

HOUSE OF ASSEMBLY

Tuesday, August 4, 1970

The SPEAKER (Hon. R. E. Hurst) took the Chair at 2 p.m. and read prayers.

OATH OF ALLEGIANCE

Mr. William Field Nankivell, to whom the Oath of Allegiance was administered by the Speaker, took his seat as member for the District of Mallee.

DEATH OF HON. C. D. ROWE

The Hon. D. A. DUNSTAN (Premier and Treasurer): I move:

That the House of Assembly express its deep regret at the death of the Hon. Colin Davies Rowe, LL.B., a former Attorney-General and Minister of Labour and Industry and member for Midland District in the Legislative Council, and place on record its appreciation of his long and meritorious public service; and that, as a mark of respect to the memory of the deceased gentleman, the sitting of the House be suspended until 7.30 p.m. this day.

I pay a tribute to the late Hon. Mr. Rowe, who as Attorney-General and as Minister of Labour and Industry gave long service to this State. He always pressed his point of view well and effectively, and he worked hard and spoke articulately on behalf of the people he represented in the Parliament. I believe that all members of this House will join with me in expressing sympathy to his widow and his family.

Mr. HALL (Leader of the Opposition): I second the Premier's motion, the necessity for which I regret as, I am sure, do all members of this House. I was a colleague of the late Hon. Mr. Rowe as our districts overlapped, and I can confirm that he was a most vigorous advocate for his political beliefs and for his district. The Hon. Mr. Rowe's service of 23 years was certainly a most meritorious effort on behalf of this State, and that service was given during a highly developmental period of the State which exacted a toll on those who served the State during that time. I am sure the honourable member will be long remembered, particularly in the district which he served closely and in which his home town is situated. I think this is recognized as one of the greatest commendations any member can have.

Motion carried by members standing in their places in silence.

[Sitting suspended from 2.8 to 7.30 p.m.]

QUESTIONS

NARACOORTE SALE YARDS

Mr. RODDA (on notice):

1. When does the lease of the South Australian Railways sale yards at Naracoorte expire?

2. What is the annual revenue received by the South Australian Railways from the leasing of these yards?

The Hon. G. T. VIRGO: The replies are as follows:

1. The lease expires on May 16, 1975.

2. The current rental amounts to \$6,088.73 a year.

TEACHER RESIGNATIONS

Mr. COUMBE (on notice): What number of teacher resignations occurred at the end of the first term in each of the years 1969 and 1970 in the primary and secondary divisions of the Education Department?

The Hon. HUGH HUDSON: The reply is as follows:

Resignations		Primary	Secondary	Total
at end of first term				
1969	116	101	217
1970	165	132	297

ADVANCES FOR HOMES ACT AMENDMENT BILL

The Hon. D. A. DUNSTAN (Premier and Treasurer) obtained leave and introduced a Bill for an Act to amend the Advances for Homes Act, 1928-1968. Read a first time.

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

That this Bill be now read a second time.

It is introduced consequent upon a decision to approve an increase in the maximum amount that may be advanced by the State Bank for housing purposes from \$8,000 to \$9,000. The operative provision is contained in clause 3, which lifts the maximum advance that may be made by the bank under the principal Act to \$9,000, and clauses 2, 4 and 5 merely make certain consequential amendments to the principal Act. The major sums lent by State Government instrumentalities in housing loans are not lent under this Act, but a small amount of funds is still allotted under it. In consequence, it is necessary that we amend it to alter the maximum loan permissible.

Mr. HALL secured the adjournment of the debate.

ADVANCES TO SETTLERS ACT AMENDMENT BILL

The Hon. D. A. DUNSTAN (Premier and Treasurer) obtained leave and introduced a Bill for an Act to amend the Advances to Settlers Act, 1930-1968. Read a first time.

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

That this Bill be now read a second time.

It is introduced consequent upon a decision to approve an increase in the maximum amount that may be advanced by the State Bank for housing purposes from \$8,000 to \$9,000. Clause 2 amends section 12a of the principal Act, which provides for advances for housing purposes to settlers within the meaning of the principal Act. The maximum advance under that section is, by this amendment, increased from \$8,000 to \$9,000. Honourable members will know that this, too, nowadays is a limited provision that we use through the State Bank, but advances are still made under the principal Act. In consequence, it is necessary for us to amend the legislation.

Mr. HALL secured the adjournment of the debate.

ADMINISTRATION AND PROBATE ACT AMENDMENT BILL

The Hon. L. J. KING (Attorney-General) obtained leave and introduced a Bill for an Act to amend the Administration and Probate Act, 1919-1960. Read a first time.

The Hon. L. J. KING: I move:

That this Bill be now read a second time.

It makes miscellaneous amendments to the Administration and Probate Act; it removes a restriction upon the power of a judge of the Supreme Court to order that administration issue notwithstanding that the prospective administrator has not entered into an administration bond under section 31 of the principal Act; it clarifies the powers of the Public Trustee under section 65 of the principal Act in relation to property held by him under that section on behalf of the beneficiaries who are subject to a legal incapacity or who are not resident within the State; it increases the amounts that may be paid by the Government to the widow of a deceased employee, or by a bank to the widow of a deceased depositor, without production of probate or letters of administration; and finally, it removes a restriction against the Public Trustee's administering property settled for an exclusively religious use or purpose.

The provisions of the Bill are as follows: clause 1 is formal. Clause 2 makes a formal amendment to the principal Act. Clause 3 amends section 33 of the principal Act. This

section at present empowers a judge to order that administration issue without an administration bond being given where the estate is under \$1,000 in value. The amendment removes this restriction based upon the extent of the estate and permits a judge to make the order in any instance. Clause 4 makes a formal amendment to section 56 of the principal Act.

Clause 5 amends section 65 of the principal Act. This section requires an administrator possessed of property on behalf of a person who is not *sui juris*, or not resident within the State, to convey it to the Public Trustee, who is thereafter statutorily obliged to administer that property. There are some doubts as to the Public Trustee's powers in relation to this property. The amendment makes clear that the Public Trustee may, subject to the terms of a will or instrument of trust, realize or postpone the realization of this property. The amendment also invests the Public Trustee with power to authorize the sale of trust property, not exceeding \$4,000 in value, to the administrator.

Clause 6 amends section 71 of the principal Act. This section authorizes the Treasurer to pay to the spouse of a deceased Government employee any sum not exceeding \$200 owed to the deceased employee by the Government. This figure is increased by the amendment to \$1,200, which is now thought to be a more realistic sum. Clause 7 amends section 72 of the principal Act. This section provides that a bank may pay, without production of probate or letters of administration, to the spouse of a deceased depositor a sum not exceeding \$100 standing to the credit of that depositor. The sum is increased by the amendment to \$1,200. Clause 8 amends section 88 of the principal Act. This section provides that the Public Trustee may be appointed trustee of any disposition of trust property except where the trust is exclusively for a religious purpose. This restriction upon appointing the Public Trustee to administer property settled for an exclusively religious purpose does not appear justified and is removed by the Bill.

The Hon. D. N. BROOKMAN secured the adjournment of the debate.

STATE GOVERNMENT INSURANCE COMMISSION BILL

Adjourned debate on second reading.

(Continued from July 30. Page 465.)

Mr. CRIMES (Spence): In further support of this Bill, I call attention to the following passage from the policy speech of my Leader:

it will provide a valuable source of investment in semi-government loans for development. This has been proved by Government insurance offices everywhere else in Australia.

This point has been well illustrated by the business of the Queensland State Government Insurance Office, with its investments in semi-government securities, Commonwealth securities, land and buildings, public companies, and loans to policy holders, co-operative housing societies and industry. At June 30, 1968, the investments of this office totalled \$161,536,383, which was an increase in one year (1967-68) of \$10,579,614.

Mr. Rodda: Was that profit?

Mr. CRIMES: This was the increase in investments. The obvious priorities given to community development and assistance to policy holders, who are part of the community, prove the benefit of a State Government instrumentality such as the one we are attempting to set up in this State. When considering the Victorian situation we realize that one item alone seems to indicate great confidence in that State's Government insurance office and in its business. No less than 39 per cent of all vehicles registered in Victoria are insured with this office, and one cannot imagine a greater indication of confidence in an office than is shown by those figures.

Since 1939, the Government Insurance Office in New South Wales has conducted a co-operative insurance scheme as a service to the municipal, shire, and electricity councils throughout the State. Again showing the confidence people have in this kind of establishment, no fewer than 187 councils are now participating in this co-operative insurance scheme. This surely does not indicate that, if a similar scheme were established in this State, it would be likely to fail. In contrast to this situation private insurance companies, to a large degree, tend to expand inward rather than consider fully the interests of the State. In all of the capital cities of the Commonwealth, many of the multi-storey buildings have been erected by insurance companies as well as by banks. Although these buildings are impressive, one would tend to regard them as catchments for lung-clutching car pollution in our city streets, and this is something to be borne in mind when we are considering the menace of pollution.

How much better it would be if the money and effort required to erect these multi-storey buildings were primarily directed towards such

things as low-cost housing, education facilities and hospitals. If Government insurance offices are likely to be a failure, why have they existed successfully for so long in other States? One might say that they so existed because it was difficult to wind them up. True, it may be difficult to wind them up, because they all have contractual obligations. However, if there were any strong public feeling against a Government insurance office there is little doubt that it could be wound up after a period of years. Although Government insurance offices are accepted and greatly valued by the community, I think it could be reasonably claimed that, if Labor Governments were perpetually behind them, these offices would be even more successful.

Mr. Gunn: Are you going to compel people to use them?

Mr. CRIMES: No; there is no compulsion about this. With a sympathetic Government behind a Government insurance office, instead of a Government which would be opposed to it and which would try to hamstring its operations, I think a Government insurance office could be of even greater benefit to the welfare of the community than it might otherwise be. This Government's intention to set up a Government insurance office falls into its plan and pattern regarding consumer and community protection, and this is basically the policy of Labor Governments. Quite the reverse of any claim that Government insurance offices are fading away and are likely to fail, we find that these offices are developing Commonwealth-wide and even international relationships. This is an important factor, because it clearly indicates the increasing acceptance of the idea of Governments' entering into the sphere of insurance.

Already, no fewer than 15 conferences of Australian and New Zealand Government insurance offices have been held, and this demonstrates the expanding relationship between the offices in this country and the office operating in New Zealand. The New Zealand office has been singularly successful, particularly when it has been supported by Labor Governments. It is important to realize, in relation to these conferences, that much progress has been made towards initiating an exchange of business between offices. In regard to Government-owned insurance offices that have been so well established throughout Australia, the keynote is progress, yet the opponents of the scheme clearly indicated during the debates that took place in this House

and in another place, when a similar measure was previously before Parliament, that South Australia must play no part in this ring of insurance confidence existing throughout the Commonwealth.

The opponents of the scheme want South Australia to remain the Cinderella State. This Labor Government will not tolerate that position. When the matter was previously before Parliament, an advertising blurb was put out by three bodies, namely, the Fire and Accident Underwriters Association of South Australia, the Marine Underwriters Association of South Australia and the Non-Tariff Insurance Association of Australia, South Australian Branch. This was a strong attack on the then proposal (and possibly it will be repeated again on this occasion), and in its collection of dismal prophecies in regard to an insurance office set up under Government auspices in this State it said to the people to whom it addressed itself, "Use your democratic right to protest." Well, this democratic right to protest is growing continually, and this Government has no particular opposition to the exercise of that right.

The card went on to say, in an appeal on its back page, "Do something positive about it; protest to your local member of Parliament." Well, I think the people did something about it: they did it on May 30 in no uncertain manner. The people used their democratic right and supported Labor's policy in all its aspects, including the proposition that a State Government insurance commission should be set up; they indicated their overwhelming support for what Labor had put forward, and Labor will do its utmost to ensure the success of this important public measure. I support the Bill.

The Hon. D. N. BROOKMAN (Alexandra): The member for Spence seems to have some unusual ideas about the value of multi-storey buildings, because he seems to take the attitude that the companies that have these buildings erected are wasting money. I do not know where people are to have offices if buildings are not put up for them, and I do not know how a State Government can claim progress in the State if the building industry slumps to the extent by which these multi-storey buildings are not erected. Obviously, these buildings are part of an economic pattern and serve a useful purpose in the same way as do other kinds of building.

The other comment I have about the honourable member's speech is that he said that on May 30 the people accepted Labor's policy

in all its aspects. Well, I think it is fair to admit that the Government has been given approval of its policy to introduce a State Government insurance commission. Its policy in this regard was quite clearly stated in its policy speech, and it is well known that it introduced a similar Bill when it was in office before. Therefore, I do not dispute that there is a mandate (if that is the word the Government wants to use) from the people in this respect. However, I dispute the honourable member's statement that all aspects of Labor policy are hereby accorded a mandate because Labor won the election. Many aspects of Labor policy were never mentioned either in the policy speech or in the subsequent campaign. In due course I will discuss those aspects, too, and when a mandate is claimed for them I will dispute that.

Mr. Clark: But not in this case, surely?

The SPEAKER: Order! The honourable member for Alexandra must confine his remarks to the Bill.

The Hon. D. N. BROOKMAN: Mr. Speaker, I said a short time ago I believed that the people well knew that the Labor Party advocated Government insurance and that it could claim a mandate in that respect. However, I do not believe that the people either expect or want me to try to interpret the result of an election and, merely because the Labor Party was successful at the election, then not to oppose or criticize Labor legislation. I intend to criticize and oppose this legislation.

I do not believe that it is necessary to have a Government insurance commission in this State. As insurance is a most competitive business, the Government commission will not be able to offer what private companies cannot now offer. In his second reading explanation, the Premier said that one reason for setting up a Government commission was to keep premiums at a reasonable level. In reply, however, the Leader of the Opposition showed conclusively that premium rates in South Australia were more than reasonable and that, on an Australia-wide average, they were the lowest; in only one category referred to by the Leader were South Australia's premiums not the lowest. How can the Premier say that the Government commission is necessary to keep premiums at a low level when they are already at a low level without the aid of a Government insurance office? It seems to me that that argument of the Premier's is false and should be called false.

The Premier also claimed that adequate service should be given but, because of the nature of the competition, adequate service is available now in South Australia to all who want it. The only criticism that can be made is of small companies which do not have sufficient background and reputation and which may lack capital and may have questionable ethics. However, the Bill does nothing about those companies. The Premier says, "We will provide competition for the private companies and, if they are as good as they say they are, why should they fear competition?" I do not think the Premier should use that argument, for everyone knows that a new competitor in a field of business must attract some business whether or not the other competitors are satisfactory. Obviously the other insurance companies do not want the Government to compete against them; obviously they are worried about the extent to which the Government will compete against them and about the advantages the Government will give its own company in order to see that it competes successfully.

The Bill provides for a Government guarantee for this commission, something that no other insurance company has. I remind members that almost all of them will probably have had life-long experience of reputable insurance companies that have given them good service. Such insurance companies have built up their business without a Government guarantee, yet the Government commission will have such a guarantee and will receive payment from Consolidated Revenue of money that may be badly needed for other things. We have heard all about the education crisis and other matters, yet here we are to set up a commission with money that is needed to solve problems that already exist in the community.

The Bill provides that the money used in setting up the Government insurance commission is to be recouped when available. Nothing in the Bill shows on what terms the money will be made available, what interest rate will be charged, or what the rate of repayment shall be. It is what we may call an open cheque, and the purpose is to make sure that that commission succeeds, whatever happens to anyone else in the business. If the business was unsatisfactory, there would be less complaint, but I am saying that it is not unsatisfactory and that most insurance companies have built up their business on good dealings. The ones that are not satisfactory will not be hurt by this Bill; only the good ones will be hurt by it.

This commission will be charged tax, but how will that tax be worked out? It will be tax that is deemed by the Treasurer to be payable. "Deemed" is a wonderful word. The Treasurer will "deem" what tax shall be payable. We have heard an argument that there will be profits for the people in this. Most people say, "The Government will get my money from me by taxation to perform its essential functions and, having done that, it will leave me the rest of my money to invest in the way I want to." However, the people will not say, "I welcome the Government's taking my money from me to invest for me in a Government insurance fund, possibly to compete with a company in which I may already have an interest—at least, by way of business if not by actual investment." When the people start looking at this, they will look at it more critically than they have looked at it in the past; it is a competitive industry. The member for Mount Gambier and the member for Spence say, "Yes, but there are great profits in this Government insurance business. Look at Queensland—what a wonderful profit-making machine that is!"

The member for Mount Gambier has said that the Government insurance office in Queensland makes an annual profit of \$11,000,000, but that profit is nothing like the truth for comparison with our proposals, because the Queensland insurance office deals in life assurance too, and its profit is mutual: in other words, it is not a profit that is distributed—it is for the policy holders, and that accounts for \$4,500,000 of the profit in Queensland. Also, the Queensland Government insurance office has a monopoly of workmen's compensation, from which it has made a profit of \$5,500,000 in a year. Where are the profits for the people? For the year 1966-67, the general insurance fund profits distribution (excluding this monopoly of workmen's compensation and the life funds) amounted to \$1,830,000, so that is the figure that should be used when members want to use the Queensland office as an example. I am trying to say that the Government should not be trying to make a profit from insurance; it should leave competitive industry alone.

It is not all plain sailing in the Government insurance business; not everybody enjoys it. Certainly Mr. Askin found it a little difficult. The New South Wales Government Insurance Office in 1968 found itself in the unhappy position of having to increase third party premiums by an average of 42 per

cent; for a private motor car the increase was 49.3 per cent, but for certain kinds of motor cycle the increase was 100 per cent. This increase so enraged the motor cyclists that 500 of them converged on Sydney's Trades Hall. They did not go to Mr. Askin's office, because they did not blame him. People will be marching to the Trades Hall in Adelaide when that sort of thing happens here. Although the intention to establish a Government insurance office sounds good and a good story can be told about it at present, it may not look so good in future years. I think that the third and most valid reason for putting this policy into effect is that it is a doctrine of Socialist policy.

Mr. Langley: Endorsed by the people, as you know.

The Hon. D. N. BROOKMAN: It has been buried in the history of Socialist doctrine for so long that the present generation of Labor supporters has not bothered to check that theory but has simply accepted it as a theory of a long time ago.

Mr. Burdon: The other five States have already done this.

The Hon. D. N. BROOKMAN: The Government insurance office—

Members interjecting:

The Hon. D. N. BROOKMAN: Mr. Speaker, will you please call the member for Mount Gambier to order? I will not have this going on.

Members interjecting:

The Hon. D. N. BROOKMAN: I listened to the member for Mount Gambier speaking, when he raised his voice in a way that he was entitled to raise it. However, now he is merely sitting there, trying to shout me down.

Members interjecting:

The SPEAKER: Order! Order!

The Hon. D. N. BROOKMAN: The honourable member seems to be extremely sensitive. When one sows seeds of doubt in the mind of a Labor man, he naturally begins to get frightened.

Mr. Burdon: You didn't sow any doubts in my mind.

The Hon. D. N. BROOKMAN: The honourable member's friends will see the doubt, and then he will be in jeopardy. I think the honourable member might well look for an empty seat on this side: he may need it some day. We know that the Labor Party is keen on central banking, nationalized banking, and so on.

Mr. Lawn: The Commonwealth Bank isn't a bad example.

The Hon. D. N. BROOKMAN: Naturally, the Commonwealth Bank is one example of Socialism that Labor men support.

Mr. Burdon: Do you oppose the Commonwealth Bank and central banking?

The SPEAKER: Order!

The Hon. D. N. BROOKMAN: The Labor Party strongly favours the central Commonwealth Bank, and one would think that Party would be happy about the operation of that bank. However, I understand that there is now talk of having a trade union bank, and I think that is Mr. Hawke's idea. I wonder whether, when the Government insurance office has been operating for a few years, a move will be made to establish a trade union insurance office as well, to compete with the Government insurance office. I shall be interested to see whether that happens.

Mr. Burdon: We would get many members from your side if we established one.

The SPEAKER: Order!

The Hon. D. N. BROOKMAN: I want to deal with some unsatisfactory matters in the Bill. As I have said, I disapprove of the whole measure, but I wish to refer to some of its clauses. In respect of some clauses, members opposite may favour amendments, and I will probably give them the opportunity to support some. I have not been told what counter insurance is, but I suppose we shall hear about that later. I have seen this phrase in other legislation, but I do not know whether a satisfactory explanation has been given, although I understand that it is inserted in case an important nut or bolt may be missing from the machinery. The first thing I notice is Labor doctrine again: the operation of the commission shall be subject to the control and directions of the Government of the State acting through the Minister. I cannot think of a worse system to operate.

Members will recall that I have always believed in giving the executive of any organization adequate strength to carry out its wishes. I have argued that matter as a member of our House committees, and I think that Ministerial control and Government direction is a step in the wrong direction. I know that it is a necessary part of Labor policy, but one day it will get that Party into trouble because a Labor Government will not be able to say, when anything happens that is unpopular, "Oh, no, it is not our fault: it is

the commission that did that." Labor members will have to say that the commission is under the direction of a Minister, and that will not be so pleasant to say. Clause 12 provides:

The commission may, with the approval of the Minister and the consent of the Minister controlling any department of the Public Service of the State, and on such terms as may be mutually agreed upon, make use of the services of any of the officers or employees of that department.

Mr. Burdon: Isn't this common practice today?

The Hon. D. N. BROOKMAN: If the honourable member will show me a little courtesy, I shall continue. The crux of this clause depends entirely on how it is administered. If competition is to be fair, the public servants will not be used in unfair competition against insurance companies with which they are competing. If these people wish to be unfair they can be extremely unfair, and that is the position in some States. A policeman, in the course of his duty in investigating an accident or a crime, can be made to take action that involves insurance companies and, no doubt, a Government insurance company, but he should not be used as an agent of a Government insurance company.

If this clause were to be interpreted widely, a policeman could be an agent of the commission. That would be most unfair, and I am sure that Government members would agree with that statement. I will seek clarification of that point in Committee. I have already referred to the guarantee to be given by the Government and have said this is a dream type of guarantee that no other competitor can possibly match. I have also referred to the clause that provides that any sum paid out of Consolidated Revenue shall be deemed to be an advance to the commission and shall be and remain a charge on the funds of the commission to be recouped when funds are available. This is an extremely wide provision, which could mean that the Government insurance office could do all manner of things and still survive any competition, whether those things were done wisely or not. I do not believe that the Government insurance commission will handle its business badly. I do not think that the Government, in its own interests, would dream of placing on the commission people who could not handle the business correctly. However, people have to stand behind the insurance office, whether or not it is a success.

Pursuant to clause 16, the commission "may invest the moneys in the funds established under and for the purposes of this Act and, with the approval of the Treasurer, in real property." That is a wide provision. I do not mean that these funds need be difficult to accumulate. Members know that the Government does not insure much of its property. Will the Government simply transfer assets that are almost indestructible (buildings and equipment, etc.) to the business of the Government insurance commission? If it does, the commission may raise some easy money and accumulate large funds which it will be allowed to invest in real property. Clause 17 provides:

... the commission shall from time to time pay to the Treasurer such sums as the Treasurer deems to be the equivalent of the amounts which would be payable by the commission . . . in respect of its insurance business . . .

It is not difficult to imagine that the commission could accumulate large sums in the way I have outlined and invest those sums in real property, and in no circumstances need it pay tax, because there is nothing in the Bill to say that it shall: the commission shall pay certain sums which the Treasurer deems payable, in respect of the insurance business. Clause 18 provides:

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

Who is being asked to determine the size of that reserve? The Chairman? Fair enough! The Under Treasurer? In view of the Government control of the commission, that is fair enough also. But why the Auditor-General? This officer should not be placed in the position of making a judgment on a decision which he may later have to criticize as Auditor-General. The Auditor-General has to report to Parliament under clause 19, yet under clause 18 he is in the position of judging the size of the reserve. I believe it would be much better for the commission if the Auditor-General were left in an auditing position only and not put in a position of having to make a judgment concerning the commission's management. The provision is contradictory: the Auditor-General has to report to Parliament on the operations of the commission, but he may have to report that a serious misjudgment has occurred regarding the size of the reserves set

aside, he having been one of the people who made the relevant decision. I think it would be better to leave the Auditor-General out of this and to find some other officer who is not in such a difficult position to make this sort of judgment.

I oppose this Bill for the reasons that I have just set out. A Government insurance office would use the people's money not for an urgent need and not for development of the State but as an investment to compete in a competitive industry. It would use money that is needed for education, for mining development, and for every other thing that we in this House worry about. We must not forget, either, the difficult situation of the primary industries today. We hear over and over again the comment that this is something we in South Australia cannot do much about because we do not have the money. Well, if we are going to use further money for this unnecessary venture we will not have much left afterwards.

I do not say that this commission would not pay. I acknowledge that it would be well managed and that probably the Government would give it much business in respect of things the Government does not bother to insure now. In other words, it would get much easy money. I believe that it could be made to pay, but to my mind it would be a venture both unwise in its timing and unnecessary in its purpose. I oppose the Bill.

Mr. McKEE (Pirie): I could hardly believe my ears when I heard the member for Alexandra criticizing monopolies, for that is what Liberal members represented when their Party was in Government.

Mr. Rodda: Be fair.

Mr. McKEE: The honourable member talks about monopolies, but did he oppose the development of the Leigh Creek coalfield by a Liberal Government?

Mr. Nankivell: That was a service.

Mr. McKEE: Well, did Opposition members oppose the development at Radium Hill? The member for Alexandra was a member when Radium Hill was opened up. What about the Electricity Trust? We never heard any criticism when such monopolies were established, but when a Labor Government wants to introduce something that will benefit everybody in the State, the same as Leigh Creek—

Mr. Rodda: What benefit?

Mr. McKEE: Well, I have not noticed any Liberal Government in any other State abolishing an existing Government insurance office.

Members interjecting:

The SPEAKER: Order!

Mr. McKEE: Although the Liberal and Country Party Coalition Government has been in office in Queensland for 10 years or 12 years, it has never seen fit to abolish the Government insurance office there. The member for Alexandra said that setting up a State Government insurance commission in this State would be unfair. To whom would it be unfair? The honourable member never answered that question. This is the second occasion that I have had the pleasure of supporting a Bill such as this, and it will be the last time, because the scene has changed considerably. I do not hear any laughter from the Opposition now. Without doubt, this measure will be carried on this occasion by a large majority in this House, even though members opposite vote against it, and its being carried in this House by a large majority should convince the honourable gentlemen in the other place that it should be supported there, for it will remind those members that at the recent elections the people clearly demonstrated their support for such a measure. Members opposite should realize that the setting up of a State insurance commission in South Australia was one of the foremost platforms in the Premier's policy speech, and I believe it was responsible for his being Premier of the State today.

Members interjecting:

Mr. McKEE: To laugh may help the consciences of members opposite and take a little of the worry off them; they give other reasons for their defeat. I have been amused to see the various statements made by Liberal and Country League members about why they suffered their smashing defeat at the last election. They say their defeat was brought about by the Labor Party's painting them as a Party controlled by big business (by the moneyed people) and by the fact that it was thought that they were unsympathetic towards the ordinary people. I think that those statements by leading members of the L.C.L. describe that Party very well. The member for Alexandra did a good job for big business this evening. Of course, L.C.L. members strongly deny that they represent big business, claiming that they are the great champions of the workers, yet in the next breath they say they oppose this Bill.

Mr. Jennings: They said they would change their image.

Mr. McKEE: Yes; they said, "We must alter our general appeal to achieve a greater balance of support between city and country voters." They said they should do this in

order to attract the popular vote. In order to achieve this better balance between city and country voters, they have now decided that they will dump the poor old farmer, as he is no further use to them. Judging by their reaction in the recent demonstration, I should say that the farmers are damn pleased to get rid of the L.C.L.

I was standing alongside a migrant farmer who had been out here 12 or 15 years. He told me that representatives of the L.C.L. who visited his country in Europe had painted rosy pictures of the great advantages in South Australia under an L.C.L. Government, and he had decided to settle here. When asked what was the trouble, I heard him say, "I came out here to make a fortune but never made my salt, and it was the bloody Liberal Government's fault." He was carrying a big placard on which was printed, "Gordon must go and Hall must follow him." If the Opposition is claiming that it is turning its attention to the city voter, it is doing this in a strange way in opposing this legislation. Members opposite claim that they want the support of the city voters, yet they oppose this Bill, which is strongly supported by city voters. Surely I do not have to drive that home to honourable members—common sense should tell them that. If the Opposition continues to oppose the Bill, its ranks will get thinner. If members opposite want to win a popularity contest with the city voters, their opposition to this Bill will make them even more unpopular (if that is possible) than they are at present.

Let us take the member for Fisher (I do not think anyone would want to take him, but I say that purely as an expression of speech) who last week, when speaking to this measure, began by declaring that he was going to turn over a new leaf. He said, "I am going to mend my ways." He was appealing to his electors just in case things were not going too well in his district. He said, "I intend to work for the benefit of every single elector in my district." However, he opposed this Bill.

Mr. Coumbe: He has not spoken yet on this Bill; the honourable member is really mixed up.

Mr. McKEE: Well, if it was not this honourable member it was some other member. There has been such a big change of faces opposite that it is difficult to distinguish one member from another.

The SPEAKER: Order! The honourable member must be heard in silence. There are too many interjections.

Mr. McKEE: Thank you, Mr. Speaker. I was about to say that a leopard never changes its spots. Having heard the Opposition, I am convinced it will never be capable of representing anyone but big business. When the Opposition was in Government, it continually opposed wage increases, and it abolished price control.

Mr. Gunn: What has this to do with insurance?

Mr. McKEE: I am talking about the Opposition's attitude to various things. Members opposite claim to be champions of the people; they say they intend to alter their image, yet they are opposing something that the people asked for and voted for at the recent election. I am only trying to help members opposite, to give them words of wisdom that will help put them back on their feet. After we have considered this Bill, there will not be too many of you around because the electors are seriously considering this Bill. There are many reasons why I support it.

The SPEAKER: Order! The honourable member must address the Chair.

Mr. McKEE: I was about to say that I supported the Bill for several reasons. However, I do not want to delay the House by giving my reasons in detail. Members on this side have already pointed out the benefits derived in other States from similar legislation, so I do not want to go into that. Some of my friends are engaged in the insurance business; they are decent people. I do not hold them responsible for the policy of some unscrupulous companies at present operating in this State. Over the years, I have had many complaints from people who have found it difficult to obtain insurance and receive settlements. Some of these cases have concerned people who have purchased secondhand cars, when the dealer has said, "I will fix up the insurance and the registration." Of course, he takes out the insurance with a company that gives him a commission or a company associated with a hire-purchase company. A case that comes to mind readily is that of a man who came to see me. He had bought a car and, after he had it on the road for about 10 months, he unfortunately had a minor accident and the insurance company told him, "We are sorry, but we cannot accept liability for your accident, because a perusal of your application for

Generally, they do not have full ownership of the car and have only a small equity. It has been shown that the losses for insurance in these cases is much greater.

I believe that adult people should be responsible and meet their obligations. The Liberal Party has always maintained that the State's finances should be operated effectively to ensure that money is available to help the sick and the needy. The Labor Party record from 1965 to 1968 was so bad that I wonder how its members have the audacity to assume Government. The Auditor-General's Report shows that the Labor Party record in education was shocking in 1965-68.

Mr. McKee: How do you explain that we are now in Government?

Mr. McANANEY: I am not saying that other Government insurance offices have not performed some useful service, but why should Governments enter into the insurance field? Many other important questions must be considered; for example, the railways services need to be reorganized and much money invested in them. This State is getting into trouble because of the large losses on State services. The Labor Party is asking the Commonwealth Government to provide money to make up deficiencies because the Railways Department is not running efficiently. The Government should be using its energy to improve what we have now so that the present services are not a burden on the general community. The member for Mount Gambier claimed that Western Australia had had a Government Insurance Office for many years, but it is still a small concern compared with private insurance companies in that State. This shows that there was no desperate need for the Government Insurance Office there and that Western Australians are not dissatisfied with their private insurance companies. If they were dissatisfied with them, they would transfer their business over to and deal with the Government Insurance Office. The N.R.M.A. Insurance Limited, which holds policies for 550,000 New South Wales motorists, announced yesterday that it would increase its comprehensive motor vehicle insurance rates by 10 per cent.

The New South Wales Government Insurance Office holds policies for only 200,000 motorists. What is the need for a Government Insurance Office in New South Wales, if the majority of people in that State, who have had an opportunity to deal with this wonderful Government insurance company which, it is suggested, gives a better deal, have not transferred their business from the

N.R.M.A. and other companies to the Government office? The Government Insurance Office in New South Wales will not now pay any claim for less than \$50. Insurance premiums in New South Wales are much higher than they are here; the premium on a 1968 Holden has increased from \$94.75 to \$106.70, whereas we pay nowhere near that sum in South Australia.

The member for Alexandra said that Government officers might be used to provide a service for the Government insurance office: when I was in Queensland two or three years ago police officers were most hostile because one of the jobs they were given was collecting premiums on car insurance, particularly in country areas. What is all this money that it is claimed will be made available? Although I think the investment field has been widened, it is still much narrower than the one available to the Government Insurance Office in New South Wales. That office would receive higher interest rates, and it is the interest it receives on investments that is responsible for the \$11,000,000 revenue, which keeps that office solvent. Money is invested in Commonwealth Government inscribed stock amounting to \$68,900,000. This is what the private firms would be doing in New South Wales. Loans to public authorities amount to \$66,600,000; ordinary and preference shares with public companies amount to \$2,500,000, and debentures and unsecured notes in public companies total \$30,000,000.

As that will not be allowed here, there will not be nearly as much revenue from investments. In New South Wales, loans on mortgage total \$38,000,000 and this investment is in the interests of many people; it relates to loans on houses, and is similar to what applies regarding private firms in South Australia at present. In New South Wales, \$6,800,000 is on term deposit. The claims paid in 1968-69 totalled \$45,000,000, and provision for unadjusted claims was made to the extent of \$161,000,000.

How long does the New South Wales Government Insurance Office keep a person waiting to have his claim settled? I think it is a darn sight longer than it takes here from a private company. I have never had to wait longer than two months after lodging an insurance claim. Some time ago I was running into everything I could see on the roads and had quite a few claims.

I point out that the figure for unadjusted claims in New South Wales rose from \$137,000,000 to \$161,000,000 in one year, so

this wonderful Government insurance office which, according to the Premier, settles claims so quickly is getting further and further behind. The Premier in his second reading explanation said that a Government insurance office here would obviate delays, and he more or less insinuated that it would ensure that some sort of payment would be made forthwith. However, what I have said is evidence that in many cases settlements are not made promptly, for every Government insurance office has to be just as careful as any private insurance company and a certain period has to elapse in which to settle claims.

Possibly it is the obligation of the Government to obviate delays in the courts. If any member wants an illustration of inefficiency by Governments he need only look at the way in which the courts have been allowed to get so far behind in settling cases. This is the sort of activity the Government should be engaged in. The courts must be under Government control, and it is the Government's responsibility to see that they are run efficiently.

As I have pointed out, the money that the Government Insurance Office in New South Wales has invested is what it has not paid out in claims; it has invested this money to get \$11,000,000 in interest to make up for the \$5,500,000 it actually lost on the insurance business.

Mr. McKee: It still made a profit.

Mr. McANANEY: If such Government insurance offices were not so far behind in paying out on claims they would not have the money available and they would have to increase premiums. I agree with what the member for Alexandra said in regard to the position of the Auditor-General, who is to assess the amount of profit and then to be required to check what the commission has done in its activities. This is fundamentally wrong, and I believe it should be corrected.

The member for Alexandra has covered the Bill very thoroughly. I conclude by saying that my Party believes in allowing private enterprise to continue in fair competition, provided it is giving a service to the public. The introduction of a Socialist activity will not provide any extra service or benefit to the people of South Australia.

Mr. McKee interjecting:

Mr. McANANEY: I will not support this Bill, despite the ravings of the member for Pirie.

Mr. WELLS (Florey): I support the Bill because of the facts set out by the Premier in his second reading explanation and because I am certain that this measure will provide long-awaited relief for the people of South Australia in respect of their insurance transactions. Much has been said by interjection and in various speeches to the effect that a Socialist intent is written into this Bill. This is not true. The Government intends to enter into competition and not to monopolize the insurance industry.

I will return later in my speech to the question of Socialism. I say clearly now that this Government is a Socialist Party. We make no apology for this: we do not retreat from that position at all.

Dr. Tonkin: The member for Playford wouldn't agree with that?

Mr. WELLS: The member for Playford will agree that we are members of a Socialist Party and make no apology for that. The Leader said that the Government intended to tamper with the current situation in the insurance industry, saying:

This will not affect the course of insurance in this State except to divide the existing business, thereby raising the cost to the community. In this day and age, when management is becoming particularly important in every type of industry, no-one can deny that to divide the available business is to raise the cost to individual operators.

Of course, that indicates that no competition in the insurance business is to be brooked. What better argument for Socialism can there be than the statement that there is no room for competition and that a State company or other private companies must in future be excluded from the insurance industry? I suggest that there is room in the insurance business for a State company as well as for other companies. Undeniably, enormous profits derive from the activities of insurance companies. Figures which have been quoted by members on this side and which have, in fact, been admitted by Opposition members show the great profitability of the insurance business.

Insurance rates are determined by three associations, one to cover tariff companies, another to cover non-tariff companies, and a third to cover independent companies. These associations bind the insurance companies together, and the companies determine the rates that will be charged for various types of insurance. The rates are ostensibly determined on the available statistics, but another factor which operates largely in the case of most

monopolies and combines and which must be considered is the factor of what the trade will bear. That is undoubtedly a major factor in fixing the rates charged by insurance companies. As a Government insurance office will not be a party to the associations to which I have referred, it will have to set its own rates in accordance with the volume of business it receives. If other insurance companies want to gain new business or simply retain the business they have, they will have to come back to rates comparable with those charged by the Government office.

When the Bill seeking to set up a Government insurance office was before Parliament during the years 1965-68, it was evident that the then members of the Opposition were completely opposed to the establishment of any such office. They are now showing similar opposition to this Bill, yet the Opposition in another place four or five years ago said it was not opposed to the setting up of a Government insurance office; in fact, it amended the Bill to such an extent that ultimately it had to be laid aside: it amended it to restrict the trading of a Government insurance office to workmen's compensation and third party insurance. Nevertheless, this indicated that those members in another place accepted and adopted the principle of a State insurance office. This is a vital point that I respectfully suggest should exercise the mind of the Opposition here when it considers this Bill. The previous opposition and the present opposition to the Bill are similar. The old catchcries of "Socialism" and "misdirection of Government funds" do not stand up to examination. That has been proved by the contribution to this debate by members on this side.

In conclusion, I ask a question. We have heard much about insurance offices in other States and their profitability. We have been told of the dangers that may, but obviously do not, exist in other States. (If they do, they are never evident.) There is a fear that these problems, which are mythical, may be transferred to any Government insurance office set up in this State. If State Government insurance offices are so wrong, if there is so much wrong with them that they deserve the condemnation they are getting in this House from members opposite, if they are so evil and if their operations are so dangerous, why is it that in the other States where these offices are operating, are showing enormous profits, and are being of great benefit to the people, the Liberal Governments have not moved to abolish them? The

terms of the contracts have been mentioned but, if it was so dangerous to set up and manage a Government insurance office, the Government of the day in those States would certainly solve the problem.

Briefly, I should like to mention just one matter in relation to contracts and the statement that they cannot be breached in any way. That is that we all know of a contract concerning a Mr. Currie that the Government in office at that time had no trouble in breaching. I support the Bill.

Dr. TONKIN (Bragg): The introduction of this Bill for the reasons outlined in the Premier's second reading explanation is almost farcical, but it is a serious matter for the people of South Australia, and I oppose the Bill. The crucial question that we must ask in examining this legislation is this: "Is there any justification or need for a Government insurance office in South Australia?" The member for Florey has been talking about Government insurance offices in other States. I do not care what they do in other States: the point is whether a Government insurance office is necessary in South Australia.

The Hon. G. R. Broomhill: That's the type of thinking that is likely to keep you in Opposition for many years.

Dr. TONKIN: It took a long time for members opposite to respond to my statement, but I should have expected that, as this was such an important matter for them, their response would have been as quick as Pavlov's dog. Because the establishment of a State Government insurance office is a plank in the Labor Party platform, I should have thought that it would be a conditioned reflex action to come straight out with an interjection. This Bill is nothing more or less than a symbol, a goal to be achieved by the Labor Party, regardless of whether it is necessary for the good of the people of South Australia. I say that the establishment of this Government insurance office in South Australia is not justified.

We have had from members opposite examples of curious thinking. The member for Mount Gambier and the member for Florey have said, at great length, that Government insurance offices are good things because they make much money in other States. So what? Does this matter? I think the member for Mount Gambier also said that this legislation was a progressive move. I suppose it is if one considers that it is proceeding towards Socialism, because that is where this legislation is going.

Mr. Hall: We know where that leads.

Dr. TONKIN: Yes. The member for Spence inevitably brought in the old Socialist catchcries about the railways, roads, water supply, and the old perennial parallel that is thrashed to death by Socialists—the Electricity Trust of South Australia. We would have been disappointed if members opposite had not brought that in. Sir Glen Pearson, when speaking in a debate on a similar matter, stated:

There is no justification for State intervention in any field, unless it is to provide a developmental activity that is beyond the resources, ability or scope of private enterprise.

That sums up the position exactly.

The Hon. G. R. Broomhill: You'd hardly call him progressive, would you?

Dr. TONKIN: I do not think Sir Glen has anything to be ashamed of in that. He balanced the South Australian Budget and brought our finances back into a good healthy level. To equate the present proposal, when there is already a strong group of reputable and competitive organizations serving the community, with the establishment of a large single public utility shows a complete lack of understanding of the entire situation. There are at least 94 companies, members of the Fire and Accident Underwriters' Association, operating competitively in South Australia, and I may add that 55 of these companies were incorporated before 1900. They are well established, are operating efficiently, and are providing a good service to the community.

Mr. Hall: They're older than the Labor Party.

Dr. TONKIN: As the Leader says, they are indeed older than the Labor Party, and they are based far more soundly. In almost every case the companies enjoy the respect and trust of the community. There have been some activities in the past where companies of doubtful origin have canvassed for business in this State but, because of two things (the vigilance of the Registrar of Companies and the competition provided by the many reputable firms in this State), these activities have been curbed and the people of South Australia protected. I agree that it is essential to keep premiums at a reasonable level and to ensure that adequate service is given to the public, but this is already being done by the keen competition that exists between private companies. I must agree with the member for Spence (perhaps one of the few times that I shall do so

in the life of this Parliament) when he says that competition is the basis of free enterprise, and what a wonderful thing that is, too. But how he and other Government members can possibly imagine that establishing a Government insurance office will add to an already effective competition I do not know. As the honourable member says, "There is a multitude of other insurance enterprises within the State." Indeed, there is.

I strongly doubt that a Government insurance office will ensure that adequate services will be given to the public in relation to conditions of policies, the ways in which claims are dealt with, and the ways insurance companies alter their liability unilaterally. All Government departments have difficulty in dealing with individuals, and misunderstandings or a failure to read carefully possibly lead to complaints being made. Private insurance companies suffer from much the same, often unwarranted, complaints. Indeed, Government insurance offices often suffer from the need to keep strictly to set procedures in settling small claims, whereas private offices, not tangled in red tape, can short-cut procedures to allow rapid settlement. It is unlikely in the extreme that Government insurance office competition will significantly affect conditions of policies and alterations to liabilities more than the existing competition does now. If, as has been stated, a Government insurance office will be in fair competition and not receiving special subsidies or help, it will have to follow similar procedures and methods of operation to stay in business.

The difficulties of a few insurance companies based in other States show clearly the competitive nature of the business of trying to provide adequate insurance cover at rates that are close to and, in these few cases, below the safety margin. For a Government insurance office to remain in competition it must logically conform to ruling rates and conditions. Let us get to the crux of the matter. In the light of recent events it seems that a review of existing legislation relating to insurance companies may be necessary to ensure that the interests of policy holders are properly safeguarded.

Some unsatisfactory aspects of insurance practices are certainly present, and the Premier has been reported as supporting a review of the legislation. Such an approach to the problem caused by the questionable activities of a few insurance companies is more rational

and sensible than is that proposed by this Bill. If competition from a Government insurance office is likely to do all the things enumerated by the Premier in his rather languid and familiar-sounding explanation of the Bill, perhaps the Government should enter the used car business to provide similar corrective competition to protect members of the public from the questionable activities of a few used car dealers, rather than introduce legislation to do the same thing. Why have we not got a Government used car lot or a Government television repair shop? It would be just as illogical, and would not make sense; but neither does this Bill.

Mr. Coumbe: What about a Government junk shop?

Dr. TONKIN: Where will it stop? It will not stop at junk. This is entirely illogical and, as I said before, quite farcical. The whole concept is wrong, and I cannot really think that Government members seriously believe in this Bill; they cannot believe in it. There is a significant change, a change of thinking that has obviously occurred since a similar Bill was introduced previously: there is no provision for life insurance in this Bill. And the Premier's comments relating to a need to review legislation in respect of current insurance practices certainly show that there has been a further enlightened attitude. In fact, I suspect that the Government, having become conscious of this need for a revision of existing legislation relating to insurance practice, has already realized that this Bill is not really necessary and, indeed, does not constitute a rational approach. If the high-sounding reasons for its introduction are, in fact, the true ones, the revision of legislation has far more hope of helping and protecting the public than has the establishment of a Government insurance office in competition.

Why, then, does the Government persist with this Bill? Could it be the result of a personal whim (a determination by someone to have his own way at last and to restore his pride that was injured by the failure of the Bill when it last came before the House)? Could the person concerned be showing that determination by pressing on with legislation that obviously will do nothing to help the community? That would be a childish and immature approach in the extreme. Or is it perhaps Socialism for the sake of Socialism (a significant gesture made by a Socialist Government to mark its coming into office, without any true regard for

the best way of protecting and helping the people of South Australia)? This would be a sorry way to celebrate a sorry event. I can see no justification for introducing this Bill at all. In fact, I question the sincerity of the Government's stated aims in introducing the measure. I repeat: there is already more than adequate competition, and the protection of the public is better accomplished by a review of the existing legislation.

I regard this Bill as being a poorly justified attempt to enter the field of free enterprise and to introduce the thin edge of a Socialist wedge into a sphere of activity already well catered for by private enterprise. The Bill's major aim, I suggest, is to raise finance with no real thought of providing any benefit to the people of South Australia, and it is introduced at the expense of existing insurance companies, which are already providing a competent service to the community. If this measure constitutes, in reality, an attempt at fund raising, let us have a little honesty about it. This Bill, which seeks to establish an insurance office, represents a planned form of insurance for the Labor Government (not for the people), and it represents an attempt to delay the effects of the inept financial administration of this State which characterized the Labor Government's last term in office and which, I have no doubt, will unfortunately also characterize its present term in office. I strongly oppose the Bill.

Mr. LAWN (Adelaide): The honourable member who has just resumed his seat questions the Government's *bona fides* in introducing this legislation. He has challenged members on this side and asked why there is any necessity for the measure. The question has been asked: if the Government is bringing in this legislation to clean up insurance and to provide competition, why does the Government not go into the used car business?

Mr. Clark: Why shouldn't it, anyhow?

Mr. LAWN: I do not know whether the member for Bragg is conversant with the corrupt position that exists at present. He may be conversant with it but he may be trying to cloud the issue. The Government can legislate to control corruption existing within the used car industry; indeed, I hope that the Government this year introduces legislation to deal with this matter and to make used car dealers issue a certificate of roadworthiness in respect of all vehicles sold. The State Government can introduce legislation to do that, but

it cannot legislate in regard to the insurance industry, for that is the function of the Commonwealth Parliament. I believe that the honourable member knew the true facts when he spoke and that he was just trying to cloud the issue.

While my Party was in Opposition a constituent of mine wrote and asked me to raise a certain matter in this House with the then Premier and Treasurer (Sir Thomas Playford). This constituent had a judgment against him in the Adelaide Local Court for damages resulting from a road accident, and when he asked his insurance company to pay the fees and the cost of the judgment he found that the company was bankrupt. When I asked a question on this matter the Premier said, "Well, if this company has any assets when it is wound up your constituent will get so much in the pound." Actually, I do not know whether he got even one penny in the pound.

The people we represent in this Parliament are required by law to take out certain insurance on motor vehicles. Perhaps members opposite will claim that certain insurance is not compulsory. However, I say unhesitatingly that a person who is required by law to take out insurance should be guaranteed payment when it is due from the insurance company involved.

Mr. Venning: Under any conditions?

Mr. LAWN: Yes. He is required by law to take out a policy, and he pays his premiums. Then, if there is any occasion for insurance to be paid out on his behalf, he should be fully covered. If private companies cannot provide this cover, the Government is justified in entering this field of insurance. All sections of the community wishing to do business with the Government would know that when they needed payment it would be made in full. Of course, that is what members opposite fear, and they want this business to be left to the private insurance companies. As someone said here earlier, members opposite are not concerned about people.

Mr. McKee: They said that themselves.

The SPEAKER: Order!

Mr. LAWN: When my Party was in Opposition during the two previous sessions complaints were made about the operations of the M.M. and G. company in this State. A constituent of mine complained to me that he could not get his car repaired, but after I had raised the matter in the House he had his car back within a fortnight or so. Why should

people have to go to see their members of Parliament to get their just insurance dues, having paid the required premiums? This company has been under fire on several occasions. If we can believe the daily press, Liberal Governments in the Eastern States are at present taking action with regard to certain insurance companies.

Mr. Burdon: Only last week I had to take action on behalf of a constituent of mine who came to me with a complaint.

Mr. LAWN: These cases show the member for Bragg the reason for the legislation. Although I do not know what point he was making, the member for Bragg said that life insurance was not provided for in the Bill. I can tell him why it is not. When a Bill similar to this was before the House in 1967, the main reason why Opposition members in this and another Chamber opposed it was that it provided for life insurance. Because of this, the then Premier assured the House that, in the first year or two, the Government insurance office would not attempt to conduct life insurance business.

Mr. Evans: Doesn't the Government intend to do so in future?

Mr. LAWN: I will not talk about what will happen in the future. The Opposition would not accept the Premier's word, and that is one reason why members in another place amended the Bill so that the Government insurance office would not be able to conduct life insurance business. We do not ask members opposite to accept our word now. No life insurance business will be conducted by the Government insurance commission in the first year or two. I do not know the answer to the question asked by the member for Fisher about what will happen in the future: his guess is as good as mine. However, when people see the success of this Government insurance office, possibly after the next election we will have a mandate to provide for life insurance. I thought that the member for Alexandra started his speech well when he admitted that the Government had a mandate for a Government insurance office. He said that, as we had included this in our policy speech and as we had won the election, we undoubtedly had a mandate for the insurance office; he said this about six times. He also said that we did not have a mandate for things that were not in our policy speech, and he may have a point there: perhaps we cannot claim that we have a mandate for matters not included in the policy speech.

Mr. Clark: We aren't dealing with them.

Mr. LAWN: No. Although the member for Alexandra admitted that we had a mandate for the Government insurance office, in his last couple of sentences he said that he opposed the Bill. The only thing in which Opposition members are consistent is their inconsistency. Much has been said this evening by members opposite about Socialism, and that word is like a red rag to a bull in their case. They do not like it. The most bitter opponent of Socialism over the last nine years was the former member for Light (Mr. Freebairn), and he did not come back after the last election.

Mr. Ryan: He saw the Light!

Mr. LAWN: The people in his district saw the light and got rid of him. Although no member opposite has said that he opposes Socialism, members imply that the Bill is part of Socialism and therefore is bad and I shall take it for granted that members opposite do not believe in Socialism. Both the member for Bragg and the member for Alexandra banded around the word "Socialism".

Mr. Gunn: You didn't say anything about it at election time.

Mr. LAWN: The honourable member did not know me until he became a member of this place. All my life I have spoken in favour of Socialism, as I have done in this House, as well as at every meeting that I have attended in the past 50 years.

Mr. Coumbe: I think you have spoken about a gerrymander, too.

Mr. LAWN: The Liberal Party gerrymandered this State to such an extent that it has now gerrymandered itself out of Government. I ask the member for Alexandra and the member for Bragg: do you believe in Socialism or do you not?

Mr. Evans: They cannot answer you.

Mr. LAWN: They can, but they do not understand what the word means. Who introduced Leigh Creek coal into South Australia? It was a Socialist enterprise owned and controlled completely by the State. It helped us out when we could not get good black coal from the Eastern States.

Mr. Gunn: It was not acting in competition.

Mr. LAWN: I am being serious about this; I do not like this clowning. Leigh Creek was in serious competition with the coal mines in the other States, and let not members try to say that the brown coal from Leigh Creek

could not compete with the coal from New South Wales. I will admit that the South Australian Gas Company wanted good black coal from the Eastern States, but all the other industries in South Australia could use Leigh Creek coal. There were periods when we were short of coal.

Mr. Evans: Because of strikes.

Mr. LAWN: It was not always due to strikes. The honourable member can think only of strikes. Ships could not always get here to deliver coal when it was required. We were going full blast in industry at the time and were using more coal than ever before. Sir Thomas Playford set up a coal advisory committee to deal with these shortages as they occurred.

The Hon. Hugh Hudson: Would you describe Sir Thomas Playford as a Socialist?

Mr. LAWN: No; I would not say he was a Socialist. He did what he wanted to do. He was the boss of the show; he was the master of the State and his own Party. I was a member representing the Trades and Labor Council on this committee. We used to meet in the Premier's office. Another member of the committee was Mr. Lee, the Manager of the Adelaide Electric Supply Company. The South Australian Gas Company, General Motors-Holden's, the Chamber of Manufactures and the Municipal Tramways Trust were represented, too; and there was the Chief Storekeeper. We used to meet as a committee. Sir Thomas Playford would say, "How much coal have we got?" He would be told. Then he would ask the gas company representative, "How much coal do you want?" The representative would say, "We want so much, and we must have black coal." Sir Thomas Playford would agree, and I would agree.

Mr. Evans: Did you agree with Sir Thomas Playford?

Mr. LAWN: This is a serious matter. We see how members opposite treat matters that are important to the people. Sir Thomas Playford would say to Sir William Goodman, "What is your position?" Sir William Goodman would say, "We have changed over a couple of oil burners; we shall continue that policy and keep changing over. We would like so much." He would get what he asked for. Then the General Motors-Holden representative would say, "We would like a little of it, but we can use the scrap timber around the establishment. We do not want much".

Sir Thomas Playford would say, "Right." The Railways Department was also using Leigh Creek coal and oil burners, and it got what it asked for. When Mr. Lee would state how much black coal he wanted, Sir Thomas Playford would say, "What about Leigh Creek coal?" Mr. Lee would then say, "No, we cannot use that, Sir. We have to have all the good black coal," to which Sir Thomas would reply, "What about putting in some oil burners, as the Municipal Tramways Trust has done?" To this Mr. Lee would reply, "No, our company policy is against that. Our directors have said that they will not do that." The company did not get much coal, because it would not use Sir Thomas Playford's Leigh Creek coal. Many people may think that Sir Thomas was a good Socialist.

Sir Thomas then introduced legislation in this Parliament to take over the Adelaide Electric Supply Company, purely because the directors of that company had stood up to him and would not use his brown coal from Leigh Creek. The first Bill was tied in the Legislative Council and declared lost. Then Sir Thomas Playford got hold of the Hon. John Bice and, as soon as he got him fixed, called a special session of Parliament and got through a Bill that provided for the appointment of a Royal Commission, to comprise three members, one being a representative of the Government, one representing the Adelaide Electric Supply Company, and a judge. Under its term of reference the Commission was to advise the Government whether it was in the interests of the State that the Adelaide Electric Supply Company should be taken over by the Government. That Commission recommended unanimously to the South Australian Government that the Adelaide Electric Supply Company should be taken over, and Sir Thomas Playford took it over, first because the company would not use his Leigh Creek coal and, secondly, because on the evidence placed before the Commission the company's representative voted to the effect that it was in the interests of the State to make electricity supply in South Australia a Socialist concern.

Yet, members opposite talk in opposition to Socialism. They are opposed to all progress. The Adelaide Electric Supply Company could never have given to the people of this State the electricity supply system we have today. I doubt that the company would have been able to extend supplies to Elizabeth: certainly, it could not have gone farther than that. The Electricity Trust of South

Australia, using coal from Leigh Creek, has established a power station at Port Augusta and has extended the Osborne power stations. The trust is transmitting electric power throughout the State and has spent millions of dollars doing that, only because it has become a Socialist undertaking.

Mr. McKee: What about Radium Hill?

Mr. LAWN: That was another instance. Radium Hill made millions of dollars for this State. The member for Alexandra said this evening that the Government believed in Government banking. Of course we do, and we have a State Bank and a Government Savings Bank. I have not heard members opposite criticizing either of those banks. The implication of that is that members opposite believe in Socialism. In fact, the State Bank, in its early years, operated mainly to assist primary producers. The Savings Bank of South Australia is primarily a savings bank, but members opposite do not criticize this and other Socialist undertakings. I remind members opposite that Andrew Fisher established the Commonwealth Bank, and that bank was the only bank that kept its doors open for business from the commencement to the end of the First World War, whereas every other bank closed for at least one day. It has become the greatest bank in Australia and today it is the central bank. No-one has criticized it since, but members of the Liberal Party were critical of its establishment. A note issue was made and Liberal members called the notes "Fisher's Flimsies" and said that they would sell for a bob a bushel. They have never taken a trick in relation to Socialism.

Mr. Jennings: What about Trans-Australia Airlines?

Mr. LAWN: In this airline's early years there was much criticism of it because it showed a loss in its operations, but that is what Opposition members said three years ago about our insurance Bill. Today T.A.A. shows a handsome profit to the Government, and so does the Commonwealth Bank. Three years ago members opposite opposed the State Government Insurance Commission Bill on the ground that it included life insurance, and the member for Alexandra then gave figures showing the losses made by other State Government insurance offices. However, this time no-one has told us about any losses.

I wonder what the member for Alexandra and the member for Bragg do first thing in the morning. I guess that they would have a shower, using Socialist water, then a shave

with Socialist electricity. At breakfast, prepared by their wives using Socialist electricity or Socialist natural gas, they would have a cup of tea or coffee made by using Socialist water. They would then leave for work and, if they do not travel on a Socialist bus or, like the member for Mitcham, travel in a Socialist train, they would drive on a Socialist road. The member for Alexandra and the member for Bragg drive cars on Socialist roads. Obviously, they cannot get away from Socialism, but Opposition members are using it to cloud the issue on this question. When the member for Bragg and the member for Alexandra arrive here they come to a Socialist building to do their work.

Mr. Rodda: Under a Socialist Government.

Mr. LAWN: With a Socialist Government the people we represent can come in and watch us, but people cannot do that where directors meet or where the L.C.L. conference is held. Members opposite hold their meetings behind closed doors. They say they hate Socialism, but they are forced to admit that Socialism exists for them every hour of the day. Try to get into a directors' meeting in private enterprise! Try to get into an L.C.L. conference! Honourable members will recall that three or four months before the last election the then member for Frome asked the then Premier why the press was reporting the Premier and his colleagues as being members of the L.C.P. and not of the L.C.L. The Premier would not answer. The former member for Frome asked the question again, and still the Premier did not answer. I asked the member for Frome to ask me that question; he did so, and I gave him the answer.

Mr. Clark: The correct one, too.

Mr. LAWN: Yes. Although I do not have the particulars now, I said that the Country Party had organized a meeting of 200 or 250 people at Wasleys or at some other town in the District of Light.

Mr. Clark: It was at Hamley Bridge.

Mr. LAWN: I thank the member for Elizabeth, who has corrected me. Also present at that meeting was the President of the Party, who flew over from Eyre Peninsula; and, in addition, the Secretary (Mr. Matheson) went up to that meeting from the city. It was decided at that meeting that candidates would be placed in Eyre and Light and a few other districts, and this eventuated. As a result of that meeting, the then Premier asked members of the South Australian press to refer in future to himself and his colleagues as members of the Liberal and Country Party

instead of the Liberal and Country League, for he could see the writing on the wall. He has had to tell some plain truths and has said, "We have to change our image," yet members opposite come along here and talk drivel as they have been doing in all the years that I have been here.

Mr. Gunn: Get back to the Bill! Is it a Socialist Bill?

Mr. LAWN: Socialism! Members opposite say that it is a Socialist Bill, and I agree that it is. Before I became a member of this House, members of the Party opposite always cast this slur, as they thought it was, against Socialism. Walking through the city, one could see big 4ft. by 4ft. placards on which there was the picture of a person who was supposed to resemble a Bolshevik, carrying an 18in. dagger in his mouth. We were supposed to be Bolsheviks (Socialists), but the people do not go for that sort of thing, and members opposite will have to change their thinking and their attitude quite a bit if they still think that the people of this State hate Socialism. In fact, they themselves experience some form of Socialism every hour of their day. I support the Bill and make no apology for doing so or for saying it is a Socialist Bill.

Mr. CUMBE (Torrens): It is a great pleasure to me to see the member for Adelaide restored to health and back in this House. In contrast to what the honourable member has been talking about, I will address myself to the subject before the Chair, namely, the Bill. I have listened attentively to the members on both sides of the House who have addressed themselves to this measure which, according to the Government, is an important measure. Of the members who have spoken on behalf of the Government, the Premier is the only one who has mentioned even one item in the Bill, and he had to do that because he had to give the second reading explanation. Not one Government member since has mentioned the Bill in any detail.

The Premier, in introducing the Bill, said that it was Labor Party policy. I listened very attentively to his explanation, and I thought I discerned that he spoke with a little less enthusiasm and polish than is usual for him. I admit that the member for Mount Gambier made up in vehemence, at least, for what the Premier seemed to lack. I listened to the member for Spence with some interest. The member for Pirie got on to all sorts of subjects, and I think it is evident that he has not even read the Bill.

Mr. Langley: He got a mention, anyhow.

Mr. CUMBE: The member for Florey and the member for Adelaide at least had the honesty to say that their Party was a Socialist Party and that this was a Socialist measure, and I commend them for their honesty. However, all Government members forgot to talk about the Bill. One after the other they mentioned certain ills that had been suffered by individuals, and in some instances they gave specific examples of ills which they hoped this Bill would remedy.

Having read very carefully the Premier's second reading explanation and having studied the Bill in detail, I ask this question of the Government: where is any provision made for overcoming the malpractices that Government members allege are occurring? All we have heard is that certain malpractices occur.

Dr. Tonkin: They can't say.

Mr. CUMBE: No. It is a measure the Labor Government wants to introduce at this stage to implement part of its policy. After a certain number of years in Parliament, in my innocence I thought that a Government of any political complexion coming into office after an election, far from introducing as its first major measure a socialistic Bill of this type, would have introduced a measure that would do some good by developing the State or providing improved services or, on the other hand, by effecting some economy. True to their colours, members opposite have said honestly that this socialistic measure is part of their Party policy.

One thing that will happen if the Bill is passed is that all bad risks that are turned away by reputable insurance companies will flock to the Government insurance office; the queue will be so long that it will be difficult to get into the State office. Of course, if the Government office accepts the bad risks, up will go the premium, yet the Premier said in his second reading explanation that the object of the office was to keep premiums at a reasonable level. The Leader of the Opposition quoted figures showing that South Australia already had the lowest premium rate of any State in the Commonwealth, except in one category of motor vehicle insurance. Of course, in Queensland the State Government Insurance Office has a monopoly on workmen's compensation insurance and some other insurance. Therefore, South Australia, the only State without a Government insurance office, at present has effectively the lowest rates in the Commonwealth. When bad risks flock to

the Government insurance office, premiums will have to be adjusted according to the risks that that office will have to take.

Mr. Nankivell: Will this office make enough profit to pay back what it owes to general revenue?

Mr. CUMBE: That is another matter. I have studied the Bill, as I believe all members should, but some members opposite have not studied it in detail. It provides that money will be provided to set up this office, but it does not say how much. This type of legislation is most unusual. The Bill does not specify how much the office will cost to run.

Mr. Rodda: It's just an open-cheque job.

Mr. CUMBE: Yes. It does not say how much it will cost to set up the office, to engage staff, to provide computers and other equipment, and to lease or buy property. More importantly, it does not say how much will be required each year from general revenue voted by this Parliament until, as the Government hopes, the office is on a profitable basis. Also, it does not say where the money will come from to meet any disaster or any major claims that may be made on it. Further, there is no mention of the underwriting risks that will have to be met.

Therefore, this measure is unusual in this regard. I admit there have been measures in the past that have provided that the moneys required to make them effective will come from the State revenues, but we are talking now about a major operation, a major office, not a tiddlywink sort of show but a major venture. If any member cares to read the balance sheet of any insurance office he chooses, he will note the moneys involved and the reserves required. What money is this Parliament expected to vote towards reserves? The moment the Government insurance office opens its doors for business, it must have reserves. It cannot start off and build its reserves gradually; it must have money voted by this Parliament to provide them. It cannot rely on investments to produce income until there are reserves. We shall not know this at least until the Budget is introduced, which will be in September at the earliest, I presume—if it is mentioned then.

So what we are being asked to do this evening is to vote on a measure that is an open cheque, that gives no detail of the cost involved. The only way we can try to get some idea of this is to look at the balance sheets of some long-established insurance companies, but there is a difference. Most of the income

of the long-established private companies today comes from investments that they have built up over many years. As the member for Bragg has said, some of them have been operating for several hundred years. For instance, the Sun Insurance Company, now operating in Adelaide, is an English company that was established in 1710. Most of the revenues of those companies come from their investments. Further, if members like to take the trouble to look at the records of the Government insurance offices in other States, which have been established for many years, it may surprise them to note the income derived from investments. In fact, I recall a Labor member of the New South Wales Parliament, about three or four years ago, complaining about the rate of interest and the rate of income derived as revenue from the New South Wales Government Insurance Office.

I have already said that Queensland has a superior rate by a fraction, because it has a monopoly in workmen's compensation. Is there any safeguard in this Bill against other forms of insurance becoming a monopoly? There is not. There is nothing to say what reserves will be established to meet the underwriting risks, which is so necessary. As I have said, we are being given a blank cheque tonight; we are being asked to vote on a Bill that does not tell us how much it will cost to set up and, more importantly, how much it will cost to run a Government insurance office.

Mr. Venning: They don't know, probably.

Mr. COUNBE: I think that is a fair statement. I doubt that members opposite know. This evening we heard much about monopolies from the member for Adelaide, during his long diatribe on Socialism, in which he did not mention the Bill at all. I want to refer to that, because in His Excellency's Speech the emphasis is on compulsion in this State, on telling the people that they must do this or that. There will be no choice. The people will have to do many things, such as vote at council elections. Because of the advance notice that we have been given about compulsion in many policy matters, we can look forward with a fair amount of certainty to semi-government authorities being forced before long to insure with the Government insurance office. Although members opposite deny that, such a move would conform completely to what the member for Adelaide has said about socialized water, socialized roads, and so on.

Mr. Venning: He didn't mention food.

Mr. COUNBE: No. I think his wife may go to the supermarket and purchase food from a private enterprise establishment. I do not think he drinks socialized milk or socialized beer, or whatever he drinks. It is obvious that before long semi-government authorities will be either forced or induced (perhaps "recommended" is a polite word) to take out their policies with the Government office, otherwise they may not get the treatment that they deserve or wish to get.

Mr. Evans: There's compulsory unionism too.

Mr. COUNBE: Yes, that is in the same field. The next matter will be compulsion on the councils. Will anything in this Bill prevent that?

Mr. Hall: No. There'll be a regulation about it, probably.

Mr. Clark: There's nothing about it in the Bill, either.

Mr. COUNBE: That is my point. The Bill does not tell us the cost and it does not tell us how all the things that Government members have said need correction will be corrected. Pity help the councils! For the benefit of new members, I explain that a fundamental premise of Parliamentary practice is that legislation introduced in any Parliament ought to be remedial. That is a prime concept. This Bill certainly is not remedial: its provisions are just the opposite of that.

The member for Adelaide was asked why the Government had deleted from the Bill provision for the Government insurance office to undertake life insurance, because the Premier had been at some pains to explain that this Bill did not deal with that insurance. When the member for Adelaide tried to explain that, he gave the game away completely. Some of us remember that a similar Bill, introduced during the term of office of the Walsh Government, provided for life insurance. This evening the member for Adelaide said that, as the Walsh Government could not get the Bill through, the present Government had deleted that provision in order to get this Bill through, but that it would be included in a year or two. That is what he said, and one of the greatest tricks of all time is to get in by the back door.

Mr. Groth: How many tricks have you blokes put up?

Mr. COUNBE: Not as many as has the honourable member. If I wanted to put tricks over I could take my time from the honourable member.

Mr. Clark: You would not know him well enough to know.

Mr. COURCEL: I hope to get to know him better. This Bill includes some rather curious phrasing. Clause 3 (3) provides that the commission shall be subject to the control and direction of the Government of the State, whereas I understood that there was a board to be set up to control the undertaking. There seems to be some conflict here, although the clause provides that the Government of the State will be acting through the Minister. Those of us who were naive enough to believe that the Government at least had some integrity in this matter thought that there would be an independent board, but we realize now that it is to be subject to the control and directions of the Government of the State. Clause 3 (6) provides:

No person who is a director of or who is actively engaged in the control of any company conducting the business of insurance shall be appointed or hold office as a member of the commission.

I agree that a director should not be appointed a member of the commission, but the provision also debar those who are actively engaged in the control of any company conducting the business of insurance. I should have thought that in conducting a Government insurance office it would be necessary to have the best possible people employed, particularly those well versed and trained in insurance matters and practices. Yet this clause provides that no-one who is actively engaged in the control of any company conducting the business of insurance shall be appointed or hold office as a member of the commission. This seems to me to be contradictory, particularly as the undertaking will be subject to the control and direction of the Government of the State. Clause 15 (2) provides:

Any amount paid out of Consolidated Revenue pursuant to subsection (1) of this section shall be deemed to be an advance to the commission and shall be and remain a charge on the funds of the commission to be recouped when funds are available.

When are funds to be available? I make the point that no details are shown in the Bill of how much it will cost to operate this commission. If something had been included, some objections would have been removed, but there are no financial provisions. Clause 18 refers to the Auditor-General. I have the greatest respect for him and I know him personally, and I object to the way he is referred to differently in clause 19 from the reference to him in clause 18. I would have preferred,

instead of using the services of the Auditor-General, to see the Government Actuary included. Those members who know anything about insurance know that actuarial exercises are extremely important. The Government Actuary would be a more suitable person, because all insurance offices are required to have much actuarial work undertaken. The money position is referred to again in clause 20 (5); then clause 21 provides for the making of regulations, and that is a normal provision.

Having listened attentively to what has been said, I believe that this Bill does not provide what Government members want it to provide. They sincerely believe that remedies should be effected, and they have cited case after case, including workmen's compensation matters with which I have had much experience on both sides. They have cited these cases in which they allege malpractices have occurred and in which unnecessary delays and prolonged court actions have been brought about. The Government has introduced this Bill to overcome these alleged malpractices, but I believe that this measure will not do that.

The Hon. G. R. Broomhill: The Workmen's Compensation Act does that.

Mr. COURCEL: That is a separate Act entirely.

The Hon. G. R. Broomhill: I think you are confusing our arguments.

Mr. COURCEL: No, I am not, because in this debate members have referred to workmen's compensation in relation to insurance companies' holding up settlements of claims. If the Minister later this session introduces a Bill that alters the Workmen's Compensation Act so as to overcome that ill, that is a different matter: I am speaking about remarks made during this debate. I believe that this Bill does not do what the Labor Government wants it to do and that, furthermore, it is unnecessary at this stage to introduce this legislation. As I said, bearing in mind the matters I have raised, I have grave doubts that the insurance office will work and that it will pay, and I do not know what it will cost this State. Therefore, I oppose the Bill.

Mr. CLARK (Elizabeth): I rise with some trepidation to follow the member for Torrens, but I assure him that it is purely by accident that this is the second occasion this session on which I have happened to follow him in debate. As a matter of fact, I have a certain liking for the honourable member, and I enjoyed his speech, even though I found little in it with which I could agree. His speech, however,

was in great contrast to that made by the ex-Premier, who (and this is not new, if I may say so) got on to his feet and ranted and raved. He obviously had not looked at the Bill but was simply opposing anything that was brought forward by the Government. I assure the Leader of the Opposition (if he needs any advice from me which, of course, he does not) that if he wants to get a new image for his Party he will not get it by ranting and raving, unless he can teach his colleagues to do that also.

It seems to me that really only two arguments have been raised by Opposition members in this debate. First, they have said it is Socialism, which is an abhorrent word to all of them, although I do not quite know why; and, secondly, they have said that they oppose the principle of State insurance altogether. One would have thought that this was something entirely new, that State Government insurance had just been thought up or conjured out of the air by the present Premier and that it was something new to be introduced to this House.

The Hon. Hugh Hudson: Even though it had been introduced by the dreadful Socialist Governments in every other State in Australia.

Mr. CLARK: Yes. State insurance was introduced into New Zealand exactly 100 years ago, and when I was there a few years back I found from inquiries I made that the people there believed it had been a great success. Many European countries have had State insurance for years. In fact, most of the German cities had State insurance until the advent of the late unlamented Adolf Hitler, who abolished it, and most of Italy had State insurance until it was abolished by the late unlamented Mussolini.

Mr. Jennings: They were not Socialists.

Mr. CLARK: In this instance it seems that the Opposition agrees with the Nazis and the Fascists, and I believe that they agree for exactly the same reason: anything with even the faintest taint of Socialism stinks to high heaven in their nostrils. I went to the trouble late today to peruse *Hansard* for 1924, and I suggest to honourable members that sometimes this is an interesting exercise, because by this means one can get some idea of the changes that have taken place and the changes that have not taken place in the last 40 or 50 years. In 1924 a Bill was introduced in this House to set up a State insurance office. In fact, it passed this House and then met with the sort of fate one would expect it to

meet, particularly back in 1924, in the other House. In fact, it did not even reach Committee there.

I thought the House would be interested in four or five brief quotations from the remarks made in 1924 by members of the Party that is now in Opposition. I am not sure what those members were called at that time, but they were members of the same Party that is now in Opposition. Those people always oppose reforms of this nature. I will not give the names of these gentlemen, because they are all now deceased and I do not wish to appear disrespectful to them personally, although I will be disrespectful to their opinions. One gentleman said, "I am strongly of the opinion that any State insurance is not a function for State enterprise." That sounds very much like one or two members of the present Opposition speaking. In fact, I can almost hear the words coming from some of the gentlemen who have already spoken.

Another gentleman said, "The ultimate objective is to bring about a monopoly by forcing private companies out of business. Also, I believe this is the wrong time to attempt this." I rather fancy that we have heard that sort of comment in this Parliament recently, and that during the present Government's term of office we will be hearing again, as we did before, that in respect of everything we wish to introduce it is the wrong time to do it. Some members used to say that back in 1924. Another honourable gentleman, with great wisdom, said, "The policy of the Party behind the Government is to obtain the control of all industry." Can you, Mr. Speaker, imagine how all industries would be controlled by the introduction of a State insurance office? Yet this evening we have been told things much sillier than that, and they have been in the same style and have followed the same trend. In a very long speech, another member at that time said, "The State's money should not be utilized in such a manner." We have heard exactly that this evening from, I think, the member for Alexandra. That member continued: "It appears to me and to every other unbiased critic that this is a matter of the socialization of industry." This evening we have heard from some of our modern-day unbiased critics, and they seem to be of the same type of unbiased critic as existed in 1924.

Mr. Groth: They haven't marched with the times.

Mr. CLARK: That is how it appears. When I read some of these speeches, it struck me that not only had the present Opposition not advanced but also that Opposition members' speeches did not compare with speeches made by members of the same Party in 1924. Another gentleman at that time said wisely, "I know that the object of the Socialists is to take possession of all the enterprises of the State; even now some of the leaders of the Socialist movement in South Australia are dissatisfied with the slow progress made by this Government." That is the sort of thing we hear over and over again; I think we heard it couched in slightly different (not as good) terms this evening. It was said then that the move was inopportune and that the time was not right, and the same things are being said today. One gentleman at that time concluded his speech as follows: "It is a long way to the new Jerusalem of Socialism, but an opening must be made some time and this is that opening."

These statements were made 43 years ago. I bring them forward this evening because of the two arguments which have been used against this measure and which are not arguments at all: first, that anything connected with Socialism is dreadful and abhorrent and, secondly, that the State insurance office is wrong and practically against the laws of nature. It is fairly obvious that over 43 years (and we could probably go back longer than that and find the same sort of argument) the anti-Socialist Party has forgotten nothing and learnt even less. Only recently I read in the press (naturally I did not have the opportunity or pleasure of hearing the address) about what was probably a fervent address by the Leader of the Opposition in which he called for a new image in his Party. I could not agree with him more.

The SPEAKER: Order! The honourable member must confine his remarks to the Bill.

Mr. CLARK: Certainly, Sir. I am simply linking this up.

The SPEAKER: With what clause?

Mr. CLARK: I am linking it to the fact that members opposite have opposed this measure because it is a Socialist measure. From what I read of the speech made by the Leader, I understand it was strongly anti-Socialist, but it did call on his members for a new image. From the results of various votes taken at that conference, it appeared that the honourable gentleman called in vain and was a voice crying in the wilderness. However, as that is nothing new for him, I suppose he has

become used to it. I am proud to have the opportunity to support legislation such as this. As the member for Adelaide said earlier this evening, several times each week most members of Parliament have people coming to them with insurance troubles. These people speak of claims that insurance companies will not meet, on the weakest possible pretext. For those reasons, I am happy (in fact, delighted) to support this Bill. It is my earnest hope that it will pass through both Houses.

Mr. RODDA (Victoria): Members on this side have made it plain what they think about this Bill. If anybody but the Government was doing this, he would be breaking the law. If members opposite will bear with me, I will tell them why. If the Minister of Roads and Transport, for instance, and I were to get together to set up an insurance office, we should have to produce a prospectus and to set out what we proposed to do, the capital we should put into it and profits we expected. We should be required by law to do all that.

The Hon. G. T. Virgo: What law would we have to comply with?

Mr. RODDA: The Companies Act, I think.

The Hon. G. T. Virgo: Do you think it would have to be registered before it could be set up?

Mr. RODDA: We would have to do that, so what is being done here is breaking the law.

Members interjecting:

Mr. RODDA: I think I am touching on a soft spot here.

The Hon. G. T. Virgo: What about some of the bodgy insurance companies that take down some of the electors?

Mr. RODDA: I would not mind dealing severely with the bodgy insurance companies.

The Hon. G. T. Virgo: There are not many people who like dealing with them. You must be an orphan.

Mr. RODDA: There are some very good insurance companies, and the Minister knows them as well as I do.

The Hon. G. T. Virgo: And some bad ones, too.

Mr. RODDA: I share the Minister's sentiments about companies that take down people. This Bill is to establish a Government insurance office, and we were told about this in His Excellency's Speech. However, I think the Premier and the Government should, in all decency, have told the taxpayers what money would be required to establish this office.

Surely the Government could have done a study and told the people what was involved in this venture. As the Leader has just reminded me, however, the Government cannot tell the people what it does not know. It has not done such a study. It is thought to be a good thing to set up a Government insurance office; it will not have any big buildings, as the member for Spence said this evening. He does not want King William Street cluttered up with big buildings, and the honourable member underlined a lack of progress. The Opposition does not favour Socialism. That is not a cause that we espouse, but the Premier could have given us more information, and he would not have been criticized for doing that.

Mr. Clark: He would be criticized whatever he said.

Mr. RODDA: No, we have a semblance of fairness about us and we give credit where it is due. We acknowledge that the Government has been voted into office with more than 50 per cent of the votes, so who am I to say, if the majority of people in this country want a good serve of Socialism?

The Hon. L. J. King: The people in the other place seem to have ideas about that.

Mr. RODDA: Do not worry about the other place. The members there have never been obstructive. I am sure that, if you read the Address in Reply speech made by the Leader in the Legislative Council, you will derive great comfort from the fact that most of the Bills sent there will go on the Statute Book.

Mr. Jennings: What about addressing the Chair?

Mr. RODDA: I said that most of them would go on the Statute Book. My friend from Ross Smith is suffering from something again. Time is getting on and I know that the Government wants to get the Bill into Committee this evening. In the last Parliament we heard much about prolixity in debate and, although the former Minister of Works and Minister of Education, who spoke before me, has said most of the things that I have in my notes, if the Government wants prolixity, that is all right with me and I do not mind continuing. In the last Parliament, perhaps we did not keep going long enough, so we may as well get used to what we should have done then.

The people of South Australia have not been let down in regard to insurance. Anyone who wants cheap insurance can get it, but one must pay more for good insurance. In this

State, as well as in other States, the major tariff companies will give good policies and will pay up, but I wonder whether the Government insurance office will pay claims similar to those that I and others have made on the major companies. Having a grown-up family, I have been through the motor car insurance business, and all claims have been paid with a smile. As the member for Mount Gambier knows, at one stage the claims were coming thick and heavy, but I have always had prompt settlement and good service.

About 170 insurance companies operate in South Australia and, as the Minister of Roads and Transport has said, there are some bodgy ones. The Labor Party has the reins of authority in this State, but I think it would do far better for the people if, instead of introducing a Bill to provide a Government insurance office, it considered the problems and closed the loopholes by which these people operate. It is the policy of the Labor Government to have a Government insurance office, whether we need it or not. If it wishes to introduce such a Bill as this it can, but it would not be my desire to do so. For this reason I join with my colleague in opposing the Bill. I emphasize that the Government is breaking the law in terms of the private individual by introducing such a measure without telling us what funds the Treasurer will have to raid. The Government should tell the people what the cost will be and for how long it will have to use moneys appropriated by Parliament for this purpose. Also, some attempt should have been made to disclose what will be the expected profits.

Mr. EASTICK (Light): What an area of confusion in which to rise! The Bill was confused at the very moment it was presented to the House, because at the Opening of Parliament by the Governor's Deputy we were told, in paragraph 9 of his Speech, that we would discuss a Bill which would be associated with insurance and which would include provisions relating to life assurance.

Mr. Ryan: Have you been reading with your coloured glasses?

Mr. EASTICK: No, the honourable member will see that paragraph 9 of His Excellency's Speech refers to "assurance". Also, on the Notice Paper for the day on which the Bill was introduced, even though it had supposedly been considered by Cabinet and the Party, the word "assurance" was used. It was not until the Bill was presented that we

found a sudden change from "assurance" to "insurance". The confusion, however, did not stop there: it has been obvious in several of the comments made during the debate. The member for Pirie, for instance, referred to the statement made by the member for Fisher, but the member for Fisher has not yet spoken in the debate. Apparently, the member for Mount Gambier had not read the Bill, because he was not sure how payments in lieu of taxation were to be assessed. He thought that they would be assessed by the Treasury, but he was not sure. Later, the member for Florey indicated that he was not aware of the terms of contracts and the bases of contracts, because he was getting the tone of the contracts mixed up.

Apparently, the member for Ross Smith thought he was on a fishing trip when, by way of interjection, he referred to red herrings. All these things were interposed into the debate on this Bill, which does not even say which Minister will be responsible for administering the commission. In not one part of the Bill is the Minister designated. One might suppose that it would be the Treasurer, but later in the Bill both the Minister and the Treasurer are referred to in the one clause. Which Minister will be responsible for this measure? Or will the Minister have two hats, so that he is the Minister in one provision and the Treasurer in another?

In making his second reading explanation, the Premier outlined the various clauses of the Bill right down to clause 21, giving information about the various aspects. At the outset, it is clear that members appointed to the commission will be in a straight-jacket and will be completely hobbled and hamstrung before they have even been commissioned. I wonder why the Bill did not state that they would have a bell attached to their necks so that the Minister would know where they were at all times. Looking through the Bill, we find that the Commissioners will be subject to control and direction. In clause 3 (3) the commission shall be "subject to the control and directions of the Government of the State acting through the Minister". In clause 7 (d) we find a reference to a member of the commission being absent "without leave of the Minister".

Then in clause 8 (2) we see that the procedure for the calling of meetings of the commission, etc., "shall, subject to any directions that may be given by the Minister, be as determined by the commission". Clause 11 refers to funds for travelling and for other purposes

which shall be subject to approval by the Minister; and under clause 12 (1) the commission is authorized and empowered to do certain things subject to the directions of the Minister. Under clause 12 (4) the commission "may, or, if so required by the Minister, shall, at any time, revoke any delegation . . .". This authority is given to the Minister, not to the commission.

Mr. Venning: They must be "yes" men.

Mr. EASTICK: I wonder whether it means that, if an officer of the commission does not become a member of a union, his authority may be revoked. Under clause 12 (4) the Minister may revoke an officer's powers, etc. In clause 19, we find that the Treasurer, and not the Minister, takes over the control and is to approve the method of keeping the books (not the commission, which is charged with the responsibility of conducting this organization). In clause 20 (1) we are back to the position where the Minister, once again, is having a say and may, after consultation with the commission, determine certain funds. Clause 20 (4) gives the Minister power to approve payments to be made. However, there is a provision here that worries me. For the first time it is indicated that the payment of salaries and allowances and such things to persons who may be public servants or members of the Crown may come from Consolidated Revenue. Immediately afterwards in subclause (5) we find mention for the first time (not in subclause (4) at the point where it is indicated that payment to such people could be made from Consolidated Revenue) that until money is available in the separate funds established the Treasurer can make money available to the commission. This subclause specifies that the Treasurer can make the moneys available on such terms and conditions as he thinks fit. I will just refer to a few other provisions in this Bill.

Mr. Burdon: You want to be insured?

Mr. EASTICK: Do you think I would be a bad risk?

Mr. Ryan: As a Liberal, yes.

Mr. EASTICK: The Attorney-General has indicated that we are all equal, so why should I not be insured? I am a man, so I am equal. Do Government members repudiate what the Attorney-General has said? We find other hidden costs throughout this Bill. For instance, we find in clause 12 (5) that the terms will be mutually agreed between Ministers of the Government in relation to the seconding or the making available of officers

from one department to another. It does not say that their salaries whilst seconded will be that which the other department would normally pay: it merely says that the terms shall be mutually agreed. So people could be used at the expense of another department to bolster this commission.

Under clause 15 (2) moneys are available from Consolidated Revenue, but there is not a word implied or stated about whether those moneys that are borrowed will have interest charges against them. Are we to believe from the information available in this Bill that the commission can proceed, for whatever period it likes, on borrowed money without paying interest? Are the people of South Australia to be responsible for paying, by not being able to have services in other directions, the moneys which would normally be paid by any insurance organization?

Mr. Rodda: It is going to be an unfair practice.

Mr. EASTICK: In clause 16 we go a little further, and we find that there is another possible hidden cost, for that provision says that the Treasurer may arrange things on such terms and conditions as he may determine. There is nothing directed, nothing stated, and nothing implied in the Bill which could indicate under what means or by what method people are going to judge the establishment and the management and, more particularly, the financial aspects of this commission. I have already pointed out to the member for Mount Gambier that, under clause 17 (1), the equivalent of income tax shall be paid into Consolidated Revenue. I do not suggest that, in any circumstances, the Treasurer would necessarily try to do anything other than the right thing. However, the Bill does not provide that "the Treasurer shall pay into Consolidated Revenue the equivalent", but refers to "such sums as the Treasurer deems to be the equivalent", and there could be a difference between the two. Clause 20 (5) refers to "such terms and conditions as he (the Treasurer) thinks fit", which is different terminology again.

Clause 9 (2) refers to the Chairman's causing accurate minutes to be kept of the proceedings at all meetings of the commission. The Chairman's being spelt with a capital "C" indicates that it is the Chairman of the commission, and he is defined as Chairman of the commission earlier in the Bill. Clause 8 (4) provides that, in the absence of the Chairman, a chairman may be appointed, and the chairman

in that case would not be the Chairman spelt with a capital "C". Therefore, we have the situation of a person who may not be present at a meeting being responsible for causing accurate minutes to be kept of the proceedings of all meetings of the commission.

Mr. Burdon: Isn't it customary in all organizations for members to appoint a temporary chairman in the absence of the chairman?

Mr. EASTICK: I do not deny that.

Mr. Burdon: You are denying it here.

Mr. EASTICK: The difference is that one person is defined as the Chairman and the other is a chairman of the meeting and may or may not be the person who is the Chairman of the commission. Yet clause 9 (2) directs that the Chairman, who may not be at the meeting, is responsible for causing accurate minutes to be kept. I suggest that this matter requires clarification. I have mentioned references to the Treasurer and to a Minister. I ask the Government to state specifically which Minister will be responsible. Regardless of what a member believes about the merit or lack of merit of a Government insurance office, I cannot see how members on either side can vote for the Bill in this form unless they are being led by the nose. I oppose the Bill.

Mr. VENNING (Rocky River): I, too, oppose the Bill. Like my colleagues, I am amazed at the priority given by members opposite to this Bill, when so much other legislation is urgent. Water supply is important. As the year proceeds and we get into summer time, this will be brought home to us forcefully. The member for Light went through the Bill clause by clause pointing out the weaknesses that he saw. I hope that at the appropriate time members opposite, having heard what he said this evening, will endeavour to attend to some of these weaknesses. I said in my Address in Reply speech that, although the Government had the numbers, it would have to rely on members on this side of the House to assist it in ironing out some of its problems. In this debate members on this side have certainly pointed out the weaknesses of this Bill, and I am sure members opposite will agree that these weaknesses exist. As I said just now, with my colleagues I am amazed that this legislation should have been given the priority it has. Particularly in this State is there no need for a Government insurance office. Adequate insurance facilities are already provided for the people here. Mention

has been made this evening of other things that the State Government has "socialized" in the past, like electricity, but this is a different kettle of fish.

Insurance facilities are already satisfactorily provided by private insurance companies for everyone in Australia, including the rural community. The Federation Insurance Company provides insurance facilities for grower organizations throughout the Commonwealth, and particularly in this State. At the annual meeting only last week of the United Farmers and Graziers of South Australia Incorporated, the Acting General Manager of this insurance company handed to the President a cheque for \$25,810.65. This is an overriding commission paid to this organization in this State. Also, the growers, provided they are members of the organization, have been able to execute their insurance with this company at reduced premiums. In addition to reduced premiums for the growers, this overriding commission was paid to the United Farmers and Graziers. Having been associated with grower organizations from many years, I appreciate this contribution by this company to that organization as a remarkable help in keeping it afloat for many years. After examining the whole situation, I find it difficult to appreciate why it was necessary to introduce this socialistic measure in this State.

Members opposite have claimed that a Government insurance office will be a money-spinner for the Government. I was concerned about this Government's attitude to money when it took office. I refer once again to Port Giles. It cost the Australian Labor Party \$2,200,000 to fly the A.L.P. flag in Goyder in the last State election.

Mr. Rodda: Who will pay for that?

Mr. VENNING: It looks as though the insurance office will pay for it. I do not know who else will do so.

Mr. Rodda: What about the soldier settlers?

Mr. VENNING: They have plenty of things to complain about. A Government is indeed irresponsible to spend \$2,200,000 in this way. The argument about establishing a Government insurance office to raise money is hog-wash. The member for Florey said that he had no qualms about the fact that members opposite had always advocated Socialism, and the other day I came across the *Socialist Psalm*, which states:

The Government is my shepherd, I need not work,
It allows me to lie down on good jobs,
It leadeth me beside still factories,
It destroyeth my initiative,
It leadeth me in the paths of the parasite
for politics' sake.
Yea, tho' I walk through the valley of
laziness,
And deficit spending, I will fear no evil,
For the Government is with me.
Its doles and its vote getters they comfort
me,
It prepareth an economic Utopia for me by
Appropriating the earnings of my grand-
children,
It filleth my head with boloney:
My inefficiency runneth over,
Surely, the Government shall care for me all
the days of my life and I shall dwell in
a fool's paradise for ever.

I oppose the Bill.

Mr. GOLDSWORTHY (Kavel): I, too, oppose the Bill. This evening we have heard some interesting speeches from Government members but much time has been taken up in discussing Socialism. I thought the member for Adelaide made an extremely interesting speech, but his comparisons were not apt. Trying to brand members on this side as Socialists, he said that a Liberal and Country League Government had developed the Leigh Creek coalfield and was instrumental in developing the Electricity Trust. Before the Leigh Creek coalfield was developed, we depended on supplies of black coal from New South Wales. I remember that when I was a child many black-outs and power stoppages occurred and South Australia was in real difficulty because of this dependence. Members opposite say that the L.C.L. Government was instrumental in developing the Electricity Trust.

The Hon. G. T. Virgo: No; the trust took over the Adelaide Electric Supply Company.

Mr. GOLDSWORTHY: The position regarding a Government insurance office is not comparable with the position at that time. At present more than 100 insurance companies operate in active competition in South Australia, whereas there was no competition when the L.C.L. Government developed the Leigh Creek coalfield. The Government realized that that coalfield must be exploited to provide the two essentials necessary for development of the State, namely, power and water throughout the State. As a result of the action taken then, South Australia now has a water reticulation system that is unique, by world standards. But to quote these as examples of Socialism, as the member for Adelaide did, is ludicrous.

This was an example of forward planning and implementation for the development of this State. Government members mention Sir Thomas Playford when it suits them. I attended a function on Saturday evening at which Sir Thomas Playford was present. He mentioned this Bill to me in conversation, and his opinion on it would not differ much from those of members on this side. Government members mention Sir Thomas and these instances as examples of Socialism, but they do not bear comparison.

The Hon. G. T. Virgo: You use his views when you want to.

Mr. GOLDSWORTHY: The Minister does not mind using them often enough when it suits him.

The Hon. G. T. Virgo: He supported Chowilla: do you? No answer was the stern reply!

Mr. GOLDSWORTHY: The honourable member's Party supported both, and now we have nothing.

The Hon. G. T. Virgo: Why don't you read *Hansard*?

Mr. GOLDSWORTHY: I do, and I know that the recent election was precipitated by the Labor Government's supporting a two-dam policy, and now it has a "no dam" policy. I repeat the point made by the Leader of the Opposition, that this Bill does nothing for people who have suffered at the hands of insurance companies whose operations are doubtful. Cambridge Insurance Company Proprietary Limited recently folded up, but were not people in New South Wales, Victoria and Queensland affected by this situation? Although Government insurance offices were established in these States, they did not protect the people against this sort of situation. I believe that most people affected were in New South Wales. For the Premier to say that one of the aims of this Bill is to protect people against doubtful companies is ludicrous. What is the position with established insurance companies? At present, most of them make an underwriting loss, and rely on investments to show a profit. I quote from the 1966 report of the Victorian Insurance Commissioner, as follows:

In these days of difficulties in underwriting most insurers rely heavily on income derived from the full investment of their funds to produce a favourable overall picture, and we cannot expect to be an exception.

Comprehensive insurance on motor vehicles will be the largest part of the business of this

projected Government insurance office. The 1965 report of the New South Wales Government Insurance Office stated:

Last year reference was made to the heavy fall in the underwriting surplus earned from motor vehicles comprehensive insurance. The trend continued and for the year under review premiums barely covered the cost of claims and expenses. The deterioration was most marked in the latter months and reached a level where at the close of the financial year this business was incurring losses.

About third party motor vehicle insurance, the report stated:

As is now to be expected for this class of insurance premiums fail to cover the cost of claims and expenses. The underwriting deficiency for the year was £1,848,682, which after allowing for interest earned was converted to a surplus of £17,675. The trading loss accumulated since the inception of the Act to June 30, 1965, stands at £5,485,384.

The 1966 report of the Tasmanian Government Insurance Office states:

It appears that we are becoming more dependent on interest from investments than insurance underwriting to maintain a reasonable surplus.

This position is not peculiar to Government insurance companies: I have here the latest report of one of the larger insurance companies in Great Britain, namely, the Eagle Star Insurance Company, which covers the whole field of insurance, and this is what its Chairman had to say about fire and accident insurance:

There was an underwriting loss of £6,987,000, the worst in our experience. As I reported in the interim statement, a loss for the year was expected on the trends apparent at that time, but the second half of the year was even more disappointing than could have been foreseen. Overseas, two accounts were largely responsible for our bad results: accident business in Australia and fire business in Canada.

Insurance companies rely heavily on their investments to maintain their profitability. How will this Government build up funds for investment? Perhaps it will insure the solid-construction Government buildings not now insured; perhaps it will re-insure schools, which are not now insured. I cannot see much sense in this sort of operation, wherein money is being taken from one Government pocket, as it were, and put into another. There is not the slightest advantage to the people of South Australia in this operation. How will the Government set up the office? It will set it up from revenue, and we have been exhorted to believe and cajoled about the fact that this

Government is short of money; the Premier came back from Canberra with what he reckoned was a lousy deal.

The Hon. G. R. Broomhill: What do you think about that?

Mr. GOLDSWORTHY: I have read through His Excellency's Speech with considerable interest; the Government acknowledges the fact that at the end of June we finished with a surplus in Revenue Account because we had received an increased grant from the Commonwealth Government.

The Hon. G. R. Broomhill: Are you happy with it? Is that what you're saying?

Mr. GOLDSWORTHY: I am saying that we finished up with a surplus but, after a week of this Government's operations, we had another \$4,000,000 to find.

The Hon. G. R. Broomhill: You're avoiding the issue.

Mr. GOLDSWORTHY: I am not. We have heard over the last three weeks that the Government is short of money; it has no money to spend and it has to go to the Commonwealth Government; we are asked to line up behind the Labor Party. And yet in the next breath the Government has money to spend from revenue on setting up an insurance office. This money could be far better spent at present on improving deficiencies in education which the present Minister of Education was keen to bring to the notice of the public during the recent election campaign.

The Hon. G. R. Broomhill: Do you think he was right?

Mr. GOLDSWORTHY: I think the Minister of Education stirred up more trouble than did any other member regarding deficiencies, yet after the election he suddenly says he is conservative. He has said, "We must take a more conservative view in these matters." If that is not a change of face, I have never seen one.

The position in New South Wales is not nearly so rosy as Government members would have us believe. For instance, in New South Wales, if there is an accident case, there are no interim payments: either a person accepts what the Commissioner says he will give him, or the matter goes to litigation. I believe that the backlog of claims in that State is considerable and that people are waiting for as long as four years for claims to be settled. We can imagine that, if there is this great backlog of unpaid claims and there are no interim payments, the Government has a tidy

sum to invest over four years at a reasonable rate of interest. I suggest that what has been imputed to other insurance companies applies here and that the profits they make could well be made because claims are not paid promptly.

One other question that I believe should be answered concerns reinsurance. It is common practice for insurance companies to reinsure to cover major claims. I can think of the Queensland sugar fire, the wool stores fire in New South Wales, and the extensive bush fires throughout Australia. Just what does the Government intend to do regarding this reinsurance? Does it intend to cover itself, or are the citizens of South Australia to foot the bill for these major claims, which could very well occur? Only last week a theatre was burnt down in New South Wales. I can assure the Government from my own first-hand knowledge that the large exchange treaty commissions no longer exist. The field of insurance is particularly competitive at present, and I consider that this would be a most inopportune time for a Government to consider going into this field. It will not get any major exchange treaty commissions at this time. Does it intend to insure overseas, where it can get this major cover? If it had to do this, I cannot see that that would be doing very much for the citizens of South Australia. These are very real questions which I think the Government must consider very carefully before launching into this measure.

The other question that I think is of considerable importance is the question whether in fact this Government would be operating in fair competition with other companies. Is there going to be coercion on local government authorities to insure with the Government?

Mr. Rodda: Yes.

The Hon. G. T. Virgo: It is just like we read in some of the dockets: don't allow the Government to do it; send it to private enterprise, and it will be done properly!

Mr. GOLDSWORTHY: I had the pleasure of having the Minister talk during my entire maiden speech; if he wishes to speak now, I suggest that he get on the end of the line. Will the competition in fact be fair, or will there be compulsion on local government authorities to insure with the Government? How will public servants be used? Many questions were raised by the member for Alexandra, and those questions must be answered.

How does the Government intend to use public servants in the service of this commission and, if it uses public servants, will this be fair competition? The way the Bill is worded, much is left to be questioned. I do not believe that this measure has anything real to offer the citizens of South Australia. We now have the lowest tariffs in Australia, but I can well imagine that after this commission had been operating for some time the tariffs would no longer be the lowest.

As has been said by many speakers on this side, this is a further excursion into Socialism. His Excellency's Speech, which we followed with interest, contains no measures that I can see that will do anything to develop the economy of this State, to attract industry, or to ensure the welfare of its citizens. The Government intends to set up a few committees and to have a few boards, and it intends to establish a Government insurance office and to introduce one or two other Socialist measures. I believe that this is not in the best interests of the citizens of South Australia.

Mr. EVANS (Fisher): Mr. Acting Deputy Speaker, I had not intended to speak on this Bill, and I apologize to those who have to stay back till this hour. However, seeing that the member for Pirie said I had already spoken on the Bill I thought in fairness to him and to others who might read *Hansard* that I should make a few comments. I will start by saying that I oppose the Bill. I am amazed to think that the Government has introduced a measure such as this at this early stage of the Parliament. During the last Parliament, members opposite spoke often of the urgent business that had to be brought before Parliament. Now that they have the opportunity to bring matters before Parliament, they have introduced this Bill, knowing it will cause controversy and delay the proceedings of the House. They want to slow down the proceedings of the House while they get their own Party in order.

The Hon. G. T. Virgo: You're slowing it down now!

Mr. EVANS: I agree with the member for Kavel that it will not be long before we see the Government put into practice coercion of local government. Perhaps any youth group that receives a subsidy from the Government will be compelled to do business with the Government insurance office. Perhaps Meals on Wheels Incorporated may be compelled to do business with that office, although I believe its subsidy has cut out and it will be denied any further subsidy or part thereof.

Perhaps school committees that are to hold a function and wish to insure against rain will eventually have to deal with the Government office. The member for Adelaide has openly admitted that life insurance will be dealt with by the State insurance office in the future and that the only reason it is not provided for in the Bill now is that it would cause the Bill to be defeated. At least the honourable member is partly honest, and that is more than I can say for most other members opposite. I wonder whether the rumour floating around is true that the Trades Hall will be made a little larger and that the Government insurance office will be established there so that prospective employees of that office can be told, "If you don't join the union, you won't get a job." That is the type of thing that has to be faced.

The Hon. G. T. Virgo: It's a rumour—just like the Liberals built the *Advertiser* building!

Mr. EVANS: A recent instruction from the Government stated that all Government employees would be asked to join the union—under the threat of being sacked if they did not join. Therefore, this could come back to compulsory unionism. This Bill brings about what the Labor Party wants—to have more people in Government employment who will be compelled to join a union and to support the Labor Party by putting funds into its coffers through the unions.

Clause 21 provides that, through the Governor, the Government may issue regulations that will affect the operations of any insurance office in the State. Through this means, the Government office may enter any field of insurance it wishes to enter. Do we have fair competition in the State now? Again I agree with the member for Kavel that, in the case of the insurance company that has caused trouble in recent months, Government insurance offices in other States have not prevented that trouble. Why do we not introduce legislation to control insurance companies that are now established?

The Hon. G. T. Virgo: I didn't think you believed in control.

Mr. EVANS: If the Minister had been prepared to ask me, he might have been told. He always jumps to conclusions, never having the decency to ask. This Bill will establish another insurance office to compete with those already established, and there is no stipulation on the regulations that may be issued as to the control or authority that office may have over other insurance companies.

Of the 100-odd insurance offices that operate in South Australia, perhaps one or two are doubtful, and the only reason they are doubtful is that some people like to deal with supermarkets or any organization where the commodity is cheaper. These insurance companies do not tell people to come to them: people go to them because they offer lower rates. Most people know that when they pay a low rate they will receive a cheap form of insurance cover. Those people take the risk, while the insurance company takes little risk. I do not believe in that type of insurance company, nor do I believe in the action the Government has taken in this case.

The member for Adelaide suggested that some measures introduced by Sir Thomas Playford were Socialist. That may be true, but no-one in this Chamber can say positively that private enterprise could not have achieved what some of these commissions have achieved, because one never knows for certain what the result would have been if private enterprise had entered the field. But private enterprise in the long run is more efficient than Government-administered organizations. We may say that when we rise in the morning we use Socialist water or power, but it does not matter what we use because, even if we use oil that comes from private enterprise, the Socialist trade unions will come out on strike and the people cannot cook with that oil. So we cannot get away from Socialist controls in this country—and this Bill is another Socialist measure. We know that the Government intends to bring in all the groups that have money allotted to them from the Government and compel them to contribute to this insurance office.

The Hon. G. T. Virgo: If you waffle on like this, you will convince even some of your own members.

Mr. EVANS: If they do not believe this I shall be amazed, because the Socialist group opposite has for many years said that that is its intention.

The SPEAKER: Order!

Mr. EVANS: In this State we have some of the lowest premium rates in Australia. The rates in Government insurance offices in other States are much higher. I predict that, two years after this insurance office is established, there will be at least a 25 per cent to 30 per cent increase in insurance rates in South Australia.

The Hon. G. R. Broomhill: How do you calculate that?

Mr. EVANS: When the Government of the day finds it cannot make insurance pay in the fields in which it is operating.

Mr. Clark: You should back up your statement.

Mr. EVANS: I do not need to. I said "I predict". I shall be like the ex-member for Glenelg (the present Minister of Education) when he used to stand up on this side and waffle and make this type of prediction. I am sorry if, at times, he has to put up with a similar type of treatment from a spot close to the seat he occupied when in Opposition.

Mr. Clark: In other words, you admit you are talking hooley.

Mr. EVANS: I agree that I was talking about Hughie, not hooley.

The SPEAKER: Order! The honourable member must refer to members by their districts.

Mr. EVANS: I will accept that, Mr. Speaker, but it was worth the call to order. I strongly oppose the Bill. I rose in my place mainly because the member for Pirie said that I had spoken on the Bill earlier. He has not been in the Chamber since he spoke; he was not in the Chamber for long before he spoke; and he could not have been in the Chamber when he thought I spoke on an earlier occasion. Therefore, he must have known only what he had been told by other members, and he made the statement that I should change my face. Perhaps he is the one who should look at himself and see whether he needs a change. I oppose the Bill.

The House divided on the second reading:

Ayes (25)—Messrs. Broomhill, Brown, and Burdon, Mrs. Byrne, Messrs. Clark, Corcoran, Crimes, Curren, Dunstan (teller), Groth, Harrison, Hoggood, Hudson, Jennings, Keneally, King, Langley, Lawn, McKee, McRae, Payne, Ryan, Slater, Virgo, and Wells.

Noes (19)—Messrs. Allen, Becker, Brookman, Carnie, Coumbe, Eastick, Evans, Ferguson, Goldsworthy, Gunn, Hall (teller), Mathwin, McAnaney, Nankivell, and Rodda, Mrs. Steele, Messrs. Tonkin, Venning, and Wardle.

Majority of 6 for the Ayes.

Second reading thus carried.

In Committee.

Clause 1 passed.

Progress reported; Committee to sit again.

ADJOURNMENT

At 11.47 p.m. the House adjourned until Wednesday, August 5, at 2 p.m.