

**LEGISLATIVE COUNCIL.**

Thursday, October 9, 1952.

The PRESIDENT (Hon. Sir Walter Duncan) took the Chair at 2 p.m. and read prayers.

**ASSENT TO ACTS.**

His Excellency the Lieutenant-Governor intimated by message his assent to the Prices Act Amendment and Renmark Irrigation Trust Act Amendment Acts.

**QUESTIONS.****ELECTRICITY CHARGES.**

The Hon. K. E. J. BARDOLPH—The Auditor-General's report indicates that the Electricity Trust has a surplus of £17,000. Has that surplus been obtained because of increased charges for electricity or is it just from ordinary normal business trading?

The Hon. A. L. McEWIN—The honourable member has access to the same information as myself and without referring the matter to the trust I cannot give the information.

**JUDGES' SALARIES.**

The Hon. C. R. CUDMORE—In view of legislation we have been dealing with covering officials whose salaries are fixed by Parliament can the Attorney-General say if it is the Government's intention to bring down a Bill this session to deal with salaries of Judges of the Supreme Court?

The Hon. R. J. RUDALL—This is a matter of Government policy and I will bring the honourable member's question before the Cabinet and let him have an answer. I point out that judges' salaries were raised, I think, as late as 1951.

**BUILDING OPERATIONS BILL.**

In Committee.

(Continued from October 8. Page 821.)

Clause 4—"Regulation of building operations"—which the Hon. C. R. Cudmore had moved to amend by deleting "three" in sub-clause (2) (VII.) and inserting "five."

The Hon. A. L. McEWIN (Chief Secretary)—Since the Committee last met I have had an opportunity of examining the amendment. As stated previously, £300 is twice the present permitted annual expenditure. It would be possible to make alterations in May or June and further alterations in the following year and under the amendment that

could mean that the £500 would become £1,000. In such circumstances it must be admitted that £300 is generous. I made inquiries and found that the only demand for this increase comes from a section of trade associated with the distribution of petrol. Members know that there is considerable activity in the establishment of petrol stations, together with independent stations, and alterations are being made and pumps installed at them. I do not know whether this is considered to be an urgent matter; I do not consider that it is urgent. I foresee that the price of petrol will rise. That has already been criticized here, even under a system of price control, and if control is not limited we will have requests for increased charges to cover the cost. In consequence I consider that it is not urgent, and that until we have a free flow of essential materials it is unnecessary. The provision of £300 in the Bill, which could become £600, or twice what it was, is, like most of the other provisions in the Bill, generous and I ask the Committee not to extend it.

The Hon. C. R. CUDMORE—There seems to have been a change. A week or two ago I took exception to the money being spent by petrol companies, and I want to make it clear that in moving this amendment I had no idea that they were concerned. So that members will know where I got this suggestion, and to refute the implication that I am urging more money for petrol companies to spend, which I am entirely against, I must now state where I got the suggestion. A letter was sent to the Premier on this question signed by the South Australian Builders and Contractors' Association Inc., Associated Building Contractors of South Australia, the South Australian Institute of Architects, the Chamber of Commerce of South Australia, South Australian Chamber of Manufacturers, Cement Distributors of South Australia, Brick Manufacturers Ltd., South Australian Timber Merchants Association, South Australian Joiners Association and the South Australian Plumbers and Builders Hardware Merchants Association. That is a fairly formidable body and nothing to do with petrol companies. Their suggestion to the Premier was that the maximum be deleted or altered to £1,000, so I think I have been moderate in moving to increase it to £500.

The Hon. F. T. PERRY—I was amazed to hear the Chief Secretary's statement. It sounded more like a statement to repress and depress activities wherever they may spring from. As I understand industry and the situation in the country at the moment we have

reached the stage where certain people and employees are looking for work. I can understand the attitude of the Government in seeking to safeguard housing construction, and that is the reason why so many members have supported the Government in this matter, but it must be common knowledge to members that in many places I do not need to enumerate we have reached the period when the necessity to turn work away has passed. To prevent people who are desirous of spending a little money for the development of their own industry or occupation is wrong, and I would like to see all reference to values eliminated. The prices people are called upon to pay for minor alterations are so high that they act as a preventive to over-spending, and if people are desirous of spending money, in my judgment they should not be debarred. We have had ample evidence in the discussion on this Bill that a great number of essential materials are available; perhaps not in the standard sense to which we have been accustomed, but in some other form, if people use their initiative. It is manifest to many that some upward trend of employment would be all to the good and therefore I support Mr. Cudmore's modest attempt to allow £500 to be spent without a permit.

The Hon. C. D. ROWE—There is another aspect which deserves consideration. Yesterday the Committee agreed to an amendment to permit anybody who had a house of 12½ squares to increase it to 18 squares without seeking a permit. That is approximately a one-third increase. The effect of subclause (2) (vii.) is that, although under the other clause they have the right to go up to 18 squares, they can only do so if the cost is not more than £300. This clause does not refer exclusively to repairs, but covers any structural alterations, which could mean additions and the position needs clarification.

The Hon. A. L. McEWIN—Mr. Cudmore read a list of people who made a request to the Premier. They are all interested parties and their request does not surprise me, but it does not effect the real argument. Mr. Perry has repeated the age-old arguments which have been heard every year this legislation has been introduced. The object of the Bill is to make it possible for available supplies of material to be used for the most effective purposes. It is not a question of what people would like but of doing essential works first. The Bill provides a generous extension in the size to which houses can be built, but this paragraph refers to alterations only. The main purpose

of the Bill is to enable people to build reasonable living accommodation, but if we allow complete latitude in the use of materials for alterations we will jeopardize their chances. Burnt building bricks, cement and local galvanized iron are scarce at present but there is provision in the Bill to enable the Government to relax control whenever they become readily available. The amendment overlooks that the Government has made efforts to relinquish controls and will only affect the other provisions of the Bill which are designed to protect the use of essential materials. The Government will be happy when it can relinquish controls but let us retain a commonsense approach to the Bill and not destroy its balance.

The Committee divided on the Hon. C. R. Cudmore's amendment—

Ayes (8).—The Hons. E. Anthony, C. R. Cudmore (teller), L. H. Densley, N. L. Jude, A. J. Melrose, F. T. Perry, C. D. Rowe, and Sir Wallace Sandford.

Noes (9).—The Hons. K. E. J. Bardolph, C. S. Bevan, J. L. S. Bice, J. L. Cowan, A. A. Hoare, A. L. McEwin (teller), W. W. Robinson, R. J. Rudall, and R. R. Wilson.

Pair.—Aye—Hon. E. H. Edmonds. No—Hon. F. J. Condon.

Majority of 1 for the Noes.

Amendment thus negatived.

Clause as previously amended passed.

Clause 5 passed.

Clause 6—"Prohibition of demolition of dwellinghouse."

The Hon. E. ANTHONY—I draw members' attention to the drafting of this clause. It commences by referring to an offence and concludes by providing a defence. The clause would read much better if it provided, "Unless authorized by permit from the Minister or in compliance with an order or notice from the local board of health" and so on. As drafted, it is awkward and there should be no need to complicate provisions in any Bill. Subclause (1) (b) provides that it shall be an offence for any person to demolish any part of any dwellinghouse or make any alteration to any dwellinghouse so as to render it uninhabitable. I have in mind the case of a man who, because of increased rents in the city, has had to move to the west end of Adelaide, where he has a property which he desires to turn into an office. He has tried to get a permit, but cannot.

The Hon. K. E. J. Bardolph—Apparently his case is not strong enough.

The Hon. E. ANTHONY—He is prohibited from using the dwelling as an office and cannot get a permit. I oppose the clause.

The Hon. C. R. CUDMORE—I know the case to which Mr. Anthony refers. The man owns a property, which was used as a dwelling, in a commercial area. He has sought permission to use certain materials to alter the front of the property and use it as an office. In refusing a permit the Director of Building Materials points out that it is not because of any shortage of materials, but because it is the Government's policy not to permit altering a dwelling into a business place. The time has arrived when we should allow people to do what they like with their own property. The premises will never again be used as a dwelling and it is time that the present policy was reviewed. I oppose the clause.

The Hon. A. L. McEWIN—This matter has been frequently discussed and I have often heard Mr. Cudmore say that hard cases make bad laws. It will only aggravate the position if we wipe out a condition which applies to so many when we cannot meet the demand for houses. Members can see what is happening in Waymouth Street, therefore the claim that this legislation is being harshly administered cannot be substantiated, otherwise there would not be such a large number of residences being converted into commercial premises. It is not a fair approach to the problem we are trying to handle to quote one case.

The Hon. E. ANTHONY—I am aware that dwellinghouses have been converted into business premises. This man needs his property because he has been pushed out through increases in rent, but the Government stands fast and will not allow him to conduct his business in an area which will be highly industrialized within a short period. I am trying to restore a little freedom to this class of person.

The Committee divided on the clause—

Ayes (11).—The Hons. K. E. J. Bardolph, C. S. Bevan, J. L. S. Bice, J. L. Cowan, E. H. Edmonds, A. A. Hoare, A. L. McEwin (teller), W. W. Robinson, C. D. Rowe, R. J. Rudall, and R. R. Wilson.

Noes (7).—The Hons. E. Anthony (teller), C. R. Cudmore, L. H. Densley, N. L. Jude, A. J. Melrose, F. T. Perry, and Sir Wallace Sandford.

Majority of 4 for the Ayes.

Clause thus passed.

Clause 7—"Control of the use of certain building materials."

The Hon. N. L. JUDE—The clause states that no person shall use or cause to be used *pinus radiata* flooring board unless it is used pursuant to and in accordance with the conditions of a permit issued by the Minister. Advertisements, appear openly in the daily newspapers stating "Flooring, *pinus radiata* for sale, no permit needed, any quantity." I do not suppose that business people insert those advertisements to lay themselves open to prosecution. As I said in my second reading speech, this and other materials are available in any quantity. Can the Chief Secretary say why the advertisements appear and what authority firms have to say that no permit is required?

The Hon. A. L. McEWIN—I have no control over advertisements and am unable to enlighten the Committee on what is behind them. I have been foolish enough to fall for an attractive advertisement reading like that, but have found a different story when it came to making the actual purchase. It is not my custom to make misleading statements on behalf of the Government, and I can be guided only by the information supplied to me that the three items referred to are in short supply. I now move to insert the following:—

New paragraph (g) in subclause (2).—If any materials described in subsection (1) hereof are used in compliance with the provisions of any proclamation made under subsection (2a) of this section

New subclause (2a).—The Governor may by proclamation declare that it shall not be a contravention of this section if any materials of any kind described in subsection (1) hereof are used for any purpose specified in the proclamation and in accordance with any conditions specified in the proclamation. Any such proclamation shall have effect notwithstanding that the provisions of the proclamation relate to matters provided for in subsection (2) of this section.

Clause 7 imposes restrictions on the use of burnt building bricks, Australian galvanized iron and piping, and *pinus* flooring. Subclause (2) sets out various purposes for which these materials may be used without permit. My amendments provide that the Governor may, by proclamation, declare further purposes for which these materials may be used without permit. The purpose of the amendments is to enable a proclamation to be made relaxing the restrictions imposed by the clause in respect of any of the materials in question, if circumstances justify such a course. It may happen, for example, that supplies of Australian galvanized iron become freely available, in which

case it will be desirable to relax or be unnecessary to continue the species of rationing provided for by clause 7. If this should happen, it would then be competent for a proclamation to be made extending the purposes for which Australian iron could be used without permit or, if thought fit, removing all the restrictions on its use which are imposed by clause 7. I do not think there is any need to dwell on the merits of these amendments because we all desire the relaxation of controls at the earliest opportunity.

The Hon. F. T. PERRY—I think members will welcome the suggestion that the Chief Secretary thinks that some of these items may be in better supply within 12 months, but I was under the impression that there was another provision which enabled the Government to waive any of the controls without waiting for 12 months to elapse. To single out these three items seems to indicate that there is no other provision for abatement.

The Hon. C. R. CUDMORE—I point out that clause 4 (3) contains the same provision with regard to other matters and this one applies only to those particular materials referred to.

Amendments carried.

The Hon. C. R. CUDMORE—I move to delete subclauses (2) and (3). These provisions contain something new and are easily the most alarming part of the Bill. It is a very insidious thing which we have never had in the Act before. In the past we have had a schedule setting out the various materials controlled, and in this very clause we have prescribed materials which cannot be used except in certain circumstances. What sort of state are we getting into when we have to print in an Act of Parliament reams of stuff saying what materials can be used and what cannot? We will not be able to open our own back door soon without someone's permission if we go on with legislation like this. These subclauses give the Government a blank cheque.

The Hon. R. J. Rudall—If they are cut out it will remove the sanction for everything up to (2) (f).

The Hon. C. R. CUDMORE—The sanction for everything up to (2) (f) is in giving permission to use the four items mentioned in subclause (1) without permission, but subclauses (2) and (3) are new as I interpret them, and they give the Government a blank cheque to declare by regulation that any material is controlled. I know it will be said

that regulations must come before Parliament, but Parliament is not sitting all the time and people do not always know what is in them, whereas they have a reasonable chance of knowing what is in an Act of Parliament. I ask members to study these provisions carefully and not agree to them without realizing what they mean.

The Hon. A. L. McEWIN—Mr. Cudmore has suggested that subclause (2) is something new but I draw his attention to the previous legislation in 1949 which enabled the Governor to make regulations prohibiting persons from using cement.

The Hon. C. R. Cudmore—That was a special item.

The Hon. A. L. McEWIN—Yes. I would be prepared to agree to the deletion of subclause (2), but the move to delete both subclauses is a subtle attempt to pull the teeth out of the whole clause because it would be useless without the penalty clause. I ask members not to make themselves appear ridiculous by approving certain provisions and then striking out the subclause which will make their administration possible.

The Hon. C. R. CUDMORE—In view of the Minister's remarks I ask leave to amend my amendment so that it will apply only to subclause (2).

Amendment by leave amended.

Amendment carried; clause as amended passed.

Clauses 8 to 10 inclusive passed.

Clause 11—"Revocation of permit."

The Hon. C. R. CUDMORE—I move to delete paragraph (c). The clause reads:—

The Minister, if satisfied—

- (a) that any application for the issue of a permit upon which a permit was issued contains any false or misleading statement; or
- (b) that any provision of or condition upon which any permit was issued or that any provision of this Act relating to any permit has been broken or has not been observed; or
- (c) that it is for any other reason desirable that the permit should be revoked or suspended,

may revoke or suspend the permit.

Whilst I consider the first two paragraphs are satisfactory I do not know what suspicions may be aroused as to why a permit should be revoked and I would like to be satisfied that paragraph (c) is not a little Gestapo-ish before it is passed.

The Hon. A. L. McEWIN—This is a provision which has been in the legislation since its introduction. It is nothing new but there may be conditions outside those covered by paragraphs (a) and (b). At one stage there were many permits issued but because of changed circumstances they were not all proceeded with and whilst they remained at large were detrimental to the issue of further permits.

Amendment negatived.

Clause passed.

Clause 12—"Requirements of building contracts."

The Hon. C. R. CUDMORE—This is a difficult clause which interferes with contracts already made. There have been cases where people have contracted with builders and paid deposits on homes, but the builder has not commenced work and has gone bankrupt and the home builders have lost money. This clause goes a long way, and although we have had something like it before—

The Hon. R. J. Rudall—The clause has been included because of what has happened.

The Hon. C. R. CUDMORE—That is so, but you cannot always protect fools from themselves, and this enables an owner to revoke a contract. It intrigues me that we should interfere with contracts made after a certain date but not affect those made before that date. The fact that we have had this provision before does not cause me to like it any better. When a man in the country wants someone to build a house for him he does not realize that this is the law and that any deposit must be paid into a special purpose account in the joint names of the builder and himself. I oppose the clause.

The Hon. A. L. McEWIN—This has been in the legislation since its inception and the honourable member is aware of the reasons for its inclusion. He suggests that we cannot protect fools against themselves, but we do nevertheless. When a man consults his solicitor he is not always told the law and I doubt whether Mr. Cudmore would tell his clients that this legislation makes them safe and that by law they are compelled to pay deposits into special purpose accounts. This is designed to protect the masses from exploitation, and is not introducing anything retrospective.

Clause passed.

Clauses 13 to 18 passed.

New clause 18a—"Advisory Committee."

The Hon. K. E. J. BARDOLPH—I move to insert the following new clause—

18a. (1) There shall be an advisory committee the duty of which shall be to advise the Minister in the administration of this Act.

(2) The committee shall be constituted of such members as are from time to time appointed by the Governor but of the members so appointed there shall be four members who are appointed on the nomination of the following, namely:—

- i. The Royal Australian Institute of Architects.
- ii. The Chamber of Manufactures.
- iii. The Builders' and Contractors' Association of South Australia.
- iv. The Trades and Labor Council of South Australia.

The new clause is for the purpose of setting up an advisory committee to assist the Minister and officials of the Building Materials Office. The personnel is all-embracing, comprising the principal elements on the technical side of the building industry. The committee will not usurp the Minister's powers, but will act in an advisory capacity only and will play a big part in dealings with the permit committee which has performed a useful service to the people of this State. However, members of the permit committee do not represent the organizations mentioned in the new clause.

The Hon. C. R. Cudmore—How many members do you visualize will be on the committee?

The Hon. K. E. J. BARDOLPH—One member from each organization.

The Hon. C. R. Cudmore—As the clause is drafted there could be more.

The Hon. K. E. J. BARDOLPH—The language of the clause is not ambiguous; it means one representative from each organization.

The Hon. A. L. McEWIN—I think that the clause will permit of the appointment of more than four members. This legislation has operated well for three years and it would be a pity to set up more cumbersome machinery when the period of existence of the measure is only for another 12 months. I do not favour the appointment of any committee which includes representatives nominated by any organization. I hold strongly to the opinion that people who are appointed to a committee should be selected for their special capacity to deal with particular problems and a representative committee comprising members of this or that organization need not necessarily be the best. It is inadvisable, at this late hour, to overload the legislation by the appointment of such a committee as that proposed.

The Hon. C. R. CUDMORE—I am opposed to this type of legislation and want to get rid of controls as soon as possible. There is power under the Bill for proclamations to be issued releasing these controls, therefore it would be a mistake to appoint a committee as suggested.

The Hon. N. L. JUDE—I also oppose the clause. Mr. Bardolph has virtually been the Government's chief supporter in all discussions on this measure and I cannot understand why he should want this committee.

The Hon. K. E. J. BARDOLPH—Members of the Labor Party have some responsibility in Parliament and it is their job to try to mould legislation into conformity with the wishes of the people they represent. Mr. Cudmore's penchant is for the abolition of all controls and my new clause will provide him with an avenue for doing that and make the legislation workable. If a committee, representative of the interests I have mentioned, is appointed, we would soon get rid of controls. Such committees were necessary to gear this country for war. It was customary to appoint experts to such committees. I recall that Mr. Perry was chairman of a board of management that played a prominent part in developing the munitions industry in South Australia.

The Committee divided on new clause 18a—

Ayes (3).—The Hons. K. E. J. Bardolph (teller), C. S. Bevan, and A. A. Hoare.

Noes (14).—The Hons. E. Anthony, J. L. S. Bice, J. L. Cowan, C. R. Cudmore, E. H. Edmonds, N. L. Jude, A. L. McEwin (teller), A. J. Melrose, F. T. Perry, W. W. Robinson, C. D. Rowe, R. J. Rudall, Sir Wallace Sandford, and R. R. Wilson.

Pair.—Aye—The Hon. F. J. Condon. No—The Hon. L. H. Densley.

Majority of 11 for the Noes.

New clause thus negatived.

Remaining clauses (19 to 25) and title passed.

Clause 4—“Regulation of building operations”—reconsidered.

The Hon. C. D. ROWE—I move to insert the following new paragraph in subclause (2):—

IIA. The construction of any dwellinghouse where—

- (a) the total area of the dwellinghouse (including all outbuildings appurtenant to the dwellinghouse) does not exceed or, if completed, will not exceed twenty squares; and
- (b) no materials of any of the kind mentioned in subsection (1) of section 7 are used in the construction of the dwellinghouse or any outbuilding appurtenant thereto;

(c) the dwellinghouse is constructed at the cost of a person upon land in which that person has a registered interest and is constructed for occupation by him as his permanent and principal place of residence; and

(d) no cement manufactured within the State and no cement product which is manufactured in whole or in part from cement manufactured within the State is before the twenty-eighth day of February, 1953, used in the construction of the dwellinghouse or any outbuilding appurtenant thereto.

The materials referred to in subparagraph (b) as mentioned in section 7 (1) are burnt building bricks, galvanized iron manufactured within the Commonwealth of 24in. or 26in. gauge and galvanized piping manufactured within the Commonwealth with an internal diameter of not less than half an inch and not more than three inches, and *pinus radiata* flooring boards. Subparagraph (c) eliminates speculative building. Yesterday I moved to increase to 20 squares a house for a person's own use and occupation, but that amendment was defeated. Subsequently, I moved to increase to 20 squares the house for either the person in occupation or for occupation by someone else where only non-controlled materials were used. This new amendment applies to people who are building houses on land which they own, for their own use and occupation as a permanent home and who do not use any materials mentioned in clause 7 (1), or until February 28, 1953, cement or cement products manufactured locally.

The Hon. A. L. McEWIN—I accept this amendment. If imported materials are available in ample supply this may assist in clearing some of them and will in no way affect the principles of the Bill.

The Hon. K. E. J. BARDOLPH—I oppose the amendment and am surprised at the Minister's acceptance of it because it cuts right across the provisions of the Bill. If people are in urgent need of a home of 20 squares the Bill provides that they can apply for a permit. It is all very fine to say that imported materials shall be used, but the mover should know that quite a lot of locally manufactured material is being used in houses being built for speculative purposes.

New paragraph inserted.

The Hon. C. R. CUDMORE—Subclause (1) reads:—

No person shall construct or cause to be constructed any building or structure or shall

carry out or cause to be carried out any addition or alteration to any building or structure except as provided by subsection (2) of this section.

Subclause (2) lays down that the carrying out of any of the following works shall not be a contravention of this section:—

(v.) The carrying out of any addition to any dwelling house . . . completed after the third day of September, 1939 . . .

I cannot understand this limitation. Apparently additions may be made to any house built since 1939, but why should not a man who had a small house in 1939 and has acquired a large family since not be allowed to increase the size of his house?

The Hon. A. L. McEWIN—This paragraph refers to houses built since September, 1939, from when controls have operated. It refers to all houses, whether rented or used for personal occupation. By amendment yesterday Mr. Rowe inserted another clause which covers what Mr. Cudmore is driving at.

The Hon. C. R. CUDMORE—Mr. Rowe's amendment refers only to people living in their own houses. If people who own and let houses want to increase the size to 18 squares they should be allowed to.

Clause as amended passed.

Bill reported with amendments and Committee's report adopted.

#### LOCAL GOVERNMENT ACT AMENDMENT BILL (CITIES).

Received from the House of Assembly and read a first time.

#### LANDLORD AND TENANT (CONTROL OF RENTS) ACT AMENDMENT BILL.

Received from the House of Assembly and read a first time.

#### MUNICIPAL TRAMWAYS TRUST ACT AMENDMENT BILL.

Received from the House of Assembly and read a first time.

The Hon. A. L. McEWIN (Chief Secretary)  
—I move—

That this Bill be now read a second time.

This Bill deals with three main aspects of the metropolitan tramway system. It provides for the re-constitution of the Metropolitan Tramways Trust, financial assistance from the Government, and an increase in the power of the trust to operate and control omnibus services within the metropolitan area. There are some

other consequential amendments, the most important of which are the provision for the audit of the trust to be carried out by the Auditor-General, and for annual reports to Parliament, and the alteration of the trust's financial year so that it will correspond with that of the Government. In regard to the re-constitution of the trust the Bill follows the recommendations made by the committee which recently inquired into the control, administration, and management of the trust. I do not intend to narrate in detail the events which led up to the appointment of this committee. As honourable members know, there was an agitation among a number of suburban councils for an inquiry into the trust and this was ultimately supported by the trust itself. The underlying cause of the movement was, of course, the realization of the unsatisfactory financial position of the trust and the knowledge that unless financial assistance were given, the trust would be unable to meet its commitments and possibly a levy might have to be made on ratepayers in the metropolitan area.

The committee of inquiry presented two reports. They dealt with many aspects of the trust's operations, but the two main issues were the question of the type of control and finance. With regard to control the committee pointed out that the method of control was a matter of major importance and that it was essential for the success of street transport undertakings that they should be directly controlled by the authority responsible for the finances and which insists that they must not be run at a loss. The committee expressed the opinion that the present method of control of the trust had failed because the method of appointment did not ensure that the members would have the necessary experience or capacity.

On the question of finance the committee reported that the financial provisions of the Act were unsatisfactory because while the councils were liable for interest and sinking funds under the debentures there was no right of recourse against them or any other authority for any loss on operations other than sinking fund and interest. The weakness in the financial provisions of the Act could be remedied by minor amendments but the weakness in the machinery for selection of the trust was such that the only remedy was the abolition of the trust in its present form. These matters were dealt with in the committee's first report presented in March and in the subsequent report received by the Government in June the committee pointed out that

urgent action was required to provide cash to enable the trust to carry on and that if action were not taken the trust would cease to operate in the near future.

The committee made a number of alternative suggestions as to what should be done to relieve the present financial difficulty. They mentioned the following possibilities, namely, reduction of services, transfer of light traffic routes to private operators in return for payment, temporary financial accommodation by bank overdraft, calling upon the metropolitan councils to make payments under the debentures, and financial assistance by the Government by way of a loan or grant. In their final summary of their recommendations the committee recommended that the Government should take over the control of the public transport system and appoint a trust of five members with ability, experience and qualifications necessary for its efficient administration. The committee also said that while it appeared that some financial assistance from the Government would be necessary for rehabilitation purposes, the financing of the undertaking should not become a permanent burden on the State budget. There are a great many other more detailed recommendations in the committee's report which can be recommended to members who desire to get full information on the subject now under consideration.

Upon receipt of the committee's report the Government immediately communicated with the metropolitan councils with the object of ascertaining their views. Three alternatives were put before them. These were—

1. That the trust should remain as it is (in which case it would have to find its own finance).
2. That the councils should retain their rights and responsibilities in connection with the tramway system but that a more efficient board of control should be appointed.
3. That the councils should cease to have any interest in the metropolitan street transport system and the whole scheme should be controlled and financed by the Government.

If alternative 2 or 3 were adopted the Government was willing to assist the trust with finance. After negotiations and meetings the second scheme was, in effect, accepted by all the councils except Norwood, and it now appears that Norwood does not intend to object to it.

In the matter of the constitution of the trust and the proposed financial arrangements the Government believes that the Bill is substantially in accordance with the recommendations of the inquiry committee. The proposal that

the Government shall appoint a trust of five experienced and competent persons is exactly what the committee recommended; and the Government interprets the committee's finding that the tramways should not become a charge on the revenue to mean that it is not necessary for the Government to take over the tramways permanently but merely to assist them until they can pay their way. There is, therefore, no reason at this stage why the rights and responsibilities of the councils in connection with the tramways should be abolished, and the Bill does not propose to do this.

The legal report on the Bill is as follows:— This Bill contains the amendments of the legislation respecting the Municipal Tramways Trust which are necessary to provide for the re-constitution of the trust and the payment of annual grants to meet the deficit on the tramway system. The Bill also contains some amendments which are consequential on the appointment of a new type of controlling body. They deal with such matters as audit, accounts, and reports, and there is also a provision extending the trust's rights in relation to the carriage of passengers by motor omnibuses in the metropolitan area. It will be convenient if I explain the clauses of the Bill in their order.

Clause 3 deals with the commencement of the Act. It is contemplated that there will be some short interval between the day on which the Act is assented to by the Governor and the day on which the new members of the trust are appointed; and as some of the provisions of the Bill will not be required until the trust is re-constituted it is proposed that these shall not come into operation until what is called "the proclaimed day," that is to say, the day on which the re-constitution of the trust takes effect. Clause 4 is a consequential amendment only. Clause 5 contains the provision for the re-constitution of the trust. After the proclaimed day the trust will consist of five members appointed by the Governor. The term of office for each member will be five years but during the first five years of the existence of the re-constituted trust one member will retire at the end of each year. The Governor will decide the order of retirement of members. During the interval between the passing of the Bill and the proclaimed day, the present members of the trust will remain in office under the existing legislation, but any casual vacancy which may occur will be filled by the Governor. As a consequence of the reduction in the number of members from eight to five it is proposed by clause 6 to reduce the quorum from five to three.

Clause 7 provides that in future the remuneration of members of the trust will be at a rate to be approved by the Governor and the chairman's rate may differ from that of the other members. At present the remuneration is fixed by the Act itself. By clause 8 the accounting year of the trust is changed so that it will correspond with the Government's financial year ending on June 30.

Under the present law the trust's accounts are made up to January 31 in each year. Under this Bill it is proposed that the Auditor-General will be the auditor of the trust and the trust's accounts will be audited in very much the same way as those of any other Government department and it will be convenient to adopt the normal financial year. The present provisions requiring that the trust is to appoint its own auditors are repealed and clause 9 provides that the accounts of the trust are to be audited by the Auditor-General. This clause also provides that the trust is to present a report to the Minister on its operations during each financial year and that the report is to be laid before both Houses of Parliament as soon as practicable after the receipt thereof. There is no such provision for an annual report in the law at present.

Clauses 10 and 11 deal with the rights of the trust to carry passengers by motor omnibus. Under the present law the trust has the sole right of carrying passengers in the metropolitan area at separate and individual fares for each passenger of not more than 1s. 6d. for a single journey and 3s. for a return

journey. It also has the sole right to license other omnibus proprietors to carry passengers at such fares within the metropolitan area. These amounts were fixed in 1928 when fares were very much lower than they are now and having regard to the lower value of money and the higher fares generally charged it is proposed to increase the amounts prescribed by the Act. The effect of clauses 10 and 11 is that the trust will have an exclusive right to carry or license other persons to carry passengers in buses in the metropolitan area at fares up to 2s. 6d. single or 5s. return.

Clause 12 provides that the Treasurer may out of money voted by Parliament make grants to the trust to enable it to pay its expenses. This is a permanent provision and the only limitation upon it is that the grants must be provided by Parliament. Clause 13 is a consequential amendment, making amendments consequential on those which I have previously explained in relation to the exclusive right of the trust and its licensees to carry passengers on buses within the metropolitan area.

The Hon. K. E. J. BARDOLPH secured the adjournment of the debate.

#### HEALTH ACT AMENDMENT BILL.

Returned from the House of Assembly without amendment.

#### ADJOURNMENT.

At 4.4 p.m. the Council adjourned until Tuesday, October 14, at 2 p.m.