

LEGISLATIVE COUNCIL

Thursday, September 29, 1966.

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

QUESTIONS

EXCURSION FARES.

The Hon. Sir LYELL McEWIN: I have received a letter from a reader of *Hansard* making an inquiry about why a reply to a question I had asked was not printed in *Hansard*. I know the answer: we often ask Ministers questions and they offer to bring down a report and when that is received—

The PRESIDENT: Does the honourable member want leave to make a statement before asking a question?

The Hon. Sir LYELL McEWIN: I am sorry, Sir; I do.

Leave granted.

The Hon. Sir LYELL McEWIN: The second part of the letter, which is from a person in a northern town, refers to another matter. It says:

Another matter I should like to draw attention to is the matter of rail weekend excursions from Adelaide. If one travels on Friday evening one is subject to full treatment from transistor radios and having to wait at refreshment counters because the younger people appear to make sure of getting there first. Would the Commissioner consider issuing excursion tickets for a one day excursion on Thursdays?

I understand that this is now restricted to Fridays. Will the Minister of Transport investigate this request?

The Hon. A. F. KNEEBONE: I shall have inquiries made as to the advisability of such a procedure, and obtain a report.

UNDERGROUND WATER.

The Hon. H. K. KEMP: I ask leave to make a short statement prior to asking a question of the Minister of Mines.

Leave granted.

The Hon. H. K. KEMP: Under the date-line of August 3, on August 4 appeared a brief press report of the condition of the watertable in the Langhorne Creek district. Over the last nine months, this has fallen from a 35ft. average to below a 60ft. average. It indicates clearly that a much heavier withdrawal of water is taking place, so the position has to be maintained by pumping. That should be considered in relation to the fact that about 150 new bores have been put down in this area within the last three to five years, and they

have been drawn off at a rate of up to 200,000 gallons a day. I understood from a brief inquiry of the Mines Department that there was nobody who had worked in and knew this district but that a study of the area was projected. Will the Minister find out the nature of the study projected and whether it will be implemented before pumping starts this year?

The Hon. S. C. BEVAN: Yes. I will request an investigation into the whole matter raised by the honourable member and bring back a report later.

PEKINA IRRIGATION BLOCKS.

The Hon. G. J. GILFILLAN: I ask leave to make a short statement before asking a question of the Minister of Mines.

Leave granted.

The Hon. G. J. GILFILLAN: The Pekina irrigation area, adjacent to Orreroo, is an area that supported a number of families in the past and is complete with irrigation channels, but the water supply failed because of the problem of fine sand getting into the artesian bores. Some time ago a private landholder in an area near these irrigation blocks put down a deep bore that he considered penetrated into a lower basin which was perhaps the artesian basin proper. This led to inquiries being made of the Mines Department and to a request for further experimental boring in the area. On January 26 last I asked a question about this, which the Minister answered on February 3. I will not now go into that answer in detail, but will say that he indicated then that an experimental bore was to be drilled and that it was hoped to use a particular type of sand screen developed by the Australian Mineral Development Laboratories to retain the fine sand and, if the bore proved successful, further test drilling was warranted.

I understand that the bore has been successful as far as a water supply is concerned, but recent information from responsible organizations in the district is to the effect that the bore was capped early this year. Because of the importance of this work will the Minister obtain a report on the drilling in the area and will he indicate what further work is planned in the future in exploring the basin?

The Hon. S. C. BEVAN: I had had the advantage of being told by the honourable member that he would ask a further question on this matter. Having had that advantage, I asked for information from the Director of Mines on the position at Pekina. The reply is as follows:

When previously reported, this project was awaiting the development and construction of a suitable sand screen. A screen has been designed and constructed by Australian Mineral Development Laboratories but, so far, has not stood up to field trials, and work on suitably strengthening the screen is in progress. As soon as a suitable unit has been developed it will be used on the Pekina project, following which, if successful, pump tests will be undertaken.

ADELAIDE RAILWAY STATION PARKING.

The Hon. JESSIE COOPER: Has the Minister of Transport an answer to my questions of September 13 about parking at the Adelaide railway station?

The Hon. A. F. KNEEBONE: Yes. The answers are as follows:

1. Total parking space in the vicinity of the Government Printing Office, in the quadrangle north of the Railway Building and on Railway Road is for 230 vehicles. Of this number 23 are reserved for railway staff vehicles and Motor Vehicles Department staff vehicles used on departmental business. Of the remainder, 121 spaces are available for the public or railway staff at a fee and 86 are available for the public free of charge.

2. 20 cents a day parking fee.

3. \$10,782.

4. No. It will be seen that out of a total of 230 parking spaces, only 26 are specifically reserved for railway purposes.

5. I am not aware of any lack of patronage of the railways because of parking facilities at the Adelaide railway station. The figures I have quoted show that only slightly more than 10 per cent of the parking spaces available are reserved for staff vehicles used on departmental business.

PROVISIONAL DRIVING LICENCES.

The Hon. F. J. POTTER: My question is directed to the Minister of Roads. In view of recent press reports concerning the remarkable degree of success claimed for provisional driving licences in New South Wales, has the Government given consideration to the introduction of such a system in South Australia?

The Hon. S. C. BEVAN: If the question means, "Is the Government considering introducing provisional driving licences similar to the system in existence in New South Wales", the answer is "No". However, the Government has given, and is giving, consideration to the question of provisional drivers' licences and, in addition, is giving consideration to whether there should be any alteration in the age at which licences may be obtained.

HOUSING TRUST HOUSES.

The Hon. H. K. KEMP: I ask leave to make a statement prior to asking a question of the

Chief Secretary representing the Minister of Housing.

Leave granted.

The Hon. H. K. KEMP: I have before me correspondence from one of my constituents, who resides at Mannum, dealing with an application for a rental house from the Housing Trust. One of the letters deals with an undertaking by the Chairman of the trust that the delay would be about nine months before such a house could be allotted. That letter is dated February 16, and I understand that the original application was made in January. The man concerned has still not had any intimation in regard to getting a rental house. This is a serious matter in this and other districts, affecting accommodation not so much for people in industry but for those servicing industry in towns such as Mannum and Millicent. The previous Minister in charge of the Housing Trust gave an assurance that the reason for the delay at Mannum was that it was impossible to obtain building contracts. However, one contractor in that town has been practically without work for some months and the other has not had much work. The reason previously given no longer applies but it seems that the period of delay is much greater. If it were not, this man would have been informed regarding the allocation of a house. It has been said in debate in another place that the delay in obtaining a house in Millicent is six months. This delay has been the subject of many complaints, and the delay now seems to be longer. Will the Chief Secretary ascertain from the Premier whether, because of the slack conditions in the building industry, there is any prospect of this serious backlog being overtaken?

The Hon. A. J. SHARD: I shall be pleased to refer the question to the Premier. If the honourable member gives me the name of the person at Mannum to whom he refers, I shall ascertain the position and give him the details.

PORT WAKEFIELD ROAD.

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

Leave granted.

The Hon. L. R. HART: In recent years announcements have been made by the previous Government and by this Government regarding the widening or duplicating of what is known as the Port Wakefield Road. As the matter of the widening of this road does not appear to be an exercise for the Metropolitan Adelaide

Transport Study Group, can the Minister of Roads inform the Council when it is intended that the widening or duplicating of this highway will be proceeded with?

The Hon. S. C. BEVAN: I take it the honourable member travels on that road nearly every day and his own observations should show that the work is progressing. It is intended to duplicate the Port Wakefield Road, but the work is governed by the availability of funds. When funds are available, the work will be completed to Port Wakefield and farther as needs require. As money becomes available, this work will be done.

TOW TRUCK OPERATORS.

The Hon. R. C. DeGARIS: I have asked questions previously regarding this matter. Can the Chief Secretary say whether the Government intends to introduce legislation to license and control tow truck operators in South Australia?

The Hon. A. J. SHARD: I think that when I last answered a similar question I said that the matter was under consideration. I understand that legal difficulties are involved and I do not know what progress has been made. I shall endeavour to ascertain the position.

The Hon. S. C. Bevan: Amendments are to be made to the Road Traffic Act.

The Hon. A. J. SHARD: I suggest that the question be asked of the Minister of Roads.

The Hon. R. C. DeGARIS: May I direct that question to the Minister of Roads, Mr. President?

The PRESIDENT: The Hon. the Minister of Roads.

The Hon. S. C. BEVAN: At present I do not know the extent of amendments to the Road Traffic Act proposed by the board, although I know that they are being prepared for consideration by this Council. One of the several amendments to be introduced will deal with tow trucks and their registration in South Australia.

MADISON PARK PRIMARY SCHOOL.

The PRESIDENT laid on the table the report by the Parliamentary Standing Committee on Public Works, together with minutes of evidence, on Madison Park Primary School.

ROWLAND FLAT WAR MEMORIAL HALL INCORPORATED BILL.

The Hon. A. J. SHARD (Chief Secretary) obtained leave and introduced a Bill for an Act to enact certain provisions respecting cer-

tain trust land situate in or near Rowland Flat held upon certain trusts and to vest the same in Rowland Flat War Memorial Hall Incorporated and for purposes incidental thereto. Read a first time.

LOTTERY AND GAMING ACT AMENDMENT BILL (T.A.B.).

In Committee.

(Continued from September 27. Page 1811.)

Clause 6—"Mode of dealing with moneys paid into totalizator used by a club."

The Hon. Sir NORMAN JUDE: I move the following suggested amendment:

In new section 28 (8) to strike out "shall be dealt with in accordance with subsection (9) of this section" an insert "may, subject to subsection (10) of this section, be retained by the club for the use and benefit of the club"; to strike out new section 28 (9); and to strike out "(9)" and insert "(8)".

If the Minister was offended by my suggestion that I had informed people that he would not accept any amendments, I apologize. I was interested in his statement as being a Government statement, and I hope he has checked his *Hansard* pull to ensure it is correct.

The Hon. A. J. Shard: I have, and there were one or two minor alterations only.

The Hon. Sir NORMAN JUDE: He said later that his attitude related to amendments with financial implication. Section 28, as re-enacted by clause 6, requires every club to deduct from both on-course and off-course investments $12\frac{1}{2}$ per cent of moneys invested on each race conducted before the famous "appointed day", and from then on 14 per cent in respect of each race. New subsections (8) and (9) govern the allocation of the moneys so deducted. They provide that after the payment of stamp duty the club may retain the balance ($1\frac{1}{2}$ per cent) for its use and benefit until three years after the appointed day has elapsed. I do not object to this: I think it is fair. I think the racing clubs have agreed to it, because it is associated with the necessary increase in facilities to run the new form of betting and provide off-course betting facilities for people who do not desire or are unable to attend at the course. After the three years the clubs are required to pay into a fund a sum representing $1\frac{1}{2}$ per cent of on-course investments. They will retain the balance, after paying stamp duty, for their own use and benefit.

I appreciate the Minister's point that if we do not pay some taxes the country cannot function. If my amendment suggested the removal of any part of the Government's revenue, his

argument would be sound. However, there is no suggestion of that. My amendment suggests that after the three years the clubs should retain this money. However, if that is not satisfactory to the Government, the matter can be reviewed. Perhaps in the heat of the moment, the Chief Secretary said:

... it was prepared to consider the winning bets tax, the 1½ per cent and any finances in connection with it within 12 months after the Bill commenced to operate.

We are asked to pass the Bill with a definite clause. The Chief Secretary has given an undertaking, which I accept, that the Government will review it in one year. The winning bets tax rests with the Government, but it has provided in the Bill that the 1½ per cent shall go within three years. The Chief Secretary should at least be prepared to give an undertaking that this matter will be reviewed within three years.

The Hon. A. J. Shard: I meant that the whole financial position would be reviewed in 12 months' time. We give a firm undertaking to look at everything.

The Hon. Sir NORMAN JUDE: While I accept the Minister's undertaking, the point is that we are putting into this Bill today a three-year clause.

The Hon. A. J. Shard: That is right, and it can be altered within 12 months after it comes into operation.

The Hon. Sir NORMAN JUDE: That may be, but it would be necessary for the Minister to bring in an amendment to alter the legislation.

The Hon. A. J. Shard: If necessary.

The Hon. Sir NORMAN JUDE: Very well. What I am suggesting is that while we have a brand new Bill dealing with off-course betting we should have it clearly set down that it will take three years, according to the Bill, and that it may be reviewed by Parliament within 12 months—because I am sure the Chief Secretary is not so obstinate as to be certain that he will be here in three years' time.

The Hon. A. J. Shard: It is not easy to deal with people who want to be difficult.

The Hon. Sir NORMAN JUDE: That is a friendly suggestion; I am not trying to be difficult.

The Hon. A. J. Shard: You know very well what the situation is but you will not face up to it.

The Hon. Sir NORMAN JUDE: It is fair enough to say that the Government will review within 12 months the financial clauses of this legislation that will mean revenue to the Govern-

ment. I accept the Chief Secretary's undertaking, but I should like him, in his reply on this clause, to show me that there is any attempt by honourable members who may support the amendment in this Committee to try to deprive the Government of any revenue whatsoever. The Government says, "In three years' time we will take this 1½ per cent that we allow the clubs to finance off-course betting facilities, regardless of whether or not the clubs are winning or losing. We shall take the money willy nilly." But in three years' time is the proper time to review that matter. If the Government of the day of either Party then decides that it needs more money, it can say, "We will take this money now. The clubs do not need it." The Chief Secretary is not being consistent.

The Hon. A. J. Shard: One thing you are consistent about is being troublesome.

The Hon. Sir NORMAN JUDE: The Chief Secretary keeps butting in. He is being inconsistent with his own statement, as recorded in *Hansard* last Tuesday.

The Hon. A. J. Shard: If you want to read it that way, you can; everybody else knows what was meant.

The Hon. Sir NORMAN JUDE: He said, "There will be three years before it will be necessary to amend this" Act (if it becomes an Act). I said, "Why not leave it to the Government of the day to review it?" The Minister said, "The Government of the day could review it if your amendment was not carried."

The Hon. A. J. Shard: Of course it could.

The Hon. Sir NORMAN JUDE: I said, "Under my amendment, it comes up for alteration", whereupon the Minister said, "The honourable member wants it to go to the racing clubs for all time, not a review of it." That is what my amendment does.

The Hon. A. J. Shard: That is where you are being troublesome.

The Hon. Sir NORMAN JUDE: I do not dispute it, but the point is that the Government of the day could then review it. I said, "The Government of the day could review it, the same as applied to land tax." The Chief Secretary then said, "Should not the Government of the day review it during the three years?" The Government's own Bill suggests that this will not change until three years have elapsed. That is why I suggest, with all due respect, that the Chief Secretary is inconsistent. I then said, "We are passing it now, not in three years' time". I do not want to

labour the point with the Committee, but I think it is a moot point whether it is desirable, as I referred to the matter of land tax, for any Government to suggest what it will do with the tax in three years' time. If the Chief Secretary were in Opposition, he would be the first to jump to his feet and say, "Let us deal with the tax we are putting on now, not with a tax that somebody may put on in three years". That is after the first statement that he would consider amendments that did not have a financial implication in the present Bill. I, therefore, move the suggested amendments.

The Hon. A. J. SHARD (Chief Secretary): I ask the Committee not to accept this amendment. Every honourable member knows what it means. If honourable members are honest and straightforward in their intentions, it is as simple as that. If the honourable member wants to be difficult, he can be difficult. Subsections (8) and (9) of section 28 as re-enacted by clause 6 provide the manner in which a club is to deal with the moneys deducted from on-course investments on the totalizator. The effect of subsections (8) and (9) is that, after the payment of stamp duty, the club retains the balance for its use and benefit until three years have elapsed after the commencement of T.A.B. and thereafter the club is to pay into the fund an amount equal to 1½ per cent of on-course investments and retain the balance for its use and benefit. The effect of these amendments will be to permit the clubs to retain the 1½ per cent permanently instead of paying it after three years into the fund. This amendment would be quite unacceptable to the Government.

Let us face the facts. The extra 1½ per cent that goes to the racing clubs from this legislation is for the very purpose of giving them sufficient money to bring their totalizators up to standard on the course. It is estimated that it will take three years for that 1½ per cent to do that. I look at all this and say, "Yes; we will look at it but, if the estimation is correct, the 1½ per cent will stop after three years." When I say that the Government will look at the whole financial position over the period, at the back of my mind is the thought that it may not be necessary to go for three years. I hope that the Government of the day and the clubs will honour it for three years, because they are committed. However, the Hon. Sir Norman Jude says, "Tell the clubs now that they are going to have it for all time." He says that in three years' time we can take it back from them, that we are leading them up the alley.

It is now being said, "In passing this Bill you retain the extra 1½ per cent for all time but, if we find that you do not need it, we shall take it back from you." The more honest way to do it is to state the estimated time by agreement between the people who reached the decision, that for three years they will need it. I take the view that the Government of the day may not even need it after three years. The clubs may be doing very well after three years. I have heard much about taking off the winning bets tax, but not one word about taking off the percentage in the totalizator—and I think that is just as important from the point of view of the public. It may be that in three years' time the 1½ per cent extra will not be needed by anybody. Why not give it back to those who invest?

The Hon. R. C. DeGaris: That will depend upon who is in Government.

The Hon. A. J. SHARD: No, it will depend upon the fairness of the Government.

The Hon. Sir Lyell McEwin: Fairness or needs?

The Hon. A. J. SHARD: Fairness and needs. It is an increase. I have not heard anybody mention an increased percentage being taken from the totalizator.

The Hon. R. C. DeGaris: The Chief Secretary heard me in connection with fractions.

The Hon. A. J. SHARD: Yes, but I am speaking of the gain from 12½ to 14 per cent and nobody has said anything about that. I do not wish to mislead the racing clubs or anybody else, nor do I believe that people should be taxed unduly but only where it is necessary to obtain more money. In spite of all the hulla-baloo we have heard about the winning bets tax I consider that a tax on the totalizator is just as important. If I am a member of the Government in three years' time and this matter is reconsidered I will have to be convinced that it is necessary for this 1½ per cent to continue once its initial purpose has been achieved.

I believe I can claim to be the first person to raise this point, and I have not heard any objection from racing clubs, punters' clubs, politicians or anybody else. I rarely bet on the totalizator, but I have heard enough moans and groans from women and small punters in connection with the small percentage on the totalizator. The Government is being honest in this matter; it is an agreement that has been reached between the clubs and the Government. I have stated what we are prepared to do and, whilst that would not be binding on a future Government, I believe that such a Government

would look respectfully at our actions. I think the time to examine this matter would be in the first 12 months. I have been told by a reputable businessman that it will take three years for this to become established. However, I do not believe that there will be no alteration in this legislation in that period because no Act, apart from the Local Government Act, has been amended as often as the Lottery and Gaming Act. From 1937 to 1965 a total of 32 amendments have been made and I do not think this Bill will be any exception.

The Hon. Sir Norman Jude: It might be possible to raise the turnover tax.

The Hon. A. J. SHARD: Honourable members know the point of view of the Government as well as my own. I appeal to the Chamber: please do not accept the amendment.

The Hon. R. C. DeGARIS: I gave some support to the ideas of Sir Norman Jude, but I was not convinced of the correctness of the amendment until I heard the Chief Secretary in reply. If I heard him correctly, he said:

If members of this Chamber want to be honest, they will vote against the amendment of Sir Norman Jude.

I assure the Chief Secretary whether I vote for or against the amendment I will be perfectly honest.

The Hon. A. J. Shard: I know that. Honest with the racing clubs, I meant.

The Hon. R. C. DeGARIS: I am quoting what I heard the Chief Secretary say.

The Hon. A. J. Shard: Be fair: honest with the racing clubs.

The Hon. R. C. DeGARIS: I listened closely when the Chief Secretary stated that he was the only person to raise this matter of the point of view of the punter and the amount of money being taken by the totalizator; that is, the sum of 14 per cent. I quote from a statement I made during the second reading debate when I said:

I cannot answer that. I raised the point because I do not think the clubs will get enough out of the 1½ per cent to replace the necessary facilities. Nor do I think after three years that the 1½ per cent should go to the Treasury. I think the Government is being over-grasping in this matter.

From what I have heard the Chief Secretary say in reply to Sir Norman Jude, I believe he also may consider that the Government is being over-grasping with this 1½ per cent. In saying that, I particularly have in mind that, once the clubs had received sufficient money from the extra tax on T.A.B., it should not revert to the Government. If the clubs are satisfied it should be removed altogether it should go to

the punters. That is what I meant when I made that statement and for the Chief Secretary to say that he is the only person to raise that point is incorrect.

As I see it, the Chief Secretary agrees with the removal of this 1½ per cent, if possible, at the end of three years and that it should be returned to the punter. If that is so, it would be better for him to support the amendment of Sir Norman Jude than to support the Bill as it now is where the money will definitely revert to the Treasury at the end of three years. On the statement made by the Chief Secretary, I support the amendment.

The Hon. Sir LYELL McEWIN: I rise not so much to argue the merits of the measure but rather to help the Minister, because I noted in his reply the same point mentioned by the Hon. Mr. DeGaris. I wrote it down: The Chief Secretary referred to honourable members and said, "If they are honest". I thought those words were a reflection on members of this Chamber. I raise the point because I do not think the Minister meant what he said; I think he was probably looking for a different word, possibly something like "If members are sincere", although that would be bad enough. The word has been used many times by the Chief Secretary, and on several occasions I have made a note of it. I suggest that when he replies to questions he refrain from using such a word because it is a reflection on the integrity of members in this Council. As I have said, I know he does not realize that it is becoming a habit of his to say, "If honourable members are honest". I have listened to valedictory remarks on occasions when the Minister has been sincere in expressing his views, but he allows himself to be carried away at times.

Everybody has spoken in support of this Bill, and I have commended all the amendments because I think they are worthy of consideration. I certainly consider that members have been sincere in their approach and some have mentioned points they thought worthy of consideration. I thought the creation of T.A.B. might be the realization of Utopia as far as racing clubs and all connected with racing were concerned. When I spoke in the second reading debate, I was forced to the conclusion that a 1½ per cent additional tax was necessary for the establishment of T.A.B. However, because clubs will have had that money for three years it is now suggested that by that time people will be accustomed to paying the additional amount. I think I mentioned that the totalizators paid more tax than the punters

paid and they will not notice its retention by the Government, which will take it into revenue.

I should like to have seen a compromise on the amendment. The Chief Secretary says that the Government is making it definite that the clubs must be satisfied by a certain time and that the Government will examine the position later. If this matter is to be examined after 12 months of operation, we should get rid of the language now used in the Bill. I am sorry that the Chief Secretary is raising an objection, because I want him to realize that I do not desire to defeat the Bill. A period of three years is given to enable T.A.B. to establish itself and the Bill should have been confined to the time taken to bring T.A.B. into operation. However, it makes provisions about a tax that will operate in three years' time. I do not doubt that, if the Chief Secretary is still a Minister, he will consider the matter.

However, we do not know what Government will be in power, what its policy will be, or what the representation in the Parliament will be at that time. I do not want to make an issue of the matter and am not as serious about it as is the Chief Secretary, but if the Government takes a take it or leave it attitude, that seems to make this a political matter. I am not considering T.A.B. from any political point of view.

The Hon. A. J. SHARD: Never, when I have used the word "honest" in relation to this matter, have I meant anything unkind in relation to honourable members. Honourable members are apt to take it the wrong way, too.

The CHAIRMAN: What did the Chief Secretary say?

The Hon. A. J. SHARD: I said "honest with the racing clubs".

The Hon. Sir Lyell McEwin: I wrote down the words, "If they are honest".

The Hon. Sir Arthur Rymill: The Chief Secretary meant, "If they are honest, as I know them to be"?

The Hon. A. J. SHARD: I believe the Bill is more straightforward than it would be if a provision were inserted that said, in effect, "You can have the 1½ per cent now and it will be taken away". I think my approach is a more businesslike approach.

The Hon. Sir NORMAN JUDE: May I take it from the Chief Secretary's reply that we have his assurance that this matter will be reviewed in three years' time, if he is a Minister?

The Hon. A. J. SHARD: I never go back on my word, as honourable members know, and

they can take my word that, if I am still a Minister of the Crown, this will be reviewed. I have permission of the Treasurer and Cabinet to say that the whole finances will be reviewed.

The Hon. Sir Lyell McEwin: I understood you to say that in your reply.

The Hon. A. J. SHARD: I said that this was the best Bill possible and that it did not suit everyone. I think I also said that I was not happy about some parts of it. If I am a Minister of the Crown during the next three years, this matter will be reviewed.

The Hon. L. R. HART: A principle is involved here. It is all very well for the Minister in charge of the Bill in this place to give an assurance that, if he is a Minister of the Crown in three years' time, the matter will be reviewed.

The Hon. S. C. Bevan: You certainly won't be.

The Hon. L. R. HART: I know that, and the Minister of Roads will probably not be, either. This Bill is the responsibility not of the Chief Secretary, but of the Treasurer. The Chief Secretary is only the Minister in charge of it in the Council. The principle involved is that the Government is trying to establish a tax that will not apply until three years' time and that then, if the needs of the Government are such that the tax is necessary, it will apply. That principle is undesirable.

If the needs of the Government in three years' time are such that the amount involved in the 1½ per cent is necessary to get it out of difficulties, let it then face the facts and introduce a tax at that time. Government should function in that way. It should not take cover under a Bill introducing a completely new tax that perhaps the punters have accepted to have T.A.B. established. There should be more than an assurance. The Bill should contain a provision that, if the clubs do not require the money in three years' time for the establishing of T.A.B., the tax should be abandoned altogether and the Government of the day should decide what taxes are necessary to finance its commitments.

Amendment negatived; clause passed.

Clause 7 passed.

Clause 8—"Enactment of Part IIIa of principal Act."

The Hon. R. C. DeGARIS: I move:

In new section 31h (2) to strike out "location" and insert "site".

The clause as drafted means that the Minister can exercise some control over the township in which an agency or totalizator will open.

I think the board should be completely free to open an agency in whatever town it considers it should operate and that it should not be under Ministerial control, although I agree that the Minister should have some over-riding control in relation to the site. The amendment will give the Minister control over the site in a township but not over the township in which an agency can be established.

The Hon. A. J. SHARD: The Government is not prepared to accept the amendment. This amendment does not alter the meaning of the new subsection, but the two other foreshadowed amendments to this new subsection are designed to remove the power of the Minister to have regard to such other matters as he considers relevant before granting or refusing approval for the location and premises of any office, branch or agency of the board. This would mean that he could have regard only to the proximity of the proposed office, branch or agency to churches, schools and licensed premises, and nothing more. For instance, in relation to the establishment of a T.A.B. agency at Port Pirie, the Minister would not be able to have regard to the proximity of the proposed agency to a licensed betting shop. I ask honourable members not to accept the amendment.

The Hon. Sir LYELL McEWIN: Did the Chief Secretary say that the word "site" made no difference but that the amendment would limit the powers of the Minister regarding the situation? He mentioned Port Pirie, but I understood this legislation would operate all over the State.

The Hon. A. J. Shard: Yes.

The Hon. Sir LYELL McEWIN: I do not know why Port Pirie has been specifically mentioned unless it is because that town has betting shops now. Is that the only consideration, or is the fact that premises are next to a church or school to be considered? Does the Minister want this purely for Port Pirie, because agencies may be placed alongside betting shops?

The Hon. A. J. SHARD: As I see it, if the amendment were carried the only power the Minister would have would be in relation to proximity to churches, schools and licensed premises. I think that is dangerous.

The Hon. Sir Lyell McEwin: But that is all that is contained in the new subsection as drafted.

The Hon. A. J. SHARD: No, it says "such other matters as he considers relevant". If the amendment is carried, the Minister will be able to have regard only to where an agency

is placed in relation to churches, schools and licensed premises.

The Hon. Sir Norman Jude: What other circumstances except the betting shops in Port Pirie does the Minister think would be relevant?

The Hon. A. J. SHARD: In another place a Sunday school, institute or something else could be involved. I hope that Sir Lyell will agree with this, that the Minister has a nasty job to do in respect of places of public entertainment. The questions I have to decide there are terrific. I am wondering when the end will come. The problems never cease.

The Hon. Sir Norman Jude: You should be glad to get rid of them.

The Hon. A. J. SHARD: No. If a Minister has a duty to perform, he must be responsible enough to face up to it. Let the Minister have some scope and do not tie his hands, because, as sure as I am talking here today, other problems will arise than those at Port Pirie. This amendment is not good. It is wrong to bind any Minister of the Crown too rigidly on a social question.

The Hon. Sir ARTHUR RYMILL: The clause could well have read that the Minister will consider "all matters that he considers relevant". I imagine that the draftsman put in the specific things that should be considered to draw attention to the fact that they were the most important things he could think of, but that he did not want to exclude anything that he could not think of. This is usual in drafting a Bill or a legal document. I myself have done this many times. We all have our limitations when we draft anything. We say to ourselves, "The really important things are so-and-so and so-and-so, but many things could crop up in the future that do not exist now." Consequently, I think the clause as drawn is satisfactory and I will support it.

The Hon. R. C. DeGARIS: I was confused by the reply of the Chief Secretary, in view of his second reading explanation. As regards my first amendment, the Chief Secretary said that the alteration of the word "location" to "site" made no difference at all to this clause and that no difference was made by striking out the words appearing later in the clause "and such other matters as he considers relevant". However, in his second reading explanation the Chief Secretary said:

It will also enable the Government to exercise adequate control over the establishment of any agency at Port Pirie and in exercising such control the Government will have regard to the wishes of the people of that town as well as social and economic factors.

This new section, if the interpretation given in the second reading explanation is correct, means that the Minister can control where any T.A.B. office shall open in any town in South Australia. It is that power that I am attempting to alter in this clause. I do not believe that a Minister should have the power at any stage to say, "T.A.B. agencies will not open in Pinnaroo, Port Pirie, Port Lincoln or anywhere else", because, in the light of information we have had from people closely associated with T.A.B. in other States we know that their attitude is, "This is one thing you must guard against because it may be used for political purposes, and political purposes only." We have to get over this difficulty. I do not mind how we do it, but I think my amendment gets over this problem and leaves the board free to open in any area where it feels that an agency can pay or is needed to cater for the needs of the district. That is all I propose to do. If this amendment does not do it, I should like some advice on it; but, as far as I am concerned, it overcomes the problem and alters the clause so that the Minister has no say in what town an agency shall open. It is left to the board to decide, and that is where the matter should rest.

The Hon. F. J. POTTER: I support the Hon. Mr. DeGaris. In the clause as it stands the important words are "other matters". I do not think this clause extends the kind of premises described, because it does not say that the Minister "may disapprove, because of the proximity of T.A.B. to places of public worship, schools and educational establishments, premises licensed under the Licensing Act and any other similar premises", or words to that effect. The clause states "such other matters as he considers relevant". In other words, it is wide open to the Minister under the present wording to disapprove of the establishment of T.A.B. in any town for any reasons that he considers relevant. As the Hon. Mr. DeGaris said, this could include some reasons involving political or quasi-political aspects. It is extremely undesirable. I support the second amendment. It does not matter much whether the word "location" is removed.

The Hon. Sir NORMAN JUDE: I think the Chief Secretary will be prepared to admit that he did not strengthen his case by the direct reference to Port Pirie. The clause might have been innocent, on the face of it, had not that been introduced into the second reading explanation. I have already expressed my opinion about the anomalous situation at Port Pirie. I know that, with the exception

of one or two members who happen to be personally implicated, very few members, irrespective of Party, have any time for the position at Port Pirie. Therefore, this Committee should realize that this anomaly should be got rid of at the earliest opportunity. If we are to leave this in the hands of the Minister, it is not a very happy position for him with regard to the specific case mentioned. It is surely more desirable for the board to use its common sense about when and where it should go in.

A few moments ago the Chief Secretary said that he would not approve of setting up a T.A.B. agency next to a bookmaker's shop. I always understood that good businessmen wanted competition and that therefore that would be the very place to put it. The Government wants money from T.A.B. and wishes to remove the present anomaly at Port Pirie. The point raised by the Hon. Mr. DeGaris is that it can remain with the Minister, on the basis of the old style referendum or the district council problems of annexation, where the Minister will be in the position of receiving a deputation that a certain town does not want a T.A.B. agency, and then he will have to decide. Nobody has suggested that more than 50 per cent of people in a town would want T.A.B. facilities. The point is that we legislate for minorities as well as majorities. The Government approved the introduction of T.A.B. throughout the State. I emphasize that this matter should be left to the board to decide and that the Minister should not be placed in the invidious position of possibly having to receive deputations from individual towns.

The Hon. S. C. Bevan: Won't the same conditions occur if that power is given to the board? Don't you think everybody will be on the board's back? Do you want to set up bureaucratic control?

The Hon. Sir NORMAN JUDE: The board is directly interested in the subject matter of the Bill and it is its job to carry it out to the satisfaction of the Government, the racing clubs and off-course investors. I hope we will learn the personnel of the board in due course. I believe that the board would be in a better position to judge than the Minister because he would be pushed around by business interests anxious to see the opening or closing of a shop in their particular town. I expressed that opinion in the second reading debate; I would not want the Minister to have these powers because I believe they could get him into great trouble. I support the amendment.

The Hon. Sir LYELL McEWIN: I was convinced by the Chief Secretary's reply on this amendment. He has satisfied me that the clause as drafted will not apply to many other towns, and that it will be there mainly for the benefit of Port Pirie. That was the information I sought. The board will be composed entirely of members of racing and trotting clubs, with an independent chairman. Port Pirie has a system that has operated satisfactorily for everybody, and it is possible that there may be a desire on the part of a board to say "We want this town brought into T.A.B. because it will mean more to us". It will not mean that the S.P. bookmaker will be put out of business.

We have all been paying lip service to the punter, the man who provides the \$29,000,000. I want to give him a bit of a go and if he prefers to retain what he has in Port Pirie I believe it will be in order. The Minister should have responsibility in these cases. The Minister will be surprised to learn that he has created such a good impression on me but such matters should be discussed on their merits. I do not want it to be a political matter; I represent the Port Pirie area and I want some justice handed out to the people of that city. They have had the benefit of the system all these years when other places have been turned down, and I do not want to see any disturbance there unless it is the wish of the people. My decision is based on reason.

The Hon. A. J. SHARD: I have had many laughs over this matter. The provision placing the onus on the Minister is no different from many others.

The Hon. S. C. Bevan: Hasn't he got it now?

The A. J. SHARD: It occurs on numerous occasions.

The Hon. Sir Arthur Rymill: I have heard Ministers of previous Governments ask for this discretion.

The Hon. A. J. SHARD: That is so; a board will be established and it must make decisions. I will not be a rubber stamp for anybody, and if the decision of the board must be reversed the argument will have to be good. In the 18 months that I have been in office I have often had a different opinion from that of my officers. I think I have been right: they have thought they have been right; only time will tell. The Hon. Mr. Banfield knows to what I am referring. The board will give reasons for its decisions. The Minister will provide protection. If the board does something wrong the Minister can alter it, and he

will be responsible to Parliament. Therefore, if the Minister played around with his powers Parliament would soon tell him where he stood. I think the Bill is a good one and I hope that it will be passed.

The Hon. R. C. DeGARIS: I have listened to the arguments, but I am not convinced that I am incorrect in my approach. The Chief Secretary said that the Minister is made responsible to Parliament, but throughout the Bill he is responsible to Parliament. All this does is to remove his Ministerial control over the establishment of agencies. I do not think he should be so responsible. In other States purely political matters have intervened in the establishment of agencies. If the people of Port Pirie have the right to say whether or not an agency will be operated, that same right should be given to every town in the State.

The Hon. S. C. Bevan: But the honourable member wants to take that right away.

The Hon. R. C. DeGARIS: If the Minister had read my second reading speech he would have seen that I clearly stated that the Government should have regard to the wishes of the people of that town.

The Hon. S. C. Bevan: But the honourable member wants to take it away with this amendment.

The Hon. R. C. DeGARIS: I merely say that if it operates in one town it must operate over the whole State. The interjection of the Hon. Mr. Potter at the time was relevant. He said "That or any other town." It is absolutely applicable. I am unconvinced by the arguments I have heard against my amendment.

The Committee divided on the amendment:

Ayes (6).—The Hons. R. C. DeGaris (teller), L. R. Hart, C. M. Hill, Sir Norman Jude, H. K. Kemp, and F. J. Potter.

Noes (8).—The Hons. D. H. L. Banfield, S. C. Bevan, Jessie Cooper, G. J. Gilfillan, A. F. Kneebone, Sir Lyell McEwin, Sir Arthur Rymill, and A. J. Shard (teller).

Majority of 2 for the Noes.

Amendment thus negatived.

The Hon. R. C. DeGARIS: I move:

In new section 31h before "premises" to insert "and".

I consider that I should continue with my amendments to this clause, because the Chief Secretary has said that a previous amendment for the proposed deletion of "location" and the substitution of "site" did not make any difference to the clause. Some honourable members may have voted as they did on that amendment because of his statement.

The Hon. Sir ARTHUR RYMILL: The insertion of the word "and" does not cause me any concern but the Hon. Mr. DeGaris proposes to insert other words and because of that I shall oppose the amendment.

The Hon. F. J. Potter: Could the two amendments be taken together?

The CHAIRMAN: The first part of the amendment on the file inserts a word and the second part leaves out words. I think we will take each part at a time.

The Hon. A. J. SHARD: I oppose all the honourable member's amendments and hope that the Committee will reject them. They are no good as a whole and the Committee should oppose them.

Amendment negatived.

The Hon. R. C. DeGARIS: I shall not proceed with the second part of that amendment. I now move:

After subsection (2) of new section 31h to insert the following subsection:

(3) The board shall not pay to any of its officers, employees or agents any commission based on any amount of money received or handled by such officer, employee or agent on behalf of the board.

I have heard that there is a possibility that totalizator officers will be appointed on a commission basis, and I consider that that is not the best way to appoint them. Anyone in charge of an office or agency should receive a salary or retainer for his services. A commission basis would lead to actions that were not in the best interests of the community.

The Hon. A. J. SHARD: The Government is not prepared to accept the amendment, which would have the effect of preventing the board from paying commission to any of its agents. A similar amendment was proposed and defeated in another place. The board should be free to remunerate its agents in the most economical way, and there could well be circumstances where a commission would be the most economical means of remunerating. The honourable member previously sought to give the board complete control. Now he wants the Government to tie the board's hands. As I said in the second reading debate, I have never seen the honourable member so inconsistent in his point of view.

The Hon. R. C. DeGARIS: During the second reading debate the Chief Secretary and the Minister of Local Government said that I was usually consistent but that in this case I was inconsistent. I said:

If T.A.B. is to be introduced into South Australia, it should be introduced on an entirely businesslike basis and the board should be completely free from any political

influence. It should work within the guide lines set down clearly in the legislation and be unhampered in as many ways as possible, except for certain limitations clearly stated in that legislation.

Both my amendments fall within the consistency of that statement. Both the Minister of Local Government and the Chief Secretary are consistent in jumping to conclusions before analysing statements, because in this matter I have been completely consistent. I have said that the board should be completely unhampered and that the guide lines should be laid down clearly in the legislation. This amendment does exactly that: it lays the guide line that the board shall not pay commissions. I consider it is for the benefit of the people of this State.

The Hon. L. R. HART: I support the amendment. I believe the public, and many members of this Chamber and another place, have supported and are prepared to accept this legislation on the basis that it will not increase gambling. If agents are to be licensed on a commission basis, obviously there will be an increase in gambling, which will be promoted, and this is the very thing the general public does not want.

The Hon. S. C. BEVAN (Minister of Local Government): The amendment provides that no commission will be paid to officers, employees or agents of the board, but I draw attention to new section 31j, which provides that the board may conduct off-course totalizator betting on any event scheduled to be held within the Commonwealth or New Zealand and may conduct an off-course totalizator or, by arrangement with a licensed racing club or licensed trotting club, as agent of the club make use of the totalizator used by the club for off-course betting on that event. Therefore, a commission would be paid to the club in those circumstances. The idea seems to be held by some honourable members that agencies will be set up at every street corner.

The Hon. L. R. Hart: Who said that?

The Hon. S. C. BEVAN: The honourable member has implied that this will happen. Every member knows that is not the intention. The amendment conflicts with the provisions of new section 31j and, if it is carried, that new section should be deleted.

The Hon. Sir NORMAN JUDE: Perhaps the Chief Secretary will tell the Minister of Local Government that we are dealing with paying commission to agents.

The Hon. S. C. Bevan: The clubs would immediately become agents in the circumstances I mentioned.

The Hon. L. R. HART: I accept that the Government does not intend to license agents indiscriminately. However, the Minister has said that in certain areas it will not be economical to employ a man on a retainer, so people will be licensed on a commission basis. If it will not be profitable for a man to operate under a retainer, the only way it will be profitable for him to operate on a commission basis is for him to promote betting, and the people do not want this.

The Hon. A. J. SHARD: I shall kill that idea right away. No agencies will be touting for business.

The Hon. L. R. Hart: How will you stop them?

The Hon. A. J. SHARD: The board will not permit that. This will be run on Victorian lines, and every agency must be to the board's standard.

The Hon. R. C. DeGaris: That does not stop it.

The Hon. A. J. SHARD: If people are canvassing and if I am the Minister in charge, I will see that the licence is taken away. The Government has no intention of allowing people to canvass for bets. Agencies will be conducted in *bona fide* offices: they are the only places where business will be done. I would not tolerate touting for one moment: I would take every step to stop it.

The Hon. C. M. HILL: The Chief Secretary's argument rather substantiates the view that it is wise to cut out commission, because surely the temptation must be there to carry tickets when one is out of an evening to try to sell more and thereby gain higher commissions. However, if the man is being paid a salary or a retainer, the temptation will not be there. If the operator is to be forced to set up premises, he is entitled to a salary rather than to have to gain a maximum reward from commission. I was impressed by the Chief Secretary's warnings that he would take every measure to keep the whole programme from drifting back to the old betting shop practice. However, it is a weakness that if they are paid a commission operators will be tempted to sell after hours outside business premises to gain a higher commission. Ultimately, the inspectors may find this out, but until they do there will be a drifting back to the old days that the Minister is trying to avoid. There is much to be said for the amendment.

The Committee divided on the amendment.

While the division was being taken:

The CHAIRMAN: Will the Hon. Mr. Kemp come to the Chair and state what his intentions are on this division?

The Hon. H. K. KEMP: I must apologize. I was discussing this matter with the Hon. Sir Arthur Rymill and had not crossed the floor. My intention is to vote in favour of the amendment.

Ayes (8).—The Hons. R. C. DeGaris (teller), G. J. Gilfillan, L. R. Hart, C. M. Hill, Sir Norman Jude, H. K. Kemp, Sir Lyell McEwin, and F. J. Potter.

Noes (6).—The Hons. D. H. L. Banfield, S. C. Bevan, Jessie Cooper, A. F. Kneebone, Sir Arthur Rymill, and A. J. Shard (teller).

Majority of 2 for the Ayes.

Amendment thus carried.

The Hon. A. J. SHARD: In view of the voting on the last amendment, I ask that the Committee report progress and have leave to sit again.

Progress reported; Committee to sit again.

INDUSTRIAL AND PROVIDENT SOCIETIES ACT AMENDMENT BILL.

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

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

That this Bill be now read a second time.

Its object is to increase the limitation on the interest of a member of an industrial and provident society from \$4,000 to \$10,000. Having regard to the variation in money value since 1958 (when the permissible shareholding was increased) the requirement of co-operatives of additional capital and the general circumstances obtaining today, it is considered that the increase is warranted. Clause 3 of the Bill accordingly so provides and the remaining clauses of the Bill (except clauses 4, 8 and 9) make consequential amendments to the principal Act. It is considered desirable, in order to prevent members with large shareholdings from exercising control of a society to the detriment of members with small holdings, that general voting rights should be limited in the case of future societies to provide for the principle of one member one vote unless the Minister in the case of any particular society approves of a different scale of voting. Accordingly, clause 4 makes such a provision in relation to future societies.

Clause 9 provides that no member of an existing society shall become entitled to more voting power than he now has even though he increases his interest in the society beyond the

present limit. In other words, the Bill preserves the existing voting rights of members of societies, but precludes any increase therein, by virtue of the increased limitation in the case of existing societies and at the same time provides that in the case of future societies only one vote per member is to be allowed. Clause 8 makes a formal amendment to the principal Act relating to decimal currency.

I understand it is essential that this Bill pass all stages today to meet the wishes of an important section of the community, that is the co-operative societies, particularly those in river areas and various other parts of the State. The Government is especially desirous that the Bill be dealt with promptly and I would appreciate the assistance of members in this respect.

The Hon. G. J. GILFILLAN (Northern): I rise to support the Bill. As the Chief Secretary has indicated, we have just received it but the contents of the Bill have been known to members for a short time. It does not appear to be contentious, and it seems essential that it should pass all stages today because, under the system operated by most co-operatives, it is now the end of their financial year. An amending Bill is necessary because since 1958 there has been no extension of the amount of money that it is permissible for each member of a co-operative to invest. It has been found that, because of the expansion of our economy and particularly of the large part played by co-operatives in the primary and secondary industries (especially the fruit industry), substantial expansion is necessary to cope with existing conditions.

It has been found that this amendment is necessary because of the restriction as to the amounts permitted to be invested by each member under the Act. This should assist the expansion of co-operatives. The proposal is to extend the amount involved from \$4,000 to \$10,000; this seems reasonable because of the change in money values and the requirements of 1966 as compared with 1958. Although we have had little time to examine the drafting in detail, a quick check reveals that it appears to be in order. Because of the urgency of the matter, I support the Bill.

The Hon. H. K. KEMP (Southern): In speaking to this Bill, and in supporting it, I think it is worth while dealing with one or two matters and what they mean to certain co-operatives in South Australia. Co-operatives registered under the Act have the privilege of freedom from income tax provided that surpluses are returned to the person from whom

they originate. This means that the co-operative becomes an extension of the private business of the farmer, the fruitgrower or the fisherman operating through it to merchandize his crop or produce.

Naturally, to operate a co-operative a margin must be allowed and that is closely estimated at the beginning of each year with regard to costs both in selling and in purchasing materials. This margin must be fixed to allow some freedom of working and usually it is very little above the costs. At the end of the year any surplus must be distributed to members who have supplied to or bought from the co-operative.

It is not a profit in the sense of that made by an ordinary business. The difference is that with a co-operative the whole surplus must be returned to the persons responsible for creating it and to whom it belongs. Such a requirement can be met in many ways; in some cases co-operatives return a surplus as a cash refund. In others it is returned in the form of shares. In both cases it is the responsibility of the person receiving such a surplus to pay income tax on the amount.

In the case of three or four of the largest co-operatives (and this applies especially to the South Australian Dairymen's Co-operative and some of the river co-operatives operating on a large scale) the repayment has been made partly in the form of share capital. The reason has been the need to expand the capital works of the co-operatives in order to cater for the greatly increased volume of milk, cheese and fruit passing through co-operatives in the last few years. Such mechanism is not open to co-operatives under the present legislation beyond the sum of \$4,000 a member, an amount set, I think, in 1958.

Prior to that time the maximum shareholding in a co-operative was \$1,000 but, chiefly to cater for the needs of these people, that was then increased to the \$4,000. Now, because of the huge expansion that will continue in the future, an amendment is needed to raise that amount to \$10,000, and I am sure it is fully justified.

The Bill has been drafted with the needs of the co-operatives in mind, working through their central agency, which is another co-operative, the Murray River Wholesaler. Each has had the opportunity of making known its requirements. I believe the co-operatives are satisfied with the present proposals.

It is regretted that we have not had the opportunity of examining the drafting of the Bill in detail. That is a bad thing. We all know how easy it is for mistakes to be made

in drafting, and in this case we have had no opportunity of checking the Bill's provisions. I know and sympathize with the need to handle them with extreme urgency. We should, however, have been allowed half an hour or so at least in which to examine it for drafting or other errors, and I ask the Chief Secretary to enable us to do that in Committee. The Bill concerns the well-being of a large section of our agricultural community, including fishermen, dairymen, potato growers and those associated with the huge co-operatives in the river district and in the hills. I wholeheartedly support the principle of the Bill, in the knowledge that careful thought has gone into the preparation of it. The Bill enables those in primary producing industries to sustain their position in the commercial world.

The Hon. L. R. HART (Midland): In speaking to this Bill, I do so partly because there are many co-operatives in the District of Midland. The history of co-operatives is interesting, dating back to 1880. True co-operatives have to operate within certain rules in order to be free from the obligation to pay certain taxes. I understand that those rules are largely to the effect that a co-operative must conduct 90 per cent of its business with its own members. It is necessary that the principal Act be amended from time to time to bring money values into proper perspective and it is probably necessary to amend it at this stage to make provision for decimal currency.

Co-operatives are born really in times of adversity or when an industry finds difficulty in carrying on. They have been formed in many instances to market the produce of particular industries and have proved of great benefit in this field, I think that, as time goes on, producer organizations will be well advised to form themselves into co-operatives for the purpose of marketing their produce if the industries lend themselves to that type of organization.

As the Hon. Mr. Kemp has said, this is an important Bill and should be given full consideration by the Council. However, I understand that it is imperative that it be dealt with today because certain co-operatives close their books on September 30. Therefore, I shall not delay the measure, but point out that it is unfortunate that the Bill has been introduced at such a late hour. In order to ensure that the progress of the Bill is not impeded, I support the second reading.

Bill read a second time.

In Committee.

Clauses 1 to 9 passed.

Title.

The Hon. H. K. KEMP: I register a protest because no opportunity has been given to honourable members to examine the Bill. We have been able to give it only a momentary glance. It is important legislation and surely we could have been given at least an hour in which to look at it.

Title passed.

Bill read a third time and passed.

LOCAL GOVERNMENT ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from September 27. Page 1814.)

The Hon. R. C. DeGARIS (Southern): This Bill deals with the accounting procedures of councils. Each year the Auditor-General makes a report on the accounting of these bodies, and for several years he has drawn attention to many irregularities. In his second reading explanation, the Minister pointed this out, and then said:

The amendments made by this Bill are designed to tighten up the provisions respecting local government accounts and procedures to ensure as far as possible that everything is regulated in a proper manner.

We all know that certain irregularities take place in the accounting of some councils, but I am concerned about the statement about everything being regulated. In my maiden speech in this place I mentioned the responsibility and the future of local government and the great need for preserving its independence and getting it to accept its full responsibility. I freely admit that not all the blame for the loss of some powers of local government can be levelled at the Government. Some of it lies at the doorstep of local government itself, as some councils are not prepared to meet their obligations. However, I do not wish to reach the position where local government is merely a deconcentration of centralized authority, or its responsibility is removed. I think we need to encourage local government to be another arm of government, and not to be directly under the control of a central Government department.

A committee, known as the Local Government Accounting Committee, was given the task of investigating and reporting on local government accounting and procedures, and it made a report, I think, this year. This report did not meet with the approval of the Local Government Officers Association, and I believe it was

unanimously rejected by the Municipal Association. Following that rejection, the committee agreed to have another look at the matter, and I believe it is still inquiring and has to make a final report. It seems strange to me that, before this committee has made its final report, this Bill, which considerably alters the approach to local government accounting, should have been introduced. I know that the Local Government Officers Association and the Municipal Association are somewhat perturbed about this. The Bill contains a large number of amendments to the principal Act, yet the Minister said that the Act would not be amended in a major way until the committee had completed its work.

The Hon. S. C. Bevan: That was qualified.

The Hon. R. C. DeGARIS: Yes. I think the Minister said that no major amendments would be made.

The Hon. Sir Norman Jude: Be careful: he is on his own ground now!

The Hon. R. C. DeGARIS: Yes, and he is extremely efficient and giving a stimulus to the various departments under his control. The committee is still working on the Act, yet we have before us this Bill, which I think makes major amendments to the Act, and the Minister said that no major amendments would be accepted while the committee was doing its work. I should like him to say whether the alterations made to the Act by this Bill were referred to the Local Government Advisory Committee, a body that advises on changes to the Act. No mention is made in the second reading explanation of that committee's having had a look at the provisions of the Bill. Perhaps the Bill was referred to the committee before it was introduced, but I should like the Minister to say whether it was and whether the committee made a new report. The Hon. Mr. Hill made several good points on this Bill. He is concerned that the amendments in it are a blanket measure covering all phases of local government. He pointed out that there was a great difference between municipal councils, on the one hand, and very small country councils, on the other. He gave some interesting figures, stating that the Adelaide City Council this year would spend about \$7,800,000 while a small council such as Quorn would spend about \$5,000. There is a great disparity between the expenditures of various local government bodies in South Australia. His point about this being a blanket measure is important.

The honourable member raised a further good point on the fact that the fee to be fixed

for the auditor is under the control of the Minister on the recommendation of the Auditor-General: he asked exactly how it would be fixed. The Minister should answer this important question in due course. There are many ways in which the fee can be fixed. In his report for this year the Auditor-General suggested a scale of fees that could be fixed for the auditing of local government accounts. Then there is the advance account, which is covered by this Bill. I give this provision my complete blessing, because I have seen in the working of local government the great difficulties that it faces if it does not operate on some such system as this. Is there to be any limit on the amount of money that an advance account can hold? There are difficulties in the various sizes of operation of different local government bodies.

The Hon. S. C. Bevan: That would be something that the council itself would determine.

The Hon. R. C. DeGARIS: The Bill states:

The council may by resolution authorize the keeping of an advance account and may authorize such payments therefrom as are specified generally or specifically by resolution of the council.

As the Minister says, money can be held in an advance account, which may be kept by resolution of the council, but there may be a good argument for restricting the size of the advance account to relate it to the overall expenditure of the council. Also, the expression "specified generally" seems to be broader than it should be.

But what worries me most of all is clause 6. I hope the Minister will look at it closely. As I pointed out earlier, the accounting committee is still to make its final report. I do not know exactly how far it has got with its report but I believe it has made some sort of report that was not satisfactory to either the Local Government Officers Association or the Municipal Association. Clause 6 amends section 691 of the principal Act and alters the Governor's regulation-making powers. The new wording is:

(a) prescribing accountancy and finance methods and systems and making their use by councils and by their officers compulsory; (b) prescribing books of account, forms and records and making their use by councils and by their officers compulsory.

This means that, before the full report of the accounting committee is made known, before local government has a chance to agree with the recommendations of that committee, before the local government officers have a chance to agree to it, we may have regulations before us

prescribing accountancy and finance methods and systems and making them compulsory.

The Hon. S. C. Bevan: No. This is only giving them the power to make the regulations permanent.

The Hon. R. C. DeGARIS: I agree, but this could happen.

The Hon. S. C. Bevan: Not with me.

The Hon. R. C. DeGARIS: No. We like the Minister very much and hope he has a long life in this Council, but someone else may occupy his position who may not have the same pleasant outlook on life that he has.

The Hon. D. H. L. Banfield: I will look after him!

The Hon. R. C. DeGARIS: I agree, but even the honourable member cannot give any guarantee about the future. Therefore, I view with some concern that overnight the accounting systems that have been followed by many big organizations in local government may be completely changed, and may be compelled to be changed, before any disallowance of these regulations can take place in either House. Therefore, I view clause 6 with some concern and look forward to the reply that the Minister will make to the debate, and particularly to the cogent questions asked by the Hon. Mr. Hill. I support the second reading.

The Hon. D. H. L. BANFIELD secured the adjournment of the debate.

APPROPRIATION BILL (No. 2).

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

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

That this Bill be now read a second time.

The total appropriation proposed in this Bill is \$191,436,000. Payments already authorized by Special Acts are estimated at \$66,582,000, giving a total of proposed payments from Consolidated Revenue Account for the year 1966-67 of \$258,018,000. Estimated receipts total \$255,702,000, so that an estimated deficit of \$2,316,000 is forecast for this year. Before dealing with the appropriations proposed in the Bill, I shall comment briefly on last year's experience, on the overall situation of the State's finances at June 30 last, and on the expected receipts for this year, including the probable effects of a number of revenue raising measures.

For 1965-66 actual receipts were \$236,816,000, or \$3,138,000 short of the Budget estimate, while expenditures were \$243,650,000, or \$614,000 in excess of estimate. The result for

the year was a deficit of \$6,834,000. The receipts from taxation were short of the original estimate by \$2,279,000. The heaviest loss of revenues was in succession duties which were \$1,366,000 short of the earlier expectation. The Budget included an estimated \$300,000 to be received as the result of amending legislation which, in the event, was not approved. The other \$1,000,000 or so shortfall was probably in part the result of the depressing effect on values generally of the down-turn in the Australian economy, and in part purely chance factors. However, a considerable cause of the down-turn in these revenues is the increasing avoidance of duty by taking advantage of weaknesses and anomalies in the Act.

Stamp duties were \$532,000 below estimate. This shortage was also a reflection of the general quietness in the economy. Other items which did not reach estimate were motor vehicle fees \$112,000 below, and land tax \$142,000 below. The latter was due in part to delay in billing while legislation was before Parliament, and in part because the yield of the 1965 amendment was slightly less than expected. There were no significant increases above estimate in the various items of taxation.

For public undertakings actual receipts for the year were \$957,000 below estimate. For the Railways Department actual earnings for the year fell below the estimate by just over \$1,100,000, the principal shortages being for grain carriage, general merchandise and minerals. There were, however, heavy cash receipts in June last and a marked reduction in outstanding accounts, so that the shortfall of \$451,000 in cash receipts did not fully reflect the extent of the decline in business handled by the railways. Harbors Board receipts tend to follow the same trend as those of the Railways Department, as variations in the quantity of grain and ores moved to the ports affect the volume of shipping. In addition, imports were below the expected levels last year and as a result receipts from harbour services were \$805,000 below estimate. The receipts from water and sewer rates were \$351,000 above estimate, mainly because of expansion of services and because of payments for excess usage being greater than expected.

Departmental fees and recoveries were \$168,000 above estimate. The larger movements were in receipts from education and hospital services. For education purposes receipts exceeded the estimate by \$343,000 because of recoveries from the Commonwealth to match additional State grants for university purposes.

Receipts of the Hospitals Department were \$239,000 below estimate largely because of changed procedures which meant later payments by the Commonwealth under the pharmaceutical benefits scheme.

Territorial receipts fell \$116,000 below estimate as certain proposals for land sales did not proceed as rapidly as expected. The calculation of Commonwealth grants for taxation reimbursement based on final figures for population and wage movements gave a figure \$113,000 below the earlier estimate which had been based on preliminary incomplete data. For payments, the excess of \$614,000 above estimate was the net result of many variations, some of them above and some below the original provisions passed by Parliament.

The major excesses above estimate were for education purposes. For the Education Department itself the excess above original appropriation was \$608,000. This was due almost entirely to the additional costs of a new award for teachers. Under "Minister of Education—Miscellaneous" final payments were \$770,000 above the original estimate because of additional grants required for the University of Adelaide and for the South Australian Institute of Technology. These gross provisions were partly offset by increased recoveries from the Commonwealth, as I have mentioned.

For the Social Welfare Department actual payments were above estimate by \$184,000 because of higher numbers of children under the care of the State, increased numbers in receipt of relief, and greater costs of care and accommodation. The payments of the Engineering and Water Supply Department exceeded the original estimate by \$327,000 because of increased costs of maintenance, repairs, water treatment and pumping, while the increased costs of rates, repairs, and maintenance of Government buildings were responsible for the actual payments of Public Buildings Department exceeding the estimate by \$165,000.

The two major variations below estimated payments were for the railways and harbours undertakings, due in each case largely to the lower level of activity which I have mentioned as reducing revenues. The actual savings in payments as compared with estimate for the two undertakings were \$772,000 and \$247,000 respectively. Other savings as against estimate included \$215,000 for the Agriculture Department, as tentative provisions to combat fresh outbreaks of fruit fly were not required.

After offsetting earlier revenue surpluses of \$1,222,000 against the 1965-66 deficit of

\$6,834,000, the cumulative deficit on Revenue Account at the close of 1965-66 was \$5,612,000. The deficit on Loan Account at that time was \$2,465,000, so that 1966-67 opened with cumulative deficits on the two accounts combined of \$8,077,000. As honourable members will recall from the recent debate on the Public Purposes Loan Bill, the Loan Budget for 1966-67 proposed a reduction in the Loan deficit to a figure of \$144,000 at June 30, 1967; that is, a planned improvement during the year of \$2,321,000.

If the 1966-67 transactions on Loan and Revenue Account combined were to be contained within the funds becoming available it was apparent that any revenue deficit currently would have to be held to no more than \$2,321,000. In examining the submissions for the 1966-67 Revenue Budget the Government found that, after reducing proposed expenditures where possible consistent with efficiency and proper service, the necessary aggregate was \$258,018,000. At the same time the prospective revenues for the year, exclusive of the effect of any alteration of taxes, rates and charges from those in force on July 1, 1966, totalled \$249,677,000. The gap between minimum expenditure deemed necessary and prospective revenues was thus \$8,341,000.

The Government has therefore proposed a number of revenue-raising measures designed to keep the deficit within manageable limits. The aggregate revenues derivable this year from the special measures are calculated at \$6,025,000, which it is estimated will make good all but \$2,316,000 of the gap of \$8,341,000 to which I have referred. For the year 1966-67, the two Budgets provide for an improvement on Loan Account of \$2,321,000 and for a further deficit of \$2,316,000 on Revenue Account. To put it another way the aggregate of \$8,077,000 for combined Loan and Revenue deficits at June 30, 1966, is planned to be reduced slightly to \$8,072,000 at June 30, 1967, comprising a forecast deficit of \$144,000 on Loan Account and a forecast cumulative deficit of \$7,928,000 on Revenue Account. The overall 1966-67 programme is to hold the line financially without any further deterioration of the Treasury balances. The Government considers that to go further than this in one year would put unreasonable strains upon the State, and call for unreasonable economies or unreasonable further charges and taxes.

I comment on the special revenue measures while dealing with estimated receipts for the year. It is estimated that receipts on Revenue

Account will amount to \$255,702,000 in 1966-67, that is \$18,886,000 in excess of actual receipts in 1965-66. The receipts are expected from:

	\$
Taxation	42,606,000
Public Works and Services— charges, recoveries and fees	116,747,000
Territorial receipts	1,975,000
Commonwealth grants	94,374,000
	255,702,000

The estimate of \$42,606,000 for taxation is \$5,754,000 above last year's actual receipts. Land tax receipts at \$7,800,000 are expected to be \$2,162,000 above the actual receipts of 1965-66. The re-assessment of land values, combined with the effects of a new tax scale, will result in increased revenues of closely \$2,100,000. As honourable members are aware, new rates have been brought into force by amending legislation and these are lower than rates which applied last year. In particular, they are 36 per cent lower for the valuation below \$50,000. However, because new valuation levels now apply and these are higher than hitherto, and an increased revenue of \$2,100,000 is expected beyond what would have been available at 1965-66 rates upon the previous valuations. The remainder of the increase will arise from the fact that last year's collections fell rather short of the amount due because of delays in billing.

A further moderate growth of \$612,000, to a total of \$12,500,000, is forecast for motor vehicle taxation. Because of the statutory requirement that these taxes be made available for road purposes, a variation in this item has no net impact on the Budget. For stamp duties, the estimate is for an increase of \$1,868,000 to a total of \$11,916,000. Of this increase, \$900,000 is expected to be derived from amendments to rates, while the remainder is expected from increased volume and value of business and from a full year's effect of higher stamp duty charges on cheques which became effective in February last. The South Australian stamp duties on conveyances and upon hire-purchase and money-lenders' contracts are at present \$2 for each \$200. In other States the rates are higher. It is intended to bring these duties into line with those in other States by appropriate increases, which it is expected will bring about \$900,000 extra revenues this year and \$1,350,000 in a full year.

The forecast for succession duties is \$6,750,000, an increase of \$616,000 above the receipts for 1965-66. Last session, legislative proposals were submitted to revise the provisions for succession duties with two principal

objectives. The first was to give effect to the policy of exempting a succession to a widow when the amount does not exceed \$12,000: this compares with the \$9,000 exemption at present applicable. The second objective was to close certain gaps in the statute whereby an increasing volume of avoidance had been experienced and, at the same time, to raise revenues more nearly comparable with those raised by estate duties in other States. The legislation was rejected. The Government regards this legislation so seriously, that it intends to re-submit it in the present session with a number of amendments. These amendments will give some further benefits to smaller successions in deserving circumstances and, at the same time, will include measures designed more adequately to protect from avoidance the fair and proper revenues of the State.

The practice of avoidance, which is progressively becoming more extensive, is, of course, only practicable to persons with substantial property, and is particularly effective with the larger estates. Larger estates, with the method of estate duty assessment in other States, now contribute much more to revenues in those States than do similar large estates in South Australia. The Government would be most reluctant to abandon the traditional South Australian method of succession duty assessment rather than estate duty assessment but, unless it is able to close the present avenues of avoidance under the succession duty system, it will be forced to consider adopting the method of levying duty upon estates that is adopted elsewhere. Acceptance of the legislation which the Government proposes will not give substantial increases in revenue this financial year, as there will be a considerable lapse of time before amended legislation can actually affect revenues.

It is tentatively estimated that a net \$250,000 extra revenue may be received this year, but the subsequent increases and the protection against subsequent avoidance of duty will be much greater than this. The remainder of the increase is expected from a greater number of assessments and some recovery in values generally. Liquor licences in South Australia are at present assessed at the rate of 3 per cent on the wholesale cost of purchases during the previous year, whereas the rate is 6 per cent in all other States except in Western Australia where it is 5½ per cent, and measures are being taken to bring South Australian rates up to 5 per cent. The new rates are to operate in the 1967 licensing year, and

expected additional revenue is \$375,000 in the current financial year, and about \$750,000 in the first year of full operation. Increased turnover will probably result in a further \$50,000 or thereabouts this year. These two factors would carry the total receipts from liquor licences to \$1,515,000.

The estimate of receipts from Public Works and Services, \$116,747,000, is for an increase of \$6,725,000 above last year's actual receipts. Receipts from the operation of the State's harbour services are expected to increase by \$705,000 to a total of \$6,900,000. The major factors taken into account in this forecast are the full year's effect of increased charges, which came into force last November; the expectation of increased grain and salt exports; the commencement of lime sand shipments from Port Lincoln; and the prospect of rising imports including oil. Cash receipts from fares and freights of the railways services are expected to total \$31,250,000, an increase of \$1,487,000. The earnings from the carriage of passengers and freight are likely to be more than \$2,000,000 above last year's earnings but, whereas cash receipts were boosted by a rather large reduction in outstanding accounts late last year, no favourable effect is expected from such a factor this financial year. Cash receipts have been estimated at the same figure as earnings, that is to say, allowing for little variation in outstanding accounts, and, should there be a marked increase in such outstandings, cash receipts would be adversely affected.

An increased scale of rates is expected to yield about \$1,240,000 this financial year, whilst the remainder of the increase of about \$2,000,000 forecast for earnings is expected to flow from greater tonnages of grain, general merchandise, and minerals, and from the operation of the automatic variation clauses in special contracts. The Government has taken action to increase grain rates by an average of about one-sixth, and even then the local grain rates will be lower than in every other State except for some of the long mileages in Western Australia. Increases are being made in certain other rail freights which are not subject to such competition as to render the increases impracticable, and fares are also being increased. On average, metropolitan fares will increase by 15 per cent, country fares by 10 per cent, and freights on manures, livestock, parcels, and certain general merchandise by 10 per cent. Having made these increases, the South Australian rail freights will still be generally the lowest in Australia, and rail

fares will remain lower than the average of other States.

For the State's water and sewer services, it is expected that receipts from rates will be about \$22,150,000, an increase of \$2,077,000 above actual receipts for 1965-66. About 40 per cent of this increase will come from the normal annual expansion of services, whilst the remainder will arise partly from the greater volumes of excess water used last year and partly from the increased charges for excess water. A review of the operations of the Woods and Forests Department shows that the extent of revenues earned will make it practicable to increase by \$240,000 the annual contribution by the undertaking to Revenue.

The total of recoveries of interest and sinking fund is expected to reach about \$22,917,000, which would be \$956,000 above the actual recoveries of last year. These recoveries of debt services tend to increase each year as the volume of Loan funds employed grows steadily. A large part of the Loan programme each year is for semi-government undertakings, such as the Electricity Trust and the Housing Trust, and these authorities repay to Revenue Account the interest and sinking fund applicable to the Loan funds used. Other recoveries of debt services are made from certain departmental accounts, which are financed from periodical loan advances but which are operated outside of the annual Revenue Budget appropriations.

Such accounts include those of the Woods and Forests Department, and the stores, plant and machinery, and reimbursement accounts of the public undertakings. The increased recoveries from the foregoing accounts will be offset to the extent of almost \$400,000 by lower interest earnings on that proportion of trust and other funds which is available for investment as fixed deposits with the Reserve Bank. The lower earning of interest follows from the utilization of portion of those balances in financing the deficits in the Loan and Revenue Accounts.

Among the estimated departmental fees and recoveries are two large variations from the actual receipts of last year. For education purposes probable receipts are set down at \$1,867,000 less than for 1965-66. This is a result of the decision to charge grants for university and advanced education buildings to Loan Account and to take to Loan Account as received those contributions from the Commonwealth which were previously credited to Revenue. Receipts of the Hospitals Department are expected to increase by \$1,144,000

because of increased recoveries from the Commonwealth for hospital and pharmaceutical benefits, and the full year's operation of increased charges introduced late last year.

The miscellaneous items include a proposed recovery of \$1,000,000 from the Highways Fund. As honourable members will recall, an arrangement was made with the Commonwealth for the five years from 1959-60 to 1963-64 under which certain matching grants were made by the Commonwealth together with certain fixed grants for road purposes. That arrangement was subsequently renewed and extended for five years from 1964-65 to 1968-69, and the agreed targets were met by the provision of supplementary funds from the Treasury additional to the statutory diversion of net road taxes and charges levied by the State.

As a result of the availability of greater State revenues to the Highways Fund in recent years the fund has had available to it amounts well in excess of the targets agreed by the Commonwealth and State to secure full matching. Accordingly, in 1964-65 and 1965-66 the Government arranged, under powers given by section 31a of the Highways Act, for the fund to repay to the Treasury amounts of \$600,000 and \$640,000 of advances made earlier by the Treasury to the fund. Even after making those repayments the Highways Fund retained moneys for expenditure on roads approximately \$700,000 and \$1,140,000 respectively in excess of amounts required to secure the maximum Commonwealth matching grants.

Without comparable diversion in 1966-67 it is estimated that the Highways Fund would have, from State sources, revenues about \$1,600,000 in excess of the amount required for matching. Having regard to the earlier special supplements from both Loan and Revenue sources and, in view of the relatively much more difficult financial problems facing Revenue Account than face the Highways Fund at present, it is proposed this year to require the Highways Fund to repay to the Treasury \$1,000,000 of the special \$1,240,000 revenue provision made to it in 1952-53. This will be done under authority of section 31a of the Highways Act.

Moreover, to secure a better balance between the funds presently available to the Highways Department and those which the Treasury can afford for other essential departmental purposes such as education, water supply, etc., it is proposed later this session to submit legislation authorizing the meeting of the full original costs of the Morphett Street Bridge project from the Highways Fund. The

Statute at present provides for the Highways Fund to meet only that half of the cost of the project which is not repayable by the Adelaide City Council. The full cost is certainly a reasonable charge to the Highways Fund and, if it is made, the City Council's subsequent repayments would go back to the fund.

However, if this legislation is approved, it is not intended that it should duplicate the \$1,000,000 repayment to Revenue now proposed for this year, but it is intended that the aggregate call upon the Highways Fund in 1966-67 for the two purposes combined shall not exceed \$1,000,000. The taxation reimbursement grant is expected to increase by almost \$6,500,000 to \$92,966,000 due to the operation of the statutory formula.

Estimated payments in 1966-67 for purposes for which appropriation is contained in existing legislation are \$66,582,000. The main items are:

	\$
Interest and sinking fund in respect of the public debt of the State	54,423,000
Transfer to the Highways Fund of the net proceeds of motor taxation	7,825,000
Contributions by the Government to the South Australian Superannuation Fund	3,392,000

The difference between total estimated expenditure for the year and payments already authorized by special Acts is \$191,436,000, which is the amount to be appropriated by this Bill. Details of the requirements for each department to carry out its normal functions for the year are shown in clause 3. I shall now give honourable members a brief outline of the major appropriations sought to continue and expand these activities during 1966-67.

Police Department, \$8,216,000.—This is an increase of \$815,000 above the actual amount spent in 1965-66. The provision, which includes an increase of \$693,000 for salaries and wages, will enable the active strength of the force to be increased by approximately 60 men. Part of this increase will be from adult recruits who commenced training courses during last year and part will be from cadets due to complete their training. At June 30 last, apart from trainees and cadets, members on active strength of the force numbered 1,595 compared with 1,558 twelve months previously.

Prisons Department, \$1,481,000.—The amount proposed for 1966-67 represents an increase of \$97,000 above actual payments last year. Of the total provision, \$922,000 is

required for salaries and wages and the remaining \$559,000 for general running expenses of metropolitan and country prisons.

Hospitals Department, \$19,854,000.—The proposed expenditure this year is \$1,685,000, or more than 9 per cent, in excess of actual payments in 1965-66. Of the increase, \$390,000 is for mental health services, making a total provision of \$4,553,000 for these services in 1966-67. Provision is included for running the older established mental institutions at Parkside, Hillcrest and Enfield, as well as child guidance clinics, the Psychiatric Day Hospital, Palm Lodge Hostel, and the Community Mental Health Centre. The amount proposed includes costs of operating for a full year the child guidance clinic at Prospect, which was opened last May for the treatment of emotionally disturbed children. At the Community Mental Health Centre on Greenhill Road it is planned to treat patients not requiring admittance to mental hospitals, but yet in need of some psychiatric help and social support. It is intended that the psychiatrist, social workers, and mental health visitors will see patients in their own homes as well as at the centre.

The provision of \$6,954,000 for Royal Adelaide Hospital is an increase of \$596,000 above expenditure at this hospital last year; \$4,456,000 is included for salaries and wages of medical and other hospital staff, and \$2,498,000 for general running expenses. Last year, 26,047 patients were admitted, compared with 25,489 in 1964-65. Outpatient attendances totalled 284,000 as against 279,000 in the previous year.

For the Queen Elizabeth Hospital, the appropriation sought is \$4,189,000, or \$383,000 greater than actual expenditure last year; \$226,000 of the increase is required for salaries and wages of medical and general staff, and \$157,000 for the increased cost of provisions and expenses incurred in normal operation and maintenance of the hospital. In the 12 months to June 30, 1966, the number of patients admitted to the hospital was 15,580. During the same period the number of casualty and outpatient attendances was closely 128,000. The comparative figures for the previous 12 months were 15,985 and 129,000 respectively.

For the country hospitals, a total of \$2,288,000 is required this year. The largest provisions under this heading are \$768,000 for the Mount Gambier Hospital and \$610,000 for the Port Pirie Hospital. The remainder is for running Government hospitals at Port Augusta, Port Lincoln, Wallaroo, and Barmera.

Department of Public Health, \$907,000.—The provision this year is \$64,000, or 7½ per cent in excess of actual payments in 1965-66, and will enable the department to continue its campaign to eliminate or reduce the factors and conditions which adversely affect the health of the community. The department will continue its services to combat poliomyelitis and tuberculosis. The activities of the School Health Branch will be expanded by the commencement of the Dental Nurses' Training Scheme, which it is planned to commence early in 1967. The scheme provides for an annual intake of 16 trainees who will undertake a two-year course. The provision made for salaries, training allowances, and items of dental equipment for the first six months of operation of the scheme is \$15,000. This expenditure will increase in 1967-68, when the number in training will increase and more specialized and costly equipment will be required for advanced training purposes. The qualified dental nurses will serve Education Department schools in areas where there is no practising private dentist within reasonable distance. They will give instructions on dental health, and under supervision will give dental treatment, including fillings and extractions.

Chief Secretary and Minister of Health—Miscellaneous, \$9,826,000.—The appropriation sought includes provisions for grants for a large number of non-Government hospitals and institutions. Proposed expenditure from Revenue this year, at \$9,826,000, is \$329,000 less than actual expenditure last year. However, "Chief Secretary—Miscellaneous" has been relieved of the impact of \$2,700,000 otherwise dealt with and, in the absence of the recent special arrangements, would have shown an increase of \$2,371,000, or more than 23 per cent above last year's payments. The relief to Revenue Account has been in two ways: in the first place grants totalling \$2,600,000 for building purposes at four hospitals are to be charged to Loan Account this year; secondly, it is anticipated that grants totalling \$100,000 towards normal running and maintenance costs at three institutions may be met out of the Hospitals Fund.

The three institutions are the Adelaide Children's Hospital, the Home for Incurables, and Minda Home. For the Children's Hospital the maintenance grant provided is \$1,900,000, an increase of \$120,000, which will be met with \$70,000 from revenue and \$50,000 from the fund. For the Home for Incurables the maintenance grant of \$195,000 will be an increase of \$69,000, of which \$44,000 will be met from

revenue and \$25,000 from the fund. Minda Home is to have a maintenance grant of \$134,000, an increase of \$50,000, to be met by \$25,000 from revenue and \$25,000 from the fund. The sum of \$125,000 has been provided to commence the reconstruction of the Hutchinson Hospital at Gawler. The rebuilding scheme, for which a tender has been let, is estimated to cost \$288,000, and will be subsidized by the Government on a \$2 for \$1 basis. The number of beds available at the hospital will be increased from 52 to 76. Apart from the new wards, a main kitchen block, surgical theatres, boiler room and ancillary buildings, will be constructed.

The sum of \$153,000 is set aside for payments on a \$2 for \$1 subsidy basis towards a new building at the Tatiara Soldiers' Memorial Hospital, Bordertown. A tender has been accepted for the work, which is estimated to cost \$447,000 to complete. The new block will provide 33 beds and will replace the present hospital building, which can no longer be run economically and efficiently. The sum of \$1,435,000 is provided for various building projects at the Home for Incurables. In addition to the five-storey hospital building to provide a further 205 beds which is now nearing completion, new works include a nurses' home estimated to cost \$535,000, an administration block to cost \$91,000, and a day staff amenities building to cost \$17,000.

Department of Social Welfare, \$2,747,000.—To meet requirements for the upkeep of schools, training centres and other institutions under the control of the department for the payment of relief to widows, deserted wives, or pensioners with children, and for assistance to families in serious need through continued sickness or unemployment, a provision of \$2,747,000 has been made. This is \$277,000 above actual payments during 1965-66. The provision allows for occupation of the new building at the Boys' Reformatory Institution, Magill, for part of the current financial year. The building will accommodate 164 senior boys and includes workshops, a recreation area, and an assembly hall, as well as dormitories, dining rooms, and administrative offices. Additional expenditure is provided for at the Campbelltown institution for junior boys placed under the control of the department. The operations of this institution, known as Brookway Park and opened in June, 1965, are being expanded and additional child welfare officers are to be appointed to the staff.

Premier, Treasurer, Minister of Immigration and Minister of Housing—Miscellaneous,

\$14,956,000.—Amounts which appear on both the revenue and expenditure sides of the Budget are the main items in the appropriation sought under this heading, which is \$791,000 more than actual payments last year. The contribution to the Commonwealth of principal and interest in respect of moneys borrowed under the terms of the Commonwealth-State Housing Agreement is estimated at \$4,889,000, which is \$501,000 in excess of payments for this purpose in 1965-66. This contribution is entirely recouped to the Budget by the South Australian Housing Trust.

For the transfer to the Railways Department the same amount as last year—\$8,000,000—is proposed. This transfer is designed to reduce the prospective deficit in the railways accounts to a figure which could possibly be eliminated by further achievements in reducing expenditure or attracting revenue. Other significant provisions under this heading are \$580,000 for expenses of conversion and public loans, and \$495,000 for principal and interest repayments for moneys borrowed under the Railways Standardization and Railway Equipment Agreements.

Lands Department, \$3,082,000.—The activities under the Minister of Lands for land development and settlement, irrigation, drainage, surveying and drafting are carried out by one fully integrated department. As it has been decided to discontinue the previous rather artificial distinction between "Lands" and "Irrigation" all provisions are now included under Lands Department. The amount proposed includes a provision of \$100,000 for a contribution to the Commonwealth towards the State's share of the costs of war service land settlement and a provision of \$140,000 for the purchase of land for reserves.

Minister of Lands, Minister of Repatriation and Minister of Irrigation—Miscellaneous, \$554,000.—This amount includes \$340,000 for salaries and grants for the Botanic Garden, \$110,000 for grants to the National Park Commissioners, and \$75,000 for grants to the Royal Zoological Society of South Australia.

The Botanic Garden provision includes \$80,000 to be spent upon the control of erosion of the Torrens bank in the Botanic Park. The work is being carried out by the Adelaide City Council and is estimated to cost \$90,000. The council is contributing \$10,000 this year and will reimburse to the Government a further \$30,000 over the next three years.

Engineering and Water Supply Department, \$11,906,000.—Of this amount \$1,850,000 is

provided for the cost of electricity for pumping through the two major pipelines, and \$252,000 for South Australia's contribution towards the maintenance of Murray River works. The remainder of \$9,804,000 is for normal operation and maintenance costs of the department. The provision for power for pumping is \$308,000 more than the actual cost last year.

Public Buildings Department, \$6,556,000.—This provision is mainly for maintenance and repairs to Government buildings, for the cost of replacement furniture and furnishings, and for minor alterations and additions. It exceeds actual payments last year by \$403,000. Apart from salaries and wages totalling \$2,528,000, the main items of expenditure under this heading are \$1,220,000 for education buildings, \$740,000 for hospital buildings, \$170,000 for police and courthouse buildings, and \$570,000 for other Government buildings.

Education Department, \$44,897,000.—The amount proposed for the Education Department is \$5,136,000, or almost 13 per cent above last year's actual payments. After allowing for the costs of the commencement of the free books scheme for children in primary schools, \$560,000; the cost of the first instalment of the five-year programme of equal pay for female teachers, \$340,000; the cost of the recent basic wage increase, \$940,000; and the additional effect this year of a new award for teachers which came into force in November, 1965, \$650,000; there will remain available for general expansion of the department's services an increase of almost \$2,650,000, or 6½ per cent.

Minister of Education — Miscellaneous, \$10,642,000.—The proposed total provision of \$10,642,000 is \$2,660,000 less than last year's payments. The reduction follows the decision to charge to Loan Account this year grants totalling \$3,800,000 to the University of Adelaide, the Flinders University of South Australia, and the South Australian Institute of Technology for building purposes. The provisions of \$9,686,000 included in this Bill for the three institutions are for normal recurrent purposes and special research for the remainder of the current triennium 1964-1966 and for the first six months of the new triennium commencing January 1, 1967. These provisions are gross: that is, they include the State contribution and the Commonwealth contribution. The latter is paid to the credit of Revenue when received by the State. Other major items included under this heading are:

	\$
Grant to Kindergarten Union of South Australia	499,000
Assistance to students for meeting tertiary education fees	75,000
Cost of concession passes for scholars on metropolitan licensed bus services	45,000

Agriculture Department, \$2,103,000.—This year's provision is \$118,000 more than last year's payments. As there has been no major outbreak of fruit fly for three years, no provision to deal with a fresh outbreak has been considered necessary this year. The funds provided will enable the department to continue its activities in guarding against the introduction of pests and diseases, in its information and advisory services, and in its work at research and experimental centres.

Mines Department, \$1,970,000.—The proposals for the Mines Department are \$70,000 in excess of actual payments last year. The appropriation sought includes \$240,000 for the Government's contribution towards the operating expenses of the Australian Mineral Development Laboratories and \$50,000 for the costs of investigations by engineering consultants into certain aspects of the construction of a natural gas pipeline.

Harbors Board Department, \$3,592,000.—This provision is \$251,000 above last year's expenditure. In addition to meeting requirements for wharf maintenance, dredging of channels and general working expenses of ports, the proposed appropriation will cover the costs of operation of the board's bulk loading facilities at Wallaroo, Port Lincoln, Thevenard, Port Pirie, Port Adelaide, and the coal-handling plant at Osborne.

Railways Department, \$30,936,000.—The amount provided is \$1,118,000 in excess of expenditure in 1965-66. Of this increase \$1,030,000 is to meet higher salaries and wages and \$88,000 to meet other increases in operating costs. The costs of the basic wage determination and other variations in awards have been provided for, but it is expected that increased costs of handling a somewhat greater volume of freight will be offset by further economies in operation.

Highways and Local Government Department, \$3,164,000.—This amount is \$1,065,000 more than actual payments debited against Revenue by the department last year, but it must be considered with the offsetting decrease of an estimated \$728,000 in the transfer to the Highways Fund. I mentioned this transfer when dealing with payments to be made

this year under appropriation given in existing legislation. In the past, certain administrative expenses have been met directly from the Highways Fund but this year are included as part of the expenditure for the Highways Department. The Highways Fund itself will be relieved of the direct charge for the administrative costs in question. The purpose of the changed procedure is to place before Parliament a more complete statement of the administrative expenses of the Highways Department while leaving unaffected the net funds available to the department. Before dealing with the details of the Bill itself I would stress to honourable members if I may that the Bill being for the appropriation of moneys is only a part of the Revenue Budget picture. I have already commented on the Government's approach to the overall financial situation this year, to the aim of holding the line on Loan and Revenue Accounts taken together, to the firm control of expenditures which is necessary, and to the special revenue-raising measures which are essential to the achievement of the financial programme.

Honourable members will be well aware from press reports that all other State Governments share South Australia's problems in some degree, and that increases in a wide range of taxes and charges have been inescapable in each State. The Government is confident that honourable members will support the expenditure proposals covered by the Bill, and will likewise support the revenue proposals necessary to implement them. Turning to the clauses, clause 2 provides for the further issue of \$131,435,753, being the difference between the amount authorized by the two Supply Acts—\$60,000,000—and the total of the appropriation required in this Bill. Clause 3 sets out the amount to be appropriated and the allocation of the appropriation to the various departments and functions. The clause also provides that if increases of salaries or wages become payable pursuant to any determination made by a properly constituted authority the Governor may appropriate the necessary funds by warrant, and the amount available in the Governor's Appropriation Fund shall be increased accordingly. The clause further provides that, if the cost of electricity for pumping water through the Mannum-Adelaide main, from bores in the Adelaide water district, and through the Morgan-Whyalla main should be greater than the amounts set down in the Estimates, the Governor may appropriate the funds for the additional expenditure, and the amount available in the Governor's Appropria-

tion Fund shall be increased by the amount of such additional expenditure.

Clause 4 authorizes the Treasurer to pay moneys from time to time up to the amounts set down in monthly orders issued by the Governor, and provides that the receipts obtained from the payees shall be the discharge to the Treasurer for the moneys paid. Clause 5 authorizes the use of Loan funds or other public funds if the moneys received from the Commonwealth and the general revenue of the State are insufficient to make the payments authorized by Clause 3. Clause 6 gives authority to make payments in respect of a period prior to the first day of July, 1966. Clause 7 authorizes the expenditure of \$350,000 from the Hospitals Fund. The legislation dealing with lotteries and T.A.B. operation provides for expenditure from the Hospitals Fund for certain hospital purposes, but subject to the necessary appropriation by Parliament from time to time. It is intended that the information about proposed expenditure from the fund be put before Parliament each year in the Budget debate.

Upon the expectation that about \$100,000 may be available from the Hospitals Fund in 1966-67, proposals for grants totalling that amount have just been given to honourable members. If \$100,000 becomes available late in 1966-67, as expected, further and increasing amounts will become available early in 1967-68. To give the necessary appropriation for expenditure in the first few months of 1967-68 until the new Appropriation Bill becomes law, it is desirable that this clause should also cover that period. Therefore, an appropriation of \$350,000 has been included, being \$100,000 for late 1966-67 and \$250,000 for the early part of 1967-68. Clause 8 provides that amounts appropriated by this Bill are in addition to other amounts properly appropriated. I commend the Bill for consideration of honourable members.

The Hon. Sir LYELL McEWIN secured the adjournment of the debate.

LONG SERVICE LEAVE BILL.

The Hon. F. J. POTTER (Central No. 2) obtained leave and introduced a Bill for an Act to repeal the Long Service Leave Act, 1957, and to make more effective provision for the granting of long service leave to employees and for matters incidental thereto. Read a first time.

ADJOURNMENT.

At 5.53 p.m. the Council adjourned until Tuesday, October 4, at 2.15 p.m.