HOUSE OF ASSEMBLY

Thursday, September 19, 1974

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

ASSENT TO BILLS

His Excellency the Governor, by message, intimated his assent to the following Bills:

Metropolitan Taxi-Cab Act Amendment,
State Lotteries Act Amendment,
Superannuation (Transitional Provisions) Act Amendment.

JUDGES' PENSIONS ACT AMENDMENT BILL

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

PETITIONS: WATER RATES

Mr. BECKER presented a petition signed by 55 residents of the city of Glenelg and the city of Henley and Grange who expressed concern at the present inequitable system of estimating and charging water and sewerage rates, particularly in the present period of high inflation. This practice had resulted in water and sewerage rates being increased, in many instances, by more than 100 per cent, which was an unfair, discriminatory and grossly excessive impost on them and which would cause hardship to many residents on fixed incomes. The petitioners prayed that the House of Assembly would take action to correct the present inequitable and discriminatory situation.

Mr. MATHWIN presented a similar petition signed by 415 persons.

Petitions received.

PETITION: GLENELG TOWN HALL

Mr. BECKER presented a petition signed by 104 persons requesting that the Glenelg Town Hall tower and facade be preserved because of their architectural, artistic, and historical value, and praying that the House of Assembly act in such ways as were possible and necessary to save and preserve the tower and facade from destruction.

Petition received and read.

PETITION: SPEED LIMIT

Mr. PAYNE presented a petition signed by 294 persons, stating that because of conversion to metrics the speed limit of 30 kilometres an hour past school omnibuses and schools was too high and presented an increased threat to the safety of schoolchildren, and praying that the House of Assembly would support legislation to amend the Road Traffic Act to reduce the speed limit to 25 km/h.

Petition received.

PETITION: SODOMY

Mr. ARNOLD presented a petition signed by 29 persons objecting to the introduction of legislation to legalise sodomy between consenting adults until such time as Parliament had a clear mandate from the people by way of a referendum (to be held at the next periodic South Australian election) to pass such legislation.

Petition received.

FROZEN FOOD FACTORY

The SPEAKER laid on the table the report by the Parliamentary Standing Committee on Public Works, together with minutes of evidence, on Centralised Frozen Food Factory, Dudley Park.

Ordered that report be printed.

MINISTERIAL STATEMENT: WATER RATES

The Hon. J. D. CORCORAN (Minister of Works): I seek leave to make a statement.

Leave granted.

The Hon. J. D. CORCORAN: I am now able to make a statement on the investigation carried out by the Valuer-General (Mr. Petherick) and the Director, Administration and Finance, Engineering and Water Supply Department (Mr. Maxwell) into ways of easing steep increases in water and sewerage rates that have occurred under the present system of levying rates on assessments determined under the Valuation of Land Act, 1971. However, before detailing their recommendations, I believe it pertinent to deal briefly with the background of the present rating system.

Before the Valuation of Land Act came into force, the assessment on which water and sewerage rates were levied was made under the Waterworks Act, which required that all properties be assessed simultaneously. Continuation of this system was not economically feasible so, when the Valuation Act came into force in June, 1972, it not only provided more precise methods of valuation but also allowed the Valuer-General to develop a continuous valuation programme over a five-year cycle. Simply, this means revaluation of one-fifth of the State each year. Unless there are special circumstances, properties are valued only once every five years. Two-fifths of the State has now been revalued under this system. The first was operative from July, 1973, and the second from July 1, 1974. Unfortunately, the change in method of assessment coincided with a period of rapid rises in property values; so, substantial rate increases occurred.

The Government recognised the need for change from a system where one-fifth of the State was bearing the total burden of rate increases each year. It launched an investigation centred on devising a water and sewerage rates equalisation system which, while being compatible with the philosophy of property valuation, would spread the burden equally throughout the State, thus preventing a huge increase in any one area. Opposition members have attacked the property valuation philosophy, but they have failed to come up with a more equitable system. All they can manage is to advocate a pay-for-water-used system that would result in the average householder's paying more than he pays now (a system which is unacceptable to any Government).

Mr. Dean Brown: Still back on the old song!

The SPEAKER: Order!

The Hon. J. D. CORCORAN: As members may be aware, over the years probably hundreds of commissions, studies and investigations have been initiated throughout the world with the object of establishing and adopting a better method of charging for the provision of water and sewerage services. Traditionally, in the majority of over-sea countries the provision of public water and sewerage services rests with local government, often in conjunction with private enterprise, and the various methods devised by these agencies to meet their water supply and sewage disposal responsibilities are almost infinite in variety and number. Speaking in general terms, however, it can be fairly said that most methods of charging fall into one of three categories: the levy of a flat charge or tax, payment by measure, or a combination of both. In South Australia, successive Governments have favoured the combination principle and for over 70 years have levied a charge based on property values with, in the case of the water rate, an entitlement for a proportionate quantity of water free of charge for rates paid.

While much has been said against this system, there are some very sound and logical reasons why it is favoured,

and it is worth while to examine some of these. Water under pressure has a wide range of uses, and the value of the benefit desired is not always represented by the quantity of water used. The amount of water consumed for household use, for example, is extremely small but, if it is not available or if its use is restricted, its value becomes incalculable. Carrying this further, there is a "readiness to serve" factor by virtue of a main passing a property. Large reductions are made in fire insurance premiums because a large pressurised main is available, if required, for fire fighting, and special rebates can be obtained if sprinkler systems are installed. Then, too, we have the environmental and aesthetic aspect, which includes the provision of water used on public parks and gardens, on a consumption-only basis, and many other aspects affecting sanitation and public health. Debate on the proper method of charging for these benefit components has been carried on for years and, as previously stated, no agency either in Australia or overseas has found a solution that satisfies all consumers. It is particularly relevant that the Sangster committee, following its inquiry into the water and sewerage rating systems, recommended:

1. That there be no change in the present system of rating on value for sewerage services.
2. That a rate assessed on value (about one-half the present rate) be regarded as payment for the availability of mains water supply but not to cover the supply of water and that, in addition to the rate, a charge by measure be made for all water supplied.

While the Government has not adopted the Sangster committee's proposals in regard to payment for measure (for reasons I gave earlier), it does agree that rates assessed on value are at present the most equitable way of levying water and sewerage rates in this State, subject of course to additional charges where water is used in excess of the amount allowed.

I now come to the recommendation of the investigating team, comprising Messrs. Petherick and Maxwell. They have recommended (and the Government has adopted their recommendation) that a system of rate equalisation be adopted in South Australia from July 1, 1975. This is a variation of the equalisation system used in New Zealand for the past 17 years by special purpose authorities for the levy of rates. It means simply that the burden will be spread equally over the State each year (instead of one-fifth), preventing increases of the magnitude that occurred this year.

Valuation equalisation in New Zealand is carried out by the Valuer-General, who provides a certificate to the authority setting out the total equalised values of each district at the time of the latest general assessment. It is made, having regard to the sales which have occurred in each area, the properties to which the sales relate, and additions and demolitions.

It is proposed to follow the system operating in New Zealand and to request the Valuer-General in this State to carry out a valuation equalisation on the total assessed values for each year of the quinquennial cycle not under general assessment. The equalisation would be made at the date and the level of the general assessment but individual property values would remain at their current assessed values. Using the equalised annual values, the total revenue requirement from water and sewerage rates in any year would then be apportioned to each year of the five-year valuation cycle to a differential rate in the dollar declared on the current annual value in force for the districts comprised in that cycle to collect the amount required. The advantages of this method are as follows:

1. All properties of equal market value will pay the same amount of rates annually according to whether they are located in the metropolitan or country areas.
2. Increases in rates will occur annually and be spread over the whole five-year period instead of occurring only in the year of revaluation.
3. The amount payable annually for rates will reflect market values of properties and will in turn be sensitive to wage and cost of living variation.
4. Allows the Valuer-General to continue to concentrate on making the general revaluation.
5. Gives added flexibility to the present method of determining water and sewerage charges.

The effects of equalisation on next year's water and sewerage rates will be as follows:

1. For the one-fifth of the State where revaluation operated in 1973-74, a small increase.
2. For the one-fifth of the State where revaluation operated in 1974-75, a reduction.
3. For the one-fifth of the State currently being revalued and where revaluation will operate in 1975-76, a much smaller increase than would have applied without equalisation.
4. For the remaining two-fifths of the State, where revaluation will operate in 1976-77 and 1977-78, an increase to bring payments in line with those in other districts.

The Government will also make a detailed investigation to see whether the equalisation principle can also be applied to country lands water rating.

For the benefit of members, I table three copies of the report made to me by Messrs. Petherick and Maxwell.

QUESTIONS

The SPEAKER: I direct that the following written answers to questions be distributed and printed in *Hansard*.

HOUSEHOLD KEROSENE

In reply to Mr. WRIGHT (September 10).

The Hon. D. A. DUNSTAN: I have been told that the position varies between oil companies. One oil company informed me that, although its bulk stocks of lighting kerosene at present were very low, all of its service station outlets now had adequate supplies, in contrast to widespread shortages only a few weeks ago. It should not be overlooked that the weather causes a fluctuating demand for this product, and an unexpected cold snap could again bring on an acute shortage of lighting kerosene.

Heating oil is now widely used, and I believe refineries are pressed to keep up supplies of this oil, which of course is required in much larger quantities and is also in short supply at times. However, as the honourable member is no doubt aware, the oil industry is at present operating on a basis of temporary shortages of most of its products, including super grade petrol. I doubt that the Government can rectify this kerosene supply problem.

TORRENS RIVER FOUNTAIN

In reply to Mr. ALLEN (August 21).

The Hon. J. D. CORCORAN: The State is at present fully committed on funds for matters of this kind.

PETRO-CHEMICAL PLANT

Dr. EASTICK: Will the Premier say what phraseology he and the Minister of Development and Mines have accepted for the Redcliff indenture as being adequate to provide an indestructible safety factor against accidental pollution of the environment by the proposed petro-chemical

plant at Red Cliff Point? The Premier has asserted repeatedly that there will be no danger of pollution from the Redcliff petro-chemical plant and that adequate safeguards will be written into the agreement. However, I raise the point that there have been and always will be instances where the best of intentions go astray. I say that because in all projects the one factor that cannot be covered completely is the human factor. We all know that accidents do happen, and we had that recently in the Patawalonga Basin, with the release of extensive oil pollutant from a Tonsley factory, at considerable expense to the persons whose equipment and property was damaged, when someone accidentally opened the wrong valve. I and many other people are concerned about what will happen if someone accidentally opens the wrong valve at Redcliff petro-chemical plant and sends pollutants into Spencer Gulf, into the atmosphere, or on to land around that area. For this reason, I ask the Premier what phraseology he has accepted for the indenture Bill as adequate to safeguard against accidental pollution by human error.

The Hon. D. A. DUNSTAN: The clauses of the indenture will be before the House soon. If the Leader thinks that one can release pollutants of the type he has mentioned simply by turning on a valve, he knows nothing about this plant, and I suggest that he do some homework.

BAKERS' DISPUTE

Mr. WELLS: Can the Minister of Labour and Industry give the House further information regarding the bakers' dispute, in which the bakers are seeking comparative wage justice?

The Hon. D. H. McKEE: The Industrial Commission met this morning and Commissioner Johns placed a return to work order on the employees. My information is that this decision was relayed to the members and that they rejected the order. I also understand that the employers are now considering their position and are also considering taking out a writ against the union for refusing to accept the order. That is the present position. I understand that negotiations are still continuing with the lawyer and the unions and that a favourable solution could be arrived at later this afternoon.

AUTOMOTIVE INDUSTRY

Mr. COUMBE: Will the Premier say what actions the Government has taken to force the Commonwealth Government to drop plans to restructure the Australian car industry, as recommended by the Industries Assistance Commission? Doubtless, if the Commonwealth Government proceeds with its earlier announced intention to remove some of the protection afforded to the Australian motor car industry, South Australia will suffer serious employment problems. The Premier is aware that our dependence on the motor vehicle industry as a major employer in South Australia places us in an extremely vulnerable position. Therefore, any tampering with job opportunities at a time when unemployment throughout Australia has already reached the highest on record (seasonally adjusted, it is over 134 000) would be disastrous for the national economy and for South Australia in particular. There is therefore an urgent need for the South Australian Government to undertake a strong campaign against this recommendation. I ask the Premier what he intends to do about safeguarding the jobs of thousands of South Australians currently employed in the motor vehicle industry. Has he in fact spoken with the Prime Minister about this crucial matter, as he said, I think about two weeks ago, he would do?

The Hon. D. A. DUNSTAN: If the honourable member listened to, or read, my statement in the House about two weeks ago, I cannot understand his explanation of his question, because it must be clear to the honourable member and to members of the public that the Government of this State is concerned about the I.A.C. report and has been working on it constantly.

Mr. Coumbe: I asked if you had spoken to the Prime Minister.

The Hon. D. A. DUNSTAN: Yes, I have spoken to the Prime Minister—

Dr. Eastick: Did he accept—

The SPEAKER: Order!

The Hon. D. A. DUNSTAN: I find it very difficult to treat questions from senior members of the Opposition as responsible when I get the most absurd and ridiculous interjections while I am answering what are apparently serious questions.

The SPEAKER: Interjections are out of order.

The Hon. D. A. DUNSTAN: Representations have been made to the Commonwealth Government, and our officers have been working constantly with its officers, with the motor car industry, and with all motor car component manufacturers so that we may present to the Commonwealth Government a scheme which is an alternative to the I.A.C. proposals which will meet the terms of reference given by the Commonwealth Government to the I.A.C. for the maintenance of a high Australian content provision in the motor car industry in this country. That work has been going on around the clock. The officers of the Commonwealth Government have already been well apprised of the fact that our own officers, working over a very much shorter period than the I.A.C., have shown that the basis on which the I.A.C. operated was wrong in making its report. We have already demonstrated that; we have prepared certain alternative plans which are now being checked with the motor car industry itself and which we believe will achieve the results sought by the Commonwealth Government without the dire results which would undoubtedly occur if the I.A.C. report were to be accepted. The Commonwealth Government has been constantly informed of what we have been doing in this regard and its officers have been sitting in at the meetings our officers have had with the industry and with the component manufacturers. We will not rest until the Commonwealth Government rejects the proposals in the I.A.C. report and accepts proposals which are acceptable to the industry and to the State Government and which will ensure that there is no loss of employment in this State and that we retain the benefit to this State of the motor car industry and the component manufacturing industry. That work is going on all the time, and Commonwealth Ministers, Commonwealth officers, and the Prime Minister have all been informed of it.

TEXTILE INDUSTRY

Mr. GOLDSWORTHY: Is the Premier aware that two large textile companies, Actil Cotton Mills and Onkaparinga Woollen Company Limited, at both its Lobethal and Thebarton plants, are reducing their work force? It has been reported that these firms have been laying off workers because of the fall-off in orders, which is attributed mainly to the flood of imported articles coming to this State following the reduction by 25 per cent of the tariff on these imports. Although I am aware of certain corrective measures being contemplated by the Commonwealth Government, I ask the Premier whether he will make urgent representations to his Commonwealth

colleagues, pointing out the results in this State of the earlier policy in an effort to safeguard the employment of South Australian workers. The Onkaparinga woollen mill at Lobethal is in my district so I know just how important this industry is to the town. It is with great concern that I personally view the fact that many employees have had to be retrenched as a result of Commonwealth action. Is the Premier aware of the situation and, if he is, what is he doing about it and will he approach his Commonwealth colleagues to see whether the situation can be remedied?

The Hon. D. A. DUNSTAN: I am aware of the situation at Onkaparinga woollen mills and also at Actil. However, I think it wrong that the honourable member should ascribe the problems at Onkaparinga woollen mills purely to the change in the tariff structure, because they are not related purely to that at all; indeed, the industry has never suggested that they were. The submissions made to us by the Directors and management of Onkaparinga woollen mills deal with problems of the company that do not relate to the tariff structure. There have been some long-standing problems at Onkaparinga woollen mills of which we have been apprised.

In relation to Actil, some problems may well have arisen as a result of the tariff situation. However, after the tariff was altered in Australia, the management of Actil said that it was proceeding with an expansion of a marked dimension. On this score, the Government of South Australia has constantly informed the Commonwealth Government of the difficult results that may occur in a decentralised area to industry as a result of tariff changes because, although it is reasonable for macro-economists to argue that there are benefits to a nation as a whole from a lowering of tariff barriers since it induces an anti-inflationary pressure and gets the most economic use of resources and the like, other factors are involved. One of those factors is the provision of a sufficiently diverse employment base in a decentralised area. In Australian terms, this State, with the third largest industrial complex, is a State of decentralised industry, if one looks at Australia as a whole.

Mr. Goldsworthy: We want to keep it that way.

The Hon. D. A. DUNSTAN: Certainly we do, and that has been the aim of the Government. Our constant submissions to the Commonwealth Government have been to that end.

SUSPENSION OF STANDING ORDERS

Mr. MILLHOUSE (Mitcham): I move:

That Standing Orders be so far suspended as to enable me to move a motion without notice.

The SPEAKER: I have counted the House and, there being present an absolute majority of the whole number of members, I accept the motion for the suspension of Standing Orders. Is the motion seconded?

Mr. BOUNDY: Yes.

Mr. MILLHOUSE: I have already publicly given notice of my intention to do this and, since the House met today, I have supplied both the Premier and the Leader of the Opposition with a copy of the motion I intend to move if I am granted the suspension I seek. That motion is as follows:

That this House call on the members of the Commonwealth Parliament representing South Australia to take action in the Commonwealth Parliament to protect employment and development in South Australia from the imposts on the sale of wines and brandy which, in the case of brandy, are proposed to be increased in the Commonwealth Budget and which adversely affect South Australia far more than any other State.

As members who have been here for some time and have some recollection will recall, this motion is based closely on one moved on the evening after the Commonwealth Budget was introduced in 1970, because of the urgency of the matter.

The SPEAKER: Order! I point out to the honourable member that, under Standing Orders, he is granted a specified time in which to explain to the House the reasons for the suspension. The subject matter of the anticipated motion may not be considered at this time; the honourable member must deal only with reasons for the suspension.

Mr. MILLHOUSE: Yes, Sir. When you interrupted me, I had just used the word "urgency" and I was going on to explain why, in my submission, it is urgent that this matter be discussed this afternoon, as a similar motion moved by the Premier in 1970 was discussed urgently. The reason for this is that the Commonwealth Budget was introduced in the Commonwealth House of Representatives on Tuesday evening. As I understand it, the debate on that Budget will take place in Canberra next Tuesday. This motion, if it is to have any effect at all, must have been passed by this House and transmitted to members of the Commonwealth Parliament of all political persuasions before next Tuesday. If members are genuine in their concern about the excise on brandy that has been increased in the Commonwealth Budget, they will all support my having Standing Orders suspended so that this matter can be thrashed out here on the last opportunity we will have before the debate takes place in the House of Representatives.

That is the urgency of the matter. If members opposite will not support me (and I am sure members on this side realise the importance of the matter, despite some of the disparaging remarks made last evening by the member for Kavel), they will be showing clearly that they really do not care at all about the plight of brandy producers and grapegrowers who supply those producers. Only by granting me a suspension can the Premier live up to the concern which he says he has shown and which it has been reported to me that the Minister of Agriculture expressed this morning when he refused to appear on television with me to debate the matter. Only by debating the motion today can we get anywhere. For that reason, I have taken this, the first opportunity I have had, to move the motion. I can do this only by suspending Standing Orders. I believe that there is an urgent need to remind all our colleagues in the Commonwealth Parliament of the plight of this industry and the fact that the proposal in the Commonwealth Budget will make that plight worse. Unless we act now it will be too late. Unless we act today I cannot accept as genuine the concern that Government and Opposition members have already expressed.

Those are the reasons why I should like Standing Orders suspended. Last evening, I spoke on this subject. I now desire to say other things to push home the importance of the matter and the plight of brandy producers and growers. It is urgent that my motion be disposed of this afternoon (otherwise it will be too late), just as it was urgent four years ago when the Premier, on a Wednesday evening, after suspending Standing Orders, moved a motion referring to the wine industry, of which the brandy producers are a part, and the motor vehicle industry. He insisted, in Government time, on debating that motion there and then and sitting until it was carried. The situation today is similar except for one thing: on that occasion it was a Commonwealth Liberal Government that was intending to introduce an impost on the wine industry, whereas today we have a Commonwealth Labor Government. Unless that makes a difference, in the interests of

South Australia there will be no hesitation on the part of the Premier in granting this suspension.

The Hon. D. A. DUNSTAN (Premier and Treasurer): I do not intend to agree to the suspension of Standing Orders moved by the honourable member, or that he should proceed along the course on which he has set out constantly here to take over the business of the House for the purpose of grabbing a tired headline. The honourable member knows perfectly well (and I raise these matters as to whether the suspension should now occur) that this whole subject has been ventilated publicly at length. The matter of the brandy excise and the elimination of the differential have been the subject of a whole series of public statements not only in the House but also in the press, as well as the subject of representations by me to the Commonwealth Government in concert with the Chairman of the Wine Board and the President of the Wine and Brandy Producers Association. Indeed, only today I received the thanks of the board and the association for the work this Government has done in these matters.

The honourable member knows perfectly well that this episode in the Commonwealth Budget is simply an instalment of a measure which has been announced previously and about which we have already had our fight, and a whole series of representations has been made. The honourable member cannot now proceed to try to climb aboard the band waggon and take over the business of the House.

Mr. MILLHOUSE: On a point of order, Mr. Speaker. The Premier is now debating the substance of the matter. I have not hitherto taken a point of order even though from the moment the Premier began speaking he has been debating the substantive motion and not the motion to suspend Standing Orders. You pulled me up, Sir, and, if I may say so with respect, reminded me correctly about that. Surely what applies to me must also apply to the Premier.

The SPEAKER: The point of order is not upheld. The honourable member had a specified time in which to explain why he sought the suspension of Standing Orders, and the honourable Premier has the same specified time allowed to him to say why he believes that the suspension should not be granted. The honourable member for Mitcham has put the case in favour, and the Premier, who is now putting his case, apparently against the suspension, has a perfect right under Standing Orders to say why in his opinion the suspension should not be granted.

The Hon. D. A. DUNSTAN: The honourable member knows perfectly well that this matter has already been fully ventilated publicly, that he has had an opportunity already, during the proceedings of the House, to ventilate the matter himself, and that he has had, in accordance with Standing Orders, an opportunity to do so in private members' business time.

Mr. Millhouse: That's a laugh!

The Hon. D. A. DUNSTAN: Does the honourable member suggest that he should now represent himself by taking over the business of the House and suspending Standing Orders so that the other business of the House cannot be dealt with. Is he some kind of cavalier or proponent of the interests of the industry when, in fact, he is only a Johnny-come-lately?

Mr. MILLHOUSE: Mr. Speaker, I take the same point of order as I took earlier. The Premier is now debating the substance of the matter by abusing me. What that has to do with the urgency of the matter, I do not know. I suggest that it has nothing to do with the urgency of the matter and I ask you, Mr. Speaker, to rule in my favour and to direct the Premier to confine his remarks to the subject of the suspension of Standing Orders this afternoon.

The SPEAKER: As the honourable member for Mitcham has moved a motion for the suspension of Standing Orders, the Premier must leave aside the subject matter of the substantive motion. The Premier, in his remarks, is putting to the House his reasons for opposing the suspension of Standing Orders.

The Hon. D. A. DUNSTAN: I thought I was making my reasons patently clear: that I do not see any basis on which the honourable member should take over the business of the House this afternoon on a matter with which he has not been previously concerned, when the whole matter has been taken up by the Government in concert with the industry, when it has been fully ventilated in public, and when, last evening and on other occasions, he has had all the opportunities that could be given him to ventilate his views on the matter.

Mr. Millhouse: Don't you want an opportunity to say something about the letter you wrote?

The Hon. D. A. DUNSTAN: I have dealt with that letter to which the honourable member has referred; it has been headlined in the press in South Australia, and I have said what I thought very clearly. I maintain that position. If the honourable member wants to review that topic at this stage of the proceedings, there is only one reason why he is moving for the suspension of Standing Orders: he hopes to get some politics out of it.

The SPEAKER: Order! The honourable member for Mitcham has moved for the suspension of Standing Orders. Those in favour of the motion say "Aye"; those against say "No". There being a dissentient voice, it will be necessary to divide the House. Ring the bells.

The House divided on the motion:

Ayes (16)—Messrs. Arnold, Becker, Boundy, Dean Brown, Chapman, Coumbe, Eastick, Evans, Goldsworthy, Gunn, Mathwin, McAnaney, Millhouse (teller), Rodda, Russack, and Venning.

Noes (23)—Messrs. Broomhill and Max Brown, Mrs. Byrne, Messrs. Corcoran, Crimes, Duncan, Dunstan (teller), Groth, Harrison, Hopgood, Jennings, Keneally, King, Langley, McKee, McRae, Olson, Payne, Simmons, Slater, Virgo, Wells, and Wright.

Majority of 7 for the Noes.

Motion thus negatived.

QUESTIONS RESUMED

SEWERAGE FINANCE

Mr. EVANS: Is the Minister of Works satisfied that the $3 200 000 loan to provide sewerage facilities in South Australia is a fair share of the $105 000 000 that has been made available in the recent Commonwealth Budget? Last year this State expected to receive $2 000 000 from the Commonwealth Government as a grant to provide sewerage facilities, but subsequently received a loan of $1 600 000. This meant that the State would have to repay about $5 000 000. This year we expected to receive $3 500 000, but recently the Minister said we had been allocated $3 200 000, a reduction of $300 000. Again, this is to be a loan and will cost about $10 000 000 by the time we have repaid it. Will this reduction affect the sewerage programme in the metropolitan and country areas and, if it does, which area will be affected? If this reduction does not affect the programme, where will the extra money be obtained? Also, can the Minister

say how much has been made available to each of the other States, because over $100 000 000 is to be made available to them?

The Hon. J. D. CORCORAN: First, I think I told the honourable member that we would receive $3 200 000, but the Budget showed a figure of $3 000 000, which means a reduction of $200 000. In other words, the amount has been reduced by $500 000. That situation does not alarm me; indeed, I am grateful to the Australian Government for this provision. Secondly, may I correct a statement by the honourable member that it was to be by way of loan: that is wrong, because it will be a 30 per cent grant and the remaining 70 per cent will be at the long-term bond interest rate over a period which I believe will be the same term as used by the Loan Council, that is, 41 years.

It was suggested during the Loan Estimates debate that, if the amount we expected to receive from the Commonwealth was not forthcoming, adjustments would have to be made to our Loan funds to make up any deficit. That action will be taken, so there will be no down-turn in activity in this regard. The honourable member has also suggested that we are probably not getting a fair share of the overall amount provided for sewerage facilities, and that is true if we consider the matter only in that light. The honourable member must not forget, however, that the Australian Government has made available to this State, and only to this State, $4 400 000 for water treatment facilities on the same basis as the $3 000 000 is to be provided, making a total of $7 400 000. An undertaking has been given by the Australian Government that it will fund the water treatment programme in this State, and that may cost over $80 000 000 by the time the work is completed. If the whole matter is considered in that perspective, the proportion we have gained is very much greater.

Mr. Evans: It's still not enough.

The Hon. J. D. CORCORAN: The honourable member must appreciate that we asked for $4 400 000 to be provided for our water treatment programme. It may be that we could seek more next year, but we asked for that amount this year because that is all we could spend on developing water treatment facilities. Sydney, Melbourne, Brisbane, and some country cities in other States are much worse off than we are for sewerage reticulation. Naturally, the Australian Government, in its efforts to overcome the backlog and improve the quality of life of people living in those areas, would distribute more finance to those areas than it would to Adelaide, because about 96 per cent of Adelaide is sewered.

Mr. McAnaney: We're lucky we had a Liberal Government to do it.

The Hon. J. D. CORCORAN: I have always given credit to previous Governments for that policy: I have never made a secret of the fact that I thought it was a good policy. However, this Government hopes to solve as quickly as possible any problems occurring in the district of the honourable member and any problems relating to the backlog in this State. I think the South Australian Government could and should express its gratitude to the Australian Government for providing these funds, because this is only the second time (and certainly the first time for water treatment facilities) that the Australian Government has helped the State in this way.

WOOL LOANS

Mr. RODDA: Will the Minister of Works ask the Minister of Agriculture to take positive action to ensure that the Commonwealth Government honours its undertaking to underwrite the Australian Wool Corporation with advances of up to $150 000 000 following the refusal of Australian banks to continue the types of loan they have granted in the past? Woolgrowers throughout Australia have been concerned at the announcement by Australian trading banks that, because of the credit squeeze, they are no longer able to advance loans to the Australian Wool Corporation. Although the Commonwealth Government announced in its Budget that it would advance $150 000 000 to meet this position, this action is much against previous Australian Labor Party policy, which has always been against such subsidies. Therefore, I urge the Minister to ask his colleague to take action to ensure that the Government's announced policy does, in fact, become reality, and is not swept aside by Caucus pressures.

The Hon. J. D. CORCORAN: I have heard of nothing that indicates to me that the Australian Government is likely to change the undertaking it gave. In fact, I am sure that it will not do so. However, I will refer the question to my colleague the Minister of Agriculture and, if he considers it necessary after due consideration to do something about the honourable member's suggestion, I have no doubt he will do so. I will therefore ask him to examine the question and comment on it, and I will let the honourable member know when a reply is to hand.

GROWTH CENTRES

Mr. BECKER: Does the Premier accept that the Commonwealth Budget reflects a growing disenchantment by the Commonwealth Government with development of new growth centres throughout Australia, and a return to an emphasis on urban and regional development? If it does, will he say how this affects the future of Monarto? I understand it is generally accepted that the Budget allocation of $433 000 000 for urban and regional development (a 160 per cent increase) brings this area of planning back into the Government's high-priority area. It is already being claimed that this action is a significant departure from the early Labor enchantment for growth centres as being the cure for the ills of our cities. The Premier would be well aware that of the $433 000 000 allocated in the current Budget only $82 000 000 is for growth centres, and of that about $40 000 000 is for the Albury-Wodonga area. Monarto (South Australia's major growth centre) is listed to receive a mere $4 400 000, and the needs of Red Cliff Point do not even rate a mention. I therefore ask the Premier whether he believes this relegation of growth centres and a preference for urban and regional development is likely to be permanent and, if it is, how it will affect South Australia's Monarto project.

The Hon. D. A. DUNSTAN: I find it a little difficult to follow the honourable member's reasoning. The Department of Urban and Regional Development has had a marked increase in its allocation from the recent Commonwealth Budget. The department covers not only the provision of regional growth centres but many other areas, including the area just referred to by the Deputy Premier. It also covers land commissions, concerning which South Australia received the enormous allocation of $24 000 000. Therefore, I do not know why the honourable member should look a gift horse in the mouth. We made submissions on this topic as to the amount that could be spent next year at Monarto, but the sum allocated to us by the Commonwealth Government is much less than we originally submitted; however, it is close to the figure discussed finally between South Australia and the Commonwealth.

Mr. Millhouse: The number of hands—

The SPEAKER: Order! The honourable member for Mitcham is out of order. The honourable Premier.

The Hon. D. A. DUNSTAN: In relation to the sums spent on growth centres, I point out to the honourable member that, naturally enough, the major sums granted by the Commonwealth Government are to be spent in areas that can relieve major urban problems in Australia. Australia's major urban problems are in Melbourne and Sydney.

Mr. Venning: What about Adelaide?

The Hon. D. A. DUNSTAN: Adelaide does not have such a problem, because, frankly, the Labor Government has managed to pass planning legislation.

Mr. Venning: It was all right before you took it over, anyway.

Mr. Millhouse: Who initiated the process?

The SPEAKER: Order! In accordance with Standing Order 169, the honourable member for Mitcham is warned for the first time today. The honourable Premier.

The Hon. D. A. DUNSTAN: Let me give members the history of planning legislation in South Australia. Prior to the Labor Government's accession to office, there existed a Town Planning Act, which only regulated the shape of land subdivisions and had no other controls whatever. A report was made in 1962 of a Metropolitan Adelaide Development Plan, which was given no authority in law whatever and which, under the previous Liberal Government of Sir Thomas Playford, was steadily torn up by subdivisions that were contrary to the report. Subdivisions were commenced on the Hills face zone, in the district of the member for Mitcham and elsewhere. Subdivisions were taking place and there was no law to stop them. When I became Attorney-General I brought in regulations under the existing Town Planning Act to try to control the situation until proper town planning legislation could be put before the House. What happened then was that the regulations were attacked by the Liberal Party in the Upper House. It was only by certain fortuitous events, which I shall be happy to narrate because they are one of the more colourful episodes in the history of this Parliament, that we managed to have those regulations passed. I then introduced, in 1967, town planning legislation, which is now the most up to date in this country. That legislation was fought bitterly in the Upper House by a member—

Mr. Dean Brown: Why don't you get back to the question?

The SPEAKER: Order!

The Hon. D. A. DUNSTAN: Because members raised these matters. If the member for Davenport does not wish to hear about the history of this matter (it was the member for Hanson sitting close to him who asked the question), I suggest that he is not being genuine. The situation was that—

Members interjecting:

The SPEAKER: Order!

The Hon. D. A. DUNSTAN: —we had great difficulty in getting the legislation through which would have enabled us in South Australia to build on the existing basis without encountering the problems already faced by Melbourne and Sydney. This Government's legislation was fought bitterly in the Upper House by the Hon. Murray Hill, who subsequently became the Minister responsible for planning and who put the whole of our process on ice for two years.

Mr. Millhouse: That's not right.

The Hon. D. A. DUNSTAN: Yes it is; too right it is.

Mr. Millhouse: You know it's not.

The Hon. D. A. DUNSTAN: I know it is, and I also know that he reduced the allocation to the then town planning office and refused funds to provide staff to carry out work under the Town Planning Act.

Mr. Millhouse: I am willing to challenge you to a debate on that matter.

The SPEAKER: Order!

The Hon. D. A. DUNSTAN: The member for Mitcham is always willing to challenge anyone to a debate, but he is a perpetual loser, as was evidenced at lunch-time today by his loss at the hands of the Deputy Premier. Because this Government fought elections on the subject of town planning and enacted the necessary legislation that gave South Australia a basis for town planning (which no other State in Australia had), South Australia has never been in the position faced by Melbourne and Sydney, and is never likely to be. South Australia will not get into the mess those States face at present. The Commonwealth Government looks at the situation of the States and says, "Where is the greatest mess? Where do we have to spend most of our cash?" The Commonwealth Government is going to spend most of the money at Albury-Wodonga, Bathurst-Orange and Geelong in order to relieve the enormous problems faced by Melbourne and Sydney.

Mr. DEAN BROWN: On a point of order, Mr. Speaker, I refer to Standing Order 125, which provides that, in answering any question the member shall not debate the matter to which the same refers. I believe the Premier knows that, and he has been replying now for more than 10 minutes. Many members on this side of the House have not had an opportunity to ask a question.

The SPEAKER: Order! The honourable member for Hanson asked the honourable Premier a question relating to a Commonwealth Government grant for urban and regional development, and I understood the honourable member to refer to Albury-Wodonga and other towns, and to make a comparison of those towns with Monarto. As I take the reply, the honourable Premier is replying on the basis of the question asked by the honourable member for Hanson, as is the legitimate right of any person replying to a question in this House. I do not uphold the point of order.

The Hon. D. A. DUNSTAN: It is only reasonable that, since Monarto is being established as a development for South Australia that will relieve problems which otherwise would arise in Adelaide but which have not yet arisen, the Commonwealth Government has taken a somewhat different attitude to that project's priority, compared to its attitude to projects that will relieve present enormous difficulties elsewhere. I think we have done a tremendously good job in persuading the Commonwealth Government that South Australia should continue to set the pace in urban and regional development and that we should use the city of Monarto to ensure that we never get into the difficulties facing the other States. We are getting extremely good help from the Commonwealth Government about the matter.

SCHOOL CONSTRUCTION

Mr. PAYNE: Will the Minister of Works say whether the architectural division of the Public Buildings Department is liaising with similar bodies in other States about new methods of school construction? The September issue of *Community*, the journal of the Australian Government Department of Urban and Regional Development, contains a report headed "Dome-shape schools". This report refers to a demonstration project carried out recently at North Narrabeen Public School, in New South Wales, where a

new method of what might be termed one-piece concrete construction was used to erect a dome-shape building in one hour. The report does not give any indication of cost, but it is reasonable to assume that this method may well offer useful economies for some building needs in our South Australian school-building programme.

The Hon. J. D. CORCORAN: There is constant dialogue among the State and Commonwealth Government works authorities. An annual conference also is held and there is an exchange of ideas, particularly in relation to schools, because they form a large part of the authorities' works programmes. Not long ago I attended, at Raywood In-Service Training Centre in the Adelaide Hills, a conference that involved not only representatives of the various works authorities throughout Australia and in the Commonwealth sphere but also representatives of the various Education Departments throughout Australia who are responsible to their departments for innovations or ideas on the construction of schools. I do not know whether this matter has been discussed with any architects in my department, but I will inquire for the honourable member. I will find out whether we have a copy of the journal from which he has quoted. I point out to the honourable member that the architects in the Public Buildings Department in South Australia, in their own right, have developed three types of school that have been of much interest to other authorities throughout Australia. I refer to the Samcon, Elmcon and Demac types. The Elmcon type, which is the type of building we have at Mt. Burr, has an outer cladding of treated pine. The Demac type is the latest development.

At 3.15 p.m., the bells having been rung:

The SPEAKER: Call on the business of the day.

EGG INDUSTRY STABILIZATION ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from August 27. Page 686.)

Mr. GUNN (Eyre): The Opposition strongly supports this small Bill, which it has been necessary to introduce to make minor amendments to the principal Act. Probably members who studied the Bill would think that the powers being given were broad. However, this is the most practical way in which to assist about nine people who otherwise would be affected. I pay a tribute to the Hon. Mr. Burdett for the excellent work he did, I think last year, in completely correcting the nonsense talked about by a member of the Party to which the member for Mitcham belongs.

The Hon. J. D. Corcoran: Was that a man named Freebairn?

Mr. GUNN: It was Mr. Freebairn. Members may be aware that this Bill has been approved by 65 per cent of the egg producers in this State who exercised their right under section 49 of the Act.

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

BUILDERS LICENSING ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from August 22. Page 650.)

Mr. EVANS (Fisher): I support this Bill reluctantly. I support it only because it will improve a bad piece of legislation. That legislation has not been as successful as those who promoted it would wish, and I do not consider that the Minister's attempt at improvement will make the legislation as successful as was originally intended. However, I suppose there is some wisdom in giving the opportunity to the Minister to place a bigger burden upon the average young person wishing to build a home in this State.

I believe an alternative system should be available. In Victoria the housing industry got together on its own initiative and promoted an indemnity scheme whereby the owner of a house had some guarantee. If there was faulty workmanship or structural faults, or if the builder was insolvent, the owner would not lose financially or have a poor quality house. I would like to read a letter that was directed to members of the legal profession and others at the time the scheme was implemented on a voluntary basis in 1973. The scheme attracted 1 000 participating builders even though it was voluntary. The letter states:

Dear Sir/s, re Home Building Contracts. We have had many inquiries from the legal profession and lending authorities regarding the Home Purchaser Protection Plan, now being provided by a very large number of Victorian housing builders. The protection is available throughout Victoria and covers any house, villa, maisonette, single-storey flat, villa flat or own your own flat of single storey built by a registered builder. Set out below are details of this unique plan, which has been created to:

(*a*) register housing builders; and

(*b*) protect new home buyers in three stages for six years.

It was the stated intention of the Attorney-General when he returned from overseas for new house-owners to be protected for a period of six years. The letter continues:

Stage 1—During construction: Indemnify a purchaser against loss up to $2 000 arising from a builder's fraud, bankruptcy or liquidation—

It then quotes the forms that apply in that case. The letter goes on:

Stage 2—The initial guarantee period of 12 months after completion: If, for any reason, a registered builder fails to honour any award made by an arbitrator/assessor or any judgment of any court, the board will honour any such award—see form "B", item c(i): limit $12 000.

Stage 3—For five years after the initial guarantee period: To guarantee the purchaser against cost (up to $5 000) in the event of damage occasioned by any major defect in the structure or, in most cases, upon subsidence or settlement.

There was an exemption concerning subsidence in the case of earthquake; I believe that is the only exemption, and that can normally be covered by other forms of insurance, particularly since the last major earthquake in this State. The letter continues:

Generally: The board will assist in the conciliation of disputes between purchaser and builder.

The cost: The cost paid by the builder is $20 per house, from which a fund is established for the payment of claims.

It started at $20 a house but, since the Victorian Government has made it compulsory by legislation to take out an indemnity to protect the owner, the insurance companies have been able to reduce the premium to $15 on a house up to $40 000 in value. The letter continues:

The builder's obligation to the board:

1. To register every dwelling he builds (except where supervised by an architect).
2. To build to comply with the board's requirements.
3. To abide by the rules of registration.

Control of registration: Each application for registration is carefully scrutinised by a board of five, representing:

1. The consumer (a distinguished lady and former member of the Australian Senate).
2. Housing builders (three practising builders, one of whom is also a lawyer).
3. The Professor of Architecture, Melbourne University and formerly on the Scottish Regional Registration Council of the United Kingdom scheme upon which the Victorian scheme is modelled.

The cost of registration is $50 per annum.

The origin of the plan: The plan is based upon the highly successful United Kingdom plan which, with the support of the legal profession and lending authorities in the U.K., now encompasses 99 per cent of all house builders. The plan provides the most comprehensive level of protection to new home buyers available anywhere in Australia and is particularly valuable in the case of "spec" home buyers, where lending authority inspections are not carried out during construction. There are, after only 14 months operation, over 1 000 builders registered to offer these benefits, and their operations cover every type of dwelling to which this protection plan refers. The plan has the financial backing of a number of leading insurance companies. To fully protect your clients and to aid the housing industry's efforts to provide this protection to all new home buyers, it is required that the following be included as a special condition of each contract:

> The vendor undertakes to enter into the purchasers' protection agreement on forms A1 and A2 prescribed by the Housing Builders Registry Board of the Housing Builders Association.

Should you require clarification of any point or need brochures, please telephone this office.

I have one of the brochures, entitled "Buying a new home? A six-year protection guarantee". It is printed in question and answer form, such as:

Q. Who is running the Home Buyers Association Plan?
A. A non-profit making organisation called the Housing Builders Registry Board. It consists of six members who represent the building industry, the Government and the consumer.

It goes on to explain in detail what was said in the letter. It describes how it deals with malpractice and the Government's attitude to it. In 1973, the Victorian Government introduced an Act to oblige people building houses to take out a form of insurance to indemnify the house-owner against faulty workmanship or structural faults. It did not get the Bill through in 1973 in the form it desired, because in the debate the Australian Labor Party Opposition made some good points to which the Minister agreed. It was brought in under the Local Government Act, and the Minister agreed that many of the recommendations made by the Country Party and the A.L.P. should be included in the Bill. Even though the Bill was passed in its original form, it was not implemented until this year. During April-May of this year, the Victorian Minister for Local Government (Mr. Hunt) introduced a new Bill to amend the Act, which had not been implemented, and to incorporate most of the recommendations that the other two major Victorian political Parties had made. The Victorian scheme gives the house-owner a guarantee against faulty workmanship up to 12 months in relation to anything involving more than $100 and for a further five years regarding any structural or major defect. All political Parties in Victoria have agreed that any sum under $100 would cover only minor claims, which could be dealt with between the owner and the builder, and that it would be foolish to take such a claim to an assessor or to court unless the parties so desired. If such claims had been included, the cost of premiums would have been much higher, and this would have increased the cost of housing. For $15, every builder in Victoria can insure a house for up to $40 000, so his client has a house of good quality. I believe that system is very cheap, much cheaper than is the case under the system operating in South Australia.

In this State, housing costs have been pushed up at a rate much faster than applies in any other State. There must be a reason for this. Our wage increases have not been greater than those in other States, so the cost of materials should also not have increased at a greater rate. Therefore, we come back to two possibilities: workmen's compensation and builders' licensing.

I am told that the Western Australian Government is now investigating the Victorian scheme, which is a method of compulsory registration, as Mr. Tripovich, the Labor Party member for Doutta Galla in Victoria, has admitted. It is compulsory, because a builder cannot build a house in Victoria unless he has obtained from the council a signed form indicating that the house is covered by an approved insurance company through the Housing Builders Registry Board scheme. There is no chance of a house's being built outside these arrangements, as the council will not authorise building until the property is covered. Once the building is complete, before the key is handed over the builder gets the purchaser to sign a document saying that he is taking possession of the house from that day.

From that day onwards there is a six-year guarantee against major defects or structural faults, with 12 months protection against any minor faults amounting to less than $100 in total. This does not refer to one claim of $100. If five defects are found in a house with the cost of repairs amounting to $101 in total, this is covered under the insurance scheme. Therefore, in Victoria there is real protection to the house-owner, a position that does not apply in South Australia. Even after the amendments in this legislation are incorporated in the Act, if a builder becomes insolvent there is no-one who will pay the bill. People who have struggled all their life to save money to build a house and who have committed themselves to 30 years of interest and loan repayments have no guarantee that faults in their house will be fixed. That is the bad aspect of the legislation we are attempting to improve on this occasion. In fact, I believe this legislation will still be unacceptable to those who really understand the industry.

Mr. McAnaney: There was no agreement two years ago.

Mr. EVANS: True. However, I believe that Labor members in other States have now seen the result of builders' registration in Western Australia and New South Wales, with no licensing in those States, and the position in South Australia, where we have gone further with builders' licensing. In Western Australia, registration failed so badly, causing such a shortage of labour that the Labor Government of that time had to forget about the system, as they just could not get enough tradesmen in the industry. Because of all the rigmarole involved in filling out papers for tradesmen, subcontractors preferred to walk away from jobs rather than have a departmental officer breathing down their necks every minute of their working life.

That system of registration failed in Western Australia. The Western Australian Government is now examining the Victorian scheme, as I hope the South Australian Government will do. As members will agree, the purchase of a house is the most important purchase in a person's or a couple's life; protection is needed. Will the current legislation solve the problems? Admittedly, some difficulty was caused when Mr. Justice Hogarth, in the case of *Andrew* v. *Cox*, ruled that if a person was only organising tradesmen he did not have to be licensed. In that case it was ruled that an architect had not caused the construction of a building contrary to section 21 (11) of the Act. One reason why I support this Bill is that I believe that type of loophole needs to be closed if the legislation is to have any chance of helping those it is intended to help. However, I support the Bill reluctantly, because the system under this legislation is too expensive in the long term, having cost this industry too much. As I said when it was first introduced, this system costs 10 per cent more than systems in other States.

The other main part of the Bill is the setting up of a Builders Appellate and Disciplinary Tribunal, to act perhaps

separately from the Builders Licensing Board. It is still intended to leave with the Builders Licensing Board the power to decide on the quality of work, whether a case arises as a result of a complaint or at the board's own initiative if it believes it should interfere. The tribunal will be able to hear appeals from people who believe they have been unfairly treated by a decision of the board. Therefore, in a sense people have two opportunities to have their case heard. I know that a guarantee exists that, if there is faulty workmanship, a builder can be asked to fix what is wrong or his licence can be taken away. Having fixed it, a builder can still be required to produce a certificate, saying that the quality of the work is up to standard, from a person approved by the board within that trade; for instance, if painting is involved, a certificate must be obtained from a qualified painter saying that the work is up to required standard.

The board still has this power. The one power it does not have is in the case of a bankrupt builder. In that case, where is the money to come from? Should it be obtained from one of his relatives? This money is necessary so that something can be done about faulty workmanship. The fact that nothing can be done in that case points to the difference between the South Australian scheme and the Victorian scheme. In Victoria, a builder is not permitted to build a house unless he insures himself against faulty workmanship and structural faults. That is a form of registration. We need registration so that, if a builder does not build a house up to the accepted community standard, he can be put out of business. This would happen in Victoria, as such a builder would not be covered by any of the approved insurance authorities. In addition, under the Victorian scheme, the house-owner has a guarantee, and that is the point I wish to stress. Surely our aim should be to protect the interests of the house-owner, who is the person we are trying to help. We must protect the house-owner against the foolish and shoddy tradesman, subcontractor, and small builder, but the method contained in the Bill will not provide this protection.

The Victorian Government has solved the problem. I wish the Victorians luck and, regarding the comment made by the member for Heysen, I congratulate the Victorians on proving that the system can work. The United Kingdom people have also proved that it can work; so, surely this is sufficient proof for us. We do not need to have the courage of others to experiment. We have seen the scheme operating, we can study it, and we can understand it. The Minister in charge of housing went to Canberra yesterday, and no doubt had an opportunity to examine the matter. He probably met the Commonwealth Minister, who is fully aware of it because of the Australian Labor Party's support for it, particularly in Victoria.

I believe that the Minister should state whether he believes it will work and, if he does not believe that it will work, why. Otherwise, he is walking away from his responsibility. In Committee, I will raise the matter of the constitution of the Builders' Appellate and Disciplinary Tribunal, but I raise this matter now so that the Minister may consider it. The housing industry in South Australia, particularly the members of the Housing Industry Association, builds about 75 per cent of all the houses built in the State, so it is important that we get fair representation from the industry itself on the tribunal. A lawyer is not likely to be able to decide what is good or bad workmanship: we need people with expertise in the building industry, which is a unique industry. It is not a simple process of saying what is or is not a crack, or what is a major or minor structural fault.

We need on the tribunal people with practical experience who understand the industry. I make the plea to the Minister that, of the five members constituting the tribunal, at least two should come from the housing industry. I know that the Australian Labor Party has an attitude of anti-private enterprise, and its members display it regularly in their attitude towards private enterprise. But until four years ago this State, with private enterprise and the subcontracting system, produced the best quality houses in Australia. I think that, in the main, that standard still prevails. Not only have we done that but also we have produced the cheapest houses in Australia. That is a credit to our State and our industry; but, over the last four years, the system has eroded until now we have almost the highest (and, within a year, it will be the highest) housing costs in Australia.

I have heard people say, "Yes, we support cheap housing for the average man; we want to keep the cost of building down," but every move the Government has made legislatively, as regards the housing industry, has increased the cost to the potential house-owner. No-one can deny it, because statistics prove it. It is high time we began to reverse the process, forgot about our political ideologies, and thought about what really happens when we attempt to move into a field of industry, point a gun at people's heads, and make them march. We must offer the opportunity for initiative, and the incentive to use it. The Victorian system does just that. I do not think that any young couple in Australia (let alone in South Australia) would say, "I am not willing to have $15 added to the cost of my house, costing $40 000, to have a six-year guarantee on it." If the house survives that long without structural faults, there is every probability that it will be a sound house for the rest of the occupants' life. I ask the Minister to consider what I have said in this regard.

Not much can be said about the Bill itself. The opportunity existed to offer a real, practical, proven and acceptable alternative, as has been offered elsewhere. I support the Bill reluctantly because, until the existing Act is withdrawn and replaced, we must improve it. I know that the Minister would not be pleased to withdraw the old Act without giving serious thought to my suggestions. For that reason, I ask my colleagues to support the Bill and the need for fair representation (at least two from the housing industry) on the tribunal to be established.

Mr. COUMBE (Torrens): Although I support the second reading, I believe that the Bill could be improved. I want to say a few things about the Bill and, ironically, I believe (although I am not sure) that I am the only member of the House who holds a restricted builder's licence. I am not a builder but an engineer, but under the terms of the Act I must hold a licence.

The Hon. L. J. King: You'd better behave then.

Mr. COUMBE: I have renewed my licence several times and have paid the $8 fee.

Dr. Eastick: You won't have to divulge anything to the member for Elizabeth.

Mr. COUMBE: When I completed the original form, I got the impression that I was filling out a Magna Carta because of the many pages I had to complete.

The Hon. L. J. King: It was good for you.

Mr. COUMBE: It was an interesting but tiring exercise. Members are indebted this afternoon to the views expressed by the member for Fisher in explaining an alternative system in South Australia. He gave details of the scheme which has been operating on a voluntary basis for some time in

Victoria. I understand that scheme is the subject of legislation and, as the honourable member has pointed out, it has the support of both political Parties.

Mr. Evans: The three Parties.

Mr. COUMBE: Yes, they all support the concept. The system, as explained by the member for Fisher, provides to the potential house-owner and the person who has alterations done to his house far better protection than is embodied in our legislation. After all, what we seek in the legislation is to provide the right kind of protection for these people. I believe that the Victorian legislation contains remedial clauses which, unfortunately, are not present in our Act as it stands. As I understand the operations of the Act (whose provisions can be severe in certain cases), the board itself can issue an order (where a complaint is made to the board and it accepts it and finds that faulty workmanship has been carried out) that remedial work be undertaken by the builder, subcontractor or tradesman concerned. He must carry out that work, otherwise he is in danger of losing his licence. That is the penalty provided, but any person issued with such an order may appeal. However, if the work is not done satisfactorily, there is, as I understand it, no other power in the Act of a monetary or compensatory nature that the board can impose on the alleged defaulter.

I would like to hear the Minister's comments in this regard, because I have already had several constituents complain to me, and I can find no power other than that of cancellation. This provision is of little help to the person whose house sustains faulty workmanship. The cancellation of the licence does not help such a person. The board can fine a person if he makes false representations that he holds a certain licence or falsely makes out that he is entitled to do certain work. However, if a man does faulty work, there is no power at present under which the person who suffers from this work can receive monetary compensation. The main sufferer will be the alleged defaulter because he will lose his licence, but that is small comfort to a person (say, such as the member for Stuart) who owns the house.

The second reading explanation refers to a court case heard by Mr. Justice Hogarth, and the Bill seeks to solve problems associated with a qualified architect, and also refers to an appellate and disciplinary tribunal. I believe that this legislation will accelerate some machinery operations of the board, and no doubt this is what the Government intended to achieve. One problem is that a budding tradesman who wishes to become the holder of a restricted licence in a specific trade must serve under a master tradesman for some time before he can obtain a licence. Some trades under the regulations are rather out of balance in the time that is required to qualify for a licence, and this aspect should be considered. I believe the suggestions made by the member for Fisher have much merit, and should not be dismissed out of hand. Faults should be remedied within a defined period, whereas under the present provisions this is not required. Many faults in cottage and industrial buildings do not appear until some time after they have been completed.

I support the Bill to the second reading stage, because one or two suggested amendments have been designed to improve this legislation, which I have no doubt the Minister seeks to do. If we are to operate a system of licensing, it must work and be effective and, if our present system can be improved, methods of improving it should be considered seriously.

Mr. MATHWIN (Glenelg): I, too, support the Bill in principle, but do so somewhat reluctantly. I hope that the submissions of the member for Fisher will be considered, because they have much merit. The Minister's main argument concerns an architect who called tenders and accepted prices from the various trades. This happens in the building trade, and no-one can deny that the architect would have had experience in this trade. In his second reading explanation, the Minister said:

> The most important aspect of the Bill relates to the Builders Licensing Board. The Bill is designed to convert the board into an administrative body.

Later in his explanation the Minister said that clause 4 inserted in the principal Act a definition of "the tribunal", but I suggest that there could be a better definition than the one to be inserted. Regarding clause 9, which amends section 12 of the principal Act, I should like the Minister in his reply to explain in more detail the amendments to this section. I should also like to know what the Minister is trying to achieve by clause 11, which amends section 15 of the principal Act. I cannot see any difference between these two provisions. I agree that clause 13 is a good and necessary provision. I refer also to clause 14, which repeals sections 18 and 19 of the Act and replaces them with new sections 18 and 18a. New section 18a (3) provides:

> A person shall not be obliged to answer a question put to him under this section if the answer to that question would tend to incriminate him, or to produce any books, papers or documents if their contents would tend to incriminate him.

I cannot understand why the Minister has not, in this respect, left section 18 (2) as it now stands. Will he say why that section has been replaced? I am also concerned about the establishment of the Builders Appellate and Disciplinary Tribunal. In this respect, I support the remarks made by the member for Fisher, who brought this matter to the Minister's attention. The Government is setting up another tribunal that will be similar to the existing board. One wonders who will be nominated as its members. Although the Bill provides that its members must be experienced in the industry, one knows that Cabinet does not always nominate to such tribunals those with the greatest experience. As the Minister would realise, it is imperative, especially in relation to the building trade, that persons with practical experience be appointed to this tribunal.

Only recently the Minister was reported in the press as having referred to plasterers who had, in the construction of a building, added detergent to plaster to make it appear whiter. Although he is inexperienced, the Minister ought to have known, before he addressed the seminar referred to in the report, and before he criticised the plasterers for doing this, that this is just one of many trade secrets. If the Minister did not know, he should have ascertained this before he went to press, as this sort of thing has been going on for many years. I am surprised that his Press Secretary, if he wrote the Minister's speech, did not ascertain this either. In most trades something that appears to those outside the trade to be ridiculous can be just another trade secret.

The Hon. G. R. Broomhill: I was told that you used to put water in paint. Was that your trade secret?

Mr. MATHWIN: Where ignorance is bliss, 'tis folly to be wise. Years ago in the painting industry, the best way to get a semi-flat or egg-shell paint was to add water to an oil-based enamel paint.

The Hon. G. R. Broomhill: Did you do that?

Mr. MATHWIN: The Minister is on foreign ground and, if I were he, I should keep quiet. Of the tribunal's

five members, the Chairman and two members shall form a quorum, and I have no argument with that provision. Why has the Minister not referred to provisional licences in this part of the Bill? After all, the provisions of the Bill cover general and restricted builders licences. Will he reply on that point later? The penalty under clause 17 has been raised from $200 to $1 000, and the penalty under clause 18 has gone up by $500 to $1 000, a situation that is worse than that to which I referred earlier. When replying to this debate, will the Minister also say who will constitute the tribunal and what experience will those people have (by experience I mean practical experience in the building trade, because it is imperative that the members of the tribunal should be familiar not only with the theory of the trade but also with the trade itself)? When explaining the Bill the Minister should have said that he was really trying, through the provisions of the Bill, to give the old board some teeth.

When the Minister took over this portfolio, he took over a swaying portfolio, and the building industry in this State has gone from bad to worse since. In fact, it has never been so bad. The Minister must be well aware of that and I imagine it worries him. If it does not, it should. The situation has never been as bad, at least not since I have been here (and I have been here for many years now). The Housing Trust is building cheap houses, and is in a sorry state of affairs. Mr. Hawke (President of the A.C.T.U.) said that he would build houses in South Australia more cheaply than those being built by the trust; however, he has not yet done so, and the industry is in a sorry state.

I know from experience that many builders are leaving the industry. In fact, many are going broke. Three friends of mine, one of whom is a painting contractor, lost money on projects because of the Mainline corporation crash. The Commonwealth Government will not even try to help in the situation. If the Commonwealth Government were to assist, it would be helping not Mainline but the small subcontractors; that is the pity of it all. The building industry in South Australia is in a state of collapse, a situation that must be worrying the Minister, but he is doing nothing about it. I hope he will do something about it as soon as he can.

When the Builders Licensing Act was last amended, I consider the amendments did not assist the industry. At that time an amendment was introduced that provided that anyone who wished to become a builder had to build spec houses. Who on earth would at this time dream of building a spec house? Certainly not anyone with common sense. Spec houses are impossible to sell because of the state of the housing industry here and in other States. Therefore, the only opportunity a person has in the industry is to take on jobbing contracts (small additions and the like) or, if he wishes to start in the industry, to start building spec houses. The industry is being strangled again by the silly amendment introduced some months ago by the Government. I hope that the Minister will reply to some of the questions I have raised regarding this Bill, and that my colleagues and I will get some satisfaction from his reply. I support the remarks made by the member for Fisher regarding the possibility of improving the situation for those people engaged in the industry. Reluctantly, I support the second reading of the Bill.

Mr. RUSSACK (Gouger): Without going over the same ground covered by other members I should like to support the comments made by my colleagues and congratulate the member for Fisher on the constructive suggestion he put forward and the information he gave to the House this afternoon concerning a scheme that would be of great benefit to the housing industry. I wish to bring forward a matter that I believe is allied to the consideration of this Bill. Although I support the Bill I do not do so enthusiastically; I do so with some reluctance. I have noticed that some companies claim to be able to recondition houses affected by salt damp, and they suggest that certain problems can be arrested in houses so affected. Those companies should give assurances to house-owners because some companies are performing the work in an unsatisfactory manner. I would go as far as to say that there are many people who have been conned into signing contracts, particularly in country areas such as the northern part of Yorke Peninsula (perhaps even the whole of Yorke Peninsula) and other areas, to cure salt damp (magnesia damp). I know it is prevalent in Yorke Peninsula and that it is a problem. During the last few years, a firm I am willing to name, D. J. Abbott Pty. Ltd., of 561 Marion Road, South Plympton, has been working in the areas around Snowtown, Brinkworth, Kadina, and the lower part of Upper Yorke Peninsula south of Kadina, and has approached many people who have agreed to enter into contracts to have their houses treated to control salt damp by an electrolytic method that has proved most unsatisfactory.

In most cases, the sum paid for a house to be treated is about $1 000. What I am most concerned about is that the company guaranteed its work for 20 years. I do not know of one case where the guarantee has been honoured. People have contacted the firm, but representatives of the firm have rarely returned to inspect the job and, if they have, the work has not been carried out to the satisfaction of the house-owner. I have approached the Builders Licensing Board about this matter several times, and it has taken action. People with technical knowledge from the Adelaide University went to and inspected some of the houses treated but, because of the delicate nature of their findings, no report has at this stage been made public. This situation gravely concerns these people, who have no redress whatever. Having been conned into getting the work done, they have lost their money. I have looked at houses on which this work was done at Brinkworth, Snowtown, and Kadina. Each of the owners had paid about $1 000 for the work.

In Europe the method would meet with some success because the dampness there is of a different nature. In our area, however, it is of a magnesia type, and the metal used in conducting the electric current seems to corrode, and the plaster falls off. The method is therefore most unsatisfactory. I hope that at this late stage something can be done for the many people who have been conned in this way, because the work has not been carried out properly and the guarantee has not been honoured. I hope that, until it has been proved that the method is successful, potential clients will be warned, so that they will be careful to use proven methods to eradicate salt damp. The proven methods, although a little more costly, are more satisfactory. I support the Bill, with reservations.

Mr. McANANEY (Heysen): It seems that the Government is continuing its backward approach in connection with problems in the building industry. In the last Parliament, when I asked a question about insurance, I got the usual non-answer from the Premier. The Opposition has pointed out that there is no suitable protection for a person having a house built, and at this late stage I hope the Government will improve the legislation and

provide that protection. Recently, in reply to an interjection from me, the Minister of Works said that the Government did not believe in controls merely for the sake of controls. However, about 50 per cent of the legislation introduced by the Government that has attempted to provide for protection has had little practical effect in the community.

Before a house is built, a fee must be paid to the local council, which inspects the plans. The council is obliged to inspect the construction of the house at various stages; for example, when the foundations are laid. In this connection, standards should be set as regards the supply of concrete. The cancellation of a builder's licence does not provide sufficient satisfaction for the person for whom that builder was building a house. In my district the owner of a house found that his verandah had subsided, but he could not get compensation for the faulty work.

Owners of houses in South Australia should have similar protection to that provided in Victoria, which has more up-to-date legislation than has any other State. Victoria is on the right track in providing for insurance against faulty work by builders. If a Victorian builder becomes bankrupt or does faulty work, protection is provided for six years. Of course, some people who have houses built are not always careful. Most potential owners of houses employ a contractor who has been in the district for 10 years or 15 years, and those people may look at other houses that the builder has built before signing the contract. Some people who do not take this precaution think they have achieved something if they beat down a builder's quoted price, but that builder may not be able to do a proper job at the price. These people need protection from themselves.

Government members say that the employer is always in the wrong and the house buyer is always in the right. I have heard some ridiculous complaints about builders. Surely we must assess the situation and realise that in every section of the community some people do not abide by reasonable standards. This Bill does not provide the right kind of protection for the person who is having a house built, and I deplore the fact that the Government has neglected its obligation to the community. When reference was made to the Mainline corporation, the Minister interjected and said that Mainline's collapse was caused by bad management. In fact, the company must have had good management to survive for as long as it did in circumstances where interest rates were double what they were when tenders were called and where costs had increased out of all proportion as a result of bad management by the Government.

As a result of poor financial management by the Commonwealth Government, more and more people will be put out of work in the next six months. Someone said that tariff policy had caused the trouble, but that is not the real cause; this will be realised when people suffer next year. I give general support to this Bill, but we must start protecting the person who is having a house built, and this Bill does not provide that protection.

Dr. EASTICK (Leader of the Opposition): I support the recommendation made by the member for Fisher to the Minister for reassessment of the Act and more particularly for a further consideration of these amendments. I am not adverse to the changes made by the Bill and I do not say that they are not a positive move by the Government to improve the present situation. However, I cannot accept that the improved Act necessarily will be better in total.

Much of the difficulty has arisen because of gross misunderstanding by the people generally about what was to be the effectiveness of the Builders Licensing Board and its structure. Many people thought that the fact that a person had a licence would mean that any misdemeanour or failure by that person to fulfil his obligations would be assessed and positive action taken to put the matter right with a minimum of delay.

When I first became a member of this House, the issue most raised in inquiries made of me related to the Engineering and Water Supply Department and the extension of water supplies. Later, the biggest problem was associated with the State Planning Office and the Lands Titles Office and the availability of documents from those departments. That matter has been discussed previously. Without doubt, members opposite would say that inquiries made of them regarding secondhand motor vehicles played a significant part in the total number of inquiries.

Since then, the one issue most frequently represented to me has related to builders licensing and problems in the building industry. Persons have inquired of the authority, expecting assistance, and have been unable to get it immediately or directly. Recently a person complained to me (and I have passed the representation on to the Minister) that there was a direct failure by Builders Licensing Board officers to understand the gravity of his problem with the builder and they failed to act with the builder responsibly and in a reasonable time to prevent the compounding of the difficulty. The delay extended over three months, despite adequate description of the problem that arose.

I dissociate myself from any criticism of officers of the board, because I recognise that many people have made representations to them. However, I think that person's complaint, which was placed before the Ombudsman, indicates the area of grave concern by many people who seek the board's assistance. In addition to that, there have been many difficulties with the societies or associations with which builders are associated professionally or in their trade.

I shall refer to a problem that applies probably more to persons in the country than to those in the metropolitan area, because an inspection of the site is much more readily available for persons in the metropolitan area. A person in the small town of Hamilton, just outside Kapunda, complained about the practice of the building contractor who had contracted to build his house and he was told by the Housing Industry Association, to which I passed the complaint, that it would be pleased to inspect the property but that that would cost $75, to be lodged by the complainant before the inspection was made.

After much discussion, the person decided to pay the $75 and subsequently, because the association agreed that much of the complaint against the builder was correct, the builder, in an arrangement negotiated with him, accepted responsibility for the $75. I mention this only to indicate that people expected from this system, as they did from the associations within the trade, that their complaint would be considered without delay and without cost.

The alternative given by the member for Fisher is a real way in which to approach this difficult subject. If we were to follow the Victorian scheme, the cost of building would be increased by about $15 a house, and that would be particularly cheap insurance. The matter was put forward basically in regard to the cost of constructing a new house, but it could be extended effectively in the way of a pro rata payment for major renovations. If the renovations were being carried out by a licensed person rather than by a person working part time or on a subcontracting basis, where the owner becomes the contractor, the effectiveness

would be much greater than if the scheme applied only to new buildings.

I hope that, before the Bill passes the third reading, the Minister will give urgent and full consideration to this matter. I assure him of the support of Opposition members in reassessing the proposition and of our willingness to sit on a Select Committee to inquire into the proposal that the member for Fisher has submitted. I do not think any great difficulties will arise in the industry if the proposals before us are delayed for two, four, or six weeks. Here again, if the Minister has information suggesting that the measure must pass, the member for Fisher has already indicated that we will support it, but that we would do so in the interests of the public rather than in acceptance of the real value of the measure.

The Hon. D. J. HOPGOOD (Minister of Development and Mines): My remarks will not be prolonged, because members of the Opposition have indicated their general support for the measure and therefore it is not for me to convince the House further that this support should be forthcoming. There are also some matters of detail to do with certain clauses where I will postpone my remarks until the clause concerned comes up in Committee. In general, however, I should like first to refer to the matter raised by the member for Fisher and to assure him that this scheme is not unknown to me and that there is a committee set up jointly by the State Government Insurance Commission and the Builders Licensing Board that is examining the possibility of the introduction into South Australia of such a scheme.

I cannot indicate when the Government will be in a position to take a firm decision to introduce the proposition, but I cannot rule out the possibility that I may be in a position to make such an announcement before this session closes. There are some problems. The member for Fisher has referred to the extremely moderate payment of $15. It is not clear to me, on the basis of the information I have, what impact on that premium will be made by the scheme being given statutory warrant. While the whole thing is on a voluntary basis, it is the "goodies" who come in—those who are strong, less likely to fail, those who are less likely to affect the basic finance involved in the scheme. However, as soon as it is made mandatory, as soon as the statutory warrant is brought in for the whole thing, the industry is brought within the ambit of the scheme and a much higher risk area is covered by it. It is not clear to me, on the basis of the information I have, what sort of impact this will have on the premiums to be paid and what additional costs will therefore have to be taken into account. However, in general, I have no feelings of opposition to the scheme; it is merely a matter of how, within our South Australian situation, it could be introduced.

I believe a fair measure of the protection the honourable member wants for the consumer will be brought about when the legislation to which he has referred is introduced by my colleague, the Attorney-General, during this session. Brief reference was made to it in the Speech by His Excellency at the opening of this session of Parliament; I do not know how I would be placed regarding Standing Orders if I were to advert in any detail to that scheme, so perhaps I should not mention it any further. The honourable member is aware basically of the matter about which my colleague will be introducing legislation and my feeling is that, of the two propositions, the proposition of the Attorney-General is the more important, the one we should get before the House, and the one that will be before the House long before any legislation might come forward in connection with the scheme the honourable member has suggested.

I am grateful to the honourable member for having brought up this matter and for having given us the detail he has, but the scheme is known to me, and the Government is investigating it. For the record, I see the scheme (and here is probably where I part company with members of the Opposition) not as an alternative to the present operation of the Builders Licensing Board but indeed as a complement. If in fact this scheme is introduced and can be made to work, that, to me, is no argument for doing away with the Act as we have it at present. I would still want (and I believe the Government of which I am a part would still want) to issue general, provisional, and restricted builders licences.

The member for Glenelg will be interested to know that a specimen of the allegedly delinquent plaster to which I referred in my remarks to the members of the Building Workers Industrial Union over the weekend is right now on its way to the Chemistry Department and will be properly analysed. I want to say nothing further until that analysis has been completed. However, I raised the matter at that time because the source of my information was a member of that trade union. The sample is being analysed by the proper authorities. It may be shown that there is no weakness at all in the mix; it may be shown, on the other hand, that the person had a legitimate ground for complaint and properly brought the matter to my attention.

Mr. Mathwin: Did they tell you what other methods they use for slowing down plaster?

The Hon. D. J. HOPGOOD: No, they did not.

Mr. Mathwin: There are a few I can tell you about.

The Hon. D. J. HOPGOOD: I do not know that the House at this stage wants a dissertation, learned or otherwise, from the member for Glenelg about the various methods of plastering. I did not want such a dissertation, either, when the complaint was referred to me. I simply took up the complaint and it is being carried through, as I believe is proper. I have no doubt that, if that same person had referred the complaint to a member of the Opposition who in turn had referred it to me, and if I had refused to go through the exercise I am now going through, I would have been very properly blasted in this House by that member.

The member for Gouger referred to problems of salt damp treatment. There has been for some time a Government investigation into this matter; I am not quite sure where it stands at this stage, but since the honourable member has raised the matter I will follow it up. I understand the committee investigating this method of salt damp treatment was set up under the Premier's Department and is still carrying out its investigations. I saw an interim report from the committee indicating that, in certain circumstances, the treatment may have some effect on salt damp, but it was by no means an overwhelming case and certainly did not, at that stage, seem to underwrite the claims being made for it by the people carrying out the process. I am not aware of any final report from that committee, but I shall try to obtain the information for the honourable member, and I thank him for raising the matter.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Progress reported; Committee to sit again.

SUPERANNUATION ACT AMENDMENT BILL

Returned from the Legislative Council without amendment.

EXPLOSIVES ACT AMENDMENT BILL

Received from the Legislative Council and read a first time.

ADJOURNMENT

At 4.52 p.m. the House adjourned until Tuesday, September 24, at 2 p.m.