

## HOUSE OF ASSEMBLY

Tuesday, March 7, 1967.

The House met at 2 p.m.

The CLERK: I have to announce that, because of illness, the Speaker will be unable to attend the House this day.

The DEPUTY SPEAKER (Mr. Lawn) took the Chair and read prayers.

### QUESTIONS

#### TORRENS ISLAND POWER STATION.

Mr. HALL: Newspaper reports today indicate that there is to be a slowing down in the building of the Torrens Island power station, but do not canvass the reason for the slowing down, although it is apparent that the Electricity Trust is tailoring its progress to the reduced industrial momentum in South Australia at present. The report states:

The Electricity Trust of South Australia has instigated talks with three big engineering companies over the possible deferment for a year of their contracts in construction work at the Torrens Island power station.

The report further states:

The Minister of Works (Mr. Hutchens) asked yesterday about reports of a slowing in the Torrens Island project, said nothing could be further from the truth.

Can the Minister of Works explain the divergence between the statements that have been reported as being made by the companies and the Minister's statement, as they seem to contradict each other? In view of the seriousness of the situation, which affects South Australia's future power supplies, and the possible retrenchment of skilled tradesmen, can the Minister of Works clarify his statement, particularly in regard to progress on the Torrens Island power station?

The Hon. C. D. HUTCHENS: I am grateful for the Leader's question. So that some doubts may be resolved, may I say that what I said yesterday was definitely correct. In regard to the alleged power plant delay at Torrens Island power station, the amount of electricity used at any time is determined by the consumers, and is entirely outside the control of the Electricity Trust. The trust must therefore make the best estimate possible of what future power requirements will be. Because of the length of time required to construct modern generating plant, it is necessary to make the estimate at least five years in advance of requirements. It has therefore always been the trust's policy to review requirements at frequent intervals so that the

heavy expenditure involved might be committed as economically and efficiently as possible.

The heavy winter demands for electricity determine overall plant requirements and, following the winter of 1965, it appeared that new 120,000-kilowatt generating units would be required for 1967, 1968, 1969 and 1970. Orders were then placed or confirmed accordingly. In accordance with normal practice, the position was reviewed again following the winter load of 1966. At this stage the rate of increase in demand for electricity had dropped off to an appreciable extent, and it was apparent that the expected load for the winter of 1970 could be met by the installation of the first three machines in the Torrens Island power station. The trust therefore decided in September, 1966, that the installation of the fourth machine could be deferred until 1971, and negotiations were begun with contractors to re-arrange their programmes accordingly. The main contractors for the turbo-generator and boiler (C. A. Parsons and Co. Limited of England, and Riley Dodds Australia Limited) are aware that the No. 4 machine at Torrens Island is to be commissioned in 1971, instead of in 1970. Re-arrangement of programmes of some subcontractors still remains to be finalized. These negotiations will be completed soon.

In regard to fabrication and erection of the steelwork for the extension of the main building for No. 4 machine, negotiations have not yet been finalized, because the trust has been endeavouring to reach a decision that will ensure as little disruption as possible to the contractors' programme. The trust has an enviable record in meeting power demands, being the only major electricity undertaking in Australia that has always fully met the requirements of consumers, and it should be emphasized again that the consumers determine for themselves whether they will use power, or whether they will not. Bearing in mind that generating plants are constructed in standard size units, it cannot be expected that a new machine must necessarily be commissioned each year. On the other hand, the long period of plant construction makes it almost inevitable that from time to time decisions shall be reviewed in the light of new information. In view of the large sums of money involved, the trust would be remiss if it did not review its construction programme at regular intervals. In its annual report dated October 3, 1966, the trust stated, in

connection with the second stage of Torrens Island power station (Nos. 3 and 4 machines):

Foundation piling for the building and plant for the second stage of the power station has commenced. This stage will also comprise two 120,000-kilowatt generating units. Orders have been placed for these machines which are scheduled to be commissioned in 1969 and 1971 respectively.

I point out that the whole matter hinges on the delay in installation of one machine only: it has nothing to do with construction.

Mr. HEASLIP: Two entirely different opinions are involved. The trust's General Manager (Mr. Colyer) is reported in today's *Advertiser* as saying:

The trust would be remiss if it spent sums of this magnitude when they were not justified, and this was possible with the No. 4 unit at Torrens Island. This was originally planned to be placed in service for the winter of 1970 but the trust was currently discussing with contractors the possible effects should the commissioning date for the unit be deferred until 1971.

I point out that that involves a delay of about 12 months. The report also states, however:

The Minister of Works, asked yesterday about reports of a slowing in the Torrens Island project, said nothing could be further from the truth.

As elected members of Parliament, representing the people of South Australia, I think we are entitled to the truth. Will the Minister of Works therefore give the facts of the position, as they apply to the Torrens Island power station?

The Hon. C. D. HUTCHENS: I have given the facts, and I resent the reflection on Sir Fred Drew.

Mr. HEASLIP: I ask this question because I believe that members of the Opposition and the people of South Australia are entitled to a clear straightforward answer. My question is simple and requires a "Yes" or "No" answer. Will the Minister confirm his statement in the *Advertiser* today that there will be no slowing down of the Torrens Island project and that it will be proceeded with as originally planned, so that the No. 4 unit will come into commission in the winter of 1970?

The Hon. C. D. HUTCHENS: I think the honourable member has credited me with saying something I did not say: I said yesterday that there was no slowing down of the Torrens Island power station building programme and that it was far from the truth to say that there was slowing down. I maintain that I was correct and that I was reported correctly by the newspaper.

Mr. Heaslip: Do you think the unit will come in?

The Hon. C. D. HUTCHENS: As a gentleman, I listened to the honourable member's question and if he wants a reply I ask him to listen to me. I do not want the honourable member to answer the question: I can answer it myself. I repeat, in the simplest possible way, that my reply was to the effect that the Electricity Trust was adopting a practice it had followed for the last 20 years: at some stage (or stages) during the year it decides whether it will require the plant it has ordered on the date for which it is ordered. On investigation on this occasion the trust found that electricity consumption did not warrant the installation of a 120,000-kilowatt plant for No. 4 unit in 1970.

Mr. Coumbe: Then it is slowing down?

Mr. Millhouse: That is serious.

The DEPUTY SPEAKER: Order! Will the Minister of Works take his seat. I believe honourable members know that it is not in order to interject continually while a Minister is replying to a question or while information is being sought. Also, it is not in order to debate the matter.

The Hon. C. D. HUTCHENS: It would be foolish for the trust to spend money on plant that would be lying idle.

The Hon. J. D. Corcoran: The trust would be remiss in its duty.

The Hon. C. D. HUTCHENS: It would be remiss in its function if it did. I repeat that there is no slowing down of the construction.

Mr. HEASLIP: It has been stated by Mr. K. B. Forwood (Managing Director of Forwood, Johns and Waygood) that his company has been asked to provide two compensation figures: one if there is a delay of one year in the contract, and the other if the delay is longer.

Mr. Jennings: You are really stirring things up!

Mr. HEASLIP: The honourable member heard the Deputy Speaker's ruling on intervention. Will he please be quiet? In view of the statement of the Minister of Works that there would be no slowing down in the work on this project, can the Premier say why compensation for delay in work on these projects should have been discussed?

The Hon. FRANK WALSH: The member for Rocky River referred to Mr. Forwood. I believe that the statements made yesterday and today originated from Mr. D. H. Laidlaw.

I am informed that Johns, Waygood and Perry Limited was incorporated in Victoria on October 17, 1966, with the merger of Johns and Waygood Limited, Melbourne, and Perry Engineering Limited, Adelaide. The Chairman of Directors is Mr. F. P. Johns of Victoria and the Deputy Chairman is Mr. D. H. Laidlaw of South Australia. The Directors are Messrs. J. T. Reed of Victoria, S. Ball of New South Wales, W. Farrar of Victoria, A. O. Johns of Victoria, K. Horwood of South Australia, R. S. Turner of South Australia, L. G. Rowe of South Australia, R. T. Boynton of Victoria, P. M. Johns of Victoria, and W. R. Stocker of Victoria. That means that the members of the Board of Directors comprise seven from Victoria, one from New South Wales and four from South Australia.

I have a report which deals with other matters associated with the paid-up capital of the company. However, I understand that all the matters propounded so prominently in the press originated from Mr. Laidlaw of Perry Engineering Limited, who is probably the Deputy Chairman of this organization. I pay a high tribute to the late Sir Frank Perry for his work in association with Perry Engineering Limited. In travelling around Australia I found that Perry Engineering Limited was able to do extraordinary work throughout Australia and did not depend on work in South Australia. I believe that the matters contained in today's *Advertiser* have been adequately dealt with by the Minister of Works in association with the Electricity Trust.

Mr. HEASLIP: In view of the statements made in the House today that there will be no delay in respect of the Torrens Island project, can the Premier say why the trust is inquiring as to compensation for firms that have contracts?

The Hon. FRANK WALSH: To avoid complications in respect of this matter, I ask the honourable member to put his question on notice.

#### GAS.

Mr. CASEY: Has the Premier received a formal communication from the Prime Minister regarding arrangements for the loan in respect of the gas pipeline from Gidgealpa to Adelaide?

The Hon. FRANK WALSH: Yesterday I received a letter dated March 3, 1967, from the Right Honourable the Prime Minister, set-

ting out the Commonwealth offer of a financial contribution toward the capital cost of the proposed natural gas pipeline. So that the House will have the fullest information on this matter I desire to read the communication, which states:

I refer to recent correspondence and discussions about the financing of the proposed natural gas pipeline from Gidgealpa to Adelaide. The Commonwealth's general approach to this matter has been that we would like to see the pipeline project go forward and that, on the basis of your Government's decision to set up a State semi-governmental statutory body to construct and operate the pipeline, finance for the purpose should be provided by semi-governmental borrowings. We have, however, appreciated that it would not be practicable for the full amount of finance required to be raised by semi-governmental borrowings within the period of construction of the pipeline, and we are prepared to provide some Commonwealth assistance to your State of a temporary bridging character.

At its meeting on February 16 last the Loan Council agreed to your State's request for approval of borrowings in respect of the pipeline of up to \$20,000,000 during the period ending June 30, 1972, such borrowings to be over and above the normal South Australian semi-government programme. The Loan Council also agreed that borrowings under this special authority could, if desired, commence during the current financial year. For its part the Commonwealth is prepared to lend to the State during the construction period such additional sums, up to a maximum of \$15,000,000, as are needed to complete the project in accordance with the construction time table. This offer is on the understanding that the State would accept responsibility for financing any short-fall in semi-governmental borrowings over the period to June 30, 1972, below the above-mentioned figure of \$20,000,000, and also for financing any increase in actual construction costs above the estimate of \$35,000,000.

We propose that loans so made by the Commonwealth to the State would be repayable by 16 equal half-yearly instalments, the first instalment being payable on December 15, 1972, and the last instalment on June 15, 1980. The sources of funds for repayment of the Commonwealth loans would, of course, be a matter for the State. We envisage, however, that the appropriate sources after June 30, 1972, would include the normal South Australian semi-governmental borrowing programme and receipts by the pipeline authority from its operations. We propose that interest on the Commonwealth loans made to the State would be payable half-yearly on June 15 and December 15 at the maximum rate authorized by the Loan Council, at the date each loan is made, for private borrowings by semi-governmental authorities for periods of eight years. The latter figure of eight years is based on an expectation that it would represent about the average duration of the Commonwealth loans to the State (the assumption being that the loans would probably be drawn mainly during 1967-68 and 1968-69—or

on average about June 30, 1968—and that mid-1976 could be regarded as the average repayment date). We propose that the arrangements relating to the provision of Commonwealth loans to the State be embodied in a formal agreement between the two Governments to which the approval of the Commonwealth and State Parliaments would be obtained. If this is acceptable to you and the proposed arrangements set out in this letter meet with your concurrence, I shall arrange for a draft agreement to be prepared accordingly.

I indicated in my second reading explanation on the Bill that the Government had hoped to secure a rather better arrangement regarding amount, interest rates, and repayment arrangements, but it recognizes the difficulties of the Commonwealth in the matter, particularly in the creation of precedents. I intend to advise the Prime Minister that his proposals are, in principle, acceptable. In the matter of repayment arrangements I point out that these involve \$1,875,000 a year conversion operations over the eight years after June 30, 1972. The raising of these amounts as semi-governmental loans should not involve unreasonable difficulties, and as they will be conversion arrangements they will not prejudice the availability of new money allocations to the State for semi-governmental borrowing.

Regarding the information I have given, I still adhere to the view that I have already expressed in this House: this is a project of national development and not a Party-political football.

Mr. CASEY: In view of the speculation and conflicting reports concerning the possible supply of natural gas to Spencer Gulf towns, has the Premier any information on this subject?

The Hon. FRANK WALSH: I have considered the question of supply of natural gas to Spencer Gulf areas and, in particular, to Whyalla. This matter is receiving attention and the Government will continue with its policy to do everything possible to supply natural gas to those towns and to others as soon as an economic proposition can be submitted after natural gas has been delivered to Adelaide. That is a reasonable policy, but at the same time I would expect that the route to Whyalla would be via Port Augusta in order to serve both places. In view of the interest that has been shown by people in the North, this statement should help them understand what use can be expected to be made of the gas, particularly in respect of the quantity needed to make its supply an economic proposition.

Mr. HALL: As concern has been expressed about the possibility of an alternative (western) route, and about the fact that, once the pipeline is built on the eastern route, industries in the Gulf towns may not be able economically to support the construction of additional feeder pipelines (if the additional costs are not incorporated in the initial estimate), will the Premier bring to the House detailed estimates so that members may compare the cost of the western route with the cost of the eastern route?

The Hon. FRANK WALSH: Concerning the last point raised, I doubt whether I could obtain the information in time, bearing in mind a certain debate that is taking place. In addition, it would be up to Cabinet to decide whether that information should later be made available. As a result of a report to the Government on the estimated quantities of gas in the Gidgealpa and Moomba fields, it was considered that a better than 20-year supply of natural gas was available. We requested the Bechtel organization to investigate the possibility of using the shortest possible route for a pipeline to deliver gas economically to Adelaide which, after all, would be the biggest consumer. I have already indicated that, as a result of the case I presented to the Prime Minister last September, the financing of the scheme relied, in principle, on using the shortest and most direct route. I repeat that the Government is very much concerned (and always has been) about future gas supplies to towns such as Wallaroo, Port Augusta, Whyalla and Port Pirie. Certain suggestions were also made in that respect. I do not think that I need detail the economic problems involved in duplicating (or looping) an 18in. pipeline in order to supply a town with natural gas, but the diameter of any branch line off the main pipeline would undoubtedly be much less than 18in.

Mr. MILLHOUSE: As I understand the Premier's reply, the Government has a preference for the eastern, or shorter, route; as I also understand his reply, there are at present no comparative figures for the cost of the eastern and the western route, because the honourable gentleman said he would not be able to supply those figures during the debate. I therefore assume that they have not yet been produced. Can the Premier give precisely the points that have determined the Government to support the eastern route rather than the western route of the pipeline?

The Hon. FRANK WALSH: The Government's obligation is to raise the necessary

finance for the scheme and, therefore, to determine the shortest possible route in order to save expenditure and to ensure that the scheme is undertaken economically.

Mr. HALL: Has the Premier at any time requested Bechtel Pacific Corporation Limited to report to him about the costs of the western alternative route of the pipeline?

The Hon. FRANK WALSH: I have no personal recollection on the matter.

Mr. MILLHOUSE: I remind the Premier that on October 11, 1966, the member for Gumeracha asked the following question on notice:

What was the estimated cost of the pipeline for each of these alternatives?

The Premier gave the following reply:

The relative cost of the pipeline by these two routes differs at different stages. The initial cost of the eastern route (480 miles) is \$31,000,000, including one compressor station. The initial cost of the western route (510 miles) is \$33,600,000, including two compressor stations, which the extra distance makes necessary. The ultimate relative cost of the two routes is subject to several offsetting considerations; for example, the lateral to Port Pirie and Whyalla is reduced in length and diameter by the western route, but, on the other hand, the cost of providing "looping" at 18in. diameter, or possibly larger diameter, is increased by the extra 30 miles of the western route.

That was a detailed answer. As the Premier has said this afternoon that there are no estimates of cost of the western route, will he explain the difference in his attitude between October 11 and today, and can he say why this estimate has been discarded?

The Hon. FRANK WALSH: On a point of order, Mr. Deputy Speaker. I object to the honourable member's saying that I gave certain information.

The DEPUTY SPEAKER: The Premier can clear up the matter in his reply.

Mr. MILLHOUSE: Perhaps I should rephrase my question. In view of the information that the Premier gave on October 11, 1966, as to the cost of the western route, can he say why he has said today that there is no estimate of the cost and why the estimate of October 11 has apparently been discarded?

The Hon. FRANK WALSH: As I have always said, I do not object to being quoted correctly. However, I did not give the answer the honourable member suggests I gave this afternoon. I told him that, to the best of my knowledge, I could not recall any matters associated with costs on this route or on the other route. The honourable member has

undoubtedly had time to review the information that has been given to the House from time to time. I have nothing further to add or retract as regards what has already been reported on, and I do not have the opportunity to acquaint myself with what is trotted out here one afternoon after another without any notice as to whether I have had the opportunity to remember all that was contained in the question and the reply that the honourable member has been given this afternoon. There have been no discussions to my knowledge since that information was given to the House on the question of the costs that would be involved in going to the western or to the eastern side, and I do resent the implication that I said something that I did not say.

Mr. Millhouse: I am sure you did say it.

The Hon. FRANK WALSH: I did not say it.

Mr. Millhouse: Several times.

The Hon. FRANK WALSH: The honourable member is trying to twist certain words to suit his case, which he is noted for in this House. I assure the honourable member that the information he receives next time will be given to him correctly.

#### METROPOLITAN DRAINAGE.

Mr. COUMBE: Can the Minister of Lands, representing the Minister of Local Government, say what has happened to the proposed legislation dealing with the metropolitan drainage authority? As the Minister will recall that last session he said that a Bill was almost ready to be introduced, can he now say when that Bill is likely to be introduced?

The Hon. J. D. CORCORAN: I will take up the matter with my colleague and obtain the information as soon as possible.

#### REGIONAL DEPOTS.

Mr. CURREN: Last year the Minister of Works announced that regional depots of the Public Buildings Department would be established in several country centres. Can he say what progress has been made in this matter?

The Hon. C. D. HUTCHENS: Actual building work commenced earlier this year on the construction of the Public Buildings Department depot at Nuriootpa, following funds approval totalling \$150,000 for the partial establishment of country depots and the purchase of residences at Nuriootpa, Murray Bridge and Berri. We have no facilities at all in these three towns which will become the headquarters of three country districts.

Limited facilities do exist at Mount Gambier, Port Lincoln, and Port Pirie where district building officers are in residence and are operating. Assistant district building officers are in residence and operating at Port Augusta and Whyalla. Our immediate programme is to partially establish the depots at Nuriootpa, Murray Bridge and Berri in about six months, and have the district building officers take up duties in these towns with their staff in this period. The construction work involved is being undertaken by departmental tradesmen.

Tenders have been called for the depot buildings at Port Lincoln. This work comprises the erection of an office building and a workshop adjacent to the new hospital. Also, this calendar year, it is proposed to commence an office building and workshops at Mount Gambier. It is estimated that the total cost of establishing all required depot buildings and providing country residences for staff, will be about \$500,000. Naturally, it will be necessary to spread this cost over a period of three to four years, depending on the availability of finance.

The re-organization has involved the creation of many new positions and the re-allocation of duties to most existing positions. The present situation is that we have called applications and have made appointments to all offices in the buildings maintenance branch down to district building officer level. The total number of district building officers is 11. Two appointments of assistant district building officer have been made. The remaining two positions are, at present, under consideration following a call for applications. Currently, we are also dealing with over 100 applications for 10 positions of building inspector, recently advertised in Adelaide and country newspapers.

All hospital maintenance superintendents have now been appointed and have taken up duty. There are seven maintenance superintendents stationed as follows: Royal Adelaide Hospital; Queen Elizabeth Hospital; Northfield area; Parkside Mental Hospital; Group Laundry; Port Pirie Hospital (including Port Augusta); and Mount Gambier Hospital.

In both the building and hospitals maintenance branches, a number of positions of works inspectors and supervisors will be required to be filled, following the appointment of building inspectors, to complete the staff re-organization. It is anticipated that all action regarding staff appointments in

these branches will be completed this calendar year. I hope, later, to supply details of the location of some of the buildings.

#### DRAINAGE.

The Hon. T. C. STOTT: Last week, the Minister of Lands, when replying to questions asked by the member for Burra and by me regarding the responsibility of the Commonwealth Government for capital expenditure on war service land settlement schemes, said that the letter from the Commonwealth Minister for Primary Industry to him was not quite correct, but that the State Government provided some of the capital required for these schemes. There seems to be some misunderstanding about the position. In order to clear up the matter, will the Minister say whether both statements are more or less correct: that the Commonwealth Government provides the initial capital required for war service land settlement schemes, and that the State Government must repay two-fifths of this amount after five years for developmental and other purposes. If this is not correct, what is the position?

The Hon. J. D. CORCORAN: If I remember correctly, the comment in Mr. Adermann's letter to the member for Angas (Mr. Giles) is that the Commonwealth Government finances all of the cost involved in draining blocks over this extended period, that is, from now until 1972. The letter states:

Your impression that the Commonwealth Government finds the complete capital for the installation of internal block drains is correct.

The word "initial" is not mentioned. I do not see that it matters that the Commonwealth Government provides money for the development and that later two-fifths is repaid. It does not matter greatly when we pay it back. It is important that the State is required, by a moral obligation only and not a legal one, to repay to the Commonwealth two-fifths of this amount. However, I shall ascertain for the honourable member exactly when the repayments of two-fifths of \$750,000 are to be made, so that he can inform his constituents who are concerned about when we are required to repay this money.

The Hon. T. C. Stott: Or whether it is specifically for development or for other purposes.

The Hon. J. D. CORCORAN: The \$750,000 I spoke about in my reply to the member for Burra is the cost of internal drainage over that extended period, and we are required to pay two-fifths of that sum to the Commonwealth Government in addition to any other

costs involved in the war service land settlement scheme in the Murray River areas. However, I shall be pleased to clear this point up soon.

#### MIGRANTS.

Mrs. BYRNE: The Premier will recall that I wrote to him on January 25 suggesting that arrangements could be made for family charter planes to operate cheaply between Australia and the United Kingdom, mainly to help minimize home sickness amongst English migrants. Has the Premier any information as a result of his inquiries?

The Hon. FRANK WALSH: I have made detailed inquiries and have ascertained that the policy of the Department of Civil Aviation does not permit chartered aircraft on international routes to and from Australia that are served by regular operators. However, under this policy, if there were a group of British migrants desiring to pay a visit to the United Kingdom, the best they could hope to do would be to satisfy an oversea airline that they were an "affinity group". This would entitle each person in the group to an economy-class air ticket from Adelaide to London and return for \$824.70 compared with the normal fare of \$1,178. The arrangement would involve complicated negotiations, which the South Australian Government Tourist Bureau would undertake free of charge. I understand that it would be necessary for a large group to make the journey from Adelaide to London and return.

#### SWAN REACH TO STOCKWELL MAIN.

The Hon. B. H. TEUSNER: Can the Minister of Works say whether his department intends to proceed uninterruptedly with the construction and completion of the main from Swan Reach to the Warren main near Nuriootpa, and when the construction is expected to be completed? Also, has the Government decided whether certain areas of the Murray Plains, particularly Sedan and Cambrai, are to be served by branch mains from the principal main from Swan Reach to the Barossa Valley?

The Hon. C. D. HUTCHENS: I think I could reply "Yes" to the last part of the question, but I shall obtain a complete report on the last two parts. With regard to the first part of the question, the scheme is considered to be most important and work will be continued without breaks (unless they be unavoidable) until completion.

#### ORE FREIGHT RATES.

Mr. McKEE: Can the Premier say whether further negotiations have taken place between the Government and mining companies concerning ore freight rates between Broken Hill and Port Pirie?

The Hon. FRANK WALSH: I shall take up with my colleague the question asked by the honourable member on this important matter. However, I consider that it should be handled with kid gloves.

#### BRIDGES.

Mrs. STEELE: I understand that future planning of the Highways Department provides for the extension of Portrush Road beyond its intersection with Payneham Road, bridging the river at a point west of the existing bridge at Felixstowe. East of the Paradise bridge, however, no bridges cross the river; there is only the ford at Silkes Road, and this is subject to flooding. Concern has been expressed to me by people living in this area that, as a result of there not being a bridge beyond the Paradise bridge, much inconvenience is experienced by them if they wish to cross to the other side of the river. Will the Minister of Lands obtain a report from the Minister of Roads concerning the future plans of the Highways Department in this area?

The Hon. J. D. CORCORAN: Yes.

#### MOUNT GAMBIER HOUSING.

Mr. BURDON: Has the Premier, as Minister of Housing, a reply to my recent question about housing in Mount Gambier?

The Hon. FRANK WALSH: The Housing Trust expects to call tenders for further single-unit houses at Mount Gambier soon but, in addition, will certainly consider then or later erecting double-unit houses or at least some type of smaller single-unit house that could be rented within the capacity to pay of the ordinary workman.

#### EXAMINATION GRADINGS.

Mr. McANANEY: Prior to last year the results of eight gradings were shown for the Intermediate and Leaving examinations, and in the D and E groups there were smaller grades indicating whether the student could go to a university. Last year the number of grades was reduced to six, and the two middle grades (Nos. 3 and 4) contained 50 per cent of the candidates. From the grades it would be most difficult to obtain an indication of the ability of the child and to ascertain whether he was capable of going to a university. Does

the Minister of Education consider that the new grading system gives enough information to the student about his qualifications, and does it help employers when they interview prospective employees?

The Hon. R. R. LOVEDAY: I think that the present method gives far more information to the employer than that previously given by the old system. The pass-fail system has disappeared. Under the old system a student could fail by one mark, and all the employer knew was that the student had failed. The student would be branded as a failure, because he or she had failed. Under the new arrangements, an employer can see the ability of a student in particular subjects, in relation to other students. Obviously, a student who might have failed overall could easily be very suitable to the employer if that particular student were proficient in, say, two subjects only, and it might suit the employer to have the student who had the ability in those two subjects; yet the student might be one who would otherwise fail on the pass-fail system. I believe the present system gives more information to the employer, particularly when one has regard to the fact that, in addition to the information under the present system, reports are also made available from the headmaster on the students' progress whilst at school.

#### STUDENT TEACHER ENROLMENTS.

Mr. BROOMHILL: Can the Minister of Education say how many persons in South Australia are either training to be teachers or holding teaching scholarships in secondary schools during this year? Further, are figures available for the previous three years, for the sake of comparison?

The Hon. R. R. LOVEDAY: I have some of that information with me today in regard to teachers college enrolments as at February 13, 1967. I shall be pleased to give that information to the honourable member, and to obtain the balance of the information for him as soon as possible. The teachers college enrolments at February 13, 1967, were: Adelaide Teachers College, 1,263, with 30 on leave; Bedford Park, 315 (eight on leave); Western Teachers College, 1,065; Wattle Park Teachers College, 818; totalling 3,461, with 39 on leave. There were also 53 private students.

#### COMPANY ELEVATOR.

Mr. MILLHOUSE: I was approached yesterday by Mr. H. F. A. Lallyette, (Managing Director of Burfitt Selth & Company

Proprietary Limited) concerning a very severe financial problem which his company faces as a result of the changeover from direct current to alternating current for lifts. The building in French Street, which is occupied by the company, was served by a lift using direct current, and that was cut off on January 3, 1967, since when the company has not had a lift, because it simply cannot afford to make the necessary alterations. The lowest quote that has been supplied for the conversion is \$12,300. In his letter of yesterday's date, Mr. Lallyette, stated, in part:

We agree that we have been given lengthy notice of the changeover of alternating current into our building but, as told to you over the telephone this morning, with the recession of trade that has been apparent for some time now—

and of which, unfortunately, we are all aware—it has not been possible for us to set aside moneys for this very expensive conversion. Indeed, moneys that had in fact been put aside in days gone by for this eventuality have had to be channelled through to other departments of our business to enable us to keep the wheels turning and to keep all of our employees gainfully working.

He then refers to the extreme hardship and possibility of closing the premises, which would entail "the putting off of many of our staff at the same time" (and there are 22 of them). The company realizes that it cannot go back to direct current; it realizes that that has gone off for good; but it does ask whether it would be possible to give some financial assistance by way of a loan, or whether the Electricity Trust would help in kind by perhaps supplying an old motor, or a cheap one, to help the company over this very difficult problem that has arisen. Will the Premier use his good offices with the Electricity Trust, in the hope that this can be done, so that the company can remain in business?

The Hon. FRANK WALSH: I am prepared to discuss with the trust the financial proposals to which the honourable member has referred. However, I believe that the position of the company concerned is no different from that of any other organization: it was given plenty of notice about the changeover, and I doubt whether the trust can be held responsible to contribute any assistance in this respect. Whether or not assistance may be forthcoming as a result of the present loan being raised by the trust (and depending on public response), I cannot say.



## LIGHTING-UP TIME.

Mr. LANGLEY: For some time it has been evident that many pedestrians (a large percentage involving elderly people) have been injured by motor vehicles, the main danger period being just before dark. Will the Premier ask the Minister of Transport to consider publicizing and enforcing the observance of lighting-up time, half an hour after sundown? I am sure that such action would result in added safety to motorists and pedestrians alike.

The Hon. FRANK WALSH: I will refer that matter to my colleague and endeavour to ascertain the position.

## ANZAC DAY HOLIDAY.

Mr. JENNINGS: Last week, in addressing a question to the Minister of Education, I related a suggestion made to me that, as Anzac Day this year falls on a Tuesday, the Monday preceding Anzac Day (together with Anzac Day) should be made a public holiday, so that schoolteachers and children would receive a four-day break. As a consequence of the publicity to my question, I have received several letters stating that this has previously been done. Has the Minister a reply?

The Hon. R. R. LOVEDAY: This suggestion has been considered, but I regret that it is not desirable to make changes in the holiday arrangements already gazetted for 1967. There does not appear to be any proposal for industry to take April 24 as a holiday so few families would be able to take a four-day holiday as suggested. The Independent Schools Headmasters' Association does not appear to favour the proposal for their particular reasons in relation to boarders. Teachers and schoolchildren will have a four-day break for Easter near the end of March and the school vacation begins a little more than two weeks after Anzac Day, on May 12. There does not appear to be a good reason for another long break in between. The first Friday of the May vacation has been gazetted as a school holiday and many parents and teachers have already made vacation arrangements to include this Friday. A late change in the vacation period would thus inconvenience many parents and teachers, especially those in the country. Further, Anzac Day is regarded not so much as a holiday as a day of remembrance, and to grant a school holiday on the preceding day during which lessons on the significance of Anzac Day are given in all schools, I think, might detract from the significance of Anzac Day.

## NARACOORTE HIGH SCHOOL.

Mr. RODDA: Has the Minister of Education a reply to my question last week concerning the introduction of a fifth-year course at the Naracoorte High School?

The Hon. R. R. LOVEDAY: The Education Department favours the establishment of matriculation courses in country centres, and the claims of Naracoorte for a class in 1966 and 1967 were carefully considered. To ensure that the specially qualified teachers necessary for matriculation subjects are distributed to the best overall advantage, a school must show that enough qualified students will be offering for fifth year to justify the appointment of such staff. The numbers submitted for Naracoorte (nine for 1966, and 12 for 1967) were below the minimum for which the establishment could be recommended. Later this year, a review of estimates for 1968 will be made and the claims of Naracoorte will receive full attention. It is noted that the Leaving enrolment at Naracoorte has risen from 46 in 1966 to 65 this year; but a decision for 1968 will depend on the number of these students who qualify for a matriculation course and wish to remain in Naracoorte to take it. At present the South-East is served by matriculation classes at Mount Gambier with 51 students, and Millicent with 21 students.

## HOME MORTGAGES.

Mr. HUDSON: Will the Premier provide members with the State Bank and Savings Bank figures in respect of the additional finance made available in the form of home mortgages for each of the financial years 1962-63 to 1965-66? Further, could estimates be provided in respect of the amount of new home mortgage finance likely to be made available during 1966-67?

The Hon. FRANK WALSH: I will ascertain the position, but the money that is made available to the Savings Bank of South Australia will depend entirely on the savings deposited with that bank.

## TRUCK-WASHING FACILITIES.

Mr. NANKIVELL: My question relates to a matter raised in the early part of this session by the member for Victoria regarding the provision of truck-washing facilities. I have observed, as no doubt the Minister of Agriculture has observed, the increasing incidence of weeds such as Bathurst burr on the shoulders of roads, which can only result from seeds dropping from trucks. Can the Minister say whether further consideration has been given to the installation of truck-washing facilities, such as those provided in Victoria,

to enable as much as possible of this type of foreign matter to be removed from the trucks?

The Hon. G. A. BYWATERS: The Agriculture Department took this matter up and a full report was submitted to me. However, I do not have that report with me and, as I should like to quote it correctly, I will get it for the honourable member.

#### STURT RIVER.

Mr. HALL: I was approached last week by a person who owns a house two houses away from the Sturt River, not far from Anzac Highway. This gentleman had tried to sell his property, but the sale had been inhibited because rumours existed at that time (in 1966) that the creek would be widened and a highway built alongside the widened creek. We now know that the creek is to be widened, and the rumour that a highway will be built alongside the widened creek still persists. In these circumstances it is impossible for this gentleman or anyone else in this situation to sell his or her house. The real estate firm handling this projected sale has reported to the gentleman in the following terms:

Although no definite time could be given for such a move (referring to the building of the freeway), nevertheless it was most probable that same—

and he quotes from the report of the Highways Department—

“could occur later at any time but it might not be for the next five years or longer”. Our company's representative also telephoned the Highways and Local Government Department and he was informed that (a) no decision had been made to date regarding whether or not the suggested freeway would be proceeded with; (b) that it was not known at this stage whether the freeway would be proceeded with or otherwise; (c) the department had been instructed to have a report about the suggested freeway route prepared by no later than February of next year (1967); (d) that any subdivision which was proposed adjacent to the route of such a freeway would be required to make allowance therein for roadways to follow the route of the creek, alternatively, as though a freeway might follow that route; (e) that where any vacant land existed adjacent to that route and a person wished to build on such land, consent would be withheld for permission so to build, in which case the owner could apply to the department to buy the allotment concerned.

Many other conditions are given in this set of references, but I shall conclude by quoting the following condition:

(k) that the department was not prepared to negotiate for your premises at present.

Apparently, this indefinite set of circumstances will hang over the head of this person for five

years, as his reference to the information he received from the Highways Department indicates. I understood that the Metropolitan Adelaide Transport Study would possibly clear up some of these matters. In view of the serious aspects confronting the sale of a highly valued house property, can the Premier say when the location of the metropolitan freeways will be known to the public?

The Hon. FRANK WALSH: I believe that the Leader understands that the previous Government appointed the Metropolitan Adelaide Transport Study to carry out an investigation and to report to Parliament. As yet, it has not reported but has merely asked for increased finance, which the Government has had to supply. A complication was added in this matter because a report of the Town Planner referred to freeways proposed for certain parts of the metropolitan area. Much controversy has arisen in areas likely to be affected by the freeways to which the report referred. The Highways Department cannot give a definite assurance about when work on any of these freeways is likely to proceed. Certainly nothing can be finalized until the extensive report to which I have referred is presented to the Government. Of course, then, because of the cost involved in the acquisition of the properties required, it will be difficult to know whether work can proceed within five years or even 10 years. In the area referred to by the Leader, some land previously reserved for the purposes of the Railways Department is vacant and, if acquisition of properties in the area is necessary, land can therefore be purchased at a reasonable price for rebuilding. However, I cannot say now whether the Highways Department will purchase a certain property at a certain date. Although the Leader seems to have all the necessary information about this property from an interested party, I shall ascertain whether the Highways Department can supply additional information and, if it can, I shall make it available to the House.

#### TREE REPLANTING.

The Hon. T. C. STOTT: Has the Minister of Irrigation a reply to my question of last week about the replanting, in the Loxton area, of trees that were removed because of the rising water table?

The Hon. J. D. CORCORAN: The number of trees at Loxton removed because of rising water table has not been recorded. A survey conducted in 1964 revealed that damage to or loss of plantings through a

high water table was, at that stage, of less significance over the district as a whole than a number of other factors. It was, of course, a matter of serious concern to a few settlers and it was also noted that losses in stone fruit, a fair proportion of which was planted in situations where seepage developed earlier, were higher than in other types of plantings. Since 1964 the rate of installation of drains has been increased; areas where there was a high water table have been drained; and the great majority of new drains are stabilizing the water table before it rises high enough to damage plantings. Settlers are assisted by the installation of drains at the cost of the settlement authority and, where the removal of plantings has been necessary and the settler is not in a position to finance replanting from his own resources, he can apply for an advance to meet such cost. The advance, subject to an interest rate of 3½ per cent is repayable over a term appropriate to his circumstances. District horticultural advisers are available to advise settlers on suitable varieties for replanting.

#### HOPE VALLEY RESERVOIR.

Mrs. BYRNE: In the 1966-67 Loan Estimates, \$140,000 was provided for the purchase of land, and \$160,000 for the construction of a contour drain at the Hope Valley reservoir to prevent pollution of the water. Can the Minister of Works say what progress has been made on this project?

The Hon. C. D. HUTCHENS: I believe that some progress has been made, but I will obtain a detailed report for the honourable member.

#### HOUSING TRUST REPAYMENTS.

Mr. CURREN: Has the Premier a reply to my question whether a person purchasing a rental-purchase house from the Housing Trust can pay back certain sums in excess of the agreed instalment?

The Hon. FRANK WALSH: Clause 5 (a) of the rental purchase agreement used by the trust in respect of the sale of houses under the rental-purchase scheme provides:

The purchaser may at any time without notice pay off all of the outstanding balance of purchase price and all additions together with interest thereon due to date of actual payment only.

In part, clause 5 (b) provides:

The purchaser at any time may pay off any portion of such outstanding balance and additions.

#### MAINTENANCE DEPOTS.

Mrs. STEELE: Has the Minister of Works a reply to my recent question about the exact sites of the Public Buildings Department maintenance depots that are to be set up in the metropolitan area and in country towns?

The Hon. C. D. HUTCHENS: I have now obtained from the Director of the Public Buildings Department the following table, showing the exact locations of the maintenance depots with the exception of the western suburbs depot for which a site has not yet been selected:

##### Metropolitan:

City Area . . .	58-62 Flinders Street, Adelaide.
Eastern Suburbs	13 Jaffrey Street, Parkside.
Northern Suburbs	Rellum Road, Greenacres.
Western Suburbs	Site not yet selected.
Southern Suburbs	Marion Road, Sturt.

##### Country:

Port Lincoln . . .	Marine Avenue (adjacent to hospital).
Nuriootpa . . .	Lots 16 and 19, Light Pass Road.
Berri . . . . .	663-664 Grenache Avenue.
Murray Bridge .	17 Myall Street, River-view.
Mount Gambier .	Cnr. White Avenue and Browns Road.
Naracoorte . . .	72 McDonnell Street.
Whyalla . . . .	Cnr. Lacey and Field Streets.
Kadina . . . . .	294 Southwood Street, Kadina East.
Port Pirie . . .	Situated in hospital grounds.
Port Augusta . .	Situated in hospital grounds.

#### CRAFERS WATER SUPPLY.

Mr. MILLHOUSE: On January 13, I was sent a letter by the District Clerk of the District Council of Stirling regarding the extension of water mains to the Upper Sturt, Measday and Mount Lofty Summit areas. The resolutions contained in the letter stated that the Heathfield tank had been connected to the trunk main to Cherry Gardens. On receipt of the letter, I therefore wrote to the Minister of Works on January 16 asking for information as to the progress on the reticulation in these areas. Although I have applied several times to his office; I have not yet had a reply, but I understand the Minister now has information for me on this matter. Will he give it to the House?

The Hon. C. D. HUTCHENS: The honourable member was good enough to ring my office this morning to remind me that he had not

received a reply. With regard to the proposal to lay a water main to the Charlick Road-Emmett Road area, the Director and Engineer-in-Chief has forwarded the following report from the Mains Extension Engineer:

As stated on previous occasions, the department could not proceed with this work until the Chandler Hill-Heathfield main is in full operation with permanent tanks and permanent pumping plant.

It is now apparent that the factor controlling the completion of the Chandler Hill-Heathfield scheme will be the delivery of the permanent pumps, which are unlikely to be delivered until the end of 1967 at the earliest.

Under the circumstances, it appears unlikely that mains could be extended to the Charlick Road-Emmett Road area before the end of the 1967-68 summer.

In the meantime, the department will re-examine the proposal to extend mains to that area so that the administrative procedures including guarantees of revenue from the property owners who would benefit, should these be necessary, can be finalized to enable the mains to be laid as soon as possible following the completion of the Chandler Hill-Heathfield scheme.

Regarding the other two areas mentioned in the honourable member's letter, namely, Upper Sturt and Mount Lofty Summit, I hope to have details tomorrow.

#### LABOR DAY

Mr. McANANEY: There have been rumours of the possibility of Labor Day next year being observed on a day other than the second Monday in October. As show societies and other associations are already planning their programmes for this day, can the Premier say whether this possible change has been considered officially?

The Hon. FRANK WALSH: I am not in the habit of taking notice of rumours. I am not aware of any suggestions that have been made to change the day on which Labor Day celebrations are held in South Australia. Many years ago, Labor Day was changed from September to October because of the inclement weather often experienced in September. There have not been any firm suggestions made for a change, and I should be much surprised if the industrial organizations of this State tried to change the date.

#### PORT PIRIE OVER-PASS.

Mr. McKEE: I understand the Premier has a reply to the question I asked last week regarding the commencement of work on the over-pass at the Solomontown Road crossing, Port Pirie Junction?

The Hon. FRANK WALSH: The Railways Commissioner reports:

Designs for an overway bridge for road traffic at the Solomontown Road crossing, Port Pirie Junction, are in hand, and it should be possible to hold discussions with the Commissioner of Highways (who has a financial interest in the construction and a continuing interest in maintenance) and also with the Department of Shipping and Transport (which arranges for certification of reimbursement payments for standardization works) during next month. Present indications are that the structure could be completed by mid-1968.

#### ISLINGTON SEWAGE FARM.

Mr. COUMBE: Can the Minister of Works say whether the Government plans to use the area formerly known as the Islington sewage farm, which has now been vacated by the Engineering and Water Supply Department as it has no further use for the land now that the Bolivar scheme is in operation? Is the Minister aware of the early Government planning made some time last year, especially regarding educational requirements, railways, industry, and housing? Will he ascertain what action the Government is taking to use this valuable section of land close to the heart of Adelaide?

The Hon. C. D. HUTCHENS: Since the original decision was made some changes have occurred in the allocation of land to various Government departments. Land was set aside for industrial purposes and we have received inquiries about it. However, I will ask the Minister of Lands for a progress report, and inform the honourable member when I have it.

#### ACCOUNTANCY COURSES.

Mr. BURDON: Has the Minister of Education a reply to the question I asked last week about accountancy courses at the Mount Gambier Technical College?

The Hon. R. R. LOVEDAY: The Mount Gambier Technical College will provide study courses to prepare students for the examinations of the Institute of Commercial Studies. This qualification aims at providing training at the "working bookkeeper" or applied stage of accountancy. The provision of diploma courses at the Institute of Technology standard is entirely a matter for the council of the institute. If a decision were made to provide diploma courses on behalf of the Institute of Technology, and if suitable instructors were available, and if sufficient numbers were offering, the same organization could be followed as in previous years at the Mount Gambier Technical College.

## NARACOORTE-PENOLA ROAD.

Mr. RODDA: The Naracoorte-Penola Road at Coonawarra is to be widened, and I understand that it is to be widened on the eastern side of the present highway, at the property owned by Mr. Keith Ey. This widening will affect two dwellinghouses, because the road will come within 10ft. of the front of these houses. As the road could be widened on the other side, will the Minister of Lands ask the Minister of Roads whether anything can be done to prevent the encroachment of the road on these properties?

The Hon. J. D. CORCORAN: I shall be pleased to do that.

## CLEAN AIR COMMITTEE.

Mr. HUDSON: About four years ago the Health Act was amended to establish a Clean Air Committee, which was empowered to draw up regulations controlling the pollution of air in and around the city of Adelaide. As the committee was constituted some time ago and has proceeded to draw up regulations, will the Attorney-General ask the Minister of Health for a progress report on the activities of this committee and on its drawing up of the necessary regulations to control the pollution of the air in Adelaide and throughout South Australia?

The Hon. D. A. DUNSTAN: Yes.

## ELECTRICITY SERVICES.

The Hon. Sir THOMAS PLAYFORD: Some time ago the Electricity Trust changed its policy regarding services provided for primary producers. This change has caused great hardship in certain areas where primary producers rely on electricity to pump water. The Electricity Trust now refuses to give a service for that purpose and provides only one service to a property. In one case, in order to get an electricity service, a person had to divide his property in two in order to obtain a suitable service to pump water. As the consumption of electricity seems to have slowed down, will the Minister ask the trust whether it will revert to the previous practice of providing a reasonable service for primary producers, even if such a practice involves two services on the one property?

The Hon. C. D. HUTCHENS: Following questions asked last year by the honourable member and the Leader of the Opposition, I took up this matter at length (and with some force) with the Electricity Trust. At that stage the trust declined to revert to what is alleged to be its old policy. However, in view of the honourable member's question I will again refer the matter to the trust.

Mr. Quirke: Did it give any reason?

The Hon. C. D. HUTCHENS: Yes: it said that one service to a property was adequate and that that was all it intended to give.

## MAIN ROAD No. 99.

Mrs. BYRNE: On April 15 last year the Minister of Roads notified me by correspondence that road plans for the reconstruction of the Golden Grove and Sampson Flat section of the Smithfield-Modbury Main Road No. 99 were in the course of preparation and that acquisition would be commenced as soon as requirements were known. As this work is desirable (because it involves one route leading into the Para Wirra national park) and as it is also necessary in order to reduce the dust nuisance being experienced by local residents, will the Minister of Lands ask the Minister of Roads to ascertain what action and progress have taken place?

The Hon. J. D. CORCORAN: Yes.

## UNEMPLOYMENT.

Mr. McANANEY: Last week I asked the Premier a question about the slowing down of industry in South Australia, to which he replied that the position (which, he said, had arisen because of the drought) had changed for the better and that things would be back to normal soon. Will the Premier use his good offices with the Electricity Trust and ascertain whether it will resume its normal programme, based on the rate of expansion that South Australia was experiencing over a number of years?

The Hon. FRANK WALSH: The purport of the question, if I understand it correctly, is whether the Electricity Trust is trying to reduce the expansion of its electricity supply to the people of South Australia. I refer, however, to the position in respect of the Penola electricity supply. The trust wanted to keep the country price of electricity to within at least 10 per cent of the metropolitan price, but a certain private organization was not prepared to assist the trust in its obligations. To suggest that the trust is in any way trying to shirk its obligation to supply electricity to the people of this State is poppycock. Common sense should prevail in these matters. Since the Second World War opportunities for further industrial expansion have presented themselves. We are still establishing industries, but probably not as many as we would like to, because of factors over which we have no control.

Regarding certain financial legislation, I do not want to go over recent history, particularly as to Loan money. I have already stated my case as well as any other State Premier. Premiers in two other States who asked for extra Loan money have already been given answers regarding their applications for extra money to do what we are trying to do: prevent increases in the prices of services for which we are responsible. We are trying to keep such prices down. As soon as we do, however, we are challenged and asked why we do not create more employment. We overspent our Loan money last year, and we will probably do the same this year. The Electricity Trust is doing a magnificent job in the interests of this State, but it is continually harassed. How can we expect the trust to continue to work in the interests of this State when we continually hear this poppycock?

#### TRANSPORT SURVEY.

Mr. COUMBE: Last year I asked several questions regarding the progress being made on the presentation of the report known as the Metropolitan Adelaide Transport Survey. Will the Minister of Lands ask the Minister of Roads when the report is likely to be completed and when the recommendations appended to it are likely to be seen by members of this House?

The Hon. J. D. CORCORAN: Yes.

#### TIMBER MILLS.

Mr. RODDA: Certain timber mills in the South-East have been engaged in sleeper cutting, but I understand their quota has been cut by the Railways Department and sleepers are coming from another State. I understand that this is having a retarding effect on employment in these mills. Will the Premier consult with the Minister of Transport to see whether this is so, and, if it is, what can be done to provide more employment in this industry?

The Hon. FRANK WALSH: I shall inquire. If the South-East is capable of providing timber requirements (I understand that this is so as regards sleepers) any action to benefit the industry will receive my full support, and I am sure my colleagues would be of the same mind.

#### LOAN INTEREST.

The Hon. T. C. STOTT: Can the Treasurer say what the rate of interest will be on the loan open to the public to finance the Gidgealpa-Adelaide pipeline?

The Hon. FRANK WALSH: The present rates are anything from 5½ per cent to 5¾ per cent depending on the period for which the money is lent. Of course, much will undoubtedly depend on who lends it. The smaller investor might be better advised to consider investing in the Electricity Trust loan, as the trust will use the natural gas. Ample opportunities to invest will be provided, but I hope that the rate of interest on none of them will exceed 6 per cent.

#### GAUGE STANDARDIZATION.

Mr. NANKIVELL: Can the Premier, representing the Minister of Transport, say when the standard gauge line between Port Pirie and Broken Hill is expected to be completed? Has any decision been made about which line will be standardized between Port Pirie and Adelaide? If it is intended to bring the standard gauge line to Adelaide, where will the new terminal be established? Is it still intended to have the terminal at Islington, where provision was previously made for it?

The Hon. FRANK WALSH: I shall endeavour to obtain as much information as possible from my colleague.

#### MODBURY SCHOOL ACCESS.

Mrs. BYRNE: On October 26 I asked the the Minister of Education whether an approach could be made to the owners of Tolley's vineyard, Hope Valley, to provide access for a walkway to give a more convenient approach to the Modbury South Primary School and Modbury High School from the Hope Valley area. The Minister will recall inspecting the area on November 5. Can he say what has been the result of the approach of the Education Department to the owners of this vineyard?

The Hon. R. R. LOVEDAY: This matter was investigated and it was agreed that such a walkway would do much to reduce the overcrowding of the Hope Valley school, and an approach was therefore made to D. A. Tolley Pty. Ltd. to ascertain the possibility of obtaining a right-of-way. The company would be willing to give access for the construction of a walkway, but pointed out, first, that permission would be on condition that the walkway was properly fenced (2,000ft.); secondly, that it would mean the removal of several rows of vines (for which no doubt the company would require compensation); and, thirdly, that the company was seeking a buyer for the land, in which case the expense of paving and fencing a walkway and providing compensation for the lost vines would be lost. The company also pointed out that it had already

offered land to the Tea Tree Gully council to continue Doradus Avenue through the vineyards to link up with Pompoota Road. In these circumstances, it is considered unreasonable to expect the Education Department to bear the cost of the suggested walkway, and it therefore does not intend to take any action in this matter for the time being at least.

**BROKEN HILL ROAD.**

Mr. McANANEY: I understand the Minister of Lands, representing the Minister of Roads, has a reply to my question regarding the Broken Hill road.

The Hon. J. D. CORCORAN: The Minister of Roads reports:

The sealing of the Broken Hill road will be completed during the summer of 1967-68. There is little likelihood that the sealing of the Silver City Highway will be completed before this. The fear that tourist trade from Broken Hill will divert to Mildura because of road conditions is unfounded.

**RIVER PLANTINGS.**

The Hon. Sir THOMAS PLAYFORD: The Premier recently announced a scheme for the establishment of a large irrigation area for vines on the Murray River. What is the size of that area?

The Hon. FRANK WALSH: To the best of my knowledge, the total area was about 1,000 acres for vine purposes but, as permission was given for a water supply for only 400 acres, it is intended to proceed with the establishment of a 400-acre block at this stage.

**SUCCESSION DUTIES.**

Mr. MILLHOUSE: I understand that the Premier has an answer to the question I asked the Minister of Works, during the Premier's unfortunate absence last week, concerning the remission of succession duties on the estates of servicemen killed in Vietnam.

The Hon. FRANK WALSH: This matter has been under my constant notice. The responsibility for lack of statutory provision for special remissions of duty upon estates of persons killed on active service in Vietnam rests squarely on the shoulders of the Opposition, who have refused to pass the requisite legislation. It will not be possible to present legislation on the matter again during this session, and the legislative programme for next session has not yet been determined. In the meantime, I must deal with each case as it arises and will try to ensure by any means open to me that payment of duty to an appropriate extent be deferred or remitted.

**HIGHWAYS DEPARTMENT.**

The Hon. G. G. PEARSON (on notice):

1. Have public tenders been called for an additional office block at the Highways and Local Government Department premises at Walkerville?

2. What will be the floor space of the proposed new building?

3. Is the whole of the additional area required for Highways and Local Government Department staff, when completed?

4. If not, are any other departments to be accommodated therein?

5. What is the total estimated cost?

6. When is it anticipated that the work will be both commenced and completed?

The Hon. FRANK WALSH: The replies are as follows:

1. Public tenders have been called.

Squares.

2. The gross area of the existing building including corridors, lifts, ducts, toilets, sunhoods, fire escapes, etc. . . . . 1,127

The gross area of extensions . . . . . 1,250

Eventual total gross area . . . . . 2,377

3. The whole of the additional area is required for departmental staff.

\$

4 to 5. The estimated cost of building extensions and alterations to existing building . . . . . 2,021,000

The estimated cost of additional furniture, telephones, landscaping, access roads, laying of grounds and minor works . . . . . 152,000

\$2,173,000

10 per cent contingencies . . . . . 217,000

Total estimate .. \$2,390,000

6. It is anticipated that work will commence in May, 1967, and that the work will be completed by May, 1969.

**STRATHMONT HOSPITAL.**

Mrs. STEELE (on notice):

1. Have amended plans for Strathmont Hospital been finally approved?

2. If so, when will tenders be called?

3. What is the total estimated cost?

4. When is it expected that the work will be both commenced and completed?

5. Has the Government been successful in its approach to the Commonwealth Government to have the provisions of the State Grants (Mental Health Institutions) Act, 1964,

extended, as far as South Australia is concerned, beyond the expiry date of June 30, 1967?

6. If so, will this State obtain the benefit for the full triennium?

7. If not, what is the present position?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. The present plans for Strathmont Hospital, which include some modifications to the original sketch plans to incorporate latest overseas developments in this field, have been fully agreed with the Director of Mental Health, and working drawings for the project are at an advanced stage.

2. It is expected that the Public Buildings Department will be able to call tenders for the first contract involved in this project in the latter part of the present calendar year. The calling of tenders will depend on the allocation of funds on the Loan Estimates for the year 1967-68.

3. Allowing for increases in building costs which have occurred since the original estimated cost of \$5,700,000 was prepared in December, 1964, the total estimated cost is now \$6,632,000.

4. Subject to satisfactory tenders and the availability of funds it is expected that work could commence in September, 1967, and be completed at the end of 1969.

5 to 7. The Commonwealth Government has not yet disclosed its intention in this regard, and the Chief Secretary has requested that the matter be listed for discussion at the conference of Commonwealth and State Health Ministers to be held early next month.

#### HILLS FREEWAY.

Mr. NANKIVELL (on notice):

1. What has been the cost of the completed section of new road between Crafers and Stirling?

2. In view of delays, is this in excess of the estimate? If so, by how much?

3. When is it expected that the Highways Department will complete the section now being constructed between the Mount Lofty turn-off and the newly completed section?

4. What is the estimated cost of completing this section?

5. How much work, if any, has been done on these sections by private contractors?

The Hon. J. D. CORCORAN: The replies are as follows:

1. There is no completed work between Crafers and Stirling on the South-Eastern Freeway. The pavements made available to traffic recently comprise part of the freeway proper and part of the Stirling interchange. It was necessary to shift traffic so that the old road could be cut. No costs will be segregated for the Crafers-Stirling length of the freeway. The first stage of the project is the 2.5 mile Measdays-Stirling section and this will be costed as one job with the exception of bridge structures.

2. Not applicable in view of 1. The estimate for the Measdays-Stirling section is \$3,000,000, and total cost to date is \$678,000. Delays in work have not appreciably increased costs as far as is known. More difficulty than expected with work in wet weather and acquisition has been encountered, and some increase in labour costs are, therefore, to be expected. To partially offset this problem summer work has been and will be accelerated, with winter work being cut back and concentrated as much as possible on economic activities.

3. No finishing date is available for the portion from the Mount Lofty turn-off to the partly completed length west of Stirling. The whole length from Measdays to Stirling is now expected to be completed in December, 1968. Work on other sections will, of course, be advanced in the same period.

4. Not estimated as a separate section: it is included in the Measdays-Stirling section estimate of \$3,000,000.

5. Only a relatively small amount of work between Measdays and Stirling has been done by contract other than the Crafers bridge. Contract trucks have worked full time from the beginning of the project with the departmental gang, some compacting equipment has been hired, and contract scrapers have been put on recently. The work has been generally unsuitable for major contract application to date. A fairly closely settled area, acquisition problems, difficulties with traffic, access and services, and extensive drainage needs have prohibited other than individual contract services being used.

#### SCHOOL SUBSIDIES.

Mr. MILLHOUSE (on notice):

1. What was the total amount paid in subsidy to school committees and other voluntary bodies connected with schools, in each of the financial years 1964-65 and 1965-66?

2. What is the estimate of such payments for 1966-67?



3. How much has already been paid as subsidy during the present financial year?

The Hon. J. D. Corcoran for the Hon. R. R. LOVEDAY: The replies are as follows:

- 1. 1964-65, \$431,600; 1965-66, \$498,600.
- 2. \$499,000 from Revenue, plus \$100,000 from Public Buildings Department Loan funds.
- 3. \$226,946 up to February 28, 1967, plus \$10,000 from Loan funds.

SCHOOL ENROLMENTS.

Mr. NANKIVELL (on notice):

- 1. What is the number of children enrolled for 1967, in Government primary schools, in grades 1 and 2?
- 2. Is the number more or less than expected?
- 3. What is the present number of qualified infants teachers?
- 4. How many unqualified teachers are teaching grades 1 and 2?
- 5. What is the average class size?

The Hon. J. D. Corcoran for the Hon. R. R. LOVEDAY: The replies are as follows:

- 1. 51,607.
- 2. More.
- 3. Teachers of grades 1 and 2 have been trained as follows:

C or Special Infants Course . . . .	807
B or Primary Course . . . . .	189
M or Infants and Lower Primary . . . . .	75
Special . . . . .	110
Emergency . . . . .	118
Recruited from outside S.A. . . . .	228
<hr/>	
Total . . . . .	1,527

Teachers for primary schools are given some training in teaching all grades 1 to 7 whatever the course taken. The number of certificated and classified and unclassified teachers is:

Certificated or classified . . . . .	1,206
Unclassified . . . . .	321
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Total . . . . .	1,527

Many unclassified teachers have been trained for two years in one of B, C or M courses at a teachers college. They are unclassified because they have not met the full academic requirements.

- 4. See 3 above.
- 5. 30.9.

POLICE PENSIONS ACT AMENDMENT BILL (SENIOR CONSTABLES).

His Excellency the Governor's Deputy, by message, recommended to the House of Assembly the appropriation of such amounts of money as might be required for the purposes mentioned in the Bill.

The Hon. FRANK WALSH (Premier and Treasurer) obtained leave and introduced a Bill for an Act to amend the Police Pensions Act, 1954-1966. Read a first time.

The Hon. FRANK WALSH: I move:

*That this Bill be now read a second time.*

It deals with two matters and, in providing for supplementary pensions, it is parallel with the comparable clauses in the Bill to amend the Superannuation Act. It also authorizes the contribution for rather higher pensions for senior constables than for the general grade of constables, whereas both these grades are at present on the same level. No provisions in this Bill are parallel with the reduced contributions clauses incorporated in the Superannuation Bill, because contributions were appropriately and fully adjusted in the Police Pensions Act Amendment Act, 1966.

Clauses 4 and 5 provide for senior constables of all grades to contribute for benefits 12½ per cent higher than the benefit prescribed for constables generally. At present constables and senior constables are on the same basis of contributions and benefit, and the Police Association has now requested this differentiation. At present police sergeants are upon a basis of contributions and benefits 25 per cent higher than for constables, and the Government agrees that it is reasonable, having regard to relative salary scales, to place senior constables in a position midway between those for constables and sergeants.

Clause 6 provides for supplementary pensions upon a basis comparable with the provisions proposed in the Superannuation Act Amendment Bill. The latter provisions apply to most other Government employees apart from police officers. The amount to be transferred for these purposes, in accordance with subsection (2) of new section 42a, from the present surplus in the fund is only \$100,000, as the number of pensioners expected to qualify for benefit is relatively much smaller than that expected to qualify under the corresponding amendments to the Superannuation Act. This arises mainly because a high proportion of police pensioners receive pensions to such an extent that they qualify for part Commonwealth social service pensions and, therefore, in

POLICE OFFENCES ACT AMENDMENT BILL.

Received from the Legislative Council and read a first time.

accordance with the present means test, would not ordinarily receive a net benefit from the grant of supplementary pensions.

Subsection (8) of new section 42a provides that supplementary pensions may be granted to an extent not exceeding one-fifteenth of the existing rates of pension, provided that the pension concerned commenced before November 21, 1964. The reason for this limited increase is that successive increases in pensions have been authorized prior to and upon that date which have effectively maintained their purchasing power until very recently. After the establishment of new scales for retired members in the 1954 Act there were increases of 21½ per cent in the 1957 amendment, 12½ per cent in the 1960 amendment, and 7½ per cent in the 1964 amendment. For widows' pensions the increases provided were greater, raising them eventually from 50 per cent to 65 per cent of

members' pensions. A further increase of one-fifteenth, or 6⅔ per cent, for pensions commenced before November 21, 1964, will provide against subsequent price variations by placing all pensions which commenced prior to the recent 1966 amendments upon very closely comparable scales.

A table has been prepared showing basic rates of police pensions, including widows' pensions, operative from time to time and proposed under the amendments. These exclude the lump sum payments prescribed under the Act. The amendments have the general concurrence and support of the Police Association and of the Police Commissioned Officers, and I commend them to the favourable consideration of the House. I ask that the table to which I have just referred be incorporated in *Hansard* without my reading it.

Leave granted.

POLICE PENSIONS.  
(Lump sum payments excluded.)  
TIME OF COMMENCEMENT OF PENSION.

	To 1957.	1957-1960.	1960-1964.	1964-1966.	1966. +
Basic member's rate—					
1954 Act .....	£364 p.a.				
1957 Act (21½ per cent increase)	£442 p.a.	£420 p.a.			
1960 Act (12½ per cent increase)	£497 p.a.	£472 p.a.	£480 p.a.		
1964 Act (7½ per cent increase)	£534 p.a.	£507 p.a.	£516 p.a.	£570 p.a.	
1966 Act .....	\$41.08 p.f.	\$39.00 p.f.	\$39.69 p.f.	\$43.85 p.f.	\$48.00 p.f.
1967 Act (1/15th increase) ....	\$43.82 p.f.	\$41.60 p.f.	\$42.33 p.f.	\$43.85 p.f.	\$48.00 p.f.
Basic widow's rate—					
1954 Act .....	£182 p.a.				
1957 Act (21½ per cent increase)	£221 p.a.	£210 p.a.			
1960 Act (12½ per cent increase)	£249 p.a.	£236 p.a.	£240 p.a.		
1964 Act (29 per cent increase)	£321 p.a.	£304 p.a.	£310 p.a.	£342 p.a.	
1966 Act (1/15th increase) ....	\$26.75 p.f.	\$25.33 p.f.	\$25.83 p.f.	\$28.50 p.f.	\$31.20 p.f.
1967 Act (1/15th increase) ....	\$28.53 p.f.	\$27.02 p.f.	\$27.55 p.f.	\$28.50 p.f.	\$31.20 p.f.

NOTE.—p.f. means per fortnight.  
p.a. means per annum.

Higher pensions to the extent prescribed are payable to members retiring with rank above that of constable, and to their widows.

The Hon. G. G. PEARSON secured the adjournment of the debate.

SUPERANNUATION ACT AMENDMENT  
BILL (CONTRIBUTIONS).

His Excellency the Governor's Deputy, by message, recommended to the House of Assembly the appropriation of such amounts of money as might be required for the purposes mentioned in the Bill.

The Hon. FRANK WALSH (Premier and Treasurer) obtained leave and introduced a Bill for an Act to amend the Superannuation Act, 1926-1966. Read a first time.

The Hon. FRANK WALSH: I move:

*That this Bill be now read a second time.*  
It deals with three matters. The first is mainly administrative. From the commencement of the principal Act in 1926 until the Amendment Act of 1961 a valuation of the fund was required

each five years. By the 1961 Amendment Act, upon the recommendation of the late Public Actuary, section 7 was amended to require a three-yearly valuation. This called for a valuation as at June 30, 1965, but unfortunately, before he could carry out the valuation, the Public Actuary died, and the Government was not able to appoint a replacement until a few weeks ago. Because of this, and because of the considerable amendments in benefits and contributions made by the 1965 and 1966 amending Acts, no very useful purpose would be served by a belated valuation as at June 30, 1965. The new Public Actuary has recommended a valuation as at June 30, 1967, which is again five years from the preceding valuation, but thereafter he has suggested valuations at three-yearly intervals as his predecessor had recommended. Clause 4 of the Bill gives effect to those recommendations.

The second matter is a reduction in contribution rates for units or part units of pensions taken up by contributors prior to February 1, 1966. This reduction is called for as a consequence of the assumed higher future earning power of the fund. Honourable members will recall that the 1965 amendment reduced all contributions as indicated by the increased Government subsidy rate of 70 : 30 instead of 2 : 1, and also reduced rates for new units taken up from February 1, 1966 onwards, consequent on the higher future earning capacity of the fund. The question of whether the rates of contribution for old units should be likewise reduced consequent upon the higher earning capacity was deferred until it could be ascertained whether the surpluses of the fund were adequate to justify this as well as to give adequate and comparable benefit to pensioners. An examination has been made and the Superannuation Board, the Acting Public Actuary, and the Under-Treasurer stated that they were satisfied upon adequacy of the surpluses.

In broad terms, as at the end of December, 1966, the surpluses are believed to be of an order approaching \$8,000,000, and the proposal to reduce contributions would absorb about \$2,000,000 of this, whilst a proposal I shall describe shortly which will benefit pensioners will absorb a further \$2,000,000 approximately. Clause 5 of the Bill makes provision for the appropriate adjustment of contributions. A considerable volume of clerical preparation will be involved in this and it is proposed that the adjustments date from the first pay period in July next. The third matter is that of protecting the purchasing power of pensions,

particularly those of long standing. This, as members have lately been well aware, has involved the particular problem of the means test for Commonwealth social service pensions, as in many cases increased superannuation payments have had the effect merely of reducing the Commonwealth pension, and so giving no net benefit to the pensioner.

Last year the Government promised honourable members that it would very closely examine this particular problem. The Victorian Government and its Superannuation Fund had an exactly parallel problem which, it is reported, has been handled by a recent amendment in a generally satisfactory manner. The Victorian approach has been followed in this Bill, though it has been simplified, and we have been able to learn from the difficulties and problems encountered in the early stages of the Victorian scheme. The Victorian officers have been most helpful in their advice and co-operation. Broadly, the scheme is to pay supplementary pensions out of the fund adequate to make good net losses in purchasing power since the individual pensions were first granted. This is to be done in four groups where the required supplements are respectively 32½ per cent, 15 per cent, 10 per cent and 7½ per cent.

In calculating these supplements, appropriate account has naturally been taken of any increases in pension which may have been granted from the fund or from the Government subsidy since the pension commenced. In the four groups, the effect of the new supplements proposed will be, so far as purchasing power can be accurately estimated, to maintain purchasing power on average for each group with a small over-run of perhaps 1 per cent or 2 per cent. However, so that there shall not be a significant volume of payments out of the fund which would be of no net benefit to pensioners because of the effect of the Commonwealth means test for pensions, provision is made for the supplementary pensions to be payable upon individual application and at the discretion of the board.

Moreover, the board will not be authorized to approve a supplementary pension unless there is a net effective benefit to the pensioner of at least 20c a week. A pivotal feature of this section of the Bill is that, to handle the means test problem, there is no fixed statutory right to a prescribed amount of pension, but simply a right to apply and an authority of the board in its discretion to grant supplements up to the extent prescribed. An important difference between these provisions and those in Victoria is that these are based

upon full maintenance of purchasing power to the present time, whilst those in Victoria are based upon five-sevenths of the increase in the appropriate salary or wage level since the pension was granted. The Victorian criterion gives an almost impossible task in defining and calculating the supplement and it is in most cases, if not all, a less favourable criterion than that proposed in this Bill.

The scheme for supplementary pensions in this Bill, as in Victoria, is to be paid for from surpluses already accumulated in the fund. It is expected that to meet the supplements over the remaining life of existing pensioners and their dependants will call for a present capital sum of about \$2,000,000 to be set aside from those surpluses. As it is proposed also to handle through the same account these special supplements to pensions which were granted out of surpluses in 1964, new section 68b enacted by clause 6 of this Bill calls for an apportionment of \$3,000,000 for the two purposes combined. Representations have been made to the Government by the South Australian Government Superannuation Federation, representing both contributors and pensioners, that the supplementary pension scheme should be met only 30 per cent out of the surpluses of the fund and 70 per cent by the Government. This request the Government has not been disposed to grant.

First, the fund has undoubtedly more than adequate reserves to meet the whole cost, and pensioners equally with contributors are entitled to share in the benefits of any surpluses. Secondly, the surpluses have arisen substantially through higher interest earnings than earlier contemplated and, as high interest earnings are often concurrent with reducing purchasing power of fixed incomes, there is substantial logic in apportioning such surpluses, at least in part, to maintain the purchasing power of long-standing pensions. Thirdly, no other State has accepted an obligation of subsidizing such supplements, but they have been met in Victoria and elsewhere out of surpluses of the funds. The Commonwealth only has provided such supplements out of Government moneys. As this State has, at considerable cost, recently raised its subsidy to normal pension units to be fully in line with that of the other States, and as its finances generally as compared with other States are at present by no means favourable, the request for a special subsidy in supplementary pensions could not be entertained. At the time when the normal State subsidy was lower than elsewhere, and when the fund

had no surplus out of which to meet supplementary pensions, it was reasonable that the State should contribute to protection of the purchasing power of long-standing pensions. But in the present circumstances neither of those conditions apply.

It should be mentioned that the federation would seem to have two groups having rather different views upon this matter. As may be expected, the pensioners generally support the provision of supplementary pensions out of the surpluses of the fund. Some representatives of contributors, however, have taken the view that the surpluses should be reserved entirely or mainly for the benefit of contributors. The Government cannot accept the latter view for the past contributions of pensioners and the invested reserves thereby built up have equally contributed to surpluses as have the past contributions of present contributors. Pensioners, or their breadwinners, were once contributors. Present contributors and their dependants will in due course be pensioners. Any apparent conflict of interests would seem to arise from a rather shortsighted view. The provisions of this Bill, benefiting as they do equally both contributors and pensioners, are likely to absorb about half the present surpluses of the fund. As to the other half, an undertaking has been given by the Government that no action will be taken to distribute it until a new and complete investigation has been made of the fund by the Public Actuary and until the federation has been given full opportunity to make its representations on the matter by deputation or otherwise. Because of the great deal of preparatory clerical work necessary to implement the supplementary pensions provisions it is proposed they shall operate as from June 20, next, which is the commencement of the first pension fortnight calling for payment in July, 1967.

One particular feature in the provisions which may require further explanation is the proposed conversion of the 1964 supplementary payments, now paid annually, to become fortnightly payments. A divisor of 25 is proposed rather than 26 so as to counterbalance the spread of payments over a full year instead of a single payment at the beginning of the year. It is, of course, administratively most desirable that all supplements be paid fortnightly rather than some annually and some fortnightly. The provisions for supplementary pensions are in clause 6 of the Bill, while clause 7 is a consequential amendment which provides that the special additional pension payment authorized

in the 1965 amendments, to recompense a pensioner for his having contributed prior to his retirement on a basis of subsidy less favourable to him than 70:30, shall count neither as pension nor as supplementary pension for the purposes of calculating payments under the supplementary pensions scheme. In other words, the special recompense authorized in the 1965 amendments stands entirely alone.

It has always been contended that the fund should provide an increased benefit when able to do so. If the Government intends to increase a benefit to retired people, it does not want to have to subsidize a Commonwealth pension. In an attempt to overcome that point, this Bill has been considered by all concerned, and we have reached the point where any benefit to be granted to pensioners cannot be granted as a form of subsidy to a Commonwealth pension.

Mr. COUMBE secured the adjournment of the debate.

#### NATURAL GAS PIPELINES AUTHORITY BILL.

Adjourned debate on second reading.

(Continued from March 2. Page 3409.)

The Hon. G. G. PEARSON (Flinders): In supporting the Bill, I share the Treasurer's view that it is designed to set up a national undertaking that is of great importance to South Australia. I understand, too, his sense of personal satisfaction that, at long last, he has been able to bring negotiations to a point where he has been able to put the Bill before the House. I approve the general structure of the authority and its proposed functions, although the authority differs in some important respects from that which I suggested should be set up when I spoke in a debate in this House on August 17 last. I am far from satisfied with the financial proposals for the building of the pipeline as outlined in the Treasurer's second reading explanation. I support the proposal of the Leader of the Opposition that the Public Works Committee should examine the whole matter. I regret that the relevant facts and costs of the alternative route west of the Flinders Ranges have not been given to the House. I shall now deal with these points in detail.

Undoubtedly, if properly financed and wisely handled, the uses of natural gas in South Australia can and will confer great economic benefit both industrially and domestically. However, it is a stark reality that, unless the gas can reach industry at a cost that is

appreciably lower than the cost of alternative sources of energy, I am afraid the discussion on this Bill is a waste of time and that the gas will probably have to remain in the hole at Gidgealpa. I use the term "appreciably lower" advisedly, because it is of little value to us to spend much money in bringing to the point of consumption a source of energy the cost of which only equates the cost of present sources of energy. Of course, I appreciate that a national interest is also involved in the matter and that it is desirable at all times to use local resources rather than products that have to be imported from overseas. Regarding the national interest, it is quite apparent that, if we can use what we can produce ourselves rather than paying out substantial sums to buy something from overseas or from other States, it is in the interests of the State or in our national interests that the natural resources be utilized.

I point out that, regarding industry, the question of national interest is of secondary moment because industry is primarily concerned with its own costs; it must, in its own interests and the interests of economy, utilize the cheapest product in its processing in order to survive competition in the fiercely competitive world of industrial relations as we know it today. I concede that it is in the national interest to use a natural product. This cannot be done to the detriment of the economy of industries in so far as the scales cannot be loaded to any extent in favour of the national interest as against the actual cost structure of industry.

Mr. Shannon: I do not think that even the householder would appreciate paying more.

The Hon. G. G. PEARSON: I agree, except that it is rather common practice at present in most countries to load the consumer with some costs for the benefit of local production. That is done in the dairying and wheat industries.

Mr. Hudson: Do you think we do it to excess in the dairying industry?

The Hon. G. G. PEARSON: It is well known that the present price of dairy products to consumers in this country is far above the export value of the product. In addition, a Commonwealth subsidy contribution is made to the industry of an average of about \$28,000,000. It is not an uncommon practice to load local consumers in order to assist local industry.

Mr. Freebairn: Egg marketing is a good example.

The Hon. G. G. PEARSON: Many examples can be found. This is done to help local industry to compete with competitive products produced at a low price under different circumstances in another country. Regarding the national interest involved in natural gas, I say again that manufacturing industries particularly and the industry of power generation, and all that depends on it, are compelled by economic circumstances to buy the cheapest possible source of energy for carrying out production. Although the national interest may, to some extent, be involved in this matter, it must be discounted unless we can use the local product advantageously with relation to something we may have to import. It is a reality that, unless the gas can reach the user at a point where he requires it and at a cost that is appreciable lower than the cost of alternative sources of energy, we are wasting our time in considering the matter.

It is not axiomatic that, because we have discovered gas at Gidgealpa, Moomba and Mereenie, South Australia's industrial future is assured. Although these discoveries are of the highest possible significance in more respects than one, the crux of the matter is the cost to the consumer at the point of his consumption. That is the only reason for the queries raised by the Leader of the Opposition in his penetrating analysis of the matter last week; that is the only reason for the proposed amendment to provide for a Parliamentary inquiry. I want to emphasize that the Opposition has no desire or intention to delay the progress of the project. We are not entering into this discussion for political motives; we are not insensible of our own responsibility in the matter. However, we are deeply concerned to ensure, if we can, that the project is a success and not a failure, that the full potential is achieved, and that industry gets the vital ingredient for expansion and development that it so urgently needs at this time. The authority which, if the Bill is passed, will be set up, will run parallel and closely to the proposals that I outlined to this House on August 17 last year and which are reported at page 1304 of *Hansard*. At that time, I suggested that a trust should be set up as a statutory body comprising representatives of the Electricity Trust, the South Australian Gas Company and, of course, the Chairman, to be appointed by the Governor. In that respect, the composition of the proposed authority is as I set it out. I also proposed, however, that there should be on the authority a representative of the Chamber of Commerce and a

representative of the Chamber of Manufactures or, alternatively, one nominee to represent them jointly. I did not suggest that the purchasers of the gas should be represented on the authority, because the authority should purchase the gas from the producers' well-head and should be responsible for conveying it to those centres of distribution where it was required in bulk. I considered that it should be responsible for negotiating a price to the consumer at the point of consumption.

The authority provided for in the Bill does not purchase the gas at the head: it is merely a common carrier to convey gas from Gidgealpa to Adelaide along a certain route to a point of consumption where it is required by certain consumers. The only definite likely consumers of which we are aware and the only ones actually cited in any discussions on this matter are the South Australian Gas Company, which is reported to have already made a contract with the producers for a long-term supply of gas to be delivered to its works at Brompton or thereabouts. Negotiations are currently proceeding with the Electricity Trust, which is probably the largest potential user of natural gas from this source, and also with a certain company at Angaston which requires substantial quantities of heating material. I presume that negotiations are in train between that company and the producers regarding a contract.

I consider that the decision to restrict the activity and power of the proposed authority merely to being a common carrier of gas from the well-head to points of consumption weakens the strength of the authority and may result in less advantageous negotiations with the producers than would have been the case had the authority been the purchaser of the gas at the well-head.

Mr. Shannon: Where does its strength lie?

The Hon. G. G. PEARSON: In the fact that where there is one buyer for a product he is in a much stronger position to negotiate than if there is a multiplicity of buyers.

Mr. Shannon: Where does this argument apply?

The Hon. G. G. PEARSON: The bargaining, as I understand it, is along the lines already taken by the Gas Company, which has been negotiating at some length with the producers of the gas and which, I believe, has signed contracts to purchase certain gas. This may be good business for the Gas Company. I do not suggest otherwise: I do not know its business, nor do I pretend to tell it its business. If the pipeline authority were given the right and

the duty to negotiate with the producers at the well-head and then to sell in bulk to distributing organizations in Adelaide (the Gas Company being one, and care being taken not to interfere with its franchise in the process), to the Electricity Trust, to the company at Angaston, and to any other industries that may require it, I consider that this might result in better prices to the consumers than will result under this Bill, which will mean that the consumer has to make his own negotiations with the producer for whatever gas he may supply. I consider that it would be a protection to the pipeline authority if it were able to control or at least to have a major controlling say in respect of the gas that went through its line. Under this Bill the pipeline authority is to be a common carrier. In other words, it will set up its pipeline and it is obliged, under the terms of the Bill as I read them, to convey such gas in such quantities as are required by the consumers who have made contracts with the suppliers at the well-head. It is in the same position as the Railways Department is in.

I assume, rightly or wrongly, that the gas may or may not be at the well-head and, therefore, Mr. X, being an industrialist in Adelaide and having negotiated with the owners of the gas at the well-head, comes along to the authority and says, "I have a contract for the delivery of so many million cubic feet of gas a day over the next 15 years. Will you convey it for me?" The pipeline authority does not know, nor does it have very much ability to know, just what calls will be made on its capacities from time to time.

It is most important that the authority should have a better means of regulating this flow than it will have under the Bill. As a common carrier, the authority will be required to adjust the capacity of its pipeline to deliver the product to Adelaide. It is in the same position as the Railways Commissioner, who is a common carrier and who must accept and transport whatever goods in whatever quantities are tendered to him for conveyance. This is a service which the Railways Commissioner in his capacity cannot escape, but it puts him in the somewhat difficult position of not being able to regulate, as he otherwise might be able to do, the kind of rolling stock used on a given route and the time table of his trains. I consider that, on balance, it would have been advisable to clothe the authority with the power and responsibility of buying the gas from the producer

at the well-head and being in an advantageous position thereby of being a single negotiator, assuming that, as the Bill provides, there could be intervention by the Government to see fair play between two contending parties on the question of price.

In the respects to which I have referred, the Bill falls short of what I consider are desirable powers to confer on the authority. It is unwise for two representatives of the producer company to be members of the authority. Is the authority to have a State-wide franchise for transporting natural gas from any point? That is not specified in the Bill, but the authority should have a franchise, and a responsibility, to convey gas anywhere that it is required in this State. What happens if another prospecting company discovers a gas field in St. Vincent Gulf? Will another Bill set up another authority? Is the present authority to be challenged by competition from someone else? I hope these circumstances will arise: we have not finished discovering all the gas under the soil of South Australia. The Electricity Trust has a franchise, under certain conditions, to reticulate electricity throughout this State.

Mr. Hudson: Clause 10 (1) (a) gives the authority full power to construct, reconstruct, and install pipelines to convey natural gas within the State.

The Hon. G. G. PEARSON: It may seem to, but it does not state it. It does not state that it is an exclusive authority, and this clause does not cover my point.

Mr. Hudson: If it had an exclusive authority, how could the Gas Company transport gas from the storage facility to the consumer?

The Hon. G. G. PEARSON: The honourable member is splitting hairs. I protected the franchise already given to the South Australian Gas Company. That company is, by and large, a distributor and not an authority for the transportation of gas over long distances. It has an authority to manufacture and distribute, and that does not conflict. If my assumption is soundly based, clause 10 should be strengthened to provide for this aspect. If the authority is to be exclusive, the Bill should state it.

Mr. Hudson: Do you think it should be exclusive?

The Hon. G. G. PEARSON: The Bill is specific with regard to the composition of the authority, and if it is exclusive it is not proper, at this time, to put two representatives of the Santos group on the authority.

Mr. Casey: Perhaps the Chairman of the Public Works Committee should be on it!

The Hon. G. G. PEARSON: I thought that possibly the member for Glenelg or some other Government member would fall into the trap, and I am pleased that I was able to fish and catch one. It would be better if a representative of the Chamber of Manufactures and of the Chamber of Commerce jointly was included, because that person would represent a large body of small consumers who would participate in a project that would be of great advantage to the State. Many industries in this State have less consumption potential than the two named in the Bill, but they are of major importance to the State's total industrial capacity, and it would have been sound if a representative of the Chamber of Manufactures was a member of the authority. It is properly provided that, apart from accumulating certain minimal reserves, the authority shall distribute profits to the consumers. The list of consumers to whom profits will be distributed is strictly limited, and I refer honourable members to clause 15 (3). I agree that it is proper that rebates, if any, should be made, but I believe they should be made on an equitable basis to all consumers, and not merely to one or two.

Mr. Shannon: What is a "like authority"?

The Hon. G. G. PEARSON: I interpret that as meaning an authority constituted under a charter by an Act of this House.

Mr. Hudson: How about the Gas Company?

The Hon. G. G. PEARSON: The Gas Company is mentioned in the Bill, so I do not have to worry about that organization.

Mr. Hudson: It wasn't constituted by this House.

The Hon. G. G. PEARSON: It functions under an Act. The Gas Act was passed in this House, and the company functions under the aegis of that Act.

Mr. Hudson: The Gas Act did not constitute the Gas Company.

Mr. Shannon: We're talking about a like authority.

The Hon. G. G. PEARSON: The member for Glenelg knows that the Gas Company was set up under the Gas Act. A like authority would be one authorized by Act of Parliament, and it could not mean anything else. That means that the cement company at Angaston, which is cited as being a user of the gas, could not in my view, under this clause, benefit from any of the rebates made out of the profits of the pipeline authority. I hope hundreds

of other organizations will be users of natural gas, some of them small and deserving every bit of help that Parliament can give them. They for their part will be obliged to go to the producer and endeavour to negotiate a contract for supply. At that point such organizations will be at a disadvantage in regard to the larger consumer, and will undoubtedly pay a higher price. However, they are contributing to the use of the pipeline and, therefore, to any profits the authority may make, but they are not entitled to a rebate.

In other words, the authority's profits are obtained from every consumer of natural gas but are rebated only to two or three. The small man will be loaded for the benefit of the big consumer. There is no reason why the clause should be restricted. Every person who contracts with the authority for the transmission or conveyance of the gas to any particular point of consumption should be entitled to a pro rata benefit out of any profits made.

Mr. Hall: It does not matter to the producer.

The Hon. G. G. PEARSON: No, he is not involved. The authority is involved.

Mr. Hudson: Who benefits if the Electricity Trust receives a rebate?

The Hon. G. G. PEARSON: The honourable member will no doubt say that the trust and the Gas Company are the key figures in providing industrial power in this State, and that if they receive a benefit everybody receives one.

Mr. Hall: The cement company won't get much benefit.

The Hon. G. G. PEARSON: It will be proper for every user to benefit. I think that the rebate should be direct, and there is no difficulty about it. I have said that I am not at all happy about the financial arrangements concerning the authority. I think we must accept the fact that the undertaking required finance of an extraordinary character and that, therefore, special arrangements would have to be made in regard to the relevant provisions. It was clearly beyond the Government's normal loan resources. Indeed, the Government has run into deficit this year, and it is unthinkable that it can, in the circumstances, be expected to devote to this project any of the funds that it does not have. Certainly, it was not possible to devote them in the volume that was required for this authority. I think it was agreed by all parties that it would be necessary to make special arrangements and that probably the best source of



finance for the scheme would be some special consideration by the Commonwealth Government.

The terms on which the Commonwealth would be requested to participate were, I think, set out by the Treasurer in his second reading explanation. We noted his saying that it was hoped that the Commonwealth would come to the party with a special loan of up to \$40,000,000 for a straight-out financial arrangement for the project. The Commonwealth, however (I think for the reasons that the Treasurer himself set out in his remarks), being mindful of representations from other States having equal claims, would not agree to to such an easy arrangement. Alternative proposals were therefore advanced. I am convinced that if the State itself had been in a stronger internal financial position than it is at present, loans on better terms could have been arranged with the Commonwealth.

It is not a good time to go looking for money when we do not have any ourselves. It is not a favourable time to be an applicant for a loan from a financial institution when we have to agree that we have run into deficit in our own accounting and that there could be, as a result of such a deficit, criticism of the management of our own affairs. It is not a favourable time, either, when we have virtually exhausted our reserves and are heading for even further deficits in the months ahead. That was the precise position in which, unfortunately the Treasurer found himself when he made representations to the Commonwealth Government for financial assistance. It is no use members opposite trying to laugh it off, because it was the precise position. Although the Commonwealth Treasurer would not say it or hint at it, he would have been thinking, "Is this a good financial risk? Is this South Australian Government expert at assessing financial potential and possibilities? Does its record in the handling of its own affairs justify this confidence or does it not?"

Mr. Casey: You wouldn't be flying the flag, would you?

The Hon. G. G. PEARSON: No, I am serious about this. I notice the financial adviser to the Government, the member for Glenelg, has left his place and has therefore ceased to interject. I think he does not want to comment on this aspect of the discussion.

Mr. McKee: How lucky can you be?

The Hon. G. G. PEARSON: If the member for Port Pirie is going to set himself up as a financial adviser I am quite happy to answer

him. The State's present financial position would certainly not help in any application for financial assistance the Government might make to any source for any purpose. I do not think this could be denied by anybody. The member for Frome knows that it is not a good time to go along for a loan when all one's securities have been exhausted. He will not comment on this, because he is too sound a financier. In addition to the fact that we are heavily in deficit in our Budget and Loan Account for the second year in succession, we have dipped heavily into our trust account. It is perfectly legitimate to do this as a temporary means of finance, but some evidence must be forthcoming that this can be restored when required. I believe that if the Treasurer of this State had been able to show that, for example, the whole of his trust accounts were fully met and that he had no liabilities in respect of them, it would have been possible for him without approaching anyone else to arrange with certain financial authorities to build this pipeline. For obvious reasons I cannot take this any further, but members on the front bench on the other side will know what I mean. I believe that if the State had been in a stronger financial position, particularly with regard to its trust account, it would have been able to negotiate finance for this project much more favourably and in far less time.

The Hon. R. R. Loveday: In other words, if there was more unemployment the position would have been better!

The Hon. G. G. PEARSON: No, the honourable member is completely off the track.

The Hon. R. R. Loveday: I am right on it.

The Hon. G. G. PEARSON: If the Government had its trust account intact it could have arranged with certain institutions to construct this pipeline.

Mr. McKee: What was the downfall of the Liberal and Country League Government? Have you any idea what put your Party out of office?

The Hon. G. G. PEARSON: I have, but it is not the time to discuss that.

The DEPUTY SPEAKER: Order!

The Hon. G. G. PEARSON: If the honourable member wants to debate that matter, there will be a time and place to do it. I know what will put the honourable member's Government out of office, and he knows too: that is why he is sensitive about this matter. The proposals for this project are as outlined by the Treasurer in his second reading speech and confirmed today by a letter from the

Prime Minister, which the Treasurer read. He was good enough to allow me to peruse it before I rose to speak. I thank the Treasurer for that courtesy, which I appreciated. It is proposed that we shall raise this money over the next four or five years, from public borrowing, semi-governmental account and a special provision by the Loan Council. We shall be entitled to go on the market for \$20,000,000, and the Treasurer confirmed from the letter that it would be in order for the Government to go on the market for this sum at once. The Government can seek portion of it during the present financial year, as was confirmed by the letter from the Prime Minister.

The period of the borrowing was to be extended over the period ending on June 30, 1972. In addition, during the construction period (the words of the Prime Minister), the Commonwealth will act as an institutional lender and lend to the authority up to \$15,000,000 to assist in the construction of the line. That sounds all right: it gives us a total of \$35,000,000, which is presumed to be adequate for the construction of the line on the eastern route. The Bechtel report mentions a sum of about \$39,900,000, which gives us a margin for administration and contingencies; that is good. In this context I want to draw attention to two important matters. First, the State is to accept the responsibility for financing any short-fall in semi-governmental borrowings over the period to June 30, 1972, and for financing any increase in construction costs above the estimate of \$35,000,000. Although we have authority to borrow \$20,000,000 over four years and although the Commonwealth Government has agreed to put in \$15,000,000 during the construction period, on terms I shall presently discuss, we are told by the Treasurer that gas will be delivered to the metropolitan area by early 1969. As I calculate it, that is two years from now.

Mr. Casey: That is if we do not delay the Bill for too long!

The Hon. G. G. PEARSON: How are we to pay for it? I invite the honourable member to tell me, within the terms of this financial arrangement with the Commonwealth, how we will get gas by 1969. Who will provide the money? It is not to be provided by semi-governmental borrowings, as these are to be over four years, not two. Has the State some bridging finance to enable it to do the job in two years when the money is to be raised over four years? The Prime Minister has foreseen

this matter and has particularly stipulated in his letter (which, of course, was not included in the Treasurer's explanation; perhaps he was not aware of this condition when he gave that explanation) that the State is to accept the responsibility for financing any short-fall in semi-governmental borrowings over the period to 1972, and also for financing any increase in actual construction costs. The Commonwealth has limited its finance for the project to \$15,000,000. It has certainly not foreseen or provided (except so far as it has put the responsibility on the State) that these moneys shall be borrowed, collected and expended in two years rather than four.

I appreciate the Treasurer's earnest desire to get the pipeline under way and have it completed as soon as possible. However, the financial provisions he has negotiated and recommended to the House do not provide for the completion of the pipeline and for the use of gas in the metropolitan area by early 1969. Perhaps that is possible by early 1971.

Mr. Hall: That is the date by which the trust will want it.

The Hon. G. G. PEARSON: Yes.

Mr. Casey: What about the Gas Company?

The Hon. G. G. PEARSON: Although the Gas Company will be a big user, its utilization of gas would not pay axle grease on the pipeline costs. Because he has now had experience of pipeline costing and construction, the Minister of Works will understand that this is one of those projects from which there is no return on money invested until the job is finished.

Mr. McKee: Why shouldn't the Electricity Trust use the gas before then?

The Hon. G. G. PEARSON: The trust says that it will not be ready before then.

Mr. McKee: It generates power now. Why shouldn't it use natural gas now? Do you know it won't be ready?

The Hon. G. G. PEARSON: It has repeatedly said it will not be ready, and the honourable member knows that. Unless the pipeline can provide a return, there is no point in trying to rush it into operation. The financial provisions in this case are the governing factor, and I believe the Treasurer is expressing a pious hope that cannot be realized when he says we are to have gas here by 1969. If he gets it here by early 1969, I give notice that I will give a garden party. I could possibly have put other constructions than those I chose to put on the Treasurer's remarks. However, I have restrained myself and said that he

has made an error of judgment (at least it is that) in expressing that hope, and in perhaps suggesting to the public an objective that I believed cannot be realized under the proposals he has negotiated.

The conditions for repayment of this money are vitally important. The Prime Minister requires that the Commonwealth loan of \$15,000,000 shall be repaid in 16 equal half-yearly instalments, the first instalment payable on December 15, 1972, and the last on June 15, 1980, and that interest shall be payable on June 15 and December 15 at the maximum rate authorized by the Loan Council for private borrowings by semi-governmental authorities for an eight-year period. There is no concession or special assistance in that.

I suppose one could argue that the Commonwealth Treasurer had been tough in his negotiations. Perhaps he was, but the Treasurer for this State was not in a strong position. He had no alternative; he had not allowed himself any room to negotiate; he was a desperate man—an anxious borrower negotiating with a not so anxious lender—and the result was inevitable under those circumstances. I very much doubt that the Treasurer will be able to meet the repayment requirements. Furthermore, he may have to meet them by going on the local finance market at a time that is not favourable to him. It is provided that he can finance the undertaking out of local borrowings unless the authority has made some substantial repayments on its own account. The Leader dealt with the financial arrangements in more detail than I shall do, but I intend to comment on them because I believe they are important to the project, having an important effect on the Bill and the establishment of this authority. I shall now deal with the question of cost to the consumer in this area. This matter is dealt with extensively on pages seven and eight of Parliamentary Paper 102, which states:

The discussions with the producers on these matters have not proceeded to firm conclusions—that was probably written before the South Australian Gas Company had concluded negotiations—but it will be apparent that in the last resort, and in the absence of a negotiated agreement, the Government has the right, the authority, and the responsibility to make a determination in the public interest.

I agree with that, as I have already said. The report continues:

As no final conclusion has yet been negotiated or determined the following figures must be regarded as illustrative rather than specific.

The most favourable price of alternative supplies for domestic gas in this State at present appears to be of the order of 42c to 45c per million b.t.u.'s, and this unit is practically the equivalent of the heat value in a thousand cubic feet (Mcf) of natural gas. The most favourable alternative fuel for industrial heating purposes at present costs approximately the equivalent of 30c to 32c per Mcf of natural gas, whilst for generation of electricity the most favourable alternative fuel can presently be secured on basis of very large volume contracts for the equivalent of about 26c to 27c per Mcf of natural gas. To meet without bettering these competitive prices on the basis of 55 per cent average load factor of assigned pipeline capacity for domestic gas, 75 per cent average load factor for industry, and 80 per cent average load factor for generation of electricity, and allowing for the probable relative proportions of these three categories of demand in total sales, the average price would be about 30c per Mcf delivered from the pipeline. To give a competitive margin on a commercial basis perhaps an average price of 29c could be contemplated.

The figure of 29c as the average price on a commercial basis is what this report suggests might be the price of gas delivered by the supplier. The submission goes on:

If the abovementioned average price of 29c per Mcf for bulk gas from the pipeline were reduced on account of Government financial participation to, say, 26c per Mcf, and the transportation charge were about 10c per Mcf, the well-head return to the producer would still be about 16c per Mcf.

I emphasize this part of the submission:

This, on the face of it, would be significantly above comparable well-head returns in other advanced countries, and it would seem that a good case might exist for passing back to the consumer a further margin to ensure the reasonable maximum benefits from a low-cost indigenous fuel.

In my opinion, that is a most significant contribution by the writer of the report to the whole matter. My investigations, made when I was overseas last year, show that the average price of gas at the well-head was suggested as being 10c Canadian for each Mcf.

Mr. Hall: What would be the relationship of that to our currency?

The Hon. G. G. PEARSON: At that time, the Canadian dollar was worth about 92c American. The American dollar is worth slightly less than 100c in our currency, so there may be a variation of 10 per cent between the two currencies. The figure of 10c Canadian for each Mcf was obtained by me in lengthy discussion with consulting engineers while I was travelling on a ship. I had a long and completely informal discussion with a man who had recently retired from the position of director of Bechtel (Canada). I also had

discussions with representatives of the Southern Counties Gas Company in South California, who confirmed and added to the information I had previously obtained.

I suggest that we are starting at the wrong end of the sum in our consideration of the pricing factors of this project. I think it is axiomatic that the producer of a commodity such as this has to accept what he can get for his product, not what he may desire to get. If the producer is to sell his gas to consumers in the metropolitan area, Wallaroo or elsewhere, he must price his product at a level that will encourage people to buy it. Then, he has to realize, as have most other producers of primary products today, that he has to take what he can get for his product, in competition with all other things.

To bring gas to Adelaide at a price that equates or nearly equates the cost of present-day alternative fuels is not to take a step forward. The producer has to do much better than that and get his price as low as possible in order to enable industries in this State to compete with the highly efficient power-generation projects in the other States. The Electricity Trust is probably the most important of the major consumers in this State, because of its volume of consumption, and the Government should determine, in consultation with the major consumers, a price that, over a period of years, will enable South Australia to be at some advantage in relation to competitors in other States and so to give it an opportunity to develop industries in the way they have been developing in the last 10 or 15 years.

I agree that natural gas has important attractions for the consumer. For example, it lends itself readily to transportation. It is not subject to the gravitational problems to which fluids are subject. It can be taken uphill and down dale without an increase in pressure resulting and without the additional cost of heavier pipes being incurred at certain lengths. The pipeline does not require internal protection, so here again it has an advantage in regard to transport.

The Hon. Sir Thomas Playford: It takes a much bigger pipeline to contain the gas that will produce the same amount of heat as any fluid will produce.

The Hon. G. G. PEARSON: The honourable member is quite right. Oil has a higher calorific value. I was comparing gas with water, something that South Australia knows about. Gas has certain other advantages. It has the advantage of cleanliness and combustibility and there is an absence of by-products

resulting from combustion. That is important, as I am sure the member for Port Pirie (Mr. McKee) appreciates. That would relieve him of some of the problems that he has now. Gas is flexible in regard to control and does not set up the same difficulties as liquids when the flow is turned on or shut off.

When the supply of natural gas commences, the commodity is not subject to the effects of rising or fluctuating costs such as occur with wage determinations. The labour required to operate the pipeline is minimal, and I consider this a substantial advantage in the making of long-term contracts. The contractor and the authority would be assured that they were protected from some of the inescapable factors with which other industries are faced and over which they have no control.

The Hon. B. H. Teusner: What is the life of a pipeline?

The Hon. G. G. PEARSON: It is at least 20 years. Overseas the pipelines are not protected externally or internally except for cathodic protection of the outside. The pipelines have a long life in favourable circumstances and, for the most part, the route of the proposed pipeline here is such that the life will be similar. Another factor about natural gas is its convertibility to other forms of industry. The actual price of gas delivered to the Gas Company is not as significant as the cost delivered to, perhaps, the Electricity Trust. I think I am correct in saying that the South Australian Gas Company has about 100 per cent convertibility to energy. In other words, there is a straight-out relationship between the amount of gas purchased, the amount sold and the amount of heat that can be generated by that quantity by the consumer.

I checked with the Electricity Trust this morning and found that the efficiency rating of the new power station at Torrens Island, which is modern in every respect and in accordance with the latest practices for conventional power stations, was about 35 per cent. That is calculated on the operation of boilers at a temperature of 1,000 degrees and a pressure of 1,500 lb. to the square inch. Despite that, the trust expects to get convertibility of energy from gas to electricity of about 35 per cent. This means that, for every unit of cost, this must be multiplied by three to determine the value of this fuel for generating electricity, so that I can well understand that the management of the Electricity Trust is very careful in negotiating any contracts, because of the effect of the lesser convertibility of gas into energy for its purposes.

Finally, I consider it is in the interests of the producer to arrive at a contract for very reasonable prices at the well-head to ensure the sale of his product. He must look not only to the present but also to the future, and must assume that he will have a larger reserve of gas than he is at present able to guarantee. In addition to the other factors, as the member for Angas mentioned by interjection, the calculation for amortization and depreciation on the proposed pipeline is something on which the Government could probably take a chance. The important factor in costing is that deciding whether the life of the pipeline is taken as being 20 or 30 years—and it is not uncommon for an oversea country to calculate the life of a pipeline at 35 years—would make a substantial impact on the costing of gas transportation.

Mr. Shannon: The calculation on the \$15,000,000 from the Commonwealth won't be hard to make!

The Hon. G. G. PEARSON: No, that is perfectly straightforward. If we want to look kindly on this proposal (and I think we do) I consider that, because of the practices in other countries, it would be reasonable to take some risk in regard to amortization and depreciation. We could extend this up to 35 years without taking any grave risk. This would have a substantial effect on the costing of the whole operation.

Since the Leader of the Opposition made his rather penetrating analysis of this matter last Thursday, some water has flowed under the bridge, and apparently some people are concerned that the project may not appear, on investigation, to be quite as rosy as the public has been led to believe. Considerations in this House have not had the effect of raising doubts in people's minds. A proper investigation of this matter will not create doubts but will resolve them.

Mr. Shannon: That is the intention.

The Hon. G. G. PEARSON: Precisely. As far as our semi-governmental loans are concerned (and we must rely on these for the present and repay the Commonwealth loan later), people are not keen to invest in projects about which they are not well informed, unless they have some assurance of the detailed matters contained therein. Discussions in this House and the proposed investigation by the Public Works Committee will resolve doubts, not create them. Furthermore, the proposed inquiry will not delay the implementation of this project. The Government has plenty of reserves to deploy on preparing its programme

for this work. Indeed, the Treasurer said that active steps were being taken to go ahead with planning and calculations. Regarding delays, he was very realistic when he addressed the House. He said:

... there are a number of important matters to be concluded before the Government would be prepared to commit major sums to the pipeline project. First, although all the evidence from the field points very strongly to reserves of gas well in excess of the quantities necessary to support the project, further wells must be drilled to obtain complete confirmation of adequate reserves.

Further wells to confirm adequate reserves cannot be drilled in five minutes, but the Treasurer said that, before he was prepared to commit major sums to this project, this must be done.

Mr. Quirke: Who would do this?

The Hon. G. G. PEARSON: The Treasurer said in no uncertain terms that the owners of the gas must do it, and that is quite proper; I agree with it. The Treasurer went on to say:

Secondly, firm long-term contracts as to price and quantity must be concluded between the producers and the main customers and, particularly, the Electricity Trust of South Australia.

On the face of that statement by the Treasurer it is quite unreal for him to tell us today or at any other time that we are delaying the implementation of this measure, because there is much more work to be done by people other than Parliament before this project can get under way. I support this Bill at the second reading stage, and share the hope that real and speedy progress can be made. Properly handled, this project can confer very great benefits on the community, and I believe it will do so. The Prime Minister in his letter to the Treasurer states:

We propose that the arrangements relating to the provision of Commonwealth loans to this State be embodied in a firm agreement between the two Governments, to which approval of the Commonwealth and State Parliaments would be obtained.

Parliament has more work to do before the financial terms are concluded, so there is ample work for everybody. There is ample opportunity for Parliament to consider this legislation and for the Public Works Committee to examine and report upon it. This will not delay the Bill but will enhance public confidence. The public will be better informed, and the programme will go before the investing public with a sounder prospect of success than would otherwise be the case.

Mr. CUMBE (Torrens): In supporting the Bill, I congratulate the member for

Flinders on his thorough investigation into this Bill and for the benefit of the opinions he has given. His appreciation of the Bill, based upon his oversea tour, will be of great benefit to the State. The main purpose of the Bill is to establish an authority to build, finance and operate a pipeline to transmit natural gas from the North of the State to Adelaide and other points *en route*. These are the bare bones of the Bill, which will enable the authority to be set up and to get on with its job. The sooner we get on with it, the better.

A very important part of the Bill is the description of the functions to be given to this authority. The Treasurer's second reading explanation, together with Parliamentary Paper 102, describes how the work is to be done. The Bill, although straightforward, is one of the most far-reaching and significant to come before this House. The effects of its implementation will not be apparent immediately, but eventually it will have a striking effect on the domestic, financial, and industrial development of this State.

My colleagues and I will do all we can to assist in bringing gas to South Australian consumers, and to industry, as cheaply as possible and in the shortest time that it is economically and reasonably possible to do. In Committee, I shall move one or two minor amendments to certain clauses that will assist the Government and the authority, and lead to smoother working of the legislation. Having indicated my absolute support for the principle in the Bill, I believe that it is the Opposition's duty to scrutinize and query some aspects of this project and the proposed methods of implementing it. Some members of the public have expressed doubts, as seen in the press in the last day or two, and the Opposition is entitled (and it is its duty) to probe the facts and request full information that will satisfy not only the Opposition and Parliament but the public of this State, so that any doubts can be resolved in Parliament.

The project is so important to the individual and to the State that we must start it properly. If the reserves at Gidgealpa and Moomba are adequate and the economics proposed by the Government are sound and feasible, it is unthinkable that we should pass over this great opportunity to achieve an important State asset through which we will be using our reserves of indigenous fuel supplies instead of importing solid or liquid fuels. In the State's interests it is imperative that the project proceed immediately, despite

the controversy apparent in the press yesterday and today. The whole project can be regarded as a national developmental undertaking. The Bill is the culmination of many years of preliminary work. Members have asked numerous questions and have received replies varying in degrees of interest, completeness, vagueness and accuracy.

Replies have been given by Ministers of both Parties and, in this plethora of facts, at this moment the Opposition has Parliamentary Paper 102 and the second reading explanation of the Treasurer to guide it, but little else. Some replies we have received to questions have been extremely vague.

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

Mr. CUMBE: I have said that my colleagues and I wish to do everything to support the Bill and to see that the plans to bring natural gas to Adelaide and other parts come to fruition as soon as economically and reasonably possible. In addressing ourselves to this debate, we can be guided only by what is contained in Parliamentary Paper No. 102, the second reading explanation, and the Bill itself. The present producers having commenced work, I believe, in 1957, this Bill is the culmination of years of preliminary work.

Following encouragement given to them previously by the Playford Government and, more recently, by the present Government, the producers have continued in their search for natural gas. As we all know, the Treasurer and the Minister of Mines went abroad to investigate the latest oversea developments. We know, too, that Bechtel Pacific Corporation Limited was engaged as the consultant to the State Government and that it is on that organization's report that the Bill is based in its present form. The advantages of natural gas to the State are important, vital and obvious. We can imagine the impact on our economy that the advent of natural gas will have. In the short term, particularly in the next two years during the construction period, we can imagine what effect the injection of about \$31,000,000 throughout Australia will have on our manufacturing and service industries.

Of course, not all of that great sum of money will be spent in this State, because we shall not be able to produce all the component parts for the project. However, much of the money will be spent in this State in the next couple of years, and this will have a big effect on our economy. Many men will be employed in the construction and fabrication work which, of course, may boost South Australia's sagging

employment position, as well as helping our industrial development. I base my remarks on what I have read in reports and have heard in conversations with oversea consultants on the subject. The first point, although obvious, must be stressed: our industries must obtain gas at a price that is much cheaper than the price of alternative fuel. Indeed, if that is not possible, there is no point at all in this exercise.

Secondly, unless the Electricity Trust of South Australia takes the gas (and it can take the gas only if the price is well below that of alternative fuels), together with its anticipated load that is indicated in the report, forming the bulk of the State's total requirements, the scheme will be futile. The natural gas product must reach the trust at its Torrens Island power station at a rate that shades not only the present rates but the rate to which oil companies will undoubtedly reduce their prices in order to maintain their sales and present contracts. In other words, there must be a significant margin at the Electricity Trust Torrens Island power station inlet in favour of natural gas over the present contract prices for fuel and furnace oil. We may not see, and I do not expect, any significant reductions in power tariffs straightaway, because the prime cost of fuel is only one of the costs in a generating power station. Whereas a gas company can obtain, say, 95 or more per cent efficiency from natural gas as a heating fuel, a power station on the other hand obtains only 35 to 40 per cent of its efficiency, because the gas is burned in boilers and the product has to go through turbines and generators. The station also has to bear the transmission losses for hundreds of miles of cables and transformers.

Little reduction can be expected for a while in power tariffs but rather, as I see it, existing tariffs will be held for a number of years. Here in South Australia, of course, we plan to use natural gas at the Torrens Island power station and, unless the trust can buy it at a significantly reduced price, this project will not get off the ground at all, because the major user of this gas will be E.T.S.A., far and away above all the other likely consumers put together.

Mr. Hall: What figure would you put it at?

Mr. COUMBE: I will have a stab at it and say 75 per cent. Here in South Australia we plan to and have to use it, but this is unlike some other States of Australia which already have either solid or liquid fuel available almost on their doorstep (in some States,

it is right on their doorstep) whereas here we lack it. The only facility we have in this regard as our own indigenous fuel is the Sir Thomas Playford power station where at least three fuels are used.

Mr. Quirke: But at what price?

Mr. COUMBE: I will develop that in a moment, if the honourable member will bear with me. The corollary to what I am saying is that without natural gas there is no doubt that existing fuel costs could rise significantly. Provided we can be satisfied that this scheme can be organized on a sound financial basis and provided reserves can be proved (which we want to know), it is absolutely unthinkable that we pass up the opportunity to put into operation this national scheme.

I have quoted this agreement with the Electricity Trust and the effect upon its tariffs. I believe that other direct users would benefit more directly and in greater proportion, depending once again upon the agreements they could make with the producers of the gas at the field. The Gas Company, Imperial Chemical Industries and the cement works at Angaston and Birkenhead will all stand to benefit far more directly. In a two-year period from the introduction of natural gas into Adelaide, the conversion of appliances will be undertaken by the Gas Company. An outlay of between \$6,000,000 and \$8,000,000 is expected by the company. From that time on, the consumers who buy from the company could benefit by some significant reduction in tariffs. This is explainable in the premise I made a few minutes ago that any gas company buying gas gets almost the total value from it as a source of heating compared with what a generating power station gets. Both domestic and industrial tariffs will be reduced.

Mr. Shannon: Is it possible for you to give us a figure that you anticipate will be charged?

Mr. COUMBE: A Mr. Bonython had a stab at it in today's newspaper when he said it could be reduced by half, but I cannot tell you; I am not in a position to say. Some factors are unknown at the moment, although there should be a most significant reduction. Once again, this is in direct contrast to the position today of rising costs to the gas producer of solid and liquid fuels and of labour. These costs are making the present tariff position somewhat difficult. Therefore, I believe industries, especially large users of heat, energy and power, could benefit from the use of natural gas after a certain working-in period. In fact, experience overseas, especially in the United States of America, Canada, Holland, France

and Pakistan, has shown that after natural gas has been introduced into their countries, two trends are usually followed: first, industrial expansion, utilization and conversion do not always follow immediately.

In some cases there is little initial movement and then suddenly there is rapid development. Talking dispassionately, I am suggesting that in South Australia there will be little further expansion for a while after the initial introduction of gas, but after two years, by which time industries can convert and be attracted here and have their plants erected, we shall experience a considerable industrial expansion. Of course, this expansion can take place only if the price of the gas delivered to their factories is more than competitive with the alternative source of fuel they now use and, secondly, if there are sufficient reserves available at Gidgealpa to keep the expansion programme going. There must also be no risk of a premature shut-down of supplies. In other words, they have to be assured of a constant and reliable source of power at the right price. If these things can be achieved, then the time is ripe for industrial expansion.

We must look at our established reserves at Gidgealpa because the tables given to the House in Parliamentary Paper 102 take no account of these at all; in fact, they are specifically excluded. These are the reserves we are looking at to provide industrial expansion over and above the estimates contained in the report for use by the Electricity Trust of South Australia, the South Australian Gas Company and one or two specific large users which are named in the report. I quote from page 1 of Parliamentary Paper 102:

No amounts are included in the table for any possible demand for natural gas for use other than as fuel.

The table referred to is Table 3 at page 14 of the report. The second point that came out in my discussions with the oversea experts was that, in almost every case of pipelines built overseas, the original calculations, computations and estimates of the pipeline have been to conservative. In many countries this has meant expensive duplication and looping that could have been avoided had pipes of larger diameters been provided in the first place. This observation has been affirmed by the engineers from the United Kingdom, Canada and the United States of America with whom I have recently conversed.

The Bill appears to do all that is necessary to authorize the construction, financing and operation of the pipeline. It provides

for the setting up of the authority, giving it certain powers. The Bill seems to follow extremely closely the Act establishing the Gas Trunk Pipeline Company in the Canadian Province of Alberta, and that Act is regarded as model legislation for establishing pipelines. I have with me a copy of that Act, number 37 of 1954 of the Provincial Parliament of Alberta, upon which this Bill is based. I also have a file containing other legislation of that Province which, in the main, seems to be similar to the Bill before us. I have examined, for instance, the Acts of the Canadian Provinces of British Columbia, Saskatchewan and Ontario and the Dominion National Energy Board Act of 1959. I have legislation of the States of California and Wisconsin, District of Columbia, New York and the Federal National Gas Act of 1938. I also have the report of the Federal Power Commission. The point I wish to emphasize is that, although all these Acts vary in minor details, although some of their defining clauses may be different, and although some of the controlling authorities may vary (sometimes quite largely), in the main the principal features are similar. All of them appear to be common carriers, making a charge for carrying the gas from one point to another.

As members know, very strict laws affect operations between the various States of America and between nations, as in the case of the international border between the United States of America and Canada. Members know the pipeline from Canada to California which, with other pipelines in those countries, is subject to strict control. However, we are concerned only with the exercise of one State power.

The main difference in all this legislation is in the method of finance. Australia has its own peculiar method of finance; financing in other countries is done differently and, in most cases, financial backing is done on a commercial basis. Much equity capital is employed in varying sums.

Members would probably agree that clause 10 is the most important clause of the Bill because it sets out the powers and functions of the authority. The powers appear to be comprehensive indeed. Of course, these powers are vitally concerned with how the authority carries out the duties Parliament intends it to carry out in the interests of South Australia. I consider that one or two may be misinterpreted, and that they may go a little further. In Committee I intend to move one or two amendments



that I consider will assist not only the Government but also the authority in carrying out its duties.

The Treasurer said in his explanation that, in the ordinary course of events, the authority would not exercise some of the powers referred to it by clause 10. He said that, perhaps, the provisions of paragraphs (e), (f), (g) and (h) of that clause would not have to be implemented, but he wanted to put them there in case the occasion arose. I hope that these provisions will never have to be implemented but I agree that it is as well to leave them in the Bill. It is significant (and this is the point that the Opposition is keen about) that there are various safeguards in the Bill. The first is in clause 10 (2) (a), which provides that no pipeline can be built by the authority unless the Government approves of the route. That means that the authority can do all the engineering feasibility studies, the surveys and the costing, and say to the Government, "This is what we consider should be the route of the pipeline."

The authority cannot build on that route unless the Government says that it is to go on that route, say, between points A and B. Whether it goes between A and B or between A and C is a point about which the Opposition is taking issue with the Government. We agree that there is merit in giving the Government some say about where the pipeline should be built. The authority cannot buy existing pipelines without the approval of the Government. Paragraphs (e), (f), (g) and (h) can come into operation only if the Minister approves. Furthermore, certain bridge construction and roadworks have to be approved by the Minister. In some cases, acquisition of land can be undertaken only with the approval of the Minister, and the provisions of the Compulsory Acquisition of Land Act are incorporated in the Bill.

The Minister has to approve the sale or transfer of land and the Treasurer has to approve borrowing. The authority is given power to issue debentures and to secure repayment of borrowed moneys (in the same way as the Electricity Trust does today), and this has to have the prior approval of the Minister. The principal repayments and the interest payments are to be guaranteed by the Government of South Australia. These are important provisions because, immediately action is taken in pursuance of them, the debentures can rank as trustee investments, if the Government so desires.

It is significant that the authority has to present to the Minister each year an annual report on its operations during that year. The accounts have to be audited by the Auditor-General and a report is to be presented each year to both Houses of Parliament. So, it appears that several important safeguards are provided, but that does not mean that others could not be inserted. Clause 18 deals with rates of tax, and this is important. The undertaking will be liable to pay council rates to councils through whose areas the pipeline passes. So, it will have to meet council rates and will be liable for water and sewerage rates and land tax. Being a semi-government body, it will escape the incidence of income and company tax, as do other similar bodies.

This income tax exemption will play a significant part in the scheme later, when we are considering the annual cost of the project. It will tend to keep down the annual costs. This is in contrast to many of the pipeline authorities in operation in Canada and the United States of America. In the United States of America, that great home of the free, nearly all the authorities pay federal income tax, but in South Australia we work on a different basis. This authority will pay no income tax or company tax. The Electricity Trust is a semi-governmental body and does not pay income tax, neither should it.

Mr. Shannon: The poor old Gas Company cops it though!

Mr. COUMBE: That is a different enterprise and has to pay its way and pay income tax, too. Turning to the financial provisions of the Bill, I wish to discuss the cost of transmitting the gas. This was raised, I think, by the member for Burra a few moments ago, because this is the figure that concerns the Government and will concern the authority increasingly as the scheme gets into operation. Parliamentary Paper 102, at page 5, states:

It is contemplated that the pipeline authority will take a responsibility for the financing of the pipeline and for the transportation of the natural gas. It is not proposed that it be concerned in the purchase of gas from the producer nor in its sale to the consumer, except only to the extent of protecting its interests as a transportation authority. It will not be concerned in the function or financing of the collection or purification of gas at the well-head . . . . It will not be responsible for the distribution of gas to the consumer . . . .

There is a plain statement of fact that the authority is to be concerned with transmitting the gas in the pipeline—obtaining it from the producer at one end and giving it to the

consumer at the other end. It is not to be concerned in the purchase or in the sale of the gas. It will not be responsible for collection, purifying or distribution. Parliamentary Paper 102 at page 7 states:

It is contemplated that the producer should have the right and responsibility of negotiating basic pricing contracts with consumers subject to the Government being satisfied that prices charged to public utilities are sufficiently within the prices of alternative fuels.

These proposed pricing arrangements will be of no concern to the pipeline authority as such, but they will be a primary concern to the Government. In other words, it means that the producer will negotiate with the consumer on the price the consumer will pay the producer. The Government is to be satisfied that the price so arrived at by agreement is sufficiently below the price of alternative fuels as to make it worth while.

Mr. Shannon: Whatever the traffic will bear—is that the answer?

Mr. COUMBE: What is meant here is that it is below the price of fuel oil. The significant point is that it is spelled out that the pricing arrangements between the producer and the consumer (leaving out for the moment the transmission cost) will be of no concern to the pipeline authority as such. This means that the authority will charge for transmitting the gas as a common carrier, but will have no hand in fixing the buying and selling prices of gas. In the case of the Gas Company and the Electricity Trust, the Government is to ensure that the purchase price of gas is sufficiently within the price of alternative fuels, and, if possible, below it, so that the scheme will operate. The Treasurer said the other day that he understood the trust was almost ready to complete its contract with the producer.

Mr. Shannon: It would be helpful if it had been signed.

Mr. COUMBE: It has not been yet, and there have been protracted delays. However, I understand that it will be signed shortly. The Gas Company has already signed its contract with the producer, thus becoming the first gas utility in Australia to sign such a contract. Treasury officers were consulted and they were aware of and approved of the price that was finally agreed between the Gas Company and its consumers, and the producer at the gas field. In consultation with Treasury officers, the producer and consumer will negotiate these contracts, which will be

no concern of the authority, as that will be a carrier of gas and will charge for carrying it.

Mr. Shannon: There could be a variety of prices charged between producer and consumer.

Mr. COUMBE: There could be. The producer may be in the position of an unwilling seller.

Mr. Shannon: He may be in the position of being able to raise the price.

The DEPUTY SPEAKER: Order! The honourable member for Torrens is addressing the House.

Mr. COUMBE: As the direct contracts for buying the gas will be between the producer and consumer, it remains to be seen what price the authority, as a carrier, will have to charge to cover its establishment costs, its amortization, its depreciation, and the annual running costs. It is the cost factor that concerns us and will concern the Government and the authority. The Government has stated clearly that the authority is to be a non-profit-making venture, but that it will be required to meet all its statutory obligations and the charges that it normally would have to meet. But, after that, the authority should not be a profit-making concern. Clause 15 (3) provides that any profits over the fixed and annual charges required for the establishment and running of the pipeline, and repayment of moneys in connection therewith, are to be paid back by way of rebate, drawback, commission, or whatever we wish to call it, to the Electricity Trust and the Gas Company, which are the two major utilities. That is specifically designed so that the full benefit of any price reductions will be passed on to the consumers of electric or gas-produced power.

Mr. Shannon: Except to the consumers of cement.

Mr. COUMBE: True. Clause 15 (4) provides that, after that, further profits will be paid into the Treasury. Therefore, the Government intends the authority to be a non-profit-making venture although, of course, it has to meet all its new charges. It seems then that the consumer (and not the producer) will benefit from any profits that the pipeline authority may make in the future. Of course, that could lead to a lower cost of fuel. In his second reading explanation concerning this clause, the Treasurer said:

The supply and price agreements with the main consumers and the conveyance charges may be determined on such a basis that the pipeline authority makes its charges to the producers broadly on the basis of what a commercially financed pipeline would require.

The significant phrase there is "commercially financed pipeline". Parliamentary Paper 102 at page 19 (annexure 3) reveals that the Bechtel organization's estimates of the two types of financing involve 10.6c for each 1,000 cubic feet for a public financed scheme. If the charges are to be on the basis of what a commercially financed pipeline requires, I can take it to mean only that the authority will therefore charge the producers 14c for pipeline transmission, that is, on a commercially financed basis.

Mr. Hudson: That gives you an idea of the kind of rebate possible.

Mr. COURCE: I am grateful for the encouragement from the member for Glenelg. I can only take it from the Treasurer's remarks that the transmission cost will be based on 14c (that is, on a commercially financed basis), as against 10.6c for a public financed scheme. I take it, too, that as the actual cost of transmission will be about 10.6c it may be assumed that after the line has been established and working for some time the major part, at any rate, of that difference between 14c and 10.6c will be rebated to the Electricity Trust and the Gas Company in the proportion of the respective volumes that they buy and transmit through the pipeline. The member for Rocky River has queried this point. I refer him specifically to clause 15 (3), which sets this out. The second reading explanation by the Treasurer spells out these details. If there are any further profits, under subclause (4) they go to the Treasury. This is dealing only with any profits that may be achieved on the actual transmission through the pipeline: it has nothing to do with any profits or losses made by the producers or the consumers. So, if this scheme gets under way and works out as the report and the Treasurer hope it will, this may well be financed on a commercial basis rather than by public finance and the rebate of 3.4c will be paid back to the Electricity Trust and the Gas Company according to the volume they take from the pipeline authority.

This, of course, means that this benefit will be passed back to the consumer, to the user of the product. It may go back in reduced tariffs; it will probably go back in either better service or an ability to stop increases in tariffs. As regards what would be the price of gas at the well-head and the cost of gas at the consumer's city gate, the distribution point where the transmitter hands over the product to the consumer, on page 7 of Parliamentary Paper 102 it can be assumed from the figures given that the Electricity Trust would purchase the gas at

a figure below 26c or 27c for each 1,000 cubic feet. So, if we take 25c as the basis for this exercise and deduct the 14c I have mentioned as the likely transmission charge, the charge at the well-head could be about 11c. This may be right; it may be wrong; but this is a simple exercise in what could well be the cost.

Mr. Quirke: That is, purified?

Mr. COURCE: Yes, because the producer has to gather the gas and purify it before it goes into the transmission line. The purification and gathering costs are to be borne by him entirely. The transmitter gets the purified gas.

Mr. Hudson: The producer must pay a royalty on that.

Mr. COURCE: Yes. By this exercise, I have arrived at a tentative figure of 11c for each 1,000 cubic feet. This is the price of gas after gathering it out of the earth through the system and purifying it, because we do not want rubbish going through the pipeline: we want the highest quality gas possibly. That is the price at which it will be given to the transmitter, and that is the price on which the State will collect its 10 per cent royalty. The royalty will be charged on that tentative figure of 11c but the Electricity Trust may well negotiate for a price below this 25c: it may well be about 22c. I am not in the confidence of the trust, and I do not know what it is doing, but something between 22c and 25c may be the figure. It may well be that the price at the well-head will be below this 11c. We know the Electricity Trust's present cost of liquid fuel, so if we get below this figure it will mean a significant reduction. Of course, this may well be the reason why the Electricity Trust has not yet signed an agreement: it is trying to get it as low as possible. The oil companies are obviously going to reduce their price to try and retain the market, so the price the Electricity Trust will pay has to be below the reduced price. Therefore, there will be some hard bargaining and old-fashioned horse-dealing. It means that the lower the Electricity Trust's price gets, the lower the price will be to the consumer, to whose advantage it will be. On the other hand, the producer ultimately has his price whittled down, so the royalty the State receives will be whittled down a little also. But I am looking at the benefit to the consumer, whether it be a residential or industrial consumer.

Mr. Nankivell: There will have to be a benefit.

Mr. COURCEL: For the benefit of the member for Albert, in opening my remarks I said that unless the price is significantly below what it is now this exercise will not get off the ground and there will be no gas.

Mr. Casey: The Gas Company was apparently satisfied.

Mr. COURCEL: In addition to that, the two public authorities will have the added benefit of the rebate referred to in clause 15 (3), so that is an exercise which I think ultimately will not be far away from the price arrived at.

Mr. Hudson: Do you agree the Electricity Trust could end up getting natural gas at 19c or 20c?

Mr. COURCEL: I do not deny it, but I am not sufficiently in the confidence of the trust to know what figure it is negotiating on. The honourable member may have knowledge superior to mine in that regard. I believe it will be a realistic figure, not a figure plucked out of the air, and I think it could be below the present price paid for this fuel.

Mr. Casey: Of course, there are other advantages to be gained by using it in preference to oil. They should be taken into account also.

Mr. COURCEL: I agree, but so far I am talking only of the financial aspect. There are other factors such as using our own indigenous supply and keeping resources in this State, but the figure at the well-head would have to be sufficient to reward the producers for the risks they have taken, and they are entitled to that reward. If searchers for oil and minerals could not get a sufficient reward for their labours, nobody would search.

Mr. Quirke: How much did they spend on the job up there—\$30,000,000?

Mr. COURCEL: I have heard \$26,000,000 or \$28,000,000 mentioned.

Mr. Quirke: They would want a few bob back for that.

Mr. COURCEL: Exactly, and they will not sell the gas at too low a price unless they get a good return for it. They want their investment tied up for 20 years or more, so we have to get a balance between the two. Each party has to be realistic about this or nobody will receive sufficient benefit. Of course, we have to remember that the producers are expected, and will be required under the terms of the agreement, to continue their search over the next few years. They have to develop and prove further resources. The proposals the Treasurer has now explained are different in some respects from the report presented to Parliament late last year in

Parliamentary Paper 102. As I understand it, the proposal is now in two parts. The first part is that \$20,000,000 is to be raised at once as institutional borrowing at semi-governmental rates. This is to be raised over four or five years, most of it in the next two years. We all hope that the rate of interest will be no more than 5½ per cent. The term of the loans was rather vague because of ambiguity in the phrasing of the Treasurer's second reading explanation. However, this matter was cleared up to some extent today, although fresh doubts have arisen. The letter from the Prime Minister to the Treasurer clarified the terms of the semi-governmental loan as expiring in 1972. Conversion at that time will be the order of the day. The second part of the proposal is that the Commonwealth is to make a special loan of about \$15,000,000 as bridging finance, making the total funds available about \$35,000,000.

Mr. Quirke: What is the cost of the Commonwealth money?

Mr. COURCEL: I cannot say.

Mr. Hudson: The maximum Loan Council rate on Commonwealth money.

Mr. COURCEL: I have been trying to find that figure. The letter from the Prime Minister shows that the rate of interest on semi-governmental borrowing will be 5½ per cent.

The Hon. G. G. Pearson: In the Prime Minister's letter 5½ per cent was quoted as the average of the two loans.

Mr. COURCEL: If that is in the Prime Minister's letter, that is the answer. That is certainly not cheap money. I understand that the term of this loan is that after June, 1972, the principal and interest payments will be met to refund the loan in eight years. I presume that interest will be payable at once; therefore, interest will be payable immediately the loan is taken up, but principal and interest will have to be met in eight years after June, 1972, so that the loan can be funded out. The position will be that after June, 1972, further semi-governmental loans will have to be raised by the Government to replace, first, the semi-governmental loan of \$20,000,000 and, secondly, to replace and repay the Commonwealth loan as it becomes due. Therefore, in South Australia we will face the position of many conversions taking place, and I am afraid that we do not know now what the interest rate will be at that time; also, we have no control over it.

Mr. Quirke: It could be 9¼ per cent.

Mr. COURCEL: What it could be is anybody's guess; we have no guarantee what it will be. However, all the financial aspects of the scheme have been worked out at a rate of interest of about 5½ per cent, whereas the interest rate in 1972 could be higher than it is today. We will have all this conversion going on at once in 1972 at an unknown interest rate.

Mr. Hudson: Not all of it will be converted then.

Mr. COURCEL: Most of the \$20,000,000 loan will have to be converted although there will be some spread. However, conversion will be necessary to repay some of the Commonwealth loan which will expire and which will be repayable over the eight-year period. The point I am trying to make (and it has been made by previous speakers) is that, when the pipeline is under way in, say, four or five years' time, the Government of the day will face some fairly solid financial problems over and above the normal Loan Council borrowing. This concerns me, as well as other Opposition members. We have to spread and we have to convert. There may be a raising of individual moneys over which we have no control and which we do not know about at present.

I understand from the Treasurer that semi-governmental borrowings will be institutional borrowings. Will the individual citizens of South Australia have an opportunity to subscribe to a loan to build a State project that is to be guaranteed by the Government and which could easily be classified as a trustee investment? Large institutional borrowing will be the order of the day, but the Treasurer has not told us whether the individual will be able to invest on the same terms as he can now invest in Electricity Trust loans. The people should be able to make these investments, provided their contribution is not too large a section of the funds required, because that could have an adverse effect on the ability of the trust to fill its own loans.

The technical aspect is divided into the size of the main, the route to be followed and the reserves on the field. The report says clearly that a 22in. diameter pipeline is required for this project. This statement is based on the feasibility study made by company experts. Later, it is recommended that an 18in. line be built instead. The smaller specification has been tailored to meet, first, the financial resources of the State and, secondly, the reserves of gas at the field. The company has said, "We shall build an 18in. pipeline instead

of a 22in. pipeline," and the Government has accepted that and has designed all its proposals accordingly.

Mr. Heaslip: Has the Government said so?

Mr. COURCEL: That is in the report. The Bechtel experts said that it should be a 22in. pipeline. However, the Government has said that it wants an 18in. pipeline, and that that is what it will build. Bechtel says that the report has been tailored back to 18in. I have said that overseas experience has shown that almost inevitably countries now regret having installed originally a pipeline that was too small and they regret having planned far too conservatively. They now have to resort to expensive looping and duplication as a result. The report says that a 22in. pipeline is preferable and that, to overcome future limitations of supply, the device of looping and providing extra compressors will be resorted to. I consider that this is an important aspect of the project. The report says, at page 4:

The main disadvantage to the producers—that is, the main disadvantage of coming from the 22in. pipeline back to the 18in. pipeline—would arise from the longer period over which exploitation returns to them would be spaced, and the main loss to consumers would be by the deprivation from more extensive and earlier supplies of a fuel at prospective costs lower than the costs of alternative fuels. The Government at the same time would receive rather less in royalties comparable with the longer period over which returns to producers may be spaced than may have been possible by alternative but rather less cautious planning.

That is a fair summing up of the position. I regret the decision to reduce the pipeline from 22in. to 18in. in diameter. I only hope that after the next few years the Government will not regret that it built an 18in. pipeline instead of the 22in. pipeline recommended in the report.

Mr. McKee: What is the overseas policy in regard to delivering gas? Do they run big pipelines all over the country, or do they take it direct to the places where the market is?

Mr. COURCEL: In the United States of America, which has some of the biggest diameter pipelines in the world, the policy is to have pipelines up to 33in. in diameter, built of a special quality high tensile steel, and to have lateral pipelines off these. The Government should build the main pipeline from Gidgealpa to Adelaide and have smaller laterals running off it. I can see that the member for Port Pirie agrees with me.

Mr. Shannon: So long as it goes through Port Pirie.

Mr. COUMBE: That is what I am leading up to. The route the pipeline will take has been the cause of some contention in the House and outside. There has been considerable public unrest as to the route, especially by the people in the North of the State, because the pipeline route proposed by the Government will go through many hundreds of miles of desert where very few people live and where no use can be made of the product.

Mr. Casey: I suggest that the honourable member study his geography! He does not know what he is talking about!

Mr. COUMBE: I know how to get the member for Frome in! The map shows that the pipeline will go through Peterborough. The scheme suggested at a meeting at Port Augusta was interesting.

Mr. Casey: Is this in the Bill?

Mr. COUMBE: Yes. It provides that the authority cannot build a pipeline unless the Government approves of it. A report was compiled by an engineer at Port Augusta. I do not know the basis of his calculation but I assume that, as a trained engineer, he would have used the same calculations for either side. He suggested that if the route of the pipeline were adjacent to Port Augusta on the western side of the range, and allowing for laterals that would have to be built, the extra cost would be about \$1,000,000 in a total of \$77,000,000 over the total period.

Mr. Hudson: The difference is greater than \$1,000,000.

Mr. COUMBE: I am speaking about the total cost. The Opposition has received no estimate except that produced by this engineer through the Port Augusta Chamber of Commerce.

The Hon. G. G. Pearson: I understand that there is to be a big protest meeting at Port Augusta next Friday night.

Mr. COUMBE: I have heard about that. The Government has produced a scheme for a pipeline to take gas from Gidgealpa and Moomba to Adelaide on the eastern side of the range via Peterborough. The Opposition has asked what it would cost to bring the pipeline via the gulf towns on the western side of the range. Some months ago the Treasurer, when replying to a question asked by Sir Thomas Playford, said that this might cost \$2,600,000 extra for an additional 30 miles. Apparently, he completely forgot that today when he replied to a question by the member for Mitcham.

Mr. Casey: I think you will find that the Treasurer quoted for an extra booster station to go in.

Mr. COUMBE: I am aware of that. Today, the Treasurer said that he had no knowledge of any costing done for the western route. The Opposition has asked for these costs; the Government may be correct for once, but the Opposition is entitled to know the cost of the alternative scheme: not only Parliament and the Opposition but also the people living in the gulf towns in the north of the State are entitled to know why the Government is not building the pipeline there, how much it would cost if it were built there and how much it would cost to transmit gas. The Treasurer said he did not know about this costing, but we understood that the Bechtel Pacific Corporation Limited was making a survey. However, all the information available to the Opposition is the report from the engineer at Port Augusta. Nothing is shown in the official report; nothing is in the Bill; and nothing appears in the second reading explanation.

Mr. Hudson: That is not true. Turn to page 3,276 of *Hansard*.

Mr. COUMBE: Is this the famous \$2,600,000?

Mr. Hudson: No. It is in the second reading explanation.

Mr. COUMBE: I shall be delighted to listen to the proposition of the member for Glenelg when he rises to speak. However, the Opposition does not have the figures it should have.

Mr. McKee: I agree with that one!

Mr. COUMBE: On looking at page 3276 of *Hansard* (which the member for Glenelg urged me to do) I cannot accept the figure there, for it is not complete. Not knowing the basis on which the figures are presented, I would have to check it carefully. If the figure to which the member for Glenelg has referred is in the Treasurer's explanation, why did the Treasurer say today that he had no knowledge of what the cost would be?

Mr. Clark: I think he said he had no recollection.

Mr. COUMBE: That may be so but, if the Treasurer had no recollection, who would have? He is the Minister promoting and sponsoring the Bill. How can the Treasurer be so dogmatic in saying that the eastern route is the correct one? I ask this because many people are interested in the matter. To the best of my recollection the Treasurer has said that the eastern route is the shortest and that it must be the cheapest. From a State point of view, however, I should like these figures to be presented to me. Although the Treasurer may be correct, I believe Parliament is entitled to know what the figures are. When we consider the

expansion of laterals to the various towns that have been referred to, the price of the gas through the laterals may well be above the price of alternative fuel.

The Treasurer has said that the Government will build a line on the eastern route and that that is where the line will go. If he is so definite about that, will he explain to us soon what costs are involved on the other side? If he can produce figures that prove him correct, I shall be the first to agree with him. I am entitled to ask for these figures. Many people in Port Augusta are not terribly happy about the intention not to build the line on the western route.

Mr. Clark: Whichever route is taken, it won't please everybody.

Mr. COURCE: True, but more people live along the western route, and it possesses far more industrial potential; it is nearer to the seaboard, and has many more transport facilities. We must realize that the Government has the last say on where the pipeline will go. It is specifically provided that the authority cannot build the pipeline on a certain route unless it receives prior approval from the Government. Therefore, despite what we are saying now, Cabinet may well build a pipeline on the eastern route, as it has already said that it intends to do so, and I am afraid that we shall not receive the figures for which we are asking. In other words, it seems to me that Cabinet has decided already what is good for South Australia and that we cannot do much about it.

Some doubt has been expressed about the reserves at Gidgealpa and Moomba. We must have proven reserves before we go into this venture. The Leader of the Opposition rightly dilated upon this point.

Mr. Shannon: Which clause lays that down?

Mr. COURCE: If the honourable member looks for it, he may find it.

Mr. Shannon: Have you found it?

Mr. COURCE: No, and it cannot be found. As a matter of practical common sense, the honourable member knows that, unless adequate reserves are found, this project will not get off the ground. We must take some risks in this matter. The producers will be bound by the agreements they make with the Electricity Trust, the Gas Company and other people to supply certain quantities of gas to them, and they in their own interests will have to go on searching for and finding this product. The State, the Government and the people of South Australia need some guarantee, because the people of this State will be putting up the cash to build the pipeline.

We know that at Gidgealpa and Moomba there are some 800 billion cubic feet of established reserves and a further 1,440 billion cubic feet of probable reserves—and, remember, for technical reason, we can use only about 75 per cent of this, which gives us reserves of about 600 billion and 1,100 billion respectively. As we shall, according to the Treasurer and the table, use about 70,000,000 cubic feet a day, throughout the year, it seems as though we have to get on smartly with the job of finding more gas. That is elementary. What guarantee is there that the State, having laid out \$35,000,000, will get a repayment through transmission, and that there is enough gas there for adequate production? The only way that this can be guaranteed, of course, is for the producers to go ahead and sink more wells. I hope this is done as quickly as possible, because grave doubts have been expressed in this House and outside whether these estimated reserves are sufficient or whether this pattern will extend and we shall eventually get sufficient reserves. It is in the interests of the producers to find out, because they have to meet the costs incurred. It is no good to them if they cannot find reserves.

The Hon. T. C. Stott: From the layman's point of view, two wells are hardly enough.

Mr. COURCE: To me, it is fundamental that this has to be proceeded with as rapidly as possible, because we are spending some \$35,000,000, at a minimum. I said earlier that I shall later put forward some small amendments that I hope will be acceptable, because I think they will improve the Bill and assist the authority. The composition of the authority is acceptable. They are reputable concerns. All the responsible bodies are represented—the producer, the consumer and the Government.

Mr. Shannon: Why should the producer be vitally interested in the carriage of these goods?

Mr. COURCE: Because, if he cannot sell, it is not much good his producing. The member who has just spoken has enough commercial and mercantile experience to know that cartage is a vital part of any manufacturer's or retailer's business. The only other thing I wish to mention is the referring of this matter to the Public Works Committee. This is essential. The argument that has been used against this has been that this investigation would cause delay, but it would not delay the passage of this Bill for one second. This Bill can be passed, and if it contains a provision for referring this matter to the Public

Works Committee, that will not hold up the measure, as it provides for setting up the authority and for giving it certain powers. The only other means this House has of gathering facts like this is a reference to a Select Committee, and that is the last thing we want, because if anything is referred to a Select Committee the Bill cannot be passed until that committee reports. I am opposed to that.

Mr. Hudson: Besides, a Select Committee would have a Government Party chairman, whereas the Public Works Committee has an Opposition chairman.

Mr. COUMBE: The honourable member is perhaps suggesting that a Select Committee would have a biased chairman, but the Public Works Committee has a completely impartial chairman. We believe this is an important aspect that should be looked at. I support the Bill, as do members of the Opposition. We are glad it has been introduced and we appreciate not only the work that has gone into its preparation but the work done by the producing companies, the former Government and this Government. We believe this will provide a workable authority that will get these proposals going. I have expressed some doubts about some of the financial aspects and have given my views on how the pricing of the pipeline should be carried out. I have also mentioned the diameters and route of the pipeline, as well as other matters, on which further information should be given to the House. It is our duty, on behalf of the people of this State, to ask for those figures, which we do.

I warmly support this Bill, which has our entire support, and we hope it will be implemented economically, in the interests of the people of this State.

Mr. BURDON (Mount Gambier): For the last 1½ hours I have been sitting here waiting for an opportunity to speak. Members have listened to only two Opposition speeches since about 4.30 this afternoon. If we had a pipeline from this House to the Osborne power station it would provide cheaper gas than that which will be provided by the authority.

As a Government speaker, I take this opportunity to congratulate the Government and Cabinet on proceeding with this project in the interests of the people of this State. I believe the setting up of this natural gas authority will be something the people of South Australia will come to appreciate, as they have appreciated the Electricity Trust, the Housing Trust and other trusts of a similar nature.

Mr. Clark: And they were all referred to the Public Works Committee for investigation!

Mr. BURDON: I will deal with that subject directly, but the bodies I have mentioned have brought untold benefits to South Australia. Nobody would deny that the Housing Trust has been of benefit to many thousands of people in this State. I understand that, over the years, it has built about 58,000 houses. The Electricity Trust, which was taken over with the assistance of the Labor Party over 20 years ago, has now spread its operations throughout the length and breadth of the State, and I believe everybody appreciates the work it has done.

It was extremely difficult to follow the logic of the arguments put forward by the Leader of the Opposition in his speech the other day. I do not think the points he made in that speech were any more convincing than points he has made in previous speeches.

Mr. Clark: In other words, it was terrible.

Mr. BURDON: I quite agree.

The Hon. G. A. Bywaters: It sounded like sour grapes.

Mr. BURDON: Well, something is upsetting the Opposition about this matter. The member for Flinders spoke this afternoon with his tongue in his cheek: I do not think he believed most of the things he said. Up until about 7.50 this evening the member for Torrens had given a reasoned speech. At that stage he said that we were here to discuss the appointment of an authority to supervise the operations of the gas pipeline. Had he concluded his speech there he would have done well, for in the next hour he completely upset the good impression he had made.

I was surprised to hear the member for Flinders refer to the penetrating analysis given by the Leader of the Opposition. All the Leader did was quote from papers he had in front of him and complain about the lack of information from the Government: I cannot see that that was a penetrating analysis. In any case, if he could read information from pamphlets and so on for an hour I do not think he could complain about a lack of information supplied by the Government. Other Opposition speakers have also referred to a lack of information. Apparently quite a bit of information has been made available to the House, because practically the whole of the time occupied by Opposition speakers has been taken up in their quoting from pamphlets, letters or other information. As I implied, it was extremely difficult to follow the Leader's reasoning in his speech.



but last Friday's *Advertiser* showed that the people in Waymouth Street had gone to much trouble to present the Leader's views in a favourable way. Any comparison between what the Leader said and what appeared in the press last Friday morning was purely coincidental.

The Treasurer emphasized that three main factors required attention before the construction of the natural gas pipeline would take place. The first of these was that further wells would have to be drilled to determine the amount of gas in the Gidgealpa-Moomba field. The next was the quantity necessary to support a long-term project. The Treasurer said:

Firm long-term contracts on price and quantity must be concluded between the producers and the main customers, particularly the Electricity Trust of South Australia; and it would be necessary to negotiate firm long-term arrangements between the authority and the producers on charges for transporting the gas. It is reported in this morning's newspaper that some of the authorities connected with the discovery of gas in the Gidgealpa-Moomba field have taken upon themselves the responsibility of accepting that there is enough gas in this field to warrant the construction of a natural gas pipeline, and they say that this gas will be sufficient for about 20 years. Their report states:

As far as the domestic consumer of gas is concerned, what now costs the South Australian Gas Company more than \$1 a unit will be supplied to it for less than one-half that amount. After the cost of conversion to natural gas, the consumer will no doubt get the benefit of this price reduction.

I understand that about 300,000 to 400,000 consumers of gas in this State will be looking forward to a reduction in the price of gas. The construction of the natural gas pipeline will not take place unless the authority is convinced that there are adequate supplies of gas in the field to enable long-term contracts to be negotiated and unless gas can be delivered to the metropolitan area at a competitive price. I commend the member for Torrens (Mr. Coumbe) for agreeing that it is necessary to get the gas from the producing fields to Adelaide at the most economic price.

Mr. Casey: He went bad after that.

Mr. BURDON: The Government considers that one of the economic factors of the project is to get the gas to the largest consumers, and the best way to launch the project is to bring the gas to consumers here. Later in his speech, the member for Torrens said that, on oversea experience, it would be necessary to get the gas here in the large diameter pipe

and after that was done, if there was sufficient demand in the northern towns, lateral pipelines could be connected to those places. Surely it is cheaper to run a 6in. pipeline off the main pipeline to such places as Port Pirie and Wallaroo.

I understand that the people of Wallaroo and of other northern cities have already been told that a lateral pipeline could be connected to those places and that gas will be made available to them at the cheapest possible rate. I consider that the member for Burra (Mr. Quirke) would prefer that the pipeline come through Clare, rather than that it go around.

Mr. Quirke: I don't care where it goes.

Mr. BURDON: I do not think he is concerned whether it goes around Port Augusta or around Clare or around the Blue Lake in the South-East.

Mr. Quirke: Wherever it is cheapest.

Mr. BURDON: I think we shall probably hear a discourse from the honourable member. I do not say that to him uncharitably, because consideration has to be given to economics at some stage. I expect that this will be the subject of a discourse by the member for Burra later on in this debate. I have enjoyed listening to some of the remarks made by him, but I am not going to say that his theories will be adopted.

Some consideration must be given to financial arrangements between the Commonwealth and State Governments, but what is going to be the future of the States of Australia in the near future in relation to interest payments to the Commonwealth Government on moneys borrowed from it? This State is now paying about \$37,000,000 annually to the Commonwealth Government. Where does it end? It will end by the whole of the money borrowed from the Commonwealth Government for capital works being paid back to the Commonwealth for interest on loans.

Of course, more work must be done to prove the capacity of the fields to supply natural gas not for 20 years but perhaps for 100 years hence. In the last few years Australia has been fortunate in its discoveries of gas but, unfortunately, they are many hundreds of miles from the main centres of population.

I was interested to read a reported article by the Hon. D. E. Fairbairn, Minister for National Development, who said that it was not inconceivable that in the remote possibility of there not being sufficient gas at the Gidgealpa and Moomba fields in the years to come, the Commonwealth Government would, as a national project, build a pipeline from the Mereenie

fields west of Alice Springs to connect with the Moomba and Gidgealpa fields. I give the Minister for National Development full marks for that statement, because it shows that he is thinking in terms of a national project rather than what has been termed in this State a political football.

Mr. McKee: He made that remark prior to the Commonwealth election.

Mr. BURDON: I cannot agree with the honourable member, because the remarks made by the Minister are reported to have been made in Adelaide only yesterday.

Mr. Jennings: He was thinking nationally and developmentally.

Mr. BURDON: I think possibly the Minister has been reading some of the remarks that have been made in this Chamber by members of the Opposition, and perhaps he was trying to get the Leader of the Opposition back on the rails, although that would be a difficult task. Prior to the Labor Government gaining office in South Australia, the member for Gumeracha, then the Treasurer, decided what was good for South Australia in the fields of gas, water supply, and social legislation, but the people of this State appreciate what the present Government has done in these matters, particularly in the investigation of fields and the possibility of supplying natural gas. The Treasurer, assisted by the knowledge he gained from his oversea trip, has rendered valuable service to this State and the people appreciate what he has done and is doing about the natural gas pipeline project.

The member for Torrens quoted figures; but figures could be used by anyone in this House as a basis for an argument. I cannot say that the honourable member's figures were incorrect or correct but I could not be more certain of them than I would be of figures presented by the member for Rocky River. I am sorry that the member for Onkaparinga is not in the House at present as I wished to comment on remarks that he has made. The Leader of the Opposition said this matter should be referred to the Public Works Committee, but did the Playford Government refer to that committee schemes relating to the Leigh Creek coalfield, the Port Augusta power station, the taking over of the Adelaide Electric Supply Company and the establishment of the Electricity Trust? I point out that the Adelaide Electric Supply Company was taken over by the Government with the full co-operation of those who were then in Opposition and who now form the Government. Indeed, I think the member for Gumeracha appreciated the assis-

tance he received from the Labor Opposition in that respect. As none of these matters to which I have referred was referred to the Public Works Committee, I think the Leader's remarks on this score represented nothing more than a little bit of kite flying.

Mr. Quirke: There is a marked difference, though. The costs of those projects you mentioned were known and explained to the House.

Mr. Clark: You couldn't have hazarded a guess.

Mr. Quirke: It is quite a considerable difference.

Mr. BURDON: Nobody here could have given an accurate estimate of the cost of those projects. The member for Torrens has estimated what the eastern and western routes may cost, but they are merely estimates that anybody could advance. Estimates have already been given in the second reading explanation, so what else do we need? On many occasions what facts and estimates did members of the previous Opposition receive from the Playford Government? The only information they received was what was made public when the former Premier spoke into a microphone or went before a television camera. Nobody can deny that.

Mr. Casey: His colleagues didn't have the facts, because he didn't tell them, either.

Mr. BURDON: Projects were announced over the air and on television.

The Hon. B. H. Teusner: That's happening now.

Mr. BURDON: What is publicized over the air or on television nowadays actually eventuates. I wholeheartedly support the Bill.

The Hon. Sir THOMAS PLAYFORD (Gumeracha): Although the honourable member who has just resumed his seat occasionally brought me into this debate, I assure you, Mr. Deputy Speaker, that I am now speaking not because the honourable member mentioned my name two or three times but because I had actually put my name down to speak before I received those mentions.

Mr. Hurst: You weren't provoked, then?

The Hon. Sir THOMAS PLAYFORD: The member for Mount Gambier did not stimulate me to speak; in fact, I do not think he stimulated anybody. When gas was first discovered at Gidgealpa it immediately posed some questions of policy, the principal one being whether the Government would give the producers of that gas a franchise to bring a pipeline to Adelaide or whether the Government itself would undertake that project and supervise the distribution of the gas in the interest

of the people of South Australia. As soon as there was a discovery of gas at Gidgealpa and it was realized that it was a discovery of some importance, the companies exercising the search licences immediately assumed they would have permission to do what had been done in the United States of America—to put a pipeline down. So they immediately got from overseas, before they had secured any concrete permission from the Government or this Parliament, consultants of the highest order to investigate the market in Adelaide and the practicability of bringing gas from Gidgealpa to Adelaide. That was long before the Gidgealpa field was thoroughly tested.

The consultants not only did the investigation but also wrote to the consumers in Adelaide asking whether they would be prepared to sign agreements for the purchase of the gas. Some consumers in Adelaide approached me to ask me whether it was proper for them to sign such agreements but, as they had no price on them and no indication of price, I advised the consumers concerned that at that stage it was premature to sign any agreement, as I had grave doubts whether the pipeline would ever be built along the lines proposed.

There are certain disadvantages in a private company's constructing a pipeline. In the first place, it will probably cost more; secondly, taxation will be a big factor because every company has to pay company tax to the Commonwealth Government; and, thirdly, the amortization of the pipeline having taken place, it is then the property of the producing companies. My view and the view of my Government (and I have expressed this view previously in this House; it is no new expression) was that this pipeline should be built by a Government authority, which should be responsible for bringing gas from the gas field to Adelaide. The purpose of its being a Government authority was obviously to see that the consumer in Adelaide got gas at a satisfactory price.

One predominant theme of consideration of this Bill should be the nature of the authority that we are setting up, whether the powers and the money we give it will ensure that the gas is delivered, particularly to the Electricity Trust, at the lowest possible price. Whatever success the pipeline authority has, we shall still be paying double the amount for our fuel for electricity that is paid in Victoria and New South Wales. If the producing companies did not receive anything at all for the gas at

the well-head, we would still be paying immeasurably more than is paid for alternative fuels in the other States.

Mr. Coumbe: They are on the coalfield.

The Hon. Sir THOMAS PLAYFORD: Yes. It is very doubtful whether this fuel will be available to the Electricity Trust at the price of the low-value fuel from Leigh Creek. That, Mr. Deputy Speaker, is the fact we should be considering here today. I am not at all impressed with many of the statements which have been made in connection with this matter. On the one hand, I have seen the amounts which have been claimed to be spent in the search for gas in this State rising by astronomical amounts every week, and I am quite certain that those amounts cannot be substantiated. In fact, it is rather interesting that most of the expenditure claimed would not be in relation to gas, but in relation to oil search.

Mr. Casey: What would your estimation of the cost of the searches be?

The Hon. Sir THOMAS PLAYFORD: Taxation concessions have obviously been ignored, as have the subsidies which have been paid by the Commonwealth Government for drilling. I would like to see a proper audited account of what has been spent on the production of gas in South Australia. I say without fear of contradiction that the amounts claimed to have been spent are greatly exaggerated. I think I speak for my colleagues and honourable members opposite when I say that any company which is risking capital in the risky work of petroleum exploration is entitled to a handsome reward. It is a risky job and a job where it is easy to lose a lot of money. As possibly not 10 per cent of exploration is successful, we have to realize that if we are to have companies prepared to invest money in oil exploration we must provide them with proper conditions and proper returns when they are successful.

I do not believe anyone on this side of the House, or members opposite, would deny that. Having provided that good return we have to remember that, pursuant to the Mining Petroleum Act which was passed by my Government, petroleum belongs to the people of South Australia. The exploration companies are operating under licences and leases. They must pay royalties on the oil and comply with certain conditions. My Government introduced the first legislation in the Commonwealth that was successful in inducing companies to

explore for petroleum. It has been copied by all State Governments and by the Commonwealth Government.

If, as I presume, the purpose of this Bill is to see that the consumers in South Australia get natural gas at the lowest possible price, then I support it. For many years the previous Government incurred heavy costs in providing seismic teams to do exploration work and assist companies in the field.

Mr. Coumbe: You brought out an expert from Canada.

The Hon. Sir THOMAS PLAYFORD: Yes, and we had two seismic teams operating almost continuously during that part of the year in which it was possible for them to work. They did much seismic investigation, extending well into Queensland with the consent of the Queensland Government. I am concerned about one or two aspects of the Bill. The report on which the Government is operating is dissimilar from the report obtained by the Delhi-Santos group from a highly qualified firm that conducted a survey in South Australia. Although the Treasurer has made available to the House those parts of the report of the Bechtel Pacific Corporation that he used to support his application for funds in Canberra, the entire report has not been laid on the table of the House. In fact, in answer to questions, the Treasurer has said he does not intend to make the entire report available. As this report is of so much public importance and was provided to the Government to assist it to determine its policy, I believe it should be made available. I assume that the Government has received a report setting out in detail the relative differences between a line down the western side of the Flinders Range and one down the eastern side.

My recollection of a report that I read some years ago is that the western line was favoured by the consultants to Delhi-Santos because, although it would be longer, it would be contiguous to a railway line for a considerable length and the cost of construction in that position would be less than the cost of construction of a line through the inaccessible country on the eastern side. It was also reported that a survey had shown that Whyalla, Port Pirie and Port Augusta were potential markets for natural gas.

I have heard that since then the Broken Hill Proprietary Company Limited has not been interested in receiving a supply of natural gas, because alternative fuels will be available more cheaply. The Minister of Education

(Hon. R. R. Loveday) may have information about that. The Treasurer said in a prepared statement, as reported at page 821 of *Hansard* of August 4, 1965:

In an area such as South Australia where local fuels are scarce, a natural gas supply for power generation is very attractive. So that natural gas may be used at the Torrens Island power station, the Electricity Trust has contracted for the construction of oil boilers capable of being converted to burn natural gas. The trust would prefer not to use natural gas until about 1970 or 1971 in order to commission the new plant at Torrens Island and to allow sufficient time to carry out the conversion from oil to oil and gas. In the meantime, there is unlikely to be any increase in charges for electricity. It is more likely that the trust will be able to make further reductions to its tariffs.

The trust has recently been able to make a particularly favourable contract with the Adelaide oil refinery for a supply of fuel oil. As a result, it appears that electricity from the Torrens Island power station will be some 10 per cent cheaper overall than electricity from Port Augusta. In fact, when the first machine starts operating in the Torrens Island power station in 1967, it is almost certain that there will be a reduction in the amount of Leigh Creek coal burnt in the older and less efficient plant at Port Augusta . . .

The cost of Leigh Creek coal at the Port Augusta power station is approximately 21c for each 1,000,000 British thermal units. That figure is going to be bettered by the performance of new boilers and a very favourable oil contract. The figures quoted in the technical report as the amounts that should be paid are out of this world as regards the cost of electricity. I agree with what has been said by Mr. Pearson this afternoon, that the Electricity Trust can supply to the consumer only about 35 per cent of the fuel value to the consumer. The Gas Company can probably supply 90 per cent, so that the price of gas to the Gas Company is of less importance than it is to the Electricity Trust. If, as a result of this Bill, the Electricity Trust enters into a long-term contract that will deny it the right to use cheaper fuels, then there is no justification for the expenditure of public money and the possible risk that the State will take in establishing this authority. The price of gas must be sufficiently attractive to warrant the expenditure by the State of \$35,000,000 on the establishment of a pipeline that is ultimately financed by the people of South Australia.

Another advantage that could accrue from the establishment of a western pipeline is the large supplies of gas that have been found in Central Australia. If the pipeline followed the western route it would facilitate a linking

up with Central Australian supplies. It would be advisable to have an alternative supply if the future supply of natural gas is not proved sufficiently in South Australia. The link-up would provide advantages, and in a letter I received recently from one of the companies operating in Central Australia it was pointed out that the company would be anxious to link up in the future. The Treasurer should supply to the House detailed information that has led the Government, not the authority, to decide that the pipeline route should traverse the eastern rather than the western route.

The Treasurer outlined the financial arrangements this afternoon. I had hoped that the Commonwealth Government would provide a more practicable method of financing than the present one. The financial position is rather unfavourable to the State and, even at this late hour, I suggest to the Treasurer that he re-submit the matter to the Prime Minister and ask for something that could be realized more easily. The raising of \$20,000,000 through semi-governmental loans will tax heavily the borrowing capacity of the State. In the past we have raised these loans easily because the total has been small and there have been a restricted number of trustee investments available. Consequently, the Electricity Trust and Gas Company have always had available funds that could not be used in any other way. This is a formidable sum for the State to re-finance from time to time. From what I understood the Treasurer to quote from the letter, this loan is outside the jurisdiction of the Loan Council and is not a part of the quota to the State. The Loan Council takes no responsibility for financing it, and the loan is not subject to Loan Council support in the reconversion. It is certainly not subject to any amortization from the Commonwealth, as an official loan would be. All of these things combined will probably mean that at least 1 per cent more interest will have to be paid for this loan than would be paid if it were an official Loan programme borrowing. That in itself is a fairly important item to be considered on a sum as substantial as \$20,000,000.

In addition to that, the sum being borrowed from the Commonwealth is only a short-term loan. In a short period the State will find itself in the invidious position of having to repay to the Commonwealth \$15,000,000. We have the rather anomalous position of receiving short-term finance for what is obviously a long-term project. In those circumstances, I suggest that the Treasurer further negotiate with the Commonwealth with a view to easing the burden that the authority will undoubtedly

experience in its initial stages. As I see it, until the authority has completed the pipeline, all the construction costs will of necessity have to be added into the final construction cost of the plant, and all the interest that will accrue during the construction period will have to be charged as a capital cost.

I believe, therefore, that the financing of this activity is certainly not generous as far as the Commonwealth is concerned, and that it should be the subject of much more discussion before it is agreed to. A much better system of finance could and should be worked out if the Commonwealth accepted our goodwill and the matter were resubmitted to it on the basis that the costs I outlined would be crippling to the authority at a time when it would have only limited sales and would be faced with many incidental expenses. The \$35,000,000, in itself, is probably not sufficient. Indeed, I know that some original estimates for public works have been exceeded by from 20 to 50 per cent. Although a firm contract frequently contains a rise and fall clause, it is, in practice, usually a rise clause. I was rather concerned to hear the Treasurer say from the Prime Minister's letter that if any short-falls occurred the State would immediately have to make them up, so the programme outlined will test to the full the State's economic capacity. Indeed, honourable members will find that, to get this programme under way, we shall of necessity have to cut short other developmental works that we may have liked to proceed with. We cannot spend the money in two ways.

Mr. Casey: That has nothing to do with this project.

The Hon. Sir THOMAS PLAYFORD: I am not complaining but I believe that the \$35,000,000 is as much as if not more than the State can afford. In those circumstances, I would hope that a resubmission to the Commonwealth Government upon sound lines would obtain some amelioration of the terms. Even the wealthy State of New South Wales in connection with a dam that had to be constructed had a very much better deal than this. I hope the Treasurer will again take the matter up with the Commonwealth Government to see whether there is not scope for a more generous approach by that Government. I welcome the introduction of this Bill and support its second reading. I believe it is the first Bill introduced by this Government that has a real developmental project behind it. I see that the member for Frome (Mr. Casey) is nodding his head; I do not know whether he is agreeing with me.

Mr. Casey: I say it is very generous of you!

The Hon. Sir THOMAS PLAYFORD: Anyway, whether this is the first or the second such Bill, I welcome it although the only justification for it is that the consumer will benefit from the price of the gas, as the Government is doing this rather than leaving it to outside authorities to provide the money and charge whatever they like. I regret that the Government has not given the House full particulars of the report upon which it is acting, because this is outside the authority: it is a decision being made by the Government, not the authority. In that respect, I believe there is every ground for much research being undertaken to see that the proper and most advantageous route is followed. I know there is a conflict between the two eminent authorities brought in from overseas to consider this matter. Therefore, there is at least room for further consideration of these things.

Mr. JENNINGS (Enfield): I shall speak only briefly to this Bill. I have much pleasure in supporting it and am sure that it is one of the most important matters to come before the House in the experience of most honourable members. Its purpose is to give legislative teeth to an arrangement that will enable the fruitful use of our natural gas resources in the interests of, and, we hope, to the tremendous benefit of, all our citizens. We know that in the past our State has been poorly endowed by nature with fuel and our economy has suffered as a consequence. The honourable member who has just resumed his seat admitted this in the earlier part of his speech. We all know that, according to the reports we now have, as a result of very painstaking investigations and enterprising exploration, indications are that natural gas is available in economical quantities and is likely to assume, in the future, a major role as a fuel supplier to this State. To have a pipeline from the producer to the consumer is essential. To have a pipeline, such as proposed in this Bill, that is a public undertaking is, I consider, eminently desirable. I believe the Government, and particularly the Treasurer, must be congratulated on the swift progress made in a vast and complicated undertaking. The Treasurer has shown tenacity in the negotiations that necessarily preceded the formulation of this legislation, a tenacity that was maintained for a long time in the face of a lukewarm attitude to the whole project by the Commonwealth Government, a section of which, I am quite satisfied, wanted natural gas to be the preserve of private interests.

Mr. Rodda: Have you seen all the reports?

Mr. JENNINGS: I think what I have said has also been said in a different way by the member for Gumeracha.

Mr. Rodda: Have you seen all the reports?

Mr. JENNINGS: I have seen the reports that have been made available to members of this House. They have apparently been sufficient to keep a lot of Opposition members talking almost interminably in this debate.

Mr. Clark: They were apparently enough to satisfy the Commonwealth Treasurer.

Mr. JENNINGS: Yes, and they have been sufficient to satisfy the South Australian Gas Company and the producer companies. I agree with the member for Gumeracha that even now the financial arrangements proposed are not as satisfactory as we had hoped for, but I cannot agree with him that any purpose would be achieved by going back to the Commonwealth Government now to have it review the matter. Perhaps that could be done later. It is now clear that we have the basis for natural gas to be transported economically without control by private consortiums or something of the like, as was proposed frequently in the earlier part of these negotiations.

In his second reading speech the Treasurer spoke very confidently about the support the pipeline authority was likely to receive from financial institutions in this State. He obviously spoke after considerable sounding out of prospects, and I am prepared to accept that if this authority is appointed it will merit the confidence of the investors of this State. I am certainly confident that investors in this State have confidence in the administration and the future of the State. The only people in the State who seem to be lacking in confidence and who seem to be prophets of gloom in this matter are members of the Opposition, who are peddling their own petty political jealousies in matters that should be far above any Party disputations.

The Bill proposes an authority properly constituted to perform its duties, with producer and consumer interests well represented. Two members, one of whom shall be the Chairman with a deliberative and casting vote, will be recommended by the Minister, thus ensuring that the interests of the citizens of the State are safeguarded. I am certain that prominent citizens of the State, if invited, will be only too anxious to accept appointment to this authority and to demonstrate their personal confidence in this proposal.

The powers to be entrusted to the authority are sufficient to enable it to pursue its objective, the only restraint upon it being an overall Ministerial control in accordance with democratic principles. I regret that the Leader of the Opposition has taken a most unstatesmanlike attitude towards this legislation. His whole speech reeked of sour grapes. He did not oppose the second reading; of course, he knew that to do so would be political suicide. Instead, he bleated about lack of information, and at the same time padded his speech with lengthy quotations from information provided for him, in most cases, by the Government.

Mr. Clark: And which he said he did not have.

Mr. JENNINGS: Yes. If he had not used so many quotations from sources which, after all, were available to all members and which we could have read in much more comfort than we were able to enjoy in listening to the Leader read them his speech would have been about one-tenth as long as it was.

Mr. Clark: Do you think there was a chance that it could have been a better speech?

Mr. JENNINGS: I think it could have been from the point of view of all the other members in this House, anyway. The Leader's complaint about lack of information was commented on in last Friday's *News* by Mr. John Boynton, who is closely associated with the producer-companies of natural gas.

Mr. Rodda: Is he a friend of yours?

Mr. JENNINGS: I think it is highly unlikely that Mr. Boynton is a supporter of the Party of which I am a member. However, even though I should be astonished to find that he is a supporter of my Party, he is nevertheless obviously a supporter of the present Government in its appointment of this authority. He said that he deplored an important national matter like this being in danger of becoming a political football. He was reported as having said:

It seems that Mr. Hall feels that he has not got enough information from the Government. I do not know whether he has received enough or not, but I believe there is very little, if anything, of importance that is being deliberately withheld from him.

I think the clear implication here is that the information had been given and that, if there was any lack at all, it was in the ability of the Leader to understand it. Mr. Boynton was also reported to have said, "I believe the Government is doing its best". The Leader of the Opposition, having nothing more important to say, adopted a suggestion

made by the Chairman of the Public Works Committee, whose appointment to that committee is terminating without any chance of its being renewed and who every day is becoming more blatantly and impudently political in his utterances and who is bringing disrepute to a formerly well-respected committee and at the same time earning the resentment of members of that committee.

I think it is indicative of the Leader's weak case and his determination to have an argument, irrespective of his grounds, that he should so desperately grasp at a suggestion from a source that his predecessor would have scorned. It is significant indeed that what would have been by far the best speech, if it had been divided by three, was made by the member for Torrens (Mr. Coumbe) today. Even though he is a member of the Public Works Committee, he mentioned the Leader's proposed amendment, I think just out of loyalty to him, at the end of his speech. The member for Gumeracha, the former Treasurer, did not mention it at all and did not give any indication that he considered that the committee should investigate this proposal. I do not know how he would vote if a division were called for but it is obvious that he would follow his own protege reluctantly.

The suggestion that the establishment of a semi-government authority should be investigated by the Public Works Committee is, as the member for Mount Gambier (Mr. Burdon) has said, ridiculous and unheard of. The committee did not investigate the establishment of any of the other boards and trusts, such as the Housing Trust and the Municipal Tramways Trust, nor was it ever suggested that the committee should investigate them. It did not investigate (nor was it suggested that it should investigate) any projects carried out by semi-government authorities, such as the construction of the Port Augusta and Torrens Island power stations and the changeover from trams to buses. To suggest that it should carry out such investigations would be to make this Parliament subordinate to one of its own creations.

This suggestion may suit the Chairman of the Public Works Committee but, obviously, it is not likely to commend itself to a majority of this House. I am confident that the proposal made by the Leader of the Opposition will not commend itself, either, to a majority of members of another place. Liberal and Country League members there will on this occasion be aware of their majority and their

consequent inability to engage in sham fighting as the Leader of the Opposition is doing in this Chamber. Today's *Advertiser* contains a report, once again from a Mr. John Bonython, and I think some of it is worth incorporating in our official records. It states:

In a joint statement the chairman of Santos Ltd. (Mr. John Bonython) and the manager of Delhi Australian Petroleum Ltd. (Mr. C. T. Easley) said that what they paid the Pipeline Authority for transmission of the gas down the pipeline in that time would pay for the pipeline. "The State is virtually taking no risk on this project," they said. "It will be self-sustaining. The producer companies could not sign a long-term agreement with the Pipeline Authority without both parties being satisfied on expert advice that there are, in fact, sufficient reserves to permit movement of the amount of contracted gas through the pipeline for at least 20 years, or for such time as would permit the authority through its transportation charges to repay its operation and fixed costs. The transportation charges to be negotiated between the producers and the authority will cover operation costs, cover interest on borrowings, and completely repay borrowings made to cover the cost of the line.

Therefore the producers are paying for the cost of the pipeline from the proceeds of the gas which they sell in Adelaide. At the end of a 20-year period, the Government will actually have—without cost to it—an extremely valuable asset."

The route of the pipeline, which must be approved by the Government, is not mentioned in this legislation. I have no doubt that the route will be the most economical one that can be devised between the producers and the vast majority of the consumers in Adelaide. This is the only way that the cost of natural gas can be competitive, as it undoubtedly must be for the scheme to be a financial success, and we have heard Opposition members emphasize that point today. The scheme must be shown to be a success before branch lines or another line can be contemplated. Let us hope that the Gulf towns and perhaps others can be accommodated later when proper requirements are shown to exist and when a transference to natural gas will not completely dislocate their local economics. This Bill will establish an authority that will be able to precipitate a new resurgence of industrial activity in the State, and I warmly support it.

Mr. QUIRKE (Burra): I support this measure, the purpose of which is to set up an authority to build and control a pipeline from Gidgealpa to Adelaide, although I am not happy about many features of it. Under the very best circumstances we cannot have other than expensive gas in Adelaide. In the

report which the Treasurer produced for the Right Hon. the Prime Minister, the fifth paragraph on page 6 states that it is a noteworthy feature in annexure 2 that, of the aggregate costs over 20 years, five-sixths consist of debt service and one-sixth comprises all other expenses.

I do not know and I do not care what the member for Mount Gambier thinks of my ideas of finance, but over a 20-year period to pay five-sixths of the total cost in debt charges is ridiculous if one thinks one is going to have something cheap. Probably 400,000,000 years ago, when Leigh Creek coalfield was laid down, or earlier, oil was laid down in Central Australia. It has slept there for many years and today we have probed the earth and found it. It is a natural thing and it is to our benefit to use it, but between the use of it by industrialists and the ordinary householder stands this adamant phalanx of finance that demands we shall not use it until tribute has been exacted. People who get it out of the ground incur costs. I applaud them for their industry, and they are entitled to a fair return but they must not expect a return out of all proportion to what is reasonable for people to pay here. Neither do I think they will exact that amount of tribute, because this fuel has to compete with alternative fuels.

Mr. Casey: That is the point.

Mr. QUIRKE: If it competes successfully with alternative fuel it will be used. However, how close must its cost be to the price of alternative fuel? If it is 1c for each 1,000 cubic feet less in cost, is that sufficient? Will the price be organized to keep it just under the price of alternative fuels or should the price to the consumer be as low as it possibly can be? It cannot be low when such extravagant costs are accepted for building the pipeline medium to bring the gas 500 miles from Gidgealpa to Adelaide. The Commonwealth Government is utterly wrong in exacting the charges it has imposed on the Treasurer. The gas will probably not be available here until 1970, but if the pipeline were built tomorrow money debts would be incurred. How much gas will be obtained before there is a debt that has to be paid?

Mr. Casey: This happens with any project.

Mr. QUIRKE: Yes, but it bears repeating. It does not make it more correct.

Mr. Casey: We have to start somewhere.

Mr. QUIRKE: Yes, but we have to start thinking properly. I want someone to tell me where the expense of the pipeline is warranted.



Honourable members opposite should do this, but who can tell me that?

Mr. Casey: You have to pay for any commodity.

Mr. QUIRKE: Not at the rate of 6½ per cent for a natural product.

Mr. Hudson: What do you suggest the Government should do?

Mr. QUIRKE: The time has arrived for an Australian protest against this type of finance. Why does not the Government start in respect of this scheme?

Mr. Hudson: What form do you think our protest should take?

Mr. QUIRKE: It should take place when the State Treasurers meet. Every Treasurer who goes to the Loan Council conference goes as a mendicant; he is there in supplication.

Mr. Hudson: Do you think that if he registered a protest it would do any good?

Mr. QUIRKE: He could start there. However, every Treasurer is so dependent on getting his own share of the money available that he ignores everyone else, and unanimity cannot be achieved.

Mr. Casey: Well, how will you do what you want us to do?

Mr. QUIRKE: Where there is a will, there is a way. The honourable member says it is impossible.

Mr. Casey: You said it was impossible.

Mr. Hudson: The remedy lies with the Commonwealth Government.

Mr. QUIRKE: The people gave away their rights when the Financial Agreement was drawn up. We have no powers of collecting our own money except by borrowing, and except for the ordinary income we obtain from services. The Financial Agreement has to be overhauled; it is 40 years old and 40 years out of date. The man on the street—the man in the Housing Trust house—who wishes to use gas has to bow his head and pay out substantial charges for something that starts as a natural product. By the time the gas reaches that person it is not the pipeline that costs him so much: it is the charges on that pipeline. That is what has to be reduced. It has been said in this debate, "The honourable member for Burra wants the pipeline to go past Clare." The honourable member for Burra does not care where the pipeline goes, provided it is instrumental in getting gas to the big consumers of this State as cheaply as possible.

Mr. Hudson: It can go by the direct route, then?

Mr. QUIRKE: Yes, if that proves to be the cheapest way. When the Morgan-Whyalla main was to be duplicated, the first proposal that came before the Public Works Committee was to take the pipeline away from the existing route farther north to Bald Hill outside Burra, which would give a good fall over a large area. It was then to go north-west past Booborowie, giving a water supply to Burra and Booborowie. The Broken Hill Proprietary Company Limited then came in with the proposal that it would use the low-value iron ore around Whyalla and would therefore need vast quantities of water. That meant that the pipeline first intended to duplicate the original main was not sufficiently large; it had to be twice as large. Therefore, in respect of the original proposal to take the pipeline to Burra (by that means watering new country) it would cost too much a mile to deviate the new huge pipeline from the existing route. Burra has water from that main, and so has Booborowie today. The branch pipelines did not cost as much as a mile of the main. That is the point. I submit that for people to think about in terms of cost. It matters not whether we convey gas or water: take the shortest route with the big pipeline and lead branch lines from it. Whether or not the length of the branch lines will make much difference I do not know. I would not pontificate on the economics of it, but I have well in mind that the cost of putting water into Booborowie and Burra did not amount to as much as a mile of the trunk main. I think that would apply to gas.

I have been talking so far of cost, but it has also to be considered whether any advantage will be gained by putting the pipeline through Port Augusta. The authority will have to consider those things; it will have to ask, "Which is the best route?" It will have to examine the position and investigate relative costs. Probably they are in existence already, which colours the decision to take the most direct route. I would not know about that because the facts are not available. However, it seems that Whyalla does not want gas. Already much gas goes to waste there. An enormous quantity of it blows away from the blast furnaces. They use only a portion of it to generate electricity. I think they still generate their electricity from the waste gases from the blast furnaces. They will probably not want this gas.

I do not know what quantity Port Augusta will need. It will certainly not need gas at the power stations because they can get

Leigh Creek coal there for 21c for each 1,000,000 b.t.u. equal to 1,000 cubic feet of gas. We could close down Leigh Creek and do without most people at the Port Augusta power stations.

Mr. Casey: That is, if they used the gas?

Mr. QUIRKE: Yes, but, even if it was more economic to use the gas, we would have to consider those things. Even if we did not accept them and continued using coal at a little greater cost, we would not compete with 21c to use that gas. It cannot be done. So out goes Port Augusta. I do not know what there is at Port Pirie.

Mr. McKee: Port Pirie is in the Gulf area and all it would require would be 1,500,000 cubic feet of gas a day.

Mr. QUIRKE: I am glad to know that; that answers many questions. I am speaking not for one side or the other. The pipeline will come down and pass Peterborough, Jamestown and Clare, according to the proposed route; it will be five or six miles east of Clare if it is proceeded with to any degree of accuracy between Farrell Flat and Clare. What would we use the gas for in Clare? At some time in the future it may be an advantage but I cannot see any present advantage. Anyway, the supply would be exhausted before it could be used for anything in Clare. Jamestown is in the same position. Riverton, which is closer to Adelaide, is a junction that would be suitable for development. Hamley Bridge is another place like that. These towns could use natural gas and as far as places further north on the eastern track are concerned, it is only a matter of building a bridge over, or climbing under.

First, we must get down to where the industrial use of the gas will be greatest. This must be done, because the authority will be in dire trouble if the proposition does not pay. The gas has to be brought to Adelaide by the best possible route and it can then be used with a hope of meeting commitments, because by the time it reaches Adelaide there will be a mountain of commitments to be met. Like the honourable member for Flinders and the Leader of the Opposition, it is not my pigeon, but it is well that every member of Parliament should be cognizant of every feature of a proposal such as this, but we are not. We are extracting information slowly, getting a piece here and there and trying to build a jig-saw puzzle of it, but it is far from complete.

Why is it necessary for any Government to withhold information on any matter it brings before the House? What is detrimental in any information that could be given to the House? Is it wrong to do it? Surely not. Every member has an equal status as a representative of the people, whether he be a Minister or a private member. He has equal status in the eyes of the people he represents and he is entitled to information concerning a State project such as this. He should have information to the last rivet and to the last cent, which any member of Cabinet is entitled to have. Is the Government withholding something that would be detrimental to its plan if the information was made public? I do not think so. I would not accuse them of that, so why do they deny us that information? It is a simple question, so will somebody answer it, because we have not heard why the information sought is being denied us.

The Hon. R. R. Loveday: What is being denied?

Mr. QUIRKE: We have not got full information, only parts of it. Where is the rest of the Bechtel report?

The Hon. R. R. Loveday: What about the submission to the Prime Minister?

Mr. QUIRKE: That is not sufficient. If the Government is going to come clean on this, it should put that report on the table in its entirety. Why shouldn't it do so?

Mr. Hudson: Did the Prime Minister?

Mr. QUIRKE: It doesn't matter what he did or did not do: I am asking that it be done here. This is our own Parliament and we are individual members of it. What can be used against your case if you table it? Is there anything detrimental to your case?

Mr. Hudson: No.

Mr. QUIRKE: If there is not, the report should be tabled for everyone to see. With those remarks I support the Bill, in spite of all its deficiencies. Some people once said, "Blood be on our heads", and blood will be on the Government's head if it goes back in the near future.

Bill read a second time.

The DEPUTY SPEAKER: The Leader of the Opposition has a contingent Notice of Motion on the Notice Paper.

The Hon. G. G. PEARSON (Flinders): The Leader is absent at the moment. This question has been sprung on us because we understood from our list of speakers that other members intended to speak.

The DEPUTY SPEAKER: That is all right, as long as the honourable member does not accuse the Deputy Speaker of springing this matter on the House.

The Hon. G. G. PEARSON: I was saying—

The DEPUTY SPEAKER: Order! As both Whips knew (although probably the Deputy Leader of the Opposition did not know), I was informed that certain speakers did not wish to speak this evening. Although I had a list of speakers earlier this evening, I was told that certain members did not wish to speak. When I put the question "That this Bill be now read a second time" no member rose, although there were many members in the House at that stage who had not spoken in this debate.

Mr. HALL (Leader of the Opposition) moved:

That it be an instruction to the Committee of the Whole House on the Bill that it have power to consider amendments to provide for reference to the Parliamentary Standing Committee on Public Works of any pipeline works proposed by the authority.

A division on the motion was called for.

*While the division bells were ringing:*

The Hon. FRANK WALSH (Premier and Treasurer): I consider that, on the call on the voices, there could have been a misunderstanding. I do not think the Government members would ever try to insist that free speech be denied in this place. However long the debate on the amendments referred to in the motion may take, I ask that the division be called off so that the normal practices of the House may be complied with.

The DEPUTY SPEAKER: I think the Leader of the Opposition would be advised to call off the division.

Mr. HALL: I shall be happy to do that, Sir, as long as the decision you have already given is reversed.

Leave granted.

Motion carried.

In Committee.

Clauses 1 and 2 passed.

Progress reported; Committee to sit again.

#### LONG SERVICE LEAVE BILL.

The House divided on the third reading:

Ayes (17).—Messrs. Broomhill and Burdou, Mrs. Byrne, Messrs. Bywaters, Casey, Clark, Corcoran, Curren, Dunstan, Hudson, Hurst, Hutchens, Jennings, Loveday, McKee, Ryan, and Walsh (teller).

Noes (14).—Messrs. Bockelberg, Coumbe (teller), Freebairn, Hall, Heaslip, McAnaney, Nankivell, and Pearson, Sir Thomas Playford, Messrs. Quirke, Rodda, and Shannon, Mrs. Steele, and Mr. Teusner.

Pairs.—Ayes—Messrs. Hughes, Langley and Riches. Noes—Messrs. Brookman, Ferguson and Millhouse.

Majority of 3 for the Ayes.

Third reading thus carried.

Bill passed.

#### ADJOURNMENT.

At 10.56 p.m. the House adjourned until Wednesday, March 8, at 2 p.m.