

LEGISLATIVE COUNCIL.

Tuesday, September 19, 1961.

The PRESIDENT (Hon. Sir Walter Duncan) took the Chair at 2.15 p.m. and read prayers.

PUBLIC PURPOSES LOAN BILL.

His Excellency the Governor, by message, intimated his assent to the Bill.

SENATE VACANCY.

The PRESIDENT: I have received the following message from His Excellency the Governor:

The Governor informs the Legislative Council that His Excellency the Governor-General of the Commonwealth of Australia, in accordance with section 21 of the Constitution of the Commonwealth of Australia, has notified him that, in consequence of the death on the 11th day of September, 1961, of Senator Rex Whiting Pearson, a vacancy has happened in the representation of this State in the Senate of the Commonwealth. The Governor is advised that, by such vacancy having happened, the place of a Senator has become vacant before the expiration of his term within the meaning of section 15 of the said Constitution, and that such place must be filled by the Houses of Parliament, sitting and voting together, choosing a person to hold it in accordance with the provisions of the said section.

Later:

The PRESIDENT: I desire to inform honourable members that I have decided to issue notices to members of both Houses of Parliament to attend a joint sitting in the Legislative Council Chamber on Thursday, September 28, 1961, at 12 noon for the purpose of filling the vacancy.

NEW MEMBER FOR CENTRAL No. 1 DISTRICT.

The Hon. Alfred Francis Kneebone, to whom the Oath of Allegiance was administered by the President, took his seat in the Chamber as a member for Central No. 1 District in place of the late Hon. F. J. Condon.

QUESTIONS.

SCHOOL LEAVING AGE.

The Hon. K. E. J. BARDOLPH: I ask leave to make a statement prior to asking a question.

Leave granted.

The Hon. K. E. J. BARDOLPH: According to this morning's press, the Secretary of the Adelaide Chamber of Commerce (Mr. Thomas) has made a statement that this year 8,000 pupils will be leaving school and he indicates

that the unemployment position is such that these juveniles will find some difficulty in securing employment. In view of the unemployment position in South Australia, will the Government consider the question of raising the school leaving age?

The Hon. C. D. ROWE: I shall be pleased to place the request before my colleague and get a reply.

MILLICENT LOCAL COURT.

The Hon. L. H. DENSLEY: I ask leave to make a statement prior to asking a question.

Leave granted.

The Hon. L. H. DENSLEY: My question arises from a report in the *South-Eastern Times* regarding the probable removal of the local court from Millicent to Mount Gambier. Admittedly, there is a gross inadequacy in the court rooms at present, there being five police officers in only one room besides the court room, and they are expected to work in that one room. Consequently, they overflow into the court room and on days when the court is sitting obviously there is very great congestion, and in the event of the justices requiring to retire from the court the police have to vacate the room which is normally theirs. This points to a rather unsatisfactory state of affairs in that court. In a district that has grown to the tremendous size that Millicent has grown in recent years, and a court which is serving a vast area of increasing production as far as Kingston to Tantanoola, it would appear desirable and necessary that a new court house be built at Millicent rather than that the present court should be transferred to Mount Gambier. Will the Attorney-General consider the possibility of having a new court house built at Millicent rather than carry out the proposed transfer?

The Hon. C. D. ROWE: As the question involves several points, I should like the opportunity to get a detailed reply for the honourable member. At this stage I should like to make it quite clear that it is not proposed to transfer the court to Mount Gambier, but to keep the local court at Millicent. I am not quite certain of the plans regarding rebuilding, and it is on that aspect that I should like to get further information, which I will obtain and let the honourable member have as soon as possible.

COUNCIL RATING.

The Hon. K. E. J. BARDOLPH: I ask leave to make a statement prior to asking a question. Leave granted.

The Hon. K. E. J. BARDOLPH: It appears that there is great discontent in various municipalities regarding the system of council rating, and it culminated yesterday with an approach to the Henley and Grange Corporation by ratepayers asking for a reduction in rates by 33½ per cent. A comparison was made with the rates on land in the adjoining area of the Woodville Corporation which was valued at the same valuation of £1,174. In the Woodville area the rates amounted to £18 1s. 8d. and in the Henley and Grange area to £73 18s. Will the Minister of Local Government consider setting up a commission to investigate the existing system of rating whereby a proper measure of equity for ratepayers can be established?

The Hon. N. L. JUDE: The honourable member's request is a very important one and certainly involves Government policy. I ask him to place the question on notice.

MATRIMONIAL RECONCILIATION LAW.

The Hon. F. J. POTTER: Under the provisions of the Commonwealth Matrimonial Causes Act duty has been imposed on the court at all stages of the proceedings to seek out the possibility of reconciliation of the parties, and refer such parties to an approved marriage guidance organization under the Act to endeavour to bring this about. If one has any belief at all in this process, I think it could be conceded that it would be more likely to work effectively the earlier the couple was referred to an approved organization. My attention has been recently drawn to an amendment of the Victorian Maintenance Act, which has been very strongly supported by Mr. Justice Barry, to write into the Victorian Act a similar provision so that magistrates may also have this duty and exercise this prerogative. Will the Attorney-General consider having included in the South Australian Maintenance Act such an amendment, or consider bringing this matter before the committee which is at the moment examining the possible unification of maintenance laws and procedures throughout the Commonwealth?

The Hon. C. D. ROWE: I am prepared to do both these things—firstly, to consider an amendment to the Maintenance Act, and, secondly, to bring the matter before the conference of Attorneys-General to see if any action could be taken along the lines suggested.

LAND TAX REVENUE.

The Hon. L. H. DENSLEY (on notice):

1. What is the amount of revenue from land tax for the year 1960-61?

2. What is the estimated revenue from land tax for the year 1961-62 without an amendment of the Act?

3. What is the estimated reduction in the amount under the proposed amendments this year?

The Hon. Sir LYELL McEWIN: The replies are:

1. £1,400,000.
2. £2,400,000.
3. £400,000.

AUDITOR-GENERAL'S REPORT.

The PRESIDENT laid on the table the Auditor-General's Report for the financial year ended June 30, 1961.

WHYALLA TOWN COMMISSION ACT AMENDMENT BILL.

In Committee.

(Continued from September 5. Page 692.)

The PRESIDENT: When the Committee reported progress it was considering a proposed new clause to be introduced by the Minister of Local Government.

The Hon. N. L. JUDE (Minister of Local Government): I ask that I have leave to withdraw my proposed amendment.

Leave granted; amendment withdrawn.

Bill read a third time and passed.

APPRAISERS ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from September 5. Page 692.)

The Hon. K. E. J. BARDOLPH (Central No. 1): I support this measure which, as indicated by the Chief Secretary, is purely machinery legislation. The Appraisers Act was established in Great Britain about 1848, and it was passed in order to seek further revenue for Government purposes. The name "appraiser" is not used often in Australia, the words "valuer" and "valuator" being more common. Under the present Act a person can make application and, on payment of a fee and without special qualifications other than having a recommendation as to his integrity and standing in the community, can become a registered appraiser. On the other hand, a licensed auctioneer can have many registered clerks in his employ, and they can do work of the licensed auctioneer with regard to valuations and appraisings, and can sign the various authorities or valuations. In these cases no responsibility is accepted by the licensed auctioneer.

Under the proposed legislation, the clerks and the auctioneer will not be in that position regarding valuations made by the employees of the auctioneer, as the responsibility will be taken by the licensed auctioneer himself. This system will protect the community in that unauthorized persons and persons not having the required qualifications for a licence will now not be able to make valuations. As it is a drafting measure simplifying the relationship of both Acts—

The Hon. Sir Arthur Rymill: What do appraisers value?

The Hon. K. E. J. BARDOLPH: They come under the guise of a licensed valuator or valuer. The word "appraiser" is not used.

The Hon. Sir Arthur Rymill: There is no definition?

The Hon. K. E. J. BARDOLPH: There is no definition in the Bill, but they can do the things I have mentioned. The licensed auctioneer's clerks carry out all the functions of an auctioneer, such as conducting sales, making valuations and so on. I understand people working under the respective Acts have agreed that this is a correct amendment and will make for the smoother working of both Acts. In view of that, and as it is a machinery measure, the Opposition does not oppose the Bill.

The Hon. A. C. HOOKINGS secured the adjournment of the debate.

BULK HANDLING OF GRAIN ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from September 5. Page 693.)

The Hon. S. C. BEVAN (Central No. 1): This Bill is related to a similar measure that was passed in 1955, and assented to on July 7 of that year. Section 4 gave power to the Treasurer to guarantee the sum of £500,000 in favour of the Commonwealth Trading Bank. One of the purposes of that Act was to permit the establishment of silos and incidentals for the storage of grain pending shipment. Up to that time grain had been stacked in bags at sidings and outports awaiting removal and as one can imagine there resulted considerable damage and wastage from vermin because of the delay in the clearance of the grain. As the height of the stack was lowered one could see loose wheat, and finally when the stack was cleared much wheat was scattered over the floor. That was a waste of grain, but there was also a bag wastage, which resulted in heavy financial loss.

When the original legislation was passed setting up the company there was considerable controversy about the system of bulk handling. The general consensus of opinion was that eventually the Government would have to take over the company, but that has not resulted. The grid system has not been satisfactory for the rapid unloading of grain, and particularly during harvest time there has been a considerable waiting period for farmers. Frequently they have had to wait several hours before getting their wheat unloaded, prior to returning to their farms for further loads. This delay has not always been received kindly by them. However, alterations are being made by the company and, in future, receipts should be dealt with more rapidly. The proposed additional silos are necessary. The following article appeared in the *Advertiser* of August 29 under the heading "Sixteen silos planned for South Australia."

Sixteen wheat silos will be built in S.A. country centres and additions will be made to silos at three S.A. ports in time for the 1962-63 harvest. The general manager of the S.A. Co-operative Bulk Handling Ltd. (Mr. P. T. Sanders) yesterday announced a £1,750,000 expansion programme. He said that tenders for the building of the first five storage silos at Minnipa, Warrambo, Waddikee, Wirrulla and Cummins, had been awarded to a Melbourne company, Ascem Pty. Ltd. These silos would each have a capacity of 300,000 bushels. A £400,000, 1,000,000 bushel terminal silo for Port Pirie was included in the programme. The co-operative's capital expenditure after the completion of the programme would have reached more than £5,000,000.

The Commonwealth Trading Bank had recently loaned £1,000,000 toward the programme while the balance would come from growers' tolls. Another £1,000,000 loan from the bank was already being used for the building of silos in S.A. Other silos would be built at Caltowie, Jamestown, Taldra, Loxton (220,000 bushels each); Yongala, Orreroo (150,000); Waikerie, Keith, Wilmington and Melrose (100,000). The capacity of terminal silos would be increased by 600,000 bushels at Ardrossan (present capacity 1,000,000 bushels); by 750,000 bushels at Wallaroo (1,500,000); and by 750,000 bushels at Port Lincoln (1,250,000).

It is apparent that to effect this expansion programme the company must obtain additional finance. The Commonwealth Trading Bank is prepared to make £1,000,000 available, provided it has the necessary safeguard; hence the introduction of the Bill, which provides for a further guarantee of £500,000 by the State Government. I believe that it is expected that the company's assets will cover the amount of the guarantee and that enough money will be paid in tolls to eventually meet the cost of

the programme. These proposed additions to the bulk handling system must displace many of the present workers in the industry. It is proposed to have the improvements ready for the 1962-63 harvest. In South Australia we already have a large number of men unemployed and one wonders whether the displaced workers in the wheat industry can be absorbed in other fields of employment. I do not want to see happen at other outports what has happened at Wallaroo through the installation of terminals and other bulk handling facilities.

The Hon. E. H. Edmonds: Do you know the number of men displaced at Wallaroo?

The Hon. S. C. BEVAN: No, but Wallaroo is almost a ghost town. Because they could not get work on the wharves, and as there was no other suitable industry in the town, the displaced workers had to seek employment elsewhere. That could create a similar position elsewhere and it causes me much concern. However, I believe the legislation before the Council may be wholeheartedly supported by members, because it will enable the company to proceed with its plans and obtain a grant of £1,000,000 from the Commonwealth Bank. Provision is made in the Bill only for a guarantee of £500,000 by the Government and, although it may be necessary to call on the Government to meet the guarantee, I believe that course would be most improbable. I have pleasure in supporting the Bill.

The Hon. E. H. EDMONDS (Northern): I support the second reading of the Bill, but first I seek permission to digress a little to offer my congratulations and good wishes to the Hon. Mr. Kneebone who has just been sworn in as a member of the Legislative Council. I congratulate him on his election. As a back-bencher on the Government side of this Council may I say that members look forward with much interest to his association with Parliament because, although I have not been personally acquainted with him, I have heard excellent reports of the work he has done in the industrial field in this State. Those reports have emanated from people whose opinion I value. Therefore, we can look forward to getting much valuable information from him upon such matters and on other matters that are within the realm of his experience. I have pleasure in extending my good wishes to Mr. Kneebone.

I readily support this Bill, the object of which is to aid the Bulk Handling Co-operative Company of South Australia by a financial

arrangement enabling it to build additional silos for the bulk handling of grain. My approach to a matter like this, where there is a possibility of public funds being involved is to treat the proposal in much the same manner as I would regard propositions between private individuals, in which we consider the merits or otherwise of the proposition on the following basis—is it a sound economic proposition, are the risks involved reasonably safe, what are the prospects of stability for the future and, of equal importance, what is the record of the company to date?

Since the introduction of this Bill members have been privileged to receive copies of the report and balance-sheet of this company for the year 1960-61, and the information contained therein will provide satisfactory answers to the queries I have raised. In addition I would say, from personal observation and as a result of inquiries from growers and other interests concerned, that the answers can confidently be given in the affirmative. A membership of about 90 per cent of South Australian wheatgrowers is an indication of solid support for bulk handling and it seems that the facilities will be used by others who are not members of the company. Indeed, the company's report shows that some business along this line has already been done in barley and I venture the opinion that the time will come when most of this country's cereal production, especially for shipment overseas, will be handled in bulk. That opinion is founded on the advance made by the bulk handling authority in this State in the comparatively short time in which it has operated, and the long years of similar methods of handling in other wheat-growing States of the Commonwealth.

A further feature in this regard is the trading that has developed with buying countries and interests not previously doing much, if any, business with us in this branch of commerce, where the demand is for grain in bulk, a customer requirement which, of course, must be met. Further, the uncertain position that has arisen as a result of discussions and forecasts of what may happen regarding common markets and other things may well mean that those sources of trade will be of vital interest, not simply to the growers concerned, but because they could have a definite impact on the national economy.

Another aspect favouring the proposed expansion of the company's building programme is the readiness of many growers to

by-pass the handy, bagged grain receiving centres near the farm and to deliver in bulk to a silo farther on, in many cases travelling long distances to do so. Whilst I am not in a position to express an opinion on the economic aspects of that practice, the longer distance of transport would no doubt be off-set to some extent by a saving in cost of cornsacks. A difficulty is that congestion occurs at terminals and it is not uncommon to see truckloads of bulk grain lined up awaiting turn to deliver into a silo. This causes a loss of valuable time that should be avoided, especially when weather conditions are favourable for the harvest.

Portion of the finance that will be available to the company as a result of this Bill is to be used for the construction of a further five silos on Eyre Peninsula, a contract for which I understand has been let to an interstate firm of engineers. The Hon. Mr. Bevan spoke of this. In the course of a recent speech on the Public Purposes Loan Bill the Hon. Mr. Shard objected to some aspects of this contract, mainly because the contracting firm may bring its work force from other States to carry out construction to the detriment of unemployed workmen here.

Although it will be agreed that every opportunity must be taken to place our own unemployed people in any jobs available, a policy to which the bulk handling company subscribes, we must be realistic and appreciate that most construction work of this nature requires skilled artisans, including electrical engineers, and I am reliably informed that the installation of much of this equipment will be carried out by South Australian firms. This will also be the case with some other work incidental to the undertaking.

Further, it may be reasonably assumed that people tendering for construction work of this nature will have built up an experienced work force for this class of job and this is a circumstance that may well be a consideration in fixing the price submitted for doing the work. Having regard to the limited storage capacity available I consider that the company is to be commended for the part it played in the handling of an all-time record harvest in the past season. That result was achieved by competent management, splendid co-operation with and by the Railways Department, and a succession of fortunate early sales and shipments during the delivery season. In many instances deliveries were practically a continuous movement, the wheat going from the harvester in the field

into the farm truck, then into the silo, then into the railway trucks and finally into the ships' holds. This is a set-up providing a rapid movement which is highly valuable as a time and labour-saving factor.

However, these matters I have mentioned are not ones that we can afford to gamble on. It is necessary and desirable in the long range operation of the scheme that storage capacity be increased in order to meet conditions when longer periods for holding grain in store may be necessary. It has been demonstrated that grain stored in bulk is not susceptible to weevil infestation to such an extent as when it is stacked in bags; and in the remote chance of such infestation happening treatment is much more readily and effectively carried out in a silo than with wheat stacked in bags. These are matters which must be kept in mind for there may well be seasons when shipments during delivery periods may not be as favourable as was the case last harvest.

Over the years there has been an agitation for departure from the long-established practice of selling wheat on the f.a.q. standard and to adopt the system of selling by grade, much in the manner pertaining to the selling of barley. It has always been recognized that the f.a.q. standard does not offer any inducement to the grower who endeavours to produce a sample of high quality and free from foreign matter, nor to produce and market a crop worthy of commanding a premium price. It has been claimed that a bulk handling system would lend itself to such grading. Whilst it is realized that some extended organization would be necessary in implementing such a change, the grade system in operation in the barley trade appears to be satisfactory, and something similar for wheat may be feasible at some future time when the silo system is completed.

A proposed grading system for wheat is not, of course, a matter immediately affecting this Bill, but is something that may well occupy our minds in the years ahead. Those members whose duties require frequent visits to country areas at all seasons of the year have opportunities for noting the co-operative bulk-handling silos in operation in this State, and also, on occasion, for gaining some knowledge of similar organizations in other States. So far as my observations go, I should say that the local company is working smoothly and efficiently; there has been satisfactory co-ordination between the railways and other transport facilities.

There have been a few of the usual minor teething troubles inseparable from any organization in early stages of development, but such have been overcome, and when the extension of the building programme envisaged in the Bill is attained I feel sure that the bulk handling system will be fully justified and prove an important factor in the economy of the wheat and other grain growers of the State.

Honourable members have had the opportunity to peruse the report and balance-sheet of the company and I do not consider it necessary to repeat figures given by the Minister and other speakers. They speak for themselves. They are valuable to honourable members and their significance can be readily appreciated. One could expand on the subject matter to a greater extent than I have done. However, I have endeavoured to get down to the core, as it were, and to deal briefly with the matters that have to be considered in examining this legislation. To sum up, I should say that the company concerned is entirely worthy of this further assistance. It is providing an efficient service to an important branch of primary production; it enjoys the confidence and co-operation of wheatgrowers; by its operation it is contributing to a much-needed reduction in the cost of production; and the bulk handling facilities are an important factor in the search for and extension of additional markets overseas. I have much pleasure in supporting the Bill.

The Hon. W. W. ROBINSON (Northern): I support the Bill, which provides for a guarantee by the South Australian Government of £500,000 of a loan of £1,000,000 by the Commonwealth Bank to the Co-operative Bulk Handling Company Limited for the erection of additional bulk handling facilities. I should like to touch briefly on two points raised by the Hon. Mr. Bevan. One related to the displacement of labour by the introduction of the bulk handling of grain. I cannot see any grave danger of this, because in the construction of the terminals and the supply of bulk handling equipment considerable numbers of men will be required for many years and this will take up the displacement of labour in other respects. Mr. Bevan also stated that the bag system was a chaotic method of handling wheat and that there were losses through the depredations of mice and weather conditions. The licensed receivers who received the bagged wheat were responsible for any losses, which they had to make good. That applied both to wheat and barley, but if

there were any increase in the weight, which almost invariably took place when wheat and barley were received in the summer and taken out in the winter, the grower got the benefit of that increase. A case happened two years ago when wheat and barley were put in the stacks in the summer and there was a considerable loss on the barley, to the extent of some £12,000, and the licensed receivers had to make good that amount, although it was no fault of theirs, but was the result of delivering during the summer months.

I admit that the present system is a more economical method of handling grain, and as one interested in the growing of wheat I welcome its introduction. As was pointed out in the *Advertiser* of August 29, a programme has been drawn up for some 16 more silos throughout the State, five to be on Eyre Peninsula, the others to be scattered throughout the north and some in the southern districts. The advent of these silos will go a considerable way towards providing bulk handling facilities for the greater proportion of our grain. I was pleased to notice that amongst the proposed additions was a silo at Port Pirie. That division has been labouring under grave disabilities for a number of years since the introduction of the system, and it has cost the growers a differential of some £75,000 a year if their wheat was taken to Wallaroo. When it was railed or carted to that place it created a problem, as at times there was a queue of trucks almost a mile long waiting to be unloaded. Sometimes those who arrived in the afternoon had to wait until the following morning before the load was received. The establishment of the silo at Port Pirie for the 1962 crop will obviate a great deal of waiting and will assist in a freer flow of the commodity.

It is remarkable that in the year 1961 we are making provision for the installation of bulk handling facilities. This system was installed in America in 1860 and in Canada in 1871, so that America has had the benefits and advantages of this type of system for over 100 years.

The Hon. S. C. Bevan: It has been in operation in Tasmania for the last 14 or 15 years.

The Hon. W. W. ROBINSON: In 1917 a Bill was introduced in this Chamber for a bulk handling scheme when plans were drawn up and tendered by Metcalfe & Co., a Canadian firm of engineers. At that time the estimated cost of the proposal was £1,025,735, and this included an amount of £67,000 for

the alteration of our railways and rolling stock to carry the grain to ports. Today, with these additional proposals, the scheme is costing just over £5,000,000. I regret that the scheme was rejected at that time, because we could have enjoyed the advantages of the mechanical handling of our grain, which would have done away with the laborious lumping of wheat on men's backs. To me, this was an unnatural method of handling the grain, being injurious to the lumper and an out-of-date and poor method of handling.

I congratulate Co-operative Bulk Handling Limited on its adoption of the vertical as against the unsatisfactory horizontal method for inland silos. When I examined the Western Australian system, it appeared to me that it was only semi-bulk handling and not a true mechanical handling of the grain, because it required a considerable amount of hand labour and was not altogether a satisfactory method. With the vertical cement silos grain is kept in good condition and is an attractive marketable product. It was fortunate that we had the necessary facilities to load the volume of wheat in bulk which we recently sold to China, because it was essential, with the large number of vessels engaged, to have the wheat loaded and despatched in the quickest possible time. Under the old method with 10 bags in a sling it would have been practically impossible to load the grain in the given time. When the Public Works Committee was at Port Lincoln recently, there was a vessel being loaded with barley under the old system of 10 bags in the sling and another vessel

being loaded by the bulk handling terminal belt. The systems appeared as wide apart as the poles. The system of loading by bags seemed to work as slowly as possible and spread the work over as long a period as possible.

It is reasonable to assume that the Government's guarantee will be a safe proposition. According to its balance-sheet, the company collected £712,720 last year and since the inauguration of the scheme it has collected £1,948,861. As the company at present is handling only about half of the State's wheat, and these added facilities will enable it to receive about three-quarters of it, it is reasonable to assume that the income from tolls of 6d. a bushel will amount to about £750,000 a year.

The Hon. Sir Arthur Rymill: It will be a big harvest?

The Hon. W. W. ROBINSON: No, last year it collected £712,720 by handling 23,000,000 bushels out of a total crop of 43,000,000 bushels. On a yield similar to last year the collection would be about £1,000,000. I am sure that growers will appreciate the additional facilities, and the assets of the company make it safe for the Government to give the required guarantee. I have pleasure in supporting the Bill.

The Hon. R. R. WILSON secured the adjournment of the debate.

ADJOURNMENT.

At 3.27 p.m. the Council adjourned until Wednesday, September 20, at 2.15 p.m.