointed to the trust, and such representation must engender confidence. The State Bank of South Australia must be included amongst the banks' representatives, for it is a part of the overall banking business of the State. That bank has not got statutory reserves and its liquidity is usually fairly high, and of course there would be no objection to the State Bank providing a share of credit for the scheme. It is necessary for it to come into the picture because all the banks must be in it, for the reason that if one bank advances more money than other banks it will find when it starts to make the daily, weekly, fortnightly or monthly adjustments that it is losing its liquidity to the other banks. Therefore, all of them must be concerned in it so that they will balance and so that there will be no default on the part of any bank. The South Australian State Bank is one of those banks, and it must participate in the scheme. It will be a departure for the State Bank to handle money other than loan money. Usually the Old Lady of Pirie Street handles money which is on loan for housing and for such things; it has a trading bank, and it is very happy when it makes $200,000 profit.

Incidentally, I am not very happy at all about State Banks making profits, because if they make profits it means that they have made a charge for something that is in excess of their requirements. Be that as it may, the State Bank could be used to a greater extent. Many people say that they cannot use the State Bank, but they can do so, although they cannot use it to any greater extent than they can use any other bank, because they will deprive that bank of its liquidity. If the State Bank lends more than do the other banks, it will lose its liquidity. They must all be in this so that no one bank under a scheme like this will have an undue pull on the sources of its credit advances. The Electricity Trust, as the probable greatest consumer, must be represented, for that authority would buy gas in bulk for the generation of electricity. The South Australian Gas Company, although a private company, will also be a big consumer and is entitled to representation. The Engineering and Water Supply Department must also be represented. It is doubtful whether any authority has a better knowledge of pipeline construction, and the fact that a gas line differs from a water line is no problem. The technique is known and could be applied. I suggest that the line be built by the department whose technicians are top rank. Consumer (private) representation is highly desirable, as is a Government-appointed chairman. Which is the more appealing proposition: $15,000,000 or $100,000,000 in the same time to achieve the same end? Both are practical, but one is $85,000,000 cheaper than the other.

I now want to support what I have said in this place. This is what the Commonwealth Bank had to say (and it said it in its staff journal *Currency*) in April, 1952:

In a stable economy, the role of the note issue is a passive one only, and changes in the volume of notes are symptoms of operation of expansive or contractive forces affecting the economy rather than basic factors causing the expansion or contraction. The note issue is only part of the total money supplied, the greater part of which is represented by bank deposits. It is mainly through its control of bank lending which directly affects the volume of bank deposits—

I emphasize that—

that the central bank influences the volume of money available to the community.

When money is advanced and it is spent, that money goes back to the banks in the form of deposits. If those deposits are cash deposits, that is the basis upon which further lending takes place. The Commonwealth knows that, and therefore it has introduced this stringent control, against which there can be no opposition provided it is fairly exercised. Sometimes it is late in realizing what is necessary. In 1961 there was a shocking mess, and nobody apologizes for that. Everybody now talks about the 1961 credit squeeze. I forecast that there would be a shambles, and members can find that in *Hansard*. However, I received as much recognition then as probably I will receive now. At the same time, I will have the satisfaction of saying what I think it is necessary to do in order to serve the people of South Australia in the most advantageous way possible, and certainly I would never again be a party to the sort of stupidity that was exercised in 1961. I repeat for members the words from the journal *Currency*:

It is mainly through its control of bank lending which directly affects the volume of bank deposits that the central bank influences the volume of money available to the community.

The report from that journal goes on:

Bank lending operations are of particular economic significance, because they do not merely transfer existing purchasing power from one person or enterprise to another.

What is meant by that is that if I lend the honourable member for Alexandra $10 he has it and I do not have it, and when he has paid it back he does not have it and I do have it. However, in banking that is not the position at all, for, in the words of the journal referred to, "bank lending operations are of particular economic significance because they do not merely transfer existing purchasing power from one person or enterprise to another, as loans by individuals or other institutions do, but result in an actual increase in the total purchasing power." The report from *Currency* goes on:

A bank is able to create credit because when the funds it lends are spent they return to it or to other banks in the form of new deposits.

Those are not my words but are what the Commonwealth Bank preaches to its officers through its journal. There is no secret that the bank instructs its officers in that way. The only trouble with it is that people, including members of Parliament, will not take sufficient interest to find out the basis of this business. The report goes on:

If a bank lends more freely than its fellow banks it will find itself losing cash to other banks as the money lent by it is spent. If banks move roughly together and the central bank imposes no controls on the process of credit expansion, the ultimate limit to it is set only by the need of banks as a whole to keep enough liquid funds against their deposits. If, for example, banks consider a cash deposit ratio of 20 per cent adequate, an additional $20,000,000 of cash deposits would permit them to expand advances by up to about $80,000,000.

Who was being instructed then? I am asking for $15,000,000 and a credit advance of $30,000,000, and the pipeline would be built for $15,000,000. There will be obstacles, but they cannot be surmounted unless the position is known. I wrote to the Commonwealth Bank in 1961 when there were hurried releases of funds. The credit squeeze was affecting the country, and the bank released through the statutory reserve deposits three or four sums of $35,000,000. My letter states:

Recently, there has been a succession of $35,000,000 releases of impounded deposits to private banks and it has occurred to me that such releases by themselves could make little impact on Australia's economy. The question now arises: are these releases subject to a cash deposit ratio of 20 per cent, or some other figure, and, if so, what has been the recent ratio? Finally, what would be your estimate of the total credit made available by the banks from the last $35,000,000 release?

I received nothing but courtesy from the bank, and also a letter, which tells the whole story, as follows:

The Governor has asked me to reply to your letter of July 5. The recent repayments to the banks of funds held in their statutory reserve deposit accounts with the Reserve Bank were intended firstly to provide banks with funds to meet the usual drain on their cash over the June quarter when customers were making their tax payments and, secondly, to build up banks' "free" liquidity to support a moderate increase in their new lending.

I want $15,000,000 of free liquidity to support the request for $30,000,000 of credit to build a pipeline. The bank's letter continues:

By "free" liquidity is meant the amount of liquid and near liquid assets (comprising cash, working balances, Treasury bills and other Government securities; together referred to as "L.G.S. assets") under the banks' own control, over and above what they regard as a working minimum. The working minimum which banks have adopted in agreement with the Reserve Bank is a ratio of L.G.S. assets to banks' deposit liabilities of 16 per cent.

All the deposits of a bank are the bank's liabilities, and the old idea that the bank lends its deposits went out with hessian socks and blade shears. They have never done that in spite of the propaganda that was put out. Banks have to hold a minimum of 16 per cent of total liquidity against the total of depositors' assets, which are the bank's liabilities. Occasionally they had to adjust this, but I accept the agreed figure. The letter continues:

The above repayments from statutory reserve deposit accounts added directly to banks' L.G.S. assets and helped to raise the overall "L.G.S. ratio" to about 20 per cent thereby increasing the margin of "free" liquidity to about 4 per cent.

When they advanced $35,000,000 they lifted it from 16 per cent to 20 per cent in order to meet the conflict of the credit squeeze. That is how the Commonwealth got out of it. The letter continues:

Under the credit creation process described in the article in our staff magazine to which you refer, bank advances and deposits can, in theory, be expanded by several times the amount of the initial increase in the L.G.S. assets base. However, while it is the case that banks tend to be more willing lenders as the margin of "free" liquidity rises, variations in free liquidity are only one of a number of factors influencing their decision. A further factor complicating a strictly mathematical approach is that the term "new lending" is not synonymous with published figures of advances outstanding—

Outstanding advances are a direct brake on what they continue to lend, and are now being

penalized with an interest charge of up to 1 per cent. The letter continues:

the latter being the net result of new lending, repayments of old loans and drawings against loans approved earlier. Also the time which elapses while the various factors are working themselves out must be taken into account. In practice, therefore, the ultimate effect of repayments from statutory reserve deposit accounts on the volume of bank credit cannot be predicted precisely. It can be said, however, that the repayments recently made have put the banks in a stronger position to make a moderate increase in their lending.

When this action was taken the country was able to get out of the credit squeeze. The letter continues:

We hope the foregoing will also be of some assistance in explaining the matters raised in your letter. If, however, there are aspects on which you wish to have further information, it might be convenient for you to discuss them in the first instance with Mr. E. E. Chittenden, our manager in Adelaide, who would arrange where necessary to refer to us.

I thanked the bank, and went no further. I have shown that what I have put forward is essentially a practical proposition. The fact that over two years $40,000,000 is added to the spending will not have any more impact on the community than if it were borrowed money. People are afraid of inflation, but they should consider borrowing and lending as essentially inflation. Borrowing and lending is essentially inflation. We shall find that, where credit is extended without cost, the financing of a country is inflated no more than when credit is advanced at heavy interest. I think the time has come when we should look at our financial arrangements in this way, in the interests of the whole of Australia. I should like to see this country's Treasurers demand that the Commonwealth Government review the Financial Agreement. That agreement goes back a long way, and if it was necessarily good when it was first drawn up, it did not provide for the expansion that lies ahead of us at present. The agreement is hamstringing this country's progress. Australia is a young country; South Australia is only 100 years old, for all practical purposes, but we have lost our frontiers.

Today, we ask for higher education; we wish to send our children to universities. What for? To build dams and rivers in the outback? We certainly need engineers for such projects, but we also need to imbue young people with a sense of importance in the scheme of things—a sense that they are units of an advancing country that is vibrant with progress. Where is the vibrating progress anywhere in Australia? We merely hear the constant, screaming howl, "We can't do it; we have no money; we're broke." That is a financial lie. Everything that is needed in Australia in a practical way, provided the money and materials are here, can be obtained. Naturally, a racing expansion could be harmful, but why should it not be financially possible to build the Kangaroo dam, the Chowilla dam, and beef roads in the North, and all the things that are vital and necessary? This is the first time that such a financial scheme can be practicably applied. It is not outside the realms of orthodoxy; it coincides with what the banks are doing every day—every week. The advancing of credit takes place every time a bank grants an overdraft. When the Commonwealth Bank makes loans for development it, too, makes advances on credit. Such advances are long-term loans, but every bit of the money comes back. This is the bogey—the bunyip of which they think in the night: the authorities fear that too great a credit expansion will cause inflation, and that so much money will be available that it will lose its value. More money will be available than goods to purchase.

That sort of story which is told to frighten children is no longer tenable. The machinery exists in the Commonwealth Reserve Bank to see that 10 per cent or more of the banks' liquidity is skimmed off and held in cold storage. But what for? Is it to be held there *ad infinitum*? That source of spending for expansion will not hurt Australia's financial position; it will not cause inflation, because asset comes back as liquidity to the banks. It is then drained off again into the statutory reserves. How can it affect anybody? We have the control and we should use it, of course, with the consent of the Reserve Bank (if it advances the money) and with the willingness of private banks to have it used in the way that I have outlined. If that cannot be done, I should like to know why. The reasons why it can be done are satisfactory to me. Australia's whole banking organization can obtain millions of dollars for nothing, because every time it advances a mortgage loan or overdraft it obtains money for nothing. When that loan or overdraft is repaid, the value of the money is destroyed; it goes out of existence.

The banks' only interest is in the money they obtain whilst the borrowing is current. The borrowing on overdraft of $1,000 from a bank is also the creation of $1,000, which nobody in the banking world denies. Such a borrowing does not decrease the bank's deposits by one

cent, but if the borrowing is passed on to another person, and then repaid to the bank, its deposits are then increased by $1,000. However, the straight-out borrowing by one person merely destroys the $1,000. That is a lesson that honourable members will have to learn. It was heresy to expound that theory in 1941. Indeed, I was hounded down for daring to advance it. The information is all recorded, and supports what I said 26 years ago, but this is the first opportunity I have had to appeal to a Government to investigate the practicability of my proposal. The alternative to the $15,000,000 is the $100,000,000, which will result in a debt of $85,000,000 around the necks of Australians, and which will preclude forever the possibilities of obtaining cheap gas. Having put this matter to the House as an item of interest of financing the scheme—

Mr. Coumbe: Put it before the Public Accounts Committee!

Mr. QUIRKE: Yes, let the committee make the investigations and say, "Give us the reasons why this should not be done." The committee would have power to do that. I was really alive in 1936—

The Hon. R. R. Loveday: So was I, and I was saying the same things you're saying today!

Mr. QUIRKE: —when the Royal Commission on Banking (the Chairman was our present Chief Justice) said, "The banks can lend to institutions and others free of any interest, and without calling for repayment."

Mr. Lawn: I quoted that during the Address in Reply debate.

Mr. QUIRKE: The late Ben Chifley was a member of that Commission. He had the idea that the way to put that scheme into operation was to nationalize the banks; but that is not necessary. If we use money in this way we shall get a complete balance. They will not do anything to unbalance their organization. They are an efficient group of people. Anybody having an account with one of these banks knows that as soon as he overruns his overdraft he will know all about it—and they will promptly advise him of the fact, too.

I support this motion. I thoroughly believe in this. I should like any commission or organization that would look at this matter today to review the need for effecting a change in the scheme of things, as we know finance today. It is vital. The Government will be hamstrung in getting sufficient money to carry out its schemes if it is not careful. All Governments are in this difficulty. Past Governments have loaded South Australia with over $1,000,000,000 of debt. Do we want to continue in that way? I do not want to load posterity in that manner. There is no need for it. If we change the order of things, we can really expand this country and give its young people wider horizons than milk bars and cafes in the metropolitan area or standing behind the counter selling socks and haberdashery. Let us give them a real man's job. However, we cannot do it in this country without money. The country is crying out for roads and bridges. Even the Commonwealth Railways when there is an inch of rain gets bogged down on its tracks, which is a reproach to Australia. Again, there are times when we cannot get to Birdsville without going nearly into New South Wales. If we use money judiciously, we shall find we have all the money we need. We have the necessary brainpower.

Mr. MILLHOUSE (Mitcham): I support the motion because I want to get some action on this as quickly as possible. So far as I am concerned, the key word in the motion is "expedite", because the matter is of the greatest importance. The sad truth is that from what we can gather the Government just does not know what it wants to do in this matter. Every time the Premier speaks of it (and he spoke this afternoon in answer to questions) the issue, as far as I am concerned, becomes cloudier rather than clearer. He had his much-vaunted trip overseas but that does not seem to have had any effect. In this matter time is of the essence, for two reasons. The first is that the sooner we can build a pipeline and start using the gas in Adelaide (which will be the main centre of consumption, although I hope it will also be used in other places like Whyalla, Port Augusta, Port Pirie and Broken Hill) the sooner we can reap the benefit of this fuel.

The second reason is that, as far as our next-door neighbours in Victoria are concerned, gas has been found by the B.H.P.-Esso consortium, and it expects to be using the gas in two years' time. We must not allow the Victorians alone to get the advantage of the use of this fuel if we can possibly keep up with them. The essential thing is to get gas to Adelaide and for it to be sold competitively with other fuels. What seems to be holding up everything at the moment is the question of who is to build the pipeline to bring the gas to Adelaide, and how it is to be financed. There seem to be three alternatives. First, it can be built by the Government—and this seems to be the only assumption so far made by the

Government. Secondly, it can be built by private enterprise. Thirdly, it can be built by a partnership of Government and private enterprise. As I have said, everything that has been said by Ministers and the Premier about this assumes that it must be built by the Government. I do not agree with that assumption. I presume it springs from the fact that the Government is a Socialist Government and therefore always believes that Government enterprise is the way to do anything.

The Hon. C. D. Hutchens: Is that why we have Leigh Creek as it is?

Mr. MILLHOUSE: I do not agree with the assumption implied by the Minister. I thought he might have known better than the Premier but on this occasion he does not seem to. Apparently, he is wedded to this attitude of Government enterprise. I do not share this view, perhaps because I am a Liberal and therefore have a leaning towards private enterprise. So far very little has been put of the case for the pipeline's being built by private enterprise or, if not by private enterprise, by a partnership between private enterprise and the Government. Why should it not be built by private enterprise? The Minister has referred to Leigh Creek. Let me remind him that so far everything that has been done and all the money that has been risked to find natural gas in Australia (and we hope to find more oil in this country) has been by private enterprise. Governments in Australia have not concerned themselves directly with the search for oil in this country; they have not taken action to find oil or natural gas. Nor should they, because this is not, in my view, a function of Government. Oil search, with the accompanying gas search, is a highly speculative business that should be undertaken with private money. That is what has happened in Australia. I cannot believe there is any reason, now that reserves have been proved here in South Australia and elsewhere, why private enterprise should simply be dismissed and told it is no longer wanted now that it has started to deliver the goods. Yet that is what the Government and many people seem to assume.

May I, in support of private enterprise, remind the House of some facts well known to everybody about the search for oil in this State, out of which have come the discoveries of natural gas. This search has been undertaken primarily by the company known as Santos (South Australia and Northern Territory Oil Search). It is a South Australian company. Admittedly, much money from outside has been put into this search, because we in South Australia could not afford to do it ourselves; nor could Australia have afforded the exploration that has taken place. Therefore, it has been necessary for funds to come in from outside. Santos is a South Australian company and it has financed its operations through investment in that company. I hope indeed that, however the pipeline is to be built and whoever is to finance it, South Australian physical resources and professional ability, of which we have plenty, will be used in its construction. The aim of members on this side and I hope of members opposite (although it is not always obvious) is to have the greatest possible degree of development of the State's resources. When that can be done by using the talent, ability and experience in this State, I believe it should be done.

However, that is a digression: I was saying that Santos was the pioneer in this field. It was formed in 1954; it raised money from the public here; it was granted an oil exploration licence pursuant to the Mining (Petroleum) Act; and it started on its job. After the Commonwealth Government began to subsidize oil search in this country, it was possible to attract the interest of an American company, the Delhi-Taylor Corporation of Dallas (Texas). I understand that it was extremely difficult, though, to attract oversea interests at this stage in oil search in South Australia or, indeed, in Australia as a whole. One thing that attracted the Delhi-Taylor Corporation and other companies was that Australia had a good name for business dealing. These companies, which operate all over the world, have had much trouble and many kicks in other countries where they have invested their money in oil search and in other ways and have then been kicked out. This group believed that it could put its money here and risk it where it was acknowledged that it was entitled to some return if successful. I hope to goodness that this will happen, because let us remember that we have not found, I hope, all the gas here, and we have not found oil in any significant quantities. This is only the beginning, and we want the search to be continued, but it will not be continued if we frighten away oversea private capital. It is of the utmost importance that we do not do anything either in the letter or in the spirit to break faith with these people, because in the long run we shall be losers if we do. If we say to the Delhi-Santos group, which has invested about $26,000,000, "Thanks very much, boys. Now you have found the gas it is ours. You are not going

to get any return on it", this will immediately stop any further search for oil or gas in this State. We cannot afford this in our own interests, quite apart from the morality of the matter, because we hope we are only at the beginning of discoveries in this State. This is a very important fact to remember.

I have mentioned that this group has invested $26,000,000, which is the published figure, and now sufficient reserves have been proved to make the venture worthwhile, but what is the group's position? It has an oil exploration licence pursuant to sections 15 to 18 of the Mining (Petroleum) Act. Section 18 lays down the duties of a licence holder, but what is such a holder empowered to do? Section 18 provides:

Subject to this Act and the regulations the holder of an oil exploration licence shall have a preferential right to an oil prospecting licence or an oil mining licence in respect of any land comprised in the oil exploration licence.

The oil mining licence is the more important in the present circumstances, but all the company has under its licence, now the gas has been found, is a preferential right to the oil mining licence. In section 32 we find that the initial term of an oil mining licence shall not exceed 21 years, with rights of renewal, and section 33 provides that a licence confers on the licensee the expensive right to conduct all mining operations on the land comprised in the licence. However, this group has not got as far as that. Let us not overlook the important matter of the royalty that has to be paid pursuant to section 35, subsection (1) of which lays down that the licensee under an oil mining licence shall pay to the Minister a royalty computed at the rate of 10 per cent on the selling value of all crude oil, casinghead petroleum spirit, and natural gas that is produced from the land comprised in the licence, so that if the Delhi-Santos group is granted a licence (which I hope it will be) the Government will automatically get a 10 per cent royalty on the gross. This has been calculated to be worth a one-third partnership in the whole undertaking without the Government's having to put a cent into it. This is a pretty good reward for this State, and it should not be overlooked: it is in the Act and it will have to be observed.

What about the pipeline itself? There is no doubt that the actual physical construction could be undertaken just as easily and quickly by private enterprise as it could by Government enterprise. There is no reason to think the contrary. All one's experience (I hope members opposite will not dispute this too strongly, although I do not think they can) is that private enterprise is normally much quicker physically in getting a job done than Government enterprise is.

Let us see just what proposition can be put up by private enterprise in relation to financing the matter. Let us not assume that it can be done more cheaply by Government finance than by private finance. All I ask at the moment is that this should not be entirely overlooked. Much has been said about the price charged for gas at this end of the pipeline after it has been built. We know that in different parts of the world the price fluctuates, which it does for several reasons, the dominant factor being competition. The chief competitor (the member for Torrens will correct me if I am mistaken) for natural gas is fuel oil. It is no good having a price fixed for natural gas if it cannot compete with fuel oil, because I think I am right in saying that there is not an under-supply of that commodity. So, I believe competition will fix a price that is acceptable, because it will not be possible for the price of natural gas to be fixed too high. If it is, it will be priced out of the market.

That is all I want to say about private enterprise constructing and financing the pipeline. I do not believe that this should be dismissed; in fact, I say frankly that it would be my preference. What, then, would be wrong with a partnership between the Government and private enterprise? If this method is finally adopted I hope we use the many examples of this being done throughout the world.

I think I mentioned during the Address in Reply Debate that I was indebted to Mr. R. D. Southern of the Alberta Trailer Company for information regarding the arrangements in Alberta, which is rich in natural gas. I propose to say something about those arrangements, because we may be able to draw on the experience there to our own benefit. I propose to quote from an address to the New York Society of Security Analysts on the subject of the Alberta Gas Trunk Line Company Ltd. delivered in April 1964, by J. C. Mahaffey, Q.C., who is Executive Vice-President of that company. Mr. Mahaffey dealt with the history of Alberta and explained that there, as here, mineral and mining rights and the property in gas and oil were reserved to the State. He said that the policy of the Government is to auction such rights from time to time on a lease or licence basis and to retain a landowner's royalty and went on:

When this situation is fully realized, it is not difficult to understand why our provincial Government has established comprehensive conservation measures, why it has passed legislation preventing the export of gas from Alberta without permit (which permits will not be granted unless the long-term Alberta requirements for gas are protected) and why it is most anxious to preserve legislative control of all natural gas within our provincial boundaries.

I think that is what we should do in South Australia, too. Mr. Mahaffey continues:

Prior to the granting of an export permit to Trans-Canada Pipe Lines in 1954 the Government of Alberta passed a special statute creating The Alberta Gas Trunk Line Company Limited. There were several reasons for doing so but the primary motivation was the determination of our Government to retain the legislative control of the natural gas business in Alberta.

He goes on to draw a comparison with the United States where, because of the difference in the federal system, control of interstate pipelines has passed to the Federal Power Commission. He mentions that, as I think is well known, in the United States the Federal Power Commission even regulates the price of gas at the well heads. Incidentally, I am informed that this got the United States into considerable difficulty. Price control has destroyed incentive and recently the rate of discovery has dropped significantly, because the incentive to discover new supplies has been taken away by stringent price control. Mr. Mahaffey went on to say:

The Alberta Gas Trunk Line is an Alberta company. No inter-provincial or international pipeline company can obtain control of its corporate affairs and every exporter of gas must take delivery of that gas through Trunk Line's facilities at the provincial boundary. The company operates only within Alberta. It has no power to conduct business elsewhere and therefore cannot become an inter-provincial company subject to Federal control. Our company is not what we in Canada call a Crown Corporation. It is not Government-owned or operated. It is an investor-owned pipeline company. The incorporating statute provides that of the seven directors five shall be elected by shareholders representing the gas industry in Alberta and two shall be appointed by the Government. Directors must be Canadians who are domiciled in Alberta and have lived there for at least one year.

Although the company charter empowers it to buy and sell natural gas, Trunk Line has not entered that field of endeavour and there is no immediate prospect that it will do so. Its sole operation to date has been the transportation of gas for others. Such transportation has been pursuant to long-term contracts with customers . . .

That is as much as I propose to quote from the speech. Mr. Southern has also supplied me with a copy of The Alberta Gas Trunk Line Company Act and I propose to mention some of the powers given to the company pursuant to section 13 (1) of that Act. I think these are most important and I hope they will be included in any legislation here. The company, within the province only, may:

(*a*) act as a common carrier of gas.

This means that the company must allow gas owned by any body or company to pass through its pipes. The concept is the same as a common carrier on the roads, and so on. The powers continue:

(*b*) act as a common purchaser of gas from every pool in the Province,

(*c*) construct gas pipe lines for the transmission of gas, re-arrange gas pipe lines, install compressor and all other equipment required for, and perform all further acts and things for the purpose of conserving, gathering and transporting gas,

(*d*) develop, purchase, lease or otherwise acquire, hold, operate or maintain and control gas storage fields and the necessary facilities for their operation. . . .

(*f*) purchase, acquire, process, transmit, transport, distribute and sell or otherwise acquire and dispose of gas.

We could, with profit to ourselves and in fairness to everyone else, consider adopting a scheme of legislation such as operates in Alberta. I put to the House the alternatives of either allowing private enterprise to build and operate the pipeline subject to legislative control or of setting up a company, as has been done in Alberta. It may be that these two can be combined. I hope that this solution will be examined carefully. So far there has been precious little evidence that it will be.

I have mentioned that Santos, which began all this work, is the South Australian company run by South Australians. It has been necessary to import oversea capital, because we could not afford to do all this on our own. I should be the last to be happy to see control go to oversea interests but, on the other hand, we must not do anything to destroy the incentive to further search for both natural gas and oil in this State. We must try to balance these two considerations when we are deciding what the solution will be.

I have said several times that this is only the beginning of the exploration and development of these natural resources, but let me also say that, as I understand, on a proven field one does not sink just one well and tap the whole field from it: it is necessary to keep on putting down wells over the whole field at intervals of one-quarter mile or half a mile in order to tap the field. This, too, needs capital. The operator of the

field must get a sufficient return to cover the cost of this continuing operation so that here, as well as in the exploration for further reserves, there must be an adequate return to the operator of the field.

I hope all these things will be borne in mind but, above all, I hope we will get on with this matter and will not just dawdle and dilly dally as we have been doing (and when I say "we", frankly I mean the Government) over the last few months. As far as I can see, we have made absolutely no progress on this matter. Yet progress should and could have been made and it must be made if we are to take the maximum advantage of the discoveries in this State.

Mr. LAWN secured the adjournment of the debate.

MOTOR VEHICLES ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from July 28. Page 758.)

Mr. RODDA (Victoria): The Bill consists of a number of amendments to the Motor Vehicles Act with which, in general, I have no quarrel. However, the exception is clause 10, about which the Premier said in his second reading explanation:

Section 98a of the principal Act requires that all driving instructors be licensed. Many public authorities, such as the Electricity Trust and the Municipal Tramways Trust, have their own instructors and it is considered unnecessary that such instructors should be required to undergo a test by the Registrar and to be licensed by him. The amendment contained in clause 10 will exempt employees of public authorities who are approved by the Registrar from the requirements of section 98a so long as those employees are acting in the normal course of their employment.

Although the Premier's explanation referred to the Electricity Trust and to the Municipal Tramways Trust, no reference to those authorities is made in the relevant clause which adds the following words to section 98a:

or to or in respect of any employee of a public authority if such employee is approved by the Registrar and is acting in the normal course of his employment.

If we are to be specific, the two authorities should be referred to in the Bill. With the death toll on the roads and the increase in the use of motor transport, we should require that everyone that uses the roads is competent and that, therefore, everyone who instructs people to drive should be competent. The wording of the clause is broad and provides for the employees of any public authority. Therefore, in Committee I will move to strike out this clause. I support the second reading.

Mr. MILLHOUSE (Mitcham): I wish to refer only to clause 10 which deals with licences for driving instructors and which was dealt with by the member for Victoria. In his second reading explanation, the Premier said it was unnecessary for public authorities such as the Tramways Trust and the Electricity Trust, to have licensed instructors for their drivers. I do not know why the explanation referred to the Tramways Trust and the Electricity Trust unless it was simply to give an aura of respectability to the clause because, of course, they are not referred to in the clause itself, which refers to any public authority. I do not even know what a "public authority" means and I hope the Premier will be able to tell me what he means by this term. In any case, I think it is quite undesirable that, in the case of bodies such as the Electricity Trust and the Tramways Trust, drivers should not be instructed as well as possible because they have the responsibility of carrying passengers and of operating big and heavy vehicles that are difficult to drive. If the drivers are to be properly instructed, then the standard of instruction must be high and the standard of driving instructors must be as high as possible. The provision in the clause could operate only in the reverse direction.

For the life of me, I cannot see any hardship on any so-called public authority by its having to have its driving instructors tested and licensed, as is the position now. This practice is altogether desirable; we should do everything we can to make our roads safer. Therefore, I hope the House will have another look at this clause in due course. I should certainly like a better explanation of the reason for introducing this particular clause than the Premier deemed it wise to give. I expect from him (I do not know whether or not I will get it) a definition of public authority. I want to know what he means by this term although I do not think he knows; I do not know and I do not think anybody knows because I do not think there is any definition of it. Apart from this clause, which I think is undesirable, the Bill as it stands is all right. I have not yet had an opportunity to examine the new clause, dealing with a claim against a spouse by an injured person, which the Premier is to insert. However, undoubtedly the Premier will give a thorough explanation of it so that we will all know what he means on this occasion. Having pointed to the one matter in the Bill which I

think requires much consideration before we pass it, I support the second reading.

The Hon. FRANK WALSH (Premier and Treasurer): I assure the member for Mitcham that the Municipal Tramways Trust has its own school for drivers, who are strictly tested before being allowed to drive a bus owned by the trust. The Electricity Trust and the Police Force also do this. My information discloses that the drivers for whom exemptions are requested are fully trained and competent to drive the vehicles they use.

Mr. Millhouse: I should like to know the definition of "public authority", and how wide it is. It seems to me to be as wide as the world.

The Hon. FRANK WALSH: I have no objection to that, but I shall have an opportunity in Committee to obtain further information.

Bill read a second time.

The Hon. FRANK WALSH (Premier and Treasurer) moved:

That it be an instruction to the Committee of the Whole House on the Bill that it have power to consider a new clause relating to claims against an insurer in respect of an antenuptial injury caused by the spouse of the claimant.

Motion carried.

In Committee.

Clauses 1 to 9 passed.

Clause 10—"Instructor's licence."

Mr. RODDA: I am not happy with this clause because the words "public authority" are not specific, and I move that the clause be struck out.

The CHAIRMAN: The honourable member will achieve his object by voting against it.

Mr. MILLHOUSE: I am not satisfied with this clause. We do not know what a "public authority" is, but perhaps the Chief Law Officer of the Crown, the man who gives us our definitions, may be able to help the Committee by giving a definition of "public authority." So far as I know there is no definition; therefore, the clause is too wide. In addition, we should be raising the standard of driving, but this clause, while perhaps not having any effect, will not raise it. It takes away the necessity for driving instructors to be licensed, and therefore to be tested. This can work only against safer driving. For that reason, it is undesirable, and it has not been shown at all necessary to take out this provision. The points I am making are, first, that we do not know what a public authority is (it is certainly more than the M.T.T. and E.T.S.A.); secondly, that I think this is a move in the wrong direction; and thirdly, that I have not been given any reasons for this provision. I support the member for Victoria.

The Hon. FRANK WALSH (Premier and Treasurer): Although the Assistant Parliamentary Draftsman has informed me that a complete definition of public authority does not exist, let our approach be reasonable. I have referred to the Tramways Trust's competence. The honourable member has said that the authority could include both the Tramways Trust and the Electricity Trust; it could probably also include all Government as well as semi-government authorities.

Mr. Millhouse: What about district councils? Are they public authorities?

The Hon. FRANK WALSH: To the best of my knowledge, they are.

Mr. Millhouse: I think the provision is undesirably wide.

The Hon. FRANK WALSH: I am not so much concerned about what the honourable member thinks; he has asked me for information. In the interests of this legislation and of the Registrar (who has something to do with the matter) I see no reason for the opposition to the clause. A question has been asked of my honourable colleague the Attorney-General.

Mr. Millhouse: The Chief Law Officer of the Crown!

The Hon. D. A. Dunstan: And a very good one, too!

The Hon. FRANK WALSH: If I accept the honourable member's interjection regarding the Chief Law Officer of this State—

Mr. Millhouse: Not of this State: of the Crown!

The Hon. FRANK WALSH:—and compare the Attorney-General with his predecessor, I think we can all agree that we have a very competent officer today.

Mr. Millhouse: As I have already said, he is the brains of the Government.

The Hon. FRANK WALSH: It proves, then, that we have some brains on this side.

The CHAIRMAN: Order! The Chief Law Officer of the Crown is not mentioned in the Bill.

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

The Hon. D. A. DUNSTAN (Attorney-General): In saying a word or two about this clause, I would, with all due humility, offer a little correction to the member for Mitcham, because he has repeatedly referred to me by a

title I do not possess and have never laid claim to: I am not the Chief Law Officer of the Crown. There is only one; therefore, there is little point in being "Chief", is there? As the law officer may I draw the honourable member's attention to the Motor Vehicles Act Amendment Act (No. 2) of 1960, the proviso to section 79a of which reads:

Provided that if an applicant satisfies the Registrar that he has passed a driving test conducted by some other public authority and the Registrar is satisfied with the standard of that test, he may issue a licence. . . .

That is where the phrase "public authority" came from. It was already in the enactment recognized by a process provided for by the previous Government and supported by the member for Mitcham in 1960. Presumably, that Government knew what that phrase meant at that time, as we do now. A "public authority" means some other department of State or semi-governmental authority that the Registrar will recognize as such.

Mr. Coumbe: A statutory body?

The Hon. D. A. DUNSTAN: Of course—the Housing Trust, the Electricity Trust or one of the public corporations. In fact, a Minister could be a public authority if he was duly incorporated, as most, though not all, Ministers are. In this clause I draw the honourable member's attention to these words:

or to or in respect of any employee of a public authority if such employe is approved by the Registrar and is acting in the normal course of his employment.

There has to be a specific approval by the Registrar, and that is all that is necessary in this matter. It is a perfectly reasonable course of action and completely consistent with the amendment enacted in 1960, because the same process is gone through by the Registrar right there. So, with great respect to members opposite, I say they are making much fuss about nothing.

Mr. MILLHOUSE: I am grateful to the Law Officer of the Crown for his explanation and for drawing our attention to section 79a. All I can say is that when that provision was inserted in 1960 I must have been asleep.

The Hon. D. A. Dunstan: You can hardly blame us for that!

Mr. MILLHOUSE: I do not blame the Minister at all, but, because we made a mistake in 1960, it does not mean to say that we should make a mistake in 1966. The Law Officer of the Crown obviously did not know the precise definition of "public authority", because he did not give it in the course of his explanation just now. That is understandable, because there is no definition of it. I accept what he said about its meaning but this is not a precise meaning. I raised with the Premier before the dinner adjournment the question whether it would apply to a local government body. I do not know whether or not it would. It may or it may not—I am not sure—but quite apart from the question of the definition of "public authority" is the general principle of the standard of driving on the roads, which is far more important than the definition of this term. This can only reduce the general standard of driving. It may not have any effect at all, but, if it has, it can only reduce that standard—because what are we doing? We are removing an obligation to undergo a test that we have previously placed upon all driving instructors. What is the object of making driving instructors undergo a test? Surely it is to make certain that they are up to a sufficiently high and uniform standard to instruct other people to drive vehicles. We are removing that obligation by this amendment. We are removing it in the case of instructors of drivers who have a particular responsibility when they are driving on the roads.

In accordance with the Minister's second reading explanation, the Municipal Tramways Trust and the Electricity Trust will have the benefit of this. Goodness me—the drivers employed by the Municipal Tramways Trust carry thousands of people every year! They are particularly responsible for the lives and safety of the people on the roads and of their passengers. The Electricity Trust has a number of heavy, unwieldy, clumsy vehicles difficult to drive. We should demand the highest standard of driving there and not do anything to derogate from that standard. Yet, that is what we are doing. Why are we doing it? Apparently, it is to suit the convenience of these bodies and for no other reason at all. That is not good enough when we are dealing with a matter involving human lives. I don't care two hoots about the definition of "public authority", important though it may be. Much more important is the safety of the people on the roads and the people who entrust their lives to drivers who are to be instructed by driving instructors. All that this amendment does, if it does anything at all, is to detract from the standard of those instructors and the instruction they will give, which is a far more important reason for opposing this amendment than the other one although I still rest my case on both reasons.

The Hon. FRANK WALSH: At this stage we should not be trying to resolve the question of public duty. We are dealing with a specific clause of the Bill. Section 98a of the principal Act as amended by clause 10 of this Bill reads:

Provided that nothing in this section contained shall apply to or in respect of any member of the Police Force acting in the course or execution of his duty or to or in respect of any employee of a public authority if such employee is approved by the Registrar and is acting in the normal course of his employment.

The insertion of this amendment meets the objections raised by the honourable member. Irrespective of whether the person concerned is driving a tramways bus, utility, car, or the heavy equipment of the Electricity Trust mentioned by the honourable member, he must be approved by the Registrar, as this is in association with his employment.

The Committee divided on the clause:

Ayes (17).—Messrs. Broomhill and Burdon, Mrs. Byrne, Messrs. Casey, Clark, Corcoran, Curren, Dunstan, Hudson, Hughes, Hutchens, Langley, Loveday, McKee, Ryan, Shannon, and Walsh (teller).

Noes (13).—Messrs. Brookman, Coumbe, Ferguson, Freebairn, Hall, Heaslip, Millhouse, and Nankivell, Sir Thomas Playford, Messrs. Quirke and Rodda (teller), Mrs. Steele, and Mr. Teusner.

Pairs.—Ayes—Messrs. Bywaters, Hurst, and Jennings. Noes—Messrs. Bockelberg, McAnaney, and Pearson.

Majority of 4 for the Ayes.

Clause thus passed.

Remaining clauses (11 to 14) passed.

New clause 13a—"Claim against spouse by injured person."

The Hon. FRANK WALSH: I move to insert the following new clause:

13a. Section 118 of the principal Act is amended—

(*a*) by inserting after the word "person" (second occurring) in subsection (1) thereof the passage "(whether or not they were married to each other at the time of the injury)";

and

(*b*) by striking out the words "unless the spouse has as soon as reasonably possible after the injury was caused" in subsection (5) thereof and inserting in lieu thereof the passage "unless—

(*a*) if the injured person and his or her spouse were married to each other at the time of the injury, as soon as reasonably possible after the injury was caused;

or

(*b*) if the injured person and his or her spouse were not married to each other at the time of the injury but were so married within twelve months before the commencement of the Motor Vehicles Act Amendment Act, 1966, within one month after they were so married or after such commencement, whichever last occurs;

or

(*c*) the spouse has.

This new clause amends section 118 of the principal Act relating to claims against an insurer by the spouse of the insured person. Where bodily injury is caused by negligence of an insured person to his or her spouse, the injured spouse may recover damages against the insurer, but there is considerable doubt whether such a right exists if the injury was caused before marriage. The Government considers that there should be a remedy in this case. Accordingly, section 118 (1) is amended so as to extend the scope of the section to cover an injury that occurred before marriage. By virtue of the amendment to section 118 (5), the new right of action will be conferred retrospectively to extend to all cases where the marriage upon which any such right of action would be abated occurred within one month or before this Bill becomes law. The Government considers this to be the gap in the law that should not have existed and that to deny any remedy because the two parties concerned marry after the injury would be an unjustice. One such case has been brought to the attention of the Government, and there may be others.

Mr. MILLHOUSE: The Premier has just explained this new clause and I would greatly appreciate having time to consider it, as it will make section 118 (5) involved.

Mr. HEASLIP: This matter should have been dealt with in the second reading explanation. What is wrong with the drafting when, after the second reading explanation has been given, we are asked to deal with a far-reaching amendment in Committee?

The Hon. FRANK WALSH: I mentioned ante-nuptial injury when I gave this contingent notice of motion. This matter arises not from the Government's neglect to do something but from arguments on law that have been presented in court since this legislation was before the House during the last session. Surely members opposite will not hold me responsible for what has happened in legal proceedings in

the State, although I am not objecting to what has happened in those proceedings.

The Government desires to help solve the problem that exists at present and I have mentioned that one case of this nature is pending. The amendments were not put on file this evening: I gave notice of them in sufficient time to have enabled members to examine them. Surely the member for Mitcham must have heard about the case that is before the court. Will he say he has not heard of that case? He is asking that we delay giving equality of justice to people who are before the court at present as a result of an unfortunate happening. I think the matter has been dealt with in sufficiently wide scope to enable the Committee to understand the desirability of carrying this amendment this evening.

Mr. SHANNON: I have reservations about this proposal. Hard cases make bad law and I point out that the insurer concerned did not know the risk that he would be covering if this amendment affects the risk covered by the policy.

Mr. MILLHOUSE: I know that this amendment has been on the file for some time but the Premier's explanation, although not a long one, was not short, and I am not able to absorb an explanation as he reads it. There is no blame attaching to him. I merely ask that we have an opportunity to study his explanation in order to see whether the amendment is justified.

The Hon. FRANK WALSH: I do not think anyone would have expected that people would lose all rights if they married after an accident occurred. As there appears to have been some misunderstanding, I ask that progress be reported.

Progress reported; Committee to sit again.

Later:

In Committee.

The Hon. FRANK WALSH: I seek leave to amend new clause 13a as follows:

To strike out "or (*c*) the spouse has"; and in paragraph (*b*) after "unless" second occurring to insert "the spouse has".

Leave granted.

Mr. MILLHOUSE: I move:

In paragraph (*b*) to strike out "12 months" and insert "three years".

I think all members appreciate the courtesy extended to us by the Premier earlier in the evening, in allowing this matter to be held over for a little while. As we now find, it has been to everybody's advantage, because the Premier himself has seen fit to move an amendment to the clause as he originally introduced it. As I, personally, am now quite satisfied with the aim of the clause, I would not oppose it. The purpose of my amendment is to cover the case where a girl, travelling in the car with her boy friend, is injured, and where, before she can take proceedings for damages, they are married. If the period to take action remains at 12 months, it is conceivable that cases that arose longer ago than 12 months, and up to three years, will not be covered. That cannot happen if "three years" is inserted.

The Hon. FRANK WALSH: I am prepared to accept the amendment.

Amendment carried; new clause, as amended, inserted.

Title passed.

Bill read a third time and passed.

MINISTERIAL STATEMENT: GAS.

The Hon. FRANK WALSH (Premier and Treasurer): I seek leave to make a statement.

Leave granted.

The Hon. FRANK WALSH: This afternoon, when the member for Gumeracha (Hon. Sir Thomas Playford) raised the matter, I was unable to give information about negotiations taking place on natural gas. After Question Time today I was informed that discussions were taking place between representatives of the Delhi Australian Petroleum Limited, Santos, Burmah Oil Company, the French Petroleum Company of Australia, the Mines Department and Bechtel Pacific Corporation Limited, which is the consultant to the Government. These representatives have conferred today in an endeavour to iron out some of the problems associated with natural gas. I make this explanation because I do not want members to form the opinion that, this afternoon, I was endeavouring to withhold information concerning this conference that would be published in the press tomorrow morning. As I received this information too late to give it at Question Time, I ask the House to accept it now.

LOTTERY AND GAMING ACT AMENDMENT BILL (T.A.B.).

Adjourned debate on second reading.

(Continued from August 9. Page 943.)

Mr. HUDSON (Glenelg): When I commenced my remarks on the Bill last night, I immediately dealt with some matters put before the House by the Leader of the Opposition. I gave certain figures based on betting turnover for the year 1964-65. In that year betting turnover was higher than it was in the last financial year. I now have figures for

the 1965-66 financial year and I should like to adjust the figures I gave last night accordingly. Taking the Leader's estimate of an extra $600,000 of Government revenue from the Totalizator Agency Board in its second year of operation and adding to that the ½ per cent additional turnover tax that he proposed (which, on the total turnover for 1965-66 of $55,022,367 would give in a full year an additional $275,112), the additional revenue from T.A.B. and turnover tax combined would be $875,112. In 1965-66 the winning bets tax meant to the State $995,263. If the Leader's proposal to eliminate the winning bets tax altogether in the second year of operation of T.A.B. were accepted, $995,263 would be lost to the revenue of the State. In addition, under the Bill the State would have to pay to the clubs 50 per cent of the clubs' proceeds from winning bets tax. The clubs' proceeds in 1965-66 were $323,915, so that there would be an additional payment by the Government of $161,958. The total cost to the Government would then be $1,157,221 offset by extra revenue of $875,112, leaving a net loss to revenue of $282,109.

I claim tonight, as I claimed last night, that that sort of loss of revenue at this stage would not be possible because of the financial position with which South Australia is faced. Our financial position is similar to that currently facing New South Wales and Victoria. Members may be interested to know that the financial position in Victoria at present is so disastrous that the Premier of Victoria has applied for an emergency grant from the Commonwealth Government. The present financial position facing all the States of Australia, because of the combination of a number of factors, is serious indeed. In those circumstances, and with the growing commitments that the State Government must meet in all fields, the prospective loss in revenue of $282,109 is not possible. I noticed today that the Leader has started to shift his ground. Today's *News* reports:

Mr. Hall said he had not yet decided whether to move for the abolition of the winning bets tax after one year of T.A.B. operation, or to suggest that it be allowed to continue for two years.

Last night he was going to allow it to continue for only one year; now it is two years; and, perhaps, next week it may be three years. I am sure that if he were the Treasurer of the State it would disappear altogether. His proposal is merely a little bit of grandstanding designed to attract political kudos. He knows as well as members on this side that if he were Treasurer and proposed to eliminate the winning bets tax in April, 1968, if he had a responsible Cabinet its members simply would not agree with his proposal: they would have to overrule it. Of course, he might have an irresponsible Cabinet. In the Bill, the Government intends to eliminate the winning bets tax on the punter's stake, after the first year of T.A.B. operation. This is important because I do not think many people realize what that is going to cost. In fact, 30 per cent of the revenue from winning bets tax comes from tax on the punter's stake.

Mr. McAnaney: Where did you get that figure?

Mr. HUDSON: It is an estimate on which the Treasury and the clubs agreed; actually, the figure is between 29 per cent and 30 per cent. That may sound high but, if the member for Stirling thinks about it, it is high because of the existence of place or each-way betting. One may bet $1 each way on a horse at 4/1: if the horse is placed third the amount received is $2 for the place bet less the winning bets tax, and the proportion of the $2 which is the stake money is 50 per cent, or $1. Because of the preponderance of place betting the amount of winning bets tax involved on the punter's stake money is as high as 30 per cent. That item means a loss in winning bets tax revenue of about $400,000 which, because of the current position facing South Australia and of the dire need for additional revenue (and no member at all responsible could deny the need for additional revenue), means that all that can be done at this stage is to take the winning bets tax off the punter's stake. Later the position may be reviewed and, if possible, the Government will be prepared to do that. However, to make a definite commitment now based on estimates of T.A.B. turnover, when one can never be sure of the turnover results and what revenue will accrue, would be irresponsible and playing fast and loose with the responsibility of Government that must be faced.

The people of South Australia should seriously consider that one of the main complaints of punters over the years about the winning bets tax is that it is levied on the stake money. Now that will be rectified, but the cost of rectification is $400,000, which is a substantial sum. The Leader tried to make a great play that this Bill is not identical in every respect with the Victorian system of T.A.B. It is similar to that system, and I hope the Leader is aware of the difference between "similar" and "identical".

Mr. Casey: That was pointed out to him 12 months ago, but I don't think he has cottoned on yet.

Mr. HUDSON: Let us pursue his argument for a moment. In Victoria the return to the Government from T.A.B. has been a net addition to revenue. One characteristic of the Victorian system was that Government revenue gained over the last year by about $5,000,000. Now, hospitals and other charities in Victoria can expect to receive more than $5,000,000 a year as a result of T.A.B. This assists the Government's revenue position. Whilst this is a feature of the Victorian position, the Leader who insists that we must adopt the same system as that operating in Victoria, because of last year's motion, is prepared to deny in the first year of T.A.B. operation any increased revenue for the Government. This is serious because, as I pointed out last night (and from the Leader's remarks tonight he has not realized it), the revenue from T.A.B. goes into the fund to be used for hospitals. From the winning bets tax the revenue goes into general revenue. It may be insisted that any profit to the Government from T.A.B. must be extra spending on hospitals. However, I think all members agree that if T.A.B. returns the Government $600,000 in the second year, all of that money and I hope more from general revenue, will represent additional spending on hospitals.

But, if that is the case, and all the revenue from T.A.B. must be additional spending on hospitals, the reduction in revenue as a result of adopting the Leader's proposal must mean less revenue is available for other Government commitments. It means less revenue for education, and if I asked the Leader whether he was advocating cuts in education expenditure if that proves necessary to take off the winning bets tax *in toto* he would be forced to say "No", and I would not embarrass him by asking that question. T.A.B. has several jobs to do: it has, on the record of other States, a job to do for hospitals that are a direct or indirect responsibility of the Government. It has a job to do for the racing industry, and this is equally important in many respects. It has a job to do for the punter as well as for those directly employed in the racing industry. A T.A.B. scheme in this State would not be a success unless it were capable of increasing stake money by about 50 per cent on the average race, and of providing funds in addition to that to plough back into improved facilities on racecourses. The system of T.A.B. proposed will do all those jobs. The clubs' deduction from T.A.B. turnover is 8¾ per cent, from which the costs of running T.A.B. must be met.

It is expected that, once the system is established, the net gain to club revenue will be about 3 per cent of the total turnover of T.A.B. Of the 8¾ per cent, 5¾ per cent will meet costs and 3 per cent will be the net gain to club revenues. Within five years we can expect that T.A.B. turnover in this State will reach a minimum of $30,000,000, and 3 per cent of that as additional revenue to the clubs would be $900,000 in a full year. As a deduction from that revenue we take the clubs' share of winning bets tax so that on a conservative estimate of T.A.B. turnover the clubs can expect a net increase in revenue of about $600,000 within five years. In each of the first five years after the introduction of T.A.B. the clubs can expect a net increase in revenue, starting from the first year, of about $200,000, and building up within five years to $600,000. Should that estimate of $30,000,000 turnover for T.A.B. in five years be conservative, and should we reach the Victorian per capita figure of about $40, then we can expect in South Australia in five years a turnover of $40,000,000, resulting in a total club revenue from T.A.B. of $1,200,000. After making the adjustment in regard to the winning bets tax, the clubs can expect a net gain of $900,000. Looking at it in this way, the clubs can expect to gain from this Bill in five years a substantial net increase in revenue of from $600,000 to $900,000.

The ordinary race at present at, say Morphettville, carries a stake of about $1,400, and I think most of those who have any interest in the racing industry hope that the stake for the average ordinary race at a course such as Morphettville should be raised within a few years to $2,000, which is virtually an increase of 50 per cent. That would require an increase of about $5,000 in stake money each race day, with a seven or eight-race programme. For the metropolitan race clubs with 60 meetings a year, $300,000 in a full year would be required to raise the stake of the average race by 50 per cent, not allowing for increased stakes, of course, in country and trotting races. Allowing an extra $150,000 in increased stakes for country and trotting races, an extra $450,000 would be devoted to stake money and, with a net gain to clubs of $600,000, money would still be left over to enable improved facilities for the ordinary race-going public. That is a most important feature of the Bill and one on

which I think honourable members should be quite clear. One of the prime objects of the Bill is to ensure that stake money can be increased, and facilities improved.

These changes will mean important consequences for the ordinary person associated with the racing industry—the ordinary trainer, jockey, owner, stablehand, and so on. I think that everyone employed in the industry can expect to gain from the introduction of T.A.B. over the next five-year period. Nobody should be misled, by the Leader of the Opposition's remarks yesterday, into the trap of thinking that the Bill does not do the job for the racing industry. I shall presently demonstrate that this Bill will do even a better job for country racing than it will, in fact, do for city racing. I have heard it rumoured that the Government's intention in relation to the Bill is not to provide an off-course betting service for the public but to provide extra Government revenue, and nothing for the racing industry. Nothing could be further from the truth.

Mr. Rodda: Who said that?

Mr. HUDSON: I have heard it said; it has been said to me. A number of people have been misled by the kind of remarks that have been made, particularly in the last day or so, to the effect that T.A.B. in South Australia is not going to do the job for the racing industry that it has done in other States. I wish to give the direct lie to that point. It is noteworthy, too, that while the Leader of the Opposition was prepared to sacrifice Government revenue, none of his proposals in any way affected the position of the clubs. I suggest that with a Bill such as this, which is looking after a section of the community, namely, the racing industry, the community as a whole has the right to expect that other benefits will accrue from it—for example, benefits for hospitals. T.A.B. has a number of jobs to do, which must be kept in the forefront all the time.

The Bill is workable; it will work for the racing industry and for the Government; it is in every respect a more generous and progressive measure than the one proposed by the previous Government—the infamous 14-point plan to which, as a member of the previous Government, the Leader of the Opposition gave his support. That plan, of which I have a copy here, intended to take off the the winning bets tax on the punter's stake (and no more than that) and to increase the turnover tax by ½ per cent. The net result of that was set out in the proposal put up to the clubs at the time, namely, that the racing clubs would have an additional $88,000 revenue, and that the Government would have an additional $92,000 revenue.

This Bill does not change the turnover tax, and the winning bets tax comes off the stake. The provision for off-course betting is far more reasonable than the one in the 14-point plan. The previous Government's plan would never have achieved the turnover that would have enabled the return to the clubs to raise stake money for the ordinary trainer, owner, and jockey, and to improve racecourse facilities, because the plan was based almost entirely on telephone betting. It is noteworthy that in Victoria only 8 per cent of the total turnover on T.A.B. occurs from telephone betting; 92 per cent takes place by cash investments through the agencies. Telephone betting was made an essential feature of the 14-point plan, a further feature being the tax proposals that were harsher than those in this Bill.

Mr. Langley: The racing clubs didn't want it.

Mr. HUDSON: They had their arms twisted into agreeing to it. It certainly would not have been of great benefit to the racing industry in South Australia. The plan would have been a disastrous scheme if it had ever been introduced. But that is the record of the previous Government. It introduced the winning bets tax 16 years ago, yet the present Government is now being accused of doing nothing about it. As I explained, 30 per cent of it is being removed from the punter's stake. The previous Government kept the winning bets tax on for 16 years. It is apparent that the general revenue of the State is used to meet expenditures of the State in circumstances where expenditure is running ahead of revenue. I believe that the concession that the Government has made in relation to this Bill is all that can be done at present because of our overall financial position.

A moment or two ago I said that this Bill would do a job for country racing in this State. I believe that to be true, for an important reason. Under the Stamp Duties Act the stamp duty on the on-course totalizators at country racing clubs is generally at a lower rate than is the stamp duty at metropolitan racing clubs. The rate of duty for metropolitan clubs is 5¼ per cent; the rate of duty for country racing clubs varies from 1¼ per cent up to 5¼ per cent, depending on the turnover on the on-course totalizator. If the turnover on a particular day is less than $4,000, then the rate of duty is 1¼ per cent.

Where the turnover exceeds $4,000 but does not exceed $6,000 the rate of duty is 2¼ per cent; between $6,000 and $8,000 it is 3¼ per cent; between $8,000 and $10,000 it is 4¼ per cent; and in excess of $10,000 the rate of duty is 5¼ per cent. It will be possible with the introduction of T.A.B. for the off-course T.A.B. money to be shifted on to the on-course totalizator at a country racing club. One of the problems at present with country on-course totalizators being that, because of the small turnover, on each race there is a very low pool indeed.

If, for example, any punter went along to the on-course totalizator and placed a bet of $10 on a particular horse, the price he would get from the totalizator if that horse won would be reduced. But, once the off-course money is transmitted to the course and goes on to the on-course totalizator, the size of the pool will increase, and a punter who wants to bet $5, $10, $20 or even more will be able to place his bet on an on-course totalizator at a country race meeting without affecting the price of the horse he has backed. This means that a similar thing will happen in South Australia to what happened in Victoria: the turnover, from punters on the course, on the on-course totalizators at country race meetings will increase. If we had a country race meeting with a turnover of $800, it would experience a rate of duty of 1¼ per cent at present, which would mean that that country racing club, under this Bill, would receive for the first three years 12¾ per cent of that turnover of $800 and, if the effect of the off-course money coming on to the course was to increase the on-course pool (apart from the off-course money) from an $800 pool to a $3,000 or $4,000 pool, then we can see that the country racing club would stand to gain a substantial increase in its revenue from that on-course totalizator. For example, an increase of $3,000 would give the country racing club concerned an increase in revenue of about $380 on that one race day.

I suggest that this point alone should be given great consideration by the country members in this House, because they must take into account the fact that the country racing clubs will benefit not only from a distribution from the profits of T.A.B. but also from an improvement in the turnover on the on-course totalizator; and the overall improvement in club revenue will, in my judgment, be greater percentagewise for a country than for a metropolitan racing club. I think much will depend on whether the country racing clubs in a particular area (say, the South-East) are prepared to get together and concentrate first of all on one course, to be developed as the main course in that area. I have no doubt it is much easier for me to speak on this topic than it is for the member for Victoria (Mr. Rodda) and to advocate that the Mount Gambier Racing Club, for example, should become the main centre for racing in the South-East and that the efforts of the South-East racing clubs should be directed towards building up, first of all, Mount Gambier.

Mr. Burdon: I would agree to that!

Mr. HUDSON: But in a particular area of the State the country racing clubs could get together and say, "To the extent that we shall improve facilities from the return we get from T.A.B. and from the additional money that will be made available to us from the on-course totalizator, we should perhaps direct this towards improving facilities properly at one particular course first of all and not fritter it away over a number of courses." However, let me make it clear that this Bill does not require of the country racing clubs how they should conduct their affairs, whether they should get together and concentrate on one club or whether they should spread their efforts. It is entirely up to them. I am simply making a point about the situation. One or two country racing clubs in Victoria have become quite significant racing clubs as a result of the benefit, assistance and the wise use of the money by the committee of a particular club; and I hope that happens here. It is certain, however, that the introduction of T.A.B. into this State will enable the country racing clubs to get themselves out of the doldrums; it will give them the opportunity to lift and boost country racing just as it will give the metropolitan clubs (though to a somewhat lesser extent, I think) the oportunity to boost significantly the standard of racing in the metropolitan area.

Thinking back to the debate that took place on this topic last year when the motion was first introduced into the House, my impression of that debate, when honourable members were concerned with the phrase "similar to Victoria", was that members were anxious that, if we were to have off-course betting in this State, we should have a system similar to the way in which agencies were conducted in Victoria, and not something at all akin to the old betting shops, or the system in Western Australia.

Mr. McKee: But "similar to Victoria" does not mean "identical", does it?

Mr. HUDSON: No. That is the outstanding impression I have of that debate, that honourable members did not want to see an

agency as a place where people congregated throughout a race day, where race events were broadcast; they did not want to see a situation where members of the public were encouraged to go back and forth to an agency all day and every day.

Mr. Ryan: From the pub to the betting shop!

Mr. HUDSON: Yes. They wanted a system that operated socially in the way that the Victorian system did and still does, as was shown in the film we saw last night. The Victorian agencies are in no way similar to the old betting shops that existed here in the 1930's. We do not want a return to the old betting shops and, if a motion were brought before the House to introduce them, I am sure it would get almost no support. This Bill contains important provisions that will, I think, ensure that the T.A.B. system that will operate in this State will produce agencies the conduct of which will be no worse than and may easily be an improvement on the Victorian agencies.

The system here could certainly be similar to the Victorian system. The punter will not be able to collect his winnings on the same day or after each race (as can be done in New South Wales and Western Australia) but will have to wait until the following day of business before he can collect. That is one of the essential features of the Victorian system, and it is this feature that Victorians claim has led to a significant percentage of punters altering their social behaviour. They claim that many punters who previously spent Saturday afternoons ringing up their bets with their illegal S.P. operators now tend to place their bets on the Saturday morning or the Friday at the local T.A.B. agency and then go out with their families or to some sporting function on Saturday afternoons. If they take a transistor with them, they can still find out whether they have won or lost, but there is no point under the Victorian system in the punter's staying at home to listen to the races, thereby depriving the rest of his family of an outing. Victorians to whom I have spoken have impressed upon me that they regard this as one of the essential features of the system, and it is one of the reasons for its great acceptability. It is one of the reasons why even the section of the community that was most opposed to T.A.B. before its introduction says that the system now operating is better than the old method of having illegal S.P. operators prevalent everywhere, with the punter betting on credit and getting into debt with the bookmaker, going to the hotel throughout the afternoon, and so on. This opinion is very strongly expressed, and I believe there is a case for those who are opposed to gambling to support this measure. The argument, I think, goes like this: under an illegal S.P. system betting is likely to be much greater than under a system where the punter must bet with cash in his hand. As I have no doubt members opposite know from experience, betting with most S.P. bookmakers is done on credit.

Mr. Nankivell: Are you speaking from experience?

Mr. HUDSON: I am going on what I have been told. I am a very innocent character and, as members opposite have been fond of telling me, I have very limited practical experience. With the S.P. operator, the average punter plays up his winnings. Because he can bet on credit, he bets more than he can afford, with the result that the S.P. system can build up substantial turnovers. It was estimated by the Victorian Royal Commission that the annual turnover on illegal betting in that State was $500,000,000. I imagine this has been reduced substantially—probably by 70 per cent or more. The turnover on T.A.B. in Victoria after five years of operation is only between $125,000,000 and $130,000,000. In that State S.P. betting turnover has decreased considerably. Most people there to whom I have spoken think it has decreased by between 75 and 80 per cent.

Mr. McKee: How can they judge?

Mr. HUDSON: Only by impression and by a few simple facts. If the introduction of T.A.B. takes away much of the turnover of the S.P. man, he finds it much more difficult to make a profit. Many illegal operators in Victoria have been forced out of business by this factor alone. Not much police supervision was required to bring this about.

The Hon. J. D. Corcoran: Your figures lead one to the conclusion that there may well have been a reduction in gambling on horse races in Victoria.

Mr. HUDSON: I think that may well be true. The member for Port Pirie (Mr. McKee) shakes his head. Although I would hate to cross him in anything, I am prepared to back my judgment. I believe that in Victoria the introduction of T.A.B. has certainly not increased the total volume of betting on horse races, and it has certainly allowed the betting that takes place to be carried on in a more civilized manner that benefits not the private S.P. bookmaker but public hospitals. It contributes towards the community as a whole and not towards the profits of one individual.

Although I have not heard of instances of this in South Australia, I have heard of cases in other States, and certainly in England, where punters have got into debt and the S.P. bookmaker has employed "stand-over" men to collect. That is a most undesirable feature of the current illegal bookmaking system, but it is not a feature of a T.A.B. system, under which one must establish an account, pay a deposit, or bet for cash.

Mr. Hughes: I am glad you got off hospitals, because you had me sympathetic for a while.

Mr. HUDSON: If we know illegal bookmakers are going to flourish without a T.A.B. system, a real case can be made out for those who oppose gambling to support the introduction of T.A.B. In fact, I think a person who opposes gambling in any form because he thinks it is wrong could vote against a lottery and support T.A.B. The Minister of Lands tells me that, if I am not careful, I shall convince even the member for Gumeracha. I am delighted to try, but I suspect that it would be difficult to achieve. New section 31h deals, *inter alia*, with the siting of agencies, and subsection (2) provides:

The board shall not establish or operate any office, branch or agency unless the location and premises thereof have first been approved in writing by the Minister who, before granting or refusing such approval, shall have regard to the proximity of the proposed office, branch or agency to places of public worship, schools and educational establishments, premises licensed under the Licensing Act, 1932-1964, and such other matters as he considers relevant.

That is a clear and important instruction that the board, with the Minister's approval, must ensure that agencies are sited properly and not immediately adjacent to places of public worship, schools or hotels. It will assist in the establishment of a system by which agencies operate in a decent and civilized manner. New section 31m makes provision in relation to the mode of betting, and here I should like to correct the Leader of the Opposition, who made a mistake about the meaning of this provision in his speech last night. The Leader wanted to suggest that a person betting at an agency, having bet by cash in the first instance, could bet on credit if he had a win.

Mr. Nankivell: What rubbish!

Mr. HUDSON: That interjection encourages me to quote, for the benefit of the member for Albert, what the Leader said, and he can give his Leader a talking to afterwards. The proof of what the Leader of the Opposition said reads:

The Bill provides that a dividend in respect of a bet made by a person at any office, branch or agency of the board may be credited to a credit account established by the person with the board at any time after the dividend is declared. It may be an administrative matter for the board to determine, but it seems to me that a person with substantial winnings from, say, the first race of the day could establish credit and re-invest on a subsequent race on that day.

The member for Albert interjected, "By telephone betting!"

Mr. Casey: He tried to save the Leader, but he couldn't.

Mr. HUDSON: The *Hansard* reporters, with their magnificent ability, interpreted correctly the intonation in the voice of the member for Albert and added an exclamation mark, not a question mark. The Leader of the Opposition then said, "No, this provision does not refer to telephone betting." And the member for Adelaide (Mr. Lawn) interjected, "You haven't got a clue." The member for Adelaide was correct, as usual. New section 31m (1) provides:

No bet shall be accepted by the board or any person acting on behalf of the board unless the person making the bet—

(*a*) deposits the amount of the bet in cash at an office, branch or agency of the board;

or

(*b*) makes the bet by letter sent through the post or by telegram or telephone message received at an office, branch or agency of the board and the conditions prescribed in subsection (2) of this section have been complied with.

That new subsection makes it clear that any bet made at an office or agency over the counter must be by cash and, as is the case in Victoria, a dividend resulting from such a bet cannot be collected until the following day. That means that a person betting in that way will not be able to reinvest his winnings. Subsequent subsections refer to the procedure to be adopted when a person bets by telephone.

Again, the system in this Bill is the same as that in Victoria. If a person bets by telephone, having already established a deposit, and wins, it is possible to have the winnings credited immediately and to reinvest those winnings. However, if the pattern here follows that in Victoria, telephone betting will be a small percentage of the total bets. As I have said, telephone betting in Victoria represents only 8 per cent of the turnover. New section 31ka makes important provisions regarding agencies. These provisions give effect to the opinions given by many members when the motion regarding T.A.B. was

discussed in the House last year. Subsection (1) of that new section provides:

No waiting rooms or seating accommodation shall be provided or made available for the use of members of the public at any office, branch or agency of the Board where off-course totalizator betting is conducted.

Subsection (2) provides:

No broadcast or telecast or other description or communication, whether oral or otherwise howsoever, of any event shall be provided or made available for members of the public at any office, branch or agency of the Board and no radio or television set, receiver or loudspeaker or similar device, whether owned by the Board or by any other person, shall be permitted or suffered by the Board to be brought into or to remain in any part of an office, branch or agency of the Board that is open to members of the public.

Subsection (3) says:

No announcement, notice or information, whether oral or otherwise howsoever, shall be made, published or given to members of the public at any such office, branch or agency in respect of any event except the name, starting time and location of the event, the condition of the track, the names, handicaps, barrier positions and totalizator numbers of the horses in the event, the weights carried by the horses, and the names of the riders or drivers in the event, and the result of, and the dividends payable in respect of, the event.

Subsection (4) provides:

If any of the provisions of subsection (1), subsection (2) or subsection (3) of this section are contravened the person for the time being in charge of the office, branch or agency at which the contravention occurs shall be guilty of an offence and shall be liable to a penalty not exceeding two hundred dollars.

These important provisions will ensure that the system in South Australia will be similar to the system operating in Victoria so far as social consequences and the ordinary members of the public are concerned. In fact, I consider that we will have an improved set-up here because we shall be able to learn from any mistakes that have been made elsewhere. The board, in its early period of operation in South Australia, will be able to draw on the experience of people in Victoria and other States. When I first read the Bill I concluded that it was a very good Bill indeed. It deals with a complicated matter and will solve the hypocritical situation that has existed in South Australia for years whereby it was legal to have a bet on a racecourse but illegal to bet off the course. The Bill will allow off-course betting to be done in a civilized and decent way without any interference with other members of the community. In fact, if as a result of the establishment of T.A.B., the S.P. operators become fewer in number, the interference with members of the public who do not bet will become less. T.A.B. will also provide more revenue for Government hospitals and other hospitals subsidized by the Government. I understand that the provision in the Bill relating to this is broad enough to permit funds from T.A.B. to be used to assist such organizations as Minda or the Home for Incurables.

Furthermore, the Bill will do a job for the racing industry. Over a few years it will enable prize money to be increased by about 50 per cent for average races, and it is the prize money for average races not for feature races that determines the livelihood of ordinary people employed in the racing industry. If extra prize money is poured into feature races and some owner from another State sends a good horse to South Australia and picks up the extra prize money (as happened in the Adelaide Cup this year), the additional money provided by South Australian racegoers results in that owner benefiting. I hope the Bill will provide benefits for the ordinary person associated with the racing industry in South Australia. The Bill gives some relief to punters in that the tax on the punter's stake is removed after the first year of operation of T.A.B., which is an important advance for the punter. If T.A.B. is successfully established further benefits for the punter will accrue.

Not all the benefit of taking the winning bets tax off the punter's stake goes to the punter: some goes to the bookmaker. The same applies to the Leader's proposal to remove the winning bets tax altogether. Some of the benefit of that will be extracted by the bookmaker because he will then be able to offer lower betting prices. I hope the Leader is aware that this is a feature of what he is proposing. I believe that what is provided in relation to the winning bets tax at this stage is completely reasonable in view of this fact. When the winning bets tax is removed from the punter's stake money, it will amount to a little over 1½ per cent of turnover. This means that, together with the turnover tax of 1½ per cent, the total tax on $1 invested with a bookmaker is a little over 3 per cent. The total tax taken by the Government on $1 invested with the totalizator is 5¼ per cent.

Why should the person who invests with a bookmaker be treated so much more favourably than a person who invests with the totalizator? What is the justification for saying that, if there is to be a reduction of 13 per cent or 14 per cent from stamp duties and 5¼ per cent from investments with the totalizator, there should be only a 1½c reduction from $1 invested with a bookmaker? Why

is the winning bets tax more terrible than the turnover tax on the off-course or on-course totalizator? I suggest that, although the level of taxation on turnover with a bookmaker of a little over 3 per cent is higher than that in other States, it will be lower now because we are taking the winning bets tax off the punter's stake, and this will represent a considerable improvement. I hope that in the future there will be a further improvement in that direction. I have great pleasure in supporting the Bill.

Mr. RODDA (Victoria): We have listened to a long run-down on the Bill by the member for Glenelg. Last night the honourable member commenced his speech by taking the Leader of the Opposition to task. Amongst other things he called him a "loose floozy".

Mr. Hudson: No, I called him a floozy playing fast and loose with Government revenue.

Mr. RODDA: What is the difference? That is a rather insulting remark to hurl at our Leader who, amongst other things, is being charged with being irresponsible.

Mr. McKee: Don't you agree with that?

Mr. RODDA: No, I do not. The Leader was merely advancing his arguments, and was within his rights in doing so.

Mr. McKee: You must admit he didn't handle it very well.

Mr. RODDA: I admit nothing. I have learned to admit nothing since I have associated with members opposite. We have before us a Bill to establish T.A.B. in South Australia, and last year I supported a motion to bring in such a Bill although I was critical of such a method this afternoon. I believe that the introduction of T.A.B. will give people who want to bet the right to do so legally. The member for Glenelg said that a large sum was alleged to be involved in illegal betting in Victoria. He said that turnover figures for that State were not accurate because they did not take into account illegal betting. Of course, illegal betting is the unknown component. Although many estimates of betting turnover are given, nobody knows how much illegal betting is done in South Australia. Undoubtedly, considerable illegal betting takes place but once this scheme commences we hope to see illegal betting reduced.

Mr. Heaslip: Is there much illegal betting?

Mr. RODDA: Much guessing is going on about it in Victoria and here, but I do not think anyone knows. T.A.B. has been spoken of for many years in this State, and the proponents of the scheme suggest that the overall objective is to control, not stimulate, betting and to conduct off-course betting that is not detrimental to the public interest or offensive to the non-betting public, and I support that contention. New section 31h states:

(1) For the purposes of this Act and of exercising its powers, functions and duties thereunder, the board may—

(*a*) appoint such officers, employees and agents as it thinks fit;

(*b*) subject to subsection (2) of this section, establish offices, branches and agencies;

(*c*) purchase, take on lease or other tenancy, or on licence, hire or other contract, property of any kind;

In the Premier's second reading explanation he said:

It will also enable the Government to exercise adequate control over the establishment of any agency at Port Pirie and in exercising such control the Government will have regard to the wishes of the people of that town as well as to social and economic factors.

Are we to deduce from this statement that betting shops are to continue operating in Port Pirie?

Mr. McKee: You don't want a friendly debate; you're looking for a fight.

Mr. RODDA: I am stating facts and not looking for a fight. I, with other members, have received in the mail a voluminous petition and a strong plea.

Mr. McKee: You are not trying to embarrass me, are you?

Mr. RODDA: I believe that the people of Port Pirie have the right to do this, and I believe in them sticking up for these rights. Last year, when speaking to the motion, I made it clear that if I had any say at all the Port Pirie betting shops would be closed. I repeat that. If I agree to a system of T.A.B. in South Australia we cannot make fish of Port Pirie and flesh of Naracoorte.

Mr. Heaslip: There must be one law for all.

Mr. McKee: Do you want betting shops at Naracoorte? You could have had them under the previous Government if it had seen fit to give them to you.

Mr. RODDA: We do not want betting shops at Port Pirie under the present Government.

The Hon. D. A. Dunstan: What business is it of yours?

Mr. Heaslip: Why should they have them?

Mr. RODDA: This plea and the statement by the Premier could lead us to believe that the betting shops might be retained, and I strongly oppose that suggestion: if this system is to work, we cannot have betting shops operating at Port Pirie. Generally, I support the

principle of T.A.B. in South Australia, as we are the only State without that facility.

Mr. McKee: I take it you are supporting the Bill?

Mr. RODDA: With the exception of retaining betting shops at Port Pirie, yes.

Mr. Ryan: There is nothing in the Bill about that.

Mr. RODDA: No, but plenty of things are not in Bills, but are referred to in second reading explanations.

Mr. Clark: I have noticed that.

Mr. RODDA: It is possible that we have some clever drafters. The hidden word is even stronger than the spoken word, and that is why we on this side have reason to be concerned. The Leader has advanced a case for what he believes will help the people of South Australia, and I gather from remarks of Government members that this will not be acceptable. Many members on this side will further ventilate what the Leader has foreshadowed. In short, I support the Bill. I said this during my election campaign, and I made no secret that, irrespective of which party was in Government, I would support a system of T.A.B. in South Australia.

Mr. Heaslip: You don't support betting shops at Port Pirie?

Mr. RODDA: I think the honourable member knows that.

Mr. CASEY secured the adjournment of the debate.

ADJOURNMENT.

At 9.27 p.m. the House adjourned until Thursday, August 11, at 2 p.m.