

**LEGISLATIVE COUNCIL**

Tuesday, August 1, 1967

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

**QUESTIONS****MOUNT BURR MILL**

The Hon. R. C. DeGARIS: I ask leave to make a statement prior to asking a question of the Minister representing the Minister of Forests.

Leave granted.

The Hon. R. C. DeGARIS: It has been reported to me that certain machinery is now at the Mount Burr sawmill but has not been installed. I have been told that the reason the machinery has not been installed is shortage of Government finance. Will the Minister take up this matter with his colleague and ascertain the position regarding this machinery?

The Hon. S. C. BEVAN: I shall refer the question to my colleague and obtain a reply as soon as possible.

**PREMIER'S BROADCASTS**

The Hon. C. M. HILL: I ask leave to make a statement prior to asking a question of the Minister representing the Premier.

Leave granted.

The Hon. C. M. HILL: Yesterday's *News* contains a report that the Premier has launched a personal promotion of South Australia in Western Europe. The report states that one talk had been broadcast already and that more were planned, and that these talks had enjoyed a radio audience of millions of people. The report also states that the Premier's wife had been translating these talks into German. Can the Minister ascertain whether these broadcasts include invitations to oversea workers in the building industry to come to South Australia?

The Hon. S. C. BEVAN: I read the account in the newspaper, and I thought it was rather good. However, I cannot answer the question and I shall refer the matter to the Premier and obtain a reply.

**KIMBA WATER SUPPLY**

The Hon. A. M. WHYTE: I understand that the Minister representing the Minister of Works has a reply regarding the Kimba water supply.

The Hon. A. F. KNEEBONE: My colleague has supplied the following report from the Director and Engineer-in-Chief:

Being aware of the position, we are preparing to meet a possible starting date of the first week in October if conditions at that time make this action necessary. To give some idea of the magnitude of the task, the likely costs involved are of the order of \$2,000 a week.

**AGRICULTURE COURSE**

The Hon. V. G. SPRINGETT: Will the Minister of Labour and Industry obtain from the Minister of Education his considered opinion as to the value and advisability of establishing in the South-East a practical agriculture course embracing general agriculture and a forestry section?

The Hon. A. F. KNEEBONE: I shall be pleased to convey the honourable member's question to my colleague and bring back a report as soon as possible.

**ROSEWORTHY AGRICULTURAL COLLEGE**

The Hon. M. B. DAWKINS: Has the Minister of Local Government a reply to my question of July 11 concerning the sealing of the main internal roads of Roseworthy Agricultural College?

The Hon. S. C. BEVAN: Yes. It is true that the roads through Roseworthy Agricultural College need sealing, and this has been recognized as a necessary part of our redevelopment plan for over five years. There are, however, other projects such as the regrading and resealing of the yard space around college buildings as part of our plan for redevelopment of this area, which must rank ahead of roads. College roads will be sealed in their turn as funds become available.

**PEKINA IRRIGATION AREA**

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: In answer to a question last session the Minister stated that it was intended to go ahead with testing and developing a bore that had been put down by the Mines Department in the Pekina irrigation area, adjacent to Orreroo. The main problem at that time was the development of a sand screen to deal with the fine sands that are encountered at depth. I have a letter from the people most concerned in the development of this area, and I ask the Minister, now that we are in a new financial year and plans are being made for the future, whether he will give this work a high priority on the list of works.

The Hon. S. C. BEVAN: At this stage, I cannot say, "Yes, I shall do so." I shall have the whole matter investigated and I assure the honourable member that the work will proceed on the necessity of obtaining an adequate supply for Pekina. I have not made inquiries concerning this matter recently, so I shall ascertain how far advanced the planning is for this project.

#### STATE'S FINANCES

The Hon. C. D. ROWE: I ask leave to make a short statement prior to asking a question of the Minister representing the Treasurer.

Leave granted.

The Hon. C. D. ROWE: I take it that the Treasurer will be preparing his Budget in the not too distant future and, in that connection, I think we were all disturbed to find that about \$7,000,000 was transferred from the Loan Account last year to Budget Account to achieve what was described as a balanced Budget. I believe that, if moneys are to be transferred in this way, it should be done at the time the Budget is presented so that we know the position of the State's finances. If the Treasurer proposes to use certain Loan moneys towards a Budget account, will the Minister of Local Government ask him to see that this is included in the Budget papers and shown clearly in the Budget? I point out that the policy speech of the Labor Government, made when it was in Opposition, stated that it adhered to and believed in accurate budgeting.

The Hon. S. C. BEVAN: I shall refer the honourable member's question to the Treasurer and obtain a reply.

#### HOUSING TRUST

The Hon. C. M. HILL: I ask leave to make a short statement prior to asking a question of the Minister representing the Premier.

Leave granted.

The Hon. C. M. HILL: At the annual dinner of the Housing Industry Association on July 17 the Premier made certain announcements concerning remedial action to assist the building industry in this State. His announcements were publicized in the press of July 18, and the main headline stated that he planned to see that the Housing Trust would concentrate on low-cost housing in future and that some matters concerning the Housing Trust and contractors were to be investigated. On the following day (July 19) the Deputy President of the Master Builders Association of South Australia (Mr. J. H. Evins) said in the

press that the Premier had a very real appreciation of the need to stimulate the position in the South Australian building industry, and he went on to say:

We are still hoping for further announcements as to how he is going to do it.

He was referring, of course, to the Premier. Over a fortnight has now elapsed since the Premier gave that talk to the Housing Industry Association. My questions are, first, is it the Premier's intention to announce further definite plans to assist the building industry in this State and, secondly, will the Premier consider allocating the whole of the Commonwealth-State housing grant for 1967-68, namely, \$21,000,000, to the Home Builders Fund and thereby to the private building sector as a means of providing necessary liquidity to the industry in an endeavour to restore the industry to its previous prosperous level?

The Hon. S. C. BEVAN: Naturally, I shall have to refer the honourable member's questions to the Premier, as it was the Premier himself who made the statements. He made other statements at the same time, of course, to the effect that representations would be made to the Commonwealth Government for that Government to spend in this State a greater share of its money for building operations than it had been doing. I know that those representations have been made, but the report I have at this stage is that they have been rejected, so apparently we are not going to get any assistance from the Commonwealth Government for the building industry. Regarding the last part of the question, I could say frankly that the answer would be "No" if it was for me to say. However, that is a question for the Premier and Treasurer himself to determine, and I shall refer it to him for consideration and obtain a report as soon as possible.

#### IRRIGATION

The Hon. C. R. STORY: Has the Minister of Local Government, representing the Minister of Works, a reply to my recent question concerning water licences?

The Hon. A. F. KNEEBONE: My colleague, the Minister of Works, has informed me that the Director and Engineer-in-Chief has arranged for the inter-departmental committee which compiled the report on irrigation diversions to make recommendations referring to those applicants who, in the past, have approached the department and been given an assurance that water will be available and who have made commitments in

consequence of this assurance. The committee has arranged to interview all these people and will be making a special trip to the Upper Murray on August 15 and 16 for this specific purpose. These applicants will be notified in advance to arrange meetings. As regards the remaining items in the report, regarding licensees, no further action can be taken until the survey below Mannum is completed.

#### RENMARK SEEPAGE

The Hon. C. R. STORY: I seek leave to make a short statement with a view to asking a question of the Minister of Local Government representing the Minister of Irrigation.

Leave granted.

The Hon. C. R. STORY: In the Block E section of the Renmark district there is a large evaporation basin that is used for evaporating saline water. The position with that evaporation basin at present is critical. The banks have been topped in order to keep saline water in the basin, and should this water break out into the main stream complete chaos would be caused in the whole irrigation system and also in the metropolitan area of Adelaide. On June 22 and 23 the Renmark Rehabilitation Committee considered ways and means of rectifying the position, this committee comprising departmental officers as well as members of the Renmark Irrigation Trust. It was considered that tenders should be let for removing the existing evaporation basin to better and safer land. Consequently, on June 3 a tender was let to Roche Bros., who were to be on the site to commence the work two weeks ago. So far, only one piece of machinery has arrived and, as other items of machinery, including a barge, are involved, the trust is apprehensive that the work will not be completed within the specified time of three months. Will the Minister use his best endeavours to see that the contractor gets on the job to commence the work and that it be completed as quickly as possible, as this matter is most urgent?

The Hon. S. C. BEVAN: I shall refer the honourable member's question to the Minister of Lands and obtain a reply as soon as possible.

#### MATRICULATION

The Hon. M. B. DAWKINS: I seek leave to make a short statement before asking a question of the Minister representing the Minister of Education.

Leave granted.

The Hon. M. B. DAWKINS: Following the new arrangements for matriculation, all honourable members are aware of the need to extend matriculation classes as soon as practicable to our country high schools. I know that representations have been made on behalf of constituents in the Balaklava area that matriculation classes be extended to the Balaklava High School. Will the Minister representing the Minister of Education ascertain whether his colleague is able to indicate whether a matriculation class can be started at Balaklava next year?

The Hon. A. F. KNEEBONE: I shall convey the honourable member's question to the Minister of Education and bring him back a reply as soon as it is available.

#### MURRAY RIVER SALINITY

The Hon. H. K. KEMP: I ask a question of the Minister representing the Minister of Lands. Is there any possibility of having river salinity figures for places on the river down to the lakes published regularly in the Adelaide press? The figures for the upriver pools are announced in the local press and over the wireless regularly.

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

The Hon. H. K. KEMP: My further remarks are purely in explanation of the question, and are very nearly terminated. The only thing I wish to add is that this is a service which is badly needed.

The Hon. S. C. BEVAN: I shall refer the honourable member's question to the Minister of Lands and obtain a report as soon as possible.

The Hon. C. R. STORY: I seek leave to make a short statement before asking a question of the Minister representing the Premier.

Leave granted.

The Hon. C. R. STORY: Three weeks ago I introduced a deputation to the Premier comprising industrial leaders from the Upper Murray area in all phases of primary industry, to impress on him the urgency of the problem of salinity in the Murray River. One of the main points raised was that the Premier should take up with the responsible Minister in Canberra the matter of salinity in the river in order to see either whether some amendment could be made to the River Murray Waters Agreement Act or whether a conference could be called for the purpose of endeavouring to improve the position of putting saline water back into the main stream.

I should like to know the result of the representations that the Premier may have made.

The Hon. S. C. BEVAN: I will refer the question to the Premier and obtain a reply as soon as possible.

#### CHRISTIES BEACH NORTH PRIMARY SCHOOL

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

#### MORPHETT STREET BRIDGE ACT AMENDMENT BILL

In Committee.

(Continued from July 26. Page 831).

Clause 3—"Financial provision."

The Hon. Sir NORMAN JUDE: Last week the Minister gave certain figures and offered me the facilities to analyse some of them. I have not taken advantage of that offer but I thank the Minister for giving me the opportunity. The reason I have not done so is that a further glance at the second reading explanation convinced me more than ever of the impropriety of this Bill. As I said during the second reading debate the funds mentioned were to be appropriated by Parliament on the Loan Estimates, half of the total amount to be from the Highways Fund, and the whole Parliament agreed to that method.

This clause not only alters that decision as it affects this specific work but it also shows a principle of taking back from the Highways Fund, a fund which, in round figures, is made up by contributions consisting of 50 per cent from motorists of this State and 50 per cent from the Commonwealth Government. However it may be looked at, this means that less money will be available to the Highways Department for road construction. The Minister has said that grants to local government bodies will be increased next year: I would expect that to be so, because Commonwealth grants will be increased by about 10 per cent. The Minister and some of his colleagues have praised the efforts of the Government in obtaining more money for roads this year, but this is a five-year arrangement with the Commonwealth Government. I remind the Minister that not only will this Government expire next year but the Commonwealth Aid Roads Act expires within two

years. How will we know what the Commonwealth Parliament will produce with regard to assistance for roads? People are barking for more money for education and accusing the Commonwealth Government of not handing back enough money to the States, yet we are accepting money from the Commonwealth Government and diverting our own road funds to assist the Treasury Revenue Account.

The Minister cannot deny that he is using revenue from motorists to repay Loan funds. The implied intention of the Government is to continue to do that. The Auditor-General's Report states that the debit balance in the Loan Account for roads and bridges on June 30, 1966, was \$8,808,000. The Loan works account for the Engineering and Water Supply Department is \$268,000,000, yet the Minister of Roads has his funds attacked in order to balance the Treasury. Should we stop a developmental works in the E. & W. S. Department in order that some of this \$268,000,000 can be paid back? No, but the Highways Department, which has had to borrow only about \$8,000,000 over 30 years, has been virtually set upon, and the Treasurer is saying, "You have got the easy money, and we want some of it back." That is why I said in my second reading speech that I had no hesitation in opposing the Bill because of its impropriety.

The Hon. S. C. BEVAN (Minister of Local Government): I appreciate the sentiments expressed by the honourable member. He has frankly stated the position. Loan moneys made available to the Highways Department must be paid back. I draw the honourable member's attention to the fact that he, when Minister of Roads, participated in this procedure when the provision was written into the Highways Act by a Liberal Government. The honourable member has referred to the fact that the Highways Department has been requested to pay back a loan made available to it from Loan funds. In private life, unless a person is a welcher, he will repay a loan. The Hon. Sir Norman Jude has stated that he considers the Highways Department is a genuine and honest department; therefore, it is expected to repay the loan. The department has been required to do this previously. What pertains to other departments is not my business. The Act requires that this must be done, and we are doing it.

The Hon. Sir NORMAN JUDE: The repayment of the money was arranged in 1963. There was an agreement to repay the money, and I have never suggested that it should be

dishonoured, but this is breaking down the agreement made by the whole of Parliament on the Morphet Street Bridge Act. The Minister will not accept it; he sidetracks and says that Loan moneys should be repaid.

Clause passed.

Title passed.

Bill reported without amendment. Committee's report adopted.

#### STATE GOVERNMENT INSURANCE COMMISSION BILL

Adjourned debate on second reading.

(Continued from July 26. Page 826.)

The Hon. R. C. DeGARIS (Leader of the Opposition): Before dealing with the Bill, I should like to make certain general comments. First, I should like to refer to a statement made by the Premier and reported in last Wednesday's *News*. The Premier stated that it would be unwise politically for this Council, with its certain vested interests, to refuse to allow the people of South Australia the services that people in other States enjoyed. We have become quite used in this Chamber to this kind of comment from the Premier. I take as a slur on each honourable member of this Chamber the suggestion that certain vested interests exist here that may refuse to pass this Bill. As I have said before, there appears to be a very deliberate campaign to throw the members of this Chamber into the worst possible light with the public of South Australia. I do not wish to canvass this matter further now, except to say that vested interests will play no part in the decision of this Chamber on this matter. Indeed, I should like some amplification of what is meant by the Premier's statement, because I do not think this Council has any great vested interests in insurance companies in South Australia.

As far as I am concerned, this is the first instalment in the fundamental philosophy of Socialism in South Australia. It is the Socialist's well-known aim to destroy all private enterprise. One has only to make a cursory study of the platform of the Australian Labor Party to see that this is so. The Socialist's aim is to destroy a system that has produced the most dynamic society with the highest standard of living anywhere in the world, which no Socialist society has ever been able to match. I look on this Bill as straight Socialist doctrine, instalment No. 1.

If one accepts this argument it places a totally different emphasis upon the Minister's second reading explanation, in which he stated:

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.

I could go on quoting from the Minister's explanation in this regard. By and large, the main reasons given for the introduction of this legislation are that the Government wishes to keep premiums low in South Australia, that it wishes to maintain competition here, and that some complaints have recently been received in the insurance field (I emphasize those remarks in the second reading explanation) including the comprehensive motor vehicle and personal accident spheres.

It appears quite clear that these facts, rather than being reasons for this legislation, are justifications or attempted justifications for Socialist doctrine. In my opinion they are not valid reasons for this State to enter the insurance field. If these complaints were received, then other legislation should be introduced to correct them. These are not reasons that justify the Government's entry into the insurance field. As we read further on in the Minister's explanation, this becomes more obvious. Therefore, I put the emphasis the other way round: the Government's view is, "Socialism is our aim, and this is instalment No. 1; therefore, let us find any reason we can find for the introduction of this legislation." I recently received a letter from one of my constituents which stated:

Mr. Dunstan has stated that the reason for introduction of this Bill is because the Government has received complaints against insurance companies. This explanation appears very lame in the light of the fact that it has been a plank of the Labor Party for many years to nationalize insurance companies. This Bill is the thin edge of the wedge and if it becomes law, undoubtedly other socialistic legislation will follow.

The Hon. D. H. L. Banfield: Was that letter from an ex-Laborite?

The Hon. R. C. DeGARIS: I should think so—one who has woken up. Having dealt with

the reasons (or the justifications, as I prefer to call them) for bringing in this Bill, let us look at the policy speech of the Hon. Frank Walsh which he gave prior to his Government's taking office. Under the heading "Insurance" he stated:

Our policy on workmen's compensation in particular is to make provision for the right to receive workmen's compensation for any accident sustained whilst travelling to or from the place of residence to the place of employment. It appears that as a step forward concerning the implementation of this very necessary provision, a long overdue measure, it will be required that our policy consider the establishment of a State Insurance Commission, and a further factor that may also be considered is that, whilst it is recognized that workmen's compensation insurance cover for all persons must be provided, it is also compulsory for all people who desire to register a motor vehicle to have third party compulsory insurance. Under Government instrumentalities, when things become compulsory, I believe that it is reasonable to give consideration to the right of the individual to have a choice of insurance.

There is some mention made in the policy speech of the previous Premier that, if the Labor Party was elected to office in South Australia, it would consider the introduction of a Government Insurance Office to cater, in a very limited field, for certain matters, and the two matters mentioned were workmen's compensation and compulsory third party insurance. It appears to me that this is the only mandate this Government has from the people of South Australia in the field of insurance.

The Hon. H. K. Kemp: It is not a mandate.

The Hon. R. C. DeGARIS: I agree, but I am stretching it as far as I can to see what the people of South Australia have endorsed in regard to this question. The other interesting point is that the Government has taken nearly two and a half years to bring this Bill before Parliament, and this Council should take some appreciation of this fact when dealing with this measure. Perhaps we should consider the history of this matter. I have already given the Council the exact extract from the previous Premier's policy speech before the last election. However, since then further references have been made to this question. Soon after his coming to office in March, 1965, an article appeared in the *News* of March 15, 1965, as follows:

Labor's plans for a State insurance scheme were outlined today by the Premier, Mr. Walsh. Mr. Walsh said it was hoped a State insurance company would compete with private insurance companies on restricted types of insurance. Mr. Walsh stated it would probably be in the best interests of South Australia if the Government dealt with different kinds of insurance, but not necessarily life assurance.

The main purpose of a State insurance scheme would be to put into effect Labor's proposal for better workmen's compensation coverage. Compulsory forms of insurance could be dealt with through the State body.

Here again I see an amplification of what Mr. Walsh regarded as a mandate given at the last election. There is no mention in this statement to the press of anything other than the particular matters mentioned in the policy speech—workmen's compensation and compulsory motor vehicle insurance. A similar report appeared in the *Advertiser* of March 16, 1965. Therefore, we can see there is no variation at this point of time from the mandate given by the people as a result of the policy speech of the Labor Party prior to the election.

Then we move on to the Speech of His Excellency the Lieutenant-Governor (Sir Mellis Napier) almost 15 months later. The *News* at that time carried a report of the Speech, and on this aspect His Excellency had this to say:

My Government has received many complaints concerning the operations of certain insurance companies, particularly in the fields of workmen's compensation, personal accident and comprehensive motor vehicle insurance. As a means of enforcing satisfactory general standards of service to the public, in accordance with my Government's policy a Bill to provide for the establishment of a State Government Insurance Office will be laid before you.

We see in that Speech at the opening of the second session of Parliament exactly the same emphasis on the two fields of insurance that had been previously covered in the policy speech and in press releases from the Premier. Those two fields were workmen's compensation and compulsory motor vehicle insurance.

All this clearly indicates a verification of the interpretation I place on what is a reasonable mandate given to the Government on this question. Two points from this emerge very clearly. The first is that there is a limited mandate. This has been substantiated since the election by statements from the previous Premier (Hon. Frank Walsh). The second point that emerges is that the Bill has taken a long time to reach this stage in its passage through Parliament. The reasons for this delay could be many and varied. Possibly the previous Premier was not impressed with the idea of a full franchise for a State Government Insurance Office. I think it is reasonable to assume from his statements after he became Premier that this is so. Obviously, this Bill is much wider than the Hon. Frank Walsh ever intended.

Members of this Chamber can hazard some very intelligent guesses about why the introduction of this Bill has been delayed to the last session of this Parliament and about why it covers all types of insurance. This probably points to a difference of opinion between the Hon. Frank Walsh and the present Premier. Also, it probably points to the need to push through this Chamber legislation for which the Government has no mandate, and to allow this Council to have the task of correcting that legislation or be forced into the position of rejecting it. I think this is probably part of the thinking of the present Premier in putting through the House of Assembly legislation that has a full franchise for a State Government Insurance Office to cover all fields of insurance.

In justifying this legislation, many allegations have been made against various insurance companies operating in South Australia. I would be the first to acknowledge that at some times these complaints are justified. I think we realize from the complaints we as private members receive in this regard that some of the complaints are justified, just as complaints we receive about the operations of Government instrumentalities are sometimes justified. But if some of the complaints against certain insurance companies are justified, surely the establishment of a State Government Insurance Office will not overcome the difficulties of which the Government complains.

I remain completely unconvinced that the reasons the Government has given justify its action in introducing a Bill giving a full franchise to a State Government Insurance Commission. If the Government, in introducing this legislation, wanted to be completely unbiased, why did it not examine any justifiable complaints about the operations of insurance companies in other States that have State Government Insurance Offices, and why did it not give us any details of complaints that very often are received regarding the operations of State Government Insurance Offices themselves? I assure this Council that from my knowledge there are a good number of justifiable complaints against the operations of State offices elsewhere.

Perhaps we could look at the question of the New South Wales office in relation to third party insurance claims. The Government in that State has a virtual monopoly of third party insurance. It has this monopoly not by way of Statute but because of the fact that the

Registrar will accept a cheque for insurance with the registration only if the insurance is taken out with the State office. This fact alone allows the State Government Insurance Office in New South Wales to hold a virtual monopoly of third party insurance, and in fact about 90 per cent of this type of business is undertaken by that office. A recent article written by Mervyn Rutherford in the magazine *Nation* (a very long article which I commend to honourable members), amongst other things, states:

Senior legal men estimate that a person injured in a road accident . . . will have to wait for something between five and 10 years before a court will be able to give him a hearing. The position is that the Government Insurance Office will not settle claims out of court unless the injured person's solicitor accepts its offer of a fair and reasonable sum in compensation for his client's injury.

That is a statement in relation to the operations of the State Government Insurance Office in New South Wales, where the Government has a virtual monopoly of all third party insurance.

The Hon. L. R. Hart: It gives a 50 per cent discount in most cases.

The Hon. R. C. DeGARIS: I would not know that. However, I know that the State office there has at present between \$70,000,000 and \$100,000,000 of outstanding claims. That is a very high figure, and probably that is one reason why this long delay is taking place.

I will discuss later the question of arbitration clauses. Of course, if one reads this Bill one sees that there is to be no arbitration clause. I do not know whether we are going to have the same delays in the settlement of claims here as we see developing in New South Wales, whether the court will be able to handle these matters of dispute, or whether a client must accept the State office's assessment as being fair and reasonable and if he does not like it he must wait between five and 10 years and then go through the court to establish his claim. If it is reasonable to allege complaints against the operation of private insurance companies in South Australia, surely it is fair to look at what happens in the other States—whether these complaints do exist and whether, by and large, they can be levelled against the operation of a State Government Insurance Office.

As a matter of fact, little information has been placed before members of this Council about the nature of these complaints. The only thing of accuracy that we have from the second reading speech is that they are involved

mainly with workmen's compensation and comprehensive motor insurance. Further, the fact that this Bill almost overnight becomes all-embracing seems to indicate that the Government is bent on pursuing purely doctrinaire ideas rather than seeking to correct the anomalies it claims exist.

At this juncture, I make two points strongly. The first is that this Bill goes much further than either the undertaking given in the Government's policy speech or the press releases made by the then Premier (Hon. Mr. Frank Walsh) soon after the election of his Government. Also, it goes much further than the indication given in His Excellency's Speech opening the second session of Parliament. The second point I emphasize is that the reasons given for the introduction of this Bill are not substantiated by the facts presented. Therefore, as I have said, this Bill is designed to follow Socialist doctrine rather than correct the anomalies that the Government says exist.

Taking this argument further, I ask: why has the Government decided in this context to enter the life assurance field in South Australia? Government Insurance Offices already in being in the other States operate in the life assurance field in Queensland and New South Wales, but those offices do not give any better service or provide lower premiums or pay bonuses given by the present life assurance companies and societies. The life assurance field is already highly competitive. In Australia I think there are about 50 life offices, 35 of which operate in South Australia. In their operations throughout Australia and in this State they have developed an expertise in this complex field of life assurance. A Government Insurance Office operating in the field of life assurance cannot supply a service that is not already supplied efficiently, effectively and in the interests of policy holders. Government operations in the life assurance field are limited to two States. Also, the operations of a State Government Insurance Office in the life assurance field must be limited to that State only. Anyone prepared to look at this for a moment can see that this would not be in the best interests of the policy holders with a particular company or society. Most life offices operating in Australia work on a mutual basis, and those on a non-mutual basis are almost, one may say, operating on a mutual basis. In other words, most of the surplus money of the company is returned to the policy holders. There is no foundation for any accusation against life assurance companies or societies

that they are making a charge at the expense of the policy holders.

In establishing a life office, the Government faces heavy expense. Life assurance, as most people realize, must be sold, and it is an expensive thing to sell. That is why clause 19 (5) is in the Bill, to cater for it. I believe that 120 per cent to 130 per cent of the first annual premium is the cost of writing a life assurance policy and servicing it in its first year of operation. In other words, it takes any office involved in life assurance nearly one and a half years before it can call itself square with the premiums paid. Investments on behalf of all policy holders with the State Government Insurance Office would not be nearly as well spread as those of a life assurance office working over the whole of Australia. Life offices operating in South Australia and in Australia have Australia-wide ramifications and the increasing tendency of people to move not only to other States but also overseas means that these companies are capable of providing facilities for people making such moves, which facilities would not be available to policy holders with a Government office. The more one examines the operations of life assurance societies and companies, the more ludicrous becomes the Government's intention to enter this field, for the reasons I have given. The more we look at it, the more we return to the one conclusion—that this Bill is introduced not with the idea of overcoming the anomalies at which the Government points its finger but in order to follow simple Socialist doctrine.

Every other State of the Commonwealth has entered the insurance field and has a State Government Insurance Office. Their operations should be examined. In Victoria, the State Accident Insurance Office was established following the Workmen's Compensation Act of 1914. It was introduced by a Nationalist Government, which (I think we can say) was the forerunner of the present Liberal Party. The second move was made in 1940, when the Country Party was in office in Victoria and the State Motor Car Insurance Office was established following an amendment to the Motor Car Act of 1940. In Victoria the State Government Insurance Office activity is limited to these two fields—workmen's compensation and motor car insurance. This is provided for in section 65 of the Victorian Workmen's Compensation Act and section 72 of its Motor Car Insurance Act. Motor car insurance covers both types—third party and comprehensive. In Victoria no State monopoly



exists through any form of insurance. In 1965-66 the State Government Insurance Office in Victoria enjoyed 19.43 per cent of the market in workmen's compensation, 34 per cent of the market in third party insurance, and 6.3 per cent of the market in comprehensive insurance. The staff in Victoria works under the Public Service. All policies have an arbitration clause.

As I have said previously about third party insurance in New South Wales, one can see the difficulties to which an arbitration clause can lead, but in Victoria all policies include the arbitration clause of which the Minister in his second reading explanation complains so bitterly. However, section 28 of the Instruments Act in Victoria governs and restricts the validity of arbitration clauses in contracts of insurance. In this regard the Victorian legislation is distinct from enabling Acts of all other States, because the Government Insurance Office there operates under the Instruments Act. I believe that the Victorian legislation should have been investigated by this State, if the Minister's second reading speech regarding arbitration clauses can be looked on as genuine.

In New South Wales in 1911 a Treasury Insurance Board was established, and this was the forerunner of the Government Insurance Office in that State. The principal Act governing the State Insurance Office in New South Wales is the Government Insurance Act of 1927, which was introduced by a Labor Government. I believe the Premier was one J. T. Lang, and I am not sure whether members of the Labor Party here would be prepared to claim that his was a Labor Government. Section 3 (a) of that Act allows all classes of insurance to be undertaken by the Government Insurance Office, but it has no monopoly of any branch of insurance, with the exception (as previously pointed out) that the only insurer allowed to be nominated with a premium paid at the same time as registration is the Government Insurance Office. Therefore, in this way a monopoly of that class of insurance is enjoyed by that office.

The Hon. S. C. Bevan: There has been no attempt to amend it, though, has there?

The Hon. R. C. DeGARIS: No, I realize that, and it is one thing that the people of South Australia must learn: that is, once a Socialist regime is established and the economy geared to it, it is difficult to go back a step or two. It has been done in other fields by the Commonwealth Government in relation to one or two other ventures in Socialist ownership,

as later it has reverted to a more practical way of handling affairs. In a moment I will deal with those matters for the Minister's benefit and touch on certain events in Queensland where at one stage there was a spate of Socialist activity, most of which was disbanded and thrown overboard. Such action met with the general approval of most people in Queensland.

A virtual monopoly of third party insurance exists in New South Wales and, if any credence can be given to the attitude of the State Government Insurance Office that there will be a five to 10-year wait before a third party claim is settled, one may reasonably expect that the Government and people of New South Wales may eventually get a better deal if the people want something a little better than they are getting at present. The State Government Insurance Office receives 20.85 per cent of the available market; if the third party insurance monopoly is excluded, that share is reduced to 9.17 per cent. The staff of the insurance office in that State operates under the Public Service and a standard arbitration clause is included in all policies, with the exception of policies issued in respect of hire-purchase transactions. However, that is common to all insurers. New South Wales has no legislation to complement that established by the Victorian Instruments Act.

In Queensland, the State Government Insurance Office began in 1916 when the Labor Party controlled the Treasury benches. That Government entered the workmen's compensation field in 1916 and moved into the fire and accident field in 1917 and the marine insurance field in 1918. As I pointed out to the Minister, it was during the period from 1915 to 1956 that the Labor Party was in almost unbroken control of the Treasury benches in Queensland. It was during this period also that this socialistic attitude to private enterprise did more damage to the sound development of Queensland than did possibly any other single factor. Not only did the Government enter the insurance field but it also entered many other fields that were the prerogative of private enterprise: butcher shops, fisheries, canneries, hotels, produce agencies, cold stores, and many other undertakings. Of course, as one might expect, large losses were made by those undertakings, and most of them were discontinued by 1938. If any honourable member wants to examine the operations of these Socialist enterprises, I refer him to the Queensland Auditor-General's statement of 1937-38, which I am sure will be found extremely interesting.

The Hon. A. F. Kneebone: Couldn't you get one later than that?

The Hon. R. C. DeGARIS: No, because they were all disbanded then and there was no need for the Auditor-General to report on them once things returned to normal. Section 7 of the Act allowed the Government Office to enter into any class of insurance, and under section 6 of the Workmen's Compensation Act the Government Insurance Office in Queensland has a complete monopoly in this field. Its share of the available market in Queensland, with the exception of workmen's compensation insurance (which is 100 per cent) is 20.5 per cent, while the office staff is part of the Public Service.

The Hon. S. C. Bevan: It must be profitable, though. Why does not the present Liberal Government do something about it if it is not satisfied with its operations?

The Hon. R. C. DeGARIS: I thought I had explained that to the Minister. In Queensland policies do not include an arbitration clause and it is the only State I can find where no such clause is included in the policy. Contracts are governed by section 18 of the State Government Insurance Act of 1960, section 18 (1) of which provides:

Claims under policies issued by the office shall be allowed or rejected in the first instance by the General Manager; but the General Manager on receipt of any such claim may, or any person claiming thereunder who objects to the ruling thereon of the General Manager may, by notice in writing, require the matter to be heard and determined by a referee, and the application shall in such case be heard and determined by such referee in accordance with the regulations. The office may in any case, if the General Manager thinks fit, before any dispute is submitted to a referee, require a deposit of money as security for the costs of the reference, to such amount and upon such terms as may be prescribed.

Although the policies issued by the Government Insurance Office of Queensland do not include an arbitration clause (and great play was made on that in the second reading speech) it is covered in the State Government Insurance Act, which goes well beyond the wording of the clause used by private insurers. It will be noticed that payment of a deposit is required in the arbitration clause in the Queensland Act as security for costs: that does not exist in the arbitration clause in most policies issued by private insurers.

It cannot be seen where State insurance began in Western Australia. In 1913 a Government Workers' Fund was established and in 1926 a State Government Insurance Office, with a monopoly in the field of mining diseases risk, was established.

The Hon. D. H. L. Banfield: Wasn't that because private enterprise refused to take them on?

The Hon. R. C. DeGARIS: I could not answer that, but I would not think that would be right.

The Hon. D. H. L. Banfield: I suggest that the Leader have another look through the records and he might find that it is right.

The Hon. R. C. DeGARIS: I shall do so, and it is probably a good reason if that is so. The franchise in Western Australia includes workmen's compensation, motor vehicle (both third party and comprehensive), student's personal accident, including pools, and all classes of risks of local government and friendly societies. The fire, marine and general fund covers the Government's own property as well as things in which the Government is financially interested. The only monopoly existing in Western Australia is in the mining diseases field. The Western Australian State Government office enjoys 28.33 per cent of workmen's compensation and 26.99 per cent of the motor vehicle business, and the staff is in the Public Service. Arbitration clauses are included in all motor vehicle policies. No arbitration clause is included in workmen's compensation policies, but the Workmen's Compensation Board lays down certain standards that come very close to the arbitration clause in ordinary private insurance policies.

The Tasmanian office was established in 1919 by the Nationalist Government and covers all types of insurance except life. It has a monopoly in relation to hail insurance (it enjoys 15.3 per cent of the market) and it receives 30 per cent of the third party market. The staff is not under the Public Service, and all policies carry an arbitration clause.

It can be seen that there is a very wide approach in relation to the establishment of Government Insurance Offices throughout the various States of Australia. Only New South Wales and Queensland have a complete franchise to cover all fields of insurance and, of course, this particular franchise was introduced by Socialist Governments in both States. Only Victoria allows no monopoly in any one field, and only that State has special legislation controlling contracts under insurance policies. All other States grant a virtual monopoly in some fields. It is obvious that both States that are operating in the life field are States that introduced their Government Insurance Offices

following pure Socialist doctrine. In the face of all this, I see no case for the Government to enter the life assurance field. There is further support in this if one takes into account the point I made in relation to the policy speech, the Governor's Deputy's Speech and the press releases made by this Government when it came into office. What of other forms of insurance? It is obvious that some taxpayers' funds must be used to establish the Government Insurance Office. Even if there are no catastrophes, such as an earthquake, or a very large bush fire as occurred in Tasmania, it would take many years in the present difficult times for underwriting to build sufficient reserves to enable the insurance office to guarantee its solvency.

The following table of profitability of underwriting illustrates this point clearly. The figures were taken from the Commonwealth Statistician's Annual Insurance Statistical Bulletin and deal with the trade surplus, as a percentage of the total premiums earned. The following is the table:

	p.c.
1955-56	5.1
1956-57	3.8
1957-58	7.3
1958-59	5.9
1959-60	4.4
1960-61	1.1
1961-62	3.3
1962-63	3.1
1963-64	0.8
1964-65	1.2

One can see that the percentage earned, or the trade surplus over the premiums, has been steadily declining over the last 10 years. Any State Insurance Office entering this field now must be prepared to wait a very long time before any profitability becomes evident and before sufficient reserves can be built up to guarantee its solvency.

In the last couple of years some of the Government Insurance Offices in the other States have shown a loss on a year's trading. Indeed, from memory I think that the New South Wales Government Insurance Office actually showed a trading loss last year of about \$2,000,000. Has the operation of Government Insurance Offices kept premiums lower than those existing in South Australia? It is very difficult to compare the various States, because many varying factors are involved. I have examined the third party question very closely, but in this field it is extremely difficult to get any accurate comparison. I have the figures if any honourable member would like to see them.

In the comprehensive field for private owners of Holdens, Valiants and Ford Falcons, the cost of comprehensive insurance is as follows:

State	\$
South Australia	41.72
New South Wales	55.11
Victoria	49.96
Western Australia	38.63
Queensland	39.00
Tasmania	42.75

In the comprehensive field for private owners of Valiant V-8, Falcon V-8 and Toyota, the cost of comprehensive insurance is as follows:

State	\$
South Australia	48.93
New South Wales	60.77
Victoria	59.23
Western Australia	43.26
Queensland	48.50
Tasmania	49.96

In the comprehensive field for private owners of Chevrolet and Morris Mini Minor Sports, the cost of comprehensive insurance is as follows:

State	\$
South Australia	62.32
New South Wales	74.68
Victoria	73.13
Western Australia	55.62
Queensland	72.50
Tasmania	61.80

For goods-carrying vehicles up to two tons (the sum insured \$1,600) the figures are:

State	\$
South Australia	93.23
New South Wales	132.09
Victoria	125.45
Western Australia	94.80
Queensland	78.80
Tasmania	78.96

For goods-carrying vehicles over 10 tons (the sum insured \$5,000) the figures are:

State	\$
South Australia	458.58
New South Wales	530.94
Victoria	498.73
Western Australia	561.26
Queensland	436.60
Tasmania	309.15

It can be seen that there is not a great deal of difference between the cost of insurance in South Australia and that in the other States; indeed, in many fields the costs are slightly lower. In the Minister's second reading explanation no time was devoted to the cost of the establishment of this office in South Australia, and I venture to say that the financial aspects of its establishment have not been looked at extensively by the Government. No information has been supplied to honourable members on this question.

The Hon. Sir Norman Jude: It compares it with the establishment of the lottery, doesn't it?

The Hon. R. C. DeGARIS: That is so. I hope that the Government has given slightly more consideration to the cost of establishing this office than it did to the cost of giving an extra week's annual leave, where there seemed to be a great disparity in various honourable members' opinions as to what it would cost.

The Hon. D. H. L. Banfield: There was a big disparity between the estimated cost and the actual cost of setting up the lottery; it proved inexpensive.

The Hon. R. C. DeGARIS: I realize that. The Government has always said that it wanted accuracy in budgeting, as referred to by the Hon. Mr. Rowe earlier this afternoon. I think that the Government's estimate of the cost was \$200,000, but it got out of it for \$40,000, and the taxpayers are very grateful. However, this is no recommendation for the Government in respect of accuracy in budgeting.

Apart from the cost of establishment, I think we would all agree that it is imperative that, if this Government is to establish an insurance office in this State, it must do it in sections. I believe it would be quite impossible for any Government to establish immediately a Government Insurance Office covering all fields of operation. It is perfectly obvious that not only would it be excessively costly to do so but also it would be physically impossible. I am very pleased that my view on this matter has been borne out by the Premier who, in a press statement last week, said that the Government Insurance Office, like any other undertaking, private or public, will necessarily start in a small way and build up. It will develop step by step as staff are trained, as business comes to it, and as resources are accumulated. To establish a complete undertaking overnight would be undesirable from staff, organizational and financial aspects. For once in my life, I agree entirely with the Premier's attitude.

The Hon. D. H. L. Banfield: We knew we would convert you sooner or later.

The Hon. R. C. DeGARIS: Thank you. I agree that it would be completely impossible for the Government suddenly to establish an insurance office covering all the vast fields it is asking for in this legislation, and I am very pleased that the Hon. Mr. Banfield agrees with the Premier and me on this point. Therefore, the Government is bound to introduce what is provided for in this legislation in stages: it cannot do it in any other way. The Minister in his second reading explanation stated that the reason for the introduction of

this legislation was that complaints had been received in two fields—workmen's compensation and motor vehicle insurance.

The Hon. C. R. Story: I did not get the information I sought on this.

The Hon. R. C. DeGARIS: No; not much information is given in this regard. If this Council passes this Bill, there is little chance that the operation of the proposed Government Insurance Office will extend beyond these limited fields before the next State election. Therefore, if by amendment this Council restricts the operation of this legislation to these fields, there will be no inconvenience whatever to the present Government's planning. If the Bill is not restricted in this way this Council has no guarantee that the Government will operate in the fields where the major complaints are being received.

In my opinion the Government might establish an office in a very limited field before the next election; its mandate covers these two fields, and the Premier's own statement that the Government Insurance Office could only take it step by step confirms that there is every justification why we should restrict the operation of this legislation to these particular fields.

The Hon. S. C. Bevan: You want to keep the Government out of the more lucrative business.

The Hon. R. C. DeGARIS: Not at all.

The Hon. S. C. Bevan: Not much!

The Hon. R. C. DeGARIS: I think it is incumbent on the Government. On reading the second reading explanation, the Government's mandate, the Governor's Speech and the press releases, I find that these are the fields in which the Government has been receiving all the complaints. So, if we restrict the operation of this legislation to these fields it will be no inconvenience to the Government and, if it wishes to extend its activities, there will be time after the next election for this to be done.

The Hon. A. F. Kneebone: And this Council will not stand in its way?

The Hon. R. C. DeGARIS: I cannot give any undertaking for other honourable members but, if there is a complete mandate at an election for the Government to enter these fields, I am sure that this Council would not be obstructive. That has been its attitude for a long time. If the people return the present Government at the next election and it has a complete mandate for this type of operation, then I would not be obstructive to the will of the people and that has always

been my attitude. Also, if the Government wishes to extend its operations outside these two fields, then let the people of South Australia decide the issue: they are the people who should do so.

The Hon. C. D. Rowe: You are talking about a hypothetical case.

The Hon. R. C. DeGARIS: Yes. If we do restrict the operation of this office to the fields I have referred to, it should not inconvenience the Government in any way, and it falls closely into line with what the Premier himself has said in this regard. Also, it will almost fall into line with the attitude of the Victorian Government to this issue.

The Hon. S. C. Bevan: What has Victoria got to do with it? What about the other States? Why not make a comparison with New South Wales, where there is a Liberal Government?

The Hon. R. C. DeGARIS: A table was included in the Minister's second reading explanation which gave the various methods by which the Government Insurance Offices operate in other States. I think the Minister must understand that once a Government Insurance Office enters the life field, where policies continue for many years, it is terribly difficult to get out of it. The Government would have a commitment for very many years, as the Minister would appreciate. We have heard much about committing future Governments. Life assurance commits future Governments for years ahead.

The Hon. S. C. Bevan: We will be here to meet those commitments when they fall due.

The Hon. R. G. DeGARIS: I am glad the honourable member said "we". A feature of the Minister's second reading explanation upon which I have already commented is the matter of arbitration clauses; it reads:

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.

That is the general arbitration clause that appears in policies in South Australia.

The Hon. S. C. Bevan: I take it that it would be in big print, not in small print that one cannot read?

The Hon. C. D. Rowe: I would recommend that to the Australian Labor Party Executive.

The Hon. R. C. DeGARIS: If other State Government Insurance Offices do not have that clause in their policies, the question of arbitration is covered in other sections of the Acts under which they function; therefore, other State offices include an arbitration clause in their policies. However, the arbitration clause does not apply with third party insurance in New South Wales, and people there have to wait five to 10 years to get their cases into court for a decision. Is this the type of thing we wish to move into here? Are we in South Australia to have the same problem that is being faced in New South Wales, where the State Government Insurance Office forces everyone to accept what it says is just compensation and if people do not like it they have to wait five to 10 years to get a court decision?

The Hon. A. F. Kneebone: That is what happens with other insurance, isn't it?

The Hon. R. C. DeGARIS: No, there is an arbitration clause, which in the second reading explanation of this Bill is being challenged. Every other State Government Insurance Office includes an arbitration clause either in its policies or in the legislation under which it operates, which is exactly the same thing. The arbitration clause in Queensland is even more restricted in the State office's policies than in the private insurance companies' policies. In New South Wales the State Government Insurance Office, with its virtual monopoly, tells people they must accept what is offered or go to court, and that if they go to court it will take them between five and 10 years to get a decision. Which is preferable: the arbitration clause or the system existing in New South Wales?

I could deal with many other matters, but I think I have spoken for long enough. Summarizing, I believe that no full mandate exists for a State Government Insurance Office in South Australia. This is borne out by the statements of the previous Premier in press releases and by the Opening Speech at the second session of this Parliament. I accept the fact that there is a rather tenuous mandate for a State Government Insurance Office for workmen's compensation and motor vehicle insurance.

The Hon. Sir Arthur Rymill: But only for an inquiry.

The Hon. R. C. DeGARIS: Yes. There is no case whatever for the Government to be dabbling in life assurance. I shall listen attentively to other members who will contribute

to this debate and then make up my mind how I shall vote on the question. If the Bill reaches Committee, I shall be interested in certain amendments to restrict its operation to the mandate given by the people at the last election.

The Hon. C. D. ROWE secured the adjournment of the debate.

#### LOCAL GOVERNMENT ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from July 26. Page 834.)

The Hon. S. C. BEVAN (Minister of Local Government): I think I can say that there seems to be no opposition to this Bill. However, suggestions have been made regarding clauses 4 and 5, which amend sections 228 and 233a of the principal Act. I think it was the Hon. Mr. Hill who queried whether this legislation covered the position of the Lord Mayor and Lady Mayoress of Adelaide. I assure Mr. Hill that there is no doubt at all that the Lord Mayor and Lady Mayoress are covered under the Local Government Act, for the Lord Mayor is elected in the same way as the Mayor of a municipality or the Chairman of a district council is elected under the Act.

Although clauses 4 and 5 have been under discussion, I do not think there is any dispute about them. The Hon. Mr. Potter last Thursday drew the attention of the Council to the effect of these clauses. Although I agree that it is probably necessary for an amendment to clarify the position, I cannot at this stage agree with the phraseology of the amendments that are on the file. I suggest that we can examine the question in Committee with a view to clarifying the position.

Regarding the minimum rate where any ratable property owned by the same person is situated in two adjoining municipalities, the question arises whether the amendment makes the position clear. I think honourable members in addressing themselves to this question said that a person could have property in two separate council areas and that because of this clause they could claim from one council or the other an exemption of the minimum rate.

I assure honourable members that that is certainly not the intention, and I do not think the amendment would permit such an interpretation. At the same time, we know that the interpretation of these matters by a council can lead to considerable argument unless the Act

itself is clear on the point. In this respect, I agree with what has been put forward, and I suggest that in Committee we can amend the clause to take care of the matter that has been raised. I agree with honourable members that more clarification could be given to this question.

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4—"Minimum rate."

The Hon. S. C. BEVAN (Minister of Local Government): This is the first clause that needs amending. I should like to look again at the proposed amendments because I think some minor difficulties can be ironed out easily. In the circumstances, I ask that progress be reported.

Progress reported; Committee to sit again.

#### CATTLE COMPENSATION ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from July 26. Page 835.)

The Hon. G. J. GILFILLAN (Northern): This Bill has been dealt with in detail by other honourable members. Briefly, I indicate my support of their attitude. As has been said previously, this fund was set up in 1939 to provide compensation for cattle owners and breeders in respect of stock condemned and slaughtered. Of course, stock has been condemned as unfit for human consumption for a long time, and tuberculosis is not a disease peculiar to cattle: it affects other domestic animals. So the principle of slaughtering stock to protect the community from this type of disease is understandable. In fact, it is primarily a health rather than a control measure with stock.

However, this fund was established in 1939 to compensate cattle breeders. It has gradually accumulated through their contributions until now it is virtually a trust fund held by the Government on behalf of the breeders so that they may be compensated should they be unfortunate enough to have stock suffering from this disease. We should be wary when we interfere with this principle because this is virtually a trust fund, an insurance fund, although the testing of stock to try to eradicate or minimize the disease is a worthy idea.

The cattle breeder has other charges to meet. Under the Livestock Slaughter Levy Act of 1964, there are levies of 20c for research in the cattle industry and 12c for the Australian Meat Board's administration. Here, the cattle breeders are themselves taking some responsibility for promoting their own industry but the Government is attempting under this Bill to use money already contributed by the cattle breeders to a fund set up by Act of Parliament. I agree that we should retain a substantial nucleus: we should not decrease the sum of money now held in trust. Any serious outbreak of tuberculosis could involve great expense. Although \$300,000 sounds a lot of money, at \$100 a head it will cater for only about 3,000 head of cattle. This sum of money should be the minimum we should endeavour to retain. This Bill has been thoroughly investigated by other speakers; anything more I could say would be merely repetition. Therefore, I support it, with the reservations I have made. I look forward to the foreshadowed amendments being moved and discussed in Committee.

Bill read a second time.

In Committee.

Clauses 1 to 6 passed.

Clause 7—"Establishment of Cattle Compensation Fund."

The Hon. A. M. WHYTE: I have an amendment on the file, my reason for it being that during the second reading stage I said I would oppose the Bill in its present form because it allowed the fund to be used for a purpose other than that for which it was set up. However, I am not opposed to some assistance being given to an eradication programme. I have discussed with various bodies and authorities means of limiting the amount of assistance that this fund can give. I have agreed to allowing the use of not the principal but merely the interest to assist in the eradication of bovine tuberculosis in cattle. From further information received, I would like to add other words to this amendment, and I therefore ask that the Minister agree to progress being reported.

The Hon. S. C. BEVAN: What does the honourable member want to add?

The Hon. A. M. WHYTE: I want to add a time limit. As the fund has increased up to the present time, I believe interest would realize about \$10,000 a year. That amount will increase, and it is hoped that the incidence

of bovine tuberculosis will decrease. I do not think it reasonable to grant payment of total interest of about \$20,000 on a campaign to eradicate a disease when perhaps \$10,000 would be sufficient. For that reason I believe that the situation should be reviewed every five years, and that is what I would like to incorporate in my amendment.

The Hon. S. C. BEVAN (Minister of Local Government): I am trying to fathom what the honourable member has in mind because it is not much good reporting progress if I do not know the reason for doing so. I understand that the honourable member desires to move an amendment to clause 7 that will result in a restriction on the amount of money that may be used on an eradication campaign, and that he wishes to restrict such use to interest from the fund. Hence, I take it, his suggestion of a five-year period and at the end of that time the provision would automatically cease unless amending legislation prolonged its life. At this stage I am not in a position to say whether the amendment would be acceptable to the Government; it will be necessary for the suggestion to be examined. In view of the nature of the suggested amendment by the honourable member, I ask that progress be reported and the Committee have leave to sit again.

Progress reported; Committee to sit again.

#### HIGHWAYS ACT AMENDMENT BILL

(Second reading debate adjourned on July 26. Page 836.)

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—"Lighting on roads."

The Hon. S. C. BEVAN (Minister of Roads): During the debate on the second reading one or two queries were raised concerning the responsibility of councils. I think the Hon. Mr. Hill mentioned a freeway system that would pass through a number of district councils. As honourable members know, the building of freeways has commenced and it is hoped that the volume of this work will increase. We shall soon have a report from Metropolitan Adelaide Transportation Study, which has studied transport requirements for the next 20 years. I think the Hon. Mr. Hill was concerned with the lighting of freeways, and that the cost would be an imposition on councils. Adequately lit freeways will be essential because of increasing night travelling and simply because they are freeways. I assure all honourable members that the obligation to light

freeways will be wholly and solely on the Highways Department. Councils will not be asked to make any contribution in that regard. The cost will have to come from Highways funds.

The Hon. C. M. HILL: I thank the Minister for his explanation. I think queries will arise in future between local government and the Highways Department as to what is meant by the word "freeway". In fact, I think much confusion exists at present in the public mind as to its meaning. However, when such discussions, disputes or queries do arise the Minister's explanation can be used as a basis of negotiation. At this stage I am satisfied with the explanation.

The Hon. M. B. DAWKINS: I have a query concerning country lighting. I believe country councils are not obligated to light major intersections in their areas other than in townships. Will the Minister be good enough to comment on that?

The Hon. S. C. BEVAN: The position will remain as it is. If it is a question of placing traffic lights at an intersection the Highways Department insists that the intersection be adequately lit. That is one of the problems that has arisen in the metropolitan area where requests have been made by councils that, because of the dangerous nature of an intersection, it should be controlled by traffic lights, but the intersection itself may be badly lit. Some councils have objected strenuously when called upon to make contributions. My answer has been that, for road safety, the intersections must be adequately lit. I have insisted on the councils doing this.

The Hon. C. R. STORY: The Minister has given an assurance that this is the only

way this will be applied. In a number of country council areas nowadays, the approaches to towns have traffic islands, and there have been requests from certain councils that these be lit. The Highways Department may desire that, in the interests of safety, some of these islands be lit. Does this provision relate only to traffic lights?

The Hon. S. C. BEVAN: Normally, many of these areas are lit and paid for by the council. In the circumstances outlined by the Hon. Mr. Story, the Highways Department may request an alteration of the lighting arrangements, in which case it would contribute to the cost of lighting the main roads, thus relieving the council of some of its responsibility. This method lends itself to negotiations between the Highways Department and the council.

The Hon. L. R. HART: What is the situation regarding the railway crossing at Port Wakefield, which is now adequately lit? Is the lighting cost met by the local council, the Highways Department or the Railways Department?

The Hon. S. C. BEVAN: This responsibility would fall on the Highways Department. The lights are not erected by the department, but they are paid for by the department out of Highways funds.

Clause passed.

Title passed.

Bill reported without amendment. Committee's report adopted.

#### ADJOURNMENT

At 4.25 p.m. the Council adjourned until Wednesday, August 2, at 2.15 p.m.