

## HOUSE OF ASSEMBLY

Thursday, July 13, 1967.

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

### QUESTIONS

#### IRRIGATION.

Mr. HALL: Last week, when I asked the Minister of Works a question about applications for licences to divert water from the Murray River for irrigation purposes, he said that he hoped, early this week, to give details of a report then being considered. This morning I was asked to intervene on behalf of a landowner, who wrote the following letter:

I have just received a licence to divert water from the Engineer-in-Chief for two acres. An additional five acres I had intended watering was disallowed. This has me very worried as I have the pipeline and outlets laid for the new area installed and the bank has approved an overdraft to purchase sprinklers, but all this is now useless to me and, as a continuous expansion was envisaged in the future using the same main line, valuable capital is tied up in plant that may now never be used. I would be grateful if you could inquire into the possibility of a licence being granted under the circumstances I am placed in.

In view of the importance of this question, will the Minister announce today a firm Government policy on the matter?

The Hon. C. D. HUTCHENS: Later this afternoon I will table a report on the matter. Where promises have been made for a supply of water by diversion and commitments have been made as a result of those promises, licences will be granted.

The Hon. T. C. STOTT: The Minister realizes that I have received many letters from people anxious to obtain a permit and that many people are awaiting the report of the committee. As the Minister said that any undertaking to grant a permit that had already been given would be honoured, will these permits be granted retrospectively for a period of years, or will they relate to a short period dating to the allotment some time ago?

The Hon. C. D. HUTCHENS: I would prefer not to go beyond the statement, which I shall submit to members this afternoon and which the honourable member can peruse.

#### TEA TREE GULLY SEWERAGE.

Mrs. BYRNE: Has the Minister of Works a reply to my question of July 5 about a conference that took place between officers of the Engineering and Water Supply Department

and of the Tea Tree Gully council concerning the sewerage area known as area No. 2?

The Hon. C. D. HUTCHENS: I have received the following interim report from the Director and Engineer-in-Chief:

A conference was held on Wednesday, June 28, 1967, between officers of the Engineering and Water Supply Department and the District Council of Tea Tree Gully concerning sewerage plans for No. 2 drainage area. It was considered that some modification of the original scheme may be desirable because of the extent to which common effluent drainage schemes had been developed, particularly in the area to the east of Hancock Road. Drainage problems were already being experienced in other built-up areas, both to the east and west of Hancock Road and it is necessary to co-ordinate the activities of the department and the council to ensure that common effluent drainage schemes are not extended into areas planned for sewerage by the department. Because of the effect of rating on properties already served by common effluent drainage schemes and other difficulties, the question of providing satisfactory drainage in the area is very complex. The matter has been considered by the Tea Tree Gully council and submission has been made to the department setting out a course of action which the council considers to be most appropriate. These matters are currently under consideration by the department and a report will be forwarded shortly.

#### GAS.

Mr. MILLHOUSE: I understand that there has been a slight increase in the value of Santos shares and I wonder whether, in view of the Premier's announced anxiety that an agreement be concluded for the purchase by the Electricity Trust of natural gas, the firming of the value of the shares has any significance and, in particular, whether it means that the honourable gentleman has yet been able to prevail on the trust and the producers of natural gas to enter into an agreement.

The Hon. D. A. DUNSTAN: I do not think that agreement is far away. When it has been reached, I shall make an announcement.

Mr. MILLHOUSE: In view of the Premier's encouraging answer, which leads one to expect an announcement from him in the next few days, will he table next Tuesday, for the information of members, the minutes of any meeting or any letters that he has written as part of the intervention that he has made to bring about the agreement between the producers and the Electricity Trust?

The Hon. D. A. DUNSTAN: No.

Mr. COUMBE: Has the Premier seen a report published today stating that the drilling companies on the Moomba field have moved, and are to commence drilling on a site about 45 miles from the field? If he

has not, will be obtain a report on this matter? Also, as a result of the decision to drill at another site what appreciation can be placed on that view of the Moomba field, and is this new site part of a plan to establish further natural gas reserves?

The Hon. D. A. DUNSTAN: I know something of the movements of the drilling rigs, but rather than give an answer that has not been fully prepared I prefer to obtain a full reply, which I shall give the honourable member next Tuesday.

#### INTAKES AND STORAGES.

Mr. JENNINGS: Has the Minister of Works information regarding pumping from the Murray River to the metropolitan area in the immediate future?

The Hon. C. D. HUTCHENS: I regret to have to report that a recent further assessment of the metropolitan pumping needs has made clear that full pumping, with four pumps, will have to commence next weekend. The reasons for this are the complete lack of run-off and the continued parched state of the catchment areas. Members will appreciate that the long dry spell not only depleted the holdings of the reservoirs but also, as the member for Gumeracha (Sir Thomas Playford) mentioned the other day, caused the catchment areas to become so parched as to need a considerable amount of rain before there was any run-off. With the continued dry weather, the minimum run-off needed to keep the position safe is about 9,000,000,000 gallons. In order to obviate any necessity for restrictions, we are starting full-time pumping as from this weekend.

#### BORDERTOWN RAILWAY YARDS.

Mr. NANKIVELL: Has the Minister of Social Welfare, representing the Minister of Transport, a reply to my question about whether the third stage of work on the railway yards at Bordertown can be undertaken during the current financial year and what the cost will be?

The Hon. FRANK WALSH: My colleague has informed me that the estimated cost of the work is about \$10,000. The physical situation is governed by the deployment of available forces on the centralized traffic control project between Taillem Bend and Serviceton, which involves extensions of passing sidings at various stations as well as the remodelling of one major station yard. As this work will severely tax the available work force, it is impracticable to undertake the third stage of the work at Bordertown during 1967-68.

#### BRANDY EXCISE.

Mr. CURREN: During the past 12 months the Tariff Board has been considering an application by the Whisky, Gin and Vodka Producers' Association for the excise on Australian produced brandy to be levied at the same rate as on other Australian-produced spirits. I have been informed that the Tariff Board report on this matter has been in the hands of the appropriate Commonwealth Minister for some time. From a newsletter which is printed in Canberra I quote the following extract:

New tax on wine suggested: Unofficial suggestions are being made in Canberra that when the Government examines possible new revenue sources this year it may consider the wine industry could stand a tax levy. At present Australian wines are not taxed, except for a small tax on the spirit used in fortified wines. It is contended in some circles that the industry could stand a sales tax or some similar impost of 10c a bottle, which would yield the Government \$10,000,000 a year. Wine is seen as a more likely revenue earner than the rest of the liquor trade, except possibly beer. Spirit sales have not recovered from the effect of the additional excise levied in the 1965 Budget.

In view of the disastrous effects that would follow any further taxation impost on an already savagely taxed primary industry, which is of great economic importance to my district, will the Premier communicate with the Prime Minister and the Commonwealth Treasurer to impress upon them the inability of the industries concerned to carry further tax burdens?

The Hon. D. A. DUNSTAN: As this is the main wine-producing area of Australia, I hope that every member will use any influence he can to resist an impost of this kind on the wine industry of this State. I will certainly take up the matter with the Prime Minister and the Commonwealth Treasurer in view of the statements made in the Canberra publication.

#### STUDENTSHIP.

Mr. MILLHOUSE: Has the Minister of Works a reply to the question I asked recently about the termination of the studentship of Mr. I. G. Woolman?

The Hon. C. D. HUTCHENS: The Public Service Commissioner has supplied the following reply:

The statement by Mr. Millhouse, M.P., is correct as to date and figures, but I am unable to agree that they establish a case of hardship or unfairness. Mr. Woolman sat for a supplementary examination in early February, 1967. The onus on advising the results of that examination rested on him and it was not until a

week later that the Public Service Commissioner was advised. An assessment of his study results to date was then made, but this could only be completed when the appropriate official at the South Australian Institute of Technology was available to discuss Mr. Woolman's case. The Commissioner wrote on March 2 recommending termination of the scholarship.

It is, of course, impossible to terminate an agreement of this nature retrospectively. I point out that the remuneration which Mr. Woolman receives is not related so much to the value of the work he is doing or was doing but is rather a scale related to his age. The work he performed from the cessation of his studies in 1966 to the time of the termination of his studentship would have been exactly the same irrespective of whether his studentship had been continued or not. In terms of the studentship it was quite appropriate for this work to be performed by Mr. Woolman whilst still under his scholarship.

Mr. MILLHOUSE: The Minister has pointed out that, in fact, Mr. Woolman was performing the same work in the department before and after the termination of his studentship. I point out to the Minister that, until notification of termination, he was being paid for that work at the rate of only \$700 per annum, not at the rate of \$2,362 per annum, the rate at which he would otherwise have been paid. After the announcement of the examination results that led to the termination of the studentship, he did the same work as he had been doing previously, but at the lower rate, and therein lies the hardship that should be investigated. In view of the answer the Minister has given on that point, will he again take up the matter and personally see whether relief from the hardship that Mr. Woolman has suffered can be given to him?

The Hon. C. D. HUTCHENS: The honourable member asked me to investigate the matter. As he well knows, these people are under the control and jurisdiction of the Public Service Commissioner and the best I can do is ask the Commissioner what the position is.

Mr. Millhouse: Well, use your good offices.

The Hon. C. D. HUTCHENS: The honourable member now says, "Use your good offices." This I have done and this I shall do again, but I submit that the Commissioner is very careful in giving replies and I should think, without a shadow of doubt, that his reply would be in accordance with fact.

#### TREES.

Mr. LANGLEY: The Housing Trust recently issued a pamphlet with new tenancy agreements that referred to certain types of tree not permitted to be planted on its properties. In addition, a regulation has been

approved by Parliament concerning trees that should not be planted near sewer mains. However, many householders continue to plant, innocently, the types of tree that can cause blocked drains (indeed, that often happens in my district). Will the Minister of Works therefore publicize the names of these trees, as well as details of the distance from mains that trees should be planted, so that, in future, members of the public will be able to choose the correct types of tree to plant around their homes?

The Hon. C. D. HUTCHENS: With the co-operation of the press, I shall be happy to publicize the information requested by the honourable member.

#### COONALPYN AREA SCHOOL.

Mr. NANKIVELL: Has the Minister of Education a reply to the question I asked recently about the departmental report on the advisability of establishing an area school at Coonalpyn?

The Hon. R. R. LOVEDAY: I did not bring the report with me today. I agreed to supply it to the honourable member yesterday, and a letter is now being prepared and will be sent to him in due course.

#### DERNANCOURT SEWERAGE.

Mrs. BYRNE: Can the Minister of Works say whether the Engineering and Water Supply Department has considered sewerage an area at Dernancourt bordered by Parsons Road, the Dernancourt primary school and vacant land on two sides, and including Karingal and Callemondah Roads?

The Hon. C. D. HUTCHENS: The honourable member was good enough to indicate that she might ask this question. The Director and Engineer-in-Chief reports that over the last few years the department has on several occasions investigated the possibility of laying sewers in this subdivision but there is insufficient housing development to ensure an adequate return. At present there are 29 houses and 33 vacant allotments in the subdivision, a development of approximately 47 per cent. It is probable that the department will, in the reasonably near future, lay water mains and sewers in a new subdivision of the large unsubdivided area immediately to the east, most of the work being carried out at the subdivider's cost.

The scheme for the proposed new subdivision includes a sewer from the trunk sewer near the Torrens River into the area referred to, and when that sewer is laid the department

could examine the practicability of extending sewers to the existing houses. It appears likely, however, that the owners would be required to guarantee above normal rates to ensure an adequate return. The department is aware of the growing need for sewers in this area and an approach by the householders would indicate whether or not the majority of them desired their properties to be sewered but the implementation of the scheme will most probably depend on the laying of sewers to the new subdivision.

#### MORPHETT STREET BRIDGE.

Mr. CUMBE: Has the Minister of Lands a reply to the question I asked last week concerning the Morphett Street bridge?

The Hon. J. D. CORCORAN: The Minister of Roads states that he has been informed by the Adelaide City Council that the completion date of both the Morphett Street and Victoria bridges is expected to be April, 1968. The Montefiore Hill Road is scheduled for completion late in September, 1967, and the detour will be abandoned shortly afterwards.

#### MURRAY RIVER SALINITY.

The Hon. T. C. STOTT: The Minister of Works will be aware of the salinity in the Murray River. In fact, a statement was made either by the Minister or his departmental officers regarding this matter. Salt from the drainage basins and tributaries is flowing into the Murray River beyond Renmark. However, the power of the River Murray Commission apparently extends only to the boundaries of the Murray River itself, and not to the tributaries flowing into it. Can the Minister of Works say whether the Government has considered taking steps to have the powers of the River Murray Commission widened so that the salinity of the river and the flow from its tributaries may be controlled?

The Hon. C. D. HUTCHENS: Although the Government has not considered extending the commission's powers, the matter is being watched closely. In view of the honourable member's question, I will discuss the matter with my colleagues to see whether his suggestion can be put into effect and, if it can be, how.

The Hon. Sir THOMAS PLAYFORD: I have received information (which I am unable to confirm) that a substantial quantity of heavily impregnated saline water is moving down the Murray River at present, although it is not yet in South Australia. Apparently, some release of salt water has been made into the river by one of the other States. If the

information I have received is correct, this will soon flow into South Australia. Has the Minister of Works had a report from officers of his department regarding pumping from the river? If not, will he ask his officers to consider whether there will have to be a period during which pumping will be discontinued while the saline water passes? If that is the case, will it be necessary to speed up the present programme of pumping?

The Hon. C. D. HUTCHENS: I have not yet heard of the information to which the honourable member referred. However, only yesterday morning I talked with the Director and Engineer-in-Chief at great length regarding this matter. Apparently the honourable member did not hear me say a few moments ago that, because of the parched condition of the catchment areas, we had decided to commence from next weekend full-time pumping by four pumps. It will be necessary to have a run-off of 9,000,000,000 gallons of water so that we can be reasonably safe in meeting our requirements for the summer. As this pumping will increase the quantity of water, we hope that, by its early commencement, we shall be able to avoid restrictions later, which is greatly desired. The position to which the honourable member referred the other day is serious. The condition of the catchment area is different from any condition experienced for many years, if ever, and for that reason we shall commence pumping early. I will inquire into the matters to which the honourable member refers and inform him when a reply is to hand.

#### FESTIVAL HALL.

Mr. CUMBE: Undoubtedly the Premier is aware of the negotiations that have been proceeding regarding the establishment of a festival hall at North Adelaide. As these discussions have been somewhat protracted and delayed, can the Premier say whether any representation has been made to him, as head of the Government, from the Adelaide City Council that would assist in bringing this project to an early conclusion? Has any new development on the matter occurred in recent weeks?

The Hon. D. A. DUNSTAN: No. The Lord Mayor has been kind enough to keep me informed of the discussions of the City Council on this proposal, but no specific representations have been made to me regarding Government participation. I am interested to know of the conclusion at which the City Council will ultimately arrive. I have discussed this with

various interested people, but at present I have no firm submission from the City Council.

#### MENTAL HOSPITALS.

The Hon. T. C. STOTT: Can the Premier say whether the Government has been able to match the grant from the Commonwealth Government for mental hospitals and other psychiatric hostels (which were referred to yesterday in another place), and, if it has not, has the Director of Mental Health been directing to these hostels patients who should have been dealt with in other establishments?

The Hon. D. A. DUNSTAN: A Commonwealth matching grant for certain mental hospitals was offered over a limited period to the States prior to this Government's taking office. Because the Loan Fund simply did not provide sufficient moneys for all the things that had been recommended by the Public Works Committee and promised by the previous Government as part of the Loan programme, we were unable immediately to proceed with these works, and we obtained the agreement of the Commonwealth for an extension of the period during which it would make available matching grants. An announcement has already been made that we therefore intend to proceed with one of these major works, obtaining the Commonwealth matching grant. However, the patients to whom the honourable member refers are certainly not patients that would be coped with by the institutions dealt with under the Commonwealth matching grants. They bear no relation to such institutions.

#### TRANSPORT COMMISSION.

Mr. HALL: Has the Minister of Social Welfare, representing the Minister of Transport, a reply to my recent question about the Royal Commission on State Transport Services?

The Hon. FRANK WALSH: My colleague reports that the Royal Commission has not yet finished taking evidence. Present indications are that the Commission's report will be completed at about the end of this year.

#### INDUSTRIAL STOPPAGES.

Mr. MILLHOUSE: This morning's press reports that a four-hour strike is to be called by the Australian Council of Trade Unions, on a day to be decided, over the delay in coming to a conclusion on the margins case. It is further reported that this will affect directly 15,000 workers in this State, and possibly 10,000 more. Last week, the Premier said that the custom of the South Australian Trades

and Labour Council was to inform the Government of any likely or intended stoppages in this State. He also said that the Government used its good offices to conciliate and to minimize stoppages. Because any stoppage must inevitably lead to an increase in costs in industry in this State (and we all want to avoid such increases), does the Premier intend to intervene in this matter and, if he does, how does he intend to conciliate to avoid the stoppages?

The Hon. D. A. DUNSTAN: I have no doubt that, if the Trades and Labour Council has been informed of a decision and takes a decision itself in relation to South Australia, that decision will be communicated to me in due course and I shall have discussions with the council about it.

Mr. MILLHOUSE: I gather from the Premier's answer that he does not intend to act in this matter unless or until the Trades and Labour Council gets in touch with him. In view of the importance of avoiding stoppages, or at least minimizing them, will he consider taking the initiative with the Trades and Labour Council and, through it, the A.C.T.U. to avoid the stoppage in this State?

The Hon. D. A. DUNSTAN: I have already told the honourable member what action I intend to take, and I do not intend to go beyond that.

#### REDWOOD PARK SEWERAGE.

Mrs. BYRNE: As the Minister of Works is aware, I spoke in the Address in Reply debate about the need for the sewerage of an area at Redwood Park that lies between Hancock Road and Holmes Avenue and on each side of Lokan Road. Because of the type of soil in the area, residents are experiencing difficulty with their septic tanks. Can the Minister now say whether the Engineering and Water Supply Department has plans to sewer this area?

The Hon. C. D. HUTCHENS: I am pleased to say that Cabinet has this week approved an expenditure of \$115,000 to lay 23,000ft. of sewer mains in an area west of Hancock Road. Broadly speaking, the area, which is about 73 per cent built up and contains more than 260 houses, is between Hancock Road and Holmes Avenue and on each side of Lokan Road. Work on the scheme has already commenced.

#### JOINT COMMITTEE ON CONSOLIDATION BILLS.

The Legislative Council intimated its concurrence in the appointment of the committee.

## MURTHO RESERVE.

The Hon. J. D. CORCORAN (Minister of Lands): I move:

That Forest Reserve No. 58, hundred of Murtho, as shown on the plan laid before Parliament on June 27, 1967, be resumed in terms of section 81 (1) of the Crown Lands Act, 1929-1967, for the purpose of being dealt with as Crown lands.

This reserve comprises about 5,047 acres and was proclaimed for the purposes of forest reserves on July 4, 1901. A literal interpretation of the proclamation was taken and the area shown on the official plans is the area of the land concerned, together with the half-width of the Murray River adjoining the reserve, because the hundred boundary is the middle of the Murray River. A 150-link reserve bordering the river appears to have been created in about 1909 without any action being taken regarding the 1901 proclamation.

Thus, two anomalies exist in regard to this forest reserve and this motion merely seeks to provide the means of eliminating the anomalies. Should the Parliament resolve to permit resumption, the Crown lands thus created would be re-reserved to exclude from the forest reserve the half-width of the Murray River, and at the same time to cancel the 150-link reserve. The Conservator of Forests has signified his agreement with these proposals. In view of these circumstances, I ask honourable members to support the motion.

The Hon. Sir THOMAS PLAYFORD (Gumeracha): I understand the necessity to remove anomalies, but what is the purpose of dealing with the land as Crown land? Is it intended to make it a recreation reserve?

The Hon. J. D. Corcoran: A forest reserve.

The Hon. Sir THOMAS PLAYFORD: In that case, I should like the matter further examined, because we are rather prone to dispose of reserves on the Murray River.

The Hon. J. D. Corcoran: We are not making any alteration beyond removing anomalies. When that is done, the area will be re-reserved as it was reserved previously.

The Hon. Sir THOMAS PLAYFORD: If I have the Minister's assurance that it is not intended to convert this land to any use other than for public purposes, I have no objection. I think the Minister realizes that at present we have inadequate reserves on the Murray River. I oppose any action to dispose of this land for other than public ownership but, as the Minister assures me that no such action is to be taken, I support the motion.

Motion carried.

LAND SETTLEMENT ACT AMENDMENT  
BILL.

Read a third time and passed.

## FRUIT FLY (COMPENSATION) BILL.

Adjourned debate on second reading.

(Continued from July 11. Page 482.)

Mr. FREEBAIRN (Light): I support the Bill, the object of which is to complement similar legislation passed in 1959, 1963 and 1964, and to provide compensation to those unfortunate householders for fruit stripped from their trees during fruit fly campaigns. Relating to the proclamation of January this year under the Vine, Fruit and Vegetable Protection Act, the Bill will provide adequate compensation to those affected. Officers of the Agriculture Department are doing a worthwhile job of preventing the introduction of the Queensland fruit fly and the Mediterranean fruit fly into this State, and the general public agrees with what they are doing. Speaking as a representative of one of the more important fruitgrowing districts, including part of the Murray River area and the southern Clare district, I realize how important it is that the Mediterranean and Queensland fruit flies should not be introduced to this State.

Members appreciate South Australia's good fortune in being free from these fruit flies, and when we consider the enormous contribution made to the State's economy by the fruitgrowing industry, we realize the significance of this freedom. I understand that the income from orchards and vineyards is over one-fifth of the income from wool, and we know how dependent the State is on the wool income. So, too, is the State dependent on the fruit industry. We sympathize with metropolitan householders who have had trees stripped because they lived in fruit fly control areas. The State is lucky that outside the metropolitan area outbreaks have occurred only in an isolated area of Port Augusta. I understand that the same area at Port Augusta has been affected two or three times and, obviously, the Mediterranean fruit fly located in that area came from Western Australia.

With the co-operation of Agriculture Department officers, I have prepared a table showing the areas in which fruit fly has been found, and I ask permission to have it incorporated in *Hansard* without my reading it.

Leave granted.

LOCALITIES.	
1947	Q.F.F. ... Glen Osmond Glenelg
	M.F.F. ... Adelaide
1948	M.F.F. ... Clarence Gardens Wayville Adelaide
1949	Q.F.F. ... Hawthorn Norwood
	M.F.F. ... Wayville Royston Park
1950	Q.F.F. ... Norwood
	M.F.F. ... Medindie Dudley Park Bowden Kurralka Park
1952	Q.F.F. ... Adelaide
1953	Q.F.F. ... Newstead Norwood
1954	Q.F.F. ... Edwardstown
1956	Q.F.F. ... Wayville
1957	Q.F.F. ... Kent Town Cudmore Park Peckham Rosslyn Park Port Augusta
1958	M.F.F. ... Croydon Glandore Broadview
1959	Q.F.F. ... Kent Town
	M.F.F. ... Alberton Port Augusta
1963	Q.F.F. ... Beulah Park
	M.F.F. ... Clovelly Park Frewville Highgate North Unley Port Augusta
1964	M.F.F. ... Port Augusta
1967	Q.F.F. ... Devon Park
	M.F.F.—Mediterranean fruit fly. Q.F.F.—Queensland fruit fly.

The Hon. B. H. TEUSNER (Angas): I, too, welcome the Bill, particularly as a large portion of my district has, within its boundaries, many thousands of acres of vineyards and fruit trees. The original legislation, introduced in 1947 following an outbreak of fruit fly in the metropolitan area, provided for payment of compensation. At that time, it was emphasized that the fruit fly was a deadly and destructive pest which, if allowed to multiply, would cause loss far greater than the expense of destroying it. Unfortunately, about 10 outbreaks have occurred since 1947, but not annually. I commend the Government of the day and the present Government for being realistic enough to introduce legislation to meet compensation payments. As long as compensation is paid to the owner of land on which fruit trees are growing that have been affected by fruit fly, there will be an incentive for the owner or occupier to be vigilant in detecting fruit fly and to report its presence to the Agriculture Department.

In 1954 similar legislation was introduced dealing specifically with payments for compensation, and since then a similar Bill has been introduced following each outbreak of fruit fly in South Australia. It is gratifying to know that departmental officers have been vigorous in their action to eradicate fruit fly, usually by stripping, because, if such vigorous action had not been taken immediately, the fruit fly would have spread to other areas and, no doubt, would ultimately have reached areas such as the Barossa Valley and the Murray River, where so many acres of vines and fruit trees are grown. With 103,000 acres of orchards and vineyards in South Australia, in 1965-66 7,000,000 bushels of orchard fruit therefrom was valued at \$19,000,000, and 184,000 tons of grapes at \$13,000,000. Naturally, if the country areas to which I have referred had been ravaged by fruit fly there could have been a considerable decrease in production, accompanied by a loss to the fruitgrowers concerned; the fruitgrower would also have had to face increased costs in eradicating the pest.

I point out that, if no effort had been made in South Australia to eradicate fruit fly, many householders would have been discouraged from growing fruit in their own backyards. That would have been a deplorable state of affairs. With the member for Light, I express my thanks to the officers of the Agriculture Department who have been so active in combating this menace. Had they not taken such quick action, there would also have been a considerable loss in the value of our exports of fresh and dried fruits, for many oversea countries would not have imported our infested fruit owing to quarantine barriers. It is with great pleasure that I support the Bill.

Mr. CUMBE (Torrens): I, too, support the Bill. At the time of the latest infestation this year, much of the Prospect area was proclaimed an area to be controlled and, as a result, many constituents in my district are directly affected by the Bill. I join with other members in stressing the importance of pursuing measures of protection. The departmental inspectors have carried out their spraying work thoroughly and much praise must go to the department for that work. Some months ago a number of householders received from the department a notice that in due course they would be given an opportunity to claim compensation if any of their property had been destroyed. I point out that clause 4 fixes the time limit for lodging claims as August 31, which is about six weeks away.

Therefore, when the Bill is proclaimed, adequate publicity should be given to the householder's opportunity to lodge a claim. As many people may not be aware of their rights in this regard, I should appreciate the department's publicizing the matter not only in the press but also by distributing perhaps a roneoed notice with householders when sprayers are next visiting properties in a proclaimed area. Notices distributed in that way would be a cheap method of informing people of their rights.

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

#### HIGHWAYS ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from July 12. Page 537.)

Mr. NANKIVELL (Albert): Last night I sought the leave of the House to continue my remarks because, as I pointed out then, I did not know whether the local government and municipal authorities agreed to the provisions of the Bill. I have since discussed these matters further with Mr. Smith, the secretary of those bodies, who has assured me that the Bill is in keeping with the discussions held and decisions reached last November when representatives of those bodies were summoned by the Minister to discuss this matter with the Commissioner. Therefore, as these people, who are most deeply concerned about this Bill, are satisfied with its provisions, I have no alternative but to support it.

Mr. COUMBE (Torrens): I, too, support the Bill. Having examined this matter, I am aware of the discussions that took place some time ago. The Bill deals mainly with lighting on special Government-nominated roads, as well as with code lighting, which is of a standard better than the usual degree of illumination and many other lighting fixtures. The councils concerned have agreed with the Minister on this matter and, on checking, I find that the Bill will only apply to a limited number of roads—far fewer than one would think. Some roads other than Port Road and Anzac Highway are involved.

Only a few of the larger metropolitan councils will be affected. Some large country councils may be involved but, on the other hand, they may receive other concessions from the Highways Department. Considerable cost may be involved for some metropolitan councils where there are extremely busy intersections, median strips and traffic lights for which special lighting must be provided. Such councils could be

involved in extra expense, and I believe that the stipulation in clause 3 (b) is wise. As the Bill deals only with a limited type of highway, I believe it is fully merited, and I have much pleasure in supporting it.

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

#### SUCCESSION DUTIES ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from July 12. Page 533.)

Mr. HALL (Leader of the Opposition): No doubt this Bill is the result of advice which the Government has received from Treasury officers and various interests concerned with the provisions of the Bill. Having studied the Bill, I find there is little in it with which I can disagree. However, we received the usual inadequate explanation that we on the Opposition benches have become so used to hearing. It contained only a short paragraph or two, and stated that there were five main points to the Bill.

First, the Bill contains special provisions applying to persons who die as a result of operations in Vietnam. They will now come under the concessional provisions of the Bill, and the amount of exemption will be doubled from \$10,000 to \$20,000, thereby extending the exemption that has applied in respect of other theatres of war. Of course, this very necessary provision will receive the whole-hearted support of the House.

The Bill further provides that, where a parent derives property from an illegitimate child, the rate of duty charged shall be the same as if the child had been legitimate. That, too, is a good move and one that will remove certain cases of hardship that are not easy to categorize at the time. They will be simply covered by a simple law.

The Bill, in providing for the case of a child who is not legally adopted, states that, where a person derives property from such a child, the Minister shall have a discretion. That, too, is probably a good move, and will allow the Minister, where a case of hardship is involved, to make due allowance and adjust matters accordingly. The explanation of clause 7, which is a peculiar explanation, states:

Clause 7 amends the Second Schedule to the principal Act. It provides for lower rates of duty in connection with property passing for the purpose of the advancement of religion, science or education by limiting the provision to cases where the sole or predominant purpose is one of those mentioned.



The first part of that explanation gives the impression that the Bill provides for lower rates whereas, in fact, it tightens the provision in respect of lower rates. I think this paragraph requires further explanation, because no reason is given why this action is necessary.

The Second Schedule to the principal Act refers to property devised, bequeathed, or passing under any non-testamentary disposition for the purpose of the advancement of religion, science or education in the State. I cannot see any reason why we need to insert the words "sole or predominant" before the word "purpose", and perhaps when we are in Committee the Premier will fully explain the reason for this addition.

The Bill also extends to the Flinders University the privilege now held by the University of Adelaide to receive gifts free of duty, and I fully endorse this because it is only reasonable that this should be so. With the complaint I have that I can see no justification for some of the changes effected by this amending Bill (a complaint I have frequently had to make in this House) I have pleasure in supporting most of its clauses. I hereby approve the second reading.

Mr. CUMBE (Torrens): I support the Bill because it is remedial and it passes on a benefit to certain classes of people. It is obvious that we must make provision for returned servicemen; no further comment is necessary on that point. The provision regarding the *de facto* adoption of a child only brings the legislation into line with legislation that was before the House last session legitimizing certain children who were debarred from being registered and from receiving the benefits that legitimate children could receive. Therefore, I fully agree with this provision.

The Opposition welcomes this Bill and agrees with it. This was not the case with the two amending Bills relating to succession duties brought into this House in previous sessions. However, I ask the Premier whether there is a Commonwealth or a State restriction on the matter. It is proposed to extend to the Flinders University the right to receive bequests free of duty, a right now enjoyed by the University of Adelaide. Is there any reason why these bequests are deliberately limited to universities? Perhaps the Premier could explain this to me.

If this matter could be widened to apply throughout the educational and research fields, such action would be much appreciated. I know that people who make provision for bequests to be made for charitable purposes

can obtain some relief. I have in mind other tertiary institutions such as the Institute of Technology, for which appeals are now being made for grants and bequests for research work. While making that plea and hoping that the Minister can advise me on this matter, I support the Bill.

Bill read a second time.

In Committee.

Clauses 1 to 6 passed.

Clause 7—"Amendment of Second Schedule to principal Act."

The Hon. D. A. DUNSTAN (Premier and Treasurer): Two queries have been raised regarding this clause. The first was with regard to the insertion of the words "sole or predominant" before the word "purpose" in paragraph 5 (a) of the Second Schedule. It is difficult indeed to define a purpose of this kind. Claims have been made for a wide variety of matters which have, if anything, quite a remote connection with the original intention of this provision. Therefore, we wanted to make it clear that the provision was to apply to donations for a religious purpose. Whether the purpose was solely of this kind or predominantly of this kind, it would be clearly within the original intention of the section that this was the basis of the exemption.

Mr. Hall: "Sole" and "predominant" do not mean the same thing. Is there some discretion?

The Hon. D. A. DUNSTAN: Yes, but if there were a dispute it would have to be decided by the court. The court can still define it. This is sufficiently precise to make it possible to make decisions where some of the claims that have been brought in seem to have a fairly remote connection with the original intention of this provision.

Concerning the second query, the specific exemption was given in relation to the university in South Australia. Since now the university has bifurcated, we thought it appropriate to see to it that the Flinders University was not deprived of a right that already existed to the University of Adelaide. No submission has so far been made for its extension to other educational institutions.

Mr. CUMBE: If representations were made to the Government for bequests to be made to tertiary institutions other than the universities named, would the Premier consider allowing such representations or amending the legislation to provide for them?

The Hon. D. A. DUNSTAN: Yes.

The Hon. B. H. TEUSNER: Trustees may decide to apply \$4,000 or \$5,000 from a legacy of, say, \$10,000 for a religious or educational purpose and the balance for some other purpose that does not come within the definitions of "education" or "religion". In those circumstances, would the lower rate of duty apply to the amount supplied by the trustees for educational or religious purposes?

The Hon. D. A. DUNSTAN: I should think so.

Clause passed.

Clause 8 and title passed.

Bill read a third time and passed.

#### STATE GOVERNMENT INSURANCE COMMISSION BILL.

Adjourned debate on second reading.

(Continued from July 11. Page 488.)

Mr. HALL (Leader of the Opposition): Yesterday I was able to say, when moving a private member's motion, that I was pleased about what the Government had done in one instance in which it was following Opposition policy. However, the Government is not doing that in this case. I oppose the Bill, which is a strange mishmash of reasoning that has come to us in two stages. Last year the Premier gave one page of explanation and 11 pages of what was mostly justification of the introduction of the measure. When that explanation was being given, the present Premier, who was then Attorney-General, was taking much interest in the way it was being read and I guessed that he had written it.

The present explanation and justification is a revision based on second thoughts about what was given to the House in the first instance. The Bill that has now been introduced is the same as the original Bill in all particulars, and the second reading explanation seems to give every reason except the proper one for the introduction of this socialistic measure. The real reason for its introduction is that it is the policy of the Labor Party machine, and the Government in office today is doing as it has been told to do. It is interesting to note that this matter goes back into history, particularly into the history of the Labor Party in South Australia. As early as October 2, 1964, the matter of a State Government Insurance Office was debated in this House. In the debate at that time Mr. Kneebone said:

That is why we as a Labor Party in Australia aim first at the nationalization of banking and exchange generally, and next comes insurance.

Of course, this is the first attempt on the State level by the Socialist Administration to effect a long-term ideal of the nationalization of insurance.

The Hon. B. H. Teusner: This is a very large-scale ambition.

Mr. HALL: Yes, to socialize the means of production, distribution and exchange. The matter was referred to by the immediate past Commonwealth Parliamentary Leader of the Australian Labor Party in a book that he wrote entitled, I believe, *Labor's Role in Modern Society*. In a chapter devoted to public ownership, Mr. Calwell (then Leader of the Commonwealth Labor Party in Opposition—and he was noted for remaining in Opposition) said:

To raise the issue of nationalization in its first term would, in all probability, be fatal to its existence as a government; the defeat of the Government could follow quickly on its failure to carry its referendum.

He goes on to say:

Does this mean that I, personally, or the Labor movement as a whole, have turned our backs on the principle of nationalization? Of course not! I could not do that and remain a member of the Labor Party. The Labor Party could not do that and remain a democratic, progressive Party, opposed both to Communism and monopoly-capitalism.

The key words here are "I could not do that and remain a member of the Labor Party". So we have this machine-fed ideal system—

Mr. Jennings: He meant that his conscience would not allow him.

Mr. HALL: If I were the member for Enfield, I do not think I would talk much about that subject. The principles and the discipline of the Labor Party are that it shall adhere to a policy of nationalization, and this is one way in which the Labor Party in South Australia sees itself accomplishing part of those principles. Only towards the end of the Premier's explanation of this Bill did he really get down to the true reasons for his introducing it. He talked then of the money that would accrue to the Government from the operation of a State Government Insurance Office. It would appear from the Premier's beliefs that he expects to run a most profitable business. One wonders, when one notes the profitability of insurance in Australia today, just how the Premier sees this money accruing. For instance, he has given two main reasons in the preamble to his justification—that the Government is bringing in this measure (1) to ensure lower premiums and (2) to give better service. This is a Government Insurance

Office. It will be competing with private enterprise, with that capitalism hated by the Labor Party.

Mr. Langley: What about the other States where there is a Liberal Government?

Mr. HALL: The profit on trading in insurance has dropped, on the 1964-65 figures available to me, to 1.1 per cent. Members opposite should ponder this carefully.

The Hon. B. H. Teusner: Half of what it was about four or five years ago.

Mr. HALL: Yes; it has declined substantially and continually over the last few years, until in 1964-65 it stood at 1.1 per cent on the premiums paid. Out of this 1.1 per cent, if the Government organization should by some mischance be as efficient as a private organization, it will have to provide insurance at lower premiums and a better service. This statement must be considered as seriously as the Premier's claim that he had balanced the Budget, because we know this is an impossible situation. In the present circumstances it would be impossible for the State Government to do these things.

The Hon. B. H. Teusner: The taxpayer can make up the deficiency!

Mr. HALL: Unfortunately for private enterprise the Government has stated that it is necessary, where insurance is compulsory, for the people to have a choice. I do not know what that means: there are innumerable choices today among private companies. The Government refers, as its main justification for introducing the legislation, to the compulsory forms of insurance, such as workmen's compensation and third party motor vehicle insurance. Although other forms are being well catered for by private enterprise (and the Premier practically admitted that), the Government must include these within its ambit to make profitable the compulsory forms of insurance. This is a method of using that part of private enterprise to allow for whatever the Government may see fit to institute in its compulsory legislation. The Government could, by legislation, place additional burdens on the funds supporting workmen's compensation and third party motor vehicle insurance and use some of the profits from the more profitable fields to ease the burden on those funds. This practice is not good business.

No doubt there will be some financial risk to the public with these socialistic schemes. In the justification that has been given, the Premier has seriously maligned nearly every insurance company in South Australia. In the

first justification were one or two errors that have been corrected in the second explanation, but the second speech was not as insulting as the first. Perhaps the Government has realized that it should assist private enterprise and try to promote commerce and industry in this State. Having put its toe into the waters of industrial promotion, it has now deleted some insulting references made in the first speech. Although the second justification insults private insurance companies it is not as insulting as the first was. Words have been omitted, including those indicating that the Premier was alarmed at the extent of spending many hundreds of dollars in a pamphlet, press and television campaign against the proposal. Later, three pages of rather involved attacks and aspersions have been omitted from the first speech. However, there is enough in the second speech to make everyone realize that the Premier has a poor case to bolster the improvisations in his explanation. He particularly attacks insurance companies in relation to arbitration. This is referred to in the second reading explanation, where he states:

One of the most unfair provisions standard amongst insurance companies (and this is the rule) which prevents the average citizen from getting his claim properly dealt with is this:— I emphasize that the Premier uses the words "standard amongst insurance companies"; they are all included in this criticism—

almost universally insurance companies insert in their policies a clause as follows:

The Premier then goes on to deal with arbitration. His criticism is not justified in the slightest degree, because I am reliably informed that every State with a Government Insurance Office includes a similar arbitration clause. I understand that one or two States have overriding legislation or regulations: this makes a difference. However, where a private insurance company in any State has this arbitration clause, the Government Insurance Office also has it, with the exception of Queensland where the Government Insurance Office has its own arbitration clause. In Queensland policies issued by the State Government Insurance Office do not contain an arbitration clause but the contracts expressed in such policies are governed by section 18 (1) and (2) of the State Government Insurance Office (Queensland) Act of 1960. Subsection (1) provides:

Claims under policies issued by the office shall be allowed or rejected in the first instance by the General Manager; but the General Manager on receipt of any such claim may, or any person claiming thereunder who objects to the ruling thereon of the General Manager

may, by notice in writing, require the matter to be heard and determined by a referee, and the application shall in such case be heard and determined by such referee in accordance with the regulations. The office may in any case, if the General Manager thinks fit, before any dispute is submitted to a referee, require a deposit of money as security for the costs of the reference, to such amount and upon such terms as may be prescribed.

So, the Premier's main criticism of insurance companies in this State falls to the ground because it is simply not true. Such criticism is in line with the references made later in his speech. The Premier should show much more care of the facts, which he often exhorts other members to show, when dealing with legislation in this House.

What is the record of private insurance companies in South Australia? Most members of this House have dealt with them, and my personal dealings have been on a very friendly and proper business level. I cannot honestly say that I have had any reason to complain about dealings I have had with any South Australian insurance company, and I know that many people could say the same.

Mr. Jennings: Have you had any reason to complain?

Mr. HALL: We know that there are troublemakers in any group, even politicians.

Mr. Ryan: Have you got a mirror?

Mr. HALL: Obviously, some insurance companies would not have the good reputations that others have. But will the provision of one more insurance office have any effect on the companies that may not be properly carrying out their duties at present? Can any member opposite say that the addition of one more office will have any disciplinary effect on those that may not at present be acting entirely in the public interest? The answer is "No". This is not a disciplinary measure dealing with door-to-door insurance salesmen, or with how contracts should be drawn up or what they should include. The Bill merely seeks to establish another office under the State socialistic administration.

Mr. Ferguson: Unfair competition!

Mr. HALL: The Premier has talked loosely about unfair competition. He has referred to threats that could be made by certain South Australian institutions in regard to filling semi-governmental loans. He has referred to other States where Government insurance offices, with funds to invest, could help sustain semi-governmental borrowings. However, when challenged about those threats,

the Premier was unable to reply. In fact, the opposite has been the case in South Australia; banks and insurance offices have supported semi-governmental borrowings extremely well. Members on this side fear what may happen in regard to unfair competition: it is well known that councils compete with each other, to some degree, for grants from the Highways Fund; but how will a council view the fact that a neighbouring council may be entering into insurance with the Government office? Will that have any undesirable effect at all? I hope it will not. If one council obtains benefits from the Government in one direction, it may well tend to subscribe to Government business generally. I believe that business will be forced on to the Government Insurance Office, and that will extend into other fields as well. If the Government were, by some error of judgment, returned at the next election, how do we know that it would not pass a law requiring certain forms of insurance to be undertaken compulsorily with the Government office?

The Hon. C. D. Hutchens: I don't think anybody but you would think that.

Mr. HALL: I believe that happened in Queensland under a Socialist Administration whose representatives have attended the same Commonwealth conference as have representatives of the Minister's State Party. We know that moves are at present afoot throughout the Commonwealth to integrate even further the views of the Labor Party branches.

The Hon. C. D. Hutchens: Are you suggesting this is not right?

Mr. HALL: Of course I am.

The Hon. G. G. Pearson: The Minister is also committed to making the people use one bank.

Mr. HALL: Yes, so it is rather futile for him to deny this relatively minor issue. Probably he is caught up in a Socialist policy about which he personally is not very happy.

The Hon. C. D. Hutchens: I am proud of our policy.

Mr. HALL: I hope the Minister is proud of it at the next State election. I would be quite happy to see this Bill stand as an issue at the election; I would be only too pleased to go on the hustings and have it out with the Minister.

The Hon. G. G. Pearson: I give the Minister full credit for being honest in his beliefs.

Mr. HALL: Yes; I do not question the Minister's honesty, nor has it ever been necessary for me to do so. This Bill raises the very big question of preference of business

for the Government Insurance Office. As I have already said, in at least one other State some forms of insurance are compulsorily carried out with the Government office. If we wanted further evidence of the fact that the real issue here is that the Government sees some money to be gained by branching out in business, we have only to look at its attitude to assurance. I would think there is no more honourable record in the business world in South Australia, and indeed throughout Australia, than is held by the major life assurance companies of Australia.

Mr. Freebairn: Especially the mutual ones.

Mr. HALL: Yes. I do not know the figures, but I think the majority of the assurance business is conducted by the mutual companies, which of course are owned by their policy holders. However, this is a field that the Government will no doubt get into. It has certainly made provision for that, because according to the Bill "insurance" includes "assurance". Perhaps the Minister did not know that, for he did not appear to know about the other matter I raised.

Why is assurance included? Are the mutual companies falling down on their job? Surely it is right that the policy holders should own the companies. Perhaps it is that the Government wants to be an owner, and that is the trouble. But who is the Government? We know very well that the Government is not the members who sit opposite: it is the Labor Party machine—the faceless men.

Mr. Freebairn: The 126 of them.

Mr. HALL: I am not too sure how many there are in South Australia, but they exist and they are the Government of the State.

The SPEAKER: I remind the Leader that this has nothing to do with the Bill.

Mr. HALL: I accept your stricture, Mr. Speaker, but I say that this is a policy fixed by the Labor Party machine.

Mr. Millhouse: It is included in its platform.

Mr. HALL: Yes. Portion of the policy we are dealing with in this debate was included in the Labor Party's policy speech just prior to the last election, when the then Leader of the Opposition (Hon. Frank Walsh) said:

It appears that as a step forward concerning the implementation of this very necessary provision, a long overdue measure, it will be required that our policy consider the establishment of a State insurance scheme, and a further factor that may also be considered is that whilst it is recognized that workmen's compensation insurance cover for all persons must be provided, it is also compulsory for people who desire to register a motor vehicle

to have a third party compulsory insurance policy. Under Government instrumentalities, when things become compulsory, I believe that it is reasonable to give consideration to the right of the individual to have a choice of insurance.

I would think the then Leader wrote that himself, because it reads like his thinking on this matter.

Mr. Millhouse: His style.

Mr. HALL: Yes, that is the word I was looking for. I do not know what he meant when he said the individual should have a choice of insurance, because that is certainly what he has under the present system. The fact is that he stated in his policy speech that the Government intended to set up a Government Insurance Office. However, he made no reference to assurance. Therefore, the Government has no mandate whatever regarding assurance. In the face of the successful mutually-owned assurance companies operating in Australia in competition with other companies (and obviously they must be working on a small profit margin to be able to compete), why does the Government think it necessary to enter this field? During the Committee stage of this Bill (if it passes the second reading), we shall have the opportunity to test the Government on this point by moving an amendment on the assurance aspect. On an earlier occasion, the former Premier said that the Government was thinking about going into the assurance field. After all, the Government is in this business for money. I wish to refer to the following letter, written to the Hon. Frank Walsh when he was Premier of South Australia:

The Life Officers' Association of Australasia is concerned that, contrary to their expectations, the Bill which you introduced in Parliament on November 10 would appear to be wide enough to include life assurance in the franchise of the proposed State Government Insurance Commission. The member offices of the association represent more than 80 per cent of the life assurance business in force in Australia and a very large proportion of the business in South Australia. In neither your last policy speech nor subsequent public announcements on the proposed insurance commission was any mention made of your intention to include life assurance in its activities.

Now that its finances have deteriorated, the Government has seen fit to include this provision regarding assurance as a pure money-making venture. The reply to this letter states:

As indicated by you, the Bill is wide enough to include life assurance as it was the intention of the Government to cover all fields of insurance transactions.

Signed FRANK WALSH (Premier).

It is interesting to note that the letter states "it was the intention" and not that "it is the intention". Therefore, the Government knew that it intended to enter the assurance field at some time before that letter was written. I should say it knew this when the policy speech was written, but its intention was not made public until it was well in the saddle of office.

From what has been said, one would think that once a Government Insurance Office is established all difficulties disappear for those who use the office. One would think that no difficulties emanated from a Government Insurance Office but only from private offices. However, there are many instances of disension between Government Insurance Offices and the people who use them. We know that there will always be some disputes between people receiving payments and companies which have to pay on demand under certain conditions; that applies irrespective of whether it is a Government or a private company. I have before me examples of differences that have arisen in this connection that demonstrate that not all is well regarding Government insurance Offices as far as the public is concerned.

I have one example, taken from the *Sunday Truth* of September 13, 1964. A report states that the father of five children had been put in the most embarrassing situation through the laxity of the State Government Insurance Office in paying money owing to him. He is reported to have said, "I've had the landlord on my doorstep and have had to accept charity in order to keep my family fed." He then gave a history of the payment that he finally received. He notified the Ipswich branch of the State Government Insurance office on the same day as he was put off work. At the end of the week, when he went to collect his compensation, he was told that the doctor had not lodged his report. Another week passed. Then the man was told that the report had been lodged but that it would have to be checked by the Government doctor and that that would take several days. Two weeks after being classified as unfit for work, the man again checked with the State Government Insurance Office but still was unable to collect any compensation for wages that he had lost. When he pointed out to an official that he had family commitments to meet, he was told, "We won't be paying you before Friday, anyway. Come back then." It was not until his fifth visit to the State Government Insurance Office that he was paid his compensation.

Is that any more satisfactory then would be the case if a private insurance office were dealing with the matter? My experience of private insurance companies is that they deal with matters much more promptly than that. If they did not, I would be doing business elsewhere, and I would have plenty of places to choose from. A difficulty about a motor car and the payment of damages was reported in the Western Australian *Daily News* of July 4, 1966 under the heading of "Ombudsman". The State Government Insurance Office reversed a decision that it had made about the payment of damages. That is doubtless a matter that the Premier would be happy to use here if a private insurance office had been involved. I have many of these matters to which I could refer.

The establishment of a Government Insurance Office does not rid any community of any difficulties in this regard. It does nothing more for the public than establish another office. We have not been told what the cost to the public will be as a result of this Bill. We have been told that at present the Government carries its own insurance and that, when the new office is set up, it will be able to handle that business, which will give it a basis on which to begin. This is pure Socialist theory about making money from nothing. We can take in our own washing under the present administration system of the Government. We can set up an additional office and employ more staff and highly-paid experts to do the same work as is now being carried out.

It is said that the profits made will build up this office and thereby avoid any charge on the public of South Australia. Of course, I do not accept that this scheme is feasible, because, if the Government is to make profits, it will have to be subject to some risk. Profits cannot be made without risk being undertaken. In the *Advertiser* of July 11 it was reported that big Adelaide Hills fires were inevitable. The report gives the opinions of experts, who say that it is a matter not of whether there will be fires in the hills, but of when there will be such fires. This is reported in *Policy*, Volume 66, No. 3142, of May, 1967:

Tasmania. The B.I.A. stated that Australian reports disclosed that the Tasmanian bushfire on February 7 cost an estimated £12,000,000 half of which was insured, and 61 lives. Two-thirds of the insured losses were covered by tariff companies and half of them were in domestic property. There were 1,400 houses destroyed and 12 townships around Hobart wiped out. Five large factories were affected, including a brewery less than two miles from

the city. About 1,000 square miles of rural area were burned, 25,000 sheep lost, 3,000 cattle lost and 80 bridges burned down. The fires began in the afternoon and were described as "shocking" by 2 p.m. They continued through the night but were under control by next day—

and so it goes on. We know that the fires then were severe. The following statement appeared in the *Mercury* of Hobart on March 18, 1967:

\$1,250,000 claims pay-out. More than 700 claims have been lodged with the Tasmanian Government Insurance Office, arising out of the recent fires. The general manager of the office (Mr. W. E. Lang) said yesterday that the estimated pay-out on the claims was \$1,250,000 and of that sum \$810,865 had been distributed to date. He said about 99 per cent of the pay-out to date would be for dwellings and contents. The office had not yet paid out anything on industry. Asked whether this was the largest pay-out the office had made Mr. Lang expressed a doubt. He said hail insurance had cost the office more than \$1,000,000 last year.

I hope Government members will realize from this that there is a risk to the public in this business. No-one can tell, if the Government accepts large-scale insurance and vies with business in this field, whether it will not be accepting a great risk on the public's behalf. I turn now to the Bill itself. Clause 15 reads:

(1) Every policy or contract of insurance or indemnity issued or entered into within the authority of this Act is hereby guaranteed by the Government of the State and any liability arising under such guarantee shall, without further or other appropriation than this section, be payable out of the Consolidated Revenue Fund.

Then clause 16 reads:

The Commission may invest the moneys in the funds established under and for the purposes of this Act—

(b) in temporary deposits with the Treasurer upon such terms and conditions as the Treasurer may determine.

During his explanation of this Bill the Premier was asked how this tallied with the present situation of the trust funds under the Government's control in South Australia, because we know that, had funds been invested as trust funds under the Treasurer by any office in South Australia that might have been in existence, they would not have been as healthy today as they were when invested, because the present Socialist Government has used, to pay for its deficits, about one-third of the trust funds under its control. The Premier bolstered his justification, as is often the case in his type of argument, by attacking the other States of Australia. He said:

The trust funds of this State are healthy. They are in a much healthier state than is the

case in the neighbouring State of Victoria under a Liberal Government.

He did not use figures. He made the statement that the trust funds of Victoria were in a far worse condition than the trust funds of South Australia. That is simply not true. I would like now to compare the trust funds held by Victoria with those held by South Australia. In South Australia the trust funds on June 30, 1966, stood at \$27,322,204, and \$8,077,000 was taken out of that directly to finance the deficit for that year. The trust funds of Victoria at the same time totalled \$114,079,291, of which \$16,724,000 was used to finance deficits. On a percentage basis the South Australian Socialist Government has used 30 per cent of the trust funds under its care to meet its deficit while in Victoria the Bolte Government has used 15 per cent for a similar purpose. This comes right back to clause 16 (b). What would have happened if funds had been invested in the trust funds of the present Government? If the Government Insurance Office had been in existence and had invested \$9,000,000 with the Treasurer two years ago, today it would have about \$6,000,000 left. This type of investment by a Government Insurance Office would be one further reason why the office was unnecessary. I have a list showing details of the insurance business conducted in this State. I am informed that there are more than 2,000 full-time employees earning wages and salaries amounting to more than \$4,000,000 a year. In 1964-65, \$1,788,000 was paid in direct State and Commonwealth taxation, plus a considerable sum in indirect taxation. In 1964-65, \$1,284,421 was paid in licence fees, and \$646,000 paid to support the Fire Brigade.

To support this Bill would be to prejudice the employment, investments, and good conduct of these companies. Also, it would support a spurious case tendered by the Premier and bolstered by illustrations some of which are not correct, and would condone incorrect financial references concerning trust funds in Victoria compared with those in South Australia. The Premier has introduced a Bill to supplement his Party's socialistic policies and to gain revenue for socialistic enterprises, and it should be considered in that light by the House. The State has been well served by insurance and assurance companies. No disciplinary measures are contained in this Bill, a fact that should be made known to the public. If complaints have been made against insurance and assurance companies, they are not being rectified by this Bill. This is where

the justification of the Premier falls to the ground, because the Bill does not regulate the conduct of insurance and assurance companies. I oppose the Bill and would be pleased to contest the point if it were used as an issue at the next State election, should the Minister of Works or the Premier choose to do so. For these reasons, and with the support of my Party, I oppose the Bill.

The Hon. G. G. PEARSON (Flinders): In supporting the Leader in his objections to this Bill, I commend him for his complete coverage of it and the way in which he set forth the Opposition's point of view on various aspects. He documented fully his objections and reasons, and not much new ground has been left for subsequent speakers to cover in opposing the Bill. This is one of the more serious attempts by the Government to implement its oft-stated and well understood policy of which my very good friend the Hon. C. D. Hutthens is very proud, because it is a very nice slice of Socialism. I do not know whether all members on the Government side are as genuine in their attitude to Socialist policy as my friend is.

I sometimes wonder whether there are not some people who would be very much relieved if this plank was removed from Labor Party policy, because it has been one of the stumbling blocks to its political success not only in the State sphere but also in the Commonwealth sphere for a long time. Invariably when an election comes around the Labor Party's practice is to speak in somewhat subdued tones of this aspect of its policy. Nevertheless, the old brigade of the Labor Party, particularly its industrial wing, is always adamant that this plank should remain in the platform. The Party has not, as far as I am aware, even changed the emphasis over the years.

It was originally stated to be the socialization of the means of production, distribution and exchange. I think the attempts that have been made to implement it over the years have put these objects in a different order. It seems that the first object has been to nationalize the means of exchange, as over the years serious attempts have been made to achieve this object. One attempt that almost succeeded in the Commonwealth sphere was the proposal to nationalize the banking system of Australia. In his last policy speech as Leader of the Opposition the Hon. Frank Walsh mentioned proposals that his Party had in mind for the banking institutions of South Australia, but

they have not been heard of since the election—very wisely, I think, from the Government's viewpoint.

This Bill represents a serious attempt to put a Socialistic policy into effect. I have often wondered why there are people in this world of ours who can seriously subscribe to such a policy. I believe that it has become outgrown and outmoded; it represents the urge by the Government to buy into business in the hope, perhaps, of making a profit.

Another possible motive, and one perhaps more material to the Party's policy, is that the octopus of Government instrumentality as a whole should be increased and that the State should grow and the individual should diminish in importance and emphasis. This would satisfy the policy of State ownership, a policy which, I believe, disregards the inherent characteristics of human behaviour and which has been tried and found wanting. I say with all seriousness that if the Labor Party really wants to get anywhere and stay anywhere in the Australian political field it will have to get rid of this platform.

I know that it will be said by speakers on the Government side, if there are any, that the Playford Administration over the years indulged in certain avenues that are fondly called socialistic. Undoubtedly the Electricity Trust (the popular example) will be trotted out again as a justification for this Bill. The fact that there are State railways in South Australia and in other States will also be trotted out as an illustration that the Liberal Party follows this policy. There is no justification for State intervention in any field unless it is to provide a developmental activity that is beyond the resources, ability, or scope of private enterprise. That is the only case in which Liberal policy can be even remotely connected with Socialism. The present Labor Government in the United Kingdom, although it has made various forays into the nationalization of industry over the years, has run into difficult problems, and there have been serious dissensions within the Party as to the wisdom and profit (both politically and financially) of venturing into the field of nationalization.

As one examines the world scene of politics today, one concludes that the doctrine and practice of Socialism is falling into decay and disrepute, simply because it disregards the inherent characteristics of human behaviour. The Premier has set out in his explanation certain arguments that he hopes will convince the House that the Bill is desirable, necessary



and proper. He says that there is some dissatisfaction with the present conduct of insurance companies in this State; that policies are sometimes ambiguous; and that claims are not promptly or fully met. Although he has not said it, I have no doubt that in the back of his mind the Premier believes that there is some risk to the individual in doing business with a private organization that may not always be able to meet its claims.

As the Leader quite properly said, the creation of a new Government department to take over insurance does not remedy any of these problems for the general public. I have been in Government long enough to know that much of a Minister's time is taken up in interviewing people who put to him a case to obtain some redress for action which a member of the Minister's department may have taken against them and which they regard as being to their detriment. Those interviews are necessary and time-consuming: every Minister realizes that a problem that may seem small to himself or to a department is a real problem to the individual who seeks redress.

Therefore, any Minister with human sympathies (and I believe most Ministers have them) does his best, and spends his time unsparingly in an effort to remove anomalies in administration and straighten out misunderstandings and problems. Every Government department is prone to human error, and every individual with whom it deals is likely to misunderstand or not to read documents or letters or the *pro formas* that are an essential part of the machinery of administration.

All these things will occur, and I maintain that the bigger government gets the greater will be their occurrence. I think that the creation by the Government of an additional office to handle this matter will increase individual problems rather than remove them. Such an office will be composed of inexperienced, untried and untrained personnel who will have to be recruited to staff it when it is set up. As a result, the problems of administration and individual contact with the public will be immense. Therefore, there is no remedial action in this proposal in that regard.

I want to make another point regarding the validity and stability of insurance companies in this State. There was a time, probably 15 or 20 years ago, when several insurance organizations of doubtful origin appeared in South Australia to canvass for business.

At that time strong action was taken to stop this problem from developing, and now any insurance company that desires to register in this State is subjected to very severe and detailed scrutiny by the Registrar of Companies before being allowed to register and operate. I believe that was a very wise provision. I consider that, by and large, insurance companies that operate in South Australia are of the highest repute and of the strongest financial stability, and that their integrity in their business operations is undoubted.

Whether insurance companies in South Australia are life or general, or in any other group or category, there is no justification for criticism of these companies on any of those grounds. After all, a wide variety and a very great number of companies do insurance business in South Australia, and no person need ever take any risks with any company that is not well-known. There are very many well-known, well-established and reputable companies with which one can do business.

I suppose the old adage of *caveat emptor* applies in insurance in the same way as it applies in anything else. A person buys from or does business with someone he knows, someone of repute and someone of good standing. If he does business with someone who lacks these qualities, then of course any resultant problems are of his own making. Therefore, there is no reason why any person should take any risks in doing business with insurance organizations in this State on account of their validity and stability.

As I have just said, the people employed by insurance offices, as I have known them over a period of many years, are very highly trained and efficient. Indeed, they have to be. I wonder sometimes whether Government members realize the intricacies and ramifications of insurance business in all its aspects. Perhaps people who have been in business over a number of years understand these things better than some Government members understand them, because they are extremely involved. The premiums, benefits and so on that are available cover a wide range. They are worked out by actuarial computations to such an extent that any insurance proposal needs to be completed by somebody who really knows his stuff. My experience has been that people who represent various insurance companies have had long and detailed training and are of high intelligence and capacity, as it is necessary they should be.

What will happen to the new insurance office when it comes into being (if it ever does—heaven forbid)? Whence will the Government office obtain the services of trained personnel? Trained personnel will be required not only in one or two features but throughout the whole ambit of general insurance, where the range of problems is extremely wide. Although I have had much to do with insurance in business matters over many years, I would not know even a quarter of the ramifications of the insurance business. Will the Government compete with existing offices in an endeavour to entice personnel away to the Government office? If it did that it would pay dearly for that staff; that would not be a promising start to a new insurance office from which the Government hoped to make a profit. Perhaps this problem has been largely overlooked.

Mr. Casey: Any new business has to recruit labour.

The Hon. G. G. PEARSON: Yes, but insurance companies are made up of people who have had training in the business and who have decided to start a company; they start operations in a modest way and grow quietly and gradually. On the other hand, the Government Insurance Office will be expected to cater for all classes of business from the time it commences.

Mr. Shannon: Service is the thing people ask for.

The Hon. G. G. PEARSON: Yes, and service in this field extends over a great sphere of activity, including service in the office, by telephone, on the farm and in industry. That is the first thing required to conduct such an enterprise successfully. An insurance company must have many assessors available to decide the claims to be paid and so on. Insurance is a vast, intricate and expert type of business.

In his second reading explanation, the Premier said that all other States have Government Insurance Offices. The member for Unley asked, by interjection, why Liberal Governments in other States had not got out of the insurance business when they assumed office. However, once a State is in this type of business it cannot get out of it, because there are continuing obligations. Unless these obligations can be passed to someone else, an insurance office cannot escape them. Insurance offices engaged in life assurance must continue in perpetuity. The comment made by the honourable member showed a complete lack of knowledge of what was involved. However much the Governments of other States would be glad to be rid of

this problem (and it is admitted to be a problem to most of them) they cannot get rid of it.

People with peculiar propositions and problems naturally go to the Government Insurance Office and demand that that office meet their requests because it is a public institution. The Premier has said that the State Government Insurance Commission is necessary to protect the public and he has talked about lower premiums, better settlement of claims and so on. If the Government intends to enter all types of business where members of the public are involved in risk, it has a big programme. The Government is no more entitled to enter the insurance business than it is to enter the used car business, in which there are many problems and risks. Indeed, this Parliament has passed legislation in connection with that industry.

As the Leader has said, the Premier has seen fit to make imputations against insurance companies. He has been talking about the campaign they were proposing to mount against the Government by means of press, television, leaflets, and so on. However, the Premier ought to be the last person to talk about this sort of programme. He is using it every night on television and is paying for it with public funds. The insurance companies cannot put their hands in the public purse in order to mount that sort of campaign. They cannot employ public relations officers at public expense, go on television every night at public expense or use the press in every way. These companies have to pay for their advertising.

Mr. McKee: Of course, a previous Premier did not go on television, did he?

The Hon. G. G. PEARSON: He went on television on Wednesday nights, when time was made available to him free, as it has been made available to the Premier for many years. The present Premier has that right. However, the member for Port Pirie knows that the present Premier is on television every night, or every other night. Who pays for the public relations officer? It is all very well for the Premier to talk about promoting industry. He kicks industry in the teeth and then expects to get co-operation from industry. We have heard that discussions that the Premier had with representatives of industry were leaked to members of this Party. That was obviously incorrect. But he accuses them of breaching a confidence, on the one hand, and then expects to get their co-operation with huge sums of money to set up a foundation for industrial research, as he said on

television the other night. It is just too absurd for words. He cannot kick industry in the teeth one day and get its co-operation on another.

It is general policy in insurance matters for a company that commits itself to a heavy risk in a certain area to re-insure with other companies having business in other areas. In other words, if I want to insure my crop (to use a homely illustration) and I have 500 or 600 acres of cereals in one block, the company asks me to draw up a plan of it and, instead of its carrying the whole risk involved in this consolidated block, it will approach another company and say, "This is a little too much for us here; what have you around the place? Can we share our interests?" In other words, to use a good bookmaking term, they "lay off" when not wanting to carry too much in any one line. Will the Government, having set itself up as an unfair competitor in this field, enjoy the co-operation of industry? Will it be able to spread its risks? If not and a disastrous fire occurs in a block of city buildings or in the Adelaide Hills and the State Insurance Office is carrying the risk in that area, there will be no profit in it for the Government; there will be a heavy loss and it will probably take it some years to recoup it.

We have to be reasonable in these things. Further, the Premier has said that where insurance is compulsory the public is entitled to some choice of office. My only comment on this, in addition to what my Leader has said, is that in compulsory motor vehicle insurance in this State there has been in operation for a long time, set up by the Playford Government, a Premiums Committee that reviews from time to time, as the Prices Commissioner does in his particular sphere, the income and outgoings of insurance offices in respect of compulsory motor vehicle insurance. The premiums permitted to be charged by the companies are based on the findings of the Premiums Committee. The public is fully protected in this business: in fact it is more than protected, because some insurance companies are reluctant to accept compulsory motor vehicle insurance if that is the only form of insurance that a client offers them. I do not know of a company that has refused, but I do know they are reluctant to accept it if that is the sole business proposed by the client. The reluctance arises only because the premiums they are permitted to charge are fixed too close to the bread line by the Premiums Committee. So there is no justification for this Bill; there is no validity in this

proposal in the field of either general insurance or life assurance. We are well catered for in both fields.

The Government in introducing this measure has attempted carefully to conceal the fact that it is interested in the whole of life assurance generally. This has been discovered only by a careful analysis of the Bill. Indeed, we have come in the last two years to recognize that we have to examine every full-stop, comma and letter inserted in any Bill presented to us by the Labor Government so that we can detect important matters carefully secreted in some innocent-looking clause. There is no justification for the Bill and the Government knows that. It is purely a venture into Socialism. There is ample competition in this field; indeed, there are seven groups of offices operating. Each group is in competition with the other, and there is competition from within each group of individual companies with the other. There is no reason for the Bill on the score that the public has no alternative: there are ample choices and alternatives. Furthermore, the tariff companies, the non-tariff companies and the general companies in South Australia have been alert to move with the times: they have not been static in their ideas. With the change in living circumstances, greater prosperity, and greater assets in the ownership of individuals, they have varied policies, introduced new policies for new purposes, kept up with the times and met new needs.

Finally, I say that the State cannot afford this venture, and there is, therefore, no justification for it on any grounds. I hope that the Government will have second thoughts on the matter, although I know it probably will not. I would regret very much if this Bill became law and this machinery were set up which, I consider, will be of no real service to the public. The Bill will not extend services or protect the public in any real way. If the Bill is unnecessary, it should not come into being. I oppose the second reading.

Mr. FREEBAIRN (Light): It is my understanding that, when the Premier moved the second reading of this Bill yesterday, members opposite were very enthusiastic about the measure and that every honourable member opposite was very keen to make a contribution to the debate. It has now become evident that, after the Leader of the Opposition had outlined the general case against a State Government Insurance Office, members opposite have lost their enthusiasm, and we now find that we have had three speakers on

the Opposition side and not one speaker from the socialistic side of the House.

*Mr. McKee interjecting:*

Mr. FREEBAIRN: The member for Port Pirie is very keen to interject, but why did he not speak after the Leader of the Opposition had spoken? Why does he not make a contribution to the debate and not leave it all to the Opposition Party? The member for Port Pirie thinks the Bill is Christmas. He has had no business experience so how would he know the merits of the Bill? I was interested to read in the Premier's speech that the South Australian Government proposes to enter the insurance field for two reasons: (a) to reduce premiums; and (b) to ensure, by competition, that adequate service is given to the public. The Premier then went on in his speech to make a few insulting references to insurance companies operating in South Australia. He bracketed all the insurance and assurance companies together and commented strongly about private enterprise insurance companies. I have a copy of the Rules and Constitution of the Australian Labor Party for which I foolishly paid 50c. On page 48, under the heading "State Enterprises", the first item on the list is a State Insurance Office covering all insurable risks. I know that the member for West Torrens, who is interjecting, is interested in the Industrial Code, but he knows nothing about insurance or the commercial and business world, and I suggest that, like a cobbler sticking to his last, he should stick to the Industrial Code. After considering this booklet, I found out why this Bill was introduced.

Mr. Burdon: Why did every State do the same thing?

Mr. FREEBAIRN: When in power the Socialists in those States set up the offices.

Mr. Burdon: And the Liberal Governments appreciated what had been done.

Mr. FREEBAIRN: Now that Liberal Governments are in power in all other States except Tasmania they have to carry out the contractual obligations that were entered into during a period of socialistic administration. On page 41 of the booklet, under the heading "Worker's Compensation Section" it states:

(g) Amendment of Workmen's Compensation Act to provide for compensation insurance through State Insurance Offices.

There we see two important sections of the A.L.P. rule book, and we see references to a State Insurance Office. The reference does not say, "If we ever have a State Insurance Office", but "When we have a State Insurance Office". Unless Government members, when they speak, can make a stronger case for a State Insurance Office, I am quite sure this Parliament will not support its introduction.

I remind members opposite that the only reason why this Bill is now before the House is that the 126 faceless men insisted that it be brought before Parliament. Next March or April when we go to the polls, the people of South Australia will decide whether they wish to have government by members of the Parliamentary Liberal and Country Party or government by the 126 faceless men. The only two members of this House who have had the gumption to say that they belong to the faceless group are the members for Barossa and Semaphore, and I respect them for admitting it, but neither has had any commercial experience as far as I am aware.

I should now like to comment on the Premier's suggestion that private insurance companies are dishonest and making excessive profits at the expense of South Australians. What about the insurance companies committed to and affiliated to our mutual life assurance offices? Surely no member opposite is so lacking in prudence that he does not have a life assurance policy? Surely every member opposite approves the support given by members of the public to mutual life assurance offices, because their profits are passed over to benefit the policy holder. They are wholly mutual and the policy holders receive the benefit. What about religious denominations that run their own insurance companies? The profits are used to help their denominational work. I ask leave to continue my remarks.

Leave granted; debate adjourned.

#### ADJOURNMENT.

At 4.59 p.m. the House adjourned until Tuesday, July 18, at 2 p.m.