LEGISLATIVE COUNCIL.

Tuesday, November 1, 1955.

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

ASSENT TO ACTS.

His Excellency the Governor intimated by message his assent to the Fruit Fly Act Amendment and Noxious Insects Act Amendment Acts.

CONSTITUTION ACT AMENDMENT BILL (ELECTORAL BOUNDARIES).

His Excellency the Governor intimated by message that the Bill had been reserved for the signification of Her Majesty's pleasure thereon.

BRIGHTON HIGH SCHOOL NEW WING.

THE PRESIDENT laid on the table the report of the Parliamentary Standing Committee on Public Works, together with minutes of evidence.

CENTENARY OF OPENING OF OLD LEGISLATIVE COUNCIL BUILDING.

THE PRESIDENT—Before proceeding to the business on the Notice Paper, I think it appropriate that I should draw the attention of Honourable Members to the fact that today we celebrate the centenary of the opening of the old Legislative Council Chamber which stands on the west side of the present Parliament House building.

It was in that building on November 1, 1855, the Governor-in-Chief, Sir Richard Graves MacDonnell, C.B., opened the first of two sessions of the last partly nominated Legislative Council. It was during that historic session that the Constitution Act was passed giving this State responsible government under a bicameral system in which the members of both Houses were elected by the people.

The new Council Chamber was described as "handsome and well furnished" at the time of its first use for the transaction of the business of the country. Later, in 1857, responsible government was introduced, which means we shall be celebrating the centenary of that occasion in approximately two years' time. The first House of Assembly occupied the room latterly known to Members as the "Parliamentary Library" but that House transferred its meeting place to the western wing of the present marble building in 1889, and the Council transferred to this Chamber in 1939 on completion of the building.

There is an interesting link with the past—the President's Chair, from which Her Majesty opened this Parliament on 23rd March, 1954, was originally the vice-regal throne when the Governor presided over the sittings of the old Council in the adjoining building. Framed of massive English oak, the chair has been aptly described as "a beautiful specimen of colonial workmanship." It is a coincidence that today the first item on the Notice Paper is the second reading of The National Trust of South Australia Bill which provides for the establishment of a Trust, one of the objects of which will be the preservation and maintenance of such historic links with the past.

THE NATIONAL TRUST OF SOUTH AUSTRALIA BILL.

Second reading.

The Hon. C. D. ROWE (Attorney-General)—I move—

That this Bill be now read a second time.

In recent years a number of citizens have been interested in the formation of a national trust, and representatives of different groups have approached the Government with proposals for legislation to establish a body of this kind. The precedent for such legislation is to be found in England. The first National Trust Act there was passed in 1907 and there were further Acts in 1919, 1937 and 1939; even before the Act of 1907 a national trust existed. It had been formed as a non-profit association in 1894 under the name of the National Trust for Places of Historic Interest or Natural Beauty, and its powers and functions were extended by the subsequent legislation. Its basic purpose, as defined in the Act of 1907, is to promote the permanent preservation for the benefit of the nation of lands and tenements including buildings of beauty or historic interest, and as regards land the preservation of its natural features and animal and plant life.

The various groups of people in this State who have been interested in the formation of a national trust have all been influenced by the English legislation, but there has been some diversity of outlook. Some have been interested rather in places of historic interest, others in the preservation of areas of natural beauty or scientific interest. Until recently there has been some lack of unanimity and the various Bills which the Government has drafted have not received a sufficient consensus of support to justify the Government in proceeding with them. However, as a result of conferences between the interested parties and the Government acceptable proposals have been

worked out with reasonable clarity and the Government has promised that it will introduce legislation. To carry out the suggested schemes two Bills will be necessary. One will extend the functions of the Commissioners of the National Park and will take the form of a Bill to amend the National Park Act. The present Bill deals with the formation of a national trust.

The Bill consists of nine clauses and a schedule containing the rules setting out the principles governing the membership and management of the trust. The rules will be subject to alteration by the trust. In preparing the Bill the Government had the benefit of a draft submitted by persons who may be regarded as the sponsors of the Bill, and who were sufficiently enthusiastic about the formation of a national trust to employ solicitors to assist them in setting out their ideas. The Bill incorporates most of the ideas submitted by the sponsors.

Clause 3 provides for the constitution and incorporation of a body to be called the National Trust of South Australia. Clause 4 sets out that the National Trust is to consist of the persons and bodies corporate who are members or councillors of the trust in accordance with its rules for the time being. This is a clause of some importance and with a significance which might be overlooked. In some of the previous proposals for a National Trust there was no provision for public membership of the trust. In other words, the governing body of the trust was the whole trust. Under this Bill it is contemplated that the trust will enrol members of the public as members and will, in addition, have a council to manage its affairs.

Clause 5 sets out the objects of the trust. These, shortly stated, are to preserve lands and buildings of beauty or historic, architectural, artistic, national or scientific interest for the benefit of the citizens of this State, and to preserve chattels of national, historic, artistic or scientific interest, and to make arrangements for the access to and enjoyment of such lands, buildings and chattels by the public. Clause 6 provides that the affairs of the trust shall be administered and managed by a council which will be constituted in the manner set out in the rules of the trust. It can be seen from a perusal of the rule 7 in the schedule of rules at the end of the Bill that the council will consist of a president and 24 members. Twelve of the members will be representatives of various bodies in South Australia such as the Royal Society, Royal Geographical Society, University of Adelaide, and other organizations mentioned in rule 7, including the Trades and Labor Council. The other 12 members will be elected from among the members of the trust at a general meeting.

Clause 7 exempts the property of the trust from State rates and taxes, and also exempts gifts to the trust from succession duty. Agreements for transferring or vesting property in the trust are exempted from stamp duty. Clause 8 enables the council of the trust to make regulations for safeguarding and managing the trust's property. These regulations will be binding on the general public but will not come into operation until they have been confirmed by the Governor and gazetted in the same way as ordinary Government regulations. They will be subject to the usual Parliamentary control.

Clause 9 provides that the rules set out in the schedule will be rules for regulating the membership, affairs, business and management of the trust, but the rules may be altered or repealed by other rules made by the council of the trust. These other rules will be subject to veto by members of the trust at an annual general meeting. The Government deems it expedient to allow the trust full power to make and alter its own rules and constitution.

It will be seen that this Bill is an instrument for facilitating a work which certain public spirited citizens are anxious to do in the interests of present and future generations of South Australian citizens. It does not impose any charges on the revenue of the State.

The Hon. F. J. CONDON secured the adjournment of the debate.

Y.W.C.A. OF PORT PIRIE INCORPORATED (PORT PIRIE PARKLANDS) BILL.

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

GAS ACT AMENDMENT BILL.

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

LAND AGENTS BILL.

Second reading.

The Hon. C. D. ROWE (Attorney-General)—I move—

That this Bill be now read a second time.

The Bill repeals and re-enacts the Land Agents Act, making a large number of alterations to the provisions of that Act. The principal objects are to transfer the responsibility for

the licensing of land agents from the Local Courts to the Land Agents Board, and to require an applicant for a licence to have some experience of the work of a land agent or some knowledge of a land agent's duties and liabilities before he is granted a licence. In addition, the Bill makes many other alterations to the provisions of the Land Agents Act. A variety of topics, including so-called *nom-de-plume* advertisements and the preparation of Real Property Act and other documents are dealt with. The licensing provisions have also been re-framed. In recent years, the Government has received many complaints concerning the conduct of land agents. Most of the complaints indicated either sharp dealing or incompetence or both. Many suggestions have been made for amendments to the Land Agents Act designed to prevent sharp practices and to prevent incompetent persons from practising as land agents. Most of these suggestions have been made by the Land Agents Board and the Real Estate Institute.

It is not practicable or desirable to deal by legislation with all the issues which have been raised. A strong case, however, has been made out for imposing a stricter control over the licensing and activities generally of land agents. After giving the matter careful consideration, the Government has come to the conclusion that it would be of great assistance to transfer the granting of licences from the Local Courts to the Land Agents Board. A single authority would be in a better position to deal with the problems which arise, and an administrative board would be a more suitable authority than a court to deal with the licensing of land agents, which is an administrative rather than a judicial function. At the same time local courts would be freed of a task for which courts are not well adapted.

The Government has also decided that for the purpose of exercising a stricter control over the licensing and activities of land agents it it desirable to re-organise the system of granting licences, and that for the purpose of ensuring that incompetent persons are not licensed it is desirable to require an applicant for a licence to have some experience of the work of a land agent or knowledge of the duties and liabilities of a land agent before he is granted a licence. In introducing this measure, the Government wishes to emphasize that it does not criticize land agents as a whole. Many of them render excellent and honourable service to the community and enjoy reputations beyond reproach. The Government has reason to believe that the Bill will be welcomed by these land agents as protection to their good name and to the public.

The details of the Bill are as follows—Part I, which contains clauses 1 to 6, deals with introductory matters, and does not require comment. Part II, which contains clauses 7 to 22, deals with the Land Agents Board. It provides for the continuation of the present board of three members, one appointed on the nomination of the Real Estate Institute and two on the recommendation of the Attorney-General. The provisions of Part II, except for additional provisions of an ancillary nature, are the same as the provisions of the Land Agents Act dealing with the constitution of the board.

Part III deals with the licensing of land agents. Under the Land Agents Act, a licence may be held in three different ways, namely, by an individual on his own behalf, by an individual on behalf of himself and his partners, and by an individual on behalf of a company. This arrangement has a number of disadvantages.

First, after a partnership licence is obtained, there is no direct control over the persons who are subsequently admitted to the partnership. Once an applicant has obtained a partnership licence he is at liberty to take in anyone as his partner. If the holder of the licence takes in an undesirable partner, the only remedy is to apply for the cancellation of the licence. Second, only one fidelity bond is taken out in respect of all the partners, so that in a large partnership the security is not very great. Third, the death of the partner holding the partnership licence leaves his partners unlicensed, and similarly the death of the person holding a licence for a company leaves the company unlicensed. In both cases unnecessary inconvenience is caused. Fourth, the scheme whereby a licence is held by an individual on behalf of a company has unsatisfactory features. It requires a person other than the person actually carrying on business as a land agent to hold the licence, and this leads to uncertainty whether obligations placed on a licensed land agent by the Land Agents Act fall on the company or the person who holds the licence on behalf of the company.

In order to overcome these difficulties, the Bill provides for every individual land agent, every member of a partnership carrying on business as a land agent, and every corporation carrying on business as a land agent to hold a land agent's licence. At the

same time, in order to secure that a corporation's business is properly supervised, the Bill requires a corporation carrying on business as a land agent to employ a person registered as a manager under the Bill. Part V provides for the registration of persons as managers for this purpose. The qualification for registration is substantially the same as the qualification required under the Bill for the issue of a land agent's licence.

Part III provides as follows:—Clause 23 requires every person, whether an individual, partner or corporation carrying on business as a land agent, to hold a land agent's licence. Clauses 24 to 26 provide for applications for licences to be made to the Land Agents Board and deal with matters relating to applications. Clause 27 sets out the qualifications required of an individual applicant for a licence. First, he is required to be over twenty-one years of age. This provision has been suggested by the Land Agents Board and the Real Estate Institute. The present practice of local courts is not to grant licences to applicants who are under 21, and this provision gives legal effect to the practice. Second, the applicant is required to satisfy the Board that he is of good character. The Land Agent's Act requires an applicant to satisfy the court that his character is such that he is a fit and proper person to carry on business as a land agent, having regard to the interests of the public. The Bill thus places a more definite onus of proof of character on an applicant. Third, the applicant is required to satisfy the board that he is solvent. The Land Agents Act prohibits the issue of a licence to an insolvent, so that this provision does not substantially alter the law.

Fourth, the applicant must show that he has been employed in the business of a land agent for two years, unless he has previously held a licence under the Bill or the Land Agents Act, or is or has been a licensed land broker, or in the opinion of the board has sufficient knowledge of the duties and liabilities of a land agent or sufficient commercial experience to carry on business as a land agent. The board is not obliged to grant a licence to an applicant by reason of two years' employment in the business of a land agent unless the board is satisfied that the employment was such as to give the applicant a sufficient knowledge of the duties and liabilities of a land agent to carry on business as a land agent.

Clause 28 provides that subject to the provisions of the clause a corporation shall be entitled to a licence on making due application. The board is empowered to refuse to grant a licence to a corporation if it is satisfied that the general manager or other principal officer, or any director, or any person who in the opinion of the board substantially controls the affairs of the company, is not of good character. Clauses 29 to 33 deal with various machinery matters. Among other things, the clauses provide for the payment of fees and the annual renewal of licences. The clauses are based on the provisions of the Land Agents Act. Clause 34 provides that on the death of a licensed land agent, the person carrying on his business shall be deemed to hold a licence for six months after the death unless the business is sold. This provision is new. The Land Agents Act does not contain any provision enabling a business to be carried on without a licence after the death of a licensed land agent. The Real Estate Institute has drawn the attention of the Government to the desirability of such a provision.

Clause 35 is new and provides for the surrender of a licence to the board. This provision has been recommended by the Land Agents Board. Clause 36 provides for the cancellation of a licence and the disqualification of the holder. Clause 36 is substantially similar to the provisions of the Land Agents Act dealing with these matters.

Part IV, which contains Clauses 37 to 49, deals with the registration of land salesmen. The registration of land salesmen is at present provided for by regulations made under the Land Agents Act. The opportunity has been taken to include these provisions in the Bill. Except that the board is made the authority responsible for registration in place of local courts no substantial alteration is made in the system of registration of land salesmen.

Part V requires a corporation carrying on business as a land agent to employ a person nominated under the Bill as manager of the corporation's business as a land agent in the State who is a registered manager and whose usual place of residence is within the State. Part V also requires an individual carrying on business as a land agent who is resident outside the State, if he has no partner who is resident in the State, to employ a person nominated under the Bill as manager of his business in the State who is a registered manager and has his usual place of residence within the State. The qualifications for registration of a manager, as has been mentioned, are substantially the same as the qualifications required for a licence. The object of Part V is to ensure that

where a corporation carries on business as a land agent in the State or where a person resident outside the State carries on business as a land agent in the State, the business will be properly supervised.

Part V will not very greatly alter the position of corporations. As has been mentioned, the Land Agents Act requires that where a company carries on business as a land agent, a licence should be held by a nominee of the company on behalf of the company. Under this Bill, the registered manager will in effect replace the nominee holding the licence under the Land Agents Act. The restriction imposed by the Bill on land agents resident outside the State is entirely new. This provision has been included in the Bill as the result of representations made by the Land Agents Board and the Real Estate Institute. Both these bodies suggested that licences should not be granted except to persons resident in the State. The reasons given were to ensure the proper control of the land agents and the proper supervision by them of their businesses. The Government was not prepared to impose such a restriction on the granting of licences, but at the same time decided that steps should be taken to ensure that where a licensed land agent was resident outside the State, his business in the State should be properly supervised. It will be noted that the Bill by requiring a registered manager employed by a corporation to be resident in the State will similarly ensure the proper supervision of businesses carried on in this State by foreign corporations.

Clause 50 requires registered managers to be nominated by corporations and by land agents resident outside the State, as has been described. Clause 51 deals with the making of nominations. Clause 52 provides that, if a registered manager dies, or ceases to be employed by the person who nominated him or to be registered or to be resident in the State, it shall not be necessary for a new manager to be appointed for a month.

Clause 53 provides for the procedure for the registration of managers to be the same as for the registration of land salesmen, except for the qualifications required for registration. The clause provides for the provisions of Part IV of the Bill to apply with the necessary modifications to the registration of managers. Clause 54 sets out the qualifications required for registration of a manager. The qualifications are the same as those required of an applicant for a land agent's licence except for necessary modifications.

Part VI, containing clauses 55 to 62, deals with the duties of land agents. For the most part Part VI reproduces, with alterations, existing provisions of the Act. One of the alterations deserves special mention. An alteration has been made at the suggestion of the Land Agents Board to the provisions of the Act requiring a land agent to pay money received by him in his capacity as a land agent into a trust account. At present, a land agent can pay such money into a trust account also used by him for other trust moneys. This renders it very much easier for the money to be misapplied, and also makes the auditor's task difficult. There has been one case where the misapplication of moneys paid into such an account was successfully concealed from auditors by reason of the mixing of the trust moneys, and a number of cases where auditors have complained of the difficulty of auditing such accounts and have insisted on the keeping of a separate account. Clause 58 accordingly prohibits a land agent from paying into a trust account kept under the Bill money which he has not received in his capacity as a land agent.

Clauses 61 and 62 create two new offences. Clause 61 makes it an offence for a land agent who is not a land broker to prepare any Real Property Act document or any deed relating to any estate or interest in land, and also makes it an offence for a land agent to cause or permit any such instrument to be prepared by any person other than a land broker or legal practitioner. The object of this provision is to prevent the preparation in land agents' offices by unqualified persons of instruments relating to land. The Real Property Act does not prohibit the preparation of documents under the Act by unqualified persons. It merely provides that fees charged by unqualified persons for the preparation of such documents shall not be recoverable, and prohibits the certification of a document as correct by anyone except a party to the transaction, or a land broker or solicitor.

The Legal Practitioners Act makes it an offence for anyone except a legal practitioner to prepare a conveyance, lease or other deed relating to land for fee or reward. There is some doubt whether the prohibition includes Real Property Act documents. The position is thus that anyone can prepare without charge Real Property Act documents, and conveyances, leases or other deeds relating to land. In addition, the law probably is that anyone preparing a Real Property Act document can

receive a fee for the work, although he cannot sue for it. Land agents who are not land brokers frequently prepare instruments relating to land. There are two objections to this practice. The first is that by preparing instruments themselves land agents have succeeded in perpetrating frauds which they could have hardly perpetrated had the instruments been prepared by a land broker or legal practitioner. The second is that many land agents who attempt to prepare instruments have little or no knowledge of the law, with the result that they may place the parties to the transaction in jeopardy, or cause delay and difficulties in the Lands Titles Office.

It should perhaps be pointed out that some land agents in addition charge for these services. It should also be mentioned that the present law places the land agent who is a licensed land broker at a disadvantage. Under the Act, a land agent who is a licensed land broker is prevented from acting as land broker for either party in a transaction except with the consent in writing of the purchaser. Yet there is nothing to prevent a land agent who is not a licensed land broker from preparing documents relating to the transaction without such consent. Both the Land Agents Board and the Real Estate Institute have approached the Government concerning the question of preparation of instruments by unqualified land agents. After giving the matter careful consideration the Government has decided to take the course proposed in Clause 61 of prohibiting the preparation of instruments relating to land by land agents who are not land brokers.

Clause 62 makes it an offence for a land agent to publish *nom-de-plume* advertisements. There have been frequent complaints in recent years of the practice indulged in by some land agents of publishing *nom-de-plume* advertisements in order to get in touch with prospective customers. The Government regards the practice as a bad one, and considers it desirable that it should be stopped. Accordingly the Bill requires a land agent on publishing an advertisement relating to land to include his name and other particulars in the advertisement.

Part VII, which contains clauses 63 to 69, deals with the subdivision of land and reproduces provisions of the Land Agents Act with several alterations. The provisions are extended to apply to the sale in subdivisions of land which is not under the Real Property Act. Penalties have also been increased. Part VIII, which contains clauses 70 to 91, deals mainly with machinery matters. Provision is made in clause 83 for an appeal to the Supreme Court against any decision of the board made under the Bill. An alteration to the present law is made in clause 85. The Land Agents Act provides at present that a person required to hold a licence under that Act cannot recover commission unless he holds a licence and his appointment to act as agent is in writing. At the suggestion of the Land Agents Board, these provisions have been altered to prevent not merely the recovery but also the payment of commission in these circumstances. Clause 85 provides that a person required to hold a licence shall not be entitled to receive commission unless he holds a licence and his appointment to act is in writing, and provides for the summary recovery of money paid in contravention of the section.

By clause 91 provision is made for regulating charges, other than commission, made by land agents in respect of their services. The Land Agents Act makes provision for prescribing rates of commission by regulation, but does not enable other charges to be regulated. No rates of commission have been prescribed, and if they were, the regulations would almost certainly not be effective while other charges were not controlled. Numerous complaints have been received of excessive charges by land agents and the Land Agents Board has represented to the Government that it is desirable that rates of commission should be prescribed by regulation. The Government has agreed to the suggestion. The Bill enables such regulations to be effective by providing for the control of other charges.

Part IX, containing clauses 92 to 103, deals with transitional matters. So far as possible, Part IX has been drawn up to cause the minimum inconvenience in the transition from the present Act to the Bill. The effect of Part IX is to enable persons entitled to carry on business as land agents and to act as land salesmen at the commencement of the Bill to continue to do so without requiring them to apply for a licence or registration under the Bill. It has not been possible to deal in this speech with all the alterations to the existing law made by this Bill. I shall be very pleased to supply members with such further information concerning its provisions as they may require.

The Hon. F. J. CONDON secured the adjournment of the debate.

WHEAT INDUSTRY STABILIZATION ACT AMENDMENT BILL.

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

The Hon. Sir LYELL McEWIN (Chief Secretary)—I move—

That this Bill be now read a second time.

Its principal object is to make some amendments of the Wheat Industry Stabilization Act which have been rendered desirable by the passing of the Bulk Handling and Wheat Act. Their object is to empower the Wheat Board to deduct certain tolls and charges due to the Bulk Handling Company from the moneys payable by the board to wheatgrowers. The opportunity has also been taken to include in the Bill a clause to correct a misprint in the principal Act.

Under the bulk handling scheme members of the bulk handling company are bound by agreement with the company to pay certain tolls in respect of their wheat for a period of years. The articles of association of the company state that the Australian Wheat Board is authorized to deduct the tolls from the money payable by the board to the members of the company. This, no doubt, operates as an authority or permission given to the board by the wheatgrowers in favour of the company but does not of itself impose an obligation on the board to make the deductions. Non-members of the company are not liable to pay tolls; but arrangements are being made by the company to provide that if a non-member of the company delivers wheat to a bulk handling installation, he will be liable, in accordance with the Bulk Handling Act, for a special handling charge additional to that payable by members of the company in the like circumstances.

It would be convenient for the bulk handling company and for the wheatgrowers themselves if these tolls and special charges were deducted by the Wheat Board from the money due to the growers in respect of their wheat. The Government understands that arrangements have been made between the company and the board under which the board will make the deductions and pay the money to the company, provided that the Wheat Industry Stabilization Act is amended to ensure that the board has the necessary power. The board is of opinion that at present its legal power to make the deductions is doubtful. This opinion is based on section 12 of the Wheat Industry Stabilization Act which provides that an assignment of moneys payable by the board to a grower shall be void as against the board. The Wheat Board considers that any arrangement by which a member of the company purports to authorize the board to deduct tolls may be an assignment within the meaning of this section and therefore void so far as the board is concerned. The board suggests that its powers to deduct tolls and non-members' handling charges from proceeds of wheat should be placed beyond doubt, and the Government, at the request of the company, has agreed to introduce the legislation required for this purpose.

Clause 4 accordingly provides that the Wheat Board shall have authority to deduct tolls due by members of the Bulk Handling Company, provided that the members give the board an authority in writing. The clause also provides that the board shall be entitled to deduct non-members' handling charges from the proceeds of their wheat and pay the charges to the company. Payment to the company by the board of any money deducted under the Bill will be a discharge, to the extent of the money so paid, of the board's liability to the grower. The other amendments do not affect the policy of the Act. There was a misprint in section 8 of last year's Act, the word "to" being printed instead of the word "by." This point is corrected by clause 3 and a minor improvement in the drafting is also made.

The Hon. F. J. CONDON secured the adjournment of the debate.

METROPOLITAN MILK SUPPLY ACT AMENDMENT BILL.

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

The Hon. Sir LYELL McEWIN (Chief Secretary)—I move—

That this Bill be now read a second time.

It makes amendments to the Act relating to three topics—namely, refusal of licences, zoning of retail milk deliveries, and the sale of reconstituted milk. I will deal with these matters in the order in which they occur in the Bill.

Clause 3 deals with the power of the board to refuse a licence to an applicant whose premises, plant or livestock do not comply with the Act. Under the present law in every case where the premises, plant or livestock are below the prescribed standard, the board, must, unless it is willing to grant the licence, give the applicant notice of the defects and cannot refuse the licence unless after the expiration of three months the defects still remain. During these three months the applicant is deemed to be licensed and is entitled to all the privileges of a licensed person.

These provisions were inserted in the original Act to protect producers supplying milk to the metropolitan area when the Act came into force. No doubt they were justified when the metropolitan milk scheme was introduced, but today they are a source of considerable concern to the board. They make it possible for substandard premises to be used for a considerable period, since a series of applications can be made in respect of the same premises, and each application gives three months' exemption from the Act.

Difficulty only arises in connection with new applications. There is no trouble as regards licences granted by way of renewals because the board does not refuse applications for renewals even where the premises are defective. In these cases the practice is to grant the renewal but serve a notice on the proprietor requiring him to remedy the defects. If the notice is not complied with the licence can be cancelled. But as regards premises not previously licensed or premises of which the licence has lapsed there is now no good argument for treating them as licensed for three months in every case where an application is made. In such cases the board desires power either to refuse the licence or to grant a provisional licence. If the board had this power licences for seriously defective premises could be refused, and the applicant could only make a fresh application after the premises had been put in order.

If, however, premises were defective only in a minor degree the board could grant a provisional licence which would enable the proprietor to carry on as a licensed producer for a specified period. Such a licence would set out what had to be done in order to put the premises in order and if the requirements were carried out an ordinary licence would be granted. If the work was not done during the currency of the provisional licence, that licence would lapse and the application would be regarded as having been refused. It will be seen that the main difference between the scheme proposed in clause 3 and the provisions of the present Act is that under the clause there will be no automatic licensing of defective premises.

Clause 4 deals with reconstituted milk. Reconstituted milk is milk made from dried milk mixed with water or dried skim milk mixed with butter or butterfat and water. Some of this milk is already being sold in certain parts of the State. No doubt there is a justification for such sales in places remote from fresh milk supplies; but there is little or no justification for them within the metropolitan area. The Milk Board has asked the Government to empower it to control sales of reconstituted milk within the metropolitan area.

The reason for the request is to give protection to licensed milk producers. Licensed producers have been required to spend large sums of money on the provision of new premises or the reconstruction of existing premises and many hundreds of thousands of pounds have been spent for the improvement of the metropolitan milk supply. The producers are also required to spend considerable sums in maintaining their premises, plant and equipment in a hygienic condition. The premises are subject to constant supervision and the milk is tested regularly to ensure that it is properly constituted and free from bacteria. There are ample supplies of fresh milk for the city trade, as is shown by the fact that the producer receives the city price for only half of his output. Under the existing legislation reconstituted milk can be brought into and sold in the metropolitan area at lower prices than those fixed for locally produced fresh milk. The lower prices are possible because the milk from which the basic ingredients of reconstituted milk are derived are purchased at manufacturing rates. The sale of reconstituted milk in the metropolitan area on any scale would eventually undermine the marketing plan which protects producers and has been in operation for a number of years. For these reasons the Government has acceded to the request of the Milk Board that reconstituted milk should only be sold under permits granted by the board. Provision for such permits is contained in clause 4.

Clause 5 deals with the zoning of milk deliveries. Zoning was introduced during the war by the Commonwealth Government under the National Security Regulations. It was part of the war organization of industry, and produced some satisfactory results. It reduced the amount of travelling which individual milk vendors had to do in order to serve their customers, by allocating to each vendor all the customers within his particular zone. The amount of milk delivered by each man was increased from somewhere about 40 gallons to 65 gallons a day. At the same time the vendors' profit margins were reduced by about 3¼d. a gallon in order to give the customers some benefit from savings which were effected in delivery costs. These were substantial

advantages, but there was one serious disadvantage in zoning, about which the Government had frequently had complaints. Zoning made each retail milk vendor a monopolist within his own zone, and although customers may have been dissatisfied with the service given them by their vendor, they had no option but to continue to deal with him.

When the war was over Commonwealth control of zoning came to an end, but zoning was continued by arrangement between the vendors themselves. It was not entirely voluntary, because if a new man desired to enter the retail milk trade and endeavoured to secure customers within the zone of an existing vendor, attempts were made to prevent the new man from being supplied with milk by the wholesale milk suppliers. The Government had complaints about this conduct, but did not receive much detailed information about what happened. By some means, however, zoning has been maintained by the vendors themselves without legal backing.

Clause 5 has the object of protecting retail consumers. The problem which confronts the Government is to retain the advantage of zoning and, at the same time, to do away with the disadvantages to consumers which result from the lack of competition among the vendors. The remedy proposed for this state of affairs is what is commonly called block zoning. This is a system under which each zone is large enough to provide rounds for a number of retail vendors, usually three. Each vendor will be obliged by law to serve the customers who desire to be served by him within his zone, and the customers are free to change their vendors as long as they change to one of the other vendors operating within the same zone. The Government is informed that this system is quite practicable and works satisfactorily in other places. The Bill, therefore, confers on the Government the power to make regulations on the various topics which are necessary in order to introduce block zoning.

In preparing the Bill the Government had to make a decision as to the authority which should be charged with the duty of administering block zoning. The choice lay between the Metropolitan County Board and the Metropolitan Milk Board. The Metropolitan County Board is mainly a health authority charged with ensuring the cleanliness of premises of retail dairymen and the hygienic condition and standards of milk sold by retailers. The Metropolitan Milk Board is concerned with the control of wholesale producers and suppliers, the relations between wholesalers and retailers, and the economic organization of the milk trade. It also has control of prices. The Government took the view that, as the zoning of milk deliveries was an economic matter rather than a health matter and involved some control both of the retailer and the wholesaler as regards the milk supplied, the Metropolitan Milk Board was the more appropriate authority to handle this problem. It happens too that the board is well equipped to do the administrative work connected with zoning. It will be noticed that in addition to setting out the regulation making powers necessary for zoning, the Bill states that the Metropolitan Milk Board must, as far as possible, ensure that in each zone there will be at least three persons carrying on business independently of each other as retail vendors of milk and cream.

The Hon. F. J. CONDON secured the adjournment of the debate.

COAL ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from October 19. Page 1139.)

The Hon. F. J. CONDON (Leader of the Opposition)—The original legislation was introduced in 1947 to operate for three years and was then extended for a further five years. The Bill now before us will provide for its operation for an additional five years. The object is to give the Government power in a time of crisis to regulate and ration coal supplies. I do not think such regulation will be as necessary in future as in the past because there has been a falling off of coal mining owing to the introduction of oil and other fuels. I understand the legislation has not been used during the last five years, but it provides a protection for the Government to take action should that be necessary. In 1954-55 coal imported from New South Wales amounted to 992,000 tons, an increase of 12,680 tons compared with the previous year. This imported coal is handled by the Harbors Board at the Osborne coal gantries, which as was expected has resulted in quite a saving in handling costs, although at the time there was opposition to their operation by certain companies who were denied the right to handle their own coal. However, unloading times were reduced considerably, enabling coalships to enjoy a quicker turn round. Now that there is competition from oil, the coal industry is declining.

Coal production at Leigh Creek has affected importations from New South Wales. A total of £4,500,000 has been invested in Leigh Creek. For the year ended June 30 last this field produced 359,823 tons. Of the coal consumed in South Australia in 1954-55 production at Leigh Creek represented 34 per cent, showing that this field has meant a great deal to the State. It is a very important industry. There should be close supervision of the quality of coal imported. Recently complaints concerning the amount of dust and stone contained in coal imported from New South Wales have been made, particularly by the Railways Department. High prices should not be paid unless the coal is of good quality. I hope the Government will never be called upon to operate this legislation, that we shall be free from industrial troubles and that there will be no rationing of coal in South Australia. I support the second reading.

Sir WALLACE SANDFORD (Central No. 2)—As Mr. Condon remarked, the Bill extends the operations of this legislation for a further five years, making a total of 13 years since it first operated. I am sure members agree with him when he expresses the hope that the Act will not be required. There may now be no shortage of coal, but other than Leigh Creek coal all our requirements for the manufacturing industries and the creation of power must be brought more than 1,000 miles from New South Wales. In the main, the coal gantries at Osborne have served a good purpose. The cost of administering the Act has been negligible compared with the benefits gained and members of the Coal Board have discharged their obligations to the community commendably. I support the second reading.

Bill read a second time and taken through Committee without amendment; Committee's report adopted.

SUPPLY BILL (No. 3).

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

The Hon. Sir LYELL McEWIN (Chief Secretary)—I move—

That this Bill be now read a second time.

The particulars concerning this Bill are similar to those of Supply Bills Nos. 1 and 2, which provided in the aggregate £14,000,000 for expenditure of the Public Service. This was sufficient until the first week in November, and will enable the services of the State to be carried on until the Estimates have been dealt with. That legislation is before the House of Assembly and should come to the Council shortly. It is necessary for a further provision to be made, and this Bill provides for an additional £5,000,000. The average expenditure each week is about £1,000,000 and therefore this Supply Bill will be sufficient to carry on the financial undertakings of the State until we deal with the Appropriation Bill. I commend the measure.

The Hon. C. R. CUDMORE (Central No. 2)—The introduction of a Supply Bill at this stage follows the practice adopted last year, when as we had not had the Estimates from the House of Assembly, it was necessary to have a third Supply Bill, which I notice was assented to last year on October 28. It was in the same form as this Bill and for the same amount. It is a matter of supplying the necessary funds for the carrying on of the public service, which is quite the normal procedure now. I therefore support the second reading, and I see no reason why the Bill should not be dealt with straight away.

The Hon. F. J. CONDON secured the adjournment of the debate.

ADJOURNMENT.

At 3.16 p.m. the Council adjourned until Wednesday, November 2, at 2 p.m.