# LEGISLATIVE COUNCIL

Wednesday, July 26, 1967

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

## QUESTIONS

### ATTORNEYS-GENERAL CONFERENCE

The Hon. R. C. DeGARIS: I ask leave to make a short statement prior to asking a question of the Chief Secretary.

Leave granted.

The Hon. R. C. DeGARIS: On previous occasions after conferences of the Attorneys-General, the Attorney-General of this State has made detailed statements about the matters discussed. In the *Australian Financial Review* of yesterday, under the heading "Some Brakes on Company Law Reforms", appeared the following:

The Commonwealth and State Attorneys-General have decided on a major reappraisal of proposals for company law reform, which would have required much more information to be shown in accounts. This whole concept could now be rejected in favour of a less detailed approach, with directors having to give more information in their reports and registrars having greater powers to call for additional information from companies . . . The decision to look again at the concept followed a cooling toward the original proposals by some of their advocates and detailed criticism from others.

As the Premier and Attorney-General has made no statement on this recent conference, will the Chief Secretary obtain a report from him, because it appears that there have been second thoughts on matters that the Premier has previously appeared to support enthusiastically?

The Hon. A. J. SHARD: I shall be pleased to refer the question to the Attorney-General, but let me hasten to say that this would not be the first time that a Minister had returned from a conference and not made an announcement.

### STATUTES CONSOLIDATION

The Hon. C. D. ROWE: The Attorney-General promised quite some time ago to look into the urgent matter of consolidating the Statutes. Can the Chief Secretary ascertain from the Attorney-General what progress has been made?

The Hon. A. J. SHARD: I am thankful to the honourable member for raising this matter. Only yesterday, I was discussing something along these lines with the Attorney-General. A little difficulty has been encountered in connection with the Parliamentary Draftsman's Office. However, I think some arrangements have been made but I am not quite sure whether this matter has reached a stage where an announcement can be made. I shall be happy to take up the matter with the Attorney-General and bring back a report as soon as possible.

### INDUSTRIES PROMOTION

The Hon. JESSIE COOPER: I ask leave to make a statement prior to asking a question.

Leave granted.

The Hon. JESSIE COOPER: *The Australian* of July 10 contained a special supplement on South Australia and its progress. In it appeared a half-page inspired article headed, "Mr. Dunstan talks of his Government's plans for the future". The article states:

One of Labor's first actions was to establish a Premier's Department with an Industries Promotion and Research Section staffed with economists . . . The Premier's Department now includes an Industries Assistance Branch staffed with engineers and draughtsmen to provide technical advice . . .

In view of the foregoing revelations, can the Minister representing the Premier inform me: (1) how many university-qualified economists are now on the staff of the Industries Promotion and Research Section of the Premier's Department; (2) how many university-qualified engineers are now on the staff of the Industries Assistance Branch; and (3) how many qualified draughtsmen are now on the same staff?

The Hon. A. J. SHARD: I shall be pleased to refer the honourable member's questions to the Premier and obtain replies as soon as possible.

### MINISTER'S LETTER

The Hon. C. D. ROWE: My colleagues in the Midland District and I received a letter this morning that was originally written by the Minister of Works to the Chairman of the Public Works Committee.

The PRESIDENT: Does the honourable member wish to make a statement prior to asking a question?

The Hon. C. D. ROWE: Yes, Mr. President.

Leave granted.

The Hon. C. D. ROWE: This letter was originally sent by the Minister of Works to the Chairman of the Public Works Committee advising that a proposed public work known as a primary school at Surrey Downs had been referred to that committee. A copy of the letter was sent by the Minister to Mrs. M. V. Byrne, M.P., and on the bottom of the letter was the following endorsement:

To Mrs. M. V. Byrne, M.P.: for your information. Would you please advise the Legislative Council members for the district.
(Sgd.) C. D. Hutchens.
Minister of Works.

I do not want Mrs. Byrne to have the worry of sending on correspondence to me. I think correspondence from a Minister should be sent direct to other members, not by some other messenger. In these circumstances, I would ask the Government that, when members are to be advised about matters in their own districts, the correspondence be sent direct to them by the Minister concerned.

The Hon. A. J. SHARD: I shall draw the attention of the Minister to the question. I agree that this should be done.

## T.A.B. AGENCIES

The Hon. C. M. HILL: I ask leave to make a statement prior to asking a question of the Chief Secretary.

Leave granted.

The Hon. C. M. HILL: I have been handed a letter by a Mr. J. W. Fairhead, of 427 Brighton Road, Brighton, who states that he recently purchased his residence at that address for $17,000, and that he now finds that a shop is to be built immediately adjacent to his residence and that that shop will house a Totalizator Agency Board agency. He believes that the Government has given approval for the establishment of a T.A.B. agency on that site, and he considers that this will depreciate the value of his house property. He has two young children, whom he considers would be better living away from the environment of gambling. There are three churches within 220 yards of the subject site, and the Brighton school is 200 yards away. He claims that parking problems will arise in Brighton Road, in nearby Preston Avenue, and in a narrow street that leads to the Brighton oval. His concern is supported by 24 people who live nearby and who have also signed this letter. Mr. Fairhead mentions further that he finds that his local member is abroad and therefore he cannot make a direct approach through that member to the Minister. Will the Chief Secretary investigate this matter further to ascertain, in view of the points raised, whether any more suitable and acceptable site could be obtained by the T.A.B.?

The Hon. A. J. SHARD: I personally inspect all sites for T.A.B. agencies, and I have inspected this one. In the main the board has done a very good job in selecting sites, and unless I can find a fundamentally sound reason for refusing to approve of any site I do not do so. I hasten to add that I have rejected a number of sites. What concerns me, first, is the question of schools, but I think also of churches and hotels. I made a special trip to the locality in question. While one can appreciate the ideas of persons who may have to live next door to an agency, my impression is that there will be not only a T.A.B. agency on the frontage of this site but also at least two or three shops. This is what happens on main roads; thank goodness I do not live on one. If I considered all the matters raised in the honourable member's question, we would not have any agencies at all. For instance, it would sometimes be difficult to avoid being within 200 yards of a school. I consented to this site, I think about two or three weeks ago, and I imagine that the contracts have now been signed, so I do not think any good purpose would be served by reconsidering my decision.

## GAS PIPELINE

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

Leave granted.

The Hon. G. J. GILFILLAN: My question concerns the proposed route of the natural gas pipeline, which apparently is to pass through much of our better farming and grazing country. Some of the landholders in the Booborowie area are expressing concern that the present surveyed route may cause some inconvenience to their operations. I know that this pipeline will be buried, but it still has to be constructed and I presume that access has to be provided to it so that it can be inspected at intervals. A wide stock road runs through that area, and although a pipeline following that road would perhaps have to traverse a longer distance, it is on a far more favourable grade and type of country. Can the Minister of Mines say whether the present surveyed route is the firm route of the pipeline or whether consideration will be given to small variations in the route where this may be an advantage to people in the district?

The Hon. S. C. BEVAN: A survey of the route has been conducted and, I understand, completed. This survey was carried out by experts, and I imagine that those people would have carefully considered what the route of the pipeline should be. As I understood the honourable member's explanation, it was that it would be more suitable to place the pipeline on the road reserve than to take it

through properties, but this would have been considered fully when the route was surveyed. I cannot say exactly where the pipeline route will be but I am sure the experts will see that the work is done with the minimum of inconvenience to landowners, and stock grazing in paddocks. However, the question is now outside my jurisdiction. Under the Act, it will be dealt with by the pipeline authority. I will refer the matter to my colleague and try to get further information for the honourable member.

## REPLIES TO QUESTIONS

The Hon. C. R. STORY: I ask leave to make a statement prior to asking a question.

Leave granted.

The Hon. C. R. STORY: On August 16, 1966, at page 1035 of *Hansard*, I asked a question of the Chief Secretary. This matter arose from a reply given in this Chamber by the Chief Secretary to a question about Mount Gambier industry asked by the Hon. Mr. DeGaris. The reply was:

A similar question was asked in another place, and I draw the honourable member's attention to *Hansard* dated August 10, 1966, at pages 964-5, which contains the detailed reply given by my colleague, the Premier.

I then asked leave to make a brief statement before asking a question of the Chief Secretary, which was:

In view of the reply just given by the Chief Secretary to the Hon. Mr. DeGaris about Mount Gambier industry, I point out that I have had similar replies. As I understand the position, these two Houses of Parliament work completely separately, and I think it behoves the Minister to give an honourable member who asks a question a full reply in this Chamber. Can the Chief Secretary assure me that this will be done in the future?

The Chief Secretary, in his usual courteous way, replied:

I shall be happy to oblige.

The Hon. A. J. Shard: And I was.

The Hon. C. R. STORY: The Chief Secretary went on and said a little more. As this tendency has crept in again, as recently as yesterday, will the Chief Secretary take up with his colleagues in Cabinet this matter of giving replies in both Houses of Parliament to questions asked by members, and not referring members in one House to *Hansard?*

The Hon. A. J. SHARD: Let me say that, since giving that reply last year, I have honestly tried to reply to questions asked by honourable members here. However, I agree with the honourable member's question in principle. As a matter of fact, the Minister of Roads should not have fallen for that one yesterday. I agree that answers should be given here, irrespective of answers given in another place.

## FREIGHT RATES

The Hon. G. J. GILFILLAN: Has the Minister of Transport a reply to my question of July 11 about comparable interstate freight rates for country centres to capital cities and between capital cities?

The Hon. A. F. KNEEBONE: In general, inter-system charges are based on the sum of the scheduled rates for that portion of the journey that lies within each State. However, in recognition of the fact that it is more economical to handle loading at large terminals, and also that there is greater competition from other transport media between large centres of population, arbitrary freight rates lower than the sum of the scheduled rates apply between capital cities and other large centres such as Geelong and Newcastle. Intermediate movements on inter-capital routes are charged the sum of the scheduled rates for the local journeys unless it is cheaper to charge the inter-capital rate, plus the scheduled rate from the intermediate station to the capital. However, this method of charging has no relation to handling and it is not true that the goods are in fact consigned from an intermediate station to the capital for reconsigning to another State. Incidentally, the same principle of charging applies from any station to another State capital: that is, if the freight rate to the capital plus the inter-capital arbitrary rate is cheaper than the sum of the local scheduled rates, the former is charged. The practices enumerated above have been of long standing and by inter-system agreement, and apply throughout the Commonwealth. However, in an endeavour to minimize confusion the systems are now endeavouring to establish a procedure which will eliminate the apparent anomalies now pertaining.

## SWIMMING POOL

The Hon. C. D. ROWE: Has the Chief Secretary a reply to my question of July 20 relating to financial arrangements connected with the proposed swimming centre in the north park lands?

The Hon. A. J. SHARD: Yes, and the reply in two parts is:

(1) The Prospect and Walkerville councils have given a firm undertaking to provide the amounts of $50,000 and $4,000 respectively.

(2) Certain earthworks will be commenced in about September-October of this year. These will be in the nature of landscaping and a general re-shaping of the area concerned in the north park lands to provide the

proposed amphitheatre effect for the surrounds of the pools. The excavations for the pools and construction work will commence in January, 1969, and will then proceed to completion by September of that year, so that the facilities will be available for the complete summer season which follows.

## GOVERNMENT INSURANCE

The Hon. R. C. DeGARIS: Has the Chief Secretary a reply to my question of July 19 concerning Government insurance?

The Hon. A. J. SHARD: Yes, and it is as follows:

(1) Fire Insurance: The Government has followed the practice adopted by insurance companies of arranging for outside insurance or re-insurance when it is considered that an abnormal or unbalanced risk exists but in normal circumstances carries its own fire risks. The total insurance effected in respect of buildings and plant is for an amount of approximately $58,000,000. The book value of all Government buildings would be of the order of $248,000,000. The replacement value would be materially higher than this.

(2) Workmen's Compensation Insurance: The Government carries its own workmen's compensation insurance through departmental contributions to the Government insurance fund.

(3) Motor Vehicle Third Party (Bodily Injury) Insurance: The Government has arranged a blanket policy with a private insurance company to protect it against all claims which may be made as a result of bodily injuries to third parties arising from accidents in which any Government motor vehicle is involved.

(4) Railways Department: The Railways Department carries all risks without taking any outside insurance.

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## MINLATON BY-LAW: STREET TRADERS

The Hon. F. J. POTTER (Central No. 2): I move:

That the addition to by-law No. 21 of the District Council of Minlaton in respect of street hawkers and traders, made on September 12, 1966, and laid on the table of this Council on February 28, 1967, be disallowed.

This matter came before the Parliamentary Committee on Subordinate Legislation and it was apparent to the committee that an error existed in the addition to the by-law. The matter had apparently been overlooked by the Crown Solicitor, who had issued the usual certificate. The committee has received letters from both the council and the Crown Solicitor indicating that this addition to the by-law is defective in law and will have to be re-drawn. Accordingly, I ask honourable members to support the motion.

Motion carried.

## STATE GOVERNMENT INSURANCE COMMISSION 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 establish a State Government Insurance Commission. The insurance field is one which all other States in Australia have entered for two reasons: (*a*) to keep premiums low; and (*b*) to ensure by competition that adequate service is given to the public. Adequate service does not merely relate to rates of insurance; it relates also to the conditions of policies, the ways in which claims against insurance companies are dealt with, and the ways in which insurance companies alter their liabilities unilaterally. The Government has received complaints, most of which are concerned not with premium rates but with the other matters that I have just mentioned. I propose to deal with a certain number of typical complaints in the comprehensive motor vehicle, personal accident and sickness insurance fields.

It is generally true that satisfactory service has been given to the public in fire and household insurance. However, in order to give service in the fields in which complaints are made, it is necessary for an insurance office to cover other profitable avenues of business. In the comprehensive motor vehicle field, it has been quite common for insurance companies to give notice of alterations in the amount of franchise payable or to impose additional premiums where owners of vehicles have made claims, despite the fact that it cannot be shown that they are accident prone. It has been continually the case that insurances have been obtained by companies for amounts in excess of the actual market value of the vehicle, so that a higher premium has been paid than is justified, and where vehicles have been total losses the amount of insurance taken out by the insured has, of course, not been paid. It is quite standard for numbers of companies to include in their insurance policies a condition in the following terms:

It is hereby expressly agreed and declared that notwithstanding anything contained in the within policy or in the proposal the company may at any time notify the insured by writing sent to the address endorsed on the schedule hereto or to the address of the insured last known to the company that the amount of the excess to be borne by the insured has been increased to a specified sum in excess of the figure shown in the proposal and in the schedule hereto and as and from the date

of such notification such increased sum shall be the amount to be borne by the insured in respect of any one claim or series of claims arising out of any one cause or event.

This has worked a decided hardship in numbers of cases upon people who have paid for adequate insurance coverage. There have been numbers of cases in which insurance companies have unfairly relied upon technical errors in the application for insurance to deny liability to the insured. There are many cases where insurance companies, which are largely owned by hire-purchase interests, charge premiums on insurance of secondhand cars well above the ruling market rate, and the hire-purchase company recovers interest on the premiums. The hire-purchase company refuses to write business unless the insurance is with its insurance company despite the provisions of the Hire-Purchase Agreements Act.

The difficulty for the proposed hirer in working his remedies under the Hire-Purchase Agreements Act is that he generally is not aware of the other companies offering insurance at much lower rates, but it will be simple for him to be aware of the proposals of a Government Insurance Office and that he will be able to get a better deal from the Government Insurance Office than from not all insurance companies but certainly those insurance companies associated with hire-purchase interests. I set forth a table of the contrasting premium rates as between companies associated with hire-purchase companies and others competing with them in South Australia at the moment. I seek leave to have this table incorporated in *Hansard* without my reading it.

Leave granted.

COMPARISON OF PREMIUM RATES FOR VEHICLES UNDER HIRE-PURCHASE AND VEHICLES NOT UNDER HIRE-PURCHASE

| | Under hire-purchase $ a year | Not under hire-purchase $ a year |
|---|---|---|
| Up to $400 | 60 | 44.20 |
| $600 | 78 | 53.00 |
| $800 | 86 | 58.80 |
| $1,000 | 92 | 64.60 |
| $1,200 | 100 | 69.80 |
| $1,400 | 107 | 75.60 |
| $1,600 | 112 | 79.00 |
| $1,800 | 116 | 81.60 |
| $2,000 | 120 | 84.20 |
| $2,200 | 124 | 86.80 |
| $2,400 | 128 | 89.40 |
| $2,600 | 132 | 92.00 |
| $2,800 | 134 | 94.60 |
| $3,000 | 138 | 97.20 |

The Hon. A. J. SHARD: In the personal sickness and accident field certain policies are carefully drawn to exclude many classes of sickness that the average person taking out a policy would feel were covered. For instance, a policy of the Australian Metropolitan Life Assurance Co. Ltd. provides on the face of it accident and sickness benefits amounting to several dollars a week, payable for not more than 26 consecutive weeks in the event of the assured's suffering temporary total disablement by accident or temporary total disablement by sickness, and an assurance benefit of several hundred dollars in the event of death or permanent total disablement.

Permanent total disablement, according to conditions on the back of the policy in small print, includes "Permanent total disablement by sickness" but later (in even smaller print) this is confined to the loss of the sight of both eyes caused solely and directly by diseases (other than venereal disease) contracted after the date of the policy and certified by a medical practitioner nominated by the company as being complete and irremediable, or the complete and permanent inability of the assured to follow any trade, occupation or calling, as a result of paralysis caused solely and directly by disease (other than venereal disease or paralysis of the insane) contracted after the date of the policy and which is certified by a medical practitioner nominated by the company as being permanent and complete in at least two limbs. In consequence, a serious back injury permanently and totally incapacitating the assured, but not producing paralysis in two limbs, does not qualify.

This is the sort of careful exception which is written into policies and designed to obtain premiums from assured persons in the belief that they are adequately covered, where in fact they are not. There is no reason why policies should not be designed effectively to assure to the assured what he thinks he is paying for without careful exceptions, as to which many other examples could be given designed to evade liability for sickness or accident. One of the most unfair provisions standard amongst insurance companies that prevent the average citizen from getting his claim properly dealt with is this: almost universally insurance companies insert in their policies a clause as follows:

All differences arising out of this policy shall be referred to the decision of an arbitrator to be appointed in writing by the parties in difference or if they cannot agree upon a single arbitrator to the decision of two arbitrators, one to be appointed in writing by each of the

parties within one calendar month after having been required in writing so to do by either of the parties or, in case the arbitrators do not agree, of an umpire appointed in writing by the arbitrators before entering upon the reference. The umpire shall sit with the arbitrators and preside at their meetings. The making of an award shall, subject to any relevant statutory provisions to the contrary, be a condition precedent to any right of action against the company; but if such action be not commenced within one year of the making of an award the right of action shall be deemed to be abandoned and released. After the expiration of one year after the accrual of the cause of action the company shall not be liable in respect of any claim therefor unless such claim shall in the meantime have been referred to arbitration.

Arbitration under the Arbitration Act of this State, the provisions of which have hardly been touched since 1891, is an extremely cumbersome, expensive, and difficult procedure. It can be subject to interminable delays, and the members of the legal profession experienced in arbitration estimate that an arbitration is likely to cost the successful applicant at least $300 in irrecoverable costs. There are no effective procedures under the Arbitration Act for ensuring an early settlement of claims. The fees of the arbitrator are those usually of an experienced barrister charging brief fees. The provision of the special arbitration clause in insurance company policies in South Australia, while ostensibly designed to provide a simple method of settling disputes on claims, does the exact opposite and is a means of inducing claimants upon insurance companies to accept the attitude of the insurance company, hostile to their interests, because they have no effective means of enforcing their claims. Particularly is this so with small claims.

State government insurance in other States has proved successful, and I seek leave to incorporate in *Hansard* a table setting forth the insurance fields covered in other States.

Leave granted.

STATE GOVERNMENT INSURANCES—COVERAGE BY STATES

| | Life | Fire and Marine | Workmen's Compensation | Motor Vehicle Comprehensive | Motor Vehicle Third Party |
|---|---|---|---|---|---|
| New South Wales | Yes | Yes | Yes | Yes | Yes |
| Victoria | No | No | Yes | Yes | Yes |
| Queensland | Yes | Yes | Yes | Yes | Yes |
| Western Australia | No | Government and Local Government | Yes | Yes | Yes |
| Tasmania | No | Yes | Yes | Yes | Yes |

The Hon. A. J. SHARD: The other State insurance offices have been able to give good service to the public, to give a general service of insurance by competition, and to be of assistance to Government revenues in a modest way. In South Australia the State Government at the moment covers its own insurance. It would be possible to carry this insurance on in the Government Insurance Office specifically instead of in the Treasury at the moment. There would be immediately available to the Government a sufficient build-up of business without any immediate likely claims for it to be quite unnecessary to set aside substantial reserves or to involve the Government in more than minimal establishment costs. The gradual build-up of business in a Government Insurance Office can be undertaken in the same way as with other insurance companies recently entering the field in South Australia, so that the establishment will not present the Government with financial or administrative problems.

It is significant that certain commercial insurance companies in South Australia have mounted a campaign against the establishment of a Government Insurance Office. Broadly speaking, this campaign is based publicly on two grounds. The first is that competition from the Government Insurance Office would not be effective and that it is unnecessary in view of the highly competitive nature of the field. If these organizations have anything whatever to fear from competition by a Government Insurance Office, since the field is so competitive, it is difficult to understand why they should be so alarmed at the thought of the establishment of a Government Insurance Office.

The second objection is that, because of the State Government's finding itself in a situation of financial stringency, the provision of moneys for a Government Insurance Office would be an unwise burden on the finances of the State. As I have explained earlier, this particular allegation, touching as may be the concern of these organizations for this State's revenues, is quite illfounded. The Government will not be faced with any considerable outlay in the establishment of an insurance office. I shall now explain the clauses of the Bill.

Clauses 3 and 4 establish a State Government Insurance Commission to consist of five members to be appointed by the Governor. Clauses 5 to 10 are machinery provisions. Clause 11 provides for payment of fees and remuneration as fixed from time to time. Clause 12 sets out the powers and functions of the commission, which are to carry on the general business of insurance in the State, including third party insurance.

Clauses 13 and 14 are machinery provisions. Clause 15 provides that policies issued by the commission are guaranteed by the Government of the State, any amounts payable by the State being repayable by the commission to the Government as and when funds for the purpose are available. Clause 16 of the Bill enables the commission to invest its funds broadly in Treasury securities. Clause 17 requires the commission to pay the equivalent of income tax payments to the Treasurer and makes the commission subject to the normal provisions of the Stamp Duties, Fire Brigades and other relevant Acts which apply to insurance companies. This clause also requires the commission to carry to a reserve fund such portion of any profits which it may show in any year as is determined by the Chairman, the Under Treasurer and the Auditor-General, and to pay to Consolidated Revenue any balance as directed by the Governor. Clause 18 provides for the keeping of accounts and the auditing of the accounts of the commission by the Auditor-General. The annual report of the Auditor-General is to be laid before each House of Parliament annually. Clause 19 deals with the manner in which the funds of the commission are to be kept and clause 20 with regulations. The whole of the Bill is really of an enabling and machinery nature, the primary provisions being those which deal with the establishment of the commission and its powers and functions.

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

## PRICES ACT AMENDMENT BILL

Read a third time and passed.

## SUCCESSION DUTIES ACT AMENDMENT BILL

In Committee.

(Continued from July 25. Page 771.)

Clause 3—"Application of Part IVA to Korean War and certain other operations."

The Hon. A. J. SHARD (Chief Secretary): I sought leave yesterday for progress to be reported to consider the two suggested amendments by the Hon. Mr. Kemp. The Government has considered the first amendment, which is to widen the field, and it has agreed in principle to the suggestion, a'though it considers that Mr. Kemp's wording was a little wider than it would like. The Government has not yet been able to draft an amendment, but it is prepared to have an amendment drawn up. The Government is not prepared to accept the deletion of the words "twelve months before death", which were inserted to cover the death of people on active service. I ask that progress be reported so that the amendments can be prepared.

Progress reported; Committee to sit again.

## MORPHETT STREET BRIDGE ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from July 25. Page 770.)

The Hon. S. C. BEVAN (Minister of Local Government): I have listened attentively to the debate, and I wish to take this opportunity to reply to some of the criticism that has been made. The Hon. Sir Norman Jude suggested that the building of the new wing at the Highways Department building at Walkerville was totally unjustified, and he went on to say that if it should be built at all it should be built with Loan funds. I have always maintained that this new wing is necessary, and I still say that it is.

At the opening of this building an address was given by Sir Norman Jude, who was then the Minister of Roads and Local Government. The honourable member said then that this building would be filled to capacity by 1970, and that the building had been planned so that a new wing could then be added. From memory, I think it was suggested that the building would house 430 employees, that that would be about the limit, and that it was thought that this number would be reached in about

1970, when a new wing might become necessary. We have now passed that number of employees, with the result that some of them are working at tables out in the passage.

I have always believed that proper accommodation should be provided for employees. How can we expect to get the best return from an employee in terms of work value and output if he is called upon to work out in a passage? Some of the offices in the building that were designed to house two officers are now housing six. In addition to that we have, as Sir Norman Jude and I think every honourable member in the Chamber knows, other departments which should be housed at Walkerville but which are housed elsewhere because there is no accommodation at Walkerville for them. The Road Maintenance Contributions Section of the department is housed at Hackney.

The Hon. Sir Norman Jude: That was done deliberately for the benefit of people who had to go there to pay the tax.

The Hon. S. C. BEVAN: It was done because there was nowhere else to put that section. The same thing applies at Northfield, where surveyors of the department are accommodated. Also, planning in regard to the metropolitan drainage scheme has now advanced to the stage where finality has practically been reached. Under this scheme, the Government will be assisting local government authorities in the metropolitan area in this question of drainage, and I do not intend to get caught in this matter in the same way as the Playford Government got caught over drainage for the Henley and Grange area. Extra staff will have to be employed by the Highways Department to look after the interests of the Government in relation to metropolitan drainage.

The Hon. Sir Norman Jude: Are you going to use Loan funds for that?

The Hon. S. C. BEVAN: Yes, we are, and when the honourable member gets the Estimates before him he will see that that is so. These extra employees must be accommodated. The Highways Department has taken over control of all roads in the north, which were previously under the jurisdiction of the Engineering and Water Supply Department but which were paid for by the Highways Department out of its own funds. This has been achieved by the present Government, although it could not be achieved by the Playford Government.

The Hon. Sir Norman Jude: What about the Adelaide City Council?

The Hon. S. C. BEVAN: The honourable member will hear more about that later. Following applications to the Commonwealth Government, that Government finally came to the party and allocated $1,000,000 to the South Australian Government for the upgrading of the Birdsville track. Of course, there are strings attached to that offer, because it has been made subject to the State Government's matching it, from the Highways Fund, to the extent of $600,000. This means that $1,600,000 will eventualy be spent on the Birdsville track, which is important not only to the area itself but to the whole State. The agreement has yet to be signed, but representatives of the Commonwealth Government have told us that the Commonwealth will make the $1,000,000 available under that condition.

The Hon. C. D. Rowe: In this financial year?

The Hon. S. C. BEVAN: The Highways Department is conducting a survey of this track. It is necessary that this be done first to ascertain what is necessary and where we can obtain suitable material. This is only a preliminary step. However, I assure the Hon. Mr. Rowe that we will not be waiting four or five years to do anything on this road: we will be doing it almost immediately. It is necessary to carry out planning in respect of our northern roads, and at present we are acutely short of officers in this section of the department. Of course, this could be the result of the attitude of the previous Liberal Government in relation to salaries. It is very difficult to get qualified engineers for our planning section, for such people can get higher salaries in other States and even from outside bodies in this State. Therefore, there has been no incentive for these people to enter the Public Service and to join the staff of the Highways Department. All these people need to be housed in the Highways Department building.

The Hon. Mr. Story referred yesterday to the Metropolitan Adelaide Transportation Study which is being made and which has to be paid for out of Highways Department funds. I point out that this was actually commenced by the Playford Government.

The Hon. C. R. Story: I was not criticizing it.

The Hon. S. C. BEVAN: This survey embraces all transport movements in this State and brings in other departments. It includes the Municipal Tramways Trust for buses, the South Australian Railways for the movement of trains, and private bus operators for their

routes. It is State-wide for our whole transport system; it can affect the movement of traffic in the metropolitan area. This has called for additional building space. The Playford Government said that the expense of the Metropolitan Adelaide Transport Study should be borne by the Highways Fund, and not Loan moneys, even though other departments are receiving considerable benefits from this study. Yet, we hear criticism of the building at Walkerville: Sir Norman Jude said it was not necessary and unjustified. Surely there should have been an obligation on other departments. This has to come out of the Highways Fund. Sir Norman passes the building and knows well what is going on. The construction of this new wing is under way because of a recommendation of mine approved by Cabinet. I have no excuses for building this new wing, and using the Highways Fund. It is absolutely justified.

The Hon. Sir Norman Jude: Don't you still think it should have been referred to the Public Works Committee?

The Hon. S. C. BEVAN: There was no necessity for that. Was the Morphett Street Bridge proposal, under the Playford Government, referred to the Public Works Committee?

The Hon. Sir Norman Jude: No.

The Hon. S. C. BEVAN: Was there any need to refer it to that committee?

The Hon. Sir Norman Jude: Was it a Government work? It was an Adelaide City Council work.

The Hon. S. C. BEVAN: According to honourable members opposite, everything these days should be referred to the Public Works Committee.

The Hon. Sir Norman Jude: The Highways Department building was referred to it in the first place.

The Hon. S. C. BEVAN: This was different. There was no necessity to refer this at all.

The Hon. C. M. Hill: This is not a City Council project. The Government has to supply the money.

The Hon. Sir Norman Jude: The motorist is supplying it.

The Hon. S. C. BEVAN: That is all the Government was doing—supplying the money.

The Hon. Sir Norman Jude: The Highways Fund is, too.

The Hon. S. C. BEVAN: When things are different they are not the same. There was no necessity to refer this matter to the Public Works Committee, because no Treasury or Loan money was involved: it was purely an allocation of highways money. It is no good screaming about referring it to the Public Works Committee. If I had to go through it all again, I would act in just the same way.

The Hon. Sir Norman Jude: And you would be criticized as much as you are being criticized now.

The Hon. S. C. BEVAN: I am only answering now criticisms levelled at me, and, apparently, some honourable members do not like it. Let me take honourable members' minds back to the origins of the Morphett Street bridge. Under an Act of 1881 the Morphett Street bridge was built and paid for by the then Government. The Government in 1881 had no Loan money available, so the bridge was paid for out of State finances. When the bridge was completed it was handed over to the Adelaide City Council for its operation and maintenance; the council then took control of it. There is no doubt that it was considered at that time, as it is considered today, that it was definitely a project in conjunction with roadworks. This was recognized by the Playford Government, when it ordered that half of the cost should be borne by the Highways Fund.

The Hon. Sir Norman Jude: And you supported it.

The Hon. S. C. BEVAN: I am not speaking about who did or did not support it. We are talking about the principles involved in this matter. Let me take honourable members opposite back to when they were in Government. The Playford Government recognized the principle that the bridge was to be taken in conjunction with roadworks. Looking at the present Act, nobody can deny that, because it is embodied in the Act: half of the cost was to be met from the Highways Fund and the other half, less the grant given by the Playford Government to the Adelaide City Council, was to be borne by that council; but, because at the time it had not sufficient funds to meet 50 per cent of the costs of the bridge, it approached the State Government for a loan, and the then Government made arrangements to lend the council from Loan funds the money necessary to build the bridge and the roadworks associated with it. This was to be repaid with interest over a period of 30 years; it was to commence at the discretion of the Minister after the completion of the bridge. So, at the moment no repayments are being made to the Government or to anybody else.

Under the proposed legislation, instead of this Loan money being paid back into Treasury funds, as previously, or into Loan Account or

the Treasury (whatever the circumstances may be), it will now be paid back to the Highways Fund, with interest. So, over a period of 30 years it will be wiped off, the money being repaid to the Highways Department. That means we are lending the Adelaide City Council from the Highways Fund a sum of money to complete this bridge, that money ultimately being repaid. In the circumstances already explained, this Bill provides that the loan to the Adelaide City Council shall be transferred from the Loan Fund to the Highways Fund, which, after all, whichever way we look at it, is State revenue. It has been claimed in debate that this is wrong and that the motorist and the transport industry in general will be robbed. In fact, it has been said that they are being robbed because that is what the Government intends to do.

The Hon. R. C. DeGaris: Highway robbery!

The Hon. S. C. BEVAN: Comments such as those are purely political, designed to create opposition to the present Government for the benefit of members opposite at the next election. The principle enunciated is not new: it has been adopted by other States. The Commonwealth Government receives revenue from South Australia, and what happens? It then lends it back to the State and charges us interest on the money raised here by taxation. I do not hear any comments on that by members opposite or any opposition to the principle adopted by other States. Perhaps the reason is that the Commonwealth Government and other State Governments are of the same breed as the Party opposite, so we shall not hear any criticism.

The Hon. R. C. DeGaris: Is it not a fact that the Commonwealth underwrites any shortfalls in the Loan Fund?

The Hon. S. C. BEVAN: We know all about underwriting shortfalls. The previous Government adopted this principle, yet we are now told that all bridge works and the Highways building should be paid for from Loan funds. Let us examine the position as it applied during the last full year when the Playford Government held office. I refer to the year commencing July 1, 1963, and ending June 30, 1964, because that was the last full financial year in which that Government held office. I crave the indulgence of members of this Council in referring to portions of the Auditor-General's Report covering that period, particularly pages 112 to 114. From this it can be judged just how different are the principles followed by the two Governments.

The Hon. D. H. L. Banfield: Don't be too hard on them.

The Hon. S. C. BEVAN: The amount of Loan money made available to the Highways Department during that year amounted to $950,000. Having in mind statements made by honourable members opposite that all bridge works and costs of the Highways building should be borne by the Loan Fund, I quote costs of various bridge works scheduled for construction at the time in question. They are:

| | £ | $ |
|---|---|---|
| Taylors Road bridge . . . | 23,000 | 46,000 |
| North Reynella bridge . | 23,000 | 46,000 |
| Reynella Bypass, including the overpass . . . . . | 89,000 | 178,000 |
| Gladstone bridge . . . . . | 12,000 | 24,000 |
| Murray Bridge—Tailem Bend, including the railway overpass bridge | 40,000 | 80,000 |
| Blanchetown bridge and approaches . . . . . | 167,000 | 334,000 |
| Double bridge at Ashbourne . . . . . | 144,000 | 288,000 |
| Gulnare-Spalding, complete section including Bundaleer Creek bridge | 61,000 | 122,000 |

In the last-named item I point out, in fairness, that apparently roadworks were involved in conjunction with the bridge. Other bridge works were:

| | £ | $ |
|---|---|---|
| Widening bridges between Nackara and Cockburn | 61,000 | 122,000 |
| Springbank Road, railway bridge and approach . . | 92,000 | 184,000 |

In addition, an amount of $1,106,000 was spent on the new administrative building at Walkerville. Therefore, the amount of Loan funds made available to the Government in that financial year was $950,000, but expenditure amounted to $2,530,000 on the works mentioned, including the amount spent on the new building at Walkerville. This amounts to an overall discrepancy of $1,590,000 between the amount of Loan money allocated to the Highways Department and the amount spent, which was made up from highways funds, but members opposite say this expenditure should have been met from Loan funds. The principle adopted by the Playford Government can be seen from the figures I have just quoted: apparently it was right to do so then, but it is not right now.

The Hon. R. C. DeGaris: Can the Minister inform the Council of the amount of Loan funds allocated to the Highways Department last year?

The Hon. S. C. BEVAN: Last year it was nil.

The Hon. R. C. DeGaris: That is the main point we are making.

The Hon. S. C. BEVAN: In the last nine months of office occupied by the Playford Government (I am referring to the period between July 1, 1964, and the date of the election when that Government suffered its defeat) no Loan money was allocated because the Playford Government had control of the allocation of Loan moneys, yet when the Labor Party took office it had to carry out the works with money which, supposedly, and according to honourable members opposite, should have been provided from Loan moneys.

The Hon. Sir Norman Jude: The present Government extracted $600,000 from it in the three months it was in office in that financial year.

The Hon. S. C. BEVAN: I know what has been done and I do not need to be told. The fact remains that when the Playford Government was in power it was apparently in order to adopt the principles mentioned but now, according to members opposite, it is wrong to do so. Further, it has been stated that because of the policy of the present Government in this matter concerning Loan funds and the Highways Fund, road works will be considerably reduced as well as allocations to local councils. I point out that in this financial year grants to local authorities amount to $3,870,000. In addition, interest-free loans amount to $400,000 and this does not take into consideration the debit work to be done by local councils on behalf of the Highways Department. Such work is carried out by local authorities on behalf of, and is paid for by, the Highways Department. Fears expressed by members opposite that local government will suffer because of this supposed lack of funds and that councils will not be able to get the funds are groundless because, as I have said, the allocation made is $3,870,000.

A report emanating from a member in another place states that, because of the suggestion that these funds are being diverted, interest-free loans will no longer be available to councils. I give the lie to that statement now, because in this financial year an amount of $400,000 is to be made available to councils to enable them to replace machinery or provide new plant. This is being done by way of interest-free loans and such loans are normally given for a period of about five years. When it is said that councils and other people will suffer materially from a supposed lack of funds, I point out that such is not the case. This money is not being paid out of the Loan moneys, so that it is paid out of the Highways Fund, but it will eventually be paid back to the Highways Fund.

This brings me back to my original contention: in 1881 it was the Government's responsibility to build the Morphett Street bridge from finance provided by the Government. Finance has been granted to the council by the Government for the present bridge. The council has agreed to pay 50 per cent of the cost and the Government the other 50 per cent, and moneys were made available from Loan funds at that time. It is a transfer from Loan funds that will be made at this time, and it all comes from State revenue, as I said earlier.

I hope I have replied to members' criticisms. Perhaps a more realistic approach might be made when criticizing the Government for the principles adopted. Such principles are the same today as they were when the Playford Government was in power.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—"Financial provision."

The Hon. Sir NORMAN JUDE: The Minister has been good enough to give some very interesting figures this afternoon, and I know that he will not have the slightest objection to their being examined in more detail. I accept his statement in connection with the new Highways Department budget as regards Government grants. That would appear to be satisfactory on the surface. However, I point out that the Highways Department's internal budget could give away $5,000,000 in Government grants, but it merely means that there will be $2,000,000 less spent on roadwork done by the department. The funds have to come from somewhere, and I fear that more will be required from the motorists in the form of increased drivers' licence and registration fees. In view of this, I ask the Minister to report progress so that we can examine his figures and speak more about them later.

The Hon. S. C. BEVAN (Minister of Local Government): I do not see the purpose of reporting progress. A man may make a statement that he later finds is incorrect, but he does not do it knowingly. I can give the honourable member printed information if he wants it. He says that the money must come from somewhere. I point out that he cannot have it both ways. This same principle has been followed for many years in order to assist

councils in their roadworks. If the honourable member is complaining about this, we can say to the Highways Department, "No more money must be given to councils," but I can imagine the reaction of councils and of honourable members themselves if that is done. If the money is spent in one way it cannot be spent in another way. If the honourable member is not prepared to accept the figures I have given him and if he calls at my office, I shall lay before him the Highways Department's programme for this year in which all the figures are embodied. He can check these figures with the Commissioner of Highways or anyone else.

The Hon. Sir NORMAN JUDE: I should not like it to be thought that I implied that the Minister had given false information; it is merely a matter of checking what is the position and looking at the programme generally. I accept his kind offer but not with any suggestion that he has deliberately given incorrect information to the Committee.

The Hon. S. C. BEVAN: I accept the honourable member's explanation.

Progress reported; Committee to sit again.

## LOCAL GOVERNMENT ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from July 25. Page 764.)

The Hon. F. J. POTTER (Central No. 2): I support the Bill, but in saying that I do not wish to give the impression that I agree that it is a correctly drawn measure, because I believe exactly the opposite about one or two parts of it. I believe that clauses 4, 5 and 7 will require further consideration by the Parliamentary Draftsman when this Bill reaches the Committee stage. Indeed, I think the Minister has already recognized that some alteration is necessary to clauses 4 and 5.

These clauses deal with matters that are virtually the same; the only difference is that one clause applies to municipalities and the other to district councils. They both deal with what is being called "the minimum rate", which is provided for in sections 228 and 233a of the principal Act. I point out that, although the term "minimum rate" has been referred to, if we look at the Statute we find that there is really no such thing; the Statute refers to a municipal council or a district council having the right to fix a minimum amount which shall be payable by way of rates; this is very different from an actual minimum rate.

We must remember that the whole principle of local government finance and rating is this: at the beginning of the financial year the council estimates what needs to be done and what revenue will be required. Having worked that out, the council strikes a rate of so many cents in the dollar which will be necessary in order to bring in the required revenue. Any radical departure from this system must be very carefully watched, and I think there are indications at present that there is, by the application of this minimum rate (if I may use this expression), a tendency to interfere with this proper and democratic method of assessments for council purposes.

I shall give a little of the history of this minimum amount payable by way of rates under section 228, which is the section dealing with municipalities. In 1934, it was provided that there would be a minimum amount payable of 10s. In 1938, it was 10s. In 1951, it was still 10s. and, in 1959, the right was given to municipal councils to fix their own minimum amounts payable in respect of ratable properties.

Regarding district councils, in 1934 there was no power for the striking of a minimum amount payable by way of rates. In 1938, it was provided that the councils could levy 2s. 6d. as a minimum figure, which was increased to 5s. in 1951. In 1959, the district councils were given the power to fix their own minimum amounts. If one looks at what the councils have done, particularly the municipal councils, since that time, it will be seen that there is a tremendous variation in the amounts that they have fixed by way of minimum payments. I give the following examples: Gawler has fixed $32 as the minimum amount; Henley and Grange, $28; the hundred of Dudley on Kangaroo Island, $4; Marion, $26.50 (a strange figure); Thebarton, $28; Elliston, $5; Tanunda, $8; Jamestown, $4; Port Pirie, $26; Salisbury, $30; and Balaklava, $4.

That is a representative selection of the amounts that have been fixed by the councils as the minimum amounts payable. I ask the question: why this tremendous variation? What the councils must do, and what they are required to do under the Act, is to strike a rate, but what do they do now? They strike a rate and then fix a minimum amount payable. In other words, the dubious situation could arise whereby a rate of 2c in the dollar is fixed and a minimum figure of 50c is charged. This seems to be completely wrong and completely against the whole principle of

the Act; indeed, it would be illegal if it were done by way of an excess rate. There was a good example of that not long ago when the Henley and Grange council struck a rate that was well in excess of its requirements. I do not remember what the figures were. I believe the council wanted 20c in the dollar, but somebody moved that it should be 50c, or something like that. That council proposed to collect revenue by striking a rate much in excess of its requirements. Of course, as was to be expected, there was a howl from the citizens of Henley and Grange that could be heard all over the metropolitan area. The matter was taken to court, and the rate was quashed. In other words, it was completely illegal to raise revenue by fixing amounts that were in excess of requirements.

If we are not careful we could do the same thing in a somewhat underhand way. I am sure there are instances of councils doing this today—striking a very low rate and a very high minimum amount by way of contribution for rates. If this is so, then it is completely unfair to the ratepayers, and it is a completely wrong method. Indeed, if the position is not watched, the next step could be that the right to assess individual properties at a minimum amount could be sought. This strikes at the whole basic principle of the collection of local government rates.

The Hon. R. C. DeGaris: There is no ceiling on how high a minimum rate can go?

The Hon. S. C. Bevan: No, it is a matter for the councils to determine.

The Hon. F. J. POTTER: That is so. I have given to the Council the variations from $2 to $32.

The Hon. R. C. DeGaris: The highest of those minimum amounts is $32?

The Hon. F. J. POTTER: Yes. We should return to the old principle that was supported, I think, by the Commissioner, Mr. Justice Ligertwood, as he then was, when he examined the whole question of local government rating and valuations. If my memory serves me right, he recommended that there should be a maximum minimum rate that could be levied by way of taxes.

The Hon. S. C. Bevan: Not exceeding a given figure.

The Hon. F. J. POTTER: Yes. I think the figure he suggested was £5, and I think that is somewhere near the mark. It is not easy to decide what the figure should be.

The Hon. C. M. Hill: You would have to have two separate approaches for the two different kinds of rating.

The Hon. F. J. POTTER: There may have to be a differentiation. There are many difficulties involved in this question. It would not really have any relation to the matter of assessment if a maximum minimum figure fixed by Statute could be collected in either case. Something like this is necessary, because there are many difficulties that arise at present in the applications of sections 228 and 233a, as a minimum amount payable by way of rates is not a rate declared pursuant to the Act. It is not a rate at all. So all kinds of difficulties are involved, because other sections, such as section 234 (the one dealing with the differential rate) and section 237 (the provision that a general rate shall not exceed 5s. in the pound), are inconsistent with the concept set out in the sections on the minimum amount payable.

The implications of this actually go much further than that, because they touch on the actual right of voting. There is a provision in the Act (section 236, I think) that affects the voting power of ratepayers according to their particular rating. All this raises considerable problems because this minimum amount, which quite a number of people are now being called upon to pay, is not a rate at all within the meaning of the Act. Also, other complications arise, such as whether or not fines can be added or collected on this minimum amount payable under section 228.

I raise these matters because I think they are important and that they call for very complete review and examination by anybody undertaking a revision of this Act. I think it is one of the most important matters that we have to deal with, particularly this matter of what amount is to be fixed as the minimum amount payable. This is not a power to fix a charge, although I suggest that councils are using this power as though it were a charge. Originally, the whole idea of this was to cover the costs of collecting the rates. Councils were being forced to send out notices and to go through all the collection procedures to get in 10c, 15c, 20c, or whatever it was. It was never designed to cover the essential services of a council, although it seems now to have moved into that particular field.

The other point I want to make about clauses 4 and 5 is that as drawn they do not seem to me to cover the point that the Minister in his second reading explanation said

they were designed to cover. He spoke about the difficulty that arose where ratable property was owned by the same person and indeed there was a small section in another municipality. Of course, the clauses do not read that way at all, for proposed new subsection (3), sought to be inserted by clause 4, reads as follows:

If any ratable property owned by the same person is situated in two adjoining municipalities . . .

In other words, if I own property in Mitcham and property in Unley, which properties could be a mile apart, I can now approach either of the municipalities and ask for a cancellation of the minimum amount payable. The Hon. Mr. Hill said yesterday that this was another fiddling sort of amendment, and in some respects I agree with him because this is another fiddle with section 228, which has already been fiddled with (if I can use that expression) on, I think, three separate occasions in the past. This was done because it was found to be unsatisfactory. We had to make an exception to cover this particular situation and that particular situation, and now we have yet another one. Indeed, it looks as though this new subsection should be subsection (4) in both instances, for we already have three subsections in both section 228 and section 233a, and obviously the Draftsman has overlooked that fact. If necessary when the time comes, I will suggest that what is required is something like the following:

(4) If any ratable properties within the meaning of subsections (2) or (3) of this section are situated in two adjoining municipalities, either of the councils may, if satisfied that the minimum amount payable by way of rates so fixed for the portion of the property in its area would be unreasonable, exempt that property from the payment of the minimum amount, in whole or in part.

I suggest that as a better wording, for it would not only achieve what the Minister says he wants to achieve but would link it up with the existing subsections (2) and (3), which also provide for some exemptions from this minimum amount payable by way of rates.

The Hon. S. C. Bevan: I would accept that. I do not know whether the honourable member wants credit for it.

The Hon. F. J. POTTER: I am not seeking any credit: I merely think this would be the way to deal with the matter, and I should be happy to move that way later. Clause 7 deals with the proposed insurance of the wives of mayors or district council chairmen against personal injury, etc., arising in the performance of their official duties. This, too, is a very interesting matter, for it again shows difficulties one can encounter in this Act. Honourable members will recall that last session we moved an addition to section 288 to provide for a council being able to insure its councillors on their official business. Section 288 is purely and simply an authority for a council to expend its moneys. That section reads as follows:

In addition to the powers conferred by section 287 a municipal council may expand its moneys in—

Then it sets out the things the council may do. The council may organize organ and other musical recitals; contribute towards the cost of any trained nurses; pay allowances to the mayor; and pay travelling expenses to councillors on special business. Last year we added the following subsection:

Insuring members of the council against personal injury, whether fatal or not . . .

I will not read all of it, because it is repeated in the Bill before us now in almost identical terms. This Bill gives the council authority to expend its moneys, but how can it do so in insuring its members if it has not a complete insurable interest for the purposes of a valid insurance contract? Who will get the benefits of these insurance policies in the event of death or fatal injury? Will the council collect the money and retain it because it has lost the services of a councillor, the mayor or mayoress (whoever it may be) or will the money go to the relatives or the next of kin of the person who may have died or been fatally injured, or to the beneficiaries of the estate?

The Hon. S. C. Bevan: To the beneficiaries of the estate.

The Hon. F. J. POTTER: It is not at all clear, and this Bill does not create a statutory insurable interest where one did not exist before: it is purely a statutory right to expend the council's moneys. I should have thought it would be better if the Act had provided that the council had power to expend its moneys on reimbursing the councillor for the payment of any premium he might have to pay on such a policy, or had power to pay premiums on an insurance policy taken out by the councillor, the mayor or the lady mayoress (as the case might be) for his or her own benefit. It is at present left open. In those circumstances, who would get the money? It is clear that the clause does no more than provide for some sort of payment of a gratuity.

I know I did not speak on this matter last year when the Bill came before us; my attention was not directed to the problem. However, it is a shame that Parliament did not then make the matter more intelligible than it is. The Statute is only the authority to expend revenue. It ought to be looked at carefully with a view to possible amendment. Also, when we amended the legislation last year to provide for the insuring of councillors (on the assumption that it does create some kind of statutory insurable interest, which I doubt very much) it then became obvious that we had to go back to section 52 (3), which we did. We amended that section to provide that a councillor would not be liable to forfeit his office only because of the fact (with many others, of course) that he was insured pursuant to the provisions of this section, which provides that a person cannot continue as a mayor, alderman or councillor if he is a person who, directly or indirectly, participates or is interested in a contract with or employment under the council. Then follows a list of exceptions to this, including the fact that being insured under the provisions of this section does not prevent him from being disqualified.

If we are to include lady mayoresses and wives of chairmen of district councils, this, too, must be amended, because a mayor or chairman would be a person who would, directly or indirectly, participate or be interested in the contract of insurance so far as his wife was concerned in 99 cases out of 100. So we ought to have included in this Bill not only clause 7, amending section 288, but also a further amendment to section 52 to provide that he shall not be disqualified because he or his wife is insured under this provision.

The Hon. C. M. Hill: Under this clause the mayoress would be disqualified from holding office.

The Hon. F. J. POTTER: I do not know that she holds any office, but certainly her husband does under the provisions of this Act, and we do not want the situation arising where a mayor at present qualified would become disqualified merely because his wife was covered under this provision. If I understand Standing Orders correctly, this would involve another amendment to section 52, and probably we would have to get an instruction from the Council for the Committee to deal with this matter. If this is so and the Minister considers there is some substance in the last point I have made, I ask him to take up the matter with the Parliamentary Draftsman and perhaps agree on some instruction to enable an amendment to section 52 to be placed before the Committee. I support the second reading of the Bill, although I am not happy with these continual small amendments to the Act. I know they are important in their own way, but we want a thorough and complete revision of the Act as soon as possible. I hope the matters I have touched on today will be looked at seriously by the Local Government Act Revision Committee.

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

## CATTLE COMPENSATION ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from July 25. Page 765.)

The Hon. R. C. DeGARIS (Leader of the Opposition): I do not oppose this Bill totally but I want to emphasize certain important points raised by previous speakers. The Minister explained in his second reading speech that this fund was established in 1939 by a cattle stamp duty levied on the sale of cattle, and it was to be used to compensate cattle owners who suffered loss by the destruction of their cattle which were infected, or suspected of being infected, by the diseases specified in the Act.

The fund has built up steadily since 1939 and at present stands at about $300,000. During that period certain alterations have been made, two in particular. The first is that actual stamp duty charged on the sale of cattle has decreased by about 30 per cent and the second is that the compensation payable has increased from $40 to $120. In his second reading speech the Minister said that the majority of claims for compensation made under the Act related to bovine tuberculosis, and that is true. However, I point out that other diseases mentioned in the Act can easily occur and become extremely serious for a short period. For instance, an outbreak of pleuro-pneumonia could result in a serious and sudden drain on the fund.

The fund has been built up over a period of 30 years. An outbreak of pleuro-pneumonia occurred in the Gippsland area of Victoria a few years ago and caused a sudden and serious drain on the Cattle Compensation Fund in that State. I do not look on a total of about $300,000 as excessive; indeed, I would like to see the fund even larger to cater for

circumstances that could occur in the event of a serious outbreak of one of the diseases mentioned in the Act. I agree with the Minister that by 1975 one of our valuable oversea markets could be affected unless the State is covered by a tuberculosis testing programme.

So far I have agreed with the Minister's comments in his second reading speech. I now come to the point where I differ from his views. In his explanation he said:

The primary purpose of this Bill is to authorize the Minister to meet the costs of this programme out of the Cattle Compensation Fund. Clearly the programme has already effectively reduced the claims for compensation under the Act and the programme itself falls within the purpose of the Act, which was to facilitate the eradication of, amongst other diseases, bovine tuberculosis . . .

As far as I can see, it is not the position that the fund was initially established to facilitate the eradication of bovine tuberculosis or any disease associated with cattle. To emphasize my point I quote the following part of the second reading explanation of the Cattle Compensation Bill when it was introduced in 1939:

The purpose of this Bill is to provide for the imposition of stamp duties on the sale of cattle and to apply the funds thereby raised for the purpose of providing compensation to owners of cattle which are required to be destroyed because the cattle are suffering from or suspected to be suffering from disease. Under the Stock and Poultry Diseases Act, provision is made whereby cattle may be ordered to be destroyed by reason of disease, but no provision is made for the payment of compensation to owners. The primary reason for the law authorizing the destruction of cattle is to prevent the spread of infection but, under the present law, the owner of the cattle destroyed must bear the whole cost of the precautions taken in the interests of the industry.

It can be seen that when the Bill was introduced power to destroy diseased stock already existed and had so existed long before the introduction of that Bill. The sole reason for the establishment of this fund was to ask the cattle owners, or those who sold cattle, to contribute to a fund that would compensate them, or act as an insurance policy for them, against any loss in the eventuality of any livestock being condemned or destroyed.

I am sure the Minister cannot show me any evidence that it was intended that the fund would be used to eradicate the diseases mentioned in the Act. If he can do so I shall be grateful, because I do not believe that was intended. The Cattle Compensation Fund was not set up for the purpose of assisting in or facilitating the eradication of disease: it was set up purely to compensate or act as an insurance pool to owners who might suffer, in some circumstances, excessive losses. Therefore, I view with some concern the wide interpretation placed on the use of this fund if the amending Bill is passed. Clause 7 (3) reads:

The fund shall, subject to this Act, be applied—

(*a*) to the payment, pursuant to this Act, of claims for compensation:

(*b*) to the payment of any sums agreed to be paid by or on behalf of the Minister under Part IIIA of this Act:

Part IIIA gives the Minister power to spend any sums he may wish on testing for tuberculosis, with no restriction on the amount so spent. The Minister, in rebuttal, may well say that the Government requires only that a certain amount be set aside each year, but such guarantee would be of little use once this Bill was passed. Consequently, once the principle is established that the fund may be used for testing for bovine tuberculosis, then what arguments could be raised against extending the use of the fund to other diseases?

I am not saying that there is not a case in relation to the interest that the fund is bearing, but I believe there should be some restriction on the amount of money that the Minister may use for testing for bovine tuberculosis. I also believe that such restriction should be included in the Bill before us. I agree with the case put forward by other members who have spoken, and I am prepared to support the second reading in the hope that some safeguards will be included, but I will oppose the Bill if it passes the Committee stage in its present form.

The Hon. G. J. GILFILLAN secured the adjournment of the debate.

## HIGHWAYS ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from July 25. Page 772.)

The Hon. R. A. GEDDES (Northern): As much as I have disapproved in the past of more centralized control, of removing powers of local Government and of having majority decisions made by the authorities in the city, in relation to road safety I realize that some central authority is necessary so long as that authority is just and fair in its decisions and the manner in which it makes them. I make this proviso because of the need for the best possible road safety measures. During the Address in Reply debate I referred to the

measures already taken by the Commissioner of Highways and the Road Traffic Board to make our roads as safe as possible.

This Bill gives the Commissioner of Highways power, subject to the Minister's consent, to place lights for the illumination of roads at places where they are considered necessary. It also provides that a council in an area where lights are required must pay half the cost involved. I can speak with authority only about roads that I know, and I refer particularly to the Pooraka-Smithfield road which passes through Elizabeth; it is really part of the Main North Road. During the last Parliamentary recess a prominent member of the Road Traffic Board, in a letter to the editor of a local newspaper, stated that he could always tell where there were "give way" signs at intersections. However, I defy anyone to know where all the "give way" signs are on this road, particularly at night when it is necessary to have dipped headlights. The speed limits, which vary between 40 and 55 miles an hour, also tend to make it difficult for the motorist to pick out the "give way" signs. If principal intersections of this highway are illuminated, it will help not only the north-south traffic but also traffic entering the Main North Road from the city of Elizabeth. It will be a step in the right direction even though it will be a costly undertaking initially.

It is possible that the Minister of Transport will take an interest in this exercise under this Bill because many railway crossings are on main arterial roads, and these crossings are very badly lit and it is hard for a person unfamiliar with the road to know where they are. Because of the stubborn resistance toward fitting reflectorized signs on the sides of railway vehicles and because of the difficulty of installing flashing lights at the main railway crossings quickly, it is especially necessary to have good lighting where our major roads cross railway lines.

I should like an assurance from the Minister that the cost of the illumination of new freeways and by-passes will not in every instance be charged against the councils through whose territory they pass. This should be a capital charge against the State; it is different from the cost of illuminating a road designed to serve the public in a particular locality. We will be serving the public by providing for the proper illumination of these roads, but the requirement that councils should pay a share of the cost may be an imposition on them. I should also like to ask the Minister what the position is when a council wishes to light a particular road. Does it apply to the Commissioner, and will the Commissioner be able to refund half the cost if the council asks for the road to be lit? I support the second reading.

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

## ADJOURNMENT.

At 4.28 p.m. the Council adjourned until Tuesday, August 1, at 2.15 p.m.