LEGISLATIVE COUNCIL.

Wednesday, October 24, 1962.

The PRESIDENT (Hon. L. H. Densley) took the Chair at 2.15 p.m. and read prayers.

QUESTIONS.

SALES TAX ON SCHOOL BOOKS.

The Hon. K. E. J. BARDOLPH: Has the Attorney-General, representing the Minister of Education, a reply to the question I asked on July 18 last regarding sales tax on school books and school equipment?

The Hon. C. D. ROWE: When the honourable member asked his question I informed him that I would take the matter up with the Commonwealth Government to ascertain its views on it. That has been done and a reply has now been received, written on behalf of the Prime Minister, as follows:

I refer to your letter of August 28, 1962, concerning the incidence of sales tax on school requisites such as exercise books, water colours, pencils, drawing sets, erasers and similar equipment. First, I should mention that item 63A in the First Schedule to the Sales Tax (Exemptions and Classifications) Act authorizes exemption of—"Goods for use (whether as goods or in some other form), and not for sale, by a university or school conducted by an organization not carried on for the profit of an individual."

As provided in the above sales tax exemption item, education establishments may purchase goods for use by their teaching staffs exempt from sales tax. This exemption relates only to goods which are purchased from the funds of these establishments and which will not be resold. There are other provisions in the sales tax law which permit organizations such as public hospitals, public benevolent institutions, Government departments, etc., to purchase goods exempt from sales tax to enable them to carry out their functions and whilst, no doubt, some of the goods so purchased are of a kind that is subject to sales tax, the exemption provision does not extend to purchases of these goods by employees of such exempt organizations or by persons who are receiving benefit from these organizations. However, the Commonwealth has, on a number of occasions in the past, given consideration to exemption of the various classes of taxable goods which are used by students in schools, but have not felt able to grant such relief. The distinction to which you refer between textbooks and stationery in the form of exercise books stems from the fact that such stationery has general use as opposed to the limited use of textbooks.

You will, I am sure, appreciate that the use of these taxable goods is not confined to students. Many items are in use by the general public. School bags and cases, for example, vary greatly in style in different States and many students use bags or cases of a kind used generally for other purposes. Stationery, too, of the kind used as exercise books, etc., in schools, varies substantially in size and style. Although certain sizes and styles might be used principally by students as exercise books, others are used to a minor extent only but are widely used by other sections of the community. Similarly, ink, pencils and other writing or drawing materials are in general use.

I might add that consideration has been given to suggestions that exemptions of such goods be made conditional, in the case of each purchase, on the goods being for use in a school. You will, I am sure, realize that a conditional exemption of this kind would be difficult to administer satisfactorily. Moreover, the majority of purchases by students or their parents are evidently made out of the tax-paid stocks of retailers, who would then be obliged to claim refunds of the sales tax paid by them when purchasing the goods. There would probably be few traders who would willingly accept these obligations. Nevertheless, as is our usual practice, we have recorded your views and they will be fully considered by my Government when the sales tax laws are next under review.

MATRICULATION STANDARDS.

The Hon. G. O'H. GILES: I ask leave to make a brief statement prior to asking a question.

Leave granted.

The Hon. G. O'H. GILES: On October 22 an article appeared in the *News* dealing with the suggested new matriculation standards in the fifth secondary school year. Can the Attorney-General obtain information for this Council as to whether this fifth year matriculation standard will come into effect in 1963 if it is passed by the senate of the university which, I gather, is to meet shortly to decide this matter? Secondly, will he ascertain whether such facilities for the fifth year course will be available in country areas such as Mount Gambier? Thirdly—

The Hon. Sir Lyell McEwin: There has been a question already on this subject.

The Hon. G. O'H. GILES: I should have mentioned at the outset that my question follows on one asked by the Hon. Mr. Hookings as regards the first two points, but not the third, which deals with agriculture. I believe that agricultural science is not to be taught at matriculation level and I would like to know whether it will be retained at Leaving and Intermediate levels to enable country students to go on to agriculture colleges.

The Hon. C. D. ROWE: I understand that a previous question covered certain aspects of the subject and I will be pleased to confer with my colleague to get the additional information required by the honourable member.

HAIR SPRAYS.

The Hon. A. F. KNEEBONE: I asked a question last week regarding the effects of the inhalation of hair sprays on the public and the employees of hairdressing salons. Has the Minister of Labour and Industry a reply?

The Hon. C. D. ROWE: I referred this question to my Secretary who, in turn, referred it to the Director-General of Public Health, and he advises as follows:

Inhalation of hair sprays, particularly those containing synthetic resins, has been under suspicion for several years as a possible cause of shortness of breath, cough, fatigue, and vague chest pains. These symptoms may arise from a number of causes, and may possibly result from the inhalation of a wide variety of substances. In the United States of America, 15 cases have been reported in the past four years of lung disease arising from the inhalation of materials of this sort. In view of the very large numbers of people in the United States and elsewhere who inhale hair sprays frequently, it seems likely that if serious harm were resulting it would have been reported more frequently.

Evidence and opinions are being gathered in many places. Whether long term inhalation of these sprays is harmful and how often harm may result are not yet known. But the position is being watched, and the subject will be discussed at the forthcoming meeting of the National Health and Medical Research Council. At present there does not appear to be enough evidence to recommend any measures beyond suitable ventilation in places where hair sprays are being used.

CHAIR OF MARKETING.

The Hon. K. E. J. BARDOLPH: Has the Chief Secretary a reply to a question I asked last week with reference to a proposal to establish a chair of advertising and marketing at the university?

The Hon. Sir LYELL McEWIN: I am sorry that I have no information yet on the subject.

ABATTOIRS LICENCES.

The Hon. K. E. J. BARDOLPH: In connection with the Metropolitan and Export Abattoirs Act Amendment Bill which was recently passed by this Parliament, I notice in this afternoon's press that several applications have been made for licences to establish an abattoirs. Can the Minister representing the Minister of Agriculture say whether any of those applications referred to the metropolitan area?

The Hon. Sir LYELL McEWIN: I have no details of the applications, but shall obtain that information from the Minister. Whatever applications have been received will be referred to the committee for a report before anything is done.

PUBLIC WORKS COMMITTEE REPORT.

The PRESIDENT laid on the table the final report by the Parliamentary Standing Committee on Public Works, together with minutes of evidence, on Bridge to Replace Jervois Bridge, Port Adelaide.

BIRTHS AND DEATHS REGISTRATION ACT AMENDMENT BILL.

The Hon. Sir LYELL McEWIN (Chief Secretary) obtained leave and introduced a Bill for an Act to amend the Births and Deaths Registration Act, 1936-1960. Read a first time.

The Hon. Sir LYELL McEWIN: I move:

That this Bill be now read a second time.

It makes amendments to Part VI of the Births and Deaths Registration Act necessitated by the passage of the Commonwealth Marriage Act of 1961. That Act is not yet in force and accordingly clause 2 provides that the amendments will come into operation on a date to be proclaimed. It is expected that the Commonwealth Act will be proclaimed to commence early next year. The relevant portion of the Commonwealth Marriage Act for present purposes is that part which concerns legitimation. As honourable members know, on the coming into force of the Commonwealth Act, any State laws on the subject of legitimation will, in so far as they are inconsistent with the Commonwealth provisions, become inoperative. The principal difference in regard to legitimation in the future will be that an illegitimate child will be legitimated by the marriage of its parents whether or not there was a legal impediment to their marriage at the time of birth of the child. I may add, incidentally, that the validity of the Commonwealth provisions regarding legitimation was recently upheld by the High Court of Australia.

While the Commonwealth by its Marriage Act has made provision concerning legitimation, it makes no provision regarding the registration of legitimated children which matter is left to State law, nor does the Commonwealth law (as it could not) make any provision concerning the rights of legitimated persons, this being a matter which remains within the ordinary law of the State. The purpose of the Bill is therefore twofold. In the first place, by clauses 6, 7 and 8 it makes the necessary amendments to the principal Act to enable the Registrar of Births to register legitimations of persons legitimated in accordance with Commonwealth law. The amendments are of a technical character and have been approved by the Registrar, who will have to carry out the necessary functions, and I do not go into the details. I should,

however, refer to the last provision of the Bill which increases the fee for endorsing legitimation on a registration of birth and re-registration of birth, after a period of three months from 5s. to 10s. The current fee has been in force since 1936 and it is considered desirable to encourage parents to apply as soon as possible after marriage.

The other amendments are made by clauses 4 and 5. Part VI of the principal Act provides, among other things, for certain property rights for legitimated persons. Such persons are, however, defined by section 37 as persons legitimated by our own Act and similar references occur in section 39. The amendments will extend the definition to cover persons legitimated under Commonwealth law and will thus give effect, so far as property rights are concerned, to legitimations effected under the Commonwealth Act. I commend the Bill for the consideration of honourable members.

The Hon. A. F. KNEEBONE secured the adjournment of the debate.

FISHERIES 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 a number of unconnected amendments to the principal Act, some of which are of an administrative character. The first set of related amendments is made by clauses 3, 4, and 8 (*d*) and the last part of clause 10. They relate to the control and eradication of noxious fish, which are defined as European carp in its various forms and any other species of fish which may be declared to be noxious fish by proclamation, and clause 4 empowers the Governor to make any necessary proclamation in this behalf. Clause 8 (*d*) will make it an offence to keep or hatch or consign or release any noxious fish or the eggs thereof, while clause 10 will empower the making of regulations for the control and eradication of noxious fish. This matter has been the subject of interstate conferences and in the general interest it has been agreed that the eradication of such fish should be attempted in all of the States. Victoria recently found it necessary to introduce a special Act on the subject. The problem of European carp and other noxious fish is not as great in this State as in the Eastern States, but it is clearly desirable that measures on the subject should be enacted in this State.

Clauses 5, 6 and 7 make certain desirable administrative changes. They provided that licences which can now be half-yearly or yearly shall in future be yearly and expire on November 30 in each year (clause 5 (*a*)). A further amendment is that in future licences can be renewed within 60 days before expiration instead of 14 days (clause 5 (*b*)). Clause 6 makes consequential amendments regarding employees' licences.

Clause 7 will provide for the annual registration of fishing boats. The present position is that registration continues until the person concerned ceases to take fish in the boat or to use it for taking fish or ceases to manage or take part in the management of the boat when it is used in the taking of fish. This is a position described by the Director of Fisheries and Games as unsatisfactory. Under the new provisions all registrations will expire in any event at the end of November in each year, but, of course, can be re-registered. It is further provided that when a person ceases to take fish or to use a boat for the purpose, he shall notify the Chief Inspector within one month. With regard to annual registration of boats, I should point out that no fee is involved and I am informed that fishermen will welcome the new provisions. Unless some control is applied it does happen that boats are transferred from one fisherman to another, but the registration number remains with the boat. One boat was found wrecked on the beach and the person whose name appeared on the list was communicated with but he had no knowledge of the boat because he was the previous owner. This caused some anxiety to the family. This provision will assist when boats are lost.

Clause 8 amends section 53 which deals with penalties. Paragraph (*a*) will make it an offence to take fish for sale without lawful authority or in contravention of the conditions contained in a licence. Paragraph (*b*) will make it an offence, not only to sell crayfish of less than the prescribed size, but also knowingly to have possession or control of such crayfish. Paragraph (*c*) will provide that it will not be an offence to use explosives if the Minister has given his written consent. It is intended to make seismic explorations in certain areas of the sea off our coast. It is not permissible for the Minister to authorize these explorations under the Act. The Act was last amended years ago and the provisions relating to explosives are now obsolete as they refer to torpedoes, dynamite and such explosives. It is

now provided that the Minister shall give his written consent for seismic surveys. I need hardly add that the maximum care will be taken to ensure that our fish stocks will be safeguarded. The surveys will be under the control of the Director of Fisheries who will plan and supervise the surveys. I have already dealt with paragraph (*d*) which concerns the keeping of noxious fish.

Clause 9 will make amendments to the general penalties. At present these are fixed at up to £20 for a first offence and up to £50 for any subsequent offences. Under the amendments, while the maximum penalties will remain, there will be a minimum of £5 for a first offence and £20 for a second or subsequent offence. Additionally, in the case of offences relating to the unlawful taking of fish or oysters and the unlawful possession or sale of them, there will be a further penalty of 10s. for every crayfish or other prescribed species of fish taken in the course of committing an offence.

I have already dealt with the second portion of clause 9. The first part will empower the making of regulations concerning the rights or priority as between fishermen in the use of nets and other gear and for the preservation of good order. This is a necessary power and I am informed that regulations can be framed to cover a case where conflicting fishermen or groups of fishermen congregate in one area with resultant quarrels sometimes leading to grave disorder.

The Hon. S. C. BEVAN secured the adjournment of the debate.

THE ELECTRICITY TRUST OF SOUTH AUSTRALIA (TORRENS ISLAND POWER STATION) BILL.

Adjourned debate on second reading.

(Continued from October 23. Page 1584.)

The Hon. C. R. STORY (Midland): I support the Bill, the purpose of which was explained in detail by the Chief Secretary. The Hon. Mr. Shard said it was essential for the Electricity Trust's position in regard to the land to be made clear, and to ensure that buildings erected by the trust in future will be on land owned by it and not on land owned by other people. The Bill refers to the exchange of land for that purpose. I understand that the stock quarantine station on Torrens Island has not been used for some years and is regarded as unnecessary now. I read with interest the information dealing with the site priorities for the power station. The trust must have investigated the matter thoroughly, and we need not worry about the site because the trust will build the station where it will serve the purpose best. I am sorry that the station is to be erected on Torrens Island because it would have been a good move to build it at one of our outports, such as Wallaroo. However, I realize that the Wallaroo district, like the River Murray district, could not use all the power generated by the station. We have been told that transmission lines cost about £50,000 a mile, and as there would be about 100 miles of lines from the Wallaroo district or the River Murray area to Adelaide the cost of the project would be considerably increased. The consumption of power in either of those areas in the foreseeable future will be fairly small, and the building of a power station in a certain place does not necessarily mean that large industries will be immediately attracted to that area. The load will certainly be used in the metropolitan area.

I believe that in New South Wales where electricity undertakings are being sited close to the coalfields power will be sold more cheaply than it can be sold in South Australia, because of the volume of power they are able to sell. The Electricity Trust of South Australia has a proud record, and it has been able to sell power to the public more cheaply than any other mainland State of Australia. The trust has done a magnificent job in keeping costs down, because we have not had a rise in power tariffs since about 1952, and that is phenomenal. We have no reason to be critical of the trust's activity in this regard, but I am sorry that we have to perpetuate the practice of having most of our industries in one area.

Everybody realizes that the Government, through the Industries Development Special Committee, has done everything possible to find a solution to the problem of centralization and to achieve decentralization. Electricity in the manner in which it will be generated at Torrens Island will be infinitely cheaper than would be a supply from atomic power at present or in the near future. The cost of establishing an atomic power station capable of producing 2,000,000 kilowatts would be about £500,000,000. The difficulty with an atomic power station is that the station has to be built as a complete unit; it cannot be added to. If a 2,000,000 kilowatt capacity is eventually required, it is necessary to provide for that capacity in the first instance.

The trust proposes to commence operations at Torrens Island with a 120,000-kilowatt

turbo-alternator and boiler and as the need becomes apparent further units will be added, and they will probably be larger than the original unit. The first unit should be in operation by 1967, and by 1968 the capacity will probably have to be increased until, by 1970, the capacity required will be 360,000 kilowatts. This is a big project and I do not think any of us can visualize how greatly industry and general development will expand within the State in that time. The northern areas will be quite well served from the existing power stations, and the metropolitan and southern districts will be served from Osborne with some in-feed from Port Augusta. When the new power station becomes a reality we shall have the Port Stanvac oil refinery and other large enterprises obtaining their power from that source.

This Bill emphasizes the necessity for us to find oil in South Australia. If we have to import coal from the Eastern States that will be an expensive item and, obviously, we do not have much in South Australia in the way of natural fuels. Should the State be fortunate enough to make an oil strike, that would assist industry in every way. I believe the Electricity Trust is prudent in making provision for the use of oil as an alternative fuel in this proposed new power station, because that should help to solve some of the difficulties that we might experience in the event of a national crisis such as a war. I do not wish to delay the debate, and I am pleased to be able to support this measure.

Another feature is that 80,000,000 gallons of water will be necessary each hour to cool the first unit. When we consider that the latest rains resulted in an intake of 440,000,000 gallons of water into our reservoirs in a little over a week, we can realize the terrific amount of water required for this undertaking. The effect of the water passing through the power station will be to raise the water temperature by 14 degrees and it is therefore essential that the intake water and the outlet water should be kept completely separate. Cool water must go through the machines. The Bill enables the trust to construct barrages, bridges and all other necessary works, and I support the second reading.

The Hon. M. B. DAWKINS (Midland): I support the Bill, and I commend those responsible for their vision that will enable the building of this power station. Statements have been made that we should overlook the economics of the project and erect the power station in the country, but I believe that the Electricity Trust has gone to much trouble (as the Hon. Mr. Story mentioned) to investigate this matter, and it has arrived at the conclusion that Torrens Island is in many ways by far the best place on which to site the power station. I am sure we cannot afford to overlook the economic situation if we are to remain solvent and keep costs down. We must not increase costs in the community generally.

If we are to accept the contention of Opposition members as practicable and place this large project in the country for the sake of putting it in the country, and for the sake of decentralization regardless of the cost of the project and the cost of the power lines, we shall increase our costs enormously. It would result in greatly increased taxation and would create an inflationary spiral. We would in time price ourselves out of the world markets and, in fact, we have been in danger of doing that. Allowing costs to spiral is quite contrary to the policy of this Government. It has been said that the Electricity Trust should become a Government department directed by a Minister and controlled by Parliament, but I cannot see any merit whatsoever in that suggestion. The trust's record is excellent. The development of electrical power has been quite remarkable and, as has been said, the fact that the cost of power has been kept down for about nine years in a situation where costs in every other direction have been continually rising is a very fine achievement. I think it would be a most retrograde step to bring the trust under direct political control.

Objections have been raised because a starting time for this project has not been stated in the Bill. However, that is a small matter; undoubtedly it is the intention of the trust to proceed with this undertaking as soon as practicable, so there is no need to raise objections of that kind. The Government's record in development is sufficient guarantee of the intention to proceed with the work as soon as possible.

The question of decentralization as affected by this project has also been raised, but I would remind members—and they should not need reminding—that already we have placed two power stations in country areas. It is of little use to continue development unless we have enough power and enough water. The Chowilla project is essential and I believe that the establishment of this power station at Torrens Island is equally necessary; the two things are correlated.

I have always believed that this Government is a far-sighted one, and the sort of planning which provides for such projects as this power station and the Chowilla dam bears this out to the full. The development throughout the State over the past years is a monument to our Premier and his Cabinet, and I heartily support the Bill.

The Hon. G. J. GILFILLAN (Northern): I support the Bill, which vests in the Electricity Trust a portion of Torrens Island. It does not involve Parliament in a debate on the expenditure of money. Nevertheless, it is an important measure because of the effect the site of the proposed power station will have on the State's economy. I was interested to hear the Chief Secretary refer to the results of the investigations by the trust into the various sites. During the last 16 years the trust has shown that it is capable of efficiently managing the undertaking, which has been of much benefit to the State. It has assisted greatly in the State's development by providing cheap power, and its operations have stimulated employment.

In the generation of electricity it is essential to watch closely the possibility of increased costs. It has been suggested that the power station should be constructed in the country and most people would agree that it would be beneficial if an undertaking of this size could be built in country areas. However, we must take into account the economy of the State and an undertaking of this nature could have far-reaching effects. Although the establishment of a power station in a country town would help that town it could also have an adverse effect on other country areas because increased electricity tariffs would retard the development and expansion of electricity services in outlying areas. This particularly applies in areas where the single wire earth return system has recently made the supply of electricity an economic proposition.

Anything adversely affecting the finances of the trust would be detrimental to the future extension of electricity supplies in country areas and anything contributing to increased costs of generating electricity would add to the difficulties of attracting industries to country areas. Although the establishment of the power station on Torrens Island may keep that amount of capital out of one country town, the benefit to the State as a whole makes Torrens Island a logical site. Some of the figures given in the Chief Secretary's second reading explanation make interesting reading. The sum of £9,400,000 was given as the saving to be gained by establishing a power station at Torrens Island rather than on the site investigated at Wallaroo. In addition, £1,000,000 would be saved annually in operating costs. When £1,000,000 a year is added to one item such as electricity, which is part of our industrial and living costs, it represents a considerable sum, particularly when we remember that £600,000 was recently made available as a subsidy to bring country electricity tariffs to within 10 per cent of city tariffs. The £600,000 was to be spread over several years, and that illustrates the impact that £1,000,000 a year extra operating costs could have on electricity undertakings in South Australia. I do not wish to delay the passage of the Bill further; I commend the trust for its initiative and add my support to the establishment of the power station at the selected site.

The Hon. A. C. HOOKINGS (Southern): I support this Bill which has been debated by many honourable members in this Chamber, all of whom have spoken favourably on the measures the Government is taking regarding the establishment by the Electricity Trust of a power station on Torrens Island. I congratulate the Government on its foresight in providing for the future needs of South Australia in the matter of electricity supplies. I remember when we were recently discussing in this Chamber the extension of high tension lines to the South-East, and I thought that was the ultimate from the South East's point of view. That system was to be connected with the big grid system in South Australia and with the power station at Port Augusta, and future needs for some time were to be satisfied.

What do we find now? The Government is looking ahead to at least 1967 and has realized that electrical energy will be needed in much greater quantities, and to cope with this requirement another power station of the size envisaged for Torrens Island will be necessary for South Australia. It is interesting to note from the Chief Secretary's second reading explanation that five years will be required to install and commission the first machine in the new power station. That is a considerable time, but we find that tenders have already been called for a turbo-alternator of 120,000-kilowatt capacity and that is an extremely big alternator. I know that a few years ago many honourable members, and I was one of them, looked forward to perhaps one day seeing nuclear power being introduced

into South Australia before any other State for the production of electrical energy. Unfortunately, the promising news we heard about nuclear fission suddenly came to a halt for reasons beyond my comprehension, and power stations throughout the world are not, in the main, being constructed to be driven by nuclear energy. We have had to adhere to the old system of electrical plant operated by oil, coal and steam, because of lack of hydro-electric power.

The power station to be erected on Torrens Island will be of modern design and high capacity to meet our needs for many years to come. An examination of the Electricity Trust's investigations before selecting this site is quite interesting. In all, seven sites were thoroughly investigated, one on the coast just south of Adelaide, another on the River Murray, one at Port Pirie, another at Wallaroo, two sites near Port Adelaide (one at Osborne and another nearby), and the seventh site on Torrens Island. When everything was considered the site at Torrens Island was finally selected, and I am sure that that site is the one that will prove of greatest economic benefit to this State. Other speakers have given reasons why it would be of economic benefit to us if the power station were established there. The length of transmission lines from the source of generation to the main place of consumption is an important factor and this afternoon the Hon. Mr. Story gave a figure of £50,000 a mile for the cost of transmission lines. I was doubtful of the accuracy of that figure, but on checking I find that he is correct. The cost of constructing a transmission line capable of transmitting 275,000 volts is about £50,000 a mile. That fact alone shows how necessary it is to have the power station as close as possible to the place where the electricity will be needed most.

As a matter of interest, the high tension line to Mount Gambier, which is rapidly nearing completion, will carry a load of 132,000 volts and will cost approximately £1,600,000. As the distance is about 300 miles this works out at a cost of about £5,000 a mile. We see therefore, from the figures quoted by the Hon. Mr. Story, that as the voltage loading increases, the capital cost goes up tremendously; a line with a loading of 132,000 volts costs £5,000 a mile, whereas a line carrying 275,000 volts costs about £50,000 a mile. That must indicate the wisdom of establishing this power station at Torrens Island, close to the city where most of the power is needed. In the figure of £1,600,000 for the Mount Gambier line there is provision for four breaking-down stations, the first near Tailem Bend, the second at Keith, the third at Snuggery near the paper manufacturing factories, and the fourth at Mount Gambier itself, and these stations themselves involve a very high capital cost.

May I point out some of the very great advantages which the Torrens Island site possesses. On checking with the electrical engineers I find that probably the most important aspect is the availability of large volumes of cold water for cooling purposes. In modern generating plants vast quantities of water are needed, and as the figures have already been given I will not go into them again. After these quantities of cold water are inducted into the plant the heated water must be discharged, and it is very important that the cold water should be led in from one side and the hot water discharged on the other, so that there is no danger of the hot water outlet affecting the cold water inlet. I suppose there are few places which lend themselves better to the economic working of a cooling system than Torrens Island.

The Hon. A. J. Shard: Wallaroo would be equally good on those grounds.

The Hon. A. C. HOOKINGS: I do not think Wallaroo is quite as good as the water would be drawn in and discharged on the same side, whereas at Torrens Island the cold water can be brought in from one side and discharged on the other, thereby obviating any risk of the hot water mixing with the cold.

It is of interest to note that at this very moment, while we are discussing electricity power stations, an international conference is taking place in Melbourne on the generation of electrical power. I understand that this conference takes place somewhere in the world every two or three years; the last time it was held in France. Delegates from all over the world, including Russia, attend, and it is worthy of note that there are officers from South Australia at this conference keeping themselves informed on all the latest trends in the generation of electrical power throughout the world. I congratulate the Government on helping to establish this power station and on sending officers to attend such a conference as this. South Australia has always kept right up with, if not ahead of, other places in modern trends and this is another instance of the Government's foresight.

As I have mentioned in this Chamber before, I have lived many years very close to the Victorian border. Many of our people in the

lower South-East in years past were very jealous of the way in which Victoria extended its electricity services to rural areas, but in the last two or three years we in South Australia have become extremely proud of the way in which electricity supplies have been extended throughout the State. Very few places in Australia have more difficulties than we do in the transmission of electrical energy to rural areas, and the extension of this service into the South-East is something of which I, for one, am extremely proud.

I think it has been claimed that by 1965 the whole of the South-East will be connected with our electricity system. Judging from the way progress has taken place in the last 18 months, I am sure that this objective will be achieved and we extend our congratulations and sincere thanks to the trust on its excellent work. With those few words I have much pleasure in supporting the Bill as I am sure that the establishment of this power station will be of great benefit to us all.

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

COMPANIES BILL.

Adjourned debate on second reading.

(Continued from October 23. Page 1588.)

The Hon. A. C. HOOKINGS (Southern): We have heard some wonderful speeches on this Bill from members with legal experience and from others who have direct contact with many South Australian companies, and companies of other States that are operating here, and therefore I do not intend to take up much time of this Council in debating the matter at length. The Bill contains 399 clauses and I wish at this stage to touch on only one or two matters.

Like many other people throughout the State, I welcome the introduction of this measure because of certain things which have happened in the last few years. The Bill will afford protection for those who wish to invest their savings in companies. Over the past decade—1950 to 1960—it was commonly stated that money was free; we were living in a time of great prosperity. In the latter stages of that decade, however, there were many, what I might term "shady", companies which started up in business and sent their salesmen throughout the country to persuade people to purchase shares. I know that members are fully conversant with the result of these operations, as some of these companies failed and investors in them lost considerable sums of money. I know of one couple who lost the whole of their life savings, amounting to about £18,000. This Bill will go far towards preventing such happenings because those companies will not be able to operate in future in the same way as they have heretofore.

I was pleased to hear the Hon. Mr. Robinson mention the high standing and integrity of South Australian companies in the main, and I am sure that all members will agree with him. The Bill will tend to increase the high standing in which South Australian companies, and those of other States which operate here, are held throughout the length and breadth of Australia. I have pleasure in supporting the second reading.

Bill read a second time.

In Committee.

Clauses 1 to 7 passed.

Clause 8—"Companies Auditors Board."

The Hon. W. W. ROBINSON: I move:

In paragraph (*b*) of subclause (2) to strike out "Council of the Institute of Chartered Accountants in Australia" and to insert "Chamber of Commerce"; and in paragraph (*c*) before "Council" to insert "State Council of the Institute of Chartered Accountants in Australia and the".

I have a great appreciation of chartered accountants as auditors but they may not necessarily have the required business background to be the most suitable persons to act as liquidators.

The Hon. C. D. ROWE (Attorney-General): I have considered the amendment but cannot agree to it. This method of appointing representatives to the Companies Auditors Board has been in operation and has worked satisfactorily for many years. I believe that those suggested for appointment to this board have sufficiently wide knowledge to enable them to make satisfactory appointments. They would be in a better position to make decisions than someone from the Chamber of Commerce who may not have the detailed knowledge of the requirements. There have been no complaints on this matter and I ask the Committee not to accept the amendment.

The Hon. G. O'H. GILES: Perhaps there is some advantage in having a man of some practical business experience and acumen on the board. Perhaps it would be a good thing in the winding-up of a company for some hard-headed businessman to be a member of the board. The present clause seems merely to duplicate the method of appointment by accountancy bodies.

The Hon. C. D. ROWE: I point out that we are not dealing with people who have to do the work as auditors, but with the appointment of a board to approve of those people. These accountancy bodies have a detailed knowledge of the activities of the persons concerned, they know in what spheres they practise, and know more about their abilities than someone who is outside the profession. This board has operated effectively for many years and I would not like to see the method altered. There are many other bodies as well as the Chamber of Commerce from which a representative could come, and we would be wise to let the clause remain as it is.

The Hon. F. J. POTTER: The function of the Companies Auditors Board is to effect and control the registration of company auditors and liquidators. All the board has to be satisfied about is set out in clause 9 (7), and in these circumstances the board as proposed is quite adequate to deal with these matters. On the question of auditors the functions of this board are limited. As regards liquidators the functions are not specifically defined in this measure, but are broadly on the same lines as those of auditors. The present system has worked well in the past and I question the need for the amendment.

The Hon. Sir ARTHUR RYMILL: I feel inclined to support the amendment. The Attorney-General has said that the existing practice has worked very well. I would suggest that the amendment moved by the Hon. Mr. Robinson is more in line with the existing practice than the clause in the Bill, which provides that the board shall consist of three members; one a Local Court Judge, a special magistrate or a duly qualified practitioner of the Supreme Court of not less than five years' standing who shall be the chairman of the board; one shall be a person selected from a panel of names nominated by the State Council of the Institute of Chartered Accountants in Australia; and the other from a panel of names nominated by the Council of the State Division of the Australian Society of Accountants. The latter two bodies work in the same field and have very similar interests.

Under the present law the Governor shall appoint three persons to be members of the board, two members of which shall have had actual experience in accountancy and business practice, and shall not be members of the Public Service. Apparently the other member can be anybody. Under the Bill one member is to be a legal man and the other two are to be accountants: at present these two must have had experience in accountancy and business practice. I agree with Mr. Robinson, and not altogether with Mr. Potter, because in my experience liquidators have vastly different activities to pursue from those of auditors, who are concerned only with accounts of companies and the other matters mentioned in the Act.

In many instances liquidators have to carry on the business of companies. Sometimes it is for a limited period, but sometimes for a protracted period. I agree that accounting qualifications are important for liquidators as well as for auditors. If three members are to be appointed to the board I think one accountant would be sufficient and he could have had the business training necessary. Just as there are lawyers and lawyers, there are accountants and accountants. Some accountants are associated only with accounts, but others are company directors and have a wide experience in business matters. I feel inclined to support the amendment, but before doing so I would like to hear the views of other members. I would have thought that it would broaden the views of the board in a desirable way.

The Hon. K. E. J. BARDOLPH: Labor takes the view on Mr. Robinson's suggestion that we would not go to a blacksmith to have a pair of spectacles made, and that is Labor's view on the amendment. The Hon. Sir Arthur Rymill set out the present position and said that accountancy and business experience was necessary. This Bill is to effect uniformity, but each State has certain facets in relation to its company law. In the second reading debate I mentioned the matter of the sovereign powers of Parliament indicating that Parliament has the power to make amendments to this legislation, though on broad principles it would be best for Australia to have uniform company law. If the amendment were carried it would be competent for the Chamber of Manufactures to have a representative on the board.

The Hon. W. W. Robinson: No.

The Hon. K. E. J. BARDOLPH: What is the work of the Chamber of Commerce?

The Hon. W. W. Robinson: Business.

The Hon. K. E. J. BARDOLPH: What is the work of the Chamber of Manufactures?

The Hon. W. W. Robinson: Manufacturing.

The Hon. K. E. J. BARDOLPH: It is business, too. As drafted, the clause provides the protection needed and puts the matter on a uniform basis. The people who will be competent to carry out the work of the board

will be people trained in company law. As Mr. Potter pointed out, the board will become really a registration committee.

The Hon. C. D. ROWE: I have listened to the remarks of members, and realize that Mr. Robinson raised this matter during his second reading speech. If members have amendments to move I would be pleased if they would place them on the files. I want to give members every assistance and I have spent much time in trying to familiarize myself with the contents of the amendments. This is an important Bill and I could not be expected to be up-to-date with every aspect. It would help if I had some warning of the matters to be raised. If members co-operate with me in this way it will be to our mutual advantage. Clause 8 provides that there shall be a board whose function shall be to effect and control the registration of company auditors and liquidators, and then it says that the board shall consist of a local court judge, and one member selected from a panel of five names nominated by the State Council of the Institute of Chartered Accountants in Australia, and one from a panel of five names nominated by the Council of the State Division of the Australian Society of Accountants. That gives the Government a wide choice in the selection of members.

The Hon. K. E. J. Bardolph: And they would be competent people.

The Hon. C. D. ROWE: Yes, and people trained in the profession. Probably they would have a wider knowledge than a representative of the Chamber of Commerce. All accountants must have a thorough knowledge of the Companies Act. If we had 10 people from whom to make a selection, it is obvious that we would be able to make a good selection. Although the present legislation does not say it in so many words, that is the way we have appointed people in the past. I appreciate the points raised by Mr. Robinson, but I do not think facts support what he said. I ask the Committee to accept the clause as it stands.

The Hon. Sir ARTHUR RYMILL: Regarding putting amendments on the files, one of my amendments appears between pages 48 and 49 of the Bill. As it is tightly pasted in, it may be difficult to find. Will the Attorney-General be good enough to give members an opportunity to reconsider clauses if, because of representations made to us between now and the next Committee day, or because of something we may ascertain in the meantime, we desire to have them reconsidered. This is a massive measure and it has meant much work for members to go through it. It may be necessary to reconsider some clauses and I would like to have an assurance from the Attorney-General that he will recommit the Bill if we want it recommitted.

The Hon. C. D. ROWE: I am happy to give such an undertaking. As we go through the Bill and run into amendments it may be that I would like to give further consideration to them before indicating my final attitude on them. Rather than delay the measure we could perhaps in those circumstances have the Bill recommitted later.

Amendment negatived; clause passed.

Clauses 9 to 20 passed.

Clause 21—"General provisions as to alteration of memorandum."

The Hon. F. J. POTTER: I move:

In subclause (3) after "and" first occurring to insert ", where an order is so registered,".

I have three amendments to move in subclauses (3) and (4), and they are all of a drafting nature. They have been referred to the Assistant Parliamentary Draftsman, who has approved of them. I believe he agrees that the provisions as printed are difficult to follow. If members will examine subclause (3) they will see that it reads as follows:

The Registrar shall register every resolution, order or other document lodged with him under this Act that affects the memorandum of a company and shall certify the registration of every such order, and on such registration, and not before, the alteration of the memorandum shall take effect.

It is only on that certificate that we have conclusive evidence that all the requirements of the Act with respect to alteration and any confirmation thereof have been complied with. This is the provision contained in subclause (4). The amendment generally clears up the wording of subclause (3) and avoids ambiguities that might cause difficulties in administration from the Registrar's viewpoint.

Amendment carried.

The Hon. F. J. POTTER moved:

In subclause (3) to strike out "every such order, and on such registration and not before, the alteration of the memorandum shall take effect" and insert "that order".

Amendment carried.

The Hon. F. J. POTTER moved:

In subclause (4) after "Registrar" to insert "referred to in subsection (3) of this section".

Amendment carried; clause as amended passed.

Clause 22—"Names of companies."

The Hon. Sir ARTHUR RYMILL: I do not wish to move an amendment, but this is a

step back to the 1892 Act and although it is a step back in that sense it is a step forward. I have always believed that the 1934 Companies Act was far too rigid in these things and I am happy that this Bill should provide the facilities contained in this clause.

Clause passed.

Clauses 23 to 37 passed.

Clause 38—"As to invitations to the public to deposit money with companies."

The Hon. F. J. POTTER: I move:

Before "No" at the beginning of subsection (1) to insert "Subject to subsections (2) and (3) of this section".

I agree with Sir Arthur Rymill and Mr. Robinson that this clause is very hard to follow. Firstly, subclause (1) says that debentures must be issued, but subclause (2), in effect, says that in some circumstances they cannot be issued, and the thing becomes more complicated having regard to the definition of "debenture" in clause 5 which says that "debenture" includes debenture stock, bonds, notes and any other securities of a corporation whether constituting a charge on the assets of the corporation or not; in other words, not only fixed debentures but what are sometimes called naked debentures. I suggest that the way to make this clause read sensibly is to insert my amendment at the beginning of subclause (1). Although I understand from the Assistant Parliamentary Draftsman that the provisions of clause 38 were drafted by a well known Queen's Counsel in another State I think we need those words there to make sense.

The Hon. C. D. ROWE: I am afraid I cannot agree to the amendment. The scheme of the Bill is that any debenture must be registered, and we want to make it clear that a person holding an unsecured note shall understand that he has no security in the form of a debenture, although in strict fact what he has is a debenture. I must ask the Committee to accept the clause as drafted.

The Hon. Sir ARTHUR RYMILL: It is true, as Mr. Potter said, that I criticized this clause, and I still think that it is very cumbersome draftsmanship. It would be better if the last line of subclause (2) instead of saying "shall not state that such document is to be a debenture" simply stated that the document was not a security. I think that is the intention. Much simpler language could have been used. However, although it takes a lot of understanding I think that the people who will have to interpret this Act are accustomed to doing this kind of thing and, having offered my criticism, if the Attorney-General does not want to amend the clause I am quite happy to abide by his decision.

Amendment negatived.

The Hon. Sir ARTHUR RYMILL: I move:

In subclause (5) (*c*) (ii) after "registered" to insert "; or (iii) is a subsidiary of a banking corporation or of a pastoral company referred to in subparagraph (i) of this paragraph, the whole of the issued shares of which subsidiary are held beneficially by the banking corporation or the pastoral company, as the case may be, and the repayment of all existing and future deposits with and loans to which subsidiary are guaranteed by the banking corporation or pastoral company."

I think it will be obvious to members what the intention of this clause is. As drafted it exempts from issuing certain prospectus banking corporations and pastoral companies exempted under the Commonwealth Banking Act. It is very convenient; indeed, in modern practice it is more than convenient and almost essential that certain operations of this type of company should be carried on through subsidiaries, and the idea of this amendment is that where such a practice is adopted, and only where the subsidiary is wholly owned and totally guaranteed in respect of these loans by the parent company, such subsidiary shall also be exempted. For all practical purposes the provision is that the loan is just as secure if made by a subsidiary as if made by the parent company.

The Hon. C. D. ROWE: I have considered this amendment and it does appear to be necessary in the interests of ordinary commercial practice, and I am therefore prepared to accept it.

Amendment carried; clause as amended passed.

Clauses 39 to 61 passed.

Clause 62—"Power of company to alter its share capital."

The Hon. Sir ARTHUR RYMILL: I move:

After "convert" in subclause (1) (*c*) to insert "or make provision for the conversion of"; and after "stock" to strike out "and".

Many companies now have the whole of their capital in stock instead of shares, but under the Act shares have to be issued first, and may be converted into stock when fully paid. The existing practice, which has been adopted by a number of companies and which is very desirable, provides that where shares have been issued they shall automatically become converted to stock where the rest of the shares which have been converted to stock in the company have been fully paid up. The idea of

the amendment is to put the legality of that beyond any doubt, and it means that a company may provide in its memorandum, if authorized by its articles, that when shares are issued and fully paid such shares shall automatically become stock. I am indebted to the Assistant Parliamentary Draftsman, who considered this amendment, for his suggestion that certain consequential amendments were needed and for kindly drafting them for me. He also pointed out that provision should be made for notice of such automatic conversion to be given to the Registrar of Companies so that the file would be in order. The second part of the amendment corrects a typographical error.

Amendment carried.

The Hon. K. E. J. BARDOLPH: Clause 62 (4) requires companies to lodge with the Registrar a notice where they have increased their share capital beyond the registered capital. This clause deals with other alterations of capital but no notice of these has to be given to the Registrar. As a result, the public will receive an imperfect and incomplete picture of the share capital structure of a company. Section 62 of the English Companies Act requires all alterations of share capital to be notified to the Registrar. It is suggested that **the present subclause (4) be deleted, and that** the following be inserted:

Where a company has altered its share capital in accordance with the provisions of subclauses (1) or (3) of this clause, it shall within 14 days after the passing of the resolution authorizing the alteration lodge with the Registrar notice in the prescribed form of the alteration.

I submit that amendment to the Attorney-General so that he may consider whether there is merit in it and I ask whether he will report progress for the purpose of studying it.

The Hon. C. D. ROWE: I have not had an opportunity to consider the matter raised by the honourable member. I suggest that we postpone consideration of the clause until after consideration of clause 399. That would give us an opportunity to review the honourable member's representations.

The Hon. Sir ARTHUR RYMILL: I suggest that my consequential amendments be dealt with first. I move:

After "re-convert" in subclause (1) (*c*) to insert "or make provision for the re-conversion of".

Amendment carried.

The Hon. Sir ARTHUR RYMILL: I move:

In subclause (4), in line 42, after "capital" to insert "or converted any of its shares into stock or re-converted stock into shares"; in line 43 after "increase" to insert "or after the conversion or re-conversion, as the case may be"; and in line 44 after "increase" to insert ", conversion or re-conversion".

These are consequential amendments. They provide that it will be necessary to give notice to the Registrar so that the records in his office will be accurate.

Amendments carried; clause as amended passed.

Clauses 63 to 80 passed.

Clause 81—"Interests to be issued by companies only."

The Hon. K. E. J. BARDOLPH: I suggest an amendment be made to this clause to cover the issue or offer to the public of any interest. As the clause now stands it seems that there is an abbreviation, and perhaps the draftsman overlooked the point I raise. I suggest that the words "shall offer to the public for subscription or purchase or shall invite the public to subscribe for a purchase or shall issue to the public any interest" be added.

The Hon. C. D. ROWE: I am not clear on what the honourable member wants, but obviously the measure will have to come back for amendment from time to time. I suggest that we note for further consideration what the honourable member has raised.

The Hon. Sir ARTHUR RYMILL: I think this matter has relation to an amendment inserted in the Act in 1960, and I would like to have a further look at it.

The Hon. C. D. ROWE: I suggest that we accept the clause as drafted and have another look at the matter later.

Clause passed.

Clauses 82 to 88 passed.

Clause 89—"Liability of trustees."

The Hon. K. E. J. BARDOLPH: The same comments that I made on clause 81 apply to clauses 82 and 83.

The CHAIRMAN: We have already dealt with those clauses.

Clause passed.

Clauses 90 to 112 passed.

Clause 113—"Publication of name."

The Hon. Sir ARTHUR RYMILL: Subclause (3) provides that every company shall paint, on the outside of every office or place in which its business is carried on, its name and also, in the case of the registered office, the words "Registered Office". Section 117 of the Companies Act provides that every company shall paint or affix and keep painted or affixed its name on the outside of its registered office and every place in which its business is carried on, in a conspicuous position in letters

easily legible. I cannot see why, if the name of the company is exhibited outside, it is necessary to have the words "Registered Office" exhibited. That is not only unnecessary, but it could also upset the appearance of some buildings that companies have erected or are erecting with a certain amount of pride. I have that pride in respect of the building erected by Bennett & Fisher Limited in Currie Street. The name of the company is prominently displayed on the portico of that building at a sacrifice of some little space.

Surely the words "Bennett & Fisher" with "Limited" under it in much smaller letters means something specific to the public. The word "Limited" is there because it is part of the name of the company, but there is no real necessity for it to be there. The name is quite legible although the word "Limited" is not as legible as the main wording, which is the important part. If the words "Registered Office" have to be exhibited in a similar position I do not think that will help anybody and it will certainly spoil the well-ordered appearance of the premises. Does the Attorney-General consider those words are essential? If he does not think they are essential I would like to see them come out of the clause.

The Hon. C. D. ROWE: We have to consider certain points in these matters. Certain documents are required by law to be served at the registered office of a company and I take the case of Bennett & Fisher mentioned by the honourable member. That company has numerous other offices throughout the State and it is necessary that anybody who wishes to serve a document on the company and who is required by law to serve it at the registered office should know by some easy method where the registered office is as opposed to other offices that the company may have. That is why we insist on these words.

The Hon. Sir ARTHUR RYMILL: I had that in mind, but those same notices have to be served under the existing law and, as far as I know, this provision is not contained in the present Act. Notice of the address of the company's registered office has to be filed in the Registrar's office and most people check with that office. If the Attorney-General thinks it is necessary to leave these words in the clause could we provide that the words be exhibited in a conspicuous place but not necessarily outside the building? They could be exhibited in a prominent place inside the building. I cannot see any advantage in having the words outside. If the Attorney-General thinks there is anything in my point would he allow this clause to be recommitted for further consideration and if the words are deemed to be necessary we might have the right to place them in a permanent position on the inside of a building?

The Hon. C. D. ROWE: I wish to have an opportunity of conferring with the Registrar of Companies on this matter to make sure whether it is necessary to have the words and, if so, whether I can assist the honourable member by arranging for them to be exhibited in a place where they will not disfigure what is otherwise a very ornamental place. I therefore ask for the postponement of further consideration of this clause.

The Hon. K. E. J. BARDOLPH: I agree with what Sir Arthur Rymill said but in most of the new modern buildings a feature is made of the name of the company and that is done in an artistic way. Sir Arthur Rymill might agree that these words could be limited in size and could quite easily fit in under some ornamental plaque or name in such a way that they would not detract from the artistic feature displayed by the architect when designing a building. I think we should limit the size of the wording.

The Hon. Sir ARTHUR RYMILL: I am quite happy to follow the course suggested by the Attorney-General. I do not intend to force this in any way, but if he thinks that what I ask is reasonable I am content.

Consideration of clause 113 deferred.

Clauses 114 to 128 passed.

Clause 129—"Payments to director for loss of office, etc."

The Hon. Sir ARTHUR RYMILL: I move:

In subclause (1) after "thereof" to insert "or the means by which the amount will be ascertained".

This relates to superannuation and retiring schemes. As the clause is drawn, certain of these schemes must be submitted to shareholders at general meetings, with which I entirely concur. However, the clause provides that the amount—which I read as being the actual amount payable—on retirement or loss of office shall be actually passed by the general meeting. In most cases it is impossible to ascertain the amount until after retirement has occurred. In the case of loss of office on a take-over that undoubtedly would be fatal to the chances of the people concerned getting any superannuation. The purpose of my amendment is not to alter the fact that the totality of the scheme has to be approved by the shareholders, but that if the amount cannot be ascertained at the time, the method by which it shall be ascertained must be stated. If I

may draw attention to subclause (5) (*d*), this actually legalizes an exemption from this provision whereby the amount does not have to be stated but has to be ascertained in the same sort of way as I am contemplating here. Therefore the effect of my amendment is to bring this part of the clause into line with another part.

The Hon. C. D. ROWE: I think the amendment clarifies the situation and facilitates arrangements from a business point of view, and therefore I accept it.

Amendment carried; clause as amended passed.

Clauses 130 to 140 passed.

Clause 141—"Proxies."

The Hon. Sir ARTHUR RYMILL: I move:

In subclause (1) to strike out "(whether a member or not)" and to insert "(who, if the articles so provide, shall be a member, but otherwise need not be a member)".

I regard this as being particularly important. I have knowledge of the articles of association of many companies, and one of the things I have always found to be in the interests of companies has been that any proxy appointed shall be another member of the company. That is lawful under existing legislation; the use of a proxy has to be authorized by the articles of association, and the way it is to be used and the form of it and to whom it can be given have to be described in the articles. The clause as drafted is not only a drastic amendment to the present law, but is in direct conflict with the practices adopted in any public company that I know of. I have looked up the articles of association of a number of companies and I have not found one—although undoubtedly there are some—in which the articles do not require that the proxy shall be another member of the company.

Many members of this Council are directors of companies and they know as well as I do that this is a fact, and they also know the virtues of that provision and the vices that could obtain if it were otherwise. If anyone wants a proxy to be someone other than a member of the company, there are ways of doing it; a share in the company can be transferred to him, or in certain circumstances he can be appointed an attorney. In other words, if anyone seriously wants someone else to be a proxy, there are ways of arranging it, although some little trouble in going about it is involved. This clause would enable an outsider to be appointed readily and easily, and for obvious reasons, and in the light of my own experience and that of others, I think that is not desirable. My amendment would bring the clause into line with present practice, and if anyone else is required as a proxy then it is quite lawful for the company to prescribe the method.

The Hon. C. D. ROWE: I have given careful consideration to this matter and realize that there are arguments both for and against the amendment. Under the circumstances I am prepared to agree to it although I am not really satisfied that I am doing the right thing.

The Hon. Sir ARTHUR RYMILL: I am sure the Attorney-General is doing the right thing because the practice to which I have referred has been operating satisfactorily for many years.

Amendment carried.

The Hon. Sir ARTHUR RYMILL moved:

In subclause (3) after "proxy" second occurring to strike out "need not also be a member" and to insert "shall be a member or need not be a member, as the case requires".

The Hon. C. D. ROWE: As this is connected with the previous amendment, I am prepared to agree to it.

Amendment carried; clause as amended passed.

Clauses 142 and 143 passed.

Clause 144—"Special resolutions."

The Hon. Sir ARTHUR RYMILL: At present a special resolution can be passed on 14 days' notice. This clause prescribes 21 days' notice. I always thought that 14 days was adequate and have not heard of any cases where it was not. It seems to me desirable that special resolutions should be carried reasonably quickly and in these days of air mail—both interstate and overseas—notices are received much more quickly than formerly. It is in the interests of shareholders that special resolutions should be passed as quickly as possible. Will the Attorney-General inform me why it was necessary to extend the period?

The Hon. C. D. ROWE: When the Attorneys-General were considering the draft of this legislation they used the Victorian Act as a basis and I presume, although I am speaking without accurate knowledge, that the period of 21 days was that used in that Act. A special resolution obviously affects the company in a serious manner and it is important that every opportunity should be given to as many members as possible to get full knowledge, and I take it that that was the motive behind the alteration to 21 days.

The Hon. Sir ARTHUR RYMILL: I understand that point, but in my experience 14 days has always been sufficient. I assume that where the Act is found to be defective we shall have the opportunity from time to time of reviewing it, because all new legislation has to shake down, as it were, and be tested in practice. We have done our best within our lights to see that this Act will work smoothly and effectively, but I suggest that we should have the opportunity to review it later if it is necessary. It may not be necessary, but my experience of new legislation is that someone finds something faulty after it has been put into practice, particularly in the case of an enormous Bill like this where it is hard to absorb all the details in such a short space of time.

Clause passed.

Clauses 145 to 157 passed.

Clause 158—"Annual return by a company having a share capital."

The Hon. C. D. ROWE: The Institute of Chartered Accountants has been in touch with the Assistant Parliamentary Draftsman as it wishes to have an amendment made to the clause. Although I would like members to continue with the consideration of the Bill, I want to see what is contained in the proposed amendment. Under the circumstances I suggest that the consideration of this clause be postponed until after the consideration of clause 399.

The Hon. K. E. J. BARDOLPH: I suggest that further consideration of the clauses in the Bill be adjourned until tomorrow or next week, so that the various amendments can be reviewed. When the Victorian Bill was introduced the Chief Secretary there adjourned the consideration of the measure after the second reading speeches had been delivered, and gave an undertaking that 10 days would elapse before the Bill would be called on again for the consideration of amendments. Today we have dealt with about 150 clauses in our Bill and no harm would be done if progress were reported. Important amendments have to be considered.

The Hon. C. D. ROWE: I agree that important amendments have to be considered. Some have already been considered, and if necessary the clauses concerned can be reconsidered on the recommittal of the Bill. I gave my second reading explanation some time ago and members have had much opportunity to consider the matter. In addition, we are getting towards the end of the session. It is always my policy to help members but I would like to proceed with the Bill today. I shall be happy to recommit the measure later if members want some clauses reconsidered.

Consideration of clause 158 deferred.

Clause 159 passed.

Clause 160—"Exemption of certain companies."

The Hon. Sir ARTHUR RYMILL: I think that at present companies have to file a list of their shareholders each year. The clause is designed to help large companies and probably save them expense. Every company must keep a share register and it is open for inspection on the payment of a fee. I wonder why the number of 500 was selected. Apparently if there are 501 members it is not necessary to file a list, but necessary if there are only 499. I realize that some figure must be found, but 500 seems to be a large number. If this provision is right in principle perhaps the number could be fewer than 500. I have been told, correctly I think, that in Victoria a larger number was whittled down. Is there any particular reason for having 500 in this clause? Perhaps the companies would be further assisted if the number were fewer than 500. Most of the companies of any magnitude in South Australia have far more than 500 members, and they would be exempt. I wonder whether the number could be 100, or whether it is really necessary for a company to file a list.

The Hon. C. D. ROWE: This is an innovation and I understand that originally the Victorian legislation had a figure of 3,000, but after discussion by the Attorneys-General the number was reduced to 500. It is difficult to decide just where to draw the line. It was thought that there would not be a tremendous amount of clerical work involved in running out 500 names, but for more than that number there would be much more work. This is another matter that could be looked at after we see how the provision works. Perhaps it would be possible later to reduce the number.

The Hon. Sir ARTHUR RYMILL: I think the Attorney-General has made a good suggestion. I support the clause on the proviso that the matter may be reviewed later.

Clause passed.

Clause 161 passed.

Clause 162—"Profit and loss account, balance sheet and directors' report."

The Hon. F. J. POTTER: If my amendment to clause 165 dealing with audit of companies is carried, a consequential amendment is involved in clause 162 (4), because that subclause provides:

Where a company is required by the provisions of section 165 to appoint an auditor, the profit and loss account and the balance sheet of the company shall be duly audited before they are laid before the company in general meeting as required by this section.

It would be necessary to strike out the preliminary words in subclause (4) and make that subclause commence with the words "The profit and loss account". The Attorney-General might agree to postpone consideration of this clause until after consideration of clause 165 or to undertake to have the clause recommitted at a later stage.

The Hon. C. D. ROWE: If the amendment moved by the Hon. Mr. Potter to clause 165 is agreed to I shall be happy to facilitate proceedings to allow consequential amendments to be made.

Clause passed.

Clause 163 passed.

Clause 164—"Members of company entitled to balance sheet, etc."

The Hon. F. J. POTTER: A similar situation will arise with this clause, because it is only if a company is required to appoint an auditor that a copy of every profit and loss account and balance sheet (including every document required by law to be attached thereto) must be sent to all person entitled to receive notice of general meetings of the company seven days before the meeting. The situation regarding this clause is similar to that regarding clause 162. I am happy to have the clause passed as printed, but we shall have to come back to it.

Clause passed.

Clause 165—"Appointment and remuneration of auditors."

The Hon. F. J. POTTER: I move:

In subclause (1) after "meeting" second occurring to strike out "may" and insert "shall".

This is the clause that I dealt with at some length in my second reading speech, and which I consider of considerable importance. My proposal to retain the present position in this legislation can be achieved by the two simple amendments I have on the files. I do not wish to add anything more to what I said yesterday, because I endeavoured to state my points then and all members are aware of them. I stress again that it is not possible to demonstrate that what I am advocating is foolproof. It is largely a matter of common sense and I put it to members that by using their common sense and by thinking about all the matters I raised yesterday, but not seeking positive demonstration of the truth of the matter, they will see that this is necessary. This is one of the points on which we should endeavour to preserve the existing set-up that has worked satisfactorily.

The Hon. C. D. ROWE: The history of this matter is that with exempt proprietary companies some States required an auditor and some did not have that requirement. Consequently, to meet the position halfway, South Australia agreed that an exempt proprietary company must have an auditor unless the company complies with the provisions set out in clause 165 (10). The issues are quite clear and the company must have an auditor unless all members of the company agree that that is not necessary. That means that everybody who has an interest in the company must agree that there shall be no auditor before the company can dispense with the services of the auditor. When we were considering that matter we believed that was adequate protection, but whether it is or not is a matter on which there could be a difference of opinion. The Hon. Mr. Potter suggests that people should use their common sense, and I agree with that suggestion. Having given to all the various aspects what I thought was a common sense approach we decided on this compromise, which is something between what some States have and what others do not have. We believed that might adequately meet the case. I ask the Committee to agree to the clause as drawn.

The Hon. F. J. POTTER: I am sure that the Attorney-General and all honourable members would use their common sense, and I would not suggest otherwise. I used that expression because I wanted to make it clear that the effectiveness of my amendment was not capable of actual demonstration to members, but I raised two matters yesterday and I raise them again to see if the Attorney-General can give me an answer. It is certainly true that all members of an exempt proprietary company must agree if there is not to be an audit. I am sure the Attorney-General would agree, with what I said yesterday, that many exempt proprietary companies have infant shareholders. Can the Attorney-General tell me how these shareholders—some of them babes in arms—can agree, or by what method it is contemplated that this agreement shall take place? There is some suggestion that infant shareholders can do certain things; that is a question of interpretation of the powers of infants. Will the Attorney-General also consider the possibility of the domination of members of the company by, say, the principal shareholder?

The Hon. Sir ARTHUR RYMILL: In the last few moments I have been making a valiant attempt to summon common sense to my aid. The exemption from audit, under the Bill as drawn, lies in the hands of the whole of the shareholders. In these particular types of company if all the shareholders agree that they do not have to appoint an auditor, he need not be appointed, but it is not only the shareholders, in my view, who are concerned. Some of these companies are trading with the public, and the Bill in other parts goes to great lengths to protect members of the public. For instance, I believe that the root basis of the elimination of "private companies" and the substitution of "proprietary companies" is that the word proprietary must be used in the name as a warning to the public that they are dealing with a company of a limited number of members and in the nature of a private company.

That is something that was put in for the protection of members of the public and I agree that it is proper, within limits, to protect the public, although we can go too far by legislating for the odd case to the detriment of the usual. Some of these companies will be trading with the public and my experience of the public is that they will trade with any company without any reasonable inquiry, and not caring whether it is a private or a public company, and many of them not even knowing the difference. Perhaps there should be some half-way mark. I think Mr. Potter wants all companies to have a compulsory audit, and possibly all companies trading with the public should have a compulsory audit even though the shareholders might agree that it is unnecessary. In other words, there is a great deal of merit in Mr. Potter's suggestion, but I am not sure it should apply absolutely to every company.

The Hon. C. D. ROWE: Regarding the powers of infants, I presume that there are provisions by which shareholders who are minors have a vote on other matters in relation to the affairs of the company, and whatever method is used would apply in this particular matter. Admittedly, there are arguments both for and against, and I repeat that, after considering all aspects, we came to the conclusion that if we provided that every member of the company agreed that there should not be an audit, it was adequate protection. In the case of an exempt proprietary company there is no necessity to let the public know the result of an audit. It has just been pointed out to me that the accounts of proprietary companies are not published and the public are not entitled to inspect them, so they cannot gain any knowledge as the result of an auditor's examination.

The Hon. Sir ARTHUR RYMILL: That is quite correct. Certain proprietary companies do not have to file balance sheets, but the fact that they have been audited, whether filed or not, means that the affairs of the company are technically in order, and that is the virtue of an audit; even though the public cannot see the balance sheet at least they know that the auditor has certified that the accounts of the company are in order.

The Hon. F. J. POTTER: The Attorney-General points out that audited accounts of these companies are not available to the public, but I made that perfectly clear yesterday, and I said that the advantage of what I propose could not be easily demonstrated. I said that members of the public trading with prescribed proprietary companies naturally assume that they are keeping proper books of account and are entitled to think that those books are properly kept. I think it is a psychological advantage to anybody dealing with a company to know that there is an inspector—the auditor—looking over the shoulder of a director and saying "You should not have done that; that sort of thing will get you into trouble." Sir Arthur Rymill suggested that there may be a half-way house, and I think there is. If members of this Committee feel that they are not with me in totally removing subclause (10), which is the effect of my proposed amendment, I would like them to consider the insertion of the words "with the prior approval of the Registrar" after the word "company". That would mean that it would not be necessary for an auditor to be appointed if all the members of the company, with the prior approval of the Registrar, agreed that it was unnecessary. If an exempt proprietary company wished to do this it would first apply to the Registrar for his approval. If the Attorney-General considers that this needs to be further considered will he postpone consideration of this clause?

The Hon. C. D. ROWE: We know the issues involved and we can decide now. We should keep in mind the facts and that we are dealing with exempt proprietary companies. The accounts of these companies are not published and the public are not invited to inspect them. It does not matter what the auditor finds when auditing the accounts of the company because there is no way in which his work is made

public. His responsibility is to the shareholders and not to the public. If all the members of the company, that is all the people to whom an auditor would be responsible, agreed that it is unnecessary for an audit, then I think the matter is within the control of the company. I am not prepared to place the responsibility in the hands of the Registrar to give approval. How would the Registrar know what the financial position of the company was if the accounts of the company were kept private? This matter was carefully considered by myself and the other Attorneys-General. There was a difference in the practice in some States with some making it compulsory and others not. This was a compromise provision to cover cases where all members of the company agreed. With regard to the other point raised by the Hon. Mr. Potter, that an audit is only necessary where the company is trading with the public, I cannot imagine any company that does not trade with the public.

Amendment negatived.

The Hon. F. J. POTTER: I shall not now proceed to move to strike out subclause (10).

Clause passed.

Clauses 166 to 283 passed.

Clause 284—"Books of company."

The Hon. C. D. ROWE: I understand an amendment is to be moved to this clause, and it might prove advantageous if members were to have an opportunity to consider the amendment on the file before we give the matter detailed consideration.

Progress reported; Committee to sit again.

Later:

In Committee.

Clause 284—"Books of company."

The Hon. F. J. POTTER: I move:

In subclause (3) after "may" to insert "if the court so orders".

I am indebted to the Assistant Parliamentary Draftsman who slightly reworded this amendment, which is designed to make sure that a court will have ordered the destruction of the records within five years after a company has been wound up. There should be no distinction in this matter between the various types of winding up.

The Hon. C. D. ROWE: This amendment relates to the destruction of books upon the winding up of the company. Its purpose is to ensure that the books will not be destroyed before the interests of creditors and other people associated with the company are fully protected. Under the circumstances it is a desirable move, and I accept the amendment.

Amendment carried.

The Hon. F. J. POTTER moved:

To strike out paragraphs (*a*), (*b*) and (*c*) from subclause (3).

Amendment carried; clause as amended passed.

Clause 285 passed.

Clause 286—"Unclaimed assets."

The Hon. F. J. POTTER: I move:

In subclause (6) to delete "the owner of" and insert "entitled to".

This makes the wording of the provision the same as appears in the Act. It is desirable to do this, because I cannot see how a claimant can be the owner of the money. The old wording was more accurate.

Amendment carried; clause as amended passed.

Clauses 287 to 291 passed.

Clause 292—"Priorities."

The Hon. F. J. POTTER: My amendment on the file would have brought back to the original wording the provision concerning priorities to be given in a winding up for salaries and wages due to an employee or employees, but I will not move it. Perhaps it would be better to leave the clause as it stands. The alteration made in another place makes the provision different from the provision in the measures that will operate in other States. I cannot see why the Labor Party in South Australia wanted to do something other than what the Labor Party agreed to in Tasmania and New South Wales. After reading the apparent reason given in another place for the amendment, all I can say is that it does not make sense, and is not related to the matter set out. If any employee is so stupid as to allow his wages or salary to accumulate to £500 over six months, he deserves to rank equally with other creditors of the company.

The Hon. K. E. J. BARDOLPH: I commend Mr. Potter for not proceeding with the amendment, but he is on the wrong track. The principle was accepted by the Government in another place. There is an adage which says, "Out of a multiplicity of counsel there comes much wisdom." The other place accepted our amendment and it should be retained in the clause.

Clause passed.

Clause 293—"Undue preference."

The Hon. Sir ARTHUR RYMILL: On the file there are no more amendments before we reach the schedules. I do not know whether other members intend to move amendments to clauses. I do not, and I do not think Mr. Potter intends to do so.

The Hon. K. E. J. Bardolph: We do not desire to move any.

The Hon. Sir ARTHUR RYMILL: Mr. Chairman, I suggest that Standing Orders be so far suspended as to enable the remaining clauses to be dealt with in bulk. Members have thoroughly considered the Bill and it seems unnecessary to deal with the remaining clauses one by one. That is a suggestion on my part to the Attorney-General.

The Hon. K. E. J. BARDOLPH: Whilst that expression of opinion is laudable, I think the procedure as laid down in Standing Orders means that the Bill must be taken through Committee clause by clause.

The Hon. Sir Arthur Rymill: I suggested that Standing Orders be suspended.

The Hon. K. E. J. BARDOLPH: I have never heard of that procedure being adopted here and only recently it was decided that we were required to rigidly enforce Standing Orders.

The CHAIRMAN: The Committee will go through the Bill clause by clause.

Clause passed.

Clauses 294 to 351 passed.

Clause 352—"Cesser of business in the State."

The Hon. C. D. ROWE: I move:

After "shall" in subclause (3) (*c*) to strike out "Unless otherwise ordered by the court," and after "and" second occurring to strike out "pay the net" and to insert ", in the case of a foreign company incorporated in any State or Territory of the Commonwealth shall, if the Court so orders and subject to such terms and conditions as the Court may impose, pay the whole or any part of the".

This matter has been brought to my notice by solicitors in Adelaide who practise extensively in company law and I shall explain its purpose. Subclause (3) (*c*) provides:

A liquidator of a foreign company appointed for the State by the Court or a person exercising the powers and functions of such liquidator shall, unless otherwise ordered by the Court, recover and realize the assets of the foreign company in the State and pay the net amount so recovered and realized to the liquidator of that foreign company for the place where it was formed or incorporated.

That would be satisfactory as it stands if we were dealing with a company incorporated in another member of the British Commonwealth with similar provisions regarding the disposal of assets upon liquidation to those we have in this State, but at present companies are registered in South Australia that are foreign companies and they may be established in such places as Italy, Japan, India and South America, and if the Bill remains as it stands we would have to pay the surplus proceeds to the liquidator in that country with no guarantee that the laws of that country would adequately protect creditors and other persons in this State. The purpose of the amendment is to ensure that creditors in this State will be protected as far as the assets are concerned. This is something that members will understand and appreciate the significance of, and I therefore ask that the amendment be accepted. The solicitor concerned in this matter stated:

It does seem as if the architects of the uniform Bill have had in mind only foreign companies incorporated in a British country where substantial reciprocity would apply because we both inherit the same common law and substantially the same statute and case law. However, it must be realized that there is an increasing influx into this State of foreign companies whose country of incorporation is in the literal sense a foreign country, for example, Italy, Japan, India or South America. It seems an unwise step to include in the Bill a provision for payment of the proceeds of liquidation to a liquidator in a country where there is no guarantee that the South Australian creditors will receive proper protection. Because of the big issues and the difficult questions of law involved, I suggest that the Bill should not depart from the existing law.

It is for those reasons that I move the amendment.

Amendment carried; clause as amended passed.

Clauses 353 to 377 passed.

Clause 378—"Restriction on use of word 'Proprietary'."

The Hon. F. J. POTTER: One aspect of this clause intrigues me. The clause makes it an offence punishable with a fairly heavy fine if any company uses the word "Proprietary" or any abbreviation thereof if it does not fulfil certain requirements. Has the Attorney-General considered the case of the Broken Hill Proprietary Company Limited and how it would be affected by this clause? It is certainly not one that could claim to be a proprietary company under this Act.

The Hon. C. D. ROWE: We looked at the position of the B.H.P. Company and it is rather interesting that this company was established before the word was used as we understand it today. The name was evolved from the fact that the original company worked a mine known as the "Proprietary", and the word Proprietary in the name of the company does not mean the same as when it is used by other companies. However, I believed that the point raised was of sufficient importance for me to have a look at it, and in this connection the Assistant Parliamentary

Draftsman, as he has done on many occasions, has been able to assist me. He says that the B.H.P. Company is not a company as defined under the Act, and therefore I understand that this clause will not affect it.

Clause passed.

Clauses 379 to 399 passed.

The CHAIRMAN: There are several postponed clauses now to be considered.

The Hon. C. D. ROWE moved:

That the clauses postponed be further postponed until after consideration of the schedules.

Motion carried.

Schedules Nos. 1 to 8 passed.

Schedule No. 9.

The Hon. Sir ARTHUR RYMILL: I move:

At the end of clause 2 (1) (*i*) (iii) to insert "but not being any loan to which section 125 does not apply by reason of the operation of paragraph (*f*) of subsection (1) of that section."

Loans to directors of companies are not permissible under certain circumstances, but there are several exceptions. This could be an embarrassment to directors of reputable companies and if the loan had to be disclosed to the extent that they may have to deal with competitors of their company an advantage could be taken of this. This type of loan has been going on since companies have been in this State with no difficulty at all because the disclosure had never been made before.

The Hon. C. D. ROWE: I have considered this matter and I think it is logical to include this amendment and I am prepared to agree to it.

Amendment carried; schedule as amended passed.

Schedule No. 10.

The Hon. Sir ARTHUR RYMILL: I move:

In clause 1 (*a*) after "corporation" to insert "and the number, description and amount of marketable securities in the offeror corporation held by or on behalf of each such director or, in the case of a director where none are so held contain a statement to that effect".

There are several things dealt with in my amendment which have to be set out in the statement by the offeree company that do not in the schedule as drafted have to be set out in the statement by the offeror company. It is proper that the same conditions should apply to both companies.

Amendment carried.

The Hon. Sir ARTHUR RYMILL moved:

In clause 1 (*c*) after "offeror corporation" to insert "and each of the directors thereof".

Amendment carried.

The Hon. Sir ARTHUR RYMILL moved:

At the end of clause 1 (*d*) (ii) to insert "; and

(iii) set out whether or not there has been any material change in the financial position of the offeror corporation since the date of the last balance sheet laid before the corporation in general meeting and, if so, particulars of such change."

Amendment carried; schedule as amended passed.

The Hon. C. D. ROWE: We have made good progress today and when certain clauses were postponed I said that I would like to consider the effect of the suggested amendments. The Hon. Mr. Bardolph requested that consideration of some amendments be postponed and I think it would be wise to do this. I ask the Committee to report progress.

Progress reported; Committee to sit again.

PRICES 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.

In asking Parliament to agree to an extension of the Prices Act for a further 12 months, that is until the end of 1963, the Government is satisfied that it is in the best interests of the State that this legislation should be retained. This decision has been actuated not only after considering the past value of this legislation and its continued value under present conditions, but also after giving consideration to a number of matters which could have a marked bearing on our economy in the near future. Let me now outline more specifically some of the reasons for the Government's decision to retain price control.

I know that all honourable members will agree that our primary producers are deserving of every consideration and assistance to enable them to keep production costs at the lowest possible levels not only because of existing conditions in respect to export markets but also having in mind the likely future position in the event of the United Kingdom joining the European Common Market. Export markets are already very competitive and will probably become increasingly so. In addition, if the United Kingdom joins the European Common Market, it does seem certain that Australia will have to seek new export markets for some primary products. The most likely sources of new markets appear to be in Asia and the Pacific but whilst the potential of

these areas is very considerable, markets would have to be procured in competition with low cost of production countries. A further and important factor is that in a number of these northern areas purchasing power is low.

The savings over a wide range of commodities and services which the Prices Department has been able to effect for primary producers have already been a valuable help to this important section of our community and having regard to the possible trend in the export market position which I have outlined, it will be appreciated that it is now more than ever necessary that this assistance be retained. Let me cite just one example of the savings enjoyed by primary producers through price control. Over the past five years or so the Prices Department has initiated a number of price reductions on major petroleum products, including a total reduction of 5½d. a gallon on standard grade petrol. The aggregate savings accruing to South Australian primary producers from these reductions total nearly £4,000,000. In addition to these savings primary producers can also obtain major petroleum products at the following concessions on normal retail prices operative in any particular locality:

	Per gall. lower. d.
Standard grade petrol	3¾
Premium grade petrol	5
Power kerosene	5½
Distillate	4½

Turning next to the matter of employment, there has undoubtedly been a general improvement throughout Australia this year and particularly in South Australia. At the same time, however, there is still no room for complacency as in addition to finding work for those still unemployed, this State along with the rest of Australia will be faced with the problem of making provision for a large additional work force within the next two or three years alone, including many thousands of youths and girls who will be leaving school and seeking employment. The problem will require a concerted effort to maintain and extend employment and production. Not only will it be necessary to find new export markets and increase exports but also to hold local prices at levels reasonable to all sections of the community thus preserving spending power and enabling maximum rates of production and consumption to be achieved. Regarding the employment position in South Australia this year, figures released by the Department of Labour and National Service show that the registered number of unemployed expressed as a percentage of the total work force has for each month been as low or lower in this State than in any other State. The respective percentages shown for January and September 1962 for each State are:

Registered Unemployed as a Percentage of the Work Force.

1962.	S.A.	N.S.W.	VIC.	QLD.	W.A.	TAS.
Jan. ..	2.5	2.9	2.5	5.0	2.6	4.0
Sept. .	1.3	1.9	1.6	2.0	1.6	2.7

Over the fifteen months ended September 30, 1962, the position as regards movements in living costs has also been more favourable in South Australia than in any other State. The consumer price index, which embraces a much wider range of consumer goods and services than did the old C series index which it replaced, discloses the following total cost movements per week in the various capital cities for the fifteen months ended September 30, 1962.

Adelaide . ..	Reduction of 6s. per week.
Melbourne ..	Reduction of 2s. 3d. per week.
Sydney . ..	Reduction of 1s. 9d. per week.
Brisbane . ..	Increase of 3s. 6d. per week.
Perth	Reduction of 9d. per week.
Hobart	Reduction of 3s. 3d. per week.

These figures disclose that the fall in living costs in Adelaide was from 2s. 9d. to 9s. 6d. a week greater than in the other capital cities and when these figures are further viewed in conjunction with the basic wage increase of 12s. a week which employees received in July, 1961, it will be seen that the increase in real spending power, which is a vital consideration under present economic conditions, has been considerably greater in Adelaide than in any other capital city.

In addition to the valuable part played by the Prices Department in keeping such items as superphosphate, petroleum products, tyres and tubes, cartage rates, a wide range of building materials and every-day living costs at reasonable levels, the department also carries out a number of special investigations on behalf of the Government and in the interests not only of certain industries, but also in a number of cases in the interests of individual members of the community. I do not propose to go into details regarding these investigations, however, as most members are already conversant with some of the department's work in this direction and the results which have been obtained.

Reference has been made in previous years to the substantial savings which have resulted from investigations carried out by the department and affecting such important commodities as petroleum products, superphosphate and

timber, to mention three only. Let me point out that not only are the savings on these commodities continuing to accrue but the department is also effecting savings on many other goods and services. To a lesser degree considered as savings, but just as important to a section of the community, are, for example, hearing aids which, although not subject to price control, are used largely by pensioners who are on fixed and limited incomes and therefore are deserving of every consideration. Through the efforts of the department it was recently able to negotiate an agreement which resulted in some very favourable price savings for South Australian pensioners embracing aged, widowed, invalid and totally and permanently incapacitated persons. Some examples of the more substantial price savings which will be enjoyed by pensioners as a result of the department's action on hearing aids are:—

	Normal price.	Concessional price to pensioners.	Saving to pensioners.
	£ s. d.	£ s. d.	£ s. d.
Model A	67 10 0	44 11 0	22 19 0
Model B	77 10 0	55 10 0	22 0 0
Model C	115 0 0	92 10 0	22 10 0
Model D	92 10 0	74 4 0	18 6 0

The Hon. Sir Arthur Rymill: Are the savings only for pensioners?

The Hon. Sir LYELL McEWIN: That is all that is stated in the second reading explanation. Parents of infant and school-going children are another section of the community to be considered and children's footwear provides another typical example of savings effected by the department. Under control, prices of children's shoes in this State average several shillings a pair less than in any other State. Men's and women's footwear in this State is also several shillings a pair lower than in any other State. Numerous other examples of savings effected could be cited, but the instances I have quoted will serve to show the value of the department's work in this direction. Apart from prices, most members of the Council are already conversant with special investigations carried out by the department and the results that have been obtained. Similarly, the action that has been taken from time to time in a number of cases concerning exploitation is also well known to members. Whilst it would be far too lengthy for me to go into detail on the department's activities, it will be appreciated from what I have outlined that the prices legislation continues to benefit the community, in view of which it would not be in the interests of the State to allow this legislation to lapse. I therefore ask members to vote for a continuation of this legislation for a further 12 months. The present Bill (which is in the same form as those introduced in the past) so provides.

The Hon. A. J. SHARD secured the adjournment of the debate.

PARLIAMENTARY SUPERANNUATION 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.

The Government has had representations formally from the Parliamentary Labor Party and informally from a number of members for amendments to the Parliamentary Superannuation Act to deal with two matters. The first relates to a guarantee that a member, his wife, or his family, shall at least receive back, in pension or otherwise, the actual amount of his contributions; and the other to the anomaly that a member serving more than 18 years continues to make his contributions without any increase in prospective annual pension, and in fact with the decreased expectation as to aggregate pension. Obviously a member's life expectation upon retirement decreases the longer he serves before retirement.

The amendments to section 13 of the principal Act by clause 2 provide in effect that the increase in pension entitlement which at present applies as a member's service increases beyond 10 and up to 18 years shall continue beyond 18 years up to 30 years, but the increased pension for the added service beyond 18 years shall apply to each extra three years rather than for each extra year of service. This is in precisely the terms requested by the Parliamentary Labor Party and it has seemed to the Government a justified and moderate request.

The amendment to the existing section 19 (clause 4) is to rectify an obvious inequity. At present if a member who has not qualified for a pension dies, his contribution is returned to his widow or, if he leaves no widow, then to his personal representatives. However, if a member who has had at least 10 years service, and thus would have qualified for pension, dies leaving no widow, there is no provision for return of contribution to his personal representatives though he would not have received one penny in pension. The amendment to section 19 rectifies this. The new section 19a (clause 5) will provide, in effect, that if a member or his widow do not receive in pension at least an amount equal to his contributions, the difference shall be paid to his personal representatives. This provision is comparable with that provided two years ago in the South Australian Superannuation Act as applying to Crown officers and employees. Actually it goes somewhat further than the Parliamentary Labor Party requested. The Party asked that such a payment should be made where there are dependant children. However, there are difficulties and possible inequities in a precise definition of dependancy, and the wider provision proposed is now a very common one for superannuation schemes. The circumstances calling for a repayment of an excess of contributions occur very seldom and, in fact, there has not been one case up to the present in the 14 years of existence of the fund when a member and his widow have received in pension less than the total contributions.

The final provision made by clause 6 makes it clear that the amendments to section 13 are to affect present pensioners and present widows as well as the members who still contribute and who may contribute in the future. The cost of the amendments now provided will clearly be relatively small, although it is difficult to make at present any very precise estimate of ultimate costs. The present cost will be a little under £1,400 a year and may ultimately rise somewhat, perhaps to about £2,000 a year. In the present state of the fund and the sharing of the cost between members' contributions and Crown subsidy it is not considered that higher contributions from members will be required to cover these amendments. The principal Act requires that the Crown shall pay into the fund amounts equal to members' contributions and to make such further contributions annually as the Actuary may certify to be required. It would seem clear that the effective long-term Crown contribution will necessarily continue to be somewhat greater than a 50 : 50 subsidy to members' contributions, but almost certainly it will not exceed 2 : 1. The effective subsidy to new entrants to the fund for Crown officers and employees is now about 2 : 1 and that ratio is quite common in other superannuation and pension schemes in Australia. I commend the Bill to members.

The Hon. A. J. SHARD (Leader of the Opposition): I support the Bill wholeheartedly, and hope that I will not be affected by it, but it will assist other members. It would appear that the Parliamentary Labor Party was the sole agitator for these amendments. Let me correct that, because there were other agitators. We were approached for our views on the amendments, and we wholeheartedly agreed with them. The Bill is a step in the right direction. Members who have been here for more than 18 years should not be expected to pay contributions annually when it is certain that they will not receive greater benefits than members who only serve 18 years. It may be said that some members will benefit, although they have not paid in all the time. I doubt whether members who have been here for more than 18 years will get their money back. We have always felt it was wrong when the member and his wife passed on at about the same time and there was, under the present practice, no return to the children. The Bill corrects that anomaly. The third amendment will not mean the expenditure of much money. I was surprised to learn that the present cost of the amendments would only be as much as £1,400 a year, and that it may ultimately rise to about £2,000 a year. I think the fund can stand the additional expenditure without further contributions being sought. I hope that these will be the final anomalies that have to be dealt with under the legislation, and that further contributions by members will not be necessary. I support the Bill.

The Hon. C. R. STORY secured the adjournment of the debate.

VERMIN ACT AMENDMENT BILL.

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

STOCK DISEASES 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.

This Bill makes three amendments to the principal Act. The first amendment is made by clause 3 which will add to the definition of "animal product" honey, bees-wax, and all raw, partially cooked, manufactured, or processed, animal products. The definition at the moment covers only meat, fat, milk, whey, cream, butter, cheese, eggs and stock semen. The reason for the amendment is that the present definition cannot be construed to include manufactured meats such as salami, metwurst and the like. Health certificates in respect of such goods from other States where swine fever may be present cannot be required under the Act and in effect this means that their entry into the State cannot be prevented. It is considered that there is a serious risk of the introduction of swine fever through the uncontrolled introduction of such goods. At the same time it is considered desirable to widen the definition to cover honey and bees-wax since bees are now declared to be stock for the purposes of the Act.

Clause 4 will add to the regulation-making power a new power to make regulations authorizing the Minister to require an owner to sell for the purpose of slaughter any sheep quarantined by reason of foot-rot or any sheep which have been exposed to foot-rot infection. Sheep affected with foot-rot remain under quarantine for an indefinite period while the owner cannot be forced to take effective steps for the eradication of the disease. It appears that foot-rot can be eradicated from any property within three years and the effect of the amendment will be to permit regulations to give the Minister powers to require such sheep to be sold for slaughter unless proper steps for the eradication of the disease are taken.

Clause 5 inserts a new subsection into section 19 of the principal Act which requires owners of diseased stock, under penalty, to notify the Chief Inspector, keep the stock from coming into contact with stock belonging to others and if so ordered to destroy diseased stock. The new subsection will provide that proof that stock are in fact diseased shall in any proceedings be *prima facie* evidence that the owner knew or suspected that the stock was diseased. It was decided earlier this year that, in order to succeed in proceedings under section 19, the prosecution must prove actual knowledge or actual suspicion on the part of the stock owner which makes it extremely difficult to police the Act. The new subsection will materially assist in the enforcement of section 19. I commend the Bill for the consideration of honourable members.

The Hon. M. B. DAWKINS secured the adjournment of the debate.

ABORIGINAL AFFAIRS BILL.

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

MARINE ACT AMENDMENT BILL.

(Second reading debate adjourned on October 18. Page 1559.)

Bill read a second time.

In Committee.

Clauses 1 to 8 passed.

Clause 9—"Amendment of Principal Act, section 107."

The Hon. Sir LYELL McEWIN (Chief Secretary): As I have had requests from some members for the consideration of this clause to be delayed I ask that progress be reported.

Progress reported; Committee to sit again.

ADJOURNMENT.

At 9.27 p.m. the Council adjourned until Thursday, October 25, at 2.15 p.m.