

## HOUSE OF ASSEMBLY

Wednesday, October 9, 1968.

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

### STATE BANK ACT AMENDMENT BILL

His Excellency the Lieutenant-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

### FESTIVAL HALL

The Hon. D. A. DUNSTAN: I am informed that this morning the Premier announced that he had accepted the riverside site for the proposed festival hall, performing arts centre, or whatever it is to be called. Can the Premier say whether this is so and, if it is, will he table any report which he has received and which indicates how any disadvantages that have been canvassed relating to that site are to be overcome?

The Hon. R. S. HALL: This morning I received a report from the investigating committee, which I had asked to study the site I had proposed for a festival hall on which stands the South Australian Railways Institute and the State immigration hostel. This committee was first mentioned publicly on August 21, I think, when I spoke to the Opposition's motion concerning a festival hall, or, as the Opposition termed it, a performing arts centre. I congratulate this committee on reporting to me today: obviously, this was an expeditious survey. I will read the conclusion of the report. I am not sure whether a further copy is available at the moment, and I hope the Leader will bear with me until I make sure I have one. I should like to study this in detail, but I have not yet had a chance to do so. I will in due course table a copy of the report for all members to peruse. The report is essentially based on the following summary:

In the unanimous opinion of committee members,

- (a) the Elder Park site is well suited to the erection of a festival hall;
- (b) if an affirmative decision can be made in sufficient time to allow design to commence by March, 1969, it should be possible for a festival hall to be built and available for the Adelaide Festival of Arts in 1972.

Further, the committee feels that not only is the use of the Elder Park site feasible but that its use would create an exciting range of

possibilities for the civic design of areas of the southern bank of the Torrens Lake between the Morphett Street and City bridges and for the environs of Parliament House.

At no time since I asked the committee to investigate this site have I contacted it. I have left its members entirely to their own devices, and the first subsequent communication I have had with them occurred this morning, when I received the report from them. I thank members of the committee for their swift and (from what I have seen of the report) efficient investigations. I will table a copy of the report as soon as a spare is available, and I will submit the report to Cabinet to be considered at the earliest opportunity.

### YORKE PENINSULA RESERVE

Mr. FERGUSON: Some time ago it was suggested that a fountain be erected in a suitable place in memory of the late Harold Holt. Later, commenting on this suggestion, Dame Zara Holt said she thought it would be more appropriate to name in memory of her late husband a national reserve close to the seaside. As a national reserve is soon to be dedicated on the southern part of Yorke Peninsula, close to the sea, will the Minister of Lands consider recommending to the appropriate authorities that that reserve be named the Harold Holt National Reserve?

The Hon. D. N. BROOKMAN: I am grateful for the honourable member's suggestion; it will be considered, and I will discuss the matter with the Government. I remember Dame Zara Holt's comment about having a national park named after her late husband. At the time, I was a little puzzled about whether we could do anything about the matter. We already have some national parks with fine ocean scenery, Flinders Chase being one that comes to mind, but this area has been traditionally known by that name for many years. However, now that the honourable member has mentioned the reserve on southern Yorke Peninsula which has not been named, the suggestion might well be worth following up. I will supply further information on the matter later.

### MILLICENT RAILWAY YARD

Mr. CORCORAN: Has the Attorney-General obtained from the Minister of Roads and Transport a reply to my recent question about repairs to the Millicent railway yard?

The Hon. ROBIN MILLHOUSE: My colleague states that action has been taken to make good the damage to the roadways in the

Millicent station yard. The surface irregularities in the vicinity of the rail trucks have been occasioned by the spillage of bulk superphosphate during unloading, which spillage was not picked up by the operators. However, arrangements are in hand for the removal of this. When these two matters have been attended to, it is considered that the condition of the roads in the Millicent railway yard will be generally satisfactory. No major programme of reconstruction is contemplated at this stage.

#### FREIGHT CHARGE

Mr. McANANEY: Some time ago I asked a question about charges made by the South Australian Railways for transporting stock from the abattoirs to Melbourne. As I received yesterday a reply that did not relate exactly to my question, will the Attorney-General ask the Minister of Roads and Transport what rate was charged by the Railways Department last year for taking lambs from the abattoirs to Melbourne and what is the present rate?

The Hon. ROBIN MILLHOUSE: I will find out the precise information for the honourable member.

#### PROPERTY ACQUISITION

Mr. CLARK: Recently I have had telephone conversations with constituents (and I have asked them to put these matters in a letter to me) who are not happy at the treatment they have received from the Natural Gas Pipelines Authority, which has acquired or is acquiring part of their land for the pipeline. If I give him a copy of the letter, will the Premier ask the Minister of Mines to investigate this matter to see whether a satisfactory solution can be found?

The Hon. R. S. HALL: I do not know whether the approach made to the honourable member is the same as an approach made to me a few months ago. Of course, when I get the information from the honourable member I shall be able to ascertain whether it is. If it is the same approach, I can tell the honourable member that the initial statements made to me were not accurate. However, I shall be happy to take up the matter and to make sure that a proper and just attitude is being adopted by the authority.

#### RIVERTON-JAMESTOWN SERVICE

Mr. ALLEN: Has the Attorney-General obtained from the Minister of Roads and Transport a reply to my recent question about the Riverton-Jamestown bus service?

The Hon. ROBIN MILLHOUSE: During the year ended June 30, 1968, 9,335 passengers and 39,045 parcels were carried on the bus service between Riverton and Jamestown. The revenue received amounted to about \$31,000, but this is the total amount earned in conveying these passengers and parcels from their stations of origin to destination: it is not the earnings from that portion of the journey covered by the bus nor is it practicable to assess what these would be. The actual operating cost of the bus service amounted to \$20,259 for the year ended June 30, 1968.

#### RELIGIOUS INSTRUCTION

Mr. HUGHES: No doubt the Minister of Education read in this morning's *Advertiser* about the momentous decision of the South Australian Methodist Church to withdraw from the present system of giving religious instruction in State schools. Has the Minister, in conjunction with her officers, ever considered including, in school curricula, courses of religious instruction to be conducted by class teachers?

The Hon. JOYCE STEELE: Although I heard over the radio this morning about the resolution of the Methodist Conference, until I receive an official communication from the conference, giving the full text of the resolution, it would not be proper for me to comment. This matter has been the subject of much controversy in the past, and the question has not been easy to resolve. However, doubtless this matter will be opened up again when I receive a communication from the conference, and I shall consider the matter then.

#### WATER LICENCES

Mr. WARDLE: Yesterday the Minister of Works, when replying to the member for Albert (Mr. Nankivell), referred to the issue of a water licence, covering 1,080 acres, to Dehy Fodders (Australia) Proprietary Limited, which had applied for a licence to cover 2,400 acres. Many large projects, each involving about 1,000 acres, are being developed in the upper reaches of the Murray River. However, many applications have been made for areas of from five acres to 20 acres of additional irrigation area, and also for temporary irrigation permits. Therefore, can the Minister give an assurance that the applications in respect of the larger areas will not jeopardize in any way applications in respect of smaller areas?

The Hon. J. W. H. COUMBE: This matter is extremely contentious, my understanding being that the indiscriminate granting of

licences in the past led to action by my predecessor in February, 1967, to ban the issue of new licences for water rights on the Murray River above Mannum. Further, last year the Control of Waters Act was proclaimed to cover the whole of the river. Since then, although I have received many applications for water licences, no new licence or extension of an existing licence has been granted. As I told the member for Albert (Mr. Nankivell) yesterday, the matter is being reviewed, following receipt of the report of an inter-departmental committee set up to examine the matter. Until I have studied that report in more detail, I shall be unable to give the assurance for which the honourable member asks. However, I am concerned about the cases of people with small holdings who require a permit covering a small additional area in order to make the proposition worth while, and I am considering the matter carefully. I cannot go further than to say that I and the Government are considering the report fully, and I hope to make an announcement as soon as possible.

#### GLENELG PRIMARY SCHOOL

Mr. HUDSON: I understand that the provision of a new building at the Glenelg Primary School and the consequent restriction of the playing area available have created a problem for older boys, and parents have complained to me, asking that something be done to provide alternative playing area while building work continues. I believe that the school made an unsuccessful approach to the local council for permission to use the Glenelg Oval but, naturally enough, the council has had certain difficulties with that area, and permission was refused. However, there is the possibility of the use of a couple of tennis courts that are immediately adjacent to the school, and a couple of classes could perhaps use the banks of the oval. Will the Minister of Education take up this matter with the school to find out what is needed and, through her departmental officers, approach the council to see what can be done in this matter?

The Hon. JOYCE STEELE: Yes.

#### LAND SALES

Mr. GILES: In recent weeks, two men believed to be confidence men have been moving throughout the Adelaide Hills selling blocks of land at Phillip Island, near Melbourne. Some constituents in my district have lost considerable sums as a result of these trans-

actions. I have been reliably informed that these two men have now gone to the West Coast. Will the Attorney-General investigate this matter with a view to having these men apprehended?

The Hon. ROBIN MILLHOUSE: I will certainly do that. I am afraid we are pestered in this State (and this happens in many other places) by people who are no better than confidence men and who batten on to unsuspecting members of the public. I will obtain an urgent report on this matter, in the hope that, even if no police action can be taken at the moment, the publicity which I hope will be given to the matter will act as a warning to those who may be prospective victims.

#### CIGARETTE SMOKING

Mr. BROOMHILL: In last week's *Sunday Mail* appears an article headed "Smokers Shrug off Health Hazard". It refers to the fact that, despite medical warnings, cigarette smoking is increasing throughout the world. The article states:

Another effect was "the rapidly growing demand for low-nicotine and low-tar content cigarettes in the United States, Canada and several European countries. Indeed, this has become a decisive factor in the purchasing policy of manufacturers and will probably remain so".

It appears that in the United States of America the publication of the tar and nicotine content of cigarettes influences the sale of cigarettes, because it is held that these are two of the cancer-producing parts of cigarettes. Will the Premier ask the Minister of Health to see whether any worthwhile purpose would be served by publishing the tar and nicotine content of Australian-manufactured cigarettes?

The Hon. R. S. HALL: I will refer the question to my colleague.

#### NARRUNG WATER SUPPLY

Mr. NANKIVELL: Has the Minister of Works a reply to my question of September 25 regarding the provision of facilities on the jetty at Narrung for a suction pipe for the Narrung township water supply?

The Hon. J. W. H. COUNBE: The matter raised by the honourable member was first brought to the department's attention on August 26 in a letter from the District Council of Meningie which gave brief details of the proposed water scheme and which sought the department's approval to attach a pipeline to the jetty, in the event that the structure was under the department's control. At no time did the council indicate any degree of urgency

in the matter. Nevertheless, the council's request was investigated promptly and it was ascertained that the land adjoining the shore end of the jetty was unallotted Crown land. Accordingly, the Director of Lands was informed by letter on September 16 that the Marine and Harbors Department would be prepared to offer the council a licence for that section of pipeline to be placed on the jetty, provided the Director of Lands had no objection to the pipeline traversing the Crown land *en route* to the jetty.

The council was informed by letter the same day of the action taken and that it would be advised further when a reply had been received from the Director of Lands. The council's District Clerk contacted the Marine and Harbors Department Property and Services Branch on September 26, 1968, and stated that the matter had now become urgent. He was informed that in order to assist the council a verbal approach would be made to the Lands Department in an endeavour to obtain an early reply. The urgency of the matter was brought immediately to the notice of the Lands Department, which has advised that the Director of Lands would not object to the council's proposal. In the circumstances, the council will now be offered a licence for that portion of the pipeline to be laid on the jetty.

#### MAIN ROAD No. 30

Mr. McKEE: Has the Attorney-General obtained from the Minister of Roads and Transport a reply to my recent question about Government grants for road construction on the road from Port Pirie to Port Broughton?

The Hon. ROBIN MILLHOUSE: The 1968-69 works programme of the Highways Department provides the following allocations: the sum of \$40,000 to complete construction and sealing on the Port Broughton to Main Road 436 section of the Wallaroo to Port Pirie Main Road 30 (District Council of Port Broughton); an amount of \$25,000 to continue construction and sealing on the Main Road 30 to Clements Gap section of the Port Broughton to Merriton Main Road 436 (District Council of Port Broughton); and the sum of \$125,000 to continue construction and sealing on the Main Road 436 to Port Pirie section of the Clements Gap to Port Pirie district road (District Council of Pirie).

#### EGGS

Mr. CASEY: Recently, many people engaged in the poultry industry have expressed grave concern about the industry, with over-

production and increased cost of production being prominent reasons for this concern. Will the Minister of Lands obtain from the Minister of Agriculture a report on the industry in this State, and will he say what action the Government intends to take to solve the industry's problems, which must be solved to protect the future of the industry?

The Hon. D. N. BROOKMAN: Undoubtedly, there are problems, but I will get a report from my colleague on the present state of this industry. If the honourable member has any suggestions to solve these problems I am sure my colleague would appreciate hearing from him.

Mr. FREEBAIRN: Last week the Minister of Agriculture said he thought that the present cost-of-production price of eggs was not being received by poultry farmers. Will the Minister ask his colleague whether a survey of the poultry farmers conducted by the last Government is still continuing and whether egg prices received by poultry farmers in this State are lower than the cost-of-production price?

The Hon. D. N. BROOKMAN: I will ask the Minister about this survey and whether it still continues. Again, I repeat that any suggestions on how to improve the industry would be welcomed by my colleague.

Mr. RYAN: In a copy of the September 1968 issue of the *South Australia Egg Board Bulletin*, under the heading "Big Plans Announced by Board" an article states:

Without a suitable plant the board could not fulfil its obligations to the Australian Egg Board and C.E.M.A.

Will the Minister ask his colleague whether the Government intends to proceed with the Council of Egg Marketing Authorities policy adopted by the previous Government, and whether the plans announced by the board are in accordance with the requirements of C.E.M.A.?

The Hon. D. N. BROOKMAN: I will examine the question and obtain a report from my colleague.

#### ROWLAND FLAT SCHOOL

Mrs. BYRNE: The Minister of Education will recall that on July 31 I asked a question concerning the future of the Rowland Flat Primary School property, as this school had been closed by the department and the department had indicated that it intended to sell the school site and property. The Minister will also recall that 101 of the 109 residents of Rowland Flat signed a petition, which was

presented to the Director-General of Education, requesting that the property be transferred to the Rowland Flat community. Can the Minister say what further developments have occurred?

The Hon. JOYCE STEELE: When the honourable member discussed this matter with me I explained to her that a proposition had been addressed to me as Minister by a firm situated in the Rowland Flat area that was also interested in acquiring this property. The representative of the firm who saw me left for an oversea trip shortly afterwards and came back about 10 days or a fortnight ago. I have asked that the matter be pursued so that finality may be achieved. I have not seen the docket recently but I will ask for it to be brought forward so that I can tell the honourable member what is the latest position.

#### BOOK SALES

Mr. BURDON: The Attorney-General will recall that two or three weeks ago I asked a question about a bookselling organization based in another State, and about its operations in this State. Because of the reply given to the member for Gumeracha today and because I have now received another letter concerning the same firm, which is Grolier Enterprises, will the Attorney-General institute urgent investigations into the activities of this organization in South Australia, so that people dealing with this organization will know with whom they are dealing?

The Hon. ROBIN MILLHOUSE: I should like to be able to reply to the question with a straight-out "Yes", but I am not certain what investigations we can undertake. As the honourable member knows, the activities of door-to-door salesmen of books are covered by the legislation sponsored some years ago by the present Premier when he was a back-bench member. This Act has worked reasonably well with one amendment to it but, if the honourable member can give me specific information to show that there has been an offence under the Book Purchasers Protection Act, I will certainly examine it to see whether a prosecution should be instituted. I am not sure what else I can do at the moment in the absence of any specific suggestion.

Mr. Burdon: The interstate people are subject to the South Australian Act.

The Hon. ROBIN MILLHOUSE: Their activities in South Australia are covered by the Act.

Mr. FREEBAIRN: I have been informed that the course of studies taken by library students at the Institute of Technology includes a reference to the curious system of book pricing followed by Grolier Enterprises in which the specified retail price is several times the landed wholesale price. Will the Treasurer ask the Prices Commissioner to investigate the present activities of the Grolier organization?

The Hon. G. G. PEARSON: Yes.

#### ROADS PROGRAMME

Mr. VIRGO: Has the Premier a reply to the question I asked last Thursday about the roads programme announced by the Minister of Roads and Transport and whether this meant that the Metropolitan Adelaide Transportation Study could not proceed for at least five years?

The Hon. R. S. HALL: It has already been announced that the Government has not made any decision to accept the report. A decision has been deferred until February, 1969, to enable a full public discussion and consideration of the proposals. At the expiration of this period the Government will consider the recommendations.

#### RAIL CONCESSION

Mr. VENNING: Prior to or during the last war, rail concessions were granted on a day-excursion basis involving a single fare. We know that the Minister of Roads and Transport, in his endeavour to reduce some of the losses of the railways, intends to curtail certain services. However, concerning existing services, will the Attorney-General ask the Minister to consider whether, to help attract railway patronage, he will re-introduce the day-excursion concession that previously existed?

The Hon. ROBIN MILLHOUSE: I will ask the Minister to consider the matter.

#### FAUNA AND FLORA

Mr. FERGUSON: I understand that some rare species of flora have been discovered on section 97 in the hundred of Warrenben on Yorke Peninsula and that such species are not to be found anywhere else in South Australia. Can the Minister of Lands say whether arrangements are being made to have the area concerned dedicated as a fauna and flora reserve?

The Hon. D. N. BROOKMAN: Although I do not recognize the subject referred to by the honourable member as one to which my attention has been drawn, I will certainly examine it as it is of great interest to me.

**SMALL BOATS**

Mr. McKEE: Has the Minister of Marine a reply to my recent question about the mooring of small craft in the Port Pirie river?

The Hon. J. W. H. COUMBE: As all mooring sites at the jetties are currently occupied and the Harbourmaster has a long waiting list, I have requested the Fishing Havens Advisory Committee to look into the matter and submit a report in due course, after consultation with the local fishermen.

**MURRAY BRIDGE ROAD**

Mr. WARDLE: Has the Attorney-General obtained from the Minister of Roads and Transport a reply to the question I asked several days ago about the Murray Bridge to Palmer road?

The Hon. ROBIN MILLHOUSE: The road in question has a relatively low priority for sealing in comparison with other more heavily trafficked main roads, and there are therefore no firm proposals to carry out additional sealing as a complete project. However, it is expected that the two councils involved, namely, the District Councils of Mount Pleasant and Mobilong, will continue to up-grade the road in standard, and that some sealing will be carried out from time to time. Council activity will be financed to a large extent by way of Government grants.

**WEED CONTROL**

Mr. HUGHES: Has the Attorney-General obtained from the Minister of Roads and Transport a reply to my recent question about the control of weeds on railway property?

The Hon. ROBIN MILLHOUSE: The Minister tells me that action has been taken to remove the weeds in the area to which the honourable member has referred.

**HOARDINGS**

Mr. NANKIVELL: Has the Attorney-General obtained from the Minister of Roads and Transport a reply to the question I asked about erecting hoardings on railway property?

The Hon. ROBIN MILLHOUSE: Action is being taken (only when requested by councils) to remove advertising signs on the Duke Highway in areas where speed limits are not restricted to 35 miles an hour. The placing of hoardings on railway property is only permitted where the provisions of the Control of Advertisements Act are complied with and after inspection by officers of the South Australian Railways to ensure that no safety hazard is created.

**AUTO-ANALYSER MACHINE**

Mr. HURST: Has the Premier obtained from the Minister of Health a reply to the question I recently asked about the cost of the auto-analyser machine at the Queen Elizabeth Hospital?

The Hon. R. S. HALL: The cost of this machine, which was installed in the pathology laboratory at the Queen Elizabeth Hospital, was \$32,138.

**ROBERTSTOWN BUS SERVICE**

Mr. FREEBAIRN: My question concerns applications for a licence to operate a road passenger bus service between Robertstown and Adelaide. In two or three days' time it will be the final day for licence applications, and I have received complaints from people interested in applying for licences about not being able to obtain from the Transport Control Board positive information about the amount of revenue at present being derived from the Railways Department's train passenger service over this route. It will be appreciated, of course, that licence applicants are placed in great difficulty if, when applying for a road bus licence, they cannot obtain accurate information about revenue received from this line. As time is now running out, will the Attorney-General urgently ask the Minister of Roads and Transport whether the relevant information can be released to those applying for licences to operate on the route to which I have referred?

The Hon. ROBIN MILLHOUSE: I will talk to Mr. Hill about it as a matter of urgency.

**DRIVING PERMITS**

Mr. GILES: Has the Premier a reply to the question I recently asked about permitting schoolchildren under 16 to drive farm machinery and vehicles on roads traversing farm properties?

The Hon. R. S. HALL: Section 78 of the Motor Vehicles Act is emphatic and final in stating that "a licence or learner's permit shall not be issued to a person under the age of 16 years". Therefore, whilst it would not be illegal for the young people to drive within the confines of the properties referred to by the honourable member, there is no way in which they can be permitted to drive on roads. South Australia has the lowest minimum driving age. The age in Victoria is 18 years and in other States, 17 years, but special approval can be granted to drive at a lower age in some circumstances such as mentioned

by the honourable member. In Victoria a licence to drive a tractor can be granted at 16 years of age. There is support for our minimum driving age of 16 years but, on the other hand, it is felt that this should not be reduced to meet any particular cases. We have no information to show that the present law causes undue hardship.

#### AUBURN ROAD

Mr. ALLEN: On October 3 the Minister of Roads and Transport announced a \$124,000,000 programme for country road-works in South Australia over the next five years. Having perused the list, however, I notice that the road from Clare to Auburn has been omitted from this five-year plan, so in collaboration with the member for Light I ask the Attorney-General whether he will ask his colleague to consider including the Clare-Auburn main road in the five-year programme of works.

The Hon. ROBIN MILLHOUSE: Although I do not know whether it is possible to vary a programme that has been announced, I will ask the Minister whether he can do anything about this.

#### CRYSTAL BROOK SCHOOL

Mr. VENNING: Has the Minister of Education a reply to the question I asked some time ago about additional rooms to be built at the Crystal Brook Primary School?

The Hon. JOYCE STEELE: True, a dual-timber classroom unit was planned for erection about July-August of this year. However, because of more urgent needs in other districts, the project has had to be deferred for the time being. The Finsbury works branch of the Public Buildings Department is fully programmed in erecting rooms up to the early part of next year, and it is not possible at this stage to say when the rooms will be erected at Crystal Brook. It is hoped that, after all needs have been met at the beginning of 1969, Public Buildings Department workmen will be available to erect the rooms at Crystal Brook.

#### HORMONE SPRAY

Mr. WARDLE: Has the Minister of Lands obtained from the Minister of Agriculture a reply to my recent question about damage caused by the use of hormone sprays?

The Hon. D. N. BROOKMAN: The Acting Chief Horticulturist of the Agriculture Department reports that damage owing to hormone weedicide has occurred in virtually every glass-

house in the Murray Bridge area, and that it varies in intensity from slight to almost complete crop loss. He states that it is not yet clear whether the problem has been caused by the spraying of nearby vacant land, or by commercial cereal crop spraying, and local inquiries are therefore continuing with a view to determining the source of the damage.

#### GAUGE STANDARDIZATION

Mr. VENNING: Has the Premier a reply to my question of September 24 about the gauge standardization agreement and the date of the commencement of work on the Cockburn to Broken Hill section of the line?

The Hon. R. S. HALL: The agreement for the construction of a standard gauge line between Cockburn and Broken Hill has been signed by South Australia and New South Wales. I understand that the Prime Minister has signed, or is about to sign, the agreement. Immediately this State receives a fully signed agreement, ratifying legislation will be placed before Parliament. The preparation of plans and specifications for the Cockburn to Broken Hill railway is well advanced. The route of the line is delineated on the ground, but access for final surveys and construction is dependent on establishment of rights of access over land held by private interests in New South Wales. For the information of the honourable member, it is desired to point out that the work between Cockburn and Broken Hill falls into three categories: first, construction of the main line, which will be undertaken, in terms of the agreement between the Commonwealth and the States, by South Australia; secondly, reconstruction of the Crystal Street railway yards, which will be undertaken by New South Wales, also in terms of the agreement; and thirdly, the conversion of industrial sidings in Broken Hill, which is associated with the setting up of an authority in Broken Hill for the purpose of performing shunting and related functions within the Broken Hill industrial complex. It is understood that action is being taken by the New South Wales Railways in respect of the Crystal Street railway yards, and that negotiations are in progress in Broken Hill concerning the establishment of a shunting authority.

#### BORE SEALING

Mr. McANANEY: My question relates to the new method adopted by the Mines Department for sealing out the top saline waters to prevent their getting into bores. I understand that the old method of pressure cementing

was that cement was dumped or pumped into the casing and high-pressure water was pumped down on to the cement, forcing it out into the cracks or holes. The present system is that bentonite is pumped down and the casing is removed, breaking the seal around the casing. Then cement is pumped or dumped into the bore forcing the bentonite to the surface. As the cement is porous and very soft it mixes with the bentonite. This could cause a break away, allowing saline water to come down behind the casing. Also, the thickness of cement (if any) around the casing is not known. The pressure involved is not high, being about 5 lb. to 10 lb. As the old method has been discarded, will the Premier obtain from the Minister of Mines a report on how effective was that method? Was it a complete failure or was it reasonably effective?

The Hon. R. S. HALL: I will obtain a reply from my colleague.

#### GUN LICENCE FEES

Mr. ARNOLD: I believe that, when gun licence fees were raised from \$2 to \$4, an assurance was given that only \$2 would be used for administration and that the additional \$2 would go towards the promotion and upkeep of game reserves. Will the Minister of Lands find out whether the additional \$2 has been used in that way and, if it has, to what extent game reserves have benefited?

The Hon. D. N. BROOKMAN: Some information on this matter was contained in the Budget. However, I will obtain a statement on the full expenditure in relation to game reserves.

#### TRANSPORTATION STUDY

Mr. VIRGO (Edwardstown): I move:

That this House is of the opinion that, whilst accepting the need for long-range planning for freeways and public transport for metropolitan Adelaide, the Metropolitan Adelaide Transportation Study Report should be immediately withdrawn in order to prevent continuation of the serious harm inflicted on citizens and also because—

- (a) the recommendations with respect to railways are unsound in principle and excessively costly;
- (b) the Government should consider alterations to the proposed freeway routes which would minimize the direct and indirect interference with the lives of citizens; and
- (c) the Metropolitan Adelaide Transport Survey proposals as published are beyond the financial resources of the State.

First, I point out that it is now almost two months since the Premier released in the *Advertiser* details of an 18-year plan which he described as exciting and somewhat controversial. I do not know whether there has been much excitement about it, but it has certainly been controversial. Since the plan was released, not only has much controversy been aroused but also much information has come forward showing clearly that the plan was released without first receiving the consideration it merited.

Before dealing with the various aspects of the matter, I wish to make plain my position, particularly in view of an allegation levelled at me by the Premier at least once that I oppose forward planning. That allegation is completely untrue.

Mr. Broomhill: The position is quite the reverse.

Mr. VIRGO: Yes. I and other members of my Party believe completely in forward planning, without which we would suffer the consequences in future.

Mr. Hurst: We are paying now for lack of planning.

Mr. VIRGO: There is not a shadow of doubt about that, and we shall pay more if we do not plan. However, we must be careful to plan properly and thoroughly, not bring forward hotch-potch schemes in the name of forward planning, expecting the public to accept them. Every member on this side would subscribe wholeheartedly to what I have said about the need for and desirability of forward planning. However, I cannot accept the M.A.T.S. plan as coming within the definition of forward planning. The Government, in releasing the report, has failed miserably by not providing adequate answers to safeguard the interests of the people who may or may not be concerned, depending upon whether the scheme is ever put into operation. It is somewhat ironic to consider this statement by the Premier in the *News* of August 12:

The Government was determined that no individual would suffer hardship under the M.A.T.S. plan without receiving adequate compensation. Early consideration will be given to setting the public's mind at rest on the question of land acquisition. It is the Government's intention that nobody should be worried unduly by the implementation of the plan before they become affected.

The very basis of my complaint is that people are being worried, because the plan has been introduced, whilst the Government has not said whether it will go ahead with it. This



attitude taken by the Government was confirmed only about a quarter of an hour ago in this House, when the Premier said, in replying to a question I had asked last Thursday, that the Government had announced that it had not decided to accept the report. The Premier then went on to say:

A decision has been deferred until February, 1969, to enable a full public discussion and consideration of the proposals. At the expiration of this period, the Government will consider the recommendations.

That is a complete repudiation of the Premier's undertaking given to the people on August 12. In fact, throughout the whole of the discussion of this plan we have had repeated repudiation by the Premier and the Minister of Roads and Transport. It is not good enough that the public should be left under a cloud as they have been for the last two months, and will continue to be until at least February, 1969, according to the Premier's reply today. Because of this, I have been impelled to move this motion, urging the Government to do the right thing by the public by withdrawing the report until the Government can submit something positive and capable of implementation.

Mr. Broomhill: Or at least something that Cabinet has considered.

Mr. VIRGO: One would expect Cabinet to have considered this plan long before releasing it to the public, and also to have considered ways and means of implementing the plan, so that the citizens could receive the answers to which they are entitled to their many questions. The Premier, when replying to a question I had asked last week about the acquisition of property, attempted to twist and to imply that the Government had previously given an undertaking to purchase properties involved if the owners were *bona fide* transferred. The Premier knows as well as I that, if I had not brought this matter direct to the attention of the Minister, the person concerned would not have been able to sell his property.

Mr. Broomhill: There was no machinery.

Mr. VIRGO: No. Until I asked the question, the Highways Department was not acting as agent regarding the M.A.T.S. Report but was concerned only with that department's proposals. However, the department is acting as agent now because the matter was raised in the House and the Minister has given the appropriate direction.

Mr. Clark: What happened before that?

Mr. VIRGO: Unfortunately, people who do not know where to seek advice have to battle on as best they can, and it is obvious

that the people affected by this plan would not have got satisfaction. One of the regrettable positions in which a member of Parliament finds himself is that in which he has access to people and departments but that access is denied to the ordinary citizen. This is not good enough. Although the plan has been considered by many people, I do not know of a more apt description of it than that of the former Railways Commissioner, and I quote for the benefit of the Premier, who has received a copy of this report, the following statement by the former Commissioner:

Indeed, the plan is so lavish that it is not only beyond the resources of the State but it also contemplates structures which sweep through built up areas of the metropolis destroying those very things which it was M.A.T.S. prime objective to conserve and use. Long-term plans, involving at the same time huge commitments and widespread destruction of the citizens' property, are revolutionary, not evolutionary, and, as such, are not reasonable plans to present to the Administration for decision. At this time, in this pleasant place, there is no need to tear apart that which we hold dear. As in the past, things may be allowed to evolve here for years to come without danger to the well-being of the community.

I do not think the former Railways Commissioner has an axe to grind on either the Labor Party or the Liberal Party side. He is able to evaluate a scheme, and he has evaluated the M.A.T.S. plan well. Much harm is being done to people affected or likely to be affected by the plan, and for the Government to complacently tell these people that they can stew in their own juice until next February is not good enough. However, that is what the Government is saying. Frankly, I do not consider that the scheme will ever come into operation. I do not think it can be introduced, not the least important reason being the lack of finance. Nevertheless, surely the Government has a responsibility to do more than complacently sit back. It should consider whether the plan could be put into operation. If it did that, it would come to the conclusion that I have reached. The Government should be considering alternative plans. As members opposite know, a few weeks ago I presented to this House a petition signed by 5,679 people. Since then, I have received additional petition forms which I have not yet presented to Parliament. These people cannot just be thrust aside. They have a right of existence and they have a right to be heard. I speak on behalf of all of them this afternoon and plead with the Government to use a little compassion and

fake away from these people the burden it has placed on them needlessly as a result of the report.

○ If the report's recommendations are to be implemented, then the people ought to be told now and not be kept waiting until next February. At present, they are in a hopeless position. Only yesterday I was approached by an industrialist whose company's property is affected by the report and who is considering expanding his plant. He asked me, "What do we do?" How does one answer such people? Does one tell them to go ahead and expand their plant or to sell up and move somewhere else? In other words, a state of flux has been created by the report's release and it is creating a hardship which, I believe, should never have been inflicted on the citizens and which should be removed as quickly as possible.

I turn now to the three points contained in the motion and deal with them one by one. First, the rail rapid transit section dealing with the resiting of the railway from the Edwardstown to Goodwood stations is one of the greatest blunders contained in the report: there is no justification for it. That is not only my view but also the view of a former Railways Commissioner. The plain economic facts (and why the Treasurer has not looked at this and made some comment, I will never know) are that the proposed rerouting will cost about \$5,500,000, all to save the building of an overway on what is known as the Emerson crossing and estimated to cost \$1,000,000. These are the economics: spend \$5,500,000 in order to save \$1,000,000! This is crazy, yet until the Government withdraws the report and faces up to its responsibility, the people whose homes are in the path of the rail rapid transit are living under a cloud.

The report also suggests that the rerouting was necessary because of the switching-over problems that would occur at Goodwood, where the railway would take the new route following the Glenelg tram line. In addition, it was suggested that there had to be an alteration, because the Marino railway line had only a four-minute headway, which was insufficient. It is a pity that the M.A.T.S. authority did not consult someone who knew something about this matter. I have done just that. There is a four-minute headway on the Marino line and there is a good reason for it: it was designed that way. If something else had been required, the headway would have been designed accordingly. On the Adelaide to Woodville line there is a 2½-minute headway and on the Adelaide to Dry Creek line there

is a three-minute headway. These headways can be arranged to suit the need. On the British underground tube there is a ½-minute headway. The same headway could be used on the Marino line as a simple operation: merely a re-location of signals and perhaps the use of the four-quadrant signals instead of the three-quadrant signals. It is as simple as that.

The changeover at Goodwood to the existing Glenelg tram line poses no problem. The whole plan is based on fantasy, not on fact, as far as the rail rapid transit is concerned. The report is at fault by stating that by cutting out stations traffic will be increased. The authority must have a different opinion of the attitude of the public from the opinion I have. I do not believe that members of the public will travel a mile away from their homes merely to catch a train. They want to travel toward their homes, and they want the existing stations. This does not mean that by retaining the existing stations the service cannot be speeded up.

The use of the feeder buses to the rail rapid transit service is also a fantasy of the imagination. This is in operation at Elizabeth now, and look how unsuccessful it is there! It would be just as unsuccessful if it were put in operation for the rail rapid transit service. Also associated with this matter, if the feeder bus service is put into operation, is the question of who will pay the cost of building the heavy duty roads on which these buses are to run? It is no good saying the buses can run on the existing roads. Everyone knows that if a bus is put on the normal metropolitan road it will be about six weeks before it is broken up. All of the roads will have to be rebuilt, and this lends weight to the view of Professor Jensen: that the programme's hidden costs would probably bring the ultimate cost to \$1,000,000,000. When will the Government tell us where the money is to come from?

Mr. McKee: Not much money will be spent on country roads.

Mr. VIRGO: No, other than the arbitrary sum laid down under the Commonwealth Aid Roads Act, which provides that 40 per cent must be spent on rural roads other than main or trunk roads. The whole of the rail rapid transit plan will not stand up to close examination, and the Government and the Premier know this as well as I do. It is for these reasons that the report should be withdrawn and the weight that rests today on the

shoulders of people removed. The Government would not have had to buy the property I referred to last week if it had faced up to its responsibilities and accepted the fact that the rail rapid transit proposals were fantasy.

Regarding the financing of the rail service, I find this the most unimaginative and unrealistic part of the report. There are no concrete proposals for financing the railway service. The sum \$79,000,000 is involved in the whole scheme but we are given no idea of where to get the money, other than the imposition of a \$1 levy on every gas and electricity bill, a 3c impost on the sale of every packet of cigarettes, a toll for travelling over bridges, or money raised by means of debentures. We have not heard a word from the Government, because it knows it will not be able to get finance that way. The only avenue open to it is the ordinary Revenue and Loan Accounts. It is time that the Government stated that it would use this method, or would scrap the scheme, because there is no alternative. If it uses the ordinary Revenue and Loan Accounts, this will mean a reduction in expenditure on education, hospitals, and other State services: there is no alternative. The former Railways Commissioner said, "The recommendation to abandon the existing Goodwood junction and Edwardstown railway and to relocate the line through a built-up area along the Glenelg tram route is incomprehensible." He summed it up so well that I have no need to add anything.

His estimate of cost coincides with what I have been saying for some time: he said that the additional cost would be about \$5,500,000. He also said that curves on the railway system were too sharp. I remind the Premier of what I said on this point when, in speaking about relocating the festival hall, he assured me that before a decision was made about the site he would certainly have this point examined. I hope he has done this: I warn him that I will ask him a question tomorrow about whether he did that before the report was released today. I hope that he will be able to tell me that he has and give the name of the engineer in the Railways Department who gave him the information. I turn now to the second paragraph of my motion, which states:

The Government should consider alterations to the proposed freeway routes which would minimize the direct and indirect interference with the lives of citizens.

The Premier has said many times that the department will be happy to examine any alternative proposals, but that is not good enough. Despite the Premier's replies, the Highways Department officers openly advocate and promote this scheme throughout the metropolitan area, and it is no good the Premier saying that these officers attend meetings sponsored by councils merely to explain this proposal. Not only are they explaining it but they are also promoting it, and I suggest that they are doing this at the direction of the Minister. Also, the booklets issued by the Highways Department promote the scheme, despite the Premier's denial. What would be the good of people going to this department with an alternative scheme? Its attitude must be that this is the scheme the department is promoting, that it will consider any other scheme from the viewpoint of destroying it, and that it will not say whether it is better.

I have told the Premier that there are alternatives to this proposed scheme. I could draw a line for the Noarlunga freeway from the North Adelaide connector to Darlington, the route of which would require demolishing about 20 houses: it is as simple as that. However, the M.A.T.S. authority has not considered this; it merely said it wanted 92,000 daily trips from point A to point B and the quickest way was to draw a straight line. If a person's house was knocked over, that was too bad, because these authorities were returning to America and could not care less. This is the arrogant attitude displayed by the Government in relation to this report.

Mr. McAnaney: By giving the people a chance to make suggestions, as they will?

Mr. VIRGO: It is not a matter of doing that.

Mr. McAnaney: Of course it is.

Mr. VIRGO: It is all right for the honourable member, who lives at Langhorne Creek: no-one is taking his house away from him. However, I speak for the people whose houses are being deliberately taken away from them by this Government.

Mr. Broomhill: And the member for Stirling is a member of that Government.

Mr. Rodda: Who started this?

Mr. Corcoran: The Playford Government.

Mr. VIRGO: The Playford Government in January, 1965, and the member for Victoria knows that as well as I do. I believe that every possible alternative should be thoroughly investigated, and only when every alternative has been—

Mr. McAnaney: That is why people have six months to consider the plan.

Mr. VIRGO: —considered and found wanting, and it is certain that this is the only scheme that is any good, will I, then and only then, accept this plan. If the member for Stirling has read this report, and I doubt whether he has because he is a country member and is not concerned—

Mr. McAnaney: Bunkum.

Mr. VIRGO: If he has read the report he will realize that the study merely considered the Town Planning Committee's report. The authority made one modification called M.A.T.S. No. 1, a second called M.A.T.S. No. 2, and then came up with M.A.T.S. No. 3. Did the authority consider any other proposal? Apparently, as I hear nothing from Government members, they cannot say anything. They are suddenly struck dumb. The only reply I can get from the Premier is that he will not let me fence him in. The people in the area affected by this report have been fenced in by this Government, and it is time that the Government realized this and took some action.

Mr. McAnaney: Be logical.

Mr. VIRGO: I am trying to be logical, and I ask the member for Stirling to be logical with the people affected.

Mr. McAnaney: They can make a logical approach to the Government on it.

Mr. Corcoran: On what? They don't know how the Government can finance it, and they don't know anything about it.

The DEPUTY SPEAKER: Order! Order!

Mr. VIRGO: The sin was created when the Government released this report without having proper regard to how it would be financed or of how the people affected would be treated. Under the development plan, there would be ample opportunity for people to consider the plan, because there is a period of six months in which objections can be lodged. What is the Government trying to give the people and what is it trying to do to the people?

Mr. Hudson: Government members can't answer those questions.

Mr. VIRGO: I assure the member for Stirling that the Government has effectively fenced in those people who are in the path of the railway rapid transit or in the path of the freeways.

Mr. Evans: How many miles of freeway are recommended in the report?

Mr. VIRGO: If the member for Onkaparinga asks such stupid questions he should retire from the House, get his report, and

read it, because obviously he has not opened its covers. I do not have to educate the honourable member he can do that for himself. If he is not prepared to study the report and make himself aware of the effects it will have, that is his problem. I am concerned that possible alternatives exist, although whether or not those alternatives would be successful remains to be seen. However, they will require investigation.

I have already said that I can take a route from the North Adelaide connector to Darling-ton requiring the demolition of 20 or 30 houses. This scheme just cannot be lightly scotched. What consideration has been given to some of the existing highways? We know that the M.A.T.S. authority examined existing highways. I have some interesting information that I should like an unbiased engineering authority to examine. The Anzac Highway is choked morning and evening, and something has to be done. One of the Highways Department officers, when speaking at one of the public meetings held allegedly for the purpose of explaining the report (not supporting it, the Premier says), said that if the M.A.T.S. Report recommendations were not operating in 20 years we would need four Anzac Highways, and so we must implement the M.A.T.S. recommendations. That is that officer's way of explaining the report. On the Anzac Highway are two footpaths which, I am informed, are each 21ft. 6in. wide, and there is a median strip 23ft. 6in. wide.

Mr. Broomhill: What about the cycle track?

Mr. VIRGO: That is included in the 21ft. 6in. footpath and, unfortunately, that has gone. It was removed before the West Torrens council repealed the relevant by-law. I understand also that a section of the track is in the Unley District, and that the Unley council is being treated similarly. At present there are three traffic lanes on the Anzac Highway, one of which is quite ineffective, because motorists are able to park on the side of the road in that lane, so that, in effect, only two lanes can be used. As I hope that most members opposite know, there are 5,280ft. in a mile and, if we allow 40ft. a car, 132 cars can be travelling along Anzac Highway in a lane within a mile. I hope the member for Stirling (Mr. McAnaney) can follow this simple arithmetic; I know the Attorney-General is frowning, but I will give him the details later so that he can check the figures, which I think are correct. If these cars are travelling at 40 miles an hour (as they would be on the Anzac Highway, because no car on that highway

travels below the speed limit of 35 miles an hour), we can have 5,280 cars passing a given point within an hour in one lane, and if the number of lanes was increased (as it could easily be) to four effective lanes (by using the median strip and by making part of the footpath an inner lane) 21,120 cars could pass a given point every hour. The report states that there will be 92,000 daily trips on the Noarlunga Freeway by 1986. Assuming the Anzac Highway were altered as suggested, 42,000-odd vehicles would be accounted for, so what is the argument concerning the Noarlunga Freeway in 1986?

I suggest that over-passes ought to be considered: while traffic lights are necessary for safety at level intersections on our various highways, with divided intersections the time of travelling from Adelaide to Noarlunga would be reduced considerably, the number of cars able to use the highway increased, and the congestion that now occurs reduced.

I think those engaged on the study did the whole of their job with much enthusiasm and compiled some extremely valuable information. However, when they reached the final part of their job, I think they broke down miserably, and I think the Government has broken down miserably by allowing the report to be released and left in the lap of the public. I think the matter of finance has been adequately dealt with previously by the Leader of the Opposition, who showed clearly the impracticability of trying to proceed with the recommendations contained in the report. The Leader's attitude was fortified by the statement made last week by the Minister of Roads and Transport to the effect that \$124,000,000 would be spent on country roads in the next five years. He has been clearly shown that the Government cannot finance these recommendations and that it does not intend to go on with them or to discuss them. Therefore, I believe this report ought to be redrawn and that the load which the Government has placed on the shoulders of those members of the public affected by the report ought to be removed immediately.

Mr. BROOMHILL (West Torrens): I second the motion *pro forma*.

The Hon. ROBIN MILLHOUSE secured the adjournment of the debate.

## EDUCATION ACT REGULATIONS

The Hon. R. R. LOVEDAY (Whyalla): I move:

That the regulations under the Education Act, 1915-1960, in respect of trainee teachers' allowances, made on August 29, 1968, September 5, 1968, and October 3, 1968, and laid on the table of this House on September 3, 1968, September 17, 1968, and October 8, 1968, respectively, be disallowed.

It is necessary to disallow these three regulations in order to secure continuity of the present arrangements that govern the provision of the payment of travelling expenses of over 20c to student teachers and the provision of free textbooks on loan. The latest regulation has had to be gazetted because the first regulation was placed in the *Gazette* through a mistake that occurred, apparently, between the Education Department and some other department. The second regulation was gazetted because at that time the allowance of \$85 a year had been suggested as something that would take the place of the existing travelling allowances and free textbooks on loan. At the time, the \$85 a year was said to represent the total sum that was now being paid in respect of the present allowances but, as a result of questions asked in this House, it was seen that that was not the case and, following subsequent discussions with the student teachers and debates in this place, the sum was increased to \$105. We now have the latest regulation, which is to take effect from January 1, 1969, and is intended to eliminate the present arrangement and to substitute for it a flat payment of \$105 a year a student.

In the previous debates on this matter it has been made abundantly clear that the purpose of putting this regulation into effect is to achieve the objective of saving a considerable sum. This was not admitted at first when it was said that there would be no savings and that the same sum would be expended as had hitherto been spent. It was claimed that the virtues of the new arrangement were that it would produce some kind of equality and that the students would be able to have more dignity and would be able to provide themselves with a professional library.

As a result of questions asked, it has been made abundantly clear that the real reason for the change is monetary savings. In fact, when the matter was placed before the Subordinate Legislation Committee it was made plain to the committee that savings would be effected, particularly in regard to checking

travelling claims and in regard to clerical expenses in connection with present library work. This is a saving that is to be made at the expense of many student teachers who, with their parents, have every reason to expect that the conditions upon which they entered into their present careers as student teachers would at least be maintained. This point should surely be recognized far more clearly than it has been by members opposite up to the present.

Mr. Corcoran: It is definitely a repudiation of the agreement.

The Hon. R. R. LOVEDAY: Yes. When one enters an agreement of this type one does not expect the conditions to be reduced. If an alteration occurs, one expects the conditions to be at least maintained, if not improved. This saving is part of the reduction in the finances made available to the Education Department this year for general expansion of the department's services. Previously I pointed out that this reduction percentage-wise had been from 7 per cent to 5.6 per cent. In providing for a payment of a flat sum of \$105 to each student, a great injustice will be done to those students whose inevitable travel and textbook expenses exceed this sum. We have had evidence that, in some cases, individual travel costs exceed \$200 a year. Students living at Elizabeth find it costs them \$120 a year for travel. Minimum book costs in a number of categories range between \$90 and \$100 a year, and no averaging system can possibly do justice to individual students in these varying circumstances.

I should like to touch now on the policy pursued by the previous Government to show just how different this regulation is in concept and policy from the policy of the previous Government in regard to teacher education. Recognizing the need for an adequate supply of teachers of quality, the previous Labor Government not only increased student teachers allowances, which had remained unaltered for over 10 years, but also provided 200 unbonded scholarships of \$200 a year to attract students of the best calibre. We also improved the conditions in regard to signing agreements. I may say that, as Minister of Education, I took the trouble (and incidentally the pleasure) of visiting the colleges, and twice I sat in on meetings of the Students Representative Council because I was anxious to see how the internal affairs of the college were run. I believe that

the relations between the student teachers' body, the Education Department and the Minister at that time were at a very high level.

The Commonwealth Government was also persuaded to provide additional funds for teacher education because we regarded this as a matter of the highest priority, as did Education Ministers in other States, and this resulted in the much earlier building of Salisbury Teachers College. Relations with teachers college students were at a very high level, and we found that the quality of students entering our teachers colleges improved appreciably. In fact, it was difficult for a student last year to be accepted in one of our teachers colleges unless he had matriculated, and this shows a tremendous improvement in the standard of our students.

Everyone, including the present Minister of Education, would agree that the present pupil-teacher ratio is higher than desirable. Obviously the only way to improve this situation is to increase our recruiting of teachers. The regulations I am now discussing must have the effect of putting this policy into reverse gear. No longer will students and parents believe that agreements on teacher education will retain their value. One can easily imagine the frenzied criticism we would have received from the present Attorney-General had we been in office and been responsible for these regulations (had we been silly enough to introduce them).

I can recall that, when we were in office, the Attorney-General (he was then the member for Mitcham) easily had a record in respect to questions asked about education in this House. He was always jumping up on his feet and trying to find fault with the Administration at that time; he did this on every conceivable occasion. However, now we hear not a sound out of him on the matter, and he is supposed to be an influential member in Cabinet! What is he doing now, with his great concern about education in this State?

What do members opposite who represent country districts honestly think of this scheme? Many of them have been in the habit of making frequent complaints about the quality of education in the country. For example, they have complained that the quality of teachers in country schools is not up to the quality of teachers in metropolitan schools. They have complained that their children cannot get a good enough secondary education in country areas. What do they honestly think of the effects of this measure? What do they think will be the short-term and the long-term

effects of the regulation? Yet these are the people who have complained so much about the lack of good education in the country. These members also tell us that they are free to act as they wish and that they have minds of their own. Because they say they desire good education facilities for children in country towns, it will be interesting to see whether they vote for this motion. Those members tell us that they are not bound by Party rules, that they have freedom of choice, so this will be a good test. Do members opposite realize that, to maintain teacher requirements, we must secure at least 25 per cent of the students who matriculate each year? We must do that in competition with other industries and professions that seek high-quality matriculated students in this State. We should do our best to attract students of the best calibre from our secondary schools.

More than the reduction of the teacher-student ratio is involved: our Education Department is being completely overhauled. New methods being introduced require more teachers, and our pursuit of comprehensiveness requires far more secondary teachers of good quality, because the adoption of comprehensiveness requires that much more attention be given to individual students. We are changing our curricula to meet the needs, aptitudes and interests of individual students. How can we succeed in this without having sufficient secondary teachers? Do members opposite think that this sort of regulation will meet this situation? These regulations will only discourage future recruitment and create injustices in the case of the majority of student teachers now attending our colleges.

I have said that I see little relevance in the comparisons of allowances paid to student teachers in the various States and I continue to hold that opinion, despite what the Minister has said. On October 2 the Minister quoted the student-teacher allowances paid throughout Australia and she said, amongst other things, that student teachers in South Australia received allowances that were the third highest paid in the Commonwealth. She went on to quote the figures that will apply in South Australia next year, but those amounts should be reduced by \$105 if they are to be compared with the amounts being paid at present in the other States. What is the point of comparing the present figures for other States with the figures that will apply in South Australia in 1969?

Mr. Hudson: And ignoring other allowances, too.

The Hon. R. R. LOVEDAY: Precisely. There may be some relevance in this comparison if the regulation were being introduced on the grounds that our students were being treated far too generously. However, that is not so. As shown in the *Advertiser* today, the South Australian student teachers who live away from home are paid the least allowance paid in any State, and only two States pay less to students living at home than does South Australia. There is no relevance of the comparison on the basis that our students may be treated more generously than students in other States.

As I have said, when the Labor Government came into office the allowances had not been altered for more than 10 years. We altered them immediately and would have liked to provide higher allowances, had we had the money to do so. Since that alteration was made, the students have become entitled to another adjustment because of the increased cost of living. The allowances paid to enable a student to go to college should not be fixed at the whim of the Minister every 10 years or so. They should be fixed at an amount that is reasonable and then adjusted automatically from time to time, in accordance with changes in the cost of living.

Mr. Broomhill: There should be a specific formula.

The Hon. R. R. LOVEDAY: Exactly.

Mr. Rodda: It's a wonder you didn't raise taxation last year.

Mr. Casey: We tried to, but you threw it out. What about the Succession Duties Bill?

The SPEAKER: Order! There is too much conversation. The member for Whyalla.

The Hon. R. R. LOVEDAY: My reason for saying that there was little relevance in the comparison of the allowances paid here with those paid in the other States arises from the fact that we are dealing with a situation as it exists now. We are dealing with allowances that have been paid since 1959 and have been accepted as part of the arrangements under which students enter our teachers colleges. These allowances have been accepted by students and parents as not being likely to be reduced in future. People do not accept that sort of treatment, particularly when costs are increasing. In other words, although this is not legally a breach of contract, it is such a breach otherwise. This overrides all other considerations, including the

relevance of the comparisons with other States. Furthermore, the arrangement now proposed in the regulation creates injustices among students, and these two matters are far more important than anything else. All the argument about comparisons falls completely to the ground.

The matters involved in the motion have been canvassed thoroughly and I think I have said sufficient to enable members to make up their mind. We shall be interested in what the country members do, having regard to their complaints in the past that education facilities in the country were not as good as those in the metropolitan area. We shall also see with interest how the Attorney-General votes. In the past he has had much to say on education, having complained bitterly if we could not find enough money to match Commonwealth grants or if we decided not to clean school windows. He complained as much as he could about what the Labor Government did in education. Therefore, this is an admirable opportunity for him to show his continued interest in the progress of education.

The Hon. JOYCE STEELE secured the adjournment of the debate.

#### WATER CHARGES

Adjourned debate on the motion of Mr. Riches:

(For wording of motion, see page 629.)

(Continued from August 28. Page 909.)

Mr. NANKIVELL (Albert): The member for Stuart raised a few matters, on some of which I am in sympathy with him and on some of which I differ with him. There is some merit in what the member for Stuart and the member for Whyalla said regarding water usage in the country, particularly in dry years. If rebate water is charged for on a property valuation basis (even with the heavier loading that applies in some country towns), the movement from rebate water charges to excess water charges occurs more rapidly in the country than in the city. I agree with this, and I agree that it is only proper, if possible, that the people in the country should enjoy the same privileges as city people enjoy but, if it were not for these water schemes, they would not enjoy these privileges. The cost of supplying and maintaining water supplies in the country is greater than it is in the metropolitan area.

I can speak with recent experience of the matters associated with water from the Taillem Bend to Keith water scheme; which is a coun-

try scheme and one to which the special provisions of the Tod water scheme legislation apply so far as ratable properties are concerned. It has a rebate water charge of 40c for 1,000 gallons but it will now have an excess charge of 25c to 30c applied over the area. Notwithstanding this, if it were not for this scheme and the substantial sums provided not only from Loan funds but from revenue to enable the scheme to be constructed, these people would not enjoy the standards they will be able to enjoy as a result of the scheme.

Mr. Riches: Will they use excess water?

Mr. NANKIVELL: Many of them will use excess and many are buying water directly from the scheme and paying a water rate of 40c for 1,000 gallons after providing their own connection to the trunk main. They are happy to have the supply because it has meant all the difference between being able to produce a little and being able to produce substantially more. With the support of a group of people known as the Central Water Scheme Committee a case is being presented by the department to the Commonwealth Government for assistance. One of the things that has been used as an important and convincing argument in the case for assistance under the national development water resources legislation has been the fact that a tremendous increase in productivity will result in the area as a result of water being provided, even at charges that appear to be high. One of the reasons why the charges are high is apparent when one looks at the Auditor-General's Report, which shows that for last year the charges for pumping water from the Mannum-Adelaide main to the metropolitan area were \$2,700,000. When one looks at the water storage in the State and realizes that there is only one site other than the Kangaroo Creek site that can be developed for water collection and reticulation under gravitation, one realizes that any further development will be from water that must be pumped.

Water pumped under pressure is costly to pump. The Auditor-General has commented that of the cost of supplying water to Adelaide through the Mannum-Adelaide main the sum of \$1,397,000 (an increase of \$818,000 over the previous year) was for electricity for pumping. It is unlikely that these charges will decrease: they must increase in order to cover the cost of operation and in order not to draw more heavily than at present on the revenue resources of the State. The deficit



in this regard for 1967-68 was \$6,358,000. These deficits on the cost of supplying water are met from the revenue of the State.

The member for Stuart stated that only 3 per cent of the excess water would be used in the metropolitan area, whereas the Minister has shown that 14 per cent additional excess is expected to be used from central Adelaide and about 28 per cent from the metropolitan area, making a total of 42 per cent excess water used in the metropolitan area, as opposed to an estimated 40 per cent increase in the country. This means that, of the expected \$500,000 to be raised from this source in a full year, the metropolitan area will be providing more than half and that the metropolitan area will continue to subsidize the country water rate so that it can be kept down.

The Minister also quoted interesting figures regarding some of these water districts. For instance, the figure for the Tod River water scheme is about \$2.02 for 1,000 gallons; for the Barossa water scheme, 78c; and for the Beetaloo water scheme, \$1.17. In nearly all of these country areas the cost of providing water is far in excess of what is charged. Although I am a country member and I am supposed to support strongly the interests of the country areas I cannot, in all honesty, expect the metropolitan consumer to provide all of the additional revenue to meet these charges.

The Hon. R. R. Loveday: Can't excess water in the metropolitan area be cut back.

Mr. NANKIVELL: The only way the excess water can be cut back would be for the property values and rebate water charges to be increased. These are the only two ways of doing it, as I understand.

The Hon. R. R. Loveday: Can't the metropolitan consumers cut back, whereas country consumers cannot?

Mr. NANKIVELL: This could be done. It was done voluntarily and successfully during the last 12 months, and I commend the Opposition, when it was in office, for initiating the scheme. I congratulate the people of the State, particularly those in the metropolitan area, on observing the voluntary restrictions imposed. It was a wonderful exercise, but unfortunately one that could be repeated only in a time of emergency, because I do not believe that people will voluntarily reduce their water usage when they are paying for it. The only way I can support the member for Stuart, not in the overall but in certain categories, is where some special provision might be made.

I cannot say whether this is possible by providing a differential rate, but I suggest that there may be areas where because of conditions of hardship or special circumstances a differential rate might apply. When I consider the vast area of the State supplied from these resources—

Mr. Riches: You know there are differential rates now.

Mr. NANKIVELL: Yes, but mostly differential rates up and not down.

Mr. Riches: There are differential rates down, and there are mighty big areas in which people won't pay increases at all.

Mr. NANKIVELL: I shall be interested to hear the honourable member reply to this debate, but I am pointing out that the basis for my not accepting in full the context of his motion is that we will have to develop further water supplies in this State; that sources of water from normal catchments are limited; that additional water has to be provided by pumping; that charges for water must be increased; that the fairest and most equitable method is to make people pay for what they use; and that the country area is being heavily subsidized at present by the metropolitan area. Although there may be some reasons for special circumstances of hardship because of natural rainfall conditions (pointed out by both members opposite), I cannot see how this would be a just reason why there should be a blanket reduction in charge to all consumers, irrespective of where they live. If special circumstances concerning industry do exist (and I believe the honourable member will quote these) concessions are given for a specific purpose, but they should not be given to provide a water supply for domestic use. They are given to provide water in order to provide employment. This is a matter of national development and not just one of normal domestic water usage.

Mr. Riches: Don't you think gardeners are engaged in an industry?

Mr. NANKIVELL: Whether or not we can continue to pump water at the charges that seem to be necessary (I can only use "necessary", because I do not believe that the Government would impose charges that were not necessary), it means that extra costs are involved to provide future additional services. We cannot provide pumped water at a reduced price for large expansion unless it is for extremely important expansions in industry. I have spoken on this matter because I am involved in it. I have received no objections from people living in the area I represent,

although they are faced with the highest rating of water costs in the State. They do not object to their water charges, because they are grateful that they have water, as to them it means increased production and further development of an asset of the State that has been wasting as a result of the lack of an adequate water supply. I cannot accept in total what the honourable member has put forward: that these charges will cause extreme hardship. In some circumstances that may happen, but where hardship can be established special consideration should be given.

I do not accept the honourable member's contention that we can make a complete reduction of all these charges throughout the State, in view of the cost to the State of pumping water, in view of the need to pump more water, and in view of the need to continue to develop the water resources of this State and provide further reticulation, which needs further capital expenditure which has to be serviced and which requires revenue to meet further deficits, unless we do something about increasing charges. I oppose the motion.

Mr. RICHES (Stuart): The member for Albert may be correct in his interpretation of the attitude of the people he has consulted. I should not expect that any of them would object if by obtaining additional water they would make larger profits. I do not think that anything I said in moving this motion would indicate that there was any case of hardship there. The member for Albert would probably not agree with people in my district who depend for their livelihood on gardening pursuits and who employ labour. If the availability of water is an essential part of that industry, which provides employment as well as essential services in the country, I think that logically his argument could not apply to them. The people about whom I am concerned are those who have no choice in this matter. I am concerned about people who will not make a profit out of the use of water, but are people who need this water as a thirsty man needs a drink, and who use excess water in order to maintain the standard of living that is accepted as the basic need of people living in the metropolitan area.

The people about whom I am concerned are not irresponsible in using water, because water has always been a costly proposition for them and they know its value: they have always co-operated with the department in conserving water. The member for Albert was supported

by the member for Stirling when he said that the people who used water should pay for it, but I do not think they would be game to travel throughout South Australia and say in all country areas that people should pay the full price of the services available to them. The answer would be that all those that live in the country would leave it and come to live in the metropolitan area. If the farmer paid the full charge for freight on everything he used; if he paid the full cost for electricity—

Mr. McAnaney: We pay full freight.

Mr. RICHES: Don't be silly, the honourable member does not. Large subsidies are paid, and every year provision is made in the Budget for electricity supplies in order that single wire earth return systems can be extended. If these extensions were not made people would not be living in many parts of the State.

Mr. Nankivell: We pay the same rates for many things and higher for some.

Mr. RICHES: I know that when the service exists the same rate is paid as is paid in the metropolitan area, but I suggest we should do the same with water, and that is what I am arguing about. It is not true to say that farmers bear the whole cost. The honourable member's argument is that where the consumer pays the whole of the cost—

Mr. Nankivell: No.

Mr. RICHES: The honourable member can shake his head, but what the member for Stirling said is recorded in *Hansard*. I think the member for Albert said, too, that the man who uses the service should pay for it, and I understand the honourable member's argument is that he should pay the full cost.

Mr. McAnaney: No.

Mr. RICHES: Apparently, the honourable members agree with me, so that my point has been cleared up.

Mr. Nankivell: We cannot increase the amount of subsidy we give by way of revenue.

Mr. RICHES: That is not what the honourable member said.

Mr. Nankivell: That is what I implied.

Mr. RICHES: The member for Albert said that these charges should apply equally throughout the State. With great respect, I claim that does not happen, and this is one of the points I have asked the Government to review. I think that the honourable member

would agree that the wording of my motion is reasonable, when it states:

That in the opinion of this House, the increase of 20 per cent in charges for excess water places an undue burden on the community, particularly market gardeners, householders and country residents, and should be reviewed.

I wanted to draw the Government's attention to the effect that these charges would have on some areas of the community of which I considered the Minister was not aware. Because of my knowledge of the Minister and of his sense of fair play, I believe that if he had known at the time what effect this levy would have on a large section of the community he would not have imposed it. It is not just a matter of saying that a person can have so much rebate water and that anything in excess must be paid for at the appropriate rate. When an impost applies only to the users of excess water, it is not applied equally throughout the State. I have referred to figures showing that only 3 per cent of the water consumers in the metropolitan area pay for excess water.

Mr. McAnaney: You put up harbour dues \$800,000 when you were already making a profit.

Mr. RICHES: I am sorry, I cannot follow the interjection.

Mr. Clark: You don't have to apologize for that.

The SPEAKER: Order! Interjections are out of order.

Mr. RICHES: Although I may not be sufficiently bright to understand what harbour dues have to do with this matter, I can understand what the ordinary householder in my district will have to pay as a result of the increased water charges, and I can understand what the councils in my district will have to pay. The Whyalla City Commission will pay \$1,000 more a year, as also will the Port Augusta City Council. As the central oval at Port Augusta is controlled by an oval management committee a further account in the name of that committee will be submitted and will have to be met by the council. The extra sum involved is well over \$1,000 a year.

Mr. McAnaney: How would you collect it?

Mr. RICHES: I would collect it from all the water consumers in South Australia, not from just a section. As 3 per cent of the water consumers in the city of Adelaide used excess water last year, 97 per cent of the ratepayers concerned used no excess at all. Although the Minister has quoted different

figures, those figures have been supplied to him by exactly the same source as that which supplied the figures to his predecessor 12 months previously. The figures I quoted were taken from *Hansard*, and it was not a wild guess on my part. The Minister assures me that there has been a slight movement: I understand that because of the drought experienced last year more people may have had to use water to keep their gardens alive, and more may have been paying excess.

The Hon. J. W. H. Coumbe: Are you suggesting that rebate water charges should have been increased?

Mr. RICHES: I think there should have been a balance. First, the Minister said that this situation was brought about by increased pumping costs and because of the drought, but before this motion was moved he changed his view completely and said the money was required for the extension of water services in country areas and that, unless this charge was levied, there would have to be a scaling down of work in country areas. In between the time of making those two statements, the Minister announced that \$200,000 could be found to meet the cost of adding fluoride to the water supply, and that sum is half the cost about which I am complaining. It was also stated that no concessions could be given and that this must apply everywhere. At least 90 per cent of Adelaide consumers pay no excess and the Broken Hill Proprietary Company Limited is also excluded. When the main was built from Morgan to Whyalla, the number of questions asked was negligible compared with the number now asked of people in areas to which a water supply has to be taken. I know something of the agreements entered into when the main to Woomera was constructed, and I know how the people concerned safeguarded themselves against increased water charges.

However, in the case of market gardeners living and working in my district, the sky is apparently the limit. Not only is the water required in the areas to which I have referred for industry but also for trees and gardens and for providing conditions comparable with those in the cities. One of the first things done at Woomera was to plant trees. This applies also to Whyalla: so much importance was placed on this matter (to the credit of the B.H.P. Company) that water from the gulf was desalinated and used on trees at a cost of £1 a thousand gallons, when £1 was indeed worth £1. People in the areas concerned are

beginning to believe that they are sufficiently civilized to have sewerage systems provided, and as sewerage systems are installed the use of water will be increased. I remind the House of the necessity that arose only 12 months ago to extend water supplies to country areas. The position was just as urgent then as it is today. However, 12 months ago almost every member who is now a Minister spoke strongly against any increase in water charges. But the position has now changed: not only do we have the unjust position about which they complained last year but charges have been further increased by 20 per cent. I ask those members who have this session referred to the plight of market gardeners in their own districts to consider carefully whether they can now in all conscience vote against a motion asking the department through the Minister to review the decision that has been made.

The House divided on the motion:

Ayes (18)—Messrs. Broomhill and Burdon, Mrs. Byrne, Messrs. Casey, Clark, Corcoran, Dunstan, Hudson, Hughes, Hurst, Jennings, Langley, Lawn, Loveday, McKee, Riches (teller), Ryan, and Virgo.

Noes (18)—Messrs. Allen, Arnold, Brookman, Coumbe (teller), Edwards, Evans, Ferguson, Freebairn, Hall, McAnaney, Millhouse, Nankivell, Pearson, and Rodda, Mrs. Steele, and Messrs. Teusner, Venning, and Wardle.

Pair.—Aye—Mr. Hutchens. No—Mr. Giles.

The SPEAKER: There are 18 Ayes and 18 Noes. There being an equality of votes a casting vote of the Speaker is required. Before I register my vote, I want to say that I have checked on this matter in my district and, as the increase applies only to excess water and not to rebate water, I give my casting vote in favour of the Noes, and therefore the motion passes in the negative.

Motion thus negatived.

#### FLUORIDATION

Adjourned debate on the motion of Mrs. Byrne:

That in the opinion of this House a referendum should be held to decide whether action should be taken by the Government for the addition of fluoride to the water supplies of this State.

(Continued from October 2. Page 1575.)

The Hon. J. W. H. COUNBE (Minister of Works): First, I shall deal specifically with the motion; then I wish to deal with fluorida-

tion generally because, knowing the matter is of great interest, I hope to provide material that will be of interest to the community generally, and I welcome the opportunity to do this. I oppose the motion, which seeks to have held a referendum on the matter. Cabinet having discussed the whole question fully and having arrived at a decision to introduce fluoride into the State's water supplies, examined what were the legislative and administrative processes and what steps were necessary to implement the decision.

Mr. Broomhill: Had previous Liberal and Country League Governments considered the matter?

The Hon. J. W. H. COUNBE: To put it another way for the honourable member, who is fond of chipping in, following the Select Committee's report on the matter, with which the present Leader of the Opposition was fully in accord, the Labor Government had three years to decide on fluoridation but it did nothing about it. This Government made a decision and announced it, the announcement being well received indeed. If the honourable member, who sometimes finds great difficulty in listening, cares to let me continue, I will explain how the Government's decision was arrived at and what we did about it.

Mr. Broomhill: I think we know that and we regret it.

Mr. Riches: You said that Parliament would have an opportunity to debate it.

The Hon. J. W. H. COUNBE: Exactly, and I am debating the matter now.

Mr. McKee: But for the motion, you wouldn't be able to do so.

The Hon. J. W. H. COUNBE: I said that I welcomed this opportunity to debate the matter, and I will do so if honourable members will allow me to proceed. As I have said, having made a decision to introduce fluoride into the water supplies of the State, we then examined the legislative and administrative position. The opinion which was given us by the Crown Solicitor, and which was supported by officers of the Engineering and Water Supply Department, was that there was no doubt at all that the Government, the Minister of Works and the Minister of Health had the authority already to carry out this project administratively. The position of the Minister of Works is clearly defined and is supported by several famous cases, particularly the Lower Hutt case in New Zealand, which went to the Privy Council. This definition is clear in the same way as is the power of the Minister of Works.

to add chlorine and other chemicals to the water supply, and that power has been exercised by successive Ministers of Works. When the Government received that opinion and considered the matter, the Premier made this announcement in this House, the proper place to make such a statement:

Since the Government came into office it has given detailed consideration to the fluoridation of South Australia's water supplies. The Chief Secretary, in his capacity as Minister of Health, and the Minister of Works have brought full information to Cabinet. Cabinet has decided to approve the addition of fluoride to public water supplies and will proceed forthwith with the necessary planning so as to ensure protection of the dental health of South Australian children. As the necessary preparations for the addition of fluoride will take some time, it will be probably all of 12 months before the plan becomes effective. Members will realize that they will therefore have the opportunity to ask questions of the Government about this matter or debate it in the House if they so desire.

The Premier has repeated that there is that opportunity and I have also said it.

Mr. Clark: How would you debate it?

The Hon. J. W. H. COUNBE: I am debating it now.

Mr. Clark: I suggest you are not entitled to, on this basis.

The Hon. J. W. H. COUNBE: I am dealing specifically with the motion, which is a matter of method. I intend to extend my remarks to cover the general subject of fluoridation, unless the Speaker prevents me from doing so.

Mr. McKee: I think he should.

The Hon. J. W. H. COUNBE: Do I gather that members opposite do not want to hear anything further about fluoridation?

Mr. Clark: You denied us the opportunity by your action.

The Hon. J. W. H. COUNBE: I did not. The Premier and I said publicly that any member could move a motion on this matter.

Mr. Clark: Why didn't the Government?

The Hon. J. W. H. COUNBE: The Government did not have to do it. I do not care how much members interject: at times I welcome interjections. When the Government considered this matter carefully and found that it had the necessary power, the House was told of that and also that any member who wanted to ask a question or bring the matter up could do so. Honourable members have availed themselves of this, by asking questions. I have welcomed that, because it has given me the opportunity to make available the fullest possible information on the sub-

ject. The matter was further put beyond doubt last Wednesday by the Premier, when he replied to a series of questions that had been asked by the member for Glenelg (Mr. Hudson). That honourable member spoke of debating this matter on Wednesday afternoon and I said that it was the honourable member's right to negotiate with other members who had business on the Notice Paper regarding proceedings on Wednesday afternoons.

Mr. Broomhill: It was a bit late, though. You're already training men, aren't you?

The Hon. J. W. H. COUNBE: The Premier made his statement on July 30 and the member for Barossa (Mrs. Byrne) moved her motion on October 3. Members had two months in which to move a motion.

Mr. Broomhill: Are you training men to add fluoride to the water supply?

The Hon. J. W. H. COUNBE: Yes, and I will give full details of that if the honourable member allows me. I will also give much more information which I have been able to obtain and which I desire to give. The Premier was clear in the following statement, made in the House last Thursday (reported at page 1667 of *Hansard*), in reply to the member for Glenelg:

If the honourable member cares to commend the Government for its action, I am sure he will receive the Government's thanks (although I do not know in what practical way), but if he disagrees with the Government's action he may move accordingly in this House and, if such a motion is carried, the Government will not fluoridate the South Australian water supplies. Therefore, the responsibility for any action that the member for Glenelg may wish to take is his, and I think he is a sufficiently responsible member to make up his mind one way or the other. If he wishes to test whether the House approves the proposal, I suggest that he move a motion so approving but, if he disagrees with it, I suggest that he move accordingly. Either way a clear indication will be given the Government. The Government will assume, if no motion is moved disagreeing to the proposal, that the House does not, in fact, disagree to the Government's action. I believe that that is a proper decision. I understand that the previous Government had the power to fluoridate the water supplies, but did not use that power. This Government is using the power provided in the Waterworks Act and, until otherwise directed by the House, the Government will proceed with fluoridation.

In effect, the Premier said that, if a motion disagreeing with fluoridation were carried in this House, the Government would take that as a clear indication of opinion against fluoridation and would not proceed with it. I have explained that the Government's actions have

been quite open, and I desire now to relate what I have said to the holding of a referendum.

Mr. Riches: Will fluoridation be extended to country water supplies?

The Hon. J. W. H. CUMBE: As I have announced previously, the Government's present proposal is to introduce fluoride into only the metropolitan water supply. The addition to the supplies of country towns will await implementation of the scheme in the metropolitan area. I have received from a large country town a request that an investigation be carried out into providing that town with fluoridation. I do not wish to deny the people of that town the opportunity of getting fluoridation of their water supply, but I have said publicly that the fluoridation of water supply in the metropolitan area will be proceeded with first.

Mr. Hudson: From which town did you get the request?

The Hon. J. W. H. CUMBE: Whyalla. It was an inquiry to see whether it could be done, and the proposal came to the Engineering and Water Supply Department. I have not replied to the request other than to say that the matter will be investigated. The proposal at present is to fluoridate the supply in the Adelaide metropolitan area. I gave to the House (last week, I think) the results of referenda held in the United States of America. I now want to make a major point of explanation so that the results of these referenda can be interpreted correctly. In many parts of the world the water supply authority is not the State water supply department. In many countries the function is delegated to local boards or to county or local government authorities. In Australia, this is the position in almost every State except South Australia. A local board or a local government authority administers the water supply of a particular area. Victoria has the Melbourne and Metropolitan Board of Works, and Sydney, Brisbane, Perth and Hobart all work on this principle, but in South Australia the department controls the water supplies for the whole State. New South Wales has three or four controlling bodies, and Victoria has the Geelong system and several other provincial authorities. South Australia has only one authority, and I want honourable members to bear this concept in mind when, later, I will deal with this question in relation to the Tasmanian report, from which the member for Barossa quoted the other day.

The position with regard to referenda in the United States of America is that some referenda have been carried. In a number of States the referendum has been held to be illegal or a subsequent referendum has put fluoride back into the system. The answer I gave last Thursday illustrated this. The reasons I gave were interesting and pertinent to the motion, especially when taken in conjunction with the delegation to local authorities to which I have referred. Because of the reasons given, it was found in a number of cases that the local authority was not the responsible authority or was not competent to do this. This is the basis of a number of famous cases that have recently been heard. The Irish case is one in particular. The Lower Hutt case, which is more recent, concerned a community in New Zealand that was administering fluoride to its water system. It was held in a New Zealand court that the community had the power to do this. Subsequently, the appellant took the case to the Privy Council, which upheld the decision of the New Zealand court. The principles of the Lower Hutt case, which is now world famous, tend to support and give complete action to the Minister of Works or the Government in this State for the authority to introduce the scheme.

I mention that now, in order to point out that many of the communities in the U.S.A. where many of these things have happened have different set-ups from the set-up we have in South Australia. Substantiated evidence concerning communities that have discontinued fluoridation indicates that this has occurred mainly in the United States. The other day I mentioned the countries that had accepted fluoridation and those that had reversed the decision to fluoridate. It was found that they were mainly in the United States. It has not occurred, as far as we can ascertain, in Australia, New Zealand, the United Kingdom, the Union of Soviet Socialist Republics or Canada, and there has been no report in any English-language journal that this has occurred in any of the other 21 countries where fluoridation has been implemented. I qualified my answer by saying that this was not to deny that any of the small countries in Europe or South America had not done this, but as far as we could ascertain from any of the technical or professional journals there was no trace of them.

The United States Public Health Service published census figures showing that the communities that instituted fluoridation between 1945 and 1966 numbered 3,252. In the same

period the communities that discontinued fluoridation numbered 208; the communities that re-instituted fluoridation numbered 54, giving a net number of communities that were fluoridating as at January, 1967, of 3,098. In the reply, I gave the reasons which I have touched on and which are germane. I further said that there was no instance as far as we could ascertain of the discontinuance of the practice of fluoridation on the grounds that it was either ineffective or unsafe. Where it has been discontinued, it has been mainly on referendum grounds and, in many cases, a subsequent referendum has called for its re-introduction.

In any attack on fluoridation, one of the points put up by the opponents of fluoride is the question of morals. I think it is important that I should mention now the question that was resolved by the United States Supreme Court, which refused to recognize on a point of law and a matter of principle that questions of religious freedom, illegal practice of mass medication or *ultra vires* police action are involved in fluoridation cases and it would not admit petitions on these grounds. Our courts have not gone that far, and I do not suggest that they should go that far, but a number of cases I have read touch on this aspect. The Tasmanian Royal Commissioner touched on this point. I shall quote what he had to say, because this was the latest Commission and the nearest one to home that we have had of recent years. Dealing specifically with the question of a referendum, in chapter 51 of the report, the Royal Commissioner said:

It was suggested strongly both in evidence and in argument that a decision to introduce fluoridation in any given community should be preceded by and be conditional upon a referendum in the community concerned. It, a referendum, as the appropriate forum of decision was urged by the opponents of fluoridation on a number of grounds which may be resolved into the general proposition that it is the right of members of the community to accept or reject by popular vote any important matter which may be thought to affect their health or welfare. As I have already pointed out in a British Parliamentary democracy there is no such constitutional or legal right any more than there is in other matters affecting public welfare such as safety, law and order, taxation or defence. Many, however, were plainly motivated by the expectation that a referendum would provide an unfavourable vote against fluoridation, and I heard much evidence as to the results of referenda conducted in many parts of the world and conjectures as to the reasons therefor. In other words, the passions aroused by this issue are such that I suspect that the claim for a referendum is pur-

sued for tactical as well as for altruistic reasons. Much of the detail of such evidence is irrelevant.

A general claim that opponents of fluoridation have won more referenda (when held) than they have lost is I think correct and can be conceded without counting polls: a counterclaim that no referendum has ever attracted more than a minimal poll of whatever class of voters were consulted is equally I think correct without numbering heads. It is also obvious that such referenda have more often than not been conducted in an atmosphere approaching hysteria and that much (but not all) of the literature and propaganda employed (and it can be referred to by no other term) is unscientific, emotional and designed to frighten not to enlighten. I mention these matters for information. They are not in my view relevant except generally to indicate the unsuitability of the forum suggested.

The Commissioner dealt with this point further on in his report, and at page 239 he said:

Whether or not to fluoridate communal water supplies requires a decision on a major matter of public health and the decision should be made by Parliament. It is not a matter of water supply for water purposes and to regard it as such is to confuse the principle with the vehicle of administration.

The decision required transcends the capacity of local government. It is not a suitable subject to be decided by popular referendum and in any case to entrust the decision of such a serious matter of public health to a referendum would be an abrogation of Parliamentary responsibility.

This opinion is shared by the Government and by me and, I hope, by all responsible members.

Mr. Jennings: Who wrote your notes—the member for Eyre?

The Hon. J. W. H. COUNBE: What is the honourable member burbling about?

Mr. Jennings: I am not burbling. I am asking you who prepared your notes. Apparently, you are having some difficulty.

The Hon. J. W. H. COUNBE: I said that I hoped all responsible members would agree with me that elected members of Parliament have a responsibility and we should not abrogate that responsibility by having a referendum.

Mr. Clark: We are being denied that right.

The Hon. J. W. H. COUNBE: Not at all. Fluoridation, more than any other subject, would be prone to mass hysteria, emotional disturbances and the use of some types of literature, if a referendum was held.

Mr. McKee: A member of your Party said that a referendum would be putting poison in the hands of children.

The Hon. J. W. H. COUNBE: The honourable member is not listening to my point, and I know that he is fond of twisting other members' remarks. For his edification I inform

him that some literature received by members on both sides is designed not to enlighten the public but to frighten it. Much of the literature is false in its premise and false in many of the details.

Mr. McKee: You don't think that these doctors are responsible?

The Hon. J. W. H. CUMBE: I am talking about literature that I have received. I have some examples of literature distributed by opponents of fluoridation. The point I am making is that much of this literature (but not all) is confusing and is misinformed, to say the least. One example of this type of literature was the work of the "famous" Dr. Waldbott, about whom the member for Adelaide dealt at some length the other evening when he introduced so many details that he had to have much of it incorporated in *Hansard*, and it is contained in many pages.

Mr. McKee: Did you read it?

The Hon. J. W. H. CUMBE: I scanned it but I read with some interest everything said by the honourable member. The member for Adelaide claimed that Dr. Waldbott was a world-renowned expert who opposed fluoridation and that opponents of fluoridation would use his name freely in a referendum. The Tasmanian Royal Commissioner thought so much about Dr. Waldbott that he took him apart neatly, and devoted two or three pages exclusively to the doctor. He suggested that some claims of the learned Dr. Waldbott were rather wild, but the doctor claimed that his opponents were either dishonest or incompetent, or both, and that editors who rejected his works were dishonestly motivated. He also claimed that the aluminium industry wanted fluoridation so that it could use its waste products, and suggested that some of his opponents were Communist-inspired.

Mr. Corcoran: I thought only Liberal members did that.

The Hon. J. W. H. CUMBE: Dr. Waldbott has appeared before the expert committee of the World Health Organization and the Ontario commission, and he appeared in the famous Irish case. When these tribunals disagreed with his views he immediately derided their qualifications and said that they were not impartial and not honest. I invite members to read this section of the Tasmanian Commissioner's report on the type of literature that is distributed and on the type of people who set themselves up as experts. Obviously, this type of literature would be more readily available and be more widely

distributed if a referendum were held, and the public, being subject to pressures of this type, would be hopelessly confused, because many of the statements contained in the literature should be questioned.

In the pamphlets of the type to which I have referred pseudo experts and quacks are being mixed up with genuine highly-respected professionally-qualified experts. I think that the genuine highly-respected expert would be embarrassed by some of the statements contained in these pamphlets.

Mr. McKee: Are you claiming that every doctor that opposes fluoridation is a quack?

The Hon. J. W. H. CUMBE: I did not say that, but I wonder what Dr. McKee says about it. I repeat that this is not the type of question to be considered at a referendum, because I believe that it is Parliament's and the Government's duty and obligation to decide it, and that is why the decision was made and announced in the way it was. Members will want to know who these people are who issue these pamphlets. They can look at my file at any time, and I have a large one dealing with this type of literature. In contrast, let us consider some of the reputable authorities who have conducted inquiries into and have favoured fluoridation, and those who have supported its implementation. Authoritative support for fluoridation comes from the World Health Organization, and from organizations in the following countries:

In the United States of America:

- The United States Public Health Service.
- The American Medical Association.
- The American Dental Association.
- The National Research Council.
- The Commission on Chronic Illness.
- The Association for Advancement of Science.

In Canada:

- The Ministry of Health.
- The Canadian Medical Association.
- The Canadian Dental Association.
- The Canadian Public Health Association.

In Great Britain:

- The British Ministry of Health.
- The British Medical Association.
- The British Dental Association.
- The Royal Society for Health.

In New Zealand:

- The New Zealand Health Department.
- The New Zealand Dental Association.
- The New Zealand Medical Association.

In Australia:

- The National Health and Medical Research Council.
- The Australian Medical Association.
- The Australian Dental Association.
- Commonwealth and State Health Departments.



The Governments or administrations of the following have approved fluoridation:

Canada, United States of America, Union of Soviet Socialist Republics, United Kingdom, Holland, Ireland, Sweden, Switzerland, Philippines, Formosa, Korea, Hong Kong, Singapore and Malaya, and most South American countries.

Fluoridation units are operating in the following countries:

Argentina, Australia, Belgium, Brazil, Canada, Chile, Colombia, El Salvador, Formosa, Germany, Great Britain, Holland, Hong Kong, Japan, Korea, Malaysia, New Zealand, Panama, the Philippines, Russia, Singapore, Sweden and Venezuela.

This is the oversea position, but what is the position in Australia? The following Australian cities have fluoridated their water supplies: Canberra, Sydney, Newcastle and Perth. In addition, Hobart is about to fluoridate its water supply. Fluoride is in the water supply of 20 New South Wales country towns, three Queensland country towns, two Tasmanian country towns, six Western Australian country towns and two Victorian country towns. This gives some idea of the extent of its acceptance. In connection with the question of a referendum and the matters that would have to be put to the people, let us consider the food we eat today. When people talk about fluoride they conveniently forget the substantial amounts of fluoride taken into the system every time we eat. In most cases we consume a greater amount of fluoride when we drink a cup of tea than we do when we drink a glass of water.

Mr. Corcoran: What about when we drink a glass of beer?

The Hon. J. W. H. COUNBE: I shall have to disappoint the honourable member on that one. I went to the trouble of extracting some relevant figures from Appendix G of the Tasmanian report. All that is proposed in South Australia is to bring the fluoride content of the water to one part a million above the present fluoride content. The water we are now using in the metropolitan area is fairly hard, but hardness has nothing to do with fluoride. The Millicent water supply is already up to the acceptable limit, and the Port Lincoln water supply contains a good deal of fluoride. It freely occurs in the water supplies of a number of other towns. Many people, in addition to consuming fluoride in tap water, consume it when they drink tea. When a person drinks fluoridated water, he is consuming only one part a million of fluoride, but when he drinks tea he is consuming 97

parts, when he eats dried mackerel he is consuming 84 parts, salmon 19 parts, sardines 16 parts and potatoes 6.4 parts. When, however, he drinks a glass of beer he is consuming only 0.2 part a million.

Mr. Corcoran: If all this fluoride exists in food, there is no need to put it in water.

The Hon. J. W. H. COUNBE: The purpose is to supplement it. The Tasmanian Commissioner was asked a specific question by the Tasmanian Government in his terms of reference: whether a material benefit to dental health could reasonably be expected from the addition of fluoride. He said, "Yes; substantial and material benefit would be effected." I believe there is no doubt that fluoridating South Australian water supplies is a proper and desirable health measure, nor is there any doubt that it will be safe and beneficial. I have read statements for and against fluoridation, but all the evidence of the reputable sources of information I have read indicates clearly that fluoridation will lead to a significant reduction in the incidence of dental caries. This evidence undeniably indicates that there is no alternative method that would achieve the same result to such a degree and with such efficiency and economy. Several members have suggested that we should issue tablets to parents, who could in turn give them to their children. There is, however, no guarantee that the children will ever get the tablets or, even if they do get them, that they will take them every day with their meals.

Mr. Corcoran: There is no guarantee they will drink the fluoridated water.

The Hon. J. W. H. COUNBE: Quite so. I told the member for Hindmarsh (Hon. C. D. Hutchens) that it is materially cheaper to put fluoride into the water supply than it is to issue tablets. I made my statement on the basis of every child receiving tablets. Even if we reduce by one-half or one-quarter the number of children willing to take fluoride tablets, there is still no comparison: the cost of fluoridating the water supply is much cheaper. My reply to the honourable member was that the total cost of giving tablets to children aged up to 14 years would be between \$192,000 and \$240,000 a year, even after taking discounts into consideration. The cost of distribution and wastage would be at least equal to the basic cost. So, the cost would be about \$250,000 if fluoride was consumed in the form of tablets, whereas the cost of fluoridating the water supply is only \$46,000 a year, the capital cost being \$160,000.

Mr. Corcoran: The figure in relation to the tablets is based on everybody collecting them.

The Hon. J. W. H. COUMBE: But even if the figure is reduced by one-quarter, it is still cheaper to put the fluoride in the water.

Mr. Hudson: If you put fluoride in the water wouldn't it get into the beer?

The Hon. J. W. H. COUMBE: I can understand the honourable member's concern in this regard. I said earlier that there is overwhelming support by medical and dental experts throughout the world for this system of water treatment. I respect the views of those who are opposed to fluoridation; they are entitled to express their views, but I do not agree with them. I have already dealt with the question of moral obligation and with the ruling of the Supreme Court of the United States of America. The Tasmanian Commissioner, too, dealt with this aspect. I do not want to weary the House by referring to what the Commissioner called "absurdities", but they make interesting reading. A recent Gallup poll indicated that about 66 per cent of those interviewed favoured fluoridation, 20 per cent opposed it and 14 per cent were undecided. The proportion in favour has risen considerably since the time a previous poll was taken a number of years ago. The marked increase in the proportion in favour is significant, as is the change in the number of people undecided. This trend is a result of the fluoridation of water supplies in the Eastern States.

Mr. Hudson: It is a result of the advertisements for toothpaste.

The Hon. J. W. H. COUMBE: It is incumbent upon me as Minister of Works to tell the House how the system will be introduced into South Australia. Stage 1 of the scheme involves fluoridating the water supplies of the metropolitan area, including fringe areas such as the Barossa area. I have already initiated investigations and planning. The final reports will soon be presented to me. Tenders will be called for equipment, contracts will be let and installations will be completed with a probable target date of December, 1969, for the introduction of the system in the metropolitan area, after which priorities will be determined for country areas, because I do not want to deny country areas the benefits of fluoridation.

Mr. Burdon: What is the position regarding the country?

The Hon. J. W. H. COUMBE: The first stage will be the fluoridation of the metropolitan area, the target date for which is December, 1969, and after that the country schemes will be investigated.

Mr. Hudson: Aren't you going to go ahead with them?

The Hon. J. W. H. COUMBE: I am saying that the planning for the country areas will proceed. Obviously, we cannot go ahead with every country scheme at once, for priorities will have to be determined on the basis of which scheme is the most economical and where the greatest benefit can be conferred. In order to introduce the scheme into the metropolitan area, dosing stations will be located at a number of points, in many instances in the same building or adjacent to the same building from which chlorine is now introduced into the system. These stations will be at the Hope Valley, Happy Valley, Barossa, Myponga, and Kangaroo Creek reservoirs, at Mannum for the Mannum-Adelaide main, and at Clarendon and Millbrook. Three alternative chemicals, all of which are manufactured in Australia, are presently being considered. A decision has not yet been made as to which of these will be used, but they are all efficient and safe. We are looking at the economics of this matter.

Base supplies will be held at the Bolivar depot and controlled from that point. The E. & W.S. Department laboratory, staffed with trained chemists and engineers, will daily control and check all supplies, additives and water treated in conjunction with the Department of Health. Special safeguards will be incorporated at all dosing stations to protect the system, including adequate "fail safe" devices. Specially qualified engineers have been appointed to the water treatment division, and a series of operator training courses and safety precautions are being formulated. Accurate metering and control equipment is being designed for procurement.

The generally adopted optimum fluoride level for public water supplies is one part a million, both throughout the world and in Australia. In South Australia there are a number of localities where this figure exists at present, and this present proposal is to bring other supplies up to this acceptable optimum to which I have referred. It is proposed that in South Australia the dose rate will be fixed by the Minister of Health on advice from the Director of Public Health, because he is the relevant authority in this connection and because that is the procedure that has been adopted in other parts of the world. Therefore, the Minister of Health will prescribe the dosage and the Minister of Works will implement it.

Under average conditions, it is expected that only about 200 tons of powder or 200,000 gallons of liquid, whichever is decided upon, will be required. The capital cost involved will be \$160,000, and the total annual costs (fixed and operating) will be \$46,000. Incidentally, this represents a cost of about 7c a person a year.

Mr. McKee: Will this hold up any country supplies?

The Hon. J. W. H. COUMBE: No, it will not.

Mr. Riches: But the excess water charges would.

The Hon. J. W. H. COUMBE: The honourable member is misinterpreting me now. We cannot refer to an earlier debate. However, I can say that measures have been taken in another direction to see that we have funds to proceed with country water and sewerage extensions and other works about which members are asking me almost every day in respect of their own areas. We must have the money to do that. I wish to refer now to an opinion that was given by one of our local engineers. I refer to Mr. Harry Hodgson, who presented a most interesting and important paper in his capacity as the Federal President of the Institution of Engineers of Australia. As members would know, this institution is the highest professional engineering body in Australia. Mr. Hodgson before his retirement was Assistant Director of the E. & W.S. Department. If a copy of this address is not available in the Parliamentary Library, I can make it available to honourable members. Mr. Hodgson states:

Today, after over 20 years' experience with fluoridation, it has been established, without question, that in towns with a fluoridated water supply (*i.e.*, where the fluoride content of the water has been adjusted to an optimum of 1 p.p.m.) there is a reduction of about 60 per cent in tooth decay in children. Further to this, it has been equally conclusively shown that no other aspect of health in children or in grown-ups, and which could possibly be affected by the addition of this particular mineral salt to the water supply, has been adversely affected.

He then goes on to comment about what is happening in other parts of the world. He highlights this question of dental caries in children, and he illustrates how, if we can effectively reduce the incidence of caries, the number of dental nurses in the community can be reduced significantly. This was touched on at the dental conference now being held in Adelaide, when it was pointed out in some of the papers presented that the

number of dental nurses that would be required to look after our children's teeth in the future could be significantly reduced as a result of the addition of fluoride. The Director-General of the Commonwealth Health Department, Sir William Refshauge, made the following statement:

The decay rate in children's teeth in Canberra dropped 14 per cent since fluoride was added to the water supply three years ago, and there has been a 6 per cent reduction in all dental defects. By the late 1970's when we have the result for children who have had fluoride all their lives to compare with results from children who have had no fluoride, we hope to be able to demonstrate that an improvement of some 60 to 70 per cent in the decay rate can be achieved.

Since that statement was made the Royal Australian College of Physicians has made known its stand on this issue. Following a meeting held in Melbourne in October, 1967, the college issued a statement that it was completely in favour of fluoridation. I believe that the fluoridation of public water supplies is one of the great public health measures of this century, that there is no other effective method of making this benefit available to the people, and that responsible authorities have no right to deprive the people of the results of such progress in the field of public health. I agree with the views expressed by the experts that I have quoted, and particularly do I agree with the opinion of the Royal Australian College of Physicians that "opposition to fluoridation arises from misinformation, misunderstanding of the facts or from prejudice not amenable to reason". In fact the opposition appears to stem mainly from emotional grounds.

What I have done this afternoon is to demonstrate that a referendum should not be held on this subject because of its very nature and because of the emotional disturbances that would be caused during such a referendum. I have quoted authority to support that contention. I believe it is not a suitable subject for a referendum and that it is more properly a legislative and administrative matter. I have explained at some length the procedures adopted by this Government in introducing the system and in coming to the decision arrived at. The announcement of the Government's intention was made in this House, and opportunities have been given to members to debate the matter.

Mr. Riches: What in your view would be a suitable subject for a referendum?

The Hon. J. W. H. COUMBE: I think the honourable member should give me some examples himself. As I said, I do not believe

that this is a suitable subject for a referendum. If the honourable member cares to look at the *Commonwealth Year Book* alongside him he will see the large number of subjects on which referenda have been held by the Commonwealth Government. Some of those have been won and some have been lost. The honourable member should know that the only referendum in South Australia in recent years was on the question of the State lottery a couple of years ago, and that prior to that he would have to go back to 1914 or 1915 when the question of bar closing hours was decided by referendum. I was not alive at that time.

Mr. Riches: Do you believe in the principle of having a referendum at all?

The Hon. J. W. H. CUMBE: That is rather difficult to answer, but generally I am not in agreement with a referendum. However, if a special case arises I am prepared to consider the matter. I do not believe that adding fluoride to the water supply is a subject suitable for a referendum. The member for Gawler said that the Government was not providing opportunities for debate, but I have discussed the matter fully in the debate on this motion, and the honourable member may do the same if he wishes. The Government has freely made available to members as much material and information on the matter as possible, and I also commend to members the reading of many reports available in the Parliamentary Library and, in particular, those sections of the report of the Tasmanian Royal Commission to which I have referred, dealing with the referendum, absurdities, and the recommendations made by the Commission.

Finally, in my view, no measure has yet been introduced into this State that will have a more beneficial effect on the dental health of our community than the recent decision of the Government will have in the years to come. It will take some years for the benefit to show up, and children who start drinking water containing fluoride will be adults before the full effects are evident. I ask the House to support the action taken by the Government concerning fluoride and to oppose the motion moved by the member for Barossa.

Mr. CLARK (Gawler): I support the motion, although I am not particularly keen to do so. However, it seems to me at this juncture that speaking to this motion is the only way to afford people the chance to express their views on fluoridation. The Minister seems not to care much

for a referendum but, after all, every election is a referendum, and on this issue the system of voting would be much more just, because it would be based on one vote one value. I am supporting this motion, because I desire all the people to have the right to express their views on the matter. I think all members will agree that such views are normally expressed through members of Parliament, but I believe that the people of South Australia are being denied the opportunity to express a free opinion on this matter. Although I do not deny that the Government, as the Minister has said, has every legal right to act in the way it has acted, I do not think it had the ethical right to act in such a way. I respect the Minister's opinion, if I may say so, even if I do not respect his politics, but this is not a political issue, and I hope no-one is making a mistake of thinking that it is such an issue.

The Hon. J. W. H. Coumbe: I never suggested it was.

Mr. CLARK: No. After giving us some interesting, useful and historical information, the Minister proceeded to make out a case for fluoridation, although I am not certain that he had the right to do this. After all, the subject of this debate—

The SPEAKER: Is the honourable member raising a point of order?

Mr. CLARK: No.

The SPEAKER: As the matter has been raised in the House, I think I had better put members at ease on this point. When the debate for the referendum concerning the lottery was held some time ago, the issue was widely discussed. If the honourable member cares to look at the motion moved by the member for Barossa (Mrs. Byrne), he will see that she opened up the question in her speech pretty widely. I do not think I would be correct in allowing the honourable member so much latitude, yet curbing the remarks of the Minister.

Mr. CLARK: Thank you, Mr. Speaker. I do not have any intention of disagreeing with your ruling, even if I do not agree with it. If my memory serves me correctly, the Speaker made some attempt to curb the debate concerning the lottery and it was not an easy matter, nor would it be on this occasion. Having listened carefully to the member for Barossa last week, and having read her speech again this afternoon, I think she has made a good attempt to adhere to the motion.

The Hon. J. W. H. Coumbe: The Government does not intend to restrict any debate on fluoride.

Mr. CLARK: No, although I should have thought by its actions that the Government wished to do so. However, I do not wish to start a political argument at this stage. As I have said, I believe this is a matter on which everyone should make his own decision, and all members in this place have every opportunity to do so. I think the pile on my desk of information about fluoridation has now risen to a height of at least 1ft. Information has been sent to me by people who support fluoridation as well as by those who oppose it; some of it is informative and interesting, but some of it is contradictory. I think the best information that has been provided for members has been that contained in the Tasmanian Royal Commission report, a most interesting document that I urge anyone interested in the matter to read thoroughly. Further, I have received sensible letters both from people opposing fluoridation and from people supporting it and, on the other hand, I have received letters from people who oppose fluoridation and who tell me that if I do not vote against the issue I will not receive their vote at the next election. I have also had letters from people supporting the other side, telling me the very same thing. I am not attempting to balance the "fors" with the "againsts" or to work out how many more or less votes I shall get at the next election; I am not interested in that.

The Hon. B. H. Teusner: The honourable member will still get there.

Mr. CLARK: That has been the normal happening over the years. I believe, contrary to what the Minister has said, that many points made in favour of fluoride are excellent and many against it are excellent. I am not giving a personal opinion on this: in spite of what you have been good enough to tell me, Mr. Speaker, I doubt whether I am entitled to on this. I base my few remarks today on the fact that I believe all members of this Chamber are elected by a majority of the electors in their respective districts. I shall not argue now whether or not we have a good electoral system, because that does not apply to this debate. With a referendum we at least have one vote one value, and everybody has the right to cast his vote just as he does at an election, when each Party does its best to give a glowing account of its performances and promises—past, present and future.

A referendum on this matter would be conducted in the same way. The Minister's remarks about the folly of a referendum reflected on the common sense of the people. Usually, they are capable of making up their own minds, particularly on vital issues. Normally, in debates in this House (and this is my opinion, with which some members may not agree) the paramount duty of a member is to look after the welfare of his constituents and, if possible, their rights. I firmly believe that on this issue this duty, this right, has been denied us. Members may say, "But you are speaking on it now." That is correct, but there is a great difference between legislation introduced by the Government with the support of Government members and a motion moved by the Opposition. I am not arguing about it (the Government has every right to do this) but I cannot for the life of me understand why the Government was not prepared to lay it on the line, bring the matter of fluoridation before this House in the form of a Bill to fluoridate our water, and let the matter be thoroughly debated so that the members, representing their constituents, could give their opinions on it.

The Government has not done that; it has denied members the right to debate this issue and there is no way, apart from a referendum, by which the people can make their wishes known. I do not know why there is not a referendum. I would support it if there was one. Last night, I think the member for Semaphore (Mr. Hurst) spoke about human rights. Human rights have been largely denied us in this issue. I was interested to hear the Minister of Works this afternoon mention two things. First, he supported the idea of legislative and administrative action. This is administrative action whereas I think it should be legislative. Secondly, he went to the trouble of quoting from a legal authority, whose words are recorded in the Tasmanian report and who said that to have a referendum was an abrogation of Parliamentary responsibility. That is what this is: there is no reason why the Government should not have introduced a Bill to achieve its purpose. It has abrogated its Parliamentary responsibility and attempted to do it by administrative action. Because it is wrong to deny members the right to speak on behalf of their constituents here, I shall support a referendum.

We have been told from the outset, by both the Minister and the Premier, that we have the right to speak on this, as it is a matter vitally affecting the people of South Australia.

Surely the normal course that has always been followed in this Parliament is that, if a matter is of such importance that it vitally affects the people of the State, it is the subject of legislation introduced into this place.

Mr. Broomhill: The Government did not refer to fluoridation in its policy speech.

Mr. CLARK: I am glad the honourable member mentioned that. At least, there could have been an excuse for this action if the Government had mentioned fluoridation in its policy speech. I do not go on to say anything about the Government's not having the numbers for a mandate, because I am not talking politically today; but, if the Government had a mandate, I would be prepared to exempt it from the responsibility of introducing legislation on these lines. Practically every Bill brought into this House since I first came here in 1952 has been introduced because it has affected the lives of the people. I do not know of any measure that has not, and I do not know of one that affects the lives of the people more than this motion does. Why did the Government decide to tackle this matter by administration rather than by legislation? I support the motion.

Mr. EVANS (Onkaparinga): I speak against this motion because I do not think it is necessary to have a referendum. I have previously said in this Chamber that I give fluoride tablets to my children, especially to the four younger ones. The oldest one, unfortunately, did not take them at an early age and, as a result, has suffered dental decay to a greater degree than the others. One or two members on this side have said that this matter should be debated on the floor of this House.

As an individual, I believe that fluoride is beneficial to children under the age of 14. I have not been convinced that it is detrimental to the health of people in general. I have received much literature for and against fluoridation, as has the member for Gawler. I have read, possibly, as much about it as any other member of this House. Some of the material is boring and some is hard to follow, especially when one authority contradicts another. For some time I held the view that fluoride need not be added to our water supplies (that is what I thought before I came into this House) but during the last fortnight I have received a substantial amount of literature and letters mainly favouring the addition of fluoride to our water, backing the Government's decision in this respect.

It is mainly on these grounds, of the amount of correspondence I have received from my constituents, that I have decided to speak against this motion. A referendum would be a waste of public money, because we are responsible people here and should be able to come to a decision on the floor of the House, without moving a motion for a referendum. This is not a motion of disagreement but one that says we are not capable of making decisions ourselves. Some members say that they are not prepared to discuss it here but that it should be referred to the people. However, I believe it is our responsibility to deal with this important matter. Although I do not intend to speak at length on this matter (which will undoubtedly please members opposite), I will move an amendment to the motion, an amendment that will give everyone in this House an opportunity to debate the matter here. I move:

To strike out "a referendum should be held to decide whether action should be taken by the Government for", and to insert after "State" the words "is desirable".

That will then leave the matter open, so that any member of this House who so desires can speak for or against the Government's action.

Mr. McANANEY (Stirling) seconded the amendment.

Mr. McKEE (Port Pirie): I oppose the amendment and I support the motion. I do not intend to discuss fluoridation to any extent, because I have received as many letters opposing it as I have supporting it. I am asking the Government to give the people the chance to decide this question, as I am sure the people of this State would not panic in the way suggested by the Minister. He said that people were not responsible and that they would not be able properly to conduct themselves at a referendum. How ridiculous can he get? I am sure the people of South Australia are responsible and capable of making a decision on this important question, and I do not agree with him that such a step would cause panic amongst the people.

I support the motion because I do not believe any Government, particularly a minority Government such as we have today, has a right to introduce such a measure as this. It has not got a mandate from the people, and it is not governing by the choice of the people. Government members frequently claim to be the champions of democracy. For that reason they should not have introduced this measure. They have no right to be on the Government benches.

Mr. Edwards: That is only your opinion.

Mr. McKEE: That is the opinion of the majority of the people. Surely the honourable member for Eyre can work out 53 per cent against 43 per cent. Fluoridation was never mentioned by members opposite during the election campaign. They did not go to the people and say, "We intend to fluoridate the water supplies."

Mr. Riches: You don't understand! They don't take notice of the people.

Mr. McKEE: I know. That is what I am trying to tell the honourable member for Eyre.

Mr. Edwards: They are all happy with it.

Mr. Lawn: This Government represents only stockyard confetti and wombats.

Mr. McKEE: Yes. Like other members, I have received numerous letters from people on fluoridation, and most of those people oppose it. Also, as the honourable member for Gawler said, quite a few have supported it. Even the people who support fluoridation claim that everyone should be given an opportunity to say whether it should be introduced: they do not agree that it should be forced on the public of South Australia. Those in opposition have given various reasons for their opposition, and they claim that no Government (not necessarily this Government) should have the right to impose on the people such a measure as this, unless that Government is elected by the people after it has advertised this as a plank in its platform. Had the Government referred to this prior to the election and said, "If we are elected to Government we intend to add fluoride to the water supply", there would be no need for a referendum. However, that is not the case, because this was not an election issue. Had it been such, there might have been a completely different result. Other people claim that no Government has the right to force mass medication on the people, and that section of the public is entitled to its opinion.

Others claim that the Government is increasing administration fees and raising taxation to the limit because it is short of money to perform the normal duties of a responsible Government. Some of these people say that a responsible Government would spend its revenue more wisely on more essential needs. That cross-section of the public claim that education, hospitalization and many other spheres should be given preference before fluoridation. Others have suggested that if the Government has money to spare it would be better to spend it in attempting to

extract some of the mud from our water supply. Some people claim that the South Australian water supply is the dirtiest in the Commonwealth.

Mr. Lawn: Even worse than the Yarra!

Mr. McKEE: Yes. They also claim that if we add any other elements to our water it will be very difficult for it to run through the taps. I agree completely with that opinion, and I believe members will agree that our water could be much clearer. Money would be more wisely spent in order that this could be achieved. It has been suggested that, as fluoridation will benefit children from the age of three years to 14 years, tablets should be available and be distributed at school or in the home. It has been claimed that parents who are concerned about their children's teeth would have no trouble in doing this, but others suggested that parents would forget and not give the tablets to children.

Apparently, a minority of parents are still not convinced that fluoridation would benefit their children's teeth. Obviously, if they were convinced that fluoride would benefit their children's teeth they would make the effort to ensure that the tablets were given to the children. Having considered the opinions I have received from a cross-section of the people in the State I am convinced that the public should decide this issue, particularly because of the present situation in Parliament. In the opinion of members on this side (and of 53 per cent of the people of this State who support us) the Government does not have the right to introduce this measure: we believe that the decision should be made by the people of the State.

Mr. JENNINGS secured the adjournment of the debate.

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

#### STATE BANK ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 8. Page 1704.)

The Hon. D. A. DUNSTAN (Leader of the Opposition): I oppose the Bill. The Treasurer, in giving the second reading explanation, said its principal purpose was to give effect to the Government's decision to require the State Bank of South Australia to make a contribution to the revenue of the State out of its annual profits. The reason given by the Treasurer for this decision is that, as the State Bank is a trading institution, the Government considers that it should be treated as if it were merely a competing trading institution

with non-governmental institutions in the same field and, consequently, an amount should be required of it like that required of non-governmental institutions paying Commonwealth income taxation.

I can only say that this action of the Government reveals an extraordinarily doctrinaire attitude towards the institution of State banks in Australia. The Government's attitude is that, since the State Bank is competing with non-governmental institutions, some particular disability, which is not necessary under the Constitution of the State or the Commonwealth, must be imposed on it in order to endeavour to put it in the same trading position as non-governmental banks. A State Bank, however, is not the same as a non-governmental bank: it is one of the major instruments of the financial policy of the State and, because the Treasurer is able to make arrangements with and give directions to the State Bank in a way that he could not do with non-governmental institutions, it should be treated as an area of State Government operation and not merely as a competing bank with non-governmental banks.

The Treasurer is unable to obtain or to demand from private banks in South Australia the services to the people of the State that he is able to demand from the State Bank. I know that the Treasurer, in giving reasons for this measure, has said that a number of other States that have Government insurance offices require those offices to contribute out of their profits amounts in lieu of taxation. However, he did not say this about other State banks, and this is not surprising because it is an absurd attitude for the Government to take, that money should be taken out of the State banking system, where it could be used for expansion purposes, and paid into State revenue.

Mr. Lawn: It is interfering with the State Bank.

The Hon. D. A. DUNSTAN: Yes. It is limiting the capacity of the State Bank to carry out its functions. Let me give an example. When the Labor Government took office in South Australia the grape crop was too large for the effective economic demands made for grapes by the winemakers, and the Government had to finance a growers' co-operative to see to it that the grape crop was crushed and grapegrowers would receive something for the work they had done in producing the grapes. That growers' co-operative was financed through the State Bank.

Mr. Langley: And successfully.

The Hon. D. A. DUNSTAN: Yes. From what operations of the private banks could we conceivably have financed such a co-operative? We could not have done it. The money needs to be there to provide for the needs of people in this State through the State Bank, because we have no other instrumentality to do this. Indeed, if we are to promote industry, particularly decentralized industry, in South Australia, the State Bank is the main bank financing operations in numbers of rural areas, particularly the River areas, and I cannot conceive how members from River districts can support a measure of this kind.

It is essential for us, if we are to finance industries, to have the financial capacity with which to do it. It was the policy of my Party at the last State elections that it would extend means of financing industries, particularly decentralized industries, because it had been our experience that the limitations placed on the State in financing industries were far too great. In New South Wales it is possible to finance rural industries through the operations of the Rural Bank in a way that cannot be done in South Australia. It is possible there for industries, which are quite viable economically if they can get sufficient capital, to be promoted by State action, and this has provided diversity of employment in a number of areas in New South Wales in a way we cannot do in South Australia because of what is at the moment available to the Treasurer in this State. The Treasurer here can guarantee a bank advance if the industry can obtain it; if the Industries Development Committee recommends that the guarantee be given by the Treasurer, he may give a guarantee, but that is the only means available at his disposal to assist decentralized industry.

One of the main problems in small industries in country areas is that they are unable to obtain sufficient capital, even though, if they had capital to start with, their industries would be viable and would provide employment. If we could do something here, the way in which it could be done would be through the State Bank. This has already proved to be very important for certain areas of the State for which the only way we could move was by a special Act of Parliament, although the money was provided through the State Bank. The district of the member for Millicent has benefited as a result in the provision of employment.



We need to have money immediately available through the State Bank. When I was Treasurer of this State the Under Treasurer, who is the chairman of the bank board, told me that in his view it would be necessary this year to provide additional Government moneys to the State Bank if the bank were to have sufficient liquid funds for expansion activities. In other words, we would not take money out of the State Bank: we would provide additional State money to it, as the instrumentality with which we were to expand activity in the economy.

What is here but a means of taking money out of the one instrumentality available to the State for expanding activities directly through Government action, and what is the basis of it? It is simply because the private banks do not want competition from the State Bank or do not want State governmental activity in this area. What members opposite think that is going to do for their constituents, I cannot conceive. What constituent of theirs is going to benefit by this? Not one. It will mean that there will be less money in the hands of the State Bank for the financing of Loan activities, particularly in rural areas, for \$350,000 will be taken out of the hands of the State Bank in one year that otherwise would be used for the benefit of the very people members opposite claim to represent. Why do we have to have this kind of doctrinaire nonsense from members opposite? I have heard members opposite talk about our being attached to a dogma, but I have never before heard such 19th century nonsense as this in the House. I am certain that this kind of move was never mooted in the House by Sir Thomas Playford for, whatever other might have been his views with which we disagreed, his attitude in matters of this kind was quite clear: it was that we have a job to do for the people of this State, and that the assets of the State and the instrumentalities of the State should be used for that purpose and should not be tied down to something which seems to have imbued the minds of certain members opposite as a result of a garbled reading of a child's version of Adam Smith.

I cannot conceive that anything but harm can obtain as a result of this measure. The other proposals merely alter sections of the principal Act to clear up something that is a bit ancient; they are not doing anything positive. Therefore, I cannot see that there is any advantage in the additional amendments. The basic principle sought to be achieved by this Bill, I think, is wholly wrong. We ought

not to be making this kind of demand on the State Bank—a demand that is not normally made on State banking institutions by any Government in Australia. True, as the Treasurer has said, the Commonwealth Government receives from its banking institutions (the largest banking institutions in Australia) some contribution towards revenue, but that is a horse of a different colour, because it is not limited in the same way as we are: the Financial Agreement does not bind the Commonwealth as it binds us. We have limited areas in which we are able to extend credit to the people of the State. The State Bank is one area in which we can do it, and to place this restriction on the State Bank is wholly unreasonable and wholly to the detriment of the people of the State. In consequence, I hope that every member of this House will vote against the Bill.

Mr. McANANEY (Stirling): The more I hear from the Leader of the Opposition, the more I am amazed at his lack of knowledge of what actually goes on regarding the State banking system. He has referred to loans to producers, but apparently he has not even bothered to look at the Auditor-General's Report to see what happens in this regard. When the Leader was Treasurer he took out all the profit made by the department of the State Bank dealing with loans to producers and paid it into Consolidated Revenue. Let him deny that! He gets up here and talks claptrap, as he has tonight—

The Hon. D. A. Dunstan: You haven't listened to the Treasurer's second reading explanation.

Mr. McANANEY: I am referring to what the Leader said just now about loans to producers. The Leader can try to interject if he wishes, but I will take no notice, because he does not know enough about finance.

Mr. Corcoran: What did the Treasurer say in his second reading explanation?

Mr. McANANEY: I am not worried about that.

The SPEAKER: Order! When the Leader of the Opposition was speaking he was heard uninterrupted. The member for Stirling.

Mr. McANANEY: I am not stirred up often, but when someone tries to put over this hypocrisy it is more than I can take.

The Hon. D. A. Dunstan: He does not even understand it!

Mr. McANANEY: For the year ended June 30, 1968, income under the Loans to

Producers Act was \$469,605. The cost of obtaining the income totalled \$406,059, leaving a surplus for the year's operations of \$63,546. From the Loans to Producers Act balance sheet we see that, under the Revenue Account, the net contribution at June 30, 1967, was \$125,078. If we add the surplus for the year of \$63,546, less \$74,491 withdrawn to Consolidated Revenue during the year, we arrive at a figure of \$114,133. I am not quoting the figure of \$822,000 used by the Treasurer: that was the income derived by the State Bank on its ordinary credit foncier and trading business.

There are other statutory bodies. For instance, under the Advances for Homes Act, in the Revenue Account is an item "Add surplus for the year, \$98,899". Instead of leaving it at that, the Leader talks hypocritically about increasing the assets of the State. That was repaid as a profit into Consolidated Revenue during each year that the Leader was Treasurer. Why did he not leave this money in the State Bank to be used for increasing the State's assets? The State Bank made profits on the various functions it performed on behalf of the State Government, and the State Government took those profits and put them all back into Consolidated Revenue. That Government has established this practice of taking all the profit. We now observe the Leader of the Opposition referring to the Act to see where he went wrong. It is all set out in the Auditor-General's Report.

Mr. Corcoran: In his second reading explanation the Treasurer clearly set out who provides the profit and to whom the profits go.

Mr. McANANEY: I am only replying to what the Leader of the Opposition said. The trading bank operations, Commonwealth advances and general banking with credit foncier business are on the same terms and conditions as with an ordinary trading bank. We on this side believe in competition. If two organizations are competing against each other, they should be competing on equal terms. In that way, they get real competition. It is a good principle and should be used more often in Government operations: there should be competition between every form of industry and activity—for instance, between the railways and road transport. People must pay for the services they use and, with free competition between the two organizations, we can determine which is the more efficient instead of a statutory body, some departmental organization, or even the Government itself, deciding what is in the best interests of the State. If there is genuine competition, we can

determine which is the best and most economical way to do it and, in that way, raise the living standard of the people. This is much better than the Government interfering in these matters, eliminating genuine competition and avoiding the fundamentals that we must have if we are to increase the benefits to the people of South Australia.

If one looks at the position obtaining in the other States, one can see that the State Bank is an efficient organization that performs a useful service for South Australia. As it makes a profit, I can see no reason why it should not contribute to the general revenue of the State in the same way as the trading banks do and in the same way as the Commonwealth Bank does to the Commonwealth Government. The State can use these contributions for the benefit of its citizens. The Leader of the Opposition made certain statements, which the Auditor-General proved to be incorrect. I have much pleasure in supporting the Bill.

Mr. HUDSON (Glenelg): I am amazed. In referring to the Treasurer's second reading explanation the Leader of the Opposition made it quite clear (as the Treasurer did also) that, so far as lending functions under the Loans to Producers Act, the Advances to Settlers Act, the Loans for Fencing and Water Piping Act, the Advances for Homes Act and the Students Hostels (Advances) Act were concerned, the bank was carrying on its business as an agent for the State under legislation which is currently in force and which was in force when the Leader of the Opposition was the Treasurer of the State, and any profits so made by it must be paid to the Treasury.

Yesterday, in his usual impeccable fashion and with his usual command of the English language (I would have thought the member for Stirling would listen to him), the Treasurer said:

For this last group the funds are provided by the Crown, all income belongs to the Crown, and all expenses are met by the Crown. Accordingly the Crown receives all profits from those activities and bears all losses.

The Loans to Producers Act provides, first, that the Treasurer shall indemnify the bank for all interest and other financial obligations arising out of any borrowing by the bank pursuant to the Act and, secondly, that any moneys received by the bank in excess of requirements as a result of lending taking place under the Act are to be repaid to the Treasury.

Mr. McAnaney: You explain what the Leader said then!

The SPEAKER: Order!

Mr. HUDSON: The honourable member for Stirling would be aware that the State Bank is fairly active in a few rural areas, notably in the near-North and on the West Coast. In those areas it carries on a general banking business, and its main clients are primary producers. If its profits are partly filched by the Treasury as a result of the passing of this Bill, the State Bank will have less funds available to it each year to expand its lending, be it lending for mortgages or lending to primary producers under its general banking business.

Mr. Broomhill: Does the member for Stirling agree with that?

Mr. HUDSON: He would have to do so. If he refers to the Treasurer's second reading explanation he will find that, for the categories of general banking business that the bank operates and for mortgage lending, the Treasurer made this clear when he said:

The first two activities of the bank, namely, the general banking and the long-term housing loans, are conducted by the bank as principal and accordingly any profits are retained by it for its own purposes, and they must also cover the bank's own losses. Fortunately, the bank has for many years been able to operate profitably to the mutual benefit of its customers, the State generally, and the bank itself. The bank's profits last year were \$822,380.

That sum was available to plough back in the business. Over a period that sum would find its way into additional lending by the bank in its general banking business or through mortgages. I point out to the Government, and to the member for Stirling, that most of the general banking business of the State Bank is confined to rural areas. The State Bank does not operate throughout all rural areas of the State, but I have no doubt that the members for Rocky River, Burra, and Eyre would be able to tell the member for Stirling and the Treasurer that it plays an important role in their districts. The ability of a bank in a rural area to assist its customers is vital, because, as any Government member would know, the liquidity of primary producers can vary substantially from year to year: during the next few months the liquidity of primary producers will be at an all-time low, and they will, almost without exception, call on their bank to sustain them further by extending their loans. It is vital, if the State Bank is to keep its customers in these areas and to continue its traditional role, that the bank can plough back its profits into its general business; otherwise, it could not give the same effective support to its customers as it has

done in the past. Two plain facts are evident from this Bill: first, the Treasurer was desperately looking for funds to filch to pay into Consolidated Revenue.

Mr. Broomhill: He has not denied that.

Mr. HUDSON: Of course not: he claims that this is part of the measures necessary to balance the Budget, although he has other measures available to him (as we pointed out in the Budget debate) that he has not touched—in particular, succession duties. However, it seems that the Government wishes to protect those who are using the current loopholes in the Succession Duties Act to the fullest extent.

Mr. Broomhill: The member for Stirling laughed at that suggestion.

Mr. HUDSON: I think he found it disturbing that the Treasurer, rather than carry out his responsibility to the State by protecting existing sources of revenue and by closing evident loopholes, was forced to tap additional sources of revenue, and the State Bank happened to be one of them. So, the reason this has occurred is not the reason given by the Treasurer. Primary producers probably pay 20 per cent or 25 per cent of the total succession duties collected by the State.

Mr. McAnaney: They would be only 10 per cent of the population.

Mr. HUDSON: People in primary-producing areas would pay to the Treasurer something of the order I have referred to, and such people would comprise 33 or 34 per cent of the population. This would have a minor effect on the position of the State Bank. Further, the moneys that come into revenue are spent fairly soon, and when the Government spends money it normally does so by cheque, which is paid to some individual. These drawings—

Mr. McAnaney: You are defeating your own argument now.

Mr. HUDSON: I am not. Every time the Government draws a cheque on its account at the Reserve Bank, that cheque finds its way into some account with some trading bank somewhere in the State, or into a savings bank. Spending by the State Government automatically reacts back on the deposits held with the various banks. I am pointing out the circularity involved in the Government's collecting revenue, which has to be paid by the taxpayer's cheque into an account held by the Treasurer at the Reserve Bank. When these sums are paid out as a result of Government spending, cheques are drawn on that same account. These cheques find their way into

other people's hands and into trading bank accounts. The overall effect is that the deposits of a particular bank can go up or down, as any junior economics student, even at school, would be able to inform the member for Stirling. One bank may happen to have more customers who have received cheques from the State Government than it has customers who have paid cheques to the State Government, in which case that bank's deposits would go up. If the reverse situation occurs, that bank's deposits would go down.

It is therefore impossible for the member for Stirling to draw the conclusion he drew, that, because succession duties are paid by some farmers who are customers of the State Bank, deposits of the State Bank would go down. It is just as likely that the deposits of the State Bank would go up: it depends on who is on the paying end and who is on the receiving end.

Mr. McAnaney: No, no!

Mr. HUDSON: If the member for Stirling insists on interjecting to the extent he does, he should at least listen to the explanations given in reply to his interjections. The Treasurer, in introducing this Bill, was determined to get increased revenue, and he had to use this source of extra revenue because he refused to touch other sources of revenue open to him, as every member of this House knows.

I regard as completely and utterly specious the Treasurer's statement about the 45 per cent levy being a substitute for the payment of Commonwealth income tax and about this being necessary to put the State Bank on the same basis as private banks. What private institution has approached the State Treasurer and complained about unfair competition from the State Bank? I challenge the Treasurer to provide members of this House with any information at all about any private individual or company that has come along to the Treasurer and complained about unfair competition from the State Bank.

After all, the Commonwealth Government did not require the Commonwealth Trading Bank of Australia to pay Commonwealth income tax until there had been over some years a very extensive campaign carried out by the private trading banks of Australia complaining that the Commonwealth Trading Bank had an unfair advantage because it did not pay income tax. The change was only made by the Menzies Government, some years ago now, after the most extreme pressure from the private trading banks and after

extreme pressure had been brought to bear on the Menzies Government by certain New South Wales members of that Government at the time. There was a possible argument that could be made in that connection, for the Commonwealth Trading Bank was competing directly with private trading banks. The Commonwealth Government did not want to take that action; it received advice from the Secretary to the Treasury and from Dr. Coombs, the Governor of the Reserve Bank, explicitly recommending against this action, but eventually the pressure that was brought to bear was too much and it had to do it. However, it could at least be said that the Commonwealth Trading Bank was in direct competition for customers with other private trading banks, and this could be used as a possible justification for the action that was taken.

In fact, when the Commonwealth Government in 1953 finally separated the Commonwealth Trading Bank from the Commonwealth Bank and made it a separate institution, the Commonwealth Trading Bank showed clearly that prior to 1953 it had been held back by the Commonwealth Bank, because after 1953 it grew from being the fourth largest bank in Australia to the second largest bank, and now it is successfully able to advertise throughout Australia "Deposit with the Commonwealth and get with the strength." No possible reason exists even in the member for Stirling's wildest dreams or wildest moments of creative imagination for suggesting that the State Bank is in any serious way in direct competition with other banking institutions throughout the community. The State Bank's largest single item of assets relates to advances under the Homes Builders Account, and this amounts to \$74,889,425.

Mr. Virgo: That represents a lot of homes.

Mr. HUDSON: That was the figure at June this year, and it represented a little over 50 per cent of the total assets of the bank. This money was in the form of mortgage advances made as a result of funds being made available by the State Government to the State Bank for lending out low-interest money for housing under the Commonwealth-State Housing Agreement. No possible reason could be advanced for that part of the State Bank's assets to be in direct or unfair competition with any private banks.

The current liquid assets of the State Bank at the end of June, 1968, are \$54,327,034, and the greater part of those funds are held in forms that prevent direct competition between the State Bank and other private

trading banks. What possible argument could there be, therefore, on the ground of unfair competition for suggesting that the State Bank should pay 45 per cent of its net profits to the Treasury so as to supplement the Treasurer's shaky Budget? The Treasurer said in his second reading explanation that the Labor Government proposed, in relation to the Government Insurance Office that we hoped to establish last year, that a contribution from the profits of such insurance office would be required to the State Treasury, but that was a clear case where the Government Insurance Office would be in direct competition with other insurance offices, and it was that fact of competition and the need that certain members of the Legislative Council saw to protect the interests of private insurance companies that caused the Legislative Council to throw out the Bill.

It is clear that the analogy made by the Treasurer to the Government Insurance Office and to the provision made last year was inappropriate. Even as the Bill stood, it was thrown out by the Legislative Council. Do honourable members opposite really suggest that that Bill would have been acceptable to the Legislative Council if all the profits of the Government Insurance Office had been available for a further expansion of that insurance office in direct competition with private insurance offices? They cannot even suggest that for a moment. I oppose this Bill. The State Bank has an important role to play in this State: it holds funds in various ways for the benefit of the State; and through its general operations it acts as an agent for the State in making loans under all sorts of special category which are of vital importance to the development of the State. In the main, the customers of the State Bank are people who are not able to give the same kind of collateral as would satisfy a private bank, and in the main the private banks are happy to see the State Bank dealing with such people. Further, the private banks see no real competition from the State Bank against their interests and have no fear of the State Bank, and, I am certain, they have not approached the Treasurer and complained about it.

The Treasurer, because of his refusal to act responsibly in relation to the revenue needs of the State and to obtaining the funds that could be obtained by closing up the loopholes in the Succession Duties Act, has had to resort to this unnecessary form of legislation. It is a form of legislation that will act to the detri-

ment of the future expansion of the State; it will act to the detriment of those who go to the State Bank seeking to borrow in order to build a house; and it will act to the detriment of those primary producers who in certain rural areas of the State use the State Bank as their bank. These are the people who in the long run will be adversely affected. It will not be an effect of great substance in the first year or even in the second year, because, after all, the sum held by the State Bank deposited at short call at June 30, 1968, amounted to \$10,250,000, so large liquid funds were held by the State Bank at that time readily available to the bank.

The even more important impact, therefore, of this legislation has to be viewed in terms of its cumulative effect. Over a 10-year period if the Treasurer is able successfully to squeeze the State Bank for about \$400,000 a year there will be \$4,000,000 less of investment in the basic assets that now represent the assets of the State Bank. There will be \$4,000,000 less available for lending on mortgage and lending to the general customers of the State Bank who, in the main, are not wealthy people but ordinary citizens, ordinary people in rural areas whom members opposite claim to represent. Apparently, they have forgotten these people and, now the election is over and they do not have to worry about another election for a few years, they can afford to forget them.

I suggest the whole policy of this Government towards the State Bank exhibits a failure to appreciate its overall importance in the development of the State. First, there was a reduction by the Treasurer in his Loan Estimates of \$1,150,000 in the amount of Commonwealth-State Housing Agreement money to be made available to the State Bank to use for this financial year; and now another \$350,000 of its profits is taken away from it. This means that, in total, the actions of this Government that have directly impinged on the position of the State Bank have reduced its lending ability by \$1,500,000 for this year alone and in circumstances where the building industry, and particularly the house-building section of it, is at its very lowest ebb and there is no real or significant sign of improvement. I do not understand how the Treasurer can justify these actions at a time when primary production needs the greatest financial support it can get—and I challenge the member for Stirling to deny that. He knows that the amount of money on loan to primary producers in this State by the end of November or before

any real receipts start to come in from the activities of the new season will be at an all-time record level.

Mr. McAnaney: No. This is the worst time of the year.

The SPEAKER: Order!

Mr. HUDSON: In one way or the other, whatever comparisons we make with other years, the financial position of the primary producers will be worse this year than in any other year—worse than the previous serious year of drought in 1959, or the following year, 1960. The member for Stirling knows that, as do other members opposite; yet the Government sees fit to support this policy and some members opposite have the gall to speak in support of cutting into the State Bank's ability to lend for this current financial year, both by reducing the Commonwealth-State Housing Agreement moneys by \$1,150,000 and by this levy of \$350,000, which will restrict the ability of the bank to lend not only on house mortgage but also to primary producers. I do not think it is possible not to condemn the general policy that this Government has been following in this field. I hope someone on the Government side will see the error of the Treasurer's ways and vote to reject this Bill. I hope that you, Mr. Speaker, if you have to give a casting vote will at least effectively consult your constituents (and not in a telephone box!) and ask them how they are concerned about a possible deterioration in the ability of the State Bank to lend money to primary producers, on the one hand, or for house mortgages, on the other. You, Sir, may vote on this measure in the basic interests not of just the primary producers (although it will be a vote in their interests) but also in the interests of everyone in this State who is at present on the waiting list for a mortgage loan from the State Bank or who will in the future be on that waiting list.

Let us make no mistake about this: a restriction on lending by the State Bank for house mortgages will mean a longer wait for those people who are waiting to build a house or who may already have built a house by using temporary finance. The longer wait can often have serious consequences for families that are not able effectively to afford temporary finance at a high rate of interest, or heavy second mortgage commitments. I oppose this measure and hope that you, Mr. Speaker, will do so too.

Mr. CORCORAN (Millicent): It does not appear that anyone on the Government side, apart from the financial genius (the member for

Stirling) will support the Treasurer on this Bill. I can understand this perfectly because members must have some mixed feelings about it. I was rather surprised that the member for Stirling, with all his experience in financial matters, made the blue he made tonight.

Mr. Lawn: He realized his mistake, though.

Mr. CORCORAN: Yes, I think he has, and he understands, having read the Treasurer's second reading explanation on this matter, that he was again off the rails. Of course, he also took to task the Leader of the Opposition, one who was much better versed in financial matters than he because he has had much experience in Treasury matters.

Mr. Clark: He will probably get up and apologize!

Mr. CORCORAN: Perhaps he will. I oppose the Bill for the same reasons as speakers on this side who have preceded me have given. I do so because it will retard the expansion of this State by Government action, as the State Bank is one of the few instrumentalities this State has at its disposal to expand activity within the State. I refer now to a matter in which the State Bank has been active and which definitely affects our primary producers. This is another reason why I am surprised at the silence of members opposite. Members will recall that in 1963 the then Treasurer (Hon. Sir Thomas Playford) introduced into this House the Rural Advances Guarantee Bill, which was designed to assist people, especially young people, who were equipped in every way to go on the land but who were unable to obtain the kind of finance necessary to enable them to do so. On that occasion the Treasurer intended that the Bill would overcome the reluctance of private lending institutions to make long-term loans at reasonably low rates of interest to establish people on the land.

I think all members realize that private lending institutions even today do not favour long-term loans on broad acres at a reasonable rate of interest, and that is why Sir Thomas Playford introduced the measure, which was supported by the Opposition. I recall saying that, if it succeeded in putting only three people on the land and successfully establishing them, the legislation could be called a success but, indeed, the results today show that 111 people have been established on properties as a result of this legislation. To my knowledge, of this 111 up to the present only one has failed, and those facts speak for themselves.

It is true that this Act has been successful, but the member for Stirling may recall that only last Thursday I asked a question of the Treasurer concerning transactions that had taken place under its provisions, and yesterday he kindly gave me the information I sought. It is significant that the State Bank and the Savings Bank of South Australia have borne the brunt of the activities in this field. Indeed, the Treasurer in his reply said:

The following guarantees aggregating \$2,739,990 have been given—State Bank of South Australia, \$1,677,250; Savings Bank of South Australia, \$1,028,660; private banks (three loans only), \$34,080.

This shows what part private banks have played in this type of financing, which members opposite will not deny is necessary, compared with the part played by State instrumentalities. It shows how the Government has been able to use these banks effectively to establish 108 people on the land in the last five years, people who otherwise would not have had the opportunity. The Treasurer, in replying to my question, said:

Both banks report that they have observed no serious hardship arising from their present policy to limit rural loans generally to \$30,000. Members may recall that, when speaking about this limit, I said that at times it might not be sufficient, although I was aware that in particular cases the banks would vary the policy. At times the \$30,000 upper limit on the loan might not be sufficient to establish a person on the land because, although the Government said that it would guarantee up to 85 per cent of the Land Board valuation of any property, this maximum might not cover the required figure.

Mr. RICHES: The State Bank has always stood behind the State Government.

Mr. CORCORAN: It always will, and it is one agent through which the Government can create expansion in this State.

Mr. RICHES: This is the first time a Government has pirated funds deliberately in this way.

Mr. CORCORAN: Yes. In his reply to my question the Treasurer said:

... though a number of applicants have had to resort to supplementary finance from vendors or elsewhere, and some to adopt rather less ambitious proposals. I am, however, asking them to consider a higher limit for the future, particularly if the availability of loanable funds should improve with a prospective favourable harvest.

I do not know whether the Treasurer said that tongue in cheek, because he must have realized that, although he was saying that he

desired to approach the bank to have this limit increased, by his very action in introducing this Bill he was limiting the Loan funds available to the bank for this purpose.

Mr. Broomhill: Not many members opposite have been able to refute this.

Mr. CORCORAN: The member for Stirling knows that what I am saying is correct. The member for Yorke Peninsula (Mr. Ferguson) is shaking his head: I should like him to go back to his seat and tell me where I am incorrect. He knows that a 45 per cent levy must reduce the funds available for this and other purposes.

For this reason and also because there are other avenues of taxation that the Government could have tapped if it had had the courage to do so, I do not support the Bill. This point was made by the Leader of the Opposition and the member for Glenelg (Mr. Hudson), and it is agreed to by every member on this side. Indeed, it was agreed to by the member for Stirling.

Mr. McAnaney: That is not correct.

Mr. CORCORAN: The honourable member agreed that there should be some adjustments in respect of succession duties, and he cannot deny it. On this score, I agree with him. The Government has taken a retrograde step and has avoided its responsibilities in another direction. For these two reasons I oppose the Bill.

Mr. RICHES (Stuart): I, too, oppose the Bill, and I do not want to do so silently. The State Bank has contributed mightily to this State's welfare. It is one of the best institutions the State has had and it has been a bulwark to people who have needed money for house building. I can remember listening in past years to speeches from members on both sides proclaiming that we should concentrate all our efforts on persuading people to purchase rather than rent houses. They said that the house-owner was a desirable type of person—a man with a stake in the community (a term often used by members opposite). In encouraging people to purchase houses we look to the State Bank to provide the necessary financial assistance. The money advanced through the Advances for Homes Act has meant much to people in many localities where no other lending institution would assist them. It is a source of regret to me that this institution, for the first time in its history, has been singled out by this Government to be subject to the taxation provided for in this Bill. Before the Treasurer introduced the Bill, he must have

known that no-one with the interests of the people at heart could possibly support it.

Mr. McAnaney: They knew you would not tax the private banks either, because taxation restricts their lending.

Mr. RICHES: The honourable member must not attempt to put words like that into my mouth. Private banks are in business for profit, as is any other commercial undertaking, and they are therefore subject to taxation. The Deputy Leader of the Opposition effectively answered the member for Stirling on the question of advances to people wanting to take up land for the first time. I realize that the member for Stirling believes that the land belongs to the people already settled and that he is not so anxious that young people or new people should get on to the land, for his idea is that it is a closed preserve.

The Hon. J. W. H. Coumbe: I do not think that is worthy of the honourable member.

Mr. RICHES: I do not think it is worthy of anyone, but unfortunately this is the cold, hard fact of the matter. I regret that this legislation can do nothing but make it more difficult for the State Bank to help young men to get on to the land, to own their own houses, or to discharge mortgages. No-one can deny that, and no-one would expect anyone with an ounce of consideration for the people to support this measure. I cannot speak too strongly in opposition to it.

Mr. BURDON (Mount Gambier): Very briefly, I indicate my opposition to this Bill. The 45 per cent provision is in line with the taxation paid by other banks. In other words, 55 per cent of the profits is to be retained by the bank and the other 45 per cent is to go to Consolidated Revenue. The Government's taking this estimated \$370,000 in one year will mean that some people who could have been helped by the State and in turn could have helped the State in its development will miss out. This money will be denied to those people, whether it be for housing loans or for advances to primary producers. This amount of money could have put another 10 or 12 people on the land, or alternatively it could have assisted many people who require finance for housing.

Mr. Broomhill: And it will go on each year, too.

Mr. BURDON: Yes, until the Act is changed by another Government. I believe this legislation is strictly in line with the Government's policy of stripping State instrumentalities of all the finance they have availab'

for further development. It is also somewhat in line with what was proposed by the previous Government in relation to the State Insurance Office. If the present Government wanted some additional revenue, it should have supported that Bill. Every other State has benefited greatly from a State Insurance Office. In fact, the largest insurance office in Queensland is the State Insurance Office, which is returning large sums to the State Treasury every year.

Mr. Broomhill: What did the Attorney-General say about this?

Mr. BURDON: We know that when that Bill was before the House last year he vigorously opposed it. The Government has now changed its tune, and the present step is one it has to take, even though it condemned the previous Government for suggesting something similar to this and denied the people of South Australia the benefit of a State Insurance Office. It does not seem that the Treasurer has many supporters, because we have waited in vain for a few members opposite to explain their attitude or to support the Treasurer. Members opposite have heard speakers from this side of the House condemn the Government's action proposed under this measure. I oppose the Bill.

The Hon. G. G. PEARSON (Treasurer): I find it difficult to understand the vehemence and excitement of the Opposition on this matter except, of course, for political reasons, and that is something that is well understood. The Leader of the Opposition had much to say about the effect of the Bill in taking away from the State Bank certain funds that had accrued to it as profit, and he was concerned that it would reduce the bank's capacity to assist primary producers and men on the land, etc. I think the member for Stirling (Mr. McAnaney) was quite right in taking the Leader at face value in the comments he had made and, as I heard the Leader, I think the honourable member was quite in order in assuming that the Leader meant what he said, for I had a similar impression to that of the member for Stirling.

Mr. Broomhill: What do you think the Leader said?

The Hon. G. G. PEARSON: He talked about advances to primary producers, etc., and about the ability of a bank to finance a co-operative of grapegrowers, and so on. If that does not come under the loans to producers provisions, what does it come under? Co-operatives are financed under loans to producers.



Mr. Langley: What about the money? Won't it be curtailed?

The Hon. G. G. PEARSON: The honourable member would not understand. These are two entirely different funds. The co-operatives are financed for the most part, I understand, under the Loans to Producers Act and this, as the member for Stirling pointed out, is a separate undertaking. The member for Glenelg (Mr. Hudson) subsequently pointed this out also. There was a mixed opinion about this at the time, and I support the member for Stirling for having taken up the matter in the way he did. This was clarified later in the debate, and so much the better for all concerned. The position concerning the problem of the man on the land rather intrigues me because, in fact, the State Bank this year will have not \$370,000 less than it has had in the past but \$452,000 more. The fact that it is being asked to contribute something to Consolidated Revenue this year does not mean that we are taking away anything from its reserves or its capacity to expand concerning its profits. Admittedly, the bank will pay a proportion of its profits, and its capacity to build up reserves will probably be reduced. But the bank had reserves at the time of compiling the last Auditor-General's Report of \$7,600,000 and its liquid position, as the member for Glenelg quite properly pointed out (I do not know that it helped his argument much), is also reasonably good. I think he mentioned that deposits at short call amounted to about \$10,000,000, so the bank is not in such a parlous condition that its transfers to reserves or to accumulated funds this year could not reasonably be reduced by the amount it is being asked to pay.

We also heard much from some members opposite about the problems of the man on the land, the problems of the people whom members of my Party are "supposed to represent". This business about which section of the community various Parties are supposed to represent intrigues me. I have not come into this House to represent only farmers or only townspeople. I have heard some honourable members talk about the people they represent. I represent all the people of my electorate, whether they be people on the land, people in the towns, teachers, or any other people. I represent them fully, and am entitled to—but that is by the way.

Members opposite chided the Government Party members because they were silent on a matter of vital concern to the man on the land. However, the State Bank this year has not lost money: it has \$452,000 more by virtue

of the very nice profit it made on last year's operations. It is said by members opposite that banks should have a greater degree of liquidity to help people with their problems, to help people pay their debts and retain their liquidity to enable them to remain on their farms, and all the rest of it. I wonder whether or not the previous Government was as solicitous for the well-being of the people on the land as it maintains it has been since 1965. In the years 1965-66 and 1966-67, it proceeded to take \$14,000,000 from the people by way of extra taxation. Of that \$14,000,000, land tax comprised \$2,950,000 in two increases, harbour charges were \$800,000, rail freights were \$1,550,000, and water rates were increased in two stages by \$2,000,000. I have selected those few items of particular application to the people on the land.

Mr. Riches: And you have not taken off any of those items. You are adding to them.

The Hon. G. G. PEARSON: I am not taking any off because even though the Government did have \$14,000,000 in additional taxation from the community in those first two years, and it continued at that level during the third year, it spent much more than that in additional expenditure; so, even with those taxes, the Budget nowhere near balanced. That is rather interesting when one considers the sudden solicitude for the man on the land shown by the Opposition in this debate. I have been chided for neglecting my duties, for doing the wrong thing, for running away from certain forms of taxation. The form of taxation that, apparently, I should have increased and did not is succession duties, which I am told should have been increased to avoid taxing the State Bank. However, that form of duty hits the people on the land harder than it hits anybody else. This is because a succession of property held in land, particularly rural land, is an indivisible asset and cannot be realized on unless properties are split into areas that are probably too small to constitute living areas. For that reason, succession duties constitute problems for people on the land.

I was charged with neglect because I did not impose this form of taxation. However, I have proposed a gift duty, which will go a long way towards achieving the objective of obtaining revenue from this source. When one boils it down, the condemnation that the Opposition has heaved on this Bill amounts to very little. No-one likes imposing additional taxation but, if we are to pay our way and provide for the community the amenities that

it desires and demands, somehow that money must be found. Rather than run away from our responsibilities in this matter, the Government and I have faced up to them to an extent that the Opposition did not and could not do.

Mr. Jennings: You didn't say that before the election!

The Hon. J. W. H. Coumbe: And you did not say anything about the taxes you intended to impose, either.

The SPEAKER: Order! There are too many interjections.

The Hon. G. G. PEARSON: This is not a damaging tax to the State Bank but is a reasonable contribution that the bank, out of its successful operations, can afford without embarrassment to itself or to its customers, and I venture to forecast that, should there be a change of Government in this State and members opposite should find themselves sitting on this side of the House, they will not take it off.

The House divided on the second reading:

Ayes (18)—Messrs. Allen, Arnold, Brookman, Coumbe, Edwards, Evans, Ferguson, Freebairn, Hall, McAnaney, Millhouse, Nankivell, Pearson (teller), and Rodda, Mrs. Steele, Messrs. Teusner, Venning, and Wardle.

Noes (18)—Messrs. Broomhill and Burdon, Mrs. Byrne, Messrs. Casey, Clark, Corcoran, Dunstan (teller), Hudson, Hughes, Hurst, Jennings, Langley, Lawn, Loveday, McKee, Riches, Ryan, and Virgo.

Pair—Aye—Mr. Giles. No—Mr. Hutchens.

The SPEAKER: There are 18 Ayes and 18 Noes. There being an equality of votes, I give my casting vote in favour of the Ayes. The question therefore passes in the affirmative.

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4—"Disposal of profits."

The Hon. D. A. DUNSTAN (Leader of the Opposition): I oppose this clause, which takes from the State Bank profits in the hands of the bank, which otherwise provide part of the liquid funds of the bank, for use in general operations. We learned earlier about loans to producers, which are loans to organizations registered under the Industrial and Provident Societies Act. The moneys in the hands of the State Bank for that purpose and under that Act are moneys provided by the Government, in relation to which the State Bank acts as agent for the State Government. Consequently, under the provisions

of the Act the returns from that venture are paid to the Treasury, but that does not affect the ability of the bank to lend directly to individual primary producers. Under the heading of "individual primary producers", the moneys actually paid out by the bank come directly from the bank's liquid funds, and that is what this Government is taking out of the hands of the bank: there is no way around this. If members opposite want money to be in the hands of the bank to ensure that assistance is given for an expansion of the operations of primary producers, the money must come from the funds of the bank, and the liquidity of the bank is the thing that determines how much the bank can lend.

What the Government is choosing to do is to take money out of the hands of the bank, and consequently there will be less liquidity available. Liquid funds in the hands of the bank are the basis on which it can create credit because it must maintain a reasonable ratio between liquid funds and advances. Members opposite who have been here for some time no doubt became accustomed to the lectures given by the previous member for Burra, a former Minister of Lands (Mr. Quirke). He used to point out what every member ought to know—that the amount of money lent by the bank is not the amount of liquid funds in its hands, but very much more than that. Therefore, the reduction in the amount available for lending is very much more than \$370,000: it is a vast sum taken out of the hands of the bank that otherwise would be available for lending in the areas where the State Bank uses its money.

Mr. Clark: I hope the member for Stirling is concentrating.

The Hon. D. A. DUNSTAN: I hope the member for Stirling (Mr. McAnaney) can follow this simple exposition of standard banking practice. It is clear, despite the Treasurer's lame excuses, that what is being done is the very opposite to what was said before the last election by the Liberal and Country League. It did not say that it would increase taxes but that, through engendering greater business activity, there would be increased Government revenue. The result of this Bill will be to decrease the State's business activity. This is not an expansion measure; this is not a means of getting the State moving; this is not a stimulus to the economy: it is a deflationary measure that will take money out of the hands of the very State instrumentality that could give a stimulus to South Australia. If there is more money, as the Treasurer says there is, in

the hands of the bank this year, it ought to be used for expansion activities, because of the very argument used by members opposite: that the economy needs a boost. However, what it is getting through this measure is not a boost but a kick in the pants.

Mr. McANANEY: When I was speaking before, we were arguing on a principle that, with loans to producers and advances for homes, the Government lends money through the State Bank, a profit is made and the whole lot is taken back by the State Government. The State Bank makes a profit on the money that is lent to it by the State Government for general banking purposes, and under this Bill the Government will take some of that profit back. On the argument of the Leader of the Opposition, this is taking out money that could be re-invested by the bank. However, on his argument in the first two cases these profits should be retained by the bank and thus create more assets in the State Bank. The State Bank has been lent about \$74,000,000 altogether on Home Builders Account by the Commonwealth and State Governments, and it makes a profit on lending that money out to the people. The Government lends the bank \$13,000,000 for general purposes, which it lends out and on which it makes a profit.

I think the Leader of the Opposition is a little confused, because the State Bank is not like the Commonwealth Bank, which has the command of the credit of this country. In fact, it finances a large part of the deficits of the Commonwealth Government, which this year amounted to \$547,000,000, and that is the creation of new wealth. The State Bank cannot function like that. The amount it lends depends on the amount the State Government lends the bank or on the willingness of the people of South Australia to make deposits with the bank. As I said, this is entirely different from the position with the Commonwealth Bank, because the Reserve Bank, with its resources, can issue credit that will give a boost to the economy. The Leader of the Opposition has not put up a sound economic argument. He has said that his Party had to run a deficit over the last three years to give a boost to the economy, yet last January when our young people were leaving school they could not get jobs. The Leader of the Opposition, who was then the Treasurer, built up the State funds and took money out of the hands of the people, and there were fewer jobs for young people. This was one of the biggest blunders—

Mr. LAWN: Mr. Chairman, I rise on a point of order. The member for Stirling commenced by talking about the earlier debate, and obviously he was referring to the second reading debate. I say that he is out of order in doing this. I also say that the honourable member is continuing to discuss matters that are irrelevant to clause 4.

The CHAIRMAN: We are in Committee, and the member for Stirling cannot discuss what was said in the House during the second reading debate. He must confine his remarks in Committee to the relevant clause, which is clause 4.

Mr. McAnaney: If I transgressed, Mr. Chairman, I apologize, but I understood I was replying to the Leader of the Opposition—

The CHAIRMAN: The honourable member cannot reply to what was said by the Leader of the Opposition when we were not in Committee. However, he is in order in replying to what the Leader said when he spoke in Committee on clause 4.

Mr. McANANEY: The Leader said that the State Bank could issue credit, and he spoke of the effect this would have on the economy.

Mr. McKee: You are still out of order.

Mr. McANANEY: I am replying to what the Leader said in Committee. He mentioned what could be done with credit, and I brought up the fact that funds were withdrawn by the State Government in January last year, thus causing unemployment.

Mr. HUDSON: I will confine myself to the clause and to the effect that the tax on the profits of the State Bank will have on the ability to lend. One can be misled into believing that, as the existing section 34 of the State Bank Act requires one-half of the profits to be placed in the credit of the bank's reserve fund and the other half placed in the credit of the redemption fund, the effect of the tax, coupled with elimination of the redemption fund by this Bill, will be to leave less available in the reserve fund. However, I think the Treasurer should appreciate that the accounting of the State Bank shows over a time the profits of the State Bank accumulating as a surplus of assets over liabilities and, to the extent that the Treasurer taxes the profits of the State Bank, that surplus will be less than it otherwise would be; and, to that extent, the liabilities of the bank are regarded similarly. This means that initially there must be a reduction in the assets. The first effect, of course, is to reduce the liquid assets of the State Bank.

I agree with the Treasurer that at June 30 last the bank was in a fairly liquid position although undoubtedly it expected that many of its overdrafts would have to be increased substantially, so that this liquid position was necessary to give additional support to certain sections of the community. But if at the end of June the balance sheet of the State Bank had had to be adjusted according to the payment of this tax to the Treasury, we would have seen a reduction in the surplus of assets over liabilities by \$350,000-odd, so that the total reserves of the State Bank would have been reduced by that sum. On the assets side of the State Bank's balance sheet, we would have seen a reduction in its coin and note holdings or its cash balances at the Reserve Bank, or some other liquid assets, amounting to about \$350,000. It is these liquid assets which are the immediate source of credit creation by the State Bank when it lends out money on overdraft, and its overdrafts are quite substantial: at June 30 last they stood at \$37,688,471. It is that expansion in overdraft that takes place each year which represents the amount of support that the State Bank gives in various ways to other sections of the community, apart from moneys lent under the Home Builders Act, and apart from moneys lent under various special Acts administered by the State Bank on behalf of the Treasurer.

Therefore, loans to producers or loans made under the Advances to Settlers Act, the Loans for Fencing and Water Piping Act, and so on, are not covered. These are overdrafts that arise from general banking business. As I pointed out, the State Bank, because of its history and because of its expansion, operates in a number of rural areas. The tax that the Treasurer will be levying on the State Bank will mean that each year when this tax is paid the liquid assets of the State Bank will have to be reduced by the amount of the tax. The balance sheet will show the appropriate adjustment in a lower surplus of assets over liabilities and, in the profit and loss statement, there will be a lower profit after tax. In turn, the bank will be in a worse position to provide further lending than would otherwise have been the case. The Treasurer is under a misapprehension if he thinks that the reserve fund and the redemption fund at the bank are separate funds that are not represented at any one point of time by general assets of the bank. In fact, apart from the \$1,891,615 deposited at the South Australian Treasury, they are repre-

sented by general assets of the bank. This is clear from a careful look at the balance sheet on page 228 of the Auditor-General's report—for the Treasurer's information.

The analysis of this matter made by the Leader of the Opposition is correct: that the bank's ability to lend to its ordinary customers will be adversely affected, particularly over a longer period of time, by this levy. Initially, although the funds of the bank at this stage are still nowhere near as liquid as they were at June 30, I accept that the impact will not be very great. However, over a period of 10 years there is a cumulative effect, which can be substantial. As the Leader of the Opposition pointed out, some of the loans granted by the State Bank will, in turn, generate additional deposits with the bank, thus enabling it to lend still further. This is the ordinary process of bank credit creation. Admittedly, the State Bank is not the only bank in the community, so some of its loans or overdrafts end up as deposits in other banks, only part of which returns to the State Bank itself. Any lending by the State Bank has an impact on its further ability to lend. If it wants to increase its lending by \$10,000,000 by way of overdraft, the ultimate impact on its lending ability will be greater than the \$10,000,000. If the direct reduction in its ability to lend as a result of this tax is \$350,000 in one year, then the ultimate reduction in its ability to lend will be greater than the \$350,000. That is the ordinary process of bank credit creation, so the Leader was completely correct in his analysis of the situation in saying that, because of the ultimate impact over a period of time of the Government's policy, the State Bank's ability to participate in the development of the State by way of overdraft will be adversely affected. If, over a period of 10 years, the Treasurer takes away \$3,500,000 or \$4,000,000 from the State Bank as a result of this tax, the lending ability of the State Bank over that period of time will be effectively reduced by more than that amount because, if it has that additional \$10,000,000 available to lend, the effect on credit creation of bringing in additional deposits to the bank will enable it to lend more than that amount.

The net profits of the State Bank over recent years have shown a substantial increase. For the year 1963-64 its profit was \$490,766; by 1967-68 that had increased to \$822,380. We can well accept that, if a similar trend continues, the State Bank will be making a profit by 1972-73 of about \$1,500,000, at the present

rate of growth. Of course, at a slower rate of growth, it will be less than that. If it is \$1,500,000, the Treasurer's levy on the bank's profit will amount to almost \$700,000 in a year, or 45 per cent. When the profit of the State Bank rises to \$2,000,000 a year, the Treasurer will be able to take \$900,000 from it each year. Therefore, the long-term effects of this change will be substantial indeed.

While it is possible for the Treasurer to be convinced that the immediate impact this year will not be substantial (and I agree with him), I point out that the long-term effects could be substantial. Indeed, I suggest it could be as much as \$4,000,000 over 10 years. However, that assumes an annual rate of profit of \$875,000, but the annual profit of the bank is greater than that, and the total taken by the Treasurer over 10 years could easily grow to \$7,000,000. It is, therefore, a substantial levy, and I point out to the Treasurer that there is no effective pressure on him from any private organization to do this. Indeed, the State Bank is not involved in anything that could be described as unfair competition. It is not a large bank by the standard of the private trading banks that operate in South Australia but, nevertheless, it plays an important role in the development of this State and has been and is an important adjunct of the general policies of the State Government. The more

effective it can be, the more effective the State Government can be. I regret greatly that this levy has been imposed, particularly as other sources of revenue legitimately available to the Government have not yet been tapped. I oppose the clause.

The Committee divided on the clause:

Ayes (18)—Messrs. Allen, Arnold, Brookman, Coumbe, Edwards, Evans, Ferguson, Freebairn, Hall, McAnaney, Millhouse, Nankivell, Pearson (teller), and Rodda, Mrs. Steele, Messrs. Stott, Venning, and Wardle.

Noes (18)—Messrs. Broomhill and Burdon, Mrs. Byrne, Messrs. Casey, Clark, Corcoran, Dunstan (teller), Hudson, Hughes, Hurst, Jennings, Langley, Lawn, Loveday, McKee, Riches, Ryan, and Virgo.

Pair—Aye—Mr. Giles. No—Mr. Hutchens.

The CHAIRMAN: There are 18 Ayes and 18 Noes. There being an equality of votes, I give my casting vote for the Ayes, and so the clause passes in the affirmative.

Clause passed.

Remaining clauses (5 to 9) and title passed.

Bill read a third time and passed.

#### ADJOURNMENT

At 9.29 p.m. the House adjourned until Thursday, October 10, at 2 p.m.