

LEGISLATIVE COUNCIL

Thursday, May 27, 1965.

The Council assembled at 2.15 p.m.

APPOINTMENT OF DEPUTY PRESIDENT.

The Clerk having announced that, owing to the unavoidable absence of the President, it would be necessary to appoint a Deputy President,

The Hon. A. J. SHARD (Chief Secretary): I move:

That the Hon. Sir Arthur Rymill be appointed to the position.

It was with sincere regret that I learned yesterday of the illness of our President, the Hon. L. H. Densley. I am sure I speak on behalf of all members when I say that we sincerely regret the illness and hope that he will soon be restored to his normal self, and be in a position to take the Chair again when we resume after the brief adjournment that will follow the rising of the Council this afternoon.

The Hon. Sir LYELL McEWIN (Leader of the Opposition): I second the motion. I was in touch with the President this morning by telephone and I think he is suffering from a complaint that has been prevalent in the metropolitan area recently. I do not think it is serious. It is only a day or two since I commented in the Address in Reply debate, that he looked well. I hope that the virus infection is temporary and that soon he will be back with us.

Motion carried.

The Deputy President took the Chair and read prayers.

QUESTIONS

MYPOLONGA WATER SUPPLY.

The Hon. H. K. KEMP: On May 18 I addressed a question to the Minister representing the Minister of Lands. I note that the recording of it contains some awkward wording and needs to be corrected. I apologize to the Council for not correcting it. I think the matter would be best dealt with by my saying that the question arose from a statement made by Mr. Quirke, when Minister of Lands, to a group of growers—

The DEPUTY PRESIDENT: Does the honourable member desire leave to make a statement?

The Hon. H. K. KEMP: No. I am correcting the question.

The DEPUTY PRESIDENT: Does the honourable member wish to make a personal explanation?

The Hon. H. K. KEMP: Yes. I apologize to the Council and to the Minister for the miswording. The question arose from a statement made by Mr. Quirke to Mypolonga growers that in the coming Estimates finance would be provided to correct the water supply position there.

The Hon. S. C. BEVAN: The position now is that we have something different from the original question, which dealt with the Mypolonga water supply and was as follows:

Will the Minister representing the Minister of Lands inquire whether he intends to honour the undertaking given by his predecessor in that office and proceed immediately to provide domestic and stock water in the Mypolonga settlement?

If the honourable member desires an answer to that question, I can give it immediately, but if an answer is wanted to the question as now corrected, regarding an amount in the Estimates, it is something different and further inquiries will have to be made by my colleague. I am not at the moment clear about the honourable member's desire. If he wants an answer about an amount in the coming Estimates it will necessitate further inquiries being made.

SCHOOL TEACHERS.

The Hon. F. J. POTTER: I ask leave to make a statement prior to asking a question.

Leave granted.

The Hon. F. J. POTTER: My question, which is directed to the Minister of Labour and Industry representing the Minister of Education, relates to a question I asked the Minister on notice last week, to which the Minister replied on Tuesday, concerning the number of applications for entry into teachers colleges. The first question I asked was "How many young people who gained their Leaving certificates at the 1964 public examinations applied to the Education Department for admission to the teachers training colleges in South Australia, and how many of these applicants were rejected?" On Tuesday the Minister informed me that 350 persons who had passed in more than four Leaving subjects—that is, had gained their certificates—had applied and 78 had been rejected. I distinctly remember reading in a newspaper earlier this year, although I cannot now find the reference, that a statement had been made by the former Minister of Education that about 1,600 persons had applied with their Leaving certificates and that 1,200 had been accepted. If that statement was

correct, the information given by the Minister on Tuesday could not have been correct.

The DEPUTY PRESIDENT: I do not think the honourable member can argue his question.

The Hon. F. J. POTTER: I am merely asking if the Minister would try to give me an answer to the question I originally asked and if he could explain what figures given me on Tuesday relate to.

The Hon. A. F. KNEEBONE: I will ask my colleague, the Minister of Education, to answer the questions put by the honourable member.

YEELANNA TO MOUNT HOPE RAILWAY.

The Hon. C. C. D. OCTOMAN: Has the Minister of Railways a reply to a question I asked on May 18 about the Yeelanna to Mount Hope Railway?

The Hon. A. F. KNEEBONE: I have obtained a report that states that, as the honourable member knows, the Parliamentary Standing Committee on Public Works reported that the Yeelanna to Mount Hope railway line should remain open. The committee stated in its report, however, that it would not object to the closing of the Kapinnie to Mount Hope section. The committee's report is at present being considered by the Transport Control Board, which will make a further report in due course. The Transport Control Board's report recommending that the Yeelanna to Mount Hope railway be closed was submitted to the previous Government in mid-November, 1964. For the remainder of its term of office until March of this year that Government took no action to forward the report to the Public Works Committee. In view of the length of time that the previous Government withheld action on this matter, the present Government considered that it should, without any further delay, comply with the provisions of the Road and Railway Transport Act and forward the Transport Control Board's report to the Public Works Committee for investigation. What action the Government will now take will depend upon further investigations being made by the board.

FAUNA AND FLORA RESERVES.

The Hon. R. C. DeGARIS: Has the Minister of Local Government obtained a reply from the Minister of Forests to a question I asked on May 18 about the preservation of stringy bark scrub at Mount Watch?

The Hon. S. C. BEVAN: Yes. I have obtained a reply from my colleague, the Minister of Forests, who informs me that the Woods and Forests Department is conscious

of the need to reserve areas of natural scrub as fauna and flora reserves. The department has already reserved various areas from planting operations in the vicinity of Mount Watch with the idea of keeping them in their natural state. About 800 acres is retained in this manner at present.

COOBER PEDY WATER SUPPLY.

The Hon. G. J. GILFILLAN: Has the Minister of Mines an answer to a question I asked on May 25 about water exploration in the Coober Pedy area?

The Hon. S. C. BEVAN: The Director of Mines has informed me that Coober Pedy Stuart Range No. 3 bore was originally drilled to a depth of 800ft., and was pump-tested at 3,000 gallons an hour of saline water. Late in 1964 it was decided to deepen this bore to basement in the hope that pressure water of better quality might be obtained. The bore was completed at a depth of 2,043ft. on March 10, 1965. Further water was encountered over the interval 1,746ft. to 1,780ft., which rose to within 278ft. of the surface, but the salinity was only slightly better than the shallower waters. However, it can be said that a reasonable supply of saline water is available from this bore if required for a desalination project, which, of course, is not a matter within my jurisdiction.

COMMISSIONER OF POLICE.

The Hon. D. H. L. BANFIELD: Can the Chief Secretary confirm a report that the Commissioner of Police is shortly to go abroad and, if it can be confirmed, can he give me some details of the visit?

The Hon. A. J. SHARD: Every so often (every two years, I understand) a conference known as the General Assembly of Interpol is held. It is not the turn of our Commissioner of Police to attend that conference this year but, for some unknown reason, the Police Commissioner who was expected to attend the conference on behalf of Australia could not do so, and Brigadier McKinna was asked if he could be made available to attend. The Government readily accepted the invitation and told the Commissioner that, if he was asked to go, he could make arrangements to attend. We took that action because we believe such visits abroad, particularly by the Commissioner of Police, are of value to the State.

The Hon. Sir Lyell McEwin: We could not have a more competent representative for Australia.

The Hon. A. J. SHARD: I appreciate that. The position is that the Commissioner of Police,

Brigadier J. G. McKinna, is to represent Australia at the General Assembly of Interpol to be held in Rio de Janeiro from June 16 to June 23. He will be accompanied by Mr. C. Graham, Commissioner of Police for the Northern Territory. In addition, the South Australian Government has decided to send Brigadier McKinna to the Federal Bureau of Investigation, Washington, and to Scotland Yard, London, at the conclusion of the Interpol conference to gain up-to-date information on police methods. He will leave for the Interpol conference on June 10 and return about July 21. I am sure that his trip will be worthwhile, not only from the Commissioner's point of view but for the benefit of the policemen and State as a whole.

FRUIT BOXES.

The Hon. H. K. KEMP: Has the Minister of Local Government, representing the Minister of Forests, a reply to a question I asked on May 18 last about fruit boxes?

The Hon. S. C. BEVAN: The Minister of Forests has informed me that the Woods and Forests Department is not associated with any other trade group in the fixing of prices. It fixes its own prices in relation to citrus boxes in the river districts without reference to any other manufacturer.

SECOND CREEK, BURNSIDE.

The Hon. JESSIE COOPER: Has the Minister of Mines a reply to my question of May 19 regarding Second Creek, Burnside?

The Hon. S. C. BEVAN: Following the question asked by the honourable member, an inspection was made of the property to which attention was drawn. It is reported that no further stone or sand has been washed into Second Creek from the quarry since the retaining bank was built in October, 1963. However, a small breach in the bank has allowed the spread of some debris on to the property. To prevent a recurrence, it will be necessary to strengthen the bank by laying large stone boulders along the side of the creek but, more importantly, to clear the creek of rubbish and undergrowth to allow free movement of the water through the channel. If the owner consents, this work will be done by the quarry operator, although no responsibility for the present situation can properly be attributed to him. I understand that the difficulty now is that the owner of the property will not consent to the clearing of the debris in the creek.

PORT WAKEFIELD ROAD.

The Hon. L. R. HART: I ask leave to make a statement prior to asking a question.

Leave granted.

The Hon. L. R. HART: At present some road reconstruction and widening is proceeding on the Port Wakefield highway, and many people using this highway are taking an intelligent interest in the work. However, they are unable to obtain any information on the extent of the project. In view of the fact that the Minister of Roads does not receive as much publicity as some of his Cabinet colleagues and that he has not a public relations officer available to him will he make a statement on the extent of the road widening proposed for this highway?

The Hon. S. C. BEVAN: I do not know whether the position is that I do not receive enough publicity or whether the honourable member himself is seeking publicity. However, I will call for a report from the Highways Department about the work proceeding on the Port Wakefield highway and inform the honourable member when that report is to hand.

ABORIGINAL RELICS.

The Hon. H. K. KEMP: Will the Chief Secretary say whether the Government proposes to introduce legislation governing the preservation of aboriginal relics? If not, can he say whether it would view sympathetically a private Bill brought down for that purpose?

The Hon. A. J. SHARD: The question has not been discussed by Cabinet but I give an assurance that Cabinet's attention will be drawn to this matter.

APPROPRIATION BILL (NO. 1).

Adjourned debate on second reading.

(Continued from May 26. Page 234.)

The Hon. Sir LYELL McEWIN (Leader of the Opposition): In speaking to the Bill I hasten to put the Minister at ease by stating at the outset that I support the measure. I thank him for following a procedure that has been established in the past in giving honourable members ample information on the Bill that has been submitted. It provides for an appropriation of £795,000, part of which amount is necessary on account of the usual circumstances. Parliament is accustomed to having Supplementary Estimates before it at the conclusion of the financial year. It is necessary to make provision so that sufficient money will be available where the Estimates

have been exceeded, because an established principle in Government finance is that a Government can spend only the moneys appropriated by Parliament for a particular purpose and cannot switch money from one item to another. Accordingly, we find in the statement given by the Minister that on some items the Government has underspent, and on some it has overspent, but it is anticipated that the estimated Budget deficit is not likely to be exceeded. However, I think that what I said in a previous debate was justified, namely, that the previous Government would have succeeded in balancing its Budget if it had remained in office. Of the total amount of £795,000 provided by the Bill, about £462,000 is required for items on which the vote has been exceeded or for new lines not provided for in the original Budget. As that is a normal occurrence in Government departments, I do not intend to take up time discussing it.

The balance of the appropriation, about £333,000, is required to enable the Government to make service payments provided for in a list supplied by the Premier to cover daily and weekly paid employees of the Government. As far as I can ascertain, there are about 51,000 Crown employees, of which about 30,000 are paid on a daily and weekly basis and the remainder are salaried employees. The amount that we are voting is for payment to the daily and weekly paid employees. The matter of service pay received consideration from the previous Government and that consideration was given on the basis that only three other Governments had granted it. They were the Commonwealth Government and the Governments of New South Wales and Victoria, and their proposals were based on skill rather than on length of service. However, as I said previously, we support what is proposed by this Government. The only doubt that exists is whether the Bill covers all the daily and weekly paid employees mentioned in the list provided by the Premier in another place. A provision is always made in Bills of this nature for the payment of the rates prescribed by proper tribunals. The usual provision is:

... at a rate in excess of the rate which, during the period in respect of which the payment is made, was in force under any return made under the Acts relating to the public service, or pursuant to any regulation or any award, order or determination of a court or other body empowered to fix salaries or wages.

That means that payment of any increase in wages or salaries by an arbitration court or by any recognized wage fixing tribunal is

in order but, in relation to any other payment not so provided for, the approval of Parliament is necessary. I am concerned whether there is sufficient authority under this Bill to provide for all the payments concerned, because the advice we had was that anything in the nature of an *ex gratia* payment (which is what this is, a Cabinet decision and not a court award) must be authorized by Parliament; in other words, that the Government cannot spend what it has not authority to spend. In fact, there is usually a Bill introduced and then an appropriation, though I think everyone would be happy with just an appropriation.

The Premier's statement included Tramways and Highways employees and employees of a number of other departments that are not shown on the list. Perhaps the Chief Secretary could inform us what authority exists, because it would be a disappointment to everybody if it were found that payment could be made to some employees but not to others. My first concern is that we do achieve what we are in favour of doing.

The other point I wish to mention concerns the salaried people who will not benefit under this legislation. They number about 20,000 and the Premier has stated that the employing authorities can take action regarding them. For example, the Tramways Trust is an employing authority outside the Government. That body employs about 1,800 people and all except about 200 are to receive the payment, according to the statement. If the Government can give an undertaking on behalf of the Tramways Trust or any other body not covered by this Bill, why is the provision not extended to employees of our subsidized country hospitals? I think the South Australian Hospitals Association has an agreement based on whatever is the standard in Government hospitals and if these country hospitals are to carry on successfully and obtain staff to enable service to be given to the community they will need assistance in making the payment. It was stated in another place that if the payment is made by the Tramways Trust it may not be done immediately. I take it that either the trust will make the payment or the Government will see that the amount of money is provided to enable the trust to do it. The money has to be found. I do not know whether the Government intends to find it or whether some adjustment will be made in fares. However, it has been said that these payments will be made, and I think they should be extended to employees of subsidized institutions. I think ultimately everyone will have to receive these

payments, as applications will be made for skill pay. I think everyone should be included at the beginning and that the Government should say, "We will not stop at £1,100,000 but will go the whole hog, which will cost us perhaps £1,750,000 or a little more."

If we do not recognize the differences that have been taken into account by courts in awarding margins, I do not think there is any reason for more and more education to give people higher qualifications. After people undertake additional studies and gain a higher general or technical education they should get appropriate rewards for it. We cannot restrict this proposal before us just to 30,000 people. I should like to see it extended to all so that about 20,000 people will not have to wait until they are able to appeal to a salary fixing authority or obtain a new wages agreement. Nurses in general hospitals have an agreement that was made on their behalf by the Public Service Association with the Minister of Labour and Industry. Mental nurses are employed under an award. Therefore, there will be an invidious distinction between them, in that mental nurses will get an additional increment not available to nurses in general hospitals.

I have put these two points to the Minister so that he can consider whether the Bill has properly covered those for whom it is intended to provide and whether these payments should not be extended so that the remaining two-fifths of these employees will get the additional pay, thus preserving the margins that now exist. If it is not done that way now, I think it will have to be done later. Where the money is to come from has nothing to do with me. I am supporting the suggestion put forward by the Government, but I am taking it further and saying that this provision should be extended. I ask the Chief Secretary to consider these matters. I should particularly like to be assured that the people we have been told will be covered will be guaranteed that they will receive these additional payments.

The Hon. F. J. POTTER (Central No 2): I support the second reading of this Bill because, along with other members, I agree with the principle behind the idea of service pay, but in saying that I do not wish to be taken as subscribing to the method and the incidence of the application of this proposed service pay, because, as the Hon. Sir Lyell McEwin has just said, a great percentage of the moneys appropriated in this Bill are for service payments. I think the way this has been worked out and applied by this Government is a very

bad method indeed; in fact, I go so far as to say that Cabinet in its early weeks of office has made an initial blunder over service pay. This is a blunder that I think will bode ill for the financial stability of this State and this Government if more care and thought is not given to future matters when they arise. The Hon. Mr. Rowe the other day said that he could visualize that this Government might be in office for only 29 months, or even 29 weeks. I forecast that in 29 months this Government will realize that in service pay it has stirred up a hornets' nest that it will find difficult to deal with.

Yesterday we were told by the Chief Secretary that an advisory committee to the Australian Labor Party advised the Government on service pay. We must presume that the committee did advise the Government, because in his policy speech the Premier said that his Party would take advice from an advisory committee. Yesterday we found that the advisory committee was the one referred to by the Chief Secretary. He told us yesterday that the committee had done a magnificent job in the interests of the State as a whole and in the interests of industrial peace. If that is true, and if that committee was responsible—I find it difficult to believe that it was—it did not do a very good job in relation to service pay.

Let us look briefly at the basis of the idea behind the payment of service pay. Honourable members will realize from what has been said that we are legislating to provide a service payment retrospective to January 1 of 10s. during the second year on the adult rate, 17s. 6d. during the third year on the adult rate, and 25s. during the fourth and subsequent years on the adult rate. What is the idea behind service pay? Why do we need it at all for Government employees? If they look into the position, honourable members will see that the Government employee is invariably on the lowest award rate compared with outside industries. It is thought that he should receive some additional increment—call it what you will; in this case it can be called service pay—to bring him closer to his fellow in outside industry. It is remarkable how over the years ideas have changed in this regard. Many years ago it was thought that the man in the Government service was better off than the man in outside industry because he had extra leave and (what was very important many years ago) he had a constant, assured job. But times have changed and these factors no longer apply. Outside industry can offer constant jobs and extra leave; in fact it pays higher than award rates in many instances for skilled tradesmen.

Consequently, over many years the situation has developed that the skilled man in the Government service stills gets the award rate compared with the higher rates paid outside. This is the real reason why some effort is being made to give to skilled people these increased benefits. That is the whole concept and idea behind this. I do not disapprove of it; it is only fair and right, but let us see how the Government has gone about it.

First, I shall say something about the Bill itself. It provides for a general appropriation of money in relation to the Supplementary Estimates that have been laid before Parliament. No clear categories are set out in these Estimates. All that we have here in regard to service pay are amounts that, under the various Ministerial headings, are tacked on to the item "Salaries and Wages". These payments are not salaries and wages at all; they are *ex gratia* payments made by the Cabinet pursuant to a decision of the Cabinet. The Supplementary Estimates before us can be likened to a cheque filled out for a fixed amount of money but with no payee's name written thereon. Because of that, it was not surprising that in another place the Leader of the Opposition had to adopt the rather extraordinary measure of asking a question on notice of the Treasurer to find out who, in fact, would get these *ex gratia* payments.

Let us not forget that the Government has to get approval in some way or another for every penny it spends and, in order to get that, in the annual Appropriation Account, the Supply Bill that is put before Parliament each year, and in the Budget Estimates, adequate provision has to be made. In the Supply Act passed in September, 1964, on the basis of the Estimates laid before Parliament, it is provided that:

Out of the general revenue of the State there shall be issued and applied, from time to time . . . any moneys not exceeding in the whole ten million pounds. No payments for any establishment or service shall be made out of the said moneys in excess of the rates voted for similar establishments or services on the Estimates for the financial year ended on the thirtieth day of June, one thousand nine hundred and sixty-four: Provided that there may be paid out of the said moneys increases of salaries or wages payable by the State Government pursuant to any return made under the Acts relating to the Public Service, or pursuant to any regulation, or any award, order, or determination of a court or other body empowered to fix salaries or wages.

These service payments are not being made under any award of any court or under a

return relating to the Public Service: they are purely and simply *ex gratia* payments. One must look (and one looks in vain) to find out how those items, which are tacked on to the salaries and wages items in the Supplementary Estimates, can relate to any line on the original Estimates, because they are not salaries and wages: they are *ex gratia* payments.

In addition to the amount appropriated under the Bill, there are two other methods by which the Government can lawfully expend money. It can pay under the authority of a Governor's warrant up to £300,000 for items required to expand the existing lines on the Estimates. Obviously, that expenditure cannot be adopted in this case because they are not lines on existing Estimates. Only £100,000 remains to be expended under authority of the Governor's warrant for lines not on the original Estimates, lines that are in fact new lines on the Estimates. This amount cannot, of course, cover the large amount involved here, and it is inappropriate, anyway. So I take the point that, these being *ex gratia* payments, they are not related to the Estimates, and I wonder when payments of this service pay are made exactly how the Auditor-General will satisfy himself that they are properly appropriated and relate to a proper line on the Estimates.

That is an important and valid point but it is not the most important matter required to be raised on this question. The most important matter is the question of the method that has been worked out by this Cabinet, or its advisory committee, of applying this 25s. a week increase. As I have said already, in another place the Treasurer gave certain details about the Cabinet decision—who was to get the money and who was not. When we analyse the information that was then given by the Treasurer and look at one or two statements he made in giving that information to another place, we are forced to say that there is some extraordinary reasoning behind some of the statements, and there seems to be a complete mishandling of the whole position. One of the main ways in which there has been a blunder and mishandling is in the payment of the service pay amounts to employees of the Railways Department. I believe that the Government walked into this matter unwittingly and was caught, because I have a distinct recollection of reading in the daily press about a meeting that took place within a few hours of its election to the Treasury benches. It was a meeting with

officials of the railways union, but I cannot remember the details now. However, within a few hours of victory the Government said "We will give service pay to the railway employees". I do not know whether it knew then that railway employees were already receiving service pay of 15s. a week. According to the explanation given by the Treasurer, he said that the amount had been granted to railway employees by the previous Government and that it created an anomaly. True, in one sense, it was granted by the previous Government because it authorized the grant, but it became enshrined in an award of Mr. Conciliation Commissioner Taylor, I think, for railway employees.

The Treasurer said that this created an anomaly. He said that the sum of 15s. a week was being paid to railway workers and that it created an anomaly with the other Government workers. What did the Government do? It said, "We will cure this anomaly by giving 25s. a week extra to the railway men, in addition to the Government daily and weekly paid employees". In other words, it cured the anomaly by creating a greater one, thus creating the most extraordinary situation. How can we cure this type of anomaly, where a margin of 15s. a week exists, by giving an extra 25s., making a total of £2 a week to each person? It is the most ridiculous thing that has ever existed. This was the start of the whole trouble. In the explanation given by the Treasurer, it appears that there will be a payment to Municipal Tramways Trust employees also. The Government must know that those employees are already getting service pay under their award, yet this extra amount is to be added to their service pay. I wonder by what means the Government was trapped into this action.

If this were not enough, look at the effect this service pay will have upon employees of the Hospitals Department in both general and mental hospitals. It is proposed under this appropriation to grant service pay to nurses in mental hospitals, and they are the only nurses who will receive it. When the Treasurer was asked why nurses in general and subsidized hospitals were not to be granted this service pay also, because they were doing virtually the same work, he stated it was because they were getting an annual salary. What kind of differentiation is this? Service pay is to be given to nurses employed in mental hospitals because they are on a weekly wage, yet it is denied to nurses on an annual salary. What possible sense can there be in that?

In doing this the Government is creating another anomaly. What will be the position where nurses in mental hospitals are on a weekly wage but are under the control of a charge nurse who is on an annual salary? The weekly paid employees, with the addition of this service pay, could very well get more money than the charge nurse. What is she going to say about it? She will say "Why am I not getting as much money as the nurses under me?" and, if she says this, inevitably the Government must meet her claim. Then, of course, every nurse in general hospitals on an annual salary will ask for the same consideration. This is why I say that the Government is stirring up a hornets' nest and that it will cost many hundreds of thousands of pounds before the matter is ended. I think the Government realizes this, because it has been very quiet on the matter.

I have mentioned employees of the Railways Department and the Municipal Tramways Trust, and the nursing community, and pointed out the anomalies that exist. This payment is to be made to everybody, whether they are skilled or not. It is interesting to look at the history behind this move. Let there be no mistake, the previous Government, led by Sir Thomas Playford, made an offer of service pay to daily and weekly paid Government employees. That payment was to go to tradesmen, but it was rejected by the representatives of the trade unions. Government thinking must have been "We cannot offer them the same as Sir Thomas Playford offered because his offer was rejected. We will have to do something else, make a different offer." What has it done? It has made a different offer by offering to pay to both skilled and unskilled people. It is a move unprecedented when compared with the position in other States. Service pay applies in the Commonwealth, Victoria and N.S.W., but only for skill. Again I ask why it was done.

I suggest that there will be a greater anomaly when we consider the position outside the boundaries of the State. Mental nurses will receive service pay in addition to their award rates, but those rates are based on comparable rates in other States. If the service pay is granted here the payments will be out of line with the award rates paid in other States. The whole matter has been a complete bungle on the part of the Government. Nobody denies the justice and propriety of service payments in the circumstances that exist in this State. It would have been far better if a line of demarcation had been drawn between those

who are receiving award rates based upon similar rates in outside industry, or rates in some way bound up with those applicable to outside industry and those with no such counterparts. If that principle had been adopted, there would not have been any great trouble. In fact, the real blunder was the addition of 25s. to the 15s. already being received by the railway employees. This is just the beginning: the matter will snowball. People will say, "Why should that particular railway worker be receiving so much above what we are receiving?"

Unfortunately, we not only have the anomaly of the differential in payments but that anomaly has been reinforced and a greater difficulty than ever created, because the Government and Parliament, after looking at the situation, have confirmed the anomaly. That is the serious aspect of the position: the anomaly has received the imprimatur of the Government and of Parliament, and it will be hard to remedy the position.

The Hon. S. C. Bevan: It also had the imprimatur of the previous Government.

The Hon. F. J. POTTER: It did not receive the imprimatur of the previous Government. I have referred to the seriousness of the position in connection with nurses and that the trouble must inevitably spread to nurses in general and subsidized hospitals because they are on annual salaries. It is interesting to note the rather naive explanation given by the Treasurer about subsidized hospitals. He said, "They will have to decide the matter for themselves." Where does he think the subsidized hospitals will get their money, if not substantially from the Government?

The matter will boomerang on the Government in other ways. For mental hospital nurses, a differentiation has been made. Tramways Trust employees get a service pay comparable with the pay in other States, but the Government will give them more. These things should not be taken lightly; they are important to the financial stability of the State. In its early period in office, the Government, flushed with success, has been led into a trap. It should have been courageous enough to say to the railway employees, "The Government has made a mistake. It will not pay this increase in addition to the service pay you are already receiving under the previous Government."

I support the Bill because I believe in the principle, but there has been a bungle from the start. It has created an enormous monster

for the Government and it will rue the day it ever rushed into this matter. I support the second reading.

The Hon. N. L. JUDE (Southern): I am sure honourable members realize that the Hon. Sir Lyell McEwin and the Hon. Mr. Frank Potter expressed their cases very well. They set out the points they wished to make on the particular aspects of the Bill that gave them concern. I want to touch on one point that worries me and it is the duplication of the payment to railwaymen, whereas no mention is made of employees of the Highways Department. I asked the Minister how he intended to make this payment and he suggested (as I rather anticipated he would) that it would be possible to make the payment under section 16 (1) of the Highways Act, which states:

The wages, salaries, and expenses incurred in connection with carrying out the provisions of this Act shall be payable out of the Highways Fund without any appropriation other than this Act.

I have no doubt that the Government has received some assurance from the Crown Solicitor about the validity of the Bill, but I have some experience of this matter and I believe, as another honourable member has said, this is an *ex gratia* payment. The expense has not been incurred under the Act. Let us be political laymen for a moment. I cannot see that this expense has been incurred in any authorized direction and I suggest that the Auditor-General must look closely at it. Speaking as a supporter of the Bill, and as one who believes in service pay, I hope he will not look at it too closely, because it will cause concern to the employees of the Highways Department, who are just as entitled to the payment as anyone else. The case regarding objectionable aspects has been presented excellently by previous speakers. However, I realize the urgency of the Bill, and we desire to assist the Government in its passage. If the Chief Secretary speaks later this afternoon perhaps he will deal with the point I made in connection with section 16 of the Highways Act.

The Hon. Sir FRANK PERRY (Central No. 2): I rise to express my thanks to the Hon. Mr. Potter for his explanation of the Bill, which was a far better explanation than was given by the Chief Secretary. The matter of wages and salaries concerns all who employ people. There has been a wave of demands following arbitration court awards. We have continuous agitation and pressure by militant unions, or, if they are not militant, they are

unions that are anxious to improve the lot of their members due to shortage of labour. In many cases they have obtained the increases they have sought. However, certain people outside the group have not obtained increases. I do not know whether this is because they are not unionized enough or whether they are not unionized at all. Some of the people mentioned by the Hon. Mr. Kemp yesterday do not get the basic wage, yet the Government has taken advice from a body outside the Public Service consisting of, I think, two members of Parliament, two Labor Party representatives and two representatives from the Trades and Labor Council. None of these people is in the Public Service and, although I do not wish to insult them, they do not possess the ability to make a careful analysis of the results of their decision; they think only of the advantages to their own unions or supporters. These are the people that have virtually given away £1,500,000, which I think is what the sum will be when the whole matter is settled.

I could not let the opportunity pass without making some remonstrance or complaint about the way this has been done, and I heartily support the remarks made by the Hon. Mr. Potter, particularly as over the years increases have not applied to overtime rates. The Government has decided to give as much as it can, and in many cases this proposal represents more than is being paid outside. Having such a grant recommended by an outside body and acted on by the Government is not fair to the people of this State, to Parliament, or to the arbitration court; and it should not have been done. The arbitration court is being placed in an impossible position. The Commonwealth Arbitration Court is at present hearing an application for a 12s. basic wage increase, and a statement has been made that an application for increased margins will be brought before the court later this year. I think the best way to deal with these matters is through the arbitration court, as many advantages have been gained for workmen in this way. The court has been lenient and in the course of time has increased wages and raised the standard of living. We are all pleased about this, and nobody objects to it. However, I think these service payments will make the position difficult in the future.

Only two State Governments have awarded these payments. The previous South Australian Government made a reasonable attempt to meet outside pressure that was being applied in this matter. However, what this Government is doing will, as the Hon. Mr.

Potter said, raise a hornets' nest with employees outside Government employment and those within it who are not included in these payments. I do not intend to vote against the Bill, but I hope the Government has now finished with this advisory committee.

The Hon. A. J. Shard: We will get much useful service from it yet.

The Hon. Sir FRANK PERRY: The Government must realize that there are two sides to every question. Members opposite have had many years of advocating only one side, but now they must recognize both sides. I hope they will adjust their thinking in matters so vital to the economy of this State.

The Hon. S. C. BEVAN (Minister of Local Government): I would not have entered into the debate except that I was asked to clarify something that arose in relation to this measure. Frankly, I am amazed that ever since the opening of Parliament Labor members and the Labor Government have been castigated by members opposite, practically all of whom have alleged that the Labor Party has broken practically every promise made during the election campaign, yet now that this legislation is before us to give effect to a promise made during the campaign we are still being castigated. We cannot win!

The Hon. Sir Frank Perry: Might you not have made a mistake in this matter as in others?

The Hon. S. C. BEVAN: Irrespective of what legislation is introduced by the Labor Government, members opposite will oppose it.

The Hon. F. J. Potter: We are all voting for the Bill.

The Hon. A. J. Shard: Yes, but you are giving it the stick at the same time.

The Hon. S. C. BEVAN: The Hon. Mr. Potter has actually opposed the Bill left, right and centre, even though he has said he will support it. He has opposed the actions of the Government, which he says has done everything conceivably wrong in this matter. He has done nothing but complain during the whole of his speech that the Government has been caught and that it has been stampeded into something, yet at the same time he has the same view when it comes to the alleged breaking of promises. I do not know what he expects the Government to do. Perhaps he expects us to go to advisers such as himself before we do anything.

The Hon. F. J. Potter: It is not what you did but the way that you did it that we are complaining about.

The Hon. S. C. BEVAN: The honourable member complains about the way we have done this. The Hon. Mr. Potter stated that, as far as the award was concerned, Government employees were paid less than employees in outside industries. There is no difference in a Commonwealth award between Government and outside employees, especially in respect of the Metal Trades Award.

The Hon. F. J. Potter: I didn't say that; I said they got the fixed award rate in the State.

The Hon. S. C. BEVAN: I refer to the comment that was made. The honourable member stated that the award rates for employees in Government industries were lower than those in outside industries. I say that the award rate is not lower—it is comparable.

The Hon. F. J. Potter: Of course it is!

The Hon. S. C. BEVAN: Then what is the position? If a tradesman can get £2 a week more in private industry than the previous Government has been prepared to give, that is all right; but, for goodness sake, do not let the present Government do it—that is totally wrong! Consequently, this Government is suffering considerably in its employment of men, especially in the skilled trades, and more especially men holding high qualifications and degrees. The Government is suffering because those men can do better in outside employment.

The Hon. F. J. Potter: I agree with that.

The Hon. S. C. BEVAN: We are suffering because the previous Government was not game enough to do something about the salaries of the ordinary workers; but we are going to do something about it.

The Hon. F. J. Potter: The previous Government made an offer.

The Hon. S. C. BEVAN: I take the honourable member back to the 15s. offered and ask him, how was that given effect to? It was made retrospective by the previous Government but that retrospectivity went on for some time because the then Premier never had authority from Parliament to pay it. But he did then what has been done now: he came to Parliament with a Bill for authority to pay that money.

The Hon. C. D. Rowe: That was an award.

The Hon. S. C. BEVAN: It was not an award at all; but it was all right when that was done.

The Hon. F. J. Potter: Is it not true that the Trades and Labor Council rejected the previous Government's offer?

The Hon. S. C. BEVAN: I am coming to that. I am saying that the position at that time was all right as far as the previous Government was concerned. It knew perfectly well it would have the support of the four Labor members of this Council; it knew that every Labor member would support the proposed increases.

The Hon. Sir Lyell McEwin: The question is, is everybody covered by this Bill?

The Hon. S. C. BEVAN: I will give the answer from my point of view. In reply to interjections made by the Hon. Mr. Potter, I reiterate that, when it was a matter of the previous Government doing exactly the same as is being done now, it was in order but, when we do it, it is all wrong. The anomaly mentioned by the honourable member this afternoon was created at the time when the 15s. was awarded. The honourable member since he has been in this Council has never risen to oppose that anomaly or say that the Government should examine it. By his silence he supported it but, now that this anomaly has been raised by some honourable members, it is gravely wrong and therefore the Government should remove the anomaly created by the previous Government.

The Hon. F. J. Potter: The Treasurer said that he had cured the anomaly.

The Hon. S. C. BEVAN: If an anomaly was created, it was created by the previous Government and not by us. Then the honourable member mentions an offer made by the previous Premier which was rejected by the unions. That is a fact.

The Hon. F. J. Potter: It was not rejected by all the unions.

The Hon. S. C. BEVAN: It was rejected by the unions. I always thought that the honourable member believed in a majority decision but, if he still believes in a minority decision, I can understand his interjection. Many meetings were held and there were discussions on service pay with the unions, and the offer was rejected. The rejection of the offer was really good: the offer was good because it offered one thing with one hand and took something away with the other hand, and some employees would have got the marvellous benefit of 2s. a week! Let us assume the offer had been accepted. Naturally, the Government would have had to come to Parliament for authority to pay it. Would the honourable member have screamed against it then? I submit he would not if there had not been a change of Government. The low salaries paid by the previous Government to its employees have had an

adverse effect on the employment of people by the present Government. The Government now finds itself in a position where it cannot get the skilled men it needs. In particular, the Mines Department needs highly qualified men. That department is suffering considerably because men with high degrees who would be invaluable in its service are unobtainable because they can do much better in outside private industry. This is not a matter that has only just arisen; this has been a problem for years with the Government. The previous Government said, "We cannot agree to over-award payments as such but, as an inducement, we will give the employees an additional week's leave after five years' service." That carried on until the three weeks' annual leave as an award of the court became the general practice in this State, which immediately removed any inducement for Government employees who had previously been enjoying that additional week's leave. When representations were made to the previous Premier that they should maintain the additional week's leave to preserve relativity, they were refused point-blank. So the little inducement that was offered and granted previously by the Government as an inducement for employees to remain in Government employ was taken away from them when the court award was announced giving all employees the same leave conditions. Now the situation is altogether different, because there has been a change of Government, and everything else is wrong.

My only other comment is on the matter raised by the Hon. Sir Lyell McEwin, and also by the Hon. Mr. Jude, relating to employees of the Highways Department. Mr. Jude was Minister in charge of that department for many years and one would have expected him to know more about its finances. I mentioned to Mr. Jude before the Council met this afternoon that I considered that this question was covered by section 16 of the Highways Act. He looked at that section but quoted only one small portion of it. Section 16 states:

(1) The wages, salaries, and expenses incurred in connection with carrying out the provisions of this Act shall be payable out of the highways fund without any appropriation other than this Act.

(2) If any question arises as to what sums are properly payable out of the highways fund under this section, that question shall be determined by the Minister, whose decision shall be final.

(3) If the amounts standing to credit of the main roads fund are at any time insufficient to pay all wages, salaries, and expenses payable out of that fund, the Treasurer shall advance to the fund, without any authority

other than this Act, such a sum as is sufficient for those purposes. Any sum so advanced shall be recouped to the Treasurer from the main roads fund as soon as sufficient money is available.

Having in mind that section of the Act I consider there is no constitutional requirement for a line on the Estimates covering service pay to employees of the Highways Department. If the Highways fund is not sufficiently buoyant to supply the funds required, an advance from the Treasurer shall be made to cover the sum required until the general Estimates are presented.

The Hon. N. L. Jude: I appreciate having the Minister's reply.

The Hon. S. C. BEVAN: I do not wish to prolong the debate, and I consider that I have said enough. I support the Bill.

The Hon. A. J. SHARD (Chief Secretary): One is never too old to learn. There have been three speakers from the Opposition, all of whom supported the Bill and all of whom opposed it in their speeches. I do not mind if that attitude continues, because my main concern is to have the Bill passed by this Chamber and if honourable members wish to indulge in that form of supporting and then opposing Bills it is all right with me.

The Hon. N. L. JUDE: I rise on a point of order, Mr. Deputy President. The Chief Secretary has misquoted me entirely. I did not oppose the Bill; I simply asked for information on it. I ask that the Chief Secretary correct his remarks.

The Hon. A. J. SHARD: The honourable member may be an exception to my observations. If my little words of wisdom hurt him, then I withdraw them willingly. However, there has been 10 times more opposition to the Bill than support for it, yet all members said they supported it! I agree with my colleague, the Minister of Local Government, that we cannot win on this side, and I suppose it will continue throughout the session. As he said, we have been criticized for making mistakes in some things and criticized when we have been big enough to admit those mistakes. Now we go a little farther in implementing our policy and we are again criticized. It is from that point of view that I do not expect to win, and I accept that situation.

The Hon. Sir Lyell McEwin asked whether the service payments would apply to subsidized hospitals. The policy of the Labor Party is clear on this and in case anybody does not

know what was said I quote portion of the policy speech:

Industrial Service Payments for Government Daily Paid Staff.

Service payments retrospective to the 1st January, 1965, will be made with provision that our service payments will be in addition to any amount at present being received, with a proviso that they will be in agreement with the decisions of our industrial advisory committee.

We cannot correct that anomaly because of the proviso that it must be in agreement with the decisions of that committee. If we are criticized because of it that is just too bad, because we are merely giving effect to our stated policy.

The other point raised by Sir Lyell McEwin is a valid one, and I have no objection to it. It is whether certain payments that are not specified are covered by the Bill. I have a reply from a Treasury official, who is the same adviser used by the previous Government, and who is a man respected by us as one of the best Treasury officials in Australia. I do not wish to reveal the name of this official. The report states:

The Leader has handed in a list of queries regarding Supplementary Estimates. He questions why there is no specific provision in a number of smaller Departments for service pay. This was explained in the speech on the Estimates delivered on Thursday, the 20th, when it was indicated that for 16 Departments, involving minor amounts totalling some £6,000 in all, commitments would be met from the Governor's Appropriation Fund. Use of the Governor's Appropriation Fund is authorized by the Public Finance Act, Section 32a, and authority is given to the Governor to appropriate by warrant limited sums in excess of Parliamentary appropriation for both previously authorized purposes and other than previously authorized purposes. I believe that service pay may be properly regarded simply as wages and therefore constitutes a "previously authorized purpose", but as the retrospectivity involved may perhaps raise some doubt on this point action is being taken to ensure that all excess expenditure of this nature out of Consolidated Revenue will be kept within the limits available for purposes other than those previously authorized.

There is also a query why provision was not included for Highways Department and Woods and Forests Department. This, too, was explained in the speech. It is not the practice to make these provisions through Estimates as there is already full appropriation authority given in special Acts. The Highways Act, section 16 (1), provides the appropriation in respect of expenditure for roads purposes, whilst the requisite provision for forestry expenditure is made by Loan appropriation and by the Loan Money Appropriation (Working Accounts) Act, 1956. No supplementary estimates are necessary for the service pay

commitments which have to be met out of Loan appropriations, for the existing appropriations, together with the relevant provisions of the Public Finance Act, are adequate to meet those commitments.

As to nurses employed in Government hospitals, an explanation has already been given that most of these are salaried and already receiving service increments as salaried persons. To the extent that the impact of service pay may make it desirable for the Government to reimburse the Tramways Trust, any subsidized hospital, or any other authority partly supported by Crown grants, it is not anticipated that any special appropriation authority will be required in 1964-65. There is already authority for the payment of such grants and any minor excesses will not strain the Governor's Appropriation Fund. In some other cases the Leader has suggested the figures appear small. He may be assured that these were computed by departmental officers on the best information available, and the reason is that in most cases the number of eligible employees whose wages are provided out of Consolidated Revenue appropriations is small.

The Hon. Sir Lyell McEwin: Is that from the Crown Solicitor?

The Hon. A. J. SHARD: No, it is from a Treasury official. We have the same advisers as the previous Government had. We are acting on their advice, and if anything unfortunate happens it is just too bad.

The Hon. Sir Lyell McEwin: The statement said that we need Parliamentary appropriation in respect of the Railways Department.

The Hon. A. J. SHARD: According to our advice, what we want to do is amply provided for.

The Hon. R. C. DeGaris: Will the payment to the Highways Department employees be retrospective to January 1?

The Hon. A. J. SHARD: As far as I know, yes. With an innovation of such magnitude as this, extending to so many people, we would be wrong in not anticipating some minor anomalies that may need ironing out but I can assure you, Mr. Deputy President, and members generally that it is not the wish or the intention of the Government to make any payment that is not constitutional. If there is any doubt at all, we will ask our advisers, who, we are happy to say, are advising us in the same way as they advised the previous Government. Their advice can be treated as being just as honest, and if anything crops up that is not in line with what is right the officers are "right on the ball", and they do not hesitate to tell us. Anomalies will crop up but they will be dealt with as they are reached.

The Hon. Mr. Potter mentioned that the previous Government offered service payment to tradesmen. I have never been a tradesman.

A person is a human being, whether he is a tradesman or a labourer, and in many industries the labourer is just as important as the tradesman. Service is service to the community, whether the person is a labourer or a tradesman. That is our policy and I do not want anyone to have any misgivings about it. The Premier and I were representatives of the Parliamentary Labor Party on the advisory committee at one time, and I went to the Premier and said, "I am not having a bar of the payment of service pay only to Government employees on the tradesman's rate." I said that service is service from the lowest and most humble employee in the Government to the highest, and that the service payment should be a payment to everybody who gives service.

The Hon. F. J. Potter: A person does not have to give very long service.

The Hon. A. J. SHARD: There is no difference between the tradesman and the labourer. I adopted that principle when I entered the trade union movement, and shall never depart from it. If anything helped me to get out of the rut, it was a principle like that. In saying that, I make no apologies to anyone. That is where I stand on service payments. I thank members for the consideration given to the Bill and hope that it will be passed quickly.

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

ADJOURNMENT.

At 4.9 p.m. the Council adjourned until Tuesday, June 15, at 2.15 p.m.