

HOUSE OF ASSEMBLY

Tuesday, July 18, 1967.

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

LICENSING BILL.

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

QUESTIONS

HOUSING TRUST PROGRAMME.

Mr. HALL: The Premier is reported to have said last evening that the Housing Trust would concentrate on providing low-cost housing for rental and purchase in appropriate areas and he emphasized the continued low-cost operation of the trust. As housing commissions in other States have found that inner city redevelopment is more costly on a unit basis than suburban villa construction, can the Premier say whether the Government intends to reduce the overall standard of trust dwellings? Further, is it intended that the trust alter its priorities so as to spend more of its resources on high-rise inner-suburban development?

The Hon. D. A. DUNSTAN: We certainly do not intend to reduce the standard of Housing Trust construction. On the other hand, it is appropriate in the present circumstances that we turn to inner-suburban redevelopment and devote moneys from the trust, as have housing commissions in other States, to this kind of development, which reduces some other costs to the community, as compared with outer-suburban development. Real advantages to the community would accrue from doing this. It does not mean that we cannot provide cheap housing in the inner areas: given the example of some other commissions in Australia, this should be possible.

Mr. QUIRKE: As today's press report suggests that the trust is to concentrate on cheap housing, will the Premier say what is meant by a "cheap house"? Further, will the proposed policy mean a lowering of the existing minimum Housing Trust standards?

The Hon. D. A. DUNSTAN: I have already pointed out to the Leader of the Opposition that it does not mean any such thing. The Government wants inexpensive housing from the Housing Trust for the lower income groups in the community. In the view of the Government it is not the business

of the trust to engage in high-cost speculative housing in competition with private undertakings in South Australia. This is not an area in which we should be spending public moneys. There is no reason why we should not co-operate with private undertakings so that we get balanced development with money outside the public area providing for high-cost housing, and money in the public area providing for low-cost housing. Both the Master Builders Association and the Housing Industry Association have asked for such a policy from the Government, and I entirely agree with their submissions.

Mr. COUMBE: I point out that, in reply to a question I asked earlier this year, the Premier's predecessor as Minister of Housing told me that the Housing Trust had deferred construction of standard flats and that such work was not proceeding at that time. In view of the Premier's statement today that he favours inner-suburban development, will he say whether this policy is to be reversed and whether the trust will again undertake the building of standard-type flats? Further, what will happen about the proposal to erect three-storey blocks of flats at Gilberton, which project was deferred earlier?

The Hon. D. A. DUNSTAN: I cannot give the honourable member a specific reply immediately about the Gilberton flats. However, when my predecessor was Minister of Housing, arrangements had already been undertaken by the trust for the planning of high-rise development flats in the inner-suburban area, and plans had been prepared. These plans are currently being examined as to costing. It is important that, in any high-rise development undertaken by the trust, the maximum provision for accommodation be made at the minimum cost. The previous planning in relation to a single high-rise development, which was completely unrelated to replanning the city of Adelaide and which was stopped by the present Government because it was not part of an overall scheme for redevelopment, had provided for high-rise development at a much greater cost than comparable housing commission or housing trust undertakings in other States.

Mr. Coumbe: Are you referring to the East Terrace project?

The Hon. D. A. DUNSTAN: Yes. It is important to carefully consider costings in this matter, and that consideration is being given at present. The trust has considered this matter carefully during my predecessor's term as Minister of Housing and is doing so at present,

and designs in that area are now being undertaken by the trust staff.

Mr. MILLHOUSE: Last evening the Premier announced a switch in concentration of effort by the Housing Trust to low-cost housing. Two matters are causing concern to those in the building trades and to members of the architectural profession. The first is the practice, of many years' standing, of the trust to construct factory premises and the second (which particularly concerns the private architects) is the competition provided by architects employed by the trust. Can the Premier say whether there will be a change of policy on these two matters: the construction by the trust of factory premises, and the use by the trust of architects who are employed by it and who are in competition with private architects?

The Hon. D. A. DUNSTAN: There is no suggestion that the trust will cease to construct factory premises. Indeed, I believe it is essential to our industrial development programme that we should be able to offer, to industrialists elsewhere, industrial estates in which we will build a factory and either sell or lease it on advantageous terms to such an industrialist. He would then bring to us technological development as a result, partly, of the provision of industrial housing for the workers involved in that enterprise. That will continue to be the policy of the trust, and I believe it is an essential part of our industrial development programme.

Regarding the second matter, it is not intended to put off the trust's architects: they will be fully engaged in the programmes of the trust. This does not mean that at times we may not seek consultants on particular matters. We may well do so, but the design staff which has been assembled by the trust will remain essential to its work. There is an enormous amount of work for that staff to do.

The Hon. Sir THOMAS PLAYFORD: This afternoon the Premier has said that if the trust is to provide houses at reasonable rents it must provide them efficiently. For many years it was the policy of Parliament and of the Government of the State to require that certain development be undertaken in an area before water and sewers were provided by the Engineering and Water Supply Department. That was so that the department would be able to get some immediate return for the public expenditures involved. Government policy was changed to the extent that, to give people desiring to develop real estate an opportunity of doing so, where water and

sewerage connections were to be provided before the houses were built those developing the housing had to make a cash subscription to enable the project to proceed. The developers received a refund as the houses were built. That arose because, when a developer sold a block of land, he did not know how soon a house would be built on it, and much land on which no houses were built was sold. In some cases, houses might not be built on the land for many years. The position regarding the Housing Trust was the opposite of that. The trust frequently erected houses before sewerage facilities were connected and the construction of many houses was delayed because all services were not available. Now the trust has to meet the same charges as developers of land, although it builds houses immediately, or even before, the connection is provided.

I have been speaking of the practice as it was when I was directly associated with Government, and I assume that it is still the same. Much money is involved in this practice and it would have a material bearing on Housing Trust rents. When the matter was last considered while I was associated with Government, the cost of these services represented about 50c a week in rentals. Will the Premier, as Minister of Housing, examine the possibility of reverting to the previous policy and of making an exception in the case of the trust so that it will not have to meet the cost of services on the same basis as developers have to meet them and so that Government policy may be carried out?

The Hon. D. A. DUNSTAN: I shall get a considered reply for the honourable member.

NATIONAL PARKS.

Mr. CASEY: Recently, the Government, through the Minister of Lands, stated that land would be opened in the South-East for settlement, which would benefit many people who have been trying for many years to settle on the land. This will be good for South Australia but, as I am concerned about one aspect, can the Minister of Lands say whether provision has been made for national parks in order to preserve our natural fauna and flora?

The Hon. J. D. CORCORAN: The Government is conscious of the need to preserve, wherever possible, areas such as exist in the Counties of Chandos and Buckingham in which 70,000 acres has been set aside in the Archibald-Makin Reserve. With the development of about 750,000 acres in this area a further 150,000 acres will be set aside for

national parks. In addition, 2 per cent of each new holding will be required to be fenced off so that natural undergrowth and fauna will be preserved. There need be no fear that the Government is not aware of the need for natural reserves, or that it will not act in this regard.

COUNTRY ABATTOIRS.

Mr. FERGUSON: My question concerns a matter that is exceedingly important to primary producers in my district. I understand that, when the Minister of Agriculture assumed office, he was asked to grant a licence to establish an abattoir in the Kadina-Wallaroo area, but that request was refused. I have been informed that, recently, an officer of the Premier's Department has visited the Kadina area. As the possibility was discussed of reviving the establishment of an abattoir, will the Minister favourably consider granting a licence for this area if such an application is received?

The Hon. G. A. BYWATERS: I do not think that the honourable member's facts are correct. On assuming office, I was asked whether an abattoir to serve the three council areas concerned could operate. A poll, taken before this Government assumed office, was carried by a majority in each of the council areas, but following this the Wallaroo council objected because of the sum involved. The present position has nothing to do with my refusal to grant a licence, as the decision remains in the hands of the councils to take further action. I do not know what has happened recently, but the position is that councils concerned should decide whether they want an abattoir in this area, and where it should operate.

TURRETFIELD RESEARCH CENTRE.

Mrs. BYRNE: The Minister of Agriculture may recall that I wrote to him on May 12 last seeking improvements in the working conditions of employees at the Turretfield Research Centre at Rosedale. Improvements sought included a reduction of the working week from 44 hours to 40, protective clothing (such as overalls), the painting of houses, and a reduction in rents. As the Minister informed me by letter on May 16 that a 40-hour week would be considered by Cabinet and that the other matters raised would also be considered, has he anything further to report?

The Hon. G. A. BYWATERS: Cabinet has approved a 40-hour week not only for the people to whom the honourable member has

referred but also for the daily-paid employees of all departmental research stations. Therefore, all those employees will receive the benefit of that reduction. The houses concerned, as well as farm buildings, are expected to be painted in this financial year at an estimated cost of \$11,145. As the provision of protective clothing is being further considered at this stage, I will inform the honourable member in due course. However, it is not possible to reduce rents: the honourable member will appreciate that this matter concerns not only employees at Turretfield but many other Government employees as well. Having examined the rents charged, I do not believe that they are excessive.

ARDUNE CROSSING.

Mr. RODDA: Has the Minister representing the Minister of Roads a reply to my recent question about the Ardune crossing?

The Hon. J. D. CORCORAN: The Minister of Roads reports that, because of the presence of the railway crossing at Ardune and the fact that the road is parallel to the railway on both sides, it is not possible to effect any improvements to road alignment without very extensive land acquisition and road realignment. It is believed that the present conditions, particularly with the speed advisory signs that have been erected, are safe with the exercise of a reasonable amount of care by road users, and that any further major expenditure is not warranted at this stage.

WATERLOO CORNER ROAD.

Mr. CLARK: Some months ago, because of serious (and indeed fatal) accidents, the road leading to the intersection of Angle Vale Road and Waterloo Corner Road was closed. As this road has now been closed for some time pending decisions to be made by the Minister and his department concerning what should be done in the interests of safety, will the Minister representing the Minister of Roads ascertain from his colleague whether plans have been finalized and, if possible, when the road will again be open to the public?

The Hon. J. D. CORCORAN: Yes.

GRAPES.

The Hon. B. H. TEUSNER: Has the Minister of Agriculture a reply to the question I recently asked about the price a ton paid to date for 1965 vintage surplus grapes delivered for processing and what additional payments were expected to be made?

The Hon. G. A. BYWATERS: The Acting Secretary of the 1965 emergency pool reports that a first advance of \$10 a ton has been paid. Further payments in respect of these grapes will depend on the sale of the brandy made from them. At present none of this has been sold.

PORT HUGHES JETTY.

Mr. HUGHES: My question refers to two deputations from the Moonta council, one of which I led to the General Manager of the Harbors Board about 12 months ago, and the second to the Minister of Marine earlier this year. The first deputation discussed the leasing of the Port Hughes jetty and reserves, and the second deputation discussed a prepared draft copy for the leasing of the jetty and the reserves and for the removal of the old cargo shed, the contents of which were to be used to repair the decking of the jetty and to erect a smaller shelter shed. The Minister may remember that, on being asked, members of the deputation said they were entirely satisfied with the amended draft copy of the lease. I left his office with the impression that the members of the deputation were to return to the Moonta council and that, if the members of that council agreed to the variations agreed on at the deputation, they would advise the Minister. As it is now several months since I introduced the deputation to the Minister, can he say whether he has received correspondence from the Moonta council and, if he has, whether it has accepted the lease as outlined in his office on the morning of the deputation?

The Hon. C. D. HUTCHENS: I am glad that the honourable member asked this question, because only last week, when I inquired of the Director of Marine and Harbors regarding this matter, I was surprised to learn that no communication had so far been received from the Moonta council. I considered that, as the honourable member has stated, members of the deputation felt its submissions had received reasonable consideration and they appeared to be happy when they left. I expected to receive correspondence within a matter of days. I would appreciate the honourable member's taking up the matter with the council to see whether it could be finalized soon.

CONTAINERIZATION.

Mr. RYAN: Yesterday, at a meeting, in Adelaide, of the Senate Select Committee on Containerization, the Chairman of the South

Australian Container Consultative Council said that the council had met on many occasions and had forwarded reports to both the Government and the Opposition. Can the Minister of Marine say whether he has received such reports and, if he has and if they are available, where copies can be obtained?

The Hon. C. D. HUTCHENS: As Mr. Sims stated, I receive copies of the reports of all council meetings. I shall be happy to make them available, upon request, to any member desiring to see them.

EGGS.

Mr. FREEBAIRN: Last evening I attended the meeting of the poultry section of the United Farmers and Graziers of South Australia Incorporated at which one speaker said that at the Agricultural Council meeting in Darwin the licensing of poultry farms as a means of restricting egg production was discussed. Can the Minister of Agriculture say whether licensing was discussed at that meeting and whether any real planning came from that discussion?

The Hon. G. A. BYWATERS: Much was said by all Ministers on this matter. However, the wholehearted support of the industry for licensing is not apparent. I do not believe licensing will be adopted until it is supported by the recognized organizations responsible for the industry. It was felt that at this stage licensing should not be undertaken as the Council of Egg Marketing Authorities had certain opportunities to restrict over-production. However, in making that statement, the Minister for Primary Industry urged that poultry farmers should be careful about over-production. Therefore, licensing was not recommended at this meeting of the council; what happens in future will depend on future meetings.

Mr. FREEBAIRN: Last week, in the absence of the Minister of Agriculture at an Agricultural Council meeting in Darwin, I asked the Minister of Lands this question:

Last Monday, at Saddleworth, the United Farmers and Graziers Association held a well attended meeting of egg producers to discuss various aspects of egg marketing. One resolution passed at the meeting states:

In the opinion of this meeting the South Australian Egg Board be reconstituted to give producers a majority on the board by the inclusion of another producer representative.

Dissatisfaction was expressed at the meeting that, of the six members of the Egg Board, only three were elected by the poultry farmers. Three are grower representatives, two are nominated by the Minister to represent the industry, and the chairman is also nominated by the Minister. Will the Minister of Lands

ascertain whether his colleague will introduce legislation to increase the grower representation on the board?

In addition, at the meeting of the poultry section of the United Farmers and Graziers Association held last evening, a similar resolution was passed. In view of this, can the Minister of Agriculture say whether he has considered altering the constitution of the South Australian Egg Board to provide for one more grower member?

The Hon. G. A. BYWATERS: The honourable member would be aware that this would require legislation and my practice at all times has been to consider carefully recommendations advanced by organizations properly constituted to represent the people concerned. In this case, the associations are the United Farmers and Graziers Association (Poultry Section) and Red Comb, which are very active on behalf of producers, and the Hatcherymen's Association. If all these organizations make representations to me, I shall consider this matter carefully. However, at present there are three producer members compared with two other members, with a chairman who has no vote unless voting is equal. One member would have to be absent before there could be equal voting, and I have not known that to happen. So the producers' representatives have a majority on the floor of the board meeting. I was very impressed by the extremely good reception that was given to the meeting referred to by the honourable member. In fact, the press headlines gave the impression that the Saddleworth meeting had overwhelmingly supported the Egg Board and C.E.M.A.. This was most impressive from my point of view. I was also pleased to hear (although by word of mouth only) that the honourable member, who represents that district, desired to move a vote of thanks and was given the opportunity to do so. I understand that, in his remarks, he was most eulogistic about the Egg Board and about its association with C.E.M.A. I am pleased that the member for Light has seen the light!

STATE'S FINANCES.

Mr. BROOMHILL: Has the Treasurer the financial Statement showing the result of last year's financial operations in this State?

The Hon. D. A. DUNSTAN: On Consolidated Revenue Account, the deficit brought forward from prior years was \$5,611,610. The surplus on 1966-67 operations was \$106,346, so that there was a reduction in the net deficit at June 30, 1967, to \$5,505,264. The Loan Account deficit brought forward from prior

years was \$2,465,462. The surplus on 1966-67 operations was \$1,259,612, with a reduction in the net deficit at June 30, 1967, to \$1,205,850. Therefore, on combined accounts, the result was that the deficit brought forward from prior years was \$8,077,072. The surplus on 1966-67 operations was \$1,365,958, reducing the consolidated deficit in South Australia to \$6,711,114. It is to be noted that the recoup to Revenue Account from Loan Account for non-Government hospital building grants was \$2,624,493. This means that the consolidated deficit in South Australia at present is significantly less, in proportion to population, than that in the neighbouring State of Victoria, and that we have had a very good result indeed from last year's trading operations.

Mr. MILLHOUSE: Now that the figures have been determined, can the Treasurer tell the House the precise amount of relief afforded to the Revenue Account through the payment from Loan moneys of items that were originally to be paid from Revenue?

The Hon. D. A. DUNSTAN: I gave that precise figure in my previous answer. If the honourable member had listened closely, he would have heard it. The figure was over \$2,000,000. I have not the figures with me: the report has gone up to *Hansard*. The course followed is similar to that which has operated in New South Wales under the Liberal Premier of that State, as he disclosed at the Premiers' Conference. In fact, as I have told the House, it is not a new procedure and, as a result of this Government's operations, unlike the Liberal Governments of Victoria and New South Wales, we did not finish the year with a consolidated deficit on the year's operations. The New South Wales Liberal Government has not only finished the year with a deficit but has also said that, in order to get through the coming year's operations, it will have either to curtail services considerably or to increase taxation considerably. That will not be the position in South Australia. The Premier of Victoria has told the other Premiers that they ought to have sufficient intestinal fortitude to increase taxation, as he intends to do. However, we in South Australia do not intend to do that.

Mr. McANANEY: As last year it was stated that a deficit was necessary in order to prevent unemployment, does the Treasurer consider that the present surplus will hinder or help the unemployment position in this State?

The Hon. D. A. DUNSTAN: It is necessary for any State Government to ensure that, over a long period, it does not run its cash balances

down too low. During a period of unemployment or of economic down-turn, it is an advantage to run a deficit Budget where this can be done. Where we can run a reasonable deficit, given the liquidity we have in cash balances, this should be done. However, we cannot run the cash balance so low that we are faced with either a genuine difficulty in meeting payments (and this is not facing this State), or any loss of confidence as to our ability to meet our obligations. Therefore, given the conditions during the past year, when we have managed to level out reasonably well, it was wise to balance the Budget, and this we managed to do. If the present poor season continues, it will cause some further down-turn economically in the State, and we will have to consider whether it is advisable to run a reasonable deficit in order to stimulate the economy.

That decision will be determined later when we see how the season is developing. In considering deficit finance we have to consider the overall picture, including the limitations on the States under the Commonwealth-State Financial Agreement. The Commonwealth Government is not in this position: over a long period it can run deficit financing to stimulate the economy without suffering from the restrictions placed on a State. This solution, in the long run, is not open to the States: it is open only in the short run. These matters are determined from time to time according to the economic conditions at that time. During the last year it was wise, if possible, to balance the Budget and to reduce our consolidated deficit. We have been able to do this and, in all the circumstances, the State has benefited, because this has been done without curtailing services and without increasing imposts on industry and commerce, which would have been inhibited if this had been done.

SHEARING.

Mr. McKEE: A person claimed in a recent advertisement in the *Advertiser* to be able to teach shearing in a few easy lessons and those interested were told that they could contact this person or the school by telephone. Has the Premier any knowledge of such a school operating in the metropolitan area and does he desire to comment further on the matter?

The Hon. D. A. DUNSTAN: The Government's attention was drawn to an advertisement claiming that people could earn top money as shearers after three easy lessons. I am not a shearer. However, the member for Port Pirie, who is a former organizer of the Australian Workers Union, will be well aware that the

possibility of a person's becoming a top-money earning shearer in three easy lessons is remote. There has been some investigation of this matter. So far as can be determined, there has not been any offence committed by the gentleman who has been advertising in the press. We know that he has started schools in two other States and that those schools have not been successful in producing the results that he has advertised. Considerable concern has been expressed by the Australian Workers Union that people may be taken in by this kind of advertisement. It has been suggested to me by the police who have been investigating this matter that I make a statement here, warning the people against this advertisement. It is impossible that the representations made could be carried out, and people ought to be very careful about undertaking business with this kind of organization.

BUILDERS' REGISTRATION.

Mr. LANGLEY: In this morning's *Advertiser* it is reported that the Registration of Builders Bill will soon be before Parliament. As one serious flaw in the building industry is that, although the main contractors receive their payments, the subcontractors are often left lamenting for their share of progress payments, can the Premier say whether adequate protection will be given so as to remedy this defect, which has affected financially many subcontractors, as they are in the hands of the main contractors for their livelihood?

The Hon. D. A. DUNSTAN: I have pointed out that, in relation to the Housing Trust contracts, I requested the Prices Commissioner to investigate the relationship between the tenders made and accepted for contracts with the trust by major contractors during the last three years and the prices paid to subcontractors for the work involved. Of course, this is in the public building area. Outside the public building area, two matters must concern us. The first relates to the registration of builders. We have not had final submissions from the parties about the Registration of Builders Bill. The Bill has been before interested organizations in South Australia for some time and they have told me that they will submit their opinions soon so that we may have a round table conference. However, all of the organizations agree in principle to the introduction of this measure, which will provide some protection for subcontractors. The second matter about which subcontractors must be concerned is the Workmen's Liens Act, and

here also there is an area of reform that must be undertaken urgently. This matter is receiving attention.

RAILWAY ACCIDENTS.

The Hon. G. G. PEARSON: For at least three years representations have been made to the Railways Commissioner for him to take some action that would make trains more visible during night hours so that headlights of motor vehicles would be able to pick out the train when it was passing over a road crossing. I have been told that last night a level crossing accident occurred at Cummins. Fortunately, no-one was seriously injured, but a practically new motor vehicle was completely wrecked. I understand that the driver said he did not see the train because of the wintry conditions. In these circumstances the grey colouring of the railway trucks in the middle of a long goods train would not stand out against the background of the night sky. Although many representations have been made to the Commissioner, no action has been taken because, under the Act, he has certain autonomy. Requests have come from the political front, from people throughout the State, and from the Country Women's Association, but without result. Will the Minister of Social Welfare ask the Minister of Transport to see whether pressure can be brought to bear on the Railways Commissioner so that he will take action and accept some responsibility for the safety of road vehicles that have to cross railway lines?

The Hon. FRANK WALSH: I shall consult with the Minister of Transport, but I am sure the Commissioner appreciates the seriousness of this matter. Much information has been given about the use of luminous paint on rolling stock, but a heavy responsibility also rests on persons who drive motor vehicles on a road. I shall see whether anything can be done, and shall inform the honourable member when I have a report.

KEITH WATER SUPPLY.

Mr. NANKIVELL: Has the Minister of Works a report from the Mines Department about progress on the water supply for Keith?

The Hon. C. D. HUTCHENS: I have obtained the following report from the Director and Engineer-in-Chief on progress to date:

A survey is being made of all bores within a six-mile radius of Keith. All information available is being obtained, and water samples taken for analysis for total dissolved salts. In view of the complex nature of the occurrence of underground water in the Keith area, the

cost of the work proposed to enable the town to be given an interim supply, the large amount of water required, and the necessity for the quality of the water to remain satisfactory for at least five years, it is essential that the Mines Department investigation be as complete as possible, otherwise there is a danger of a scheme being implemented and the quality of the water deteriorating before the completion of the Tailem Bend to Keith scheme, which will enable the town to be supplied with Murray River water.

It is expected that a further report will be received from the department during the present week in which a recommendation will be made for the drilling of a pumping bore and an observation bore, and as soon as this report is received approval for the necessary expenditure will be recommended.

SITTINGS AND BUSINESS.

The Hon. Sir THOMAS PLAYFORD: As only three items appear on the Notice Paper, can the Premier indicate what business the House will conduct and when the Loan Estimates will be submitted?

The Hon. D. A. DUNSTAN: True, there are only three items on the Notice Paper but, this afternoon, I intend to introduce and explain the Bill dealing with strata titles. It is then intended to proceed with the debate on the State Government Insurance Commission Bill. We intend to sit this evening, tomorrow evening and Thursday afternoon. It is not intended to proceed with the Licensing Bill this week, because members have only just received the reprint. Because members wish to obtain the services of the Parliamentary Draftsman to prepare amendments to the Bill, the debate will not be possible until about Thursday. As I am due to attend the Attorneys-General Conference in Brisbane later this week, and as I have to take this particular Bill, we do not intend to debate it until next Tuesday afternoon. However, I ask all honourable members to be ready for the Committee debate on the Licensing Bill next Tuesday afternoon. The rest of this week will be devoted, during Government business time, to the debate on the State Government Insurance Commission Bill and, if that is completed in time, to a further debate on the Strata Titles Bill, for which I would hope that honourable members would be ready either tomorrow evening or Thursday afternoon. I intend to introduce the Loan Estimates on Thursday week.

KIMBA DAMS.

Mr. BOCKELBERG: As dams in the Kimba area are at present dry, will the Minister of Works have departmental officers carry out

inspections with a view to cleaning them out in preparation for any sudden rains or freak thunderstorms that may occur in the area? I understand that many of the dams contain much silt and that some of the run-offs are not in good condition.

The Hon. C. D. HUTCHENS: Knowing that, if possible, we must catch every drop of water that falls, I will certainly have that matter investigated.

HIGHBURY INTERSECTION.

Mrs. BYRNE: Previously, by way of question in this House and by correspondence, I have referred to the need for safety improvements at the intersection of Valley Road and Lower North-East Road, Highbury. I have made certain suggestions and requests as to how these could be made, including the erection of safety fencing to protect the property in the area. As I have been informed that an officer of the Road Traffic Board has investigated the intersection and recommended improvements, can the Minister representing the Minister of Roads say what action is contemplated by the Highways Department?

The Hon. J. D. CORCORAN: The Highways Department has intimated that the erection of safety fencing to protect property is not at present permitted by policy, and that this intersection is on the five-year programme for reconstruction, but that that is at least two years away. The immediate solution to the problem lies in better delineation and a general clean-up of the intersection. The Road Traffic Board has therefore requested the Highways Department to clear the pavement of loose gravel and to install safety bars, line marking and cross-road symbols on the road surface.

MOUNT BURR MILL.

Mr. HALL: It has been reported to me that the case mill at Mount Burr has been closed and that the reason given at a meeting of mill employees was that the installation of new equipment, which would lift employment at Mount Burr, had been delayed because of the lack of Government finance. I have also been informed that 30 employees have left that mill, although some men, who were previously put off, have been re-employed at a lower wage. In view of the Premier's optimistic statement on Government finance this afternoon, and bearing in mind his calculations for a balanced Budget, with some carry-over to off-set the previous deficit, will the Minister of Forests indicate whether installation of the equipment at the mill has been delayed and employment hindered by the lack of Government finance?

The Hon. G. A. BYWATERS: As I know nothing about that matter, I will have it investigated. However, I knew something about changes that took place in South-East mills in order to avoid retrenchments resulting from the changeover in manufacture of the wooden case to the manufacture of wire-bound boxes. Although that changeover made a difference in case-making in the South-East, the position was to be more than compensated by using the timber elsewhere. I am not aware of any reductions in salaries having been effected but I will obtain a full report for the Leader.

GOVERNMENT WORKS.

The Hon. G. G. PEARSON: This morning's *Advertiser* contains the report of a broadcast made by the Minister of Works (I think last evening) in which he referred to progress on the Royal Adelaide Hospital redevelopment programme and briefly to progress on the new State Government office building in Victoria Square. The Minister then commented on the overall expenditure of the Public Buildings Department during 1966-67 and detailed the sum spent from Loan funds (\$25,000,000) and the sum spent from Revenue (\$6,500,000) for maintenance and servicing. Can the Minister of Works say whether the total figure for expenditure from Loan funds that was alleged to have been quoted by him includes the sum transferred to Loan Account in respect of grants to Government-subsidized hospitals for capital works?

The Hon. C. D. HUTCHENS: No, it did not; it referred only to sums spent from the Loan Fund.

The Hon. G. G. PEARSON: The Minister of Works recently told me that the cost of subsidies to non-Government hospitals was not charged to the Public Buildings Department Loan Account. If it was not so charged, can the Minister say to what department it was charged in the Loan Estimates?

The Hon. C. D. HUTCHENS: I said last evening that the Public Buildings Department had spent \$31,500,000, of which \$25,000,000 was from Loan Account and \$6,500,000 from the Revenue Account. Recoverable payments of \$6,500,000 were included in the Revenue Account.

The Hon. G. G. Pearson: It was Loan money that was transferred, not revenue?

The Hon. C. D. HUTCHENS: The recoverable money is included in the \$6,500,000 in the Revenue Account.

WATERVALE WATER SUPPLY.

Mr. FREEBAIRN: I understand the Minister of Works has a reply to the question I asked recently concerning the Engineering and Water Supply Department's water reticulation programme for Watervale.

The Hon. C. D. HUTCHENS: The Director and Engineer-in-Chief states that the present position is that a major scheme has been prepared to supply water to the areas in Watervale, Leasingham, Sevenhill and Penwortham, with several alternatives which will eventually be dependent upon the economics of the schemes. The estimates are nearly completed and it would appear at this stage that an expenditure of up to \$400,000 could be involved if the major scheme to provide the whole of the above areas is recommended. This, of course, would necessitate an investigation by the Public Works Committee.

Revenue statements have now to be prepared for the various schemes being considered, after which consideration can be given to which recommendation the department could make in the matter. Because of staff shortages within the department, particularly in the valuers branch, and the overall widening of the investigation from the original proposal, the Director and Engineer-in-Chief does not expect to be able to submit his final recommendation for at least four months.

HORTICULTURAL ADVISER.

The Hon. B. H. TEUSNER: In speaking to the Address in Reply debate, I directed the attention of the Minister of Agriculture to the fact that the horticultural adviser serving the Barossa district (Mr. Spurling) had been transferred some time ago and that the district was without the services of a horticultural adviser. Can the Minister say whether steps are being taken to fill the vacancy caused by Mr. Spurling's transfer?

The Hon. G. A. BYWATERS: Mr. Spurling having been promoted, applications have been called to fill his post but, as yet, we have not received a suitable application. Applications were called again last Saturday and I trust that we will soon obtain someone to fill the position. In the meantime, I have arranged for Mr. Loder (a technical officer at the Nuriootpa laboratory and a very able man in his field) to answer questions or to advise people. If people need advice, they may get in touch with the department's office at Nuriootpa and their requirements will be attended to. In fact, this has already been done: last week, when some people sought advice regarding

onions someone from the department was sent to look into their needs. I assure the honourable member that the interests of his district will not be neglected and that the position will be filled as soon as possible.

OAKBANK AREA SCHOOL.

The Hon. Sir THOMAS PLAYFORD: Last week I asked the Treasurer whether the Treasury could help a school committee provide an assembly hall. As I understand that he now has a report on that matter, will he give it?

The Hon. D. A. DUNSTAN: I have had this matter investigated and there appears to be correspondence between the Education Department, the school committee and the honourable member. The Minister has written a lengthy letter to the honourable member concerning this matter. The honourable member has asked specifically whether the Treasury could assist by providing \$10,000 on a temporary basis to help the school committee meet its present financial problems. It seems clear that the school committee has brought the problems on itself. There is no statutory provision from which the Treasury could suggest a loan to assist the committee and the Under-Treasurer says he could not recommend any special vote provision. To do so would be to undermine the efforts of the Education Department to allocate funds fairly and effectively and to encourage financial responsibility on the part of school committees. The Minister of Education has reviewed the whole matter fully and sympathetically and I do not think there is anything I can add to what he said. There seems to be no alternative for the committee but to arrange a loan from a financial institution. Perhaps a trading bank or savings bank represented in the area might be willing to make the loan on security of adequate guarantors. I believe this suggestion has already been passed on to the school committee.

NORTHERN ROADS.

Mr. HEASLIP: Last year I asked a question and received a report from the Minister of Roads to the effect that it was planned to start sealing the Laura-Appila road and the Murray Town to Booleroo Centre road during 1968-69. As the Morphett Street Bridge Act has been amended so that the Highways Fund will be responsible for half the cost of that bridge, will the Minister of Social Welfare obtain an assurance from his colleague that the priority not only of these roads but of all

country roads will not be affected by the taking of this sum from the Highways Fund?

The Hon. FRANK WALSH: I will refer the matter to the appropriate Minister and have a report brought down as soon as possible.

ANNUAL LEAVE.

Mr. McANANEY: Can the extension of annual leave of public servants to four weeks (on which Cabinet decided recently) be achieved by regulation or is an Act of Parliament necessary?

The Hon. D. A. DUNSTAN: In certain cases, action can be taken administratively to provide for this; in some cases regulations will have to be promulgated; and in other cases legislation will have to come before the House. The appropriate action will be taken in each of those instances.

MOUNT GUNSON MINE.

Mr. COUMBE: Will the Premier, representing the Minister of Mines, obtain a report on the copper-mining development project at Mount Gunson (which is about 90 miles north-west of Port Augusta), as the project is of great interest to the State? In particular, in what way is the Government co-operating with the mining companies concerned in order to help them develop the project? Also, what technical advice is being given and what access roads and water supply are being provided?

The Hon. D. A. DUNSTAN: The Industrial Development Branch of the Premier's Department (together with the Mines Department) has been co-operating closely with the mining companies involved in the Mount Gunson project. Regarding roads and housing, the companies have an assurance that they will face no difficulties and that we will be able to make necessary provisions in this connection. Electricity and water supply are matters under negotiation with the Commonwealth Government because it controls the powerline and the water main to Woomera, which is only about 32 miles away and which must be relied on by the Mount Gunson project for its development. I have written to the Prime Minister asking him for his urgent assistance in the matter so that the necessary assurances may be given to the two companies involved to see that the project is able to proceed. I hope that shortly we will have satisfactory results in that regard.

SEEDS.

Mr. RODDA: Has the Minister of Agriculture a reply to my recent question about secondhand seed bags?

The Hon. G. A. BYWATERS: The department regards the use of secondhand bags as undesirable. Our officers strictly enforce the unpopular regulation that new sacks must be used to transport certified South Australian seed. We do not have control over the entry into this State of certified seed, and most of this is in secondhand bags. Similarly the movement of uncertified seed from other States is not prohibited, nor would this be desirable. Every reasonable precaution is taken in the cleaning sheds to prevent the contamination of South Australian certified seed. Whenever the latter is cleaned following another lot of seed our officers insist on a complete clean down of the machine. It is considered that it would be impracticable to prohibit the entry of all secondhand bags into the main seed producing area. The people concerned with the problem are aware of the dangers involved and are taking the necessary steps to prevent any serious trouble.

PIG BRANDING.

Mr. FERGUSON: Has the Minister of Agriculture a reply to my question of June 22 about regulations for the branding of pigs?

The Hon. G. A. BYWATERS: The Act provides that a person shall not sell or offer for sale a pig unless within seven days prior to the sale or offer it was branded as prescribed. The period of seven days was fixed as a reasonable time before sale in which the brand could be applied. It conforms to a similar provision in the New South Wales Act. Any brand applied within that period would remain legible even if poorly applied, whereas a brand poorly applied four weeks or more prior to sale and slaughter might be difficult to find. A period had to be fixed otherwise an owner could testify that he had branded his pigs when a week old or at some other age long before sale. The alternative was to provide that pigs must have a legible brand at time of slaughter and this could lead to serious problems for owners. In practice no action would be recommended provided the pig carried a legible tattoo when inspected irrespective of when the brand was applied.

MAGAZINE EDITORIAL.

Mr. HALL: The Murray Bridge High School magazine, the *Herald*, of June 29 contains an editorial that is almost entirely an attack on my Party and on me as Leader of the Opposition. The attack takes the form of a protest at Opposition criticism of Government actions, and the editorial recommends that readers of

the magazine support the Australian Labor Party at the next State elections. By this question, I do not intend to try to stifle free debate within our schools or to criticize the overall production of what is obviously an excellent magazine. However, some electors in the Murray District have complained to me that they resent schoolchildren being used for political purposes in the support of the present member for the district (the Minister of Agriculture), and that they would not like to see this practice become general in our schools. Therefore, can the Minister of Education say (especially in view of the recent controversy that developed concerning a school publication) whether the Government has two policies on this matter (one for the Opposition and one for the Government) or whether it has one firm policy?

The Hon. R. R. LOVEDAY: I believe that, in his question, the Leader has drawn many unjustified conclusions. I understand that this is entirely a student publication and, from what I have been informed, I understand that the article to which the Leader refers is the work of one student on the editorial committee. In no way were teachers or other people in the Education Department involved, and to suggest that the article was designed to assist the present member representing the district is, of course, ridiculous.

Mr. Hall: It is a fact.

The Hon. R. R. LOVEDAY: It has no basis whatever in fact; the Leader is simply trying to associate, in an unjustified way, the Labor Party with this publication.

Mr. MILLHOUSE: If I understood the Minister's reply correctly, it was to the effect that this was purely a students' publication in which neither the staff nor the department had any part. In view of the nature of the article, which I have read, can the Minister say whether the publication was paid for by students, or whether any other body, and if so which body, had any part in paying the cost of its production?

The Hon. R. R. LOVEDAY: As far as I am aware, the cost of the publication was borne entirely by the students. I think that answers the question.

Mr. Millhouse: Will you make sure?

The Hon. R. R. LOVEDAY: I will check.

ELECTRICITY COSTS.

The Hon. Sir THOMAS PLAYFORD: Is the Premier able to make available information about fuel costs borne by electrical undertakings in other States compared with the cost in South Australia?

The Hon. D. A. DUNSTAN: The State Electricity Commission of Victoria has publicly stated that in 1965-66 the average cost of coal to its Latrobe Valley power stations was 14 cents a million British thermal units and this was expected to fall to about 10 cents with increasing output. A report prepared by the State Electricity Commission of Queensland has indicated that the cost of coal at the Swanbank power station near Brisbane will be 17.2 cents a million British thermal units and at Callide power station 9.6 cents. The trust has not available figures for New South Wales, but costs there are likely to be somewhat similar to Victoria. I understand that in Queensland there is some doubt about the continued viability of the electricity undertaking under present management without additional Loan funds being provided.

TROTTING MEETINGS.

Mr. COUNBE: I am informed that the South Australian Trotting Club applied to the Government for permission to conduct 10 trotting meetings during week days in the winter at Globe Derby Park, the newly established trotting ground at South Bolivar, and that the South Australian Trotting League approved of the application. However, when the club approached the Premier (I presume the present one) the application was refused. Can the appropriate Minister say why the application was refused, and whether the Government is likely to review its decision?

The Hon. FRANK WALSH: During the latter part of my term as Premier, the South Australian Trotting Club, as a result of a conference held prior to the interdominion meeting in Sydney last year, desired to conduct trotting meetings at Globe Derby Park. I asked the South Australian Trotting League whether it approved of Globe Derby Park being used for this purpose, because I understood that trotting in South Australia was under the sole control of the league, and it informed me that it agreed to the proposals. As it was intended that the meetings should be conducted on a Friday evening, I asked the Police Department to ascertain whether this was suitable in view of the volume of traffic on the Port Wakefield Road, caused by late shopping in the Elizabeth area and by people travelling to Yorke Peninsula at the weekend. I was told that the club had not prepared a plan to use the track but, subsequently, I received information that it wanted to conduct 10 trotting meetings in daylight during June, July and August, and that it hoped that the Act would be

amended this year. Unless the Lottery and Gaming Act was amended it would be impossible for Globe Derby Park to be used for trotting meetings. I am unable to say whether the Government intends to amend this Act, but there may be opportunities to amend it during this session.

FOOT-ROT.

Mr. RODDA: Has the Minister of Agriculture a reply to the question I asked on July 5 about foot-rot control?

The Hon. G. A. BYWATERS: The following report has been prepared by officers of my department:

Since the power to order the sale for slaughter of sheep in flocks affected with foot-rot was provided in 1962, about 40 owners have been forwarded written notices by the Chief Inspector of Stock warning them that unless they had eradicated foot-rot by a given date, an order for compulsory sale for slaughter would be sought. So far, it has been necessary to issue two such orders only. There are 23 flocks only in quarantine at present, and only two of these have been in quarantine more than two years. Only one is considered to be a problem flock, and the owner has been issued with a warning notice that, should foot-rot be found in his sheep at any time, an order for immediate compulsory sale will be sought. Also, another owner has been verbally warned.

All owners of flocks placed in quarantine because of foot-rot are warned that unless they have eradicated the disease within two years, or if there is reason to suspect that they are a danger to their neighbours, an order for sale will be sought. With three or four exceptions, all flocks now in quarantine are considered to be free of foot-rot and, unless the disease reappears this spring, restrictions will be lifted.

All owners are entitled to a reasonable period in which to eradicate foot-rot, but should they fail to do so, or should they not take all precautions to prevent spread of the disease, an order for compulsory sale will be issued. Inspectors of stock concerned with foot-rot control have been instructed to tell all owners of flocks in quarantine to inform their neighbours so that due care to prevent spread may be taken. If the inspector considers that it is necessary to do so, he may warn the neighbours. This step has been taken with much reluctance, as it is considered that dealings between owners of diseased stock and the Agriculture Department should be confidential. Action by departmental officers to make these dealings public in any way may be taken only when considered necessary to protect other stockowners.

CAPE TULIP.

Mr. McANANEY: I understand that about 200,000 acres is infested with cape tulip, which is difficult to eradicate. As it has been suggested that the planting of pines in affected

areas would largely overcome the problem and, indeed, as much of the affected area is suitable for plantings, will the Minister of Forests ascertain whether the appropriate department is, in fact, seeking land in order to grow pines? Further, will he instruct the department to investigate the possibility of using the land to which I have referred?

The Hon. G. A. BYWATERS: The Agriculture Department is not the department actively associated with the purchase of land for forestry purposes: it is the Woods and Forests Department. On my instruction, every possible opportunity is taken to procure as much suitable land as possible for the planting of pines. In fact, we have purchased large areas over the last two years, and the purchase of other land is at present being investigated by the department. If the honourable member has in mind any particular land that he believes would be advantageous for the planting of pines, and if the owner of that land is interested in selling, I should be pleased to know the details and to have departmental officers investigate the matter.

PUBLIC RELIEF.

Mr. MILLHOUSE: I wish to ask a question, which I think I should direct to the Premier, as it is a matter of policy, although it concerns social welfare. Last Tuesday, in reply to a series of questions on notice regarding a matter of social welfare, the Minister of Social Welfare announced a projected change of policy in that it is apparently intended in future that the scales on which relief in this State is based are to be made public. Can the Premier say when the scales are likely to be published?

The Hon. D. A. DUNSTAN: The Minister told the honourable member that a report had been received from the Social Welfare Advisory Council relating to public relief. That report is currently being considered by Cabinet. Cabinet believes that certain matters ought to be included in any published scale, in order to indicate clearly the assistance that is given by this State and to indicate what is available in the way of assistance in varying forms in any application through the Social Welfare Department. As soon as these matters have been clarified, it is intended that we, like some other Social Welfare Departments, will publish a booklet setting forth these matters. I assure the honourable member that that will be done as soon as possible.

GOVERNMENT ADVERTISING.

The Hon. Sir THOMAS PLAYFORD: Some years ago the Government found that much expenditure was incurred in advertising through various departments' inserting their own advertisements; each department usually put the coat of arms on the top of the advertisement and set out all the preliminary details. In those circumstances, Cabinet directed that no advertisement should be inserted on behalf of a Government department unless it had been co-ordinated by the Director of the Government Tourist Bureau. As a result, all Government advertising had to be submitted to the Director and was then placed in its proper position without the Government's incurring unnecessary expenditure. Will the Premier say whether that procedure is still followed?

The Hon. D. A. DUNSTAN: In relation to the departments under my control that is not followed. There were certain unsatisfactory features of the previous situation, and advertising by the Tourist Bureau is currently being considered by Cabinet. In addition, the Minister of Immigration will make submissions on the matter. It was found that it would be more advantageous to the Government to let certain contracts otherwise than through the Tourist Bureau, though not on less advantageous terms. This has been done in certain instances. The matter is generally under review at the moment.

NARACOORTE SEWERAGE.

Mr. RODDA: In the Memorial Park subdivision at Naracoorte, some blocks have now been built on, but the roads in the area are unfortunately in a shocking condition. Although the Naracoorte corporation has arranged with the subdivider to bring these roads up to a standard in keeping with that of the built-up area, the Minister of Works is, of course, aware that sewerage in the area has not been completed. As it is desirable that sewerage in the area be completed before the roads are laid, will the Minister ask his department to undertake that urgent work as soon as possible?

The Hon. C. D. HUTCHENS: Yes.

NAILSWORTH SCHOOLS.

Mr. CUMBE: Has the Minister of Education a reply to the question I asked last week about acquiring additional land at the Nailsworth school?

The Hon. R. R. LOVEDAY: When the honourable member last raised this question there were two residential properties along-

side each other and adjoining the school which were being considered for possible purchase to increase the area of the schoolgrounds that are certainly inadequate. The Land Board was asked to value the two properties concerned and, as they were situated on the Main North Road in an area zoned for commercial or shopping purposes, the valuation had to be based on their use for these purposes.

The valuation thus arrived at, as well as the prices asked by the owners which were in excess of the board's valuation, were considered to be out of proportion to the benefits that would be derived by the schools from the addition of two ordinary building allotments. It was with regret, therefore, that I had to make the decision not to pursue the matter any further.

UNLEY HIGH SCHOOL.

Mr. MILLHOUSE: For about 20 years now the Unley High School has been most anxious to proceed with the erection of an assembly hall, and I have over my time in Parliament discussed this question with the Minister of Education and his predecessor. Only a couple of months ago the Minister and I exchanged letters on this matter. The Minister's letter is dated May 15, and I duly sent it on to the Unley High School Council. I have now had the following reply:

Thank you for your letter of May 16, 1967, enclosing the Minister's letter of May 15, 1967, which was considered by the Unley High School Council at its recent meeting. I am directed to request you to ask the Minister of Education when the plans, specifications and estimates of an assembly hall will be made available to this council.

In compliance with that request, I ask the Minister when those details will be available.

The Hon. R. R. LOVEDAY: I think the honourable member will be aware that the present Government has altered arrangements whereby assembly halls can be built. We have made available during the last financial year \$100,000 from the minor works Loan programme for the purpose of assisting schools with assembly hall construction, swimming pool construction, and one or two other similar capital projects. This has made it much easier for school committees to secure financial help for building assembly halls, so it will not be another 20 years before this school gets its assembly hall, as has been the case in the past. The Public Buildings Department has been asked to draw up plans and specifications for assembly halls of a standard which will be subsidized by the department, as previously

indicated by the Government, but if a school committee wishes to exceed the specific standard for a particular size of school the committee will, if it so desires, go beyond that estimate, but it must carry the balance itself. I will ask the Public Buildings Department to make available the plans and specifications as soon as possible so that the school committees (and there is more than one concerned in this matter) may know precisely where they stand, and they will then be able to get on with the projects as quickly as possible.

WALKERVILLE INTERSECTION.

Mr. COUMBE: Has the Minister of Lands a reply to the question I asked last week concerning an intersection at Walkerville?

The Hon. J. D. CORCORAN: The Minister of Roads reports that the Highways Department plans for the reconstruction of the intersection in question are completed and land acquisition is nearing completion. Depending on finality being reached with acquisition, it is expected that a Highways Department gang will commence road work during September. Tenders for the installation of traffic signals will be called during construction. Heavy traffic volumes at the intersection will not enable rapid progress of work, but it is expected that completion of the whole project will be achieved early next year. The councils involved are well aware of the Highways Department's intentions, and the Corporation of Walkerville has already carried out preliminary drainage at the location.

CITRUS INDUSTRY.

Mr. MILLHOUSE: During last session the Minister foreshadowed amendments to the Citrus Industry Organization Act, but they were not forthcoming. I have had another approach from Mr. G. D. Eitzen, a constituent of mine, who is most concerned with amendments to the Act because only amendments will now alleviate his present situation. He tells me that it is becoming more and more difficult all the time, and he is therefore anxious to know when it is likely that amendments will be introduced, as he hopes that the Government will see fit, by its amendments, to do something to assist him. Therefore, can the Minister of Agriculture say whether he, or the Government of which he is a member, intends to introduce amendments to the Act this session and, if he does, when we can expect them?

The Hon. G. A. BYWATERS: The Government intends to introduce a Bill to amend

the Citrus Industry Organization Act this session. It is to be hoped that it will be introduced fairly soon, but what eventuates out of that legislation regarding Mr. Eitzen is another matter. However, the Bill will be before the House and open for full discussion.

BUILDING INDUSTRY.

Mr. MILLHOUSE: The Premier, as Minister of Housing, soon after assuming office said he proposed, for the purposes of reviving the building industry in this State, to have conversations with the leaders on each side of industry. A fortnight ago today I asked the honourable gentleman when it was likely that he would be able to make an announcement of his plans to revive the industry, an announcement that he foreshadowed when he assumed office, and he had no reply then. I see in today's paper that he still has no reply. Can the Premier say when it is likely that he will be able to give some advice to this House and to the public on this important matter?

The Hon. D. A. DUNSTAN: I have told the leaders of the housing industry that certain specific projects on which I have been negotiating will be announced in due course, but I cannot either reveal what those projects are—

Mr. Millhouse: I did not ask you that.

The Hon. D. A. DUNSTAN: If the honourable member wants a reply from me, perhaps he had better listen. I cannot reveal what those projects are, because I am currently negotiating in relation to them. As soon as I have an announcement to make, I will make it. I would have thought the honourable member would be aware that during the last six weeks many announcements have been made of decisions by the Government. If the honourable member is impatient about this particular matter, I can assure him that I am trying to do things as quickly as I can, but at the moment I am awaiting decisions by people other than myself. His impatience at the moment seems to contrast with the attitude of the rest of his Party, who seem to be impatient because so many announcements have been made.

TRAINEE TEACHERS.

Mr. FREEBAIRN (on notice):

1. How many teachers were in training at teachers colleges in South Australia, and were under agreement to serve the Education Department, in each of the calendar years from 1964 to 1966, inclusive?

2. How many of these teachers in training were discharged from their agreements in each of these years?

The Hon. R. R. LOVEDAY: The replies are as follows:

1. 1964, 3,026; 1965, 3,106; and 1966, 3,303.
2. 1964, 71; 1965, 70; and 1966, 56.

RURAL ADVANCES GUARANTEE ACT.

Mr. NANKIVELL (on notice):

1. What amount has been guaranteed under the Rural Advances Guarantee Act since its inception?
2. How many applications have been received in each of the years 1964-65 and 1966-67 respectively?
3. How many such applications were approved in each of these years?
4. How many applicants have required a guarantee in excess of \$30,000?
5. Why was the limit of advance by the principal banks set at \$30,000?
6. Does the Government intend requesting the banks to raise this limit, in view of rising land prices?

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

1. The amounts guaranteed under the Rural Advances Guarantee Act since its inception are:

	\$
State Bank of South Australia	1,396,750
Savings Bank of South Australia	1,000,660
Private banks (three loans only)	34,080

Total \$2,431,490

2. Applications received (excluding duplicated applications): 1964-65, 84; and 1966-67, 26.

3. Applications approved: 1964-65, 45; and 1966-67, 15.

4. Number of applicants requiring a guarantee in excess of \$30,000 was 18, of which 17 were approved and one was not approved.

5. The State Bank set the general limit upon such loans whether guaranteed or not because of the necessity to apportion available funds reasonably among its various customers and applicants and in an attempt to avoid the necessity to call upon the Treasury for additional capital funds. The reasons for a general limitation by the Savings Bank of South Australia are comparable. In particular the bank would desire that there not be any unnecessary inroads upon funds otherwise available for lending on home construction and purchase. Each bank is prepared to consider a larger advance if the circumstances are sufficiently out of the ordinary to justify it.

6. *Vide* No. 5.

EXPORTS.

Mr. MILLHOUSE (on notice):

1. Did the Premier recently make a statement to the effect that 85 per cent of South Australian manufactures is exported?
2. If so, to which principal markets are these manufactures sent?
3. What proportion goes to each such market?
4. How was this percentage calculated?

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

1. A statement has been made by me to the effect that 85 per cent of certain South Australian manufactures is exported from the State. In the pressed metal industries this would appear to be generally the case.
2. Principally the other States of Australia, but in some cases to oversea countries.
3. Detailed information is not available.
4. By an assessment of sales from information supplied by the larger manufacturers.

PRICE CONTROL.

Mr. MILLHOUSE (on notice):

1. On what items is money saved by price control in this State?
2. How much is the saving on each item?
3. How is each of such amounts calculated?

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

- 1 to 3. The items on which sufficient statistical information is available to estimate annual savings to consumers because of price control are as follows:

(a) Petroleum products.—

Item.	Saving per Gallon.	Annual Saving. \$
Standard petrol	1.7c	782,000
Super petrol	1.2c	1,032,000
Lighting kerosene	4c	200,000
Lubricating oil	16c	640,000
Heating oil	1.7c	61,000
Power kerosene	1.2c	35,000
Distillate	1.3c	723,000
Diesel oil	\$2.00 (per ton)	32,000
Furnace oil	\$1.25 (per ton)	175,000
		\$3,680,000

The savings are arrived at by taking the difference between South Australian prices and those in Victoria and other de-controlled States multiplied by the current South Australian usage applicable. Action by the Prices Department also results in Australia-wide savings. For example, the last major application from the oil industry was for a wholesale increase of 0.7c a gallon on petrol with the understanding that, if approved, it would be applied in

all States. An increase of 0.4c a gallon only was approved and applied in all States. The 0.3c a gallon not approved amounts to a saving of \$5,600,000 a year on an Australia-wide basis.

(b) Bread.—Adelaide prices are 1c to 2c a 2 lb. loaf lower than Melbourne and Sydney. The difference between country prices is greater. Saving at 1c a 2 lb. loaf on South Australian consumption amounts to \$758,000 a year.

(c) Clothing.—Controlled retail margins on children's, youths' and maids' clothing including school and college wear) are 10 per cent to 15 per cent below margins on these lines in other States. It is estimated that the annual saving per child is \$5. On the number of South Australian schoolchildren, this amounts to a saving of \$1,200,000 a year. The margin on men's working attire is 7½ per cent below the margin in other States, resulting in further savings.

(d) Footwear.—Controlled margins are 5 per cent to 15 per cent below the excessive margins in other States, and South Australian prices as a result are correspondingly lower. The average saving would be at least 7½ per cent which, when related to South Australian sales, amounts to an annual saving of \$800,000.

(e) Men's and boys' haircuts.—Hairdressers applied for a 15c increase to bring the price up to Melbourne. A 5c increase was approved in February. The saving is conservatively calculated by taking the number of males over 10 years old x 10c x only 10 haircuts a year. The savings in that case would be \$436,000 a year.

(f) Soap.—South Australian wholesale prices of toilet soaps are the equivalent of up to 5c retail a cake lower than prices in other States. Prices of laundry soap are also correspondingly lower. Based on known South Australian sales of two major toilet soaps alone, the saving is calculated to be \$300,000 a year.

(g) Pies and pasties.—Adelaide prices of pies and pasties are 2c lower than Melbourne. If not controlled, prices would increase by 1c. Based on sales figures, savings would be at least \$240,000 a year.

(h) Superphosphate.—Last season South Australian prices of superphosphate were the lowest in Australia. Without price control, prices would have risen to those in the next lowest State (Victoria), where the 1966-67 price in new cornsacks was 85c a ton above South Australia. Based on 1966-67 South Australian sales of 690,000 tons and Victorian prices, saving is estimated at \$550,000 a year.

Prices and rates of a considerable number of other controlled goods and services are below other States, but because of the lack of statistical information it is not practicable to compute annual savings. These items include flour, certain lines of breakfast foods, cool drinks, and ice cream, plumbing and electrical rates (I hope honourable members will notice that I am not singling out plumbing), a number of building materials and fittings, cartage, school exercise books, school bags and garden fertilizers. In addition, paint prices, although not controlled, are, by agreement, lower than in the rest of Australia. Without control, many of these lines would soon rise to prices in other States. Although annual savings cannot be accurately calculated, a reasonable assessment would indicate savings of some additional millions of dollars a year.

ADELAIDE RAILWAY STATION.

Mr. MILLHOUSE (on notice):

1. For how long has the space above the Adelaide railway station now occupied by a commercial sign been let?

2. What is the rental being charged?

The Hon. FRANK WALSH: The Railways Commissioner reports:

1. Five years from April 21, 1967, with option of renewal.

2. As the Railways Department competes on the open market for advertising business, it is not intended to disclose the rental received.

EYRE PENINSULA ROADS.

Mr. BOCKELBERG (on notice):

1. How many miles of roads were sealed on Eyre Peninsula prior to 1956?

2. How many miles were sealed during each of the years from 1956 to 1965, inclusive?

3. How many miles were sealed during each of the years from 1964 to 1967, inclusive?

4. How many miles is it expected will be sealed during the financial year 1967-68?

5. Which roads is it expected will be so sealed during the year, 1967-68?

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

	Miles.
1. Length of road sealed prior to 1956	137
2. Length of road sealed in—	
1956-57	29
1957-58	—
1958-59	26
1959-60	57
1960-61	24
1961-62	22
1962-63	66
1963-64	88

	Miles.
3. Length of road sealed in—	
1964-65	95
1965-66	75
1966-67	86
4. Length of sealing expected in	
1967-68	89
5. Roads on which sealing will be done in 1967-68 (expected): Eyre Highway (Wirrulla-Ceduna); Flinders Highway (Warrow to Mount Hope); Coffin Bay; New West Road (Port Lincoln); and Streaky Bay to Poochera; also town streets in Ceduna, Thevenard, Port Neill, Rudall, Tumby Bay and South Bay.	

REAL PROPERTY ACT AMENDMENT
(STRATA TITLES) BILL.

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

The Hon. D. A. DUNSTAN (Premier and Treasurer) obtained leave and introduced a Bill for an Act to amend the Real Property Act, 1886-1963. Read a first time.

The Hon. D. A. DUNSTAN: I move:

That this Bill be now read a second time.

It is a most important measure for the protection of numbers of people in South Australia and for the protection of the building industry in this State. By the provision of title upon which mortgage finance can be raised, the strata titles measure, as this is, should release in South Australia a considerable amount of extra finance for certain forms of home-unit building. The main purpose of the Bill, which amends the Real Property Act, is to authorize and facilitate the ownership of, and the issue of titles for, home units. The Bill as drafted, however, is not restricted to home-unit ownership but makes it possible for the same principle to be applied to the ownership of any other type of building unit that is approved (by the local authority of the area within which the building is situated) "for separate occupation".

Since the end of the last war there has been throughout Australia (and most certainly to a large degree in South Australia) a growing demand for home units that are capable of being "owned" by the persons who occupy them. Up to the present time, however, in this State it is doubtful whether it has been possible effectively to acquire absolute and separate ownership of a home unit independently of the land on which it stands or of the building of which it forms a part without

resorting to expensive and complicated documents of title.

Since this Government took office it has devoted a considerable amount of time to working out an inexpensive and practical scheme whereby persons would be able, with security of title and without infringing the law, to own their own home units. Although the scheme is broadly based on the scheme applying in New South Wales, the Bill contains a number of departures from the law and practice of that State that the Government feels are improvements on the New South Wales scheme. For instance, to mention one example, the New South Wales scheme applies only to a multi-storey building divided into units in different strata. This Bill, however, makes it possible to own a unit in a single-storey building as well if certain requirements are satisfied. In South Australia there are a number of single-storey home-unit schemes in existence. These schemes to some extent frustrate a provision of the Planning and Development Act, recently passed by this Parliament, which prohibits the division of an allotment of land except in accordance with a plan of subdivision or plan of re-subdivision.

It would be remembered that home-unit schemes comprising three or more units designed for separate occupation and approved by the local authority were exempted from the application of that provision of the Planning and Development Act because it was felt that, otherwise, the building of home units would be inhibited and the building industry would be adversely affected. It is felt, however, that home-unit schemes in future, whether comprising multi-storey buildings or single-storey buildings, should be regulated, controlled and brought within certain standards that would be prescribed by or under this Bill when it becomes law or by or under the Building Act or the Planning and Development Act. These standards will not necessarily apply to existing home-unit schemes unless the owners seek to convert their titles under this Bill.

Under the present law, home units can be acquired and held in a variety of ways, the most common being, first, by means of a lease or under-lease usually for an extended term (99 or 999 years) at a nominal rental but upon payment of a sum equivalent to the current market value of a freehold title in respect of the unit in question; secondly, by means of ownership of shares in a company that carry the right to occupy the unit in question; and, thirdly, by means of a title to the land which is vested in the owners as tenants in

common. In each of these cases the occupiers would be obliged to enter into numerous covenants and agreements *inter se*, but they all have inherent defects and lending institutions do not regard these methods of home-unit "ownership" as adequate security and are reluctant to lend money on that type of security.

The circumstances to which I have already referred are some of the factors that have created a need and caused a public demand for this Bill. It must be borne in mind, however, that ownership of home units within a home-unit scheme must carry with it, as between the owners and occupiers of those units, mutual rights and obligations, and the Bill accordingly also sets out to provide a code to be observed by persons who enjoy the privileges of home-unit ownership.

The Bill makes other amendments to the principal Act that I shall explain as I deal specifically with its clauses. Clauses 1 to 3 are formal provisions and need no explanation. Clause 4 (a) amends the definition of "Assurance Fund" in section 3 of the principal Act. This amendment is consequential on the repeal of section 201 of the principal Act by clause 9. Clause 4 (b) makes an amendment to the same definition that is consequential on the adoption of decimal currency in the State.

Clause 4 (c) extends the definition of "Court" to include the Master or a Deputy Master of the Supreme Court when exercising jurisdiction under the principal Act as amended by this Bill. Clause 5 widens the objects of the Act to include matters covered by this Bill. Clause 6 extends the application of section 73 of the principal Act to certificates of title for units and common property and the forms of those certificates as prescribed in the new Twenty-fourth Schedule to be enacted by clause 17 of the Bill. Clause 7 repeals section 90a of the principal Act which is now redundant as the substance of that section is now contained in section 55 (4) of the Planning and Development Act. Clause 8 amends section 101 of the principal Act which requires a map or plan of every subdivision of land to be deposited with the Registrar-General. Paragraph (a) of the clause is consequential on the adoption of decimal currency in the State, and paragraph (b) removes from the application of the section a division of land into units in accordance with a strata plan deposited in the Lands Titles Registration Office under Part XIXB, which is enacted by clause 11. Clause 9 repeals sections 201 and 202 of the principal Act. These sections deal with contributions to the Assurance Fund but, as these contributions

have been discontinued, these sections are now obsolete. Clause 10 makes an amendment to section 220 of the principal Act that is consequential on the changeover to decimal currency.

Clause 11 enacts the new Part XIXB which deals with titles to building units designed for separate occupation. Under this Part, it will be possible to issue separate titles for units as defined in new section 223m in accordance with a strata plan. Certain parts of the land and buildings comprised in a strata plan will be common property which will be vested in a corporation that will hold the common property as trustee for the registered proprietors of the units as tenants in common in shares proportional to a formula based on the relevant values of their respective units. The control and administration of the common property will be vested in the corporation, which becomes formed automatically on the deposit of the strata plan in the Lands Titles Registration Office by the Registrar-General and to which the ordinary provisions of the Companies Act will not apply. The registered proprietors of the units for the time being and from time to time are the only members of the corporation. Rights and obligations of the registered proprietors of the units are regulated by certain provisions of this Part and by articles of the corporation which could be made, rescinded and varied by special resolution but, on the formation of the corporation, the articles contained in the Twenty-sixth Schedule as enacted by clause 17 will become the first articles of the corporation.

The new Part consists of new sections 223m to 223nr. New section 223m contains the definitions and explanatory matter for the purposes of the new Part. The definitions to which I should like to draw the special attention of honourable members are the definitions of "committee", "common property", "corporation", "deposited strata plan", "parcel", "site", "special resolution", "strata plan", "unanimous resolution", "unit", "unit entitlement" and "unit subsidiary". Under this new Part it will be possible to obtain a title to a unit approved for separate occupation within a building unit scheme consisting of two or more of such units and laid out in a strata plan. The main principle underlying this legislation is that, while parts of the land and improvements thereon are held in common, the space contained within the walls, floors and ceilings of each unit is separately owned by the registered proprietor of that unit.

New section 223ma contains the general provision that land may be divided into units in accordance with a strata plan. The land, however, must be wholly comprised in one or more certificates of title issued under the Real Property Act. In other words, the land must first be, or be brought, under the provisions of the Real Property Act. New section 223mb sets out the characteristics of a strata plan. Two of the most important requirements of a strata plan are contained in subsection (2) (g) of this section. This paragraph requires the plan to have endorsed thereon or attached thereto a surveyor's certificate that the plan is accurate and the written consent to the deposit of the plan in the Lands Titles Registration Office of every person whose registered estate or interest in the parcel of land would be affected by the plan being so deposited.

Subsection (3) of this section has been inserted with the object of enabling the legislation to apply to single-storey units without defeating the purposes of the Planning and Development Act. The subsection enables regulations to be made prescribing, for instance, a maximum area of garden (or unbuilt on) space to be held as a unit subsidiary that is appurtenant to a unit and a minimum area of such space to be held as common property. The maximum and minimum areas would probably be prescribed as a proportion of the area occupied by the unit in question or a proportion of the area of the parcel. Without this safeguard it would be possible for any landowner who cannot get his land subdivided under a plan of subdivision or plan of re-subdivision to resort to a physical division of his land into home units to which sections 44 and 59 of the Planning and Development Act at present would not apply. If proper controls are not imposed on home-unit schemes it would be possible for unscrupulous home-unit promoters to take advantage of this situation to create a type of home unit which could well become a slum of the future. The Government accordingly intends to amend that Act to exempt from the application of those sections only existing home-unit schemes and future schemes which conform with standards to be prescribed under this Bill.

New section 223mc sets out the manner of applying for the deposit of a strata plan. Subsections (1) and (2) relate to strata plans for new building-unit schemes, and subsections (3) and (4) to strata plans for existing building-unit schemes. In both cases the land must have been laid out in a building-unit scheme consisting of two or more units designed

for separate occupation and approved by the council under the Building Act on or after January 1, 1950. This date is designed to prevent the conversion of the older, dilapidated tenements which are quite unsuited to this type of occupation and title. The conversion of a new building-unit scheme requires an application by the registered proprietor or registered proprietors of the parcel in whose names the certificates of title to all the units will be issued. The conversion of an existing building-unit scheme, however, requires application by all the persons who have any registered estates or interests in the land, and the certificates of title to the units will be issued in the names of those persons who are named in the application as entitled to be the registered proprietors of the units. The different procedures to be followed in the case of the new and existing schemes are necessary in order to protect the persons who have estates and interests registered against the parcel.

New section 223md provides the procedures whereby an applicant can obtain the necessary certificates of approval from the council and the Director of Planning. The section also sets out the grounds upon which a council or the Director may refuse the certificate. Subsection (6) contains a power to make regulations providing that, in relation to new schemes, the granting by the Director of an application referred to in subsection (2) of that section shall be subject to the payment of a sum not exceeding \$100 (if the parcel is within the Metropolitan Planning Area) or \$40 (if outside that area) for each unit defined on the strata plan, such money to be used by the State Planning Authority for the acquisition and development of reserves. This provision is consistent with section 52 (1) (c) (ii) of the Planning and Development Act.

New section 223me gives an applicant a right of appeal to the Planning Appeal Board under the Planning and Development Act against the refusal of a certificate by the council or the Director or the granting of a certificate subject to conditions. New section 223mf requires a strata plan to have a schedule of unit entitlements of the units. The purpose of this schedule (which must be approved by the Commissioner of Land Tax or by an approved valuing authority) is to provide a method of assessing the respective values of the units, not in terms of money but as proportions of an amount representing the value for the time being, and from time to time, of the parcel and the improvements

thereon. The unit entitlement of each unit can also provide a basis of liability of the owner for his contributions towards general upkeep of the common property as well as a basis for determining the respective undivided shares of the registered proprietors in the equitable estate in the common property.

New section 223mg provides for provisional registration by the Registrar of Companies of the corporation that will be formed of the registered proprietors of the units defined on the strata plan. New section 223mh provides for the deposit by the Registrar-General of the strata plan in the Lands Titles Registration Office. New section 223n deals with the registers and records which will be kept by the Registrar of Companies for the purposes of the new Part. New section 223na provides for the issue of certificates of title for each unit and the common property on the deposit of the plan. The section also provides for the necessary clearing of titles and the substitution of registered estates and interests for those that have to be extinguished. Subsection (9) of the new section contains a provision that empowers the court in cases where the strata plan relates to existing schemes, if it is satisfied that the purpose for which a company had been formed no longer exists, to dissolve the company and direct the Registrar of Companies to strike its name off his register and, at the same time, to give such directions as it considers just for the disposal of its remaining assets, if any, or to render its former members personally liable for its outstanding liabilities.

New section 223nb prohibits any dealing with a unit subsidiary except where the dealing is part of a dealing with the unit to which it is appurtenant. New section 223nc, incorporates the registered proprietor or registered proprietors for the time being of the units defined on the plan. The section also sets out the powers and duties of the corporation as well as corresponding rights and obligations of the members of the corporation. This is one of the most important sections in this Part. This section together with new section 223nk also deals with the rights and obligations of the corporation and of registered proprietors of units in relation to insurance of the improvements on the parcel and of their units.

The ability to effect adequate insurance against destruction of a unit or of the entire building comprising all the units is essential to the practicability of raising money on the security of a unit. These insurance provisions have accordingly been carefully considered by

the Parliamentary Draftsman and by the legal advisers of the Fire and Accident Underwriters Association before being included in this Bill. Under new section 223nc (15) the liabilities of a corporation lawfully incurred are **guaranteed** by the members jointly and severally in accordance with the unit entitlements of their units.

New section 223nd deals with certain restricted powers of the corporation that may be exercised on the authority of a unanimous resolution. One such power is the power to grant to a member, or any person who has derived an interest in a unit through a member, any special privilege (other than a lease) in respect of a part or of parts of the common property. Such a grant is determinable by notice in writing given by the corporation pursuant to a special resolution. Thus, it would be open to a promoter who is unable to obtain the approval of the council to a part of a building as a unit for separate occupation either to make that part of the building a unit subsidiary that is appurtenant to a unit or to make it common property with the object of dealing with it under this section. Subsections (3) and (4) of this section prevent the corporation from effectively carrying on any business for profit. This is an important safeguard, as the corporation is not subject to the Companies Act.

New section 223ne provides for the formation and the duties and functions of the committee of a corporation. New section 223nf deals with the holding of, and procedure governing, general meetings of the corporation. New section 223ng deals with the powers of voting and the exercise of the voting powers. Subsections (11) and (12) of the section make provision for absentee voting.

New section 223nh deals with the common property. It provides that the common property shall be held by the corporation in fee simple in trust for the registered proprietors of the units as tenants in common in shares proportional to the unit entitlements from time to time of their respective units. The section also deals with the acquisition of further common property, and prohibits a registered proprietor from dealing with his share of the equitable estate in the common property except where the dealing has effect as part of a dealing with the unit of the registered proprietor. The section also deals with the transfers of parts of the common property.

New section 223ni empowers a corporation, if authorized by unanimous resolution, to grant easements over the common property or acquire or accept easements for the benefit of

the parcel. The section also confers and imposes on owners of units and of common property rights and obligations *inter se* which are essential for the protection of the owners of and dwellers in units within a scheme for community living such as is made possible under this Bill.

New section 223nj deals with the constitution of a corporation as contained in its articles, the extent to which persons are bound by, or bound to comply with, the articles of a corporation, how articles are made, rescinded and varied, and how they can be enforced or their breach restrained. This is an important section which governs the mutual rights and duties of persons using units or common property.

New section 223nk deals with insurance of buildings and other improvements on a parcel. I have already briefly referred to this section in my explanation of new section 223nc. Briefly, this section makes it possible both for a corporation to effect insurance of the buildings and other improvements on the parcel to their replacement value and for the proprietor of a unit to insure his unit in a sum not exceeding the amount (if any) secured by mortgage on the unit. The latter insurance is designed in effect to protect the mortgagee from destruction or loss of his security, and the section accordingly provides that payment under such a policy is to be made to the mortgagee, but does not entitle the mortgagor to a discharge or partial discharge of the mortgage. On payment by the insurer to the mortgagee, however, the insurer is entitled, depending on whether the amount was sufficient or not to discharge the mortgage, either to obtain a transfer of the mortgage from the mortgagee or to obtain from the mortgagee a transfer of a proportionate share of his estate and interest in the mortgage. In other words, the insurer becomes the mortgagee or a co-mortgagee with the mortgagee.

New section 223nl provides for the cancellation of a deposited strata plan. This can be done on the application of all the registered proprietors of the units or on the application of any person who has obtained an order of the court declaring that it is just and equitable that the plan should be cancelled. Notice of intention to apply for the cancellation of the plan is also required to be published in the *Gazette* as well as in a daily newspaper circulating generally throughout the State.

Upon the cancellation of a deposited strata plan, the parcel vests in fee simple in the registered proprietors of the units as tenants

in common in undivided shares proportional to the unit entitlements of their respective units, and the corporation consisting of those proprietors, by force of subsection (6) of the section, becomes dissolved. The section also gives the court power, when any building on a parcel is damaged or destroyed, to settle a scheme for reinstating the whole or a part of the building or for adjusting rights as between persons who might be affected by the damage, or destruction, or by the scheme. The section also provides that upon dissolution of the corporation, the persons who immediately prior to the dissolution were the members thereof shall, unless the court otherwise orders, become jointly and severally liable for the corporation's liabilities.

New section 223nm makes provision whereby the court may, for good cause, appoint a person to be the administrator of a corporation. The administrator will have all the powers, functions, duties, and obligations of the corporation, and would act in a role similar to the liquidator or receiver of a company. New section 223nn, which is based on a similar provision in the Planning and Development Act, vests in the relevant council, without compensation, all roads, streets, and reserves shown on a deposited strata plan. This policy is consistent with policy previously expressed in the Town Planning Act, which was repealed by the Planning and Development Act. New section 223no lays down a procedure for serving documents on a corporation.

New section 223np deals with breaches of provisions of the new Part on the part of a corporation or the committee of a corporation. The section prescribes a general penalty of \$50 where no other penalty is prescribed for an offence. Subsection (2) of the section gives a member of a committee or of a corporation a defence to a charge under the new Part if he satisfies the court before which he is charged that he took all reasonable steps to ensure that the offence was not committed or that it was committed accidentally or through inadvertence. Subsection (3) requires the consent in writing of the Attorney-General before proceedings for any offence under the Part can be commenced. Subsection (4) of the section gives a person, for whose benefit or for the benefit of whose unit a requirement is imposed on a corporation by this Bill, a right to apply for a court order compelling the corporation to carry out that requirement.

New section 223nq gives persons, entitled under any law to enter upon land, power to enter any unit or part of the common property

comprised in a deposited strata plan. New section 223nr contains the necessary regulation-making power for the purposes of the new Part. Clauses 12 to 16 amend various sections of the principal Act that are consequential on the changeover to decimal currency.

Clause 17 enacts three new schedules to the principle Act, namely, the Twenty-fourth Schedule, the Twenty-fifth Schedule and the Twenty-sixth Schedule. The Twenty-fourth Schedule prescribes the respective forms of certificate of title for a unit defined on a strata plan and for common property comprised in a strata plan. This schedule is complementary to section 73 of the principal Act as amended by clause 6. The Twenty-fifth Schedule contains the form of the schedule of unit entitlement to be attached to and form part of a strata plan. This schedule is complementary to new section 223mf which is enacted by clause 11. The Twenty-sixth Schedule, which sets out the first articles of a corporation, is complementary to new section 223nj, which is also enacted by clause 11.

Mr. MILLHOUSE secured the adjournment of the debate.

STATE GOVERNMENT INSURANCE COMMISSION BILL.

Adjourned debate on second reading.

(Continued from July 13. Page 591.)

Mr. FREEBAIRN (Light): When speaking to the Bill last Thursday, I said I was disappointed that no Government members had put down their names on the Whip's list to speak to this debate. However, even though Government members have been able over the weekend to think about speaking, I believe that no member on the other side yet intends to support the Premier.

Mr. Clark: That's not true.

Mr. FREEBAIRN: I regret having contracted a throat infection over the weekend, because I dearly love to reply to interjections made by members like the member for Gawler. I draw the attention of members to the curious approach to State insurance on the part of the Socialist Government in Tasmania. Apart from South Australia, that is the only State in the Commonwealth in which an insurance office is controlled by a Socialist Government. As it has always seemed to me that the Labor Party is opposed to the very institution of private property, I find it difficult to understand why it is interested at all in insurance.

As a result of the fire that raged in Tasmania on February 7 last ("black Tuesday",

as that day became known), 1,400 houses were destroyed by fire and 7,500 Tasmanians were rendered homeless. It is a great credit to the Australian people that they dug deeply into their pockets in order to do what they could to rehabilitate and re-house the fire victims. I think that in every capital city the Lord Mayor organized a major appeal for those people; oversea groups also contributed, and in addition, the Commonwealth Government made a handsome grant towards rehousing those who had lost their homes in the fire. However, the curious thing about the administration of the relief funds that illustrates Socialist thinking is that anybody who was burnt out by the fire could obtain up to \$8,000 as direct cash grant to build a new house. Even though a householder had no insurance at all, he received that sum free of any charge. However, if a householder had been prudent or provident and had previously taken out fire insurance to offset his losses, his grant was reduced by the extent of the insurance payment received. In other words, the Tasmanian Socialists quite openly and deliberately placed a premium on improvidence. Mr. Gibson (Commonwealth member of the House of Representatives for a Tasmanian district), referring to the fire victims, had the following to say about the Tasmanian Labor Government's policy (Commonwealth *Hansard*, page 1881):

The homeless fall into three categories—firstly, those who were completely insured; secondly, those who were partially insured; and, thirdly, those who were not insured. I am concerned here only with the last two categories. Contrary to Mr. Reece's statement—

Mr. Reece being Tasmania's Socialist Premier—householders who were partially insured are not getting a fair deal. I will give two examples. In the first case the value of the property was \$8,000. There was a mortgage of \$1,000, which left an equity of \$7,000. The owner of this property had a small insurance cover of \$1,500. Therefore his initial real loss was \$6,500, and under Mr. Reece's rehousing scheme he would receive a Government grant of \$6,500. So his loss would be nil. The second case involved a property valued at \$15,000 with a mortgage of \$8,000, which leaves an equity of \$7,000. The owner had a quite heavy insurance cover of \$8,500. This, as in the first case, gives an excess of insurance over mortgage of \$500. This man's initial real loss was also \$6,500, but under the terms of Mr. Reece's scheme there would be no grant to this man and his family, whose final loss would be \$6,500.

So, leaving Mr. Gibson's speech, we can see the curious attitude that Socialists have towards

private property and people who insure to protect their assets. I was also appalled to read in Commonwealth *Hansard* that owners of farm cottages were given no grant at all. The Socialists thought that this was a chance to give the capitalists a poke in the eye: no farmers were to be given any relief for any farm cottages that were burnt. It did not seem to matter to the Socialists whether the farmers' workers were housed or not. I stress that it is difficult for me to understand how the Socialists in South Australia could run an insurance office when the Tasmanian Government openly placed a very heavy premium on improvidence; in fact, it granted a bonus to improvidence.

Mr. MILLHOUSE (Mitcham): I oppose this Bill, but I do not intend to go over the ground that has already been covered by previous speakers on this side. I refer to the Leader of the Opposition, the Deputy Leader of the Opposition (the member for Flinders), and the member for Light. The Government has made out no case for the establishment (at this time, at any rate) of a Government Insurance Office. The Premier's explanation was merely an adaptation of the explanation he wrote for his predecessor to deliver some months ago during the last session. It was an adaptation, because certain passages that were found to be erroneous had been cut out. Apart from that, it was substantially the same explanation and most of it contained arguments in favour of a State Government Insurance Office. In my view the defects alleged in all of those arguments could be cured in other ways if that were desired.

I think particularly of the point that the Premier made about arbitration clauses in contracts of insurance. Although I readily grant him that there are occasions when an arbitration can be burdensome, expensive, and long drawn-out, if this is why he wants to introduce a State Government Insurance Office it is a very weak reason indeed. Other speakers have already dealt with this aspect. But I remind the honourable gentleman, even in his absence, that if he wants to deal with this he can do what has been done in Victoria (the State to which he is now fond of referring to contrast conditions there with conditions in this State) by cutting out arbitration clauses or the effect of arbitration clauses in insurance contracts. This is something that either has not occurred to the honourable gentleman or which he did not want to mention. If he likes to look at section 28 of the Victorian Instruments Act

he will find that that section does nullify the effect of any arbitration clause in a contract, because section 28 (2) is as follows:

The arbitration of any claim upon a contract of insurance by an insured or by any person claiming through or under an insured shall not be a condition precedent to the institution of proceedings in any court of competent jurisdiction by the insured or any such person upon such contract, and where any such proceedings are so instituted—

- (a) the provisions of section five of the Arbitration Act 1958 shall not apply thereto; and
- (b) no action shall lie against the insured or any such person as aforesaid for breach of any provision of the contract relating to the settlement of disputes by arbitration.

So it is perfectly obvious that an arbitration clause or the effect of arbitration clauses in contracts of insurance can be cut out and has been cut out in Victoria. Therefore, this is no argument at all in favour of setting up a State Government Insurance Office. Of course, I point out that if we cut out arbitration a person then has no redress against his insurer, except through the courts, and this, too, can be equally as burdensome as arbitration can be in some circumstances.

Mr. Speaker, I do not want to canvass any further the arguments the honourable gentleman put up because, as I say, they have already been dealt with and they add up to this: that the States in which there is a State Government Insurance Office are, so far as I can see, no better off at all than we are in South Australia, where we have relied upon private enterprise insurers to handle the work. However, it would not matter at all whether or not there were any complaints about insurance in this State or about the way in which it has been handled: it would not matter if the insurance companies of this State were as pure as the rustling wind, for the fact is that the policy of the Party opposite is to set up a State Government Insurance Office and that is all that matters; nothing else matters at all. The Party opposite is going ahead to do it whether there is any justification for this or not.

This is, in fact, the first essay of the present Premier in pure Socialism since he became the Premier of this State. Obviously, the Premier has been at pains during his time in office to give an impression of sweet reasonableness to the people of this State, and I am bound to say that to an extent he has succeeded in doing this. But let it be quite plainly known that actions speak louder than words, and that his action in insisting on bringing

back this particular Bill, which was introduced last session and then dropped, shows that he has not changed his attitude and his views: they are the attitude and the views of an avowed Socialist, and this has been made plain by other speakers.

However, all these things, of course, are arguments of theory. I support those arguments, but nevertheless I do not rest my case in opposing a State Government Insurance Office on these particular matters, because we on this side of the House must admit that every other State in Australia does have a State Government insurance scheme of one sort or another. But, Sir, I believe that at the present time State Government insurance is open to very serious practical objections. Let us first look at the Bill itself, particularly the definition of "insurance" in clause 2. The definitions state that "insurance" includes assurance. In my experience "insurance" and "assurance" have always been completely interchangeable words, although it is common for life assurance to be so designated. However, I point out that the Commonwealth Act covering this matter is the Life Insurance Act so that the terms have the same meaning in that regard. The definition of "insurance" also includes reference to "counter insurance". As none of my friends to whom I have spoken has been able to tell me what counter insurance may possibly be, I intend to ask the honourable gentleman about this when the appropriate time comes. It is not a term that is known in the insurance industry. The definition of insurance is wide indeed, as it states:

"Insurance" includes assurance, additional insurance, counter insurance, treaty and internal insurance, and re-insurance, guarantee and surety.

Clause 12 sets out the powers and functions of the commission. Part of subclause (1) is in the following terms:

Subject to this Act and the directions of the Minister not inconsistent with this Act, the commission is hereby authorized and empowered—

- (a) to undertake and carry on in the State the general business of insurance, including any class or form of insurance which is, at the commencement of this Act, being undertaken or carried on in the State by any person engaged in the business of insurance, or which may be considered necessary or desirable.

In other words, it embodies every conceivable form of insurance business. Normally insurance is divided into two classes (and I think for our purpose that we can accept this division)—general insurance business and life

insurance business. Apparently, the Government intends at some time or another that the commission that is to be set up under the Bill should engage in both classes of business. Certainly that is the intention that has been made known to those engaged in the industry, and no denial of this intention has been made in the House or anywhere else. Therefore, because of the width of the definition of "insurance" and the breadth of the powers that are set out in clause 12, once the Bill has gone through this House and another place Parliament will be powerless ever to restrict the powers of the commission to enter into any particular class of insurance business. Thus we have to assume in debating the Bill at present that it is the purpose of the commission to engage in all forms of insurance: one has to consider the question of general insurance business as well as life insurance.

I was absolutely staggered, on asking some questions on notice regarding the estimate of the cost of establishment of a State Insurance Office in South Australia, to be told that in fact no estimate of the cost had been made at all. I was lucky enough to put this question on notice before the Bill was brought in, otherwise I would not have got an answer to it. On June 27 I asked the following questions:

1. Has an estimate been made of the cost to the Government of establishing a State Government Insurance Office?
2. If so, by whom has the estimate been made?
3. What is the estimate?
4. How was it calculated?
5. If no estimate has been made, when is it intended to make one?

The Premier gave the following replies:

1. No.
- 2 to 4. See No. 1.
5. When the proposed commission is constituted.

Therefore, in fact, so far as we are aware in this House, the Government has no idea at all what it will cost to set up a State Government Insurance Office in this State.

Mr. Coumbe: None was given.

Mr. MILLHOUSE: None was given, nor is it intended to estimate the cost until after the commission is constituted. In other words, we in Parliament are being asked to sign a blank cheque to the Government for the establishment of this office. I say, with very great respect to the honourable the Premier, that in my view the Government is either dishonest in giving this answer (in that it is concealing an estimate it has made and which it does not want to make public) or it

is completely irresponsible in the handling of the finances of this State.

The Hon. G. G. Pearson: The latter is more likely to be correct.

Mr. MILLHOUSE: It is either one or the other; it cannot be anything else. It seems incredible that anybody, let alone the Government of the State, should be prepared to go into a business without doing any budgetary forecasting of the costs and expenses involved; yet this is what, on his own admission, the Premier intends to do in this case. I am convinced that the cost of establishing a Government Insurance Office in this State will be heavy. I am doubtful, too, about the profits that will be made by the office once it has been set up. During the Premier's second reading explanation I challenged him on this point and asked him whether the advice of the Public Actuary (who, it seems to me, is a person one would naturally consult on a matter like this) had been taken. The Premier, when talking about the establishment costs, said:

We have made a careful examination of the costs of various insurance companies in various fields in South Australia and we have found that they are able to make good returns, given the type of cases they undertake.

He went on to say it would not be necessary to promote the State Government Insurance Office, but he did not give any figures or say which companies had been investigated in this way. I then asked him:

I take it you have had the advice of the Public Actuary?

The Premier replied:

No, but I have had the advice of research students in this field.

No-one has ever told us who these research students are, whether they are university undergraduates or graduates, whether they have been retained by the Government to make estimates of costs, whether they are at the University of Adelaide, the Flinders University or somewhere else. We know nothing about them, yet apparently the honourable gentleman has the gall to come here and say he has not taken the advice of a senior public servant such as the Public Actuary, but he has taken the advice of some unnamed research students. I went on to say:

Surely the Actuary is the man to go to: he is your servant.

Then the Premier came out with a streak of uncharacteristic generosity when he said:

If the honourable member likes to go to the Actuary and discuss the matter with him I will see that the Actuary is made available to him.

I immediately took up the honourable gentleman on his undertaking. I had not asked, of course,

at that stage to go to the Actuary but, as soon as the offer was made, I accepted it. I found, however, that once out of the House, when I went to the Premier to make the arrangements to go to see the Actuary, in fact there was rather less enthusiasm for my doing so than there had been during the Premier's speech.

The Hon. G. G. Pearson: That is not unusual.

Mr. MILLHOUSE: However, I happen to know the Public Actuary, Mr. Peter Stratford. He lives in my district. Therefore, having spoken to the Premier, I made arrangements myself by telephone to go and see Mr. Stratford. Imagine my chagrin when by appointment I called at his office, only to be told by him that he could not talk to me at all until the approval of the Chief Secretary had been given! So I was there in his office by appointment on the strength of what the Premier had said to me in the House, which was a straight-out undertaking, only to find when I got there to see Mr. Stratford that I could not talk to him at all until the Chief Secretary's permission had been obtained. So, I had to sit at his desk, telephone the Under Secretary and get that permission, which was not, I may say, forthcoming immediately, although it was forthcoming after a hesitation of a few minutes. While it was being sought in spite of the Premier's undertaking given in the House, Mr. Stratford and I had to exchange sweet nothings across the table, because he was not allowed to discuss this matter with me until the Chief Secretary had given his blessing. That shows that things are not always the same outside the House as they are in here. However, I should say that I had an hour with Mr. Stratford on the matter, particularly in regard to life assurance, on which he is an expert, and I found the time most valuable indeed. I should like to quote what he wrote out for me about this. Mr. Stratford was not able to give me any estimate of the cost of the establishment of a life office in this State, but he said:

I have not considered the cost of setting up a Government Life Office. Such an office would not come under the provisions of the Commonwealth Insurance Act and this could lessen the cost in the early years. Expenses in life insurance are not even in incidence. In the first year of a policy there are the costs of acquisition, which have to be advanced from the funds of the company and are recouped during the life time of the policy. The extent of this advance depends upon the volume of new business acquired.

I have said that Mr. Stratford has had extensive experience in life insurance, and this is so. He has had that experience in many parts of the world as a senior executive of one of the larger re-insurance offices and it has been said in the House before (I think I have said it) that we are very lucky indeed to have been able to attract to South Australia a man of such capacity to fill the office of Public Actuary. This is his opinion on the establishment of a life office, which is one of the two classes of insurance that will undoubtedly be undertaken in South Australia.

Again I say that it is beyond my belief that the Government could go into this without first consulting him about the costs that will have to be met. Mr. Stratford told me one thing that I think is probably known to all members. That is that Australia is unique in that the life assurance field is dominated by mutual companies, not by companies who have shareholders who make profits from it. The mutual companies do by far the greatest proportion of life assurance in Australia. Which are those companies? These are the ones with which the State Government Office is going to be in competition:

Australian Mutual Provident Society,
City Mutual Life Assurance Society Ltd.,
Colonial Mutual Life Assurance Society Ltd.,
Temperance and General Mutual Life Assurance Society Ltd.

National Mutual Life Assurance of Australasia Ltd., and

Mutual Life and Citizens' Assurance Co. Ltd. (which is virtually a mutual office, although not quite).

Among the big seven or eight companies, only two big offices are not mutual. They are the Prudential Assurance Company Ltd. and the Legal and General Assurance Society Ltd. So, in fact, by competing in this field, we are not hitting, as the Government so fondly assumes we are, at pure private enterprise: we are hitting predominantly at mutual societies.

Mr. Coumbe: And at the individual premium holders.

Mr. MILLHOUSE: And through the societies, as the member for Torrens so rightly reminds me, at the individual premium holders who number almost the whole population of Australia, I should think. Let me go further and make a few general points about the cost of establishment of a life office in this State, because this is the cost that surely will have to be met by the Government if it goes on with this. I think members know (and I think it is generally known) that when an agent writes an insurance policy he receives a com-

mission which is usually about two-thirds of the first annual premium or 2 per cent of the sum assured. The society with which one is insuring has to make this outlay, first of all, and it is made in the first year. Consequently, the amount of income that the society receives in that year is very small indeed, because most of it goes to the agent. Apart from that, of course—

Mr. Langley: Don't they hold any at all?

Mr. MILLHOUSE: If the honourable member had been following me, he would know that I just said—

Mr. Langley: You said that the agent got two-thirds and they don't hold any of his money.

Mr. MILLHOUSE: What I said is this (I thought the member for Unley would know this; I hope he has been prudent enough to take out some life insurance for himself, even though he may not know how much the agent is paid): in fact, the agent receives about two-thirds of the first annual premium or 2 per cent of the sum assured as his commission for writing the business. I hope that the honourable member has followed me so far; I think, from the look on his face, that he has. Apart from this amount, which is paid out to the agent, there are the expenses of administration of the office, and I am told that the expenses on a policy in the first year are commonly about 120 per cent or 130 per cent of the premium income. Consequently, in the first year of a life insurance business there must almost inevitably be a loss, however much business is written. This is the first point that all members should take into account when considering the cost of establishing here. Quite apart from any other establishment costs, there must be a loss in the first year, and probably in the early years, of business.

If one looks (and I have looked) at the annual report of the Insurance Commissioner, one sees that, for some of the more newly established companies in Australia, expenses as a percentage of annual premium income are extremely high. The following are figures for the more recently established life insurance offices in Australia: in 1965 the expenses of the Associated National Insurance Company Limited were 67.3 per cent of the annual premium income and in 1964 this figure was 77 per cent; in 1965 the corresponding figure for the Commercial Union Assurance Company of Australia Limited was 48.5 per cent and in 1964 it was 102.1 per cent; in 1965 it was 40.5 per cent for the Eagle Star Insurance Company Limited and in 1964 it was 45.7 per

cent; in 1965 it was 75.3 per cent for the Norwich Union Life Insurance Society and in 1964 it was 42.4 per cent; this is only in the field of life assurance. In 1965 it was 57.1 per cent for the Friends Provident and Century Life Office and in 1964 it was 79.5 per cent.

Let us contrast these figures with only one old, well established company, the giant in Australian life insurance, the Australian Mutual Provident Society: its expenses were 11.3 per cent of annual premium income in 1965 and 11.6 per cent in 1964. The trend is the same throughout the whole table from which I am quoting. This shows that, during the early years of business, expenses as a proportion of premiums are very high indeed, and that is something with which members must contend when supporting this Bill. It is not as though there was no competition between life companies in Australia. As shown on page 3 of the same report, the number of companies and societies transacting life insurance business in Australia has risen from 22 in 1950 to 43 in 1965, a considerable increase.

Mr. McKee: How many have gone bankrupt?

Mr. MILLHOUSE: As far as I know, none. I am speaking of life assurance. What will it cost to set up a life assurance office in this State? We must assume that one is going to be set up but, according to the Premier, no estimate has been made nor will it be made, and none has been given. It is impossible to give a precise estimate of the cost of establishing a general insurance company. Items to be paid for before any profit is made are annual rent or cost of annual acquisition of land by purchase; wages and salaries; office equipment, partitioning, and furniture; typewriters; printing and stationery; travelling, telephone, postages, and incidental expenses.

Where is the money coming from and how much will it be? Let us consider, in view of what has been said so glibly by the Premier (none of his colleagues has supported him yet), the profitability of two other Government offices in this country. I have copies of the Auditor-General's Reports for 1966 from Victoria and New South Wales. The New South Wales report does not give comfort to members opposite in their view that this is going to be a profitable business, or that the Government will get its hooks into extra funds, something that is obviously hoped for by them. The Government Insurance Office in New South Wales writes about 90 per cent of motor vehicle third party business in that State. At page 222 the report states:

With net premium income received \$1,982,484 as against an increase of \$840,776 in the cost of claims and expenses, the underwriting surplus of \$435,972 was an improvement of \$1,141,708 when compared with the deficit of the previous year.

It continues:

After supplementation by investment earnings of about \$7,000,000 and after providing about \$1,800,000 for contribution in lieu of income tax, the underwriting result was increased to a trading surplus of \$5,724,881. Of this, about \$3,116,000 was reserved for bonuses to policy holders, and \$64,138, the surplus on motor vehicle third party insurance, was applied in reduction of the accumulated loss on that class of insurance.

In the last policy speech of the Party opposite, members on the other side said they were going into third party insurance and workmen's compensation. At page 223 the result in New South Wales, overall, of third party is as follows:

Underwriting losses for this type of cover continue to increase. For the year under review the loss was \$4,580,744 . . . After offsetting the underwriting loss against investment income the net result was a surplus of \$64,138.

In other words, it is only by virtue of the investment income that a profit is made at all. I point out that there is a great deal of discontent and perplexity about the activities and attitude of the Government Insurance Office in New South Wales; it certainly has not done what the Premier said a State Government office would do, namely, be the panacea of all insurance ills. In Victoria there seems to be a State Accident Insurance Office that covers workmen's compensation, and a State Motor Car Insurance Office that covers motor insurance. We find that a small profit was made in that State on workmen's compensation. However, the Auditor-General had the following to say about Victoria's State Motor Car Insurance Office:

Over the period from its inception in 1941 to June 30, 1966, this office has incurred an accumulated loss of \$2,460,609. Operations for the year resulted in a loss of \$785,410, compared with a loss of \$828,988 in 1964-65.

I think that is sufficient to show that this sort of business is not going to be a nest egg from which the Government can draw funds for any projects. The funds of life companies (and the Life Office, no doubt, would be looked on for this purpose) and general insurers have to be invested in something. If they are invested in Government or semi-government securities a rate of interest will be paid; that is the income of those organizations. Looking at the table on page 14 of the Insurance

Commissioner's report, one finds that it is often necessary for life companies to transfer from reserves, or profit and loss account, sums to pay their bonuses. Unless the best possible return is obtained for investment (and that is seldom so in the case of Government or semi-government investments) these companies could not compete. Therefore, if the Government office is obliged to invest in Government or semi-government activities it will immediately be put at a disadvantage in respect of its investment income. The Insurance Commissioner had the following to say about Queensland (which has been mentioned as a State that makes profits):

However desirable and essential such support of our semi-government authorities is, other factors must be considered if the office is to maintain its commanding position in insurance, particularly its life assurance and superannuation departments. If attractive and fully competitive benefits are to be established to policy holders in these fields, the fund must command a higher interest return than is available from Government and semi-government (including local authority) securities.

I am sorry the Premier is not here to hear this, although I hope he is listening in his room. If the Government thinks that this Bill is going to be a help to it in its general financing, it has another think coming. Not only will there be the costs of establishing the office, but the question of profitability and funds to be invested is a very doubtful one indeed. Where is the staff coming from to run a Government Insurance Office? This is a specialized field: the men who run our insurance businesses in this State and elsewhere are people who have been in the game all their business lives.

Mr. McKee: Where did they get them in other States?

Mr. MILLHOUSE: In other States the business has grown up. They attracted them, of course.

Mr. McKee: There has to be a start.

Mr. MILLHOUSE: Of course. The member is right on the ball. How do you start? You start by attracting people from existing companies.

Mr. McKee: What about the lottery? Wasn't that any good?

Mr. MILLHOUSE: Does the honourable member think you can drag in anyone off the street to run a Government Insurance Office at a profit? You cannot do it. All you can do is to attract staff from existing companies. How can you do that, except by making the conditions of work more attractive than

they are now, that is, by paying higher salaries? Competition for staff will be very fierce. This will be a very expensive business and another expense which the Government will have to bear if it goes on with its madcap scheme.

The result of all these considerations is that Parliament is being asked to sign a blank cheque. Not only has no estimate been made but no estimate will be made of the cost until it is too late to draw back. This is not the way to manage the finances of the State. It is extraordinary that this step should be taken by the new Premier and Treasurer at a time when he is trying to build up his reputation as a reasonable and sound financier. It is a crazy thing today to go into a business without giving any thought to its cost. That is what the Premier is doing, and he is doing it at the very time when he is saying that the State is short of money, and at the very time when the State is becoming dependent more and more on the Commonwealth Government for grants. At the same time, the Commonwealth Government is being more exacting in its standards and in its requirements of investigation of projects before it is prepared to advance money to assist the States. It is becoming obvious that the two things just do not add up: financial responsibility and this particular move.

Now that I have mentioned the Commonwealth Government, I shall refer to one aspect to which no member has yet referred. I do not know whether members of the Government have studied the supplement to the Treasury Information Bulletin entitled "Analysis Investment," which was put out by the Commonwealth Government 12 months ago. The supplement canvasses the principle of benefit-cost. I do not profess to understand all this, but I shall quote from the foreword to illustrate what I mean. This shows how dismally the present Government has failed to go into this. The foreword is as follows:

In a fully-employed economy, and especially one that is fast growing, labour tends always to be a scarce resource and much thought and effort is rightly directed towards improving its productivity.

We all agree with that. Continuing:

What perhaps is not so often seen is that, in such an economy, capital also being a scarce resource, there is just as much need for trying to improve its productivity. In large part this is a matter of ensuring that, as between alternative uses, it is applied to those in which it will be most productive. This holds for the public sector—a large user of capital—quite as much as for the private sector.

There can be no argument at all that, if we are going to spend money on a Government Insurance Office, we are not going to have that money to spend on something else, and we have not so much money that we can afford to put aside an amount without robbing someone else. The foreword continues:

Over the years, techniques of investment appraisal and analysis have been evolved—techniques which, in the public investment field, are described as benefit-cost analysis. These techniques have been increasingly used, both by businessmen and governments, in some overseas countries, notably the United States of America. They do not seem yet to be as well known, or widely used in Australia.

Sir, they obviously have not been used at all in this case. I am told by my friends who are economists that this is the standard of examination that the Commonwealth Government is demanding in relation to developmental projects. It ill becomes the Government of this State simply to ignore that standard when going into a venture like this. I invite members, especially Government members, to have a look at this document. I think if they did a bit of homework on this matter their views on some of these things might be rather different.

To sum up, I am opposed to the establishment of this office on matters of policy, or principle if you like. This is pure Socialism: there is no doubt about that. But apart from that, if this is dismissed altogether, as the other States have done over the years, there are grave practical reasons why, at this time of financial stringency, we should not go into a business which will cost considerable money (and I say that advisedly) to establish and the profitability of which is at least problematical.

May I ask three questions, and I trust that someone on the Government side will have the gumption to get up and answer them—whether it be one of the Ministers, a back-bencher, or the Premier himself when he replies in this debate. First, how much capital will be required to start this office; secondly, what is the projected return on the investment of that capital; and thirdly, has this particular outlay on a State Government office been compared in a cost-benefit analysis with the outlay on other institutions and activities such as education (about which the honourable Minister is always talking and saying he has never enough money), hospitals (on which the same thing applies, and quite rightly), and even on such a thing as accident prevention (which is one of the greatest costs to insurance in this State)? What comparison has been made of

the expenditure of money on these things rather than on a State Government Insurance Office? It is only if those particular questions are answered that I would be prepared even to consider that the setting up of a State Government Insurance Office in this State was warranted. Yet we are being asked to go ahead with this without being told anything at all. Even the most fundamental business principles are being thrown aside. I hope and trust that the Government will be frank enough to answer these questions before it goes ahead.

Mr. BURDON (Mount Gambier): Members opposite have said that no member on this side of the House would say anything in defence of the Bill. However, in speaking now, I give the lie to that accusation. It has been my misfortune to have to sit here for some considerable time and listen to remarks made by members opposite as they opposed the establishment of a Government Insurance Office. I believe that the first Government Insurance Office in Australia was established in 1916 and that between 1917 and 1926 Government Insurance Offices were established in all States except South Australia.

Mr. Lawn: Have they gone broke?

Mr. BURDON: No Government Insurance Office has gone broke, as I will prove conclusively. What members opposite said against the establishment of a State office was also said in Queensland, New South Wales, Victoria, Tasmania and Western Australia when the establishment of Government Insurance Offices was being discussed there. Members opposite say that this is a socialistic enterprise.

Mr. McKee: The member for Mitcham said it was crook.

Mr. BURDON: Yes. Opposition members have also said that a Government Insurance Office would not work and would be a failure. Such statements have been made in all other States and have been proved wrong, as they will be proved wrong in this State in years to come.

The Hon. G. A. Bywaters: Conservative Governments in other States have not tried to abolish Government Insurance Offices.

Mr. BURDON: No Liberal Government in any of the other States has taken steps to abolish the Government Insurance Office in its State, simply because those Governments have appreciated the great benefits to be derived from Government Insurance Offices. Prior to 1964 the Government Insurance Office in Victoria had returned \$23,000,000 to the Treasury.

Mr. McKee: Not a bad hand-out.

Mr. BURDON: The best hand-out of the lot was that this money was lent to the Treasury in Victoria at a rate of interest of $1\frac{1}{8}$ per cent. By no other means would it be possible to lend money at that rate of interest. Is Government control of the State lottery an example of Socialism? In connection with that undertaking Opposition members said that, if a State lottery were to be established, it must be run by the Government.

Mr. Lawn: What about the Electricity Trust?

Mr. BURDON: I have told the House before of the remarks made by members opposite in relation to the Electricity Trust: they said it was a socialistic undertaking. To the enduring benefit of South Australia, with the assistance of the Labor Party some members of a former Government were able to establish the Electricity Trust in South Australia. Do we hear people criticizing the trust today? The only criticism is that it is not spreading fast enough. However, figures show that the trust spent \$35,000,000 last year.

Mr. Lawn: Is that a record?

Mr. BURDON: This is the greatest sum ever spent in this State on electricity undertakings.

Mr. McKee: The trust has confidence in this State.

Mr. BURDON: There is no doubt about that. It is a Socialist undertaking for the benefit of the people of the State. The Labor Party went out to the people of South Australia at the last State election and said, "Our policy provides for the establishment of a State Government Insurance Office."

Mr. Lawn: And the people accepted it with open arms.

Mr. BURDON: Yes, they did. Let us look now at some of the State Government Insurance Offices established in Australia in bygone years. The member for Mitcham referred to passages from the reports of Auditors-General from the various States of Australia. There are many such reports on the various State Government Insurance Offices but it was significant that the only reports referred to were those showing a loss on trading. He did not mention (because he was not game to) the fact that these insurance offices had made handsome profits over the years: he picked out only the one or two that had shown a loss. If he had been honest with himself and the people of South Australia, he would have presented them with a true picture, but he was not prepared to do that. I turn now to the fiftieth annual report of the State Government Insur-

ance Office (Queensland) for the year ended June 30, 1966, which was "Presented to Parliament by command to the Honourable the Treasurer". It reads:

The submission of the fiftieth annual report of the State Government Insurance Office (Queensland), for the year ended June 30, 1966, is a singular privilege as it is the culmination of fifty years of outstanding progress based on increasing benefits to the people of Queensland.

Mr. McKee: I notice that the member for Mitcham is conspicuous by his absence.

Mr. BURDON: I suggest you ferret him out and bring him back.

Mr. McKee: It wouldn't be worth it.

Mr. BURDON: The report continues:

This annual report, which closes a half-century of achievement, is a tribute to the men and women throughout Queensland who, during that period, have contributed to the success of the office. It is, therefore, very pleasing to report that in this, the golden jubilee year of the foundation of the office, we have substantially exceeded all previous production, profit and bonus distribution records and have become firmly established as the most progressive and prominent insurance office in Queensland. The achievements of the office, since its formation in 1916, reflect the confidence which it has enjoyed from the insuring public of Queensland. In return, the office has reciprocated by providing the greatest range of insurance benefits ever known in the history of insurance in Australia.

The planning over the last five decades has been aimed at maintaining a service based on the principle of maximum benefits to policyholders at the minimum possible cost. This was the reason for our foundation and the office, despite its great success in the insurance world, has never forgotten that the basis for its existence is the general welfare of the people of Queensland.

Mr. Hurst: We cannot deny South Australia that.

Mr. BURDON: This is the policy of the Labor Party in South Australia, a policy for insurance with which I am proud to be associated.

Mr. Hurst: And endorsed by the people of South Australia.

Mr. BURDON: Yes; and it will be re-endorsed. In 1963 the profit distribution in Queensland was \$5,394,000, while in 1966 it reached the staggering figure of \$10,238,322. The report also states:

The greatest guide to the success of the positive sales effort during the last twelve months is the rapid increase in the volume of business handled by the office. Every department has smashed previous peak production standards and the total premium income of \$38,800,000 is the highest ever recorded.

Mr. Hurst: Do you think there is any chance that the Liberal Government in Queensland will abolish the State Government Insurance Office?

Mr. BURDON: I think the Government would be out to do all it could to increase investments in the State Government Insurance Office in Queensland, following a report such as I have referred to. I shall now deal with the reference in the report to the investment portfolio in relation to the office in Queensland and the money that was invested at June 30 last. The report shows that in Queensland semi-governmental and local authority loans made by the office totalled \$6,400,000; housing societies loans, \$1,600,000; loans on policies, \$1,000,000; mortgage loans, \$7,400,000; company debentures and notes, \$3,800,000; ordinary and preference shares, \$2,600,000; and \$1,200,000 was invested in real property. The portfolio distribution at June 30, 1966, was \$24,000,000. These funds are invested in such firms as fertilizer works, cement works, flour mills, abattoirs and sugar mills in Queensland. The report states:

The office has become well and favourably known in financial circles due to the increase and diversity in our investment portfolio. This activity combined with the rapid expansion in all branches of insurance is reflected in our spiralling assets. It is a fact that, although public revenue was made available for its establishment, the office did not avail itself of such funds and has operated on its own resources since the commencement of business. Today, after a comparatively short period of 50 years, its net assets total \$140,750,000. These funds have accumulated despite the fact that during this period we have made massive profit distributions to our policyholders. This amount is divided between life and super-annuation policyholders' funds aggregating \$75,700,000, provisions totalling \$36,000,000 and reserves of \$29,000,000.

Mr. Broomhill: Do you think loans to councils have helped the development of the State?

Mr. BURDON: I think the councils are happy about what they have got from State insurance in Queensland. This report clearly shows what is being done in relation to the State Government Insurance Office in that State. A charge has been made by the Opposition about unfair competition by State Government Insurance Offices. The Bill provides that the State Government Insurance Commission will provide, in lieu of taxation, the same amount as private insurance companies provide. Governments in other States have written into their insurance legislation the necessary provision that there is to be no unfair

competition by Government Insurance Offices; they pay the appropriate tax, whether it be payroll tax, stamp duty, or any other form of tax, just as the private companies do.

We find the same success story in New South Wales. Despite what has been said on the other side of the House regarding losses in New South Wales, in the financial year ended June 30, 1966, the New South Wales Government Insurance Office made the substantial overall profit of \$5,724,881. This is something that the member for Mitcham completely forgot to mention: he dealt with comprehensive and third party motor vehicle insurance, on which we admit losses have been made. The New South Wales Government Insurance Office has still been able to do many things: it has lent huge sums of money to councils, housing institutions, etc.; it has opened country regional offices at Tamworth and Wagga, and I believe that one was opened a year or two ago at Orange.

The State Government Insurance Offices have curbed in many ways impositions that could and would have been imposed on insurers if it had not been for the competition they provided for private insurance offices. I agree that, generally speaking, all these insurance offices give good service to the community; one or two have failed, but nobody is decrying insurance offices generally because of this. They have their problems, like anybody else has.

Insurance companies' business has increased over that of the previous year; these figures were quoted by the Leader of the Opposition a few days ago during this debate. Irrespective of what the Opposition has said, it can be proved conclusively that a State Government Insurance Office would show great benefits to the people of the State in which it is operating and, as I have said previously, South Australia is the only State without such an office.

Two or three years ago I spoke to the Manager of the Western Australian office and he said, "I trust and hope that the break in the link between my State and Victoria will soon be rectified in respect of State Government Insurance Offices." A few months later the Manager of the New South Wales State Government Insurance Office told me that one of the greatest undertakings of any Government was to establish an insurance office. Opposition members should consider the reports of these insurance offices instead of reading other reports. Obviously, this was done to create doubts in the minds of people, but not many would be misled by such propaganda

used by the member for Mitcham this afternoon. He did this to try to confuse the general public.

Mr. Curren: They take the quotations out of context to confuse people.

Mr. BURDON: Obviously. It has been proved that they are trying to create a false impression, but they do not succeed. In Western Australia, as at June 30, 1966, \$239,632 was transferred to Consolidated Revenue from the Workers' Compensation Insurance Office, and \$307,491 was transferred from the profits of the Fire, Marine, and General Insurance fund. Also, the insurance office contributed to the State taxation authorities.

The Tasmanian Government Insurance Office, although small compared with the offices in other States, showed a profit last year. It handles certain insurance only, but, overall, the net surplus in the Appropriation Account was \$204,000. The Government Insurance Office paid stamp duty, payroll tax, and other commitments as did the private companies, but it still showed a profit. In 45 years the Tasmanian office has shown a surplus, including interest, of \$3,870,708. The surplus paid into Consolidated Revenue was \$1,511,878, and investments, including a building, totalled \$2,881,344. Earlier today, the member for Mitcham waxed eloquent about what it would cost South Australia to establish an insurance office. However, I point out that the capital authorized in Tasmania to establish a Government Insurance Office was \$40,000 and that, over the organization's 45 years of operation, the capital authorized and still untouched is \$40,000.

Mr. Lawn: The Opposition would prefer to increase taxes rather than make a profit out of insurance.

Mr. BURDON: That seems to be the general attitude of the Opposition. Members opposite ask the Government to spend more but say nothing about increasing taxation. Although they tell the people they are going to do this or that, they do not say how they will raise the necessary finance. Reverting to the Western Australian position, I point out that legislation for a State Insurance Office was introduced in that State in 1926 and that, despite difficulties that were met in regard to the attitude of the Legislative Council, the office was established in that year. In fact, that office continued to function, without the authorization of Parliament, for 12 years. Finally, the Labor

Party was able to win through in the Legislative Council there, and that office has never looked back.

Mr. Casey: It was legalized.

Mr. BURDON: In other words, illegal transactions that had been taking place for 12 years became legal. However, nobody during that time tried to test the organization's authority; although the Western Australian Legislative Council opposed the establishment of a Government Insurance Office, nobody was game to challenge the authority.

Mr. Lawn: Not even the Liberal Party!

Mr. BURDON: That is correct.

Mr. Lawn: It is more realistic than the Opposition in this State.

Mr. BURDON: Our Opposition will have to become a little more realistic, too.

Mr. Casey: A former South Australian Labor member introduced the legislation in Western Australia.

Mr. BURDON: Yes, Mr. Hawke was the Minister in charge of the legislation. I welcome the return to the Chamber of the member for Mitcham, knowing that he himself often welcomes the return of certain members to this Chamber. I hope he will glean something from what I have said when he reads *Hansard* tomorrow, and that he will not merely quote from the Auditor-General's Report in order to distort the true position.

Mr. Nankivell: Don't you believe in the Auditor-General's Report?

Mr. BURDON: Yes; I believe that such reports give a true picture of the activities and undertakings in any State. I do not just take something out of its context in order to prove that the whole thing is wrong.

Mr. Nankivell: It relates to only one State.

Mr. BURDON: The State Government Insurance Office in Western Australia insures 104 hospitals (buildings and contents); the State Housing Commission; State-wide house owners; the Broome freezing works; motor vehicles (State-wide Government and private); State brickworks and saw mills; university buildings; Government buildings; the State Electricity Commission; State hotels and caves house; and group settlers cottages. It also provides rural fire cover. This covers a big field, and it is something in which local government showed an appreciable interest during the last election campaign in this State. Initially, Government insurance in Western Australia was frowned upon by the local councils, but only one or two years was needed to show the great benefits that could occur

through the operations of the Government Insurance Office in that State. Today, in Western Australia, 135 out of 141 local government authorities do all their business with the Government Insurance Office. This is something that proves conclusively that the people of Western Australia since 1926, when so much opposition was expressed to that measure in that State, have come to realize the importance of, and to benefit greatly from the activities of, the Government Insurance Office.

States, other than Western Australia, in which there are Government Insurance Offices have seen these benefits accrue from this type of legislation. These insurance companies are run as instrumentalities of the Government and in the interests of the people of the States. The member for Mitcham should examine the sums of money that have been made available to the various Government instrumentalities. However, I would be surprised if those figures would convince him, as I believe he cannot be convinced.

Mr. Millhouse: Have you any idea of the cost of establishment?

Mr. BURDON: I invite the honourable member to look at what it cost in Tasmania to set up a Government Insurance Office. I think he would be surprised.

Mr. Millhouse: How long ago?

Mr. BURDON: It was exactly 45 years ago. The principle is there; it has been established. If the Government can help the member for Mitcham in any other way to understand the benefits of State Government Insurance Offices, it will do its best to help him. There is sufficient in the reports of the various State Government Insurance Offices to show the people of this State that there are undoubted benefits to be gained by the establishment of a State Government Insurance Office here. I support the Government in its move to establish such an office.

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

Mr. SHANNON (Onkaparinga): I do not intend to address the House for long on this measure, but one or two things regarding assurance and insurance have not been stressed sufficiently. I praise the Leader of the Opposition for his excellent speech giving in reasonable detail, the Opposition's approach to this measure. He was ably supported by other members of the Opposition. The only contribution we have had from a private Government member came from the member for Mount Gambier, who dealt mainly with

the position in Western Australia, about which I shall say a few words presently.

I wish to speak mainly about assurance, not insurance. A fundamental problem faces anyone entering the field of life assurance: to be able to marshal a staff of salesmen skilled in the selling of life assurance, which is a specialist's field, requires great effort. From my experience in connection with life assurance, as it is handled by the company with which I am associated, I know that one of the main methods used to get the best out of skilled salesmanship is to offer handsome emoluments to the people who write business over a certain sum. That figure is fixed at that which is considered by the company employing the agent to be a reasonable amount of business to write in 12 months. If the salesman exceeds that figure he earns a handsome additional emolument. I have been to some functions at which these awards are made to such salesmen, and I have the impression that only a few of them enjoy the additional benefits which flow from the higher standard of salesmanship in this field of life assurance. This shows that this higher standard of assurance salesmanship is not one of the common heritages of man.

Assurance salesmanship is entirely different from selling in ordinary trade and commerce, and the approach to the individual is entirely different. Indeed, great personality is required in an assurance salesman if he is to succeed in his representation of his company. I think that personality is the main attribute for the man who wishes to get the confidence of the client he is approaching on life assurance matters. This factor alone would deter most people from entering this field and, when it is realized that we have already so many successful mutual life societies operating in this field throughout South Australia, indeed throughout Australia, and that these societies are so strongly entrenched against anyone wishing to enter the business, we must understand how hard it will be to establish a Government Insurance Office. Of course, in saying this I do not know whether the Government intends to match the bonus offers on life assurance now granted by existing societies, such as the Australian Mutual Provident Society. Is it intended that the Government Insurance Office will offer a bonus payment on its policies? Most people with experience of life assurance policies know that well established companies generally pay out at the maturity of a policy a bonus greater than the total of premiums

paid. Of course, that does not apply in the case of probate policies which are entirely different. However, most people take out assurance policies to provide for their families in the event of their accidental death or death as a result of a sudden illness.

An assurance salesman must have integrity and personality and must be able to explain the implications of life assurance to the person to whom he is trying to sell it. Of course, a salesman must not oversell. It is bad salesmanship if the person taking out the policy finds later that he cannot afford to pay the premiums. If policies are surrendered within a year or so the company will make a loss. In fact, some companies pay the equivalent of the whole of the first year's premium to the salesman for selling the policy. Therefore, a person must contribute for at least two or three years before the company makes anything out of it. Also, it is not satisfactory for a company to have a high rate of cancellations, which would be a black mark against that company. So, it would be difficult indeed to secure suitable personnel to write life assurance business.

However, even after the business has been written, our troubles are not all over. Our obligations under our policies are not difficult to assess. An actuarial basis is always used by companies in assessing what is to be repaid when a policy falls due. Life expectancy tables are used for this purpose. When we have spread our risks over a large volume of business, these life tables are accurate in their assessment of what is to be paid out. These things can be accurately assessed. In that field I should not be so frightened if I were promoting an insurance company, because qualified men are not unprocurable: their services can be bought..

However, there is another field in life assurance almost as important as writing the business. If we are to face up to the competition that we have with the presently operating life assurance companies, we need an investment policy that will at least match theirs. Here, we have a golden opportunity for investment, because our life expectancy gives us a fairly accurate idea of how long a term the money can be lent for. We know by virtue of our experience that each year a percentage of money will fall due for policies that have matured. That facet (an actuarial facet) is not so difficult: the hard part is to get people highly skilled and trained in investment. Most life assurance companies these days have a wide range of investments. All insurance and assurance has to have a broad basis for safety.

It is the practice these days for companies to spread their earning capacity over a wide field, so that they will never be left lamenting because of something happening in one field where they have all their eggs in one basket. That does not happen these days, but this is not a job for a tiro: on the contrary, it is a task for a highly skilled operator. In fact, if we are going into this in the way in which our mutual companies have gone into it, a team of people will be needed to consider investment policy and things like that.

These things are fundamental to the successful operation of life assurance companies. If, in the upshot, a State Government Insurance Office is established and over a period of years its payments out to its policy-holders by way of bonuses earned by the money invested as premiums do not match those of the companies now in operation, which are mutual companies enjoying all the benefits that the Government office will enjoy (such as freedom from tax), it will really be up against a tough nut in that field.

I do not intend to deal further with assurance, but let me say a few words about insurance. There are fundamental principles that apply as much to insurance as they do to assurance. The spreading of risks is the really important consideration to be successful in this business. In orderly commercial insurance if a person is a gambler and takes risks, he sometimes has to pay the penalty. For instance, the \$20,000 that my friend from Mount Gambier (Mr. Burdon) mentioned would have paid for only one reasonable-size claim in Tasmania recently. We could not afford to take that risk. The companies operating in this field spread the risks and re-insure with one another. The companies that write the business of our big commercial undertakings such as General Motors-Holden's or Chrysler Australia Limited do not carry all the risk. I make bold to say that treaties are entered into overseas in relation to the portion of the risk above what is considered a reasonable risk for the local companies to carry.

Mr. McKee: Do they lay a bit off?

Mr. SHANNON: That is a bookmaker's term, but it is not far from the truth.

Mr. Quirke: They have been doing it for years with shipping.

Mr. SHANNON: They all do it. Treaties are available in Europe, the United Kingdom, the United States of America, and even in some of the Asiatic countries. It may surprise members to know that Mexico is a profitable place in which to negotiate a treaty. Certain

features of that country's insurance business allow the taking of large sums from other parts of the world by way of treaty. However, Europe is the main field for the making of these treaty arrangements, which are the subject for a very highly skilled operator. One half of 1 per cent can make the difference between a profit and a loss. I think all insurance companies have experienced men overseas at all times attending to the companies' interests. It is common practice for insurance companies to shed what we may call a calamity risk to cover such eventualities as the bushfires in Tasmania, earthquakes and other happenings that would otherwise cause much loss. The companies are able to make treaty arrangements with wealthy oversea companies and so pass off much of their risk.

I shall now deal with the insurance risks that I understand the Government expects to make its main goal. They are motor insurance risks, what we call accident risks, and workmen's compensation risks. I give a word of warning about both of these. The experience of all the commercial people in this field at present is that, when the ratio of risk to premium income rises above 80 per cent, the insurer starts to lose money. Some companies have frequently mentioned that they have incurred losses of more than 100 per cent on the insurance of motor cars.

Mr. McKee: How come they are still around?

Mr. SHANNON: They are operating because motor vehicle insurance is not their only field. The same thing applies to workmen's compensation. In this connection I should like to know one point about the policy to be followed. The principle to which I refer applies not only to motor car insurance and to workmen's compensation but also to a much wider field, particularly hail damage, which is a real bugbear to the average insurance company.

The Hon. T. C. Stott: A dead loss.

Mr. SHANNON: Yes. The assessor goes out and looks at a crop and says, "I think the barley has been blown down by the wind." The insurer says, "No; it was cut down by hail." This is the kind of nice little problem that insurance companies are up against. This farmer had insured his crop against hail damage, but he had also insured his property and plant with the same company. The problem is whether the company should accept his word regarding hail damage when the assessor says that it was wind damage? Should the company accept his word to keep him sweet, so that it does not lose his business? Such

problems are commonly faced by insurance companies every year.

I now turn to the motor car owner and third party risks. In South Australia the Insurance Premiums Committee has complete authority to investigate all companies' business, and it does so. Periodically, Sir Edgar Bean and his committee calls for the companies' books and assess a reasonable third party premium for cars owned in the metropolitan area, cars owned in the country, commercial vehicles, hire cars, etc. In view of the protection this committee provides, surely the Government does not think that this is a field where the poor unfortunate motor car owner can be shot at. I believe that this field of insurance is anything but satisfactory from the companies' viewpoint. If companies had to live on profits from motor car insurance business, they would be out of business. True, comprehensive policies do provide a margin of profit, but when we take into account the risks run with third party business we realize that the profit is insufficient to make comprehensive policies worthwhile.

There are profitable fields of insurance that enable the companies to carry on, but the Government will find it difficult if it tries to buy into these fields, which are fire and burglary. Because these occurrences are infrequent, such insurance is profitable. Regarding the cutting down of premiums every company is in the same boat; it is a matter of competition. I shall be surprised if the Government can cut down the premiums in the profitable fields of insurance business. A person insures with a certain company because of the service he gets. If he wants additional insurance he knows that he will get this service, because the company wants to retain his business, and keen competition exists among all companies to give this service. I would be surprised if a civil servant could be found who would do his utmost to provide an equivalent service. I expect that the service obtained by the average insurer in the past will continue to be given. Every member is familiar with requests he receives from constituents to overcome a minor problem with a State department, but seldom are requests received to deal with problems of insurance. Both personal and impersonal interests must be considered in this matter, and the more impersonal it is the less service is obtained. This is a factor that should be seriously considered.

The member for Mount Gambier referred to the State Government Insurance Office in Western Australia, but that office has not been

able to obtain business from Wesfarmers in Perth, an organization similar to my company, with which it has a close liaison. To the best of my knowledge this company has conducted its insurance business with a large British company, and the State office cannot offer as good a service as that obtained from this United Kingdom company. The success of the State Government Insurance Office in Queensland has been praised by Government members. A corporate insurance company, with which I am associated, has offices in Tasmania, Victoria, New South Wales and Queensland, and has more individual accounts in Queensland than in any other State with the possible exception of South Australia, in which it has a wide coverage. The company with which I am associated competes successfully with State insurance offices in every State except Western Australia, where it does not operate; it does not cut premiums, nor does it pay out on claims that are not justified. I stress that the success or failure of the undertaking will depend on the service received by the public. However, I am afraid that if the Government Insurance Office ever becomes a monopoly (and I sincerely hope it will not) the service received by the public will disappear. Immediately the venture becomes a monopoly, those whom it insures will be put into straightjackets.

Mr. McKee: It cannot be Socialism while there is competition.

Mr. SHANNON: I cannot see that that is any argument. The Government is obviously not entering this field as a gesture.

Mr. Curren: It desires to give a service.

Mr. SHANNON: I will certainly be amazed if the Government Insurance Office can outbid the ordinary insurance company in giving service. If the Bill is passed—

Mr. Curren: Who'll stop it?

Mr. SHANNON: I will try to; I am certainly not happy about it. The public will not receive anything that it is not already receiving. Everyone knows that an insurance company must initially put up a bond with the State; it pays its licence fees, stamp duties, etc., and deposits with the Treasury a handsome sum of money that acts as a safeguard for the people who insure with it. I hope that the Government Insurance Office will not establish the practice of paying out on claims that are unjustified, because that will obviously affect the taxpayer. I am perturbed about the pressures which might be brought to bear on a Government Insurance Office but which cannot be brought to bear on competitive private companies. The Government Insurance Office

will have one big headache if it takes third party insurance for the riffraff.

Certain known risks are worked out by an appropriate investigation of the known results over a big field, with all companies participating in the investigation. In certain fields the risks are known. No company, unless it is getting something else to insure, chases that sort of business. I hope that that does not occur. I am pointing out the risks the Government will run if it sets up an insurance office. The pressures that could be brought to bear upon such an office could bring about the type of payouts at the expense of the taxpayer that would be a disaster to the well-being of the people.

Mr. McKEE (Port Pirie): The member for Mount Gambier quoted from various annual reports in respect of other State Government Insurance Offices. These are facts, and surely members opposite would not be foolish enough to deny the people of this State the benefits being enjoyed by people in other States. After listening to members opposite, I am amazed how any insurance office ever got started. The member for Onkaparinga (Mr. Shannon) said he wanted to pinpoint some of the pitfalls in the Bill. He painted a black picture and gave the impression that most insurance companies were practically on the verge of bankruptcy, if they had not already become bankrupt.

Mr. Shannon: That is not so.

Mr. McKEE: He said he was going to try to frighten the Government. He will need to make a better contribution than he has made, because I am convinced that there is no need to go out and sell this Bill to the people, as they have welcomed it with open arms. I remind members opposite, although they should not need reminding, that this legislation was featured prominently in the policy with which the Labor Party went to the people in 1965. Do they need to be reminded of what happened to them? This legislation made a great contribution to the defeat of the Playford Government. Now that the Bill has been introduced the electors of the State are overjoyed.

Mr. Heaslip: Where did you get that idea?

Mr. McKEE: Since the introduction of this Bill, everywhere I have gone people have sung the praises of the Premier and congratulated the Government for introducing it and for taking early action in this regard. The Leader of the Opposition and members opposite, who have all opposed the Bill, will no doubt regret their actions at the next State election.

Mr. Heaslip: We'll take the risk.

Mr. McKEE: I issue a word of warning to members opposite: the opposition to this Bill has firmly placed the lid on the coffin of the Liberal and Country League, and the next election will very firmly tighten down every screw in the lid. Certain insurance companies have gone to great lengths and great expense to try to present a case to show cause why this Bill should not be introduced. Representatives of those companies approached the Leader of the Opposition, no doubt because he represents big business.

Mr. Coumbe: Come off it.

Mr. McKEE: Of course, they were not aware that the Leader had been over-rated by press publicity.

Mr. Heaslip: Why do you write him down?

Mr. McKEE: If he was in his place he would have an opportunity to answer for himself. The press has without doubt over-rated him and, of course, the people I referred to have now found that out for themselves. We heard today from the member for Light (Mr. Freebairn), who has not yet seen the light; I hope he will eventually. The member for Mitcham (Mr. Millhouse) concentrated on the cost of establishing this State Government Insurance Office. As usual, he is very jealous of the Government's receiving praise for introducing legislation that will benefit the State. Incidentally, this legislation will keep him in Opposition for a long time to come; that is, if the electors of Mitcham do not get rid of him in the meantime. I notice a report in the *Advertiser* that refers to a bid to reorganize L.C.L. Party ballots. If the proposed method of streamlining the L.C.L. pre-selection comes about, the axe could fall on the honourable gentleman much sooner than it otherwise would.

These gentlemen who approached honourable members opposite to represent them in this case came into this House full of confidence, expecting to hear the Government blasted by these hot-blooded young Liberals and anti-Socialists; but, alas, they went away sadly disillusioned, although much wiser, men. In fact, a couple of them were heard to say in the lobbies, "If those are the big guns of the L.C.L., it just goes to show that you can't believe all you read in the press." Judging by a question asked by the Leader this afternoon, it is obvious that he is concerned that the children are also hostile towards him. I am proud to be associated with a Government that is now giving to the electors of the State beneficial legislation that has been denied them for over 30 years.

Mr. QUIRKE (Burra): I have been sitting here listening to the member for Port Pirie and wondering to which Bill he was talking. There was nothing about insurance in his speech, although occasionally it did get through that a Bill was before the House. I have no quarrel with a Government Insurance Office. I have no quarrel with the State Bank or with the Savings Bank of South Australia; in fact, I would have no great quarrel with their amalgamation, a subject on which the Government is now silent. Also, there are the State instrumentalities: reference has been made to the Electricity Trust. Is not the Electricity Trust an example of socialization?

Mr. Clark: No, it isn't.

Mr. QUIRKE: Apparently the only reason that it is not is that it was introduced by a Liberal Government. Honourable members opposite have talked about socialization. What is it? I can tell the House what it is, as interpreted by members opposite. Socialization is what the Government is attempting now: it applies to every single factor of the means of production, distribution and exchange. The Government Insurance Office scheme is a bit of socialization: it is only one facet of the whole. I have no objection to these things provided there is plenty of competition.

Mr. Ryan: Is there any competition with the Electricity Trust?

Mr. QUIRKE: It has not been possible to provide competition for it. However, with the development of gas there will be competition.

Mr. Ryan: Who established the Electricity Trust?

Mr. QUIRKE: The Liberal Party established it. However, a member opposite said that it was not an example of socialization. What is it then?

Mr. Ryan: You're telling us.

Mr. QUIRKE: No, members opposite should tell us: we are still wondering whether the Government Insurance Office is an example of socialization. Absolutely no necessity exists in this State at this time (or will exist at any other time) for a Government Insurance Office. The answer to every matter raised of the Government (and this will ultimately be its swan song) is that it does not have the money. However, when it comes to instituting one little facet of the Labour Party platform (which provides for the complete socialization of everything), then nothing will stop the Government from introducing it.

Mr. Lawn: That isn't true, and you know it.

Mr. QUIRKE: I do not know it.

Mr. Lawn: You do know it, because you were a member of the Labor Party at one time.

Mr. QUIRKE: I say it is true, because the provision for complete socialization has not been removed from the Labor Party's book of rules. However, it is on its way out; it will not last much longer.

Mr. Lawn: You said at the declaration of a poll some years ago that we were going to nationalize cats and dogs!

The SPEAKER: Order! The honourable member should confine himself to the Bill.

Mr. QUIRKE: I am talking about this Bill as a facet of Socialism, Mr. Speaker. I was going over the ground, unless you cut the ground from under me. In my opinion, the reason for introducing this measure is not these high-falutin' ideas of doing something for the people of this State out of the generosity of heart of the Government, in the belief that it will bestow untold benefits upon those people who insure their household property, their houses, their buildings or their machine shops and who take out life assurance. The Government will not be able to do anything the big companies cannot do. As an honourable member has said, the Government will find itself in competition with big and kindred organizations like the Australian Mutual Provident Society.

Mr. Broomhill: How do you explain the success of the New South Wales and Queensland offices?

Mr. QUIRKE: That is all right. We shall not give any greater benefits than most people are giving.

Mr. Broomhill: We will give equal benefits.

Mr. QUIRKE: If you give equal benefits, you cannot do better. It is useless to set it up.

Mr. Broomhill: It is better than applies in this State at present.

Mr. QUIRKE: I do not know that it is. I carry my share of insurance and I do not think a State organization can do any better.

Mr. Broomhill: It does in other States.

Mr. QUIRKE: It does not do better: it does equal.

The Hon. J. D. Corcoran: Others come to its level; that is the point.

Mr. QUIRKE: The A.M.P. has branches all over Australia, but premiums are not cheaper in New South Wales than they are here.

Mr. Curren: What about general insurance rates in Queensland?

Mr. QUIRKE: They are on the same level as we are. Where we have open competition we cannot bestow these universal benefits that

the Government Party says we can. We cannot achieve that. This scheme will cost the Government much money.

The Hon. G. G. Pearson: The taxpayers' money.

Mr. QUIRKE: Quite so. My point is that, even if it was a good policy to do this at present, under existing conditions we cannot afford to. Time and again the Government says, "We cannot do this." For instance, it cannot afford to complete the water main to Keith, but it can afford to set up a Government Insurance Office. What will it do? Does it envisage that its insurance business will be so good that it will get sufficient money from it to be able to complete the Keith main? Is that the idea? The same applies to everything else. Generally, I do not disagree with these things provided there is plenty of competition, but now is not the time to do this. When the Government has sufficient surpluses or when the people of this State are in a different position from their present position, and when as a consequence the Government finds itself in a happier position, it can then attempt these things, if it likes. Then it will have to come before this House. If the House accepts its proposals, well and good: it will get its measures through. That is its prerogative as a Government. However, today it cannot afford to spend 10c on a proposition like this, because it will get no immediate return from it. It will be years before it gets any return. It will be a sink of money in the immediate future, and there are many things the Government can spend the money on to greater advantage. That is why I disagree with this Bill.

Mr. CASEY (Frome): I support the Bill. First, I desire to correct certain statements made by Opposition speakers about Labor Governments in other States and particularly about the way insurance is conducted in Tasmania. The member for Light (Mr. Freebairn) implied that the Socialist Government of Tasmania virtually hid behind a cloak of Socialism, as he called it, to try to hoodwink the people about claims made through the State Insurance Office in that State.

The Hon. J. D. Corcoran: But you are not placing any weight on what the member for Light says, are you?

Mr. CASEY: I have no qualms about members making statements but I want to ensure that mis-statements are corrected. The member for Light mentioned the bushfire earlier this year and the heavy toll of life and property.

We all know the effect that that had on the whole of Tasmania. The bulk of the money provided for the relief of these people was made available by the Commonwealth Government. I do not think the honourable member knew that. The Lord Mayor's Fund was a charitable grant by the people of Australia. The money made available by the Commonwealth Government covered all aspects of the effect of the Tasmanian bushfire. The Commonwealth Treasurer, Mr. McMahon, explained the grants in the House of Representatives on April 20, 1967, as reported in *Hansard*:

Housing: Grants to enable the State to provide minimum standard housing and to meet the cost in excess of insurance recoveries. Loans to finance loans by the States for re-mortgaging, where mortgages have been paid off from insurance and funds are no longer available and to enable the State Agricultural Bank to provide loans to those wishing to build slightly higher-standard houses.

Grants \$4,000,000; loans \$1,700,000; total \$5,700,000.

The member for Light always seems to imply that nobody but the Liberal Party gives consideration to the primary producer. Such statements are ridiculous. Mr. McMahon said, when dealing with loans to primary producers:

Loans to enable the State to make advances to primary producers for the rehabilitation of fire-damaged farms.

Grants nil; loans \$5,000,000; total \$5,000,000.

I shall now deal with what Mr. Barnard, the Deputy Leader of the Opposition in the House of Representatives, said about the outlook of the Commonwealth Liberal Government regarding the primary producers of Tasmania, many of whom were not covered by insurance. A decree was made by the Commonwealth Government, not by the Tasmanian State Government. I want to make this clear: the Commonwealth laid down that, where people were covered by insurance, it must be taken into account when rehabilitation loans were made to them, particularly for housing.

Regarding the primary producer, however, it is a different kettle of fish. Under the terms of the legislation, only loans were made available to the primary producers—not grants. The primary producer who lost his home as a result of the fire was, of course, entitled to apply for relief under the special provisions of the Tasmania Grant (Fire Relief) Bill—and this is where the housing aspect comes in—but even if his house was insured, he could not get the full loan for the house because the insurance aspect was taken into consideration. I want to point this out for the benefit of the member for Light, so that he does not distort matters;

he should have placed the blame fairly and squarely on his colleagues in Canberra.

The object of the Bill before the House is to establish a State Government Insurance Office, and I cannot see why members opposite do not approve it. They say that this is not the right time for its establishment. They do not want to make changes and to go along with the times. Every State Government Insurance Office in Australia is showing a profit at present.

Mr. Burdon: A very handsome profit.

Mr. CASEY: Some are making bigger profits than others because they cover a wider field of insurance than the others. The Victorian office covers only a limited field and so its profits are limited, but the Queensland office is showing a marked improvement year after year. Members opposite have pointed out that there are already plenty of insurance companies in this State. No doubt every member in this House has some form of insurance with these companies, and we have no objection to this. Everyone is entitled to please himself as to where he insures. We all enjoy this freedom today, and this Bill will not make a skerrick of difference to this situation. There is no provision in this Bill that the people must deal with the proposed State Government Insurance Office; it is purely optional.

The Hon. J. D. Corcoran: But don't you think it is good to be a shareholder of such a company?

Mr. CASEY: Yes, and the shareholders are the people of this State. We had another illustration in the case of the Lotteries Bill; when it was first introduced into this House its form was very different from its form when it left this House. The member for Gumeracha thought he would trick the Government into placing the Lotteries Commission under the control of the Government. According to the member for Light, this is the sort of thing we are trying to impose on the people of this State. The member for Gumeracha moved an amendment, which everyone supported, to bring the Lotteries Commission under the control of the Government. Isn't that a type of Socialism?

The Hon. J. D. Corcoran: Don't you think they are afraid that a State Government Insurance Office will be as successful as the lottery has been?

Mr. CASEY: Opposition members do not wish this Government to make a success of anything. From the first day of this Parliament they have tried to frustrate the Government at every opportunity.

Mr. Burdon: And to deery its efforts.

Mr. CASEY: According to the Opposition, everything the Government has done has been wrong. I think the Government has done a remarkably good job. The member for Burra said that he did not object to establishing a State Government Insurance Office but he thought the time was not right. Perhaps he added those words to save face with his Party.

Mr. Jennings: We can't turn the clock back.

Mr. CASEY: True. After considering the Auditor-Generals' Reports in each State we find that every State has increased its net profits each year. That fact should be sufficient to make Opposition members realize that if a successful insurance office operates in other States no reason exists why it should not do so here.

Mr. Heaslip: You should be able to afford it. Can you?

Mr. CASEY: The member for Rocky River is a businessman. He has established successful businesses in South Australia after considering the situation, and he knows where to obtain staff who will benefit his business.

Mr. Burdon: He does not train them.

Mr. CASEY: He knows that a State Government Insurance Office can be successfully established.

Mr. Heaslip: If you have the money.

Mr. CASEY: I am sure the Government would not venture into anything with its eyes closed. It has not done that up to now.

Mr. Lawn: The Premier told them everything in his second reading explanation: perhaps they cannot read.

Mr. CASEY: It is not that they cannot read but that they do not wish to believe anything the Premier says. We are indebted to the member for Onkaparinga for emphasizing hazards that insurance companies face in certain fields. He has been associated with the insurance business as Chairman of a corporate company in this State. It is obvious from Auditor-Generals' reports in other States that a loss will be shown in certain insurance fields for the first few years, but this is offset by other forms of insurance. This is an aspect of any business, particularly insurance, that must be considered. An insurance organization would be fortunate if, in its first two or three years of operation, it was able to strike an even balance in the field of comprehensive and third party motor vehicle insurance. However, workmen's compensation insurance, etc., is a different thing altogether; this is the profit-making field of

insurance. One has only to examine the Auditor-Generals' reports in the other States to conclude that all forms of insurance, other than those connected with motor vehicles, more than make up for the deficits that may occur in respect of motor vehicle insurance. I have no hesitation in supporting a Bill of this kind, particularly when we are boosting competition, in which we believe.

Mr. Heaslip: That's news to me.

Mr. CASEY: It may seem strange to people who do not wish to face facts, but there is nothing strange about it when people really look into the matter. This Bill will benefit the people of South Australia. Indeed, if an insurance company functioning in another State wished to establish in South Australia, the Opposition would be the first to acclaim that fact. The establishment of a Government Insurance Office here is no different from a private company from another State establishing here. Members of the Opposition said the people would not contribute to the lottery.

Mr. Heaslip: Who said that?

Mr. CASEY: The member for Gumeracha (Hon. Sir Thomas Playford) said it was like putting poison in the hands of children! He did not desire a lottery. I am free to patronize the Lotteries Commission if I wish, and I shall be free to patronize the Government Insurance Office when it is established.

The Hon. D. N. BROOKMAN (Alexandra): I strongly oppose the Bill. No need would have existed even for Labor to introduce the measure had it not been for a policy that the Government is obliged to implement. I really do not think there is as much Government enthusiasm for this legislation as we are led to believe. The Bill is one of those things that has been forced on the Government by Party policy. We are repeatedly witnessing ways in which the Government is controlled by an outside body. I refer to the Labor Party executive. We have seen evidence of this in this House over and over again in the last few years, and I believe that this is another instance. I do not really think that members of the Government Party would bring in such a measure as this unless they were pushed into it from outside.

Mr. Hughes: You have no foundation for saying that.

The Hon. D. N. BROOKMAN: I have had plenty of proof over the years of the way the Labor Party is dictated to from outside.

The Hon. G. G. Pearson: What about bar maids?

The Hon. D. N. BROOKMAN: As I have been challenged to produce instances, I am reminded by a member on my side that there is an amendment on members' files dealing with the employment of barmaids in hotels. That Bill is to be debated next week, and the amendment is another instance of orders being given to Labor members from outside.

The SPEAKER: The honourable member will realize that he cannot discuss the Licensing Bill in this debate.

The Hon. D. N. BROOKMAN: Government members have a touching faith in nationalization. If they had a chance, they would nationalize more things than they are nationalizing here. We know very well that a few years ago they made a disastrous attempt to nationalize the banks. We know further that insurance companies are high on their nationalization list, although not quite high enough to be dealt with in public just before an election. This is a dangerous subject for the Government Party to deal with, but we know that Labor members believe in the nationalization of banks and insurance companies. Despite this, we hear the member for Frome saying, "We believe in competition, and this is the justification for the Bill." He says that this is competition, but I believe it is not fair competition: indeed, it is not competition at all.

Mr. Burdon: It has operated for the last 50 years in every other Australian State, and the results have proved otherwise.

The Hon. D. N. BROOKMAN: The honourable member is the first to shout, "Don't bring in other States," when it does not suit him; yet he goes on saying, in respect of this matter, that the other States have insurance offices. True, other States have certain types of Government Insurance Offices, and this State is the only one that has no form of Government insurance. However, that argument does not appeal to the people any more than the idea appealed to the people in other States when it was thrust on them. Opposition members do not want a Government Insurance Office, nor do most members of the public. They would say, "If the Government wants to invest our money in this way in competition with private enterprise, why doesn't it leave it with us to invest for ourselves?" I maintain that they have a perfect right to say that.

I shall not deal extensively with the general subject of insurance, for I wish to discuss briefly some amendments that I have on members' files. Perhaps I should mention first that according to the definitions in clause 2 "insurance" includes "assurance". I think

the member for Mitcham made a truly magnificent contribution to this debate and that members opposite, even if they agree with nothing that he said, will agree with the force and logic of much of what he said. I think it was one of the best speeches I have heard him make, and that is saying a good deal. I do not intend to try to emulate him in any way, because he is far more expert than I am on the subject. However, I intend to move several amendments.

The Bill is heavily weighted against private enterprise, because all the forces available to the Government are brought against it. As the member for Mitcham so strongly pointed out, what the Government is bringing against private enterprise in this case is probably being brought against the holders of life policies with all the well respected life assurance companies that now operate in Australia. This is Government competition against them, and to my mind that is not a good thing. Members of the Government Party say they believe in competition, but I do not believe that their idea of competition is fair, because they are going to oppose the policy holders of these life assurance companies and they are going to do it with a Government guarantee. In that respect, clause 15 provides:

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.

That is, to my mind, the first of a series of indications of just how fair this competition is going to be. It will be competition with the people's money. My second point is that, under the Bill, the Government may borrow anyone it likes from any department of the Public Service. That is another very telling blow at the whole structure of insurance. I do not think we can call that fair competition by any means. Clause 17 provides:

Whilst any Act relating to income tax shall not apply to the commission, the commission shall from time to time pay to the Treasurer such sums as the Treasurer deems to be the equivalent of the amounts which would be payable by the commission if the commission in respect of its insurance business were liable as an insurance company for payment of income tax and other taxes under the provisions of any Act or Commonwealth Act.

Mr. Speaker, I intend by my amendment to impose a slightly different obligation. Instead of the words "the commission shall from time to time pay to the Treasurer such sums as the Treasurer deems equivalent", I should like the provision to read, "the commission shall from time to time pay to the Treasurer such

sums as are equivalent", without any shilly-shallying about what the Treasurer thinks and what he does not think. Let us provide that the commission shall pay taxes the same as private insurance companies pay taxes, not only in respect of its insurance business but in respect of all its business. Why should this not be so? If the commission makes an income from some property or investment, why should it not pay taxes on that as well?

Although members of the Government say they are setting up a commission, they are very closely setting up, in effect, a Government department, because early in the Bill we have the old piece of Labor policy stipulating that "the Commission shall be subject to the control and directions of the Government of the State acting through the Minister". That is true Labor policy. The Minister will, in effect, control everything. That is one thing over which we have quarrelled before, and it is not the system on which our great and successful trusts and semi-government organizations have been set up in this State over the years. I believe there is a dangerous tendency towards too much interference by Ministers. A Minister is bound to be wrong at times: he is more likely to be wrong than a commission that is independent of a Minister. Clause 17 (4) sets out who will decide the size of the reserve that the commission shall keep by making the following provision:

Where at the end of any financial year a profit is disclosed in the accounts of the commission such portion of such profit as the Chairman, the Under Treasurer, and the Auditor-General deem advisable shall be carried to a reserve and any balance shall be paid to the Consolidated Revenue Fund to the extent directed by the Governor.

I will move an amendment to the effect that in this case the commission will decide what reserves it shall keep. What is the good of including the Auditor-General in this way? His purpose should be to report to Parliament on the work of the commission: it should not be his job to take part in the decisions of the commission. However, the Bill provides that he will take part in policy-making decisions of the commission and then report on its work. That is an anomaly which should be corrected. In any case, the task of deciding what reserves should be kept should be left to members of the commission and should not be dealt with by the other officers to which the subclause refers.

The Bill provides that the Auditor-General shall report to the Minister and that the Minister shall cause that report to be tabled in each House of Parliament within 14 days after

it is received. As I believe the Auditor-General should report to Parliament by a specified date, I shall move an amendment to provide that that date be September 30, which is reasonable and which is in line with instructions to the Auditor-General in most other cases. I believe we should have distinct funds provided for the different types of insurance. I could not have disagreed more emphatically with the member for Frome than when he said, in effect, that one class of insurance could be loaded in order to help another class of insurance. That is exactly what should not take place. One class of insurance (possibly where the insurers are quiet and uncomplaining) should not be loaded with a heavy burden in order to spread bait for another class of insurance; yet that is what will happen if the funds are not separated.

Finally, whether or not any amendments are wholly or partly accepted, I will still vote against the Bill at the second and third reading stages because I believe it is entirely wrong in principle and, although I am yet to be convinced that there could ever be a right time, I am more convinced than ever that this is the wrong time to introduce it.

Mr. RYAN (Port Adelaide): I have much pleasure in supporting the Bill. The introduction of a Government Insurance Office is long overdue and is urgently required by the people of the State. Reference has been made to the socialistic programme of the Australian Labor Party and to the Government's introducing Bills to implement that programme. It is apparent to me that many members opposite have not studied the history of this legislation as they should have. A State Insurance Bill was introduced into this House in September, 1924, by the Treasurer of the day, the Hon. John Gunn—and what a Treasurer he was! He is written about in political history now. In his second reading explanation of the Bill, he said:

I move the second reading of this Bill, the purpose of which is to enable the Government of South Australia to carry on insurance business of all kinds. The principle of Government insurance is not altogether new in this State. Since the year 1920 the State Bank has had legislative authority to underwrite insurance against fire on the houses in respect of which it makes advances, and the amount standing to the credit of the Insurance Fund in that bank last year was £29,141 13s. 10d.

It was a paying proposition before 1924, yet the member for Alexandra said, "Now is not the opportune time; now is not the time when we can embark upon a State undertaking such

as insurance." But, when the Hon. J. Gunn introduced his Bill in 1924, the profit on insurance standing to the credit of the State Bank was £29,141. What an enormous sum of money that would be at today's values! The then Treasurer continued:

The Bill proposes to enable the Government to carry on insurance business of every kind, but there is nothing to prevent the Government from restricting their activities to any particular branch or branches of insurance business. By clause 5 of the Bill provision is made for the establishment of a State Insurance Office under the control of the Treasurer, and managed subject to that control, by an official to be known as the Insurance Commissioner.

The amazing aspect of that Bill was that the Liberal and Country League Opposition said it was the introduction of a Socialist programme. Sir Henry Barwell said so but, irrespective of the red herrings of the Opposition on that occasion, that it was a Socialist programme, the Bill was passed in this place. It would have given a lead to practically every other State in the Commonwealth. It just shows what a backward State this has been under the long regime of a Liberal Government. We did not advance from what was initiated at that time.

Mr. Broomhill: What happened to the Bill?

Mr. RYAN: It was sent to that august Chamber the other place, its constitution then being not much different from its present constitution. Ultimately the Bill was defeated in another place.

Mr. Clark: It did not even pass the second reading stage.

Mr. RYAN: Yes, and members opposite talk about a House of Review where democracy shall prevail! It is always assumed that, if a Bill is to be defeated by the Opposition, it will be defeated after the second reading has been carried. Let us see what was said in 1924 about this Bill:

Huge profits from the insurance business are annually going out of Australia into the pockets of shareholders in other parts of the world.

I defy any member of the Opposition to say that that principle has altered. It has probably gained momentum over the years and an even bigger percentage would be going out of Australia today compared with 1924. As I say, that Bill was defeated by the majority of the House of Review, it being considered from the point of view purely of Party politics and not of what was good for the State. I shall deal further with the socialistic programme that almost every Opposition mem-

ber has mentioned, because it is a policy determined by the Australian Labor Party. It is not a hidden policy. When it is made or reaffirmed, all the people of South Australia are told. Any decisions of the Party to which I am proud to belong are advertised. We admit the press.

Mr. McKee: The anti-Socialist Party doesn't.

Mr. RYAN: I defy the Liberal and Country League to allow the press into the annual conference that will take place in September this year, during show week, the time it always takes place. The Liberal and Country League informs the public of only those decisions that it wants the public to hear about. The press is not admitted to the conference.

The Hon. R. R. Loveday: That is the anti-Socialist Party, the invisible men.

Mr. RYAN: Yes. We are called the faceless men, but we are prepared to face the public and let them know who the so-called faceless men are. Much has been said about our socialistic programme. I sincerely believe that that programme has done much for this State. There has also been mention of the State Bank, the Bill for the establishment of which was introduced on August 20, 1925, by a Labor Government. The Hon. John Gunn, who introduced the measure, said that the Bill was one of the most important Bills that would be dealt with during that session of Parliament.

Mr. Langley: Another first!

Mr. RYAN: Yes. The Bill was opposed by the Liberals, the anti-Socialists. I mention this because the Liberal and Country League Government, although it was in power for 32 years, did not attempt to remove from the Statute Book the socialistic programme of the Australian Labor Party. If this was anti-social, against the wishes of the people and not required or wanted in this State, why did not the Liberal and Country League Government remove it from the Statute Book? The reason was that that Government knew the outcry that would result from the deletion of something that had proved its value to the State. The Leader of the Opposition went on a Cook's tour to Victoria for two days and then on a further Cook's tour to New South Wales for two days. When he returned he told us of the wonderful advantages in those States and how backward South Australia was. I wonder whether the Leader spoke to Sir Henry Bolte or to Mr. Askin about the advantages that could be derived from the establishment of a State Insurance Office! He

wants to be able to say to the people at the next election, "We will not have to raise taxes if you elect us."

The Hon. J. D. Corcoran: He went to Mount Gambier and said that we had a \$20,000,000 deficit.

Mr. RYAN: There are 20,000,000 reasons why he was wrong. The Labor Party, as a good Government, is prepared to face the public next March on this very issue if that is what the Opposition wants, because here is a way to develop the finances of the State without imposing additional tax.

Mr. Langley: And the people want it.

Mr. RYAN: Of course they do. Victoria has not what is generally known as a State Insurance Office covering all classes of insurance, but in Victoria the Motor Car (Third Party) Insurance Bill was introduced by Mr. Bailey, Chief Secretary and Attorney-General. The records will show that Mr. Bailey was not a member of the Australian Labor Party; he served under the Premiership of the Hon. A. A. Dunstone, who was by no stretch of the imagination a Labor supporter or sympathizer.

Mr. Curren: An anti-Socialist!

Mr. RYAN: Yes. When introducing the Bill in the Victorian Parliament, the Minister said:

As insurance will be compulsory under the Bill—

and the Liberals hate anything compulsory— it is essential that protection should be extended—

this is a real gem—

to owners against any danger of exploitation by insurance companies.

A Liberal Minister said this. In 1939 the Liberals must have thought that certain sections of the public were open to exploitation by insurance companies, otherwise why would a Liberal Minister have made this statement? He went on to state the following objects:

1. To determine premiums.

2. To authorize the establishment of a State motor car insurance office in conjunction with the existing State accident insurance offices, which will enter into competition with the insurance companies for the business offering.

Members opposite say that they oppose this Bill because it infringes the rights of private enterprise. The truth is that this Government has introduced a Bill that will create competition with the private enterprise insurance companies operating today.

A weekly television programme sponsored and probably financed by the free enterprise banks includes an advertisement stating that

the free enterprise banks allow the public to enjoy a choice, including the choice of the Commonwealth Bank. What is this Government doing now?

Mr. Nankivell: You would not have given the public any choice. You would have nationalized the banks.

Mr. RYAN: We are giving the public a choice in insurance; we are not restricting it to the State Government Insurance Office. I promise the member for Albert that, after this measure has been in operation for some time, the majority of insurance business will be going to the State Insurance Office. Why? Because the people do not want a State Insurance Office? That would be ridiculous! The State Insurance Office will be patronized by the ordinary person because he believes in it and because he believes that he will get from it the kind of deal he needs.

Several Opposition speakers have said that there has been an annual increase in insurance business of about one per cent, but this is not substantiated by official figures published in every State that has a Government Insurance Office. The minimum annual increase in insurance business in the other States that I can find in the Auditor-General's reports is greater than 10 per cent. That is for the Government Insurance Offices only. I am not quoting nor do I know the overall annual increase of insurance business. If the Government Insurance Office is created (and it will be), it will have to compete for a portion of that increase.

In New South Wales the Government Insurance Office (amazing as it may seem) operated illegally for many years. The Liberals, when in Government, knew this, because they had received advice from the Attorney-General and the Crown Solicitor, but they did nothing to overcome the difficulty. In January, 1927, Mr. McKell (as he was then) as Labor Minister of Justice, when introducing a Bill said that the Bill was to validate insurance transactions undertaken by previous Governments, and also gave legislative authority to the carrying on of the present insurance activities of the Government since 1918. This was initiated in the first instance by the Holman Government, which was not a Labor Government. If this can be considered a socialistic programme, apparently Liberals will jump on the band wagon of any popular legislation. The then Liberal Leader of the Opposition, in his second reading speech, said:

This Bill is not being introduced a day too soon. It is long overdue, as a matter of fact.

That is a Liberal comment. The Liberals could have opposed the Bill but they have made no effort, since being in Government, to delete it from the New South Wales Statutes. Why?

Mr. McKee: They are not game.

Mr. RYAN: True.

Mr. Langley: It is a money spinner.

Mr. RYAN: It is the greatest money spinner ever, and without additional cost to taxpayers. In Queensland, a State considered in some respects to be identical with South Australia concerning financial matters, a State Government Insurance Office Bill was introduced by the Hon. T. A. Hiley, Treasurer and Minister for Housing. He was not a Labor member, but he said:

It is desirable that a Bill be introduced to provide for the incorporation of the State Government Insurance Office of Queensland to authorize such corporation to carry on the general business of insurance and to transfer to and provide for the carrying on by such corporation of all business of insurance being carried on by the Insurance Commission immediately prior to the commencement of this Act.

A Liberal Minister introduced this Bill in Queensland in 1960, and it was supported by the Labor Opposition. Liberals have been in power since then: if this was undesirable legislation why has it not been deleted from the Statutes? It was such a good money spinner that the Liberals were not prepared to do so, because it was a form of revenue. How much of a money spinner is insurance? What is the volume of business now being transacted with private companies that may be diverted to the Government Insurance Office? In 1964-65 the premiums in New South Wales for all classes of insurance totalled \$52,018,000. Peanuts—small business—not worth worrying about—too much cost! In the following year the premiums jumped to \$57,241,000, an increase of over 10 per cent. Those figures relate only to the State insurance office and not to the private companies in New South Wales.

In 1964-65 the premium income of the State insurance office in Queensland was \$35,000,000, and in the following year it jumped to \$38,812,570, once again an increase of over 10 per cent. That is business that even Liberals in other States have said is a type of commerce in which the State should compete with free enterprise. We readily endorse that view. I am sorry the member for Mitcham (Mr. Millhouse) is absent; he is prepared to give it but not to sit here and take it when it is our turn.

He gives false figures in order to prove a particular point but he is not prepared to listen to the truth. The net profit made by the Accident Insurance Office in Victoria in 1960-61 was \$1,187,602; in 1961-62 it dropped a little to \$1,053,552; in 1962-63 there was an enormous jump to \$1,733,474; in 1963-64 it was \$1,102,570; and in 1964-65, \$1,311,144. That applies to a State where the business allowed to be transacted under the State insurance scheme is limited. But the profit to the Government, even in that State, exceeds \$1,000,000 annually. I know the benefits the people of this State could receive if the State had an insurance office that could be assured of no less than \$1,000,000 net profit to the State's revenue. This is an important and long overdue piece of legislation.

Mr. McKee: Members opposite do not think it is important; they are not paying attention.

Mr. RYAN: They are not interested, but they will be interested when this matter is once again introduced in another place. If this Bill is defeated, the Labor Party will be prepared to fight on this issue at the next election. The Party has nothing to lose or hide, but the State has much to gain by the implementation of this legislation. I know the Bill will be passed in this House, not on the facts we submit but on the merits of the Bill as it is drawn.

Mr. McKee: Because of public opinion.

Mr. RYAN: Yes. Our counterparts in other States have not opposed similar measures. When a similar Bill was introduced in New South Wales, the Leader of the Opposition said (and I hope that the Opposition in this State adopts the same attitude):

So long as the Government Insurance Department is worked on a fair business basis and is debited with every charge with which it ought to be debited and is not carried on as a sort of charitable institution, I have nothing whatsoever to say against it.

I sincerely hope that that becomes the attitude of the Liberal Party of this State. The Government Insurance Office will be competitive. It will be debited with the same charges as are levied against private insurance companies. There will be no favouritism. The only favouritism will be the patronage by the public, because the people, by their patronage, will prove that they wanted this legislation. Adverse comments have appeared in the press criticizing the creation of this office, because some people fear they may lose their livelihood. The people who have made such statements are apparently at variance

with their association, because recently the Insurance Officers Federation (the union) praised the Government when it announced it would re-introduce this Bill, and said it wholeheartedly supported the Government.

Mr. McKee: It still does.

Mr. RYAN: Yes, and its members are the employees in insurance offices. They say there will be greater opportunities for advancement and, as there will be competition by the Government Insurance Office, it will be to their advantage. If this office had been established in 1924, South Australia would have been the second State to have a Government Insurance Office. Even though it will be the last, we will be able to say that the Government has at least caught up with some of the amenities provided in other States.

Mr. McANANEY (Stirling): I oppose the Bill. We have just heard a most eloquent speech from the honourable member for Port Adelaide (Mr. Ryan) who, as usual, quoted many figures. However, he tended to confuse the issue. We have in South Australia at present very adequate organizations that are in competition with one another and supplying the needs of the people of this State. The member for Mount Gambier (Mr. Burdon) spoke of how much the State Government Insurance Office in Western Australia had made out of insurance. However, in the next breath he strung out a list of organizations that use the Government insurance scheme, and we find that they are nearly all Government-controlled bodies. Therefore, I imagine that most of the Government Insurance Office's profits would be made out of Government instrumentalities and semi-government bodies. It would merely be taking money out of one pocket and putting it into another.

Most of these Government Insurance Offices charge tariff rates, whereas many country people insure with companies such as Lloyds and the Federation Insurance Company and receive up to 22½ per cent rebate on their premiums. These rebates are also available through insurance agents, of which there are many in the country. Tasmania has also been quoted in this debate. The Tasmanian people recently ran into a great deal of trouble with their hail insurance, which was a State insurance matter. Tasmania had a severe hailstorm, but because the State insurance system had not entered into re-insurance it had to bear the entire loss. As a result, the Government office has had to abandon that side of its insurance business and create a

voluntary insurance pool. Although the hail damaged only a few apples on each tree, the insurance office paid out full insurance. I point out that hail damage will often grow out of an apple. Those apples were sold again.

Mr. McKee: Apples will grow again.

Mr. McANANEY: They were sold again, and the insurance office paid twice for them. I think that is a scandal that should have been brought to light. What came out of the disastrous fire in Tasmania leads one to doubt the wisdom of insurance at all. I think over \$5,000,000 was collected for fire relief in that State, and that was used by the Government to assist certain people who had not insured. Those who had insured got no more out of it than those who had not insured.

Mr. Burdon: Are you making out a case for the abolition of insurance companies?

Mr. McANANEY: It is a complete shambles over there. I was told only today that some people who had not insured were paid up to \$8,000 for their houses; yet 100 farmers had to walk out of the fire-damaged area because they did not receive a share from the fund. The practice of the Government Insurance Office in Tasmania would hardly give one faith in such companies. Reference was made to the profits earned by the Queensland State Insurance Office but, up to a point, it has a monopoly because workmen's compensation must be dealt with through it. As a result of visiting Queensland about two years ago, I understand that in some way or another police officers are involved in settling claims and in collecting insurance on motor vehicles. As the Police Force is an independent body, treated with much respect, I think it undesirable that police officers should be involved in this kind of activity.

I believe that the New South Wales Government Insurance Office has some merit and is about as close to a mutual insurance company as could be achieved. As is provided in this Bill (and this is a good feature of it), the New South Wales Government Insurance Office must pay income tax on the same basis as it is paid by private companies. However, apparently only about \$2,300,000 profit has been made by that office in 26 years. Also, most of the margins of profit made have been repaid in bonuses to the shareholders.

In explaining the Bill, the Premier did not say much that would influence me to support a Government Insurance Office. He did not even give figures of how much would be

involved in establishing it. However, he did criticize the insurance companies operating in the State. He said that they charged a higher rate for insuring motor vehicles subject to hire-purchase agreements. The New South Wales Government Insurance Office makes a similar discrimination between rates of insurance for vehicles under hire-purchase and for vehicles not under hire-purchase. I think the Premier will find that people who do not have such a large financial interest in their vehicles will have a higher accident rate than people who own their vehicles. In any case, I cannot see any justice in having a flat rate of insurance to apply to all categories, because people who were not involving the company in a high risk would have to support those who were doing so.

The member for Frome said that a Government Insurance Office could lose much money in motor vehicle insurance in the first two or three years of operation but that it could make this up from other types of insurance; surely there is no justice or reason in that. He said that he believed in competition, and yet on another occasion he said that competition with the railway system should be eliminated in certain parts of South Australia. The trouble with people with socialistic tendencies is that they never know when to stop. The Government will get this insurance scheme going and then will discover that some sections of it will not be too profitable. That was so with the railways, and we already have a hint of what the Government will do with the abattoirs: it will try to make them a monopoly because it is in financial difficulty; and more so in the future, because stock from the metropolitan abattoirs is going to another State to be killed and their carcasses are brought back here, when that stock should be killed here; but our killing charges are not competitive with those in other States. When these socialistic ideas do not work out, the first thing the Government says is, "We shall have to tackle those people who are smarter than we are; we will introduce legislation accordingly."

When the Premier introduced this Bill, he spoke of delays arising from arbitration and referred to the defects in the Act. He claims to be a radical reformer. We do not know just what he means by that, from the way he acts at times, but surely if something is out of date he should be the first to bring it up to date; he should ensure that these claims are settled quickly. It intrigues me to look at one State insurance fund mentioned. It is stated, "Claims admitted but not paid—

\$96,000". That means that they are three months behind in the settlement of their claims that have already been admitted. That does not augur well for greater efficiency in the settlement of claims.

Mr. McKee: Our Government Insurance Office will do better than that.

Mr. McANANEY: It can be seen from the New South Wales balance-sheet that almost a year's claims have not been met. A Labor Government was in power in New South Wales for a long time. Its set-up caused these delays, which emphasizes my point that, if there are delays in payments (which are, apparently, common to both State and private insurance companies), surely legislation should be passed to ensure a quick settlement of claims. This Bill could be improved in many ways. For instance, a commission of five is too large. New South Wales has only a General Manager. Perhaps a commission of three would be sufficient. Also in New South Wales a General Manager over the age of 65 cannot be appointed, which is a good thing because a term of five years would mean that he would be 70 before he retired if he was appointed at the age of 65. That rule is in the interests of efficiency. I do not support this Bill, because this is not the time to introduce it.

Mr. HEASLIP (Rocky River): Naturally, I oppose this Bill, if for no other reason than that I do not believe in Socialism.

Mr. McKee: Are you opposed to the Electricity Trust and to what has been done at Leigh Creek?

Mr. HEASLIP: I was not a member when a Liberal Government established the trust. However, the trust has been doing a wonderful job and the Government's action in establishing it ought to be recognized. The trust is not a Socialist enterprise, as this Government Insurance Commission will be. This is only the beginning of the Labor Party's programme of Socialism. In the Commonwealth sphere the Labor Party tried to nationalize banking, but failed. The Party also tried to amalgamate the two Government banks in South Australia but the public outcry was such that that matter was not proceeded with. Despite what the member for Port Pirie has said, there has been no outcry for the establishment of a State Insurance Office, nor has the need for it been established. The member for Alexandra (Hon. D. N. Brookman) referred to this far-reaching heading on the Bill:

A Bill for an Act to authorize the establishment of a State Government Insurance Commission; to authorize such commission to carry on the general business of insurance; and for other purposes.

That embraces many matters, although it may seem to the ordinary person to be merely a Bill to establish the commission.

Mr. McKee: Do you think it will affect the Grosvenor?

Mr. HEASLIP: Of course it will: it will affect every business in South Australia, because it will increase taxes. Clause 12 gives to the commission these wide powers:

(1) Subject to this Act and the directions of the Minister not inconsistent with this Act, the commission is hereby authorized and empowered—

(a) to undertake and carry on in the State the general business of insurance, including any class or form of insurance which is, at the commencement of this Act, being undertaken or carried on in the State by any person engaged in the business of insurance, or which may be considered necessary or desirable;

The Government will have power to carry on the business of insurance broking as well as other forms of insurance and assurance. The powers given will be sufficient to enable the Government to socialize completely insurance, assurance and the brokerage of insurance. It gives the Government power to do all these things, plus others, unfortunately.

Mr. McKee: You do not agree with competition?

Mr. HEASLIP: I do agree with it. If competition does not exist in the insurance field in South Australia, I do not know what competition is. There is just as much competition in the insurance field as there is in the market for motor cars. What is the use of a Government Insurance Office when there is already keen competition? I do not believe that the Government should spend its money on something that is not productive, and this Bill authorizes such spending.

The member for Frome asked why the Opposition members did not support the Bill. I have not heard one reason why we should support it, but I know dozens of reasons (apart from those already mentioned) why we should oppose it. The member for Frome went on to say that a Government Insurance Office could make losses for the first two or three years. South Australia has progressed very well for the last 20 or 30 years without such an office. If it makes a loss—

Mr. Broomhill: Not an overall loss. He didn't say that.

Mr. HEASLIP: He said it would make a loss, and I agree with him in this respect. Even if it makes a small profit, it will require much money to set it up and to keep it going. If the Government has money to spare, it should spend it more productively instead of using it to set up an insurance office. The people at Kimba are carting water because the Government has not provided a main that the Public Works Committee recommended three years ago. The Government has no money to do this, yet evidently it has money to set up a Government Insurance Office that will make losses for the first two or three years. Keith has no water scheme today because the Government said that it did not have sufficient money to provide it and because the Government took to the West Coast the pipes that the Playford Government had put at Keith in preparation for a water scheme there.

Mr. Ryan: What about the pipes that you put on Kangaroo Island and took away?

Mr. HEASLIP: What has happened to the Middle River scheme on Kangaroo Island? It has been started, but it should have started years ago. Why should the Government spend money on an unproductive, unnecessary and unwanted insurance office? If it has spare money it should be used properly, not improperly on this scheme. It seems that it is a matter of policy and that the Government is being told what it has to do. No Government member has said why the Bill has been introduced. The Premier in his so-called explanation said:

Its object is to establish a State Government Insurance Commission. The insurance field is one which all other States in Australia have entered for two reasons: (a) to keep premiums low; and (b) to ensure by competition that adequate service is given to the public.

Both those conditions exist today. This legislation will not reduce premiums, because it is competition between insurance companies that keeps premiums down. Insurance companies' profits have been reduced in the last few years.

Mr. Ryan: Isn't there collusion between companies?

Mr. HEASLIP: No, they compete against each other. Evidently the member for Port Adelaide does not know about the non-tariff companies.

Mr. Ryan: Do you deal with them?

Mr. HEASLIP: Yes, at the best terms I can get.

Mr. Ryan: What safeguard have you if they go broke?

Mr. HEASLIP: All insurance companies lodge a fidelity bond before they operate; they issue balance sheets; and they have security. I have made many claims, none of which has been refused if the company concerned has considered it to be just. None of the companies with which I have dealt has gone broke. Indeed, I shall be surprised if the member for Port Adelaide can name one company in South Australia over the last 20 years that has gone broke.

Mr. Ryan: I can tell you two. Standard was one.

Mr. Nankivell: That didn't go broke.

Mr. Ryan: Not much it didn't! Australian Overseas was another.

Mr. HEASLIP: Neither of the reasons given by the Premier is valid. We already have low premiums and keen competition in this State. The Premier went on to say:

The other State insurance offices have been able to give good service to the public, to give a general service of insurance by competition and to be of assistance to Government revenues in a modest way.

I have already said that our insurance companies are giving good service to the public. Who puts up most of the money when a semi-government loan is raised? Our insurance companies do.

Mr. Clark: Where do they get the money?

Mr. HEASLIP: That does not matter; the companies greatly assist by subscribing to loans. However, the Premier said they did not and that that was why the Bill was introduced.

Mr. Clark: He did not say that.

Mr. HEASLIP: I will correct that: the Premier said that the Government Insurance Office would do more in this regard than the present insurance companies are doing.

Mr. Hall: And it would prevent threats being made!

Mr. HEASLIP: I am coming to that. The South Australian Government is broke.

Mr. Ryan: What Government isn't?

Mr. HEASLIP: No other State is setting up an insurance office.

Mr. McKee: They've all got one.

Mr. HEASLIP: They established those offices when they had the money. If the Government has any money, let it spend it in a productive way.

The Hon. C. D. Hutchens: Would the Liberal Government have established an office when it had money?

Mr. HEASLIP: I am referring to other State insurance offices that have been estab-

lished by Labor Governments, which all had the money. The member for Frome said the Government Insurance Office would lose money for the first two or three years.

Mr. Casey: I didn't say that would apply overall.

Mr. HEASLIP: The honourable member said that the office could make a loss for two or three years.

Mr. Casey: Let's get this right. I said that the insurance office could make a loss on third party and comprehensive insurance. Everybody else but you knows this.

Mr. HEASLIP: The honourable member might have meant to say that, but he did not say it.

Mr. Casey: Oh yes I did.

Mr. HEASLIP: *Hansard* will show what he said. The next reason the Premier gave for introducing the Bill was as follows:

In other States the Government Insurance Offices have from time to time given much support to semi-governmental loan raising, but we do not have a similar fund available in South Australia to cover any gap that may occur in these loan raisings. Indeed, the Government of South Australia can be subjected to pressure from large financial institutions which threaten that, unless certain financial policies are followed by the Government, they will not be prepared to assist semi-governmental raisings.

Mr. Millhouse interjected:

Have you had any such threats?

The Premier said:

I am not going to say anything further than that: I simply say it is a possibility.

In other words, he accused the insurance companies in South Australia of threatening, and later said he had never been threatened. If the interjection had not been made, he would have got away with that. It was a horrible insinuation against all insurance companies in South Australia. It was a horrible insinuation, and untrue.

I have not heard one good reason advanced by members opposite on why this Bill should have been introduced, but I have heard plenty of reasons why it should not be introduced, the main reason being the Government has no money to spend on such an unproductive undertaking. Even if it did have the money, it should be spent on something productive and not in competition with other good insurance companies in the State.

Mr. JENNINGS secured the adjournment of the debate.

ADJOURNMENT.

At 10.10 p.m. the House adjourned until Wednesday, July 19, at 2 p.m.