

LEGISLATIVE COUNCIL

Wednesday, August 9, 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: Has the Minister representing the Minister of Forests a reply to the question I asked on August 1 concerning plant for the Mount Burr sawmill?

The Hon. S. C. BEVAN: The Conservator of Forests reports:

No installation of any machinery at Mount Burr has been delayed because of financial shortages. The machinery referred to by the honourable member may be the log barker and slab chipper, which are now on site and which will be installed on schedule as soon as the necessary site preparations can be carried out.

GREENHILL ROAD

The Hon. H. K. KEMP: Has the Minister of Roads a reply to the question I asked on August 2 regarding Greenhill Road safety fences?

The Hon. S. C. BEVAN: Yes. I did not advise the honourable member that safety fencing would be erected on Greenhill Road as funds became available. As reported in *Hansard*, page 3667, for March 15, 1967, I stated that funds were not available for the relocation and reconstruction of 40 miles of the outlet roads from the city through the Mount Lofty Ranges (these roads include Greenhill Road), but the erection of safety fencing is still continuing at the locations where it is considered warranted. Investigations into the safety aspects on Greenhill Road have now been completed and plans are being prepared for the erection of a further three-and-a-half miles of fencing on the road during this financial year. Funds are included in the departmental programme for this purpose.

PREMIER'S BROADCASTS

The Hon. C. M. HILL: Has the Minister of Local Government obtained a reply from the Premier to the question I asked on August 1 on whether in his recent oversea broadcasts the Premier had invited European building workers to come to South Australia?

The Hon. S. C. BEVAN: The Premier reports that no invitations to oversea workers in the building industry to come to South Australia were included in these broadcasts.

PORT AUGUSTA TECHNICAL COLLEGE

The Hon. A. M. WHYTE: Has the Minister of Labour and Industry obtained a reply from the Minister of Works to the question I asked on August 2 regarding contracting for the Port Augusta Technical College?

The Hon. A. F. KNEEBONE: My colleague reports:

The Port Augusta Technical College project has a very critical construction period. In the past, the Public Buildings Department has had difficulty in obtaining satisfactory tenders for work in Port Augusta. For these reasons approval was given to advertise the registration of contractors interested in tendering for the technical college project and to preselect tenderers from the list of registrations. In selecting tenderers from that list, departmental officers carefully examined the known performance of the registered contractors, both financially and technically, and obtained tenders from the contractors best qualified for the project.

While the department generally adopts open tendering, registration and preselection of tenderers is in common use in the industry in South Australia and has recently been adopted for use with building projects by a State Government department in the Eastern States. Satisfactory tenders have been received for the Port Augusta project and it is believed that the method of seeking tenders contributed greatly to the result. The Port Augusta contractors who registered were carefully considered by departmental officers in regard to their capacity to meet the critical requirements of this project. It is thus obvious that the Port Augusta contractors were not ignored as alleged in the editorial of the *Transcontinental* dated July 20, 1967.

STATE'S FINANCES

The Hon. C. D. ROWE: Has the Chief Secretary obtained from the Treasurer a reply to a question I asked on August 1 regarding certain aspects of this State's finances?

The Hon. A. J. SHARD: Yes. The honourable member referred to the charging to Loan Account in 1966-67 of certain building grants for tertiary and non-government hospitals. In another place on August 3, the Treasurer explained the Government's Loan expenditure proposals for 1967-68 and the matter raised by the honourable member was further explained fully in the Treasurer's statement. The Public Purposes Loan Bill will be before this Council in the near future and honourable members will then have the opportunity to debate this matter.

BREAD

The Hon. C. M. HILL: My question arises from a report in this morning's *Advertiser*. As concern is being expressed in Tasmania about

the excessive amount of iodine being added in the manufacture of bread, can the Minister of Health assure the Council that the bread improver being used in South Australia does not contain excessive or dangerous quantities of iodine?

The Hon. A. J. SHARD: I am not an authority on iodine in bread, but I am capable of picking good bread, and I know we have the best in Australia. I shall ascertain the facts from the Public Health Department.

PEKINA IRRIGATION AREA

The Hon. G. J. GILFILLAN: Has the Minister of Mines a reply to a question I asked on August 1 regarding the development of the Pekina irrigation area?

The Hon. S. C. BEVAN: Further work has been carried out on this bore by the Mines Department, including development and setting of a wire wound screen from 464 to 492ft. The maximum natural flow obtained was 600 gallons an hour, but with a pump installed the bore is capable of yielding 15,000 gallons an hour.

The cost of drilling and developing bores in this area, including standard sand screens, is estimated at round \$5,000 a bore. Unfortunately the natural flow is so limited as to require the installation of a pump to provide adequate water for irrigation. This additional capital cost plus the cost of pumping water appear to make the economics of large-scale irrigation in this area questionable, but the advice of the Agriculture Department is being sought in this regard.

Efforts to develop a different type of sand screen to deal effectively with fine sands have met considerable technical difficulties, which are not yet completely resolved. The position will be further reviewed when the Agriculture Department's economic advice is available.

ALICE SPRINGS ROAD

The Hon. A. M. WHYTE: Has the Minister of Labour and Industry obtained from the Minister of Works a reply to my question regarding the road from Coober Pedy to Pimba?

The Hon. A. F. KNEEBONE: My colleague reports:

On January 1 this year the Highways and Local Government Department took over all the roadwork activities previously carried out by the Engineering and Water Supply Department and in so doing it also took over all associated responsibilities, commitments and records. With this change, allocation of funds for roadworks to the department also ceased and plant and personnel were transferred. For

many years heavy duty grids have been made in the Crystal Brook workshops, and manufacture is at present still being undertaken on specific orders from the Highways and Local Government Department as required. As answered by the Minister of Roads on July 25, 1967, it is suggested that any station owners who consider they have a claim for the erection of ramps should communicate directly with the Commissioner of Highways.

EFFLUENT FOR IRRIGATION

The Hon. M. B. DAWKINS: I seek leave to make a short statement prior to asking a question of the Minister of Mines and also drawing the attention of the Minister representing the Minister of Works to this matter.

Leave granted.

The Hon. M. B. DAWKINS: In view of the very serious situation that exists in the Adelaide Plains water basin, particularly in the Virginia area, I direct attention to the fact (as all honourable members know) that there is a very large quantity of effluent that apparently is not yet being used and possibly is not likely to be used in the immediate future. In view of the very serious state of the basin, which I know the Minister appreciates, will he ascertain from the Minister of Works whether there are yet any plans to use the effluent or to make it available to primary producers in that particular area? I am aware that this effluent is not suitable for all types of primary production, but some vegetables and certainly some fodder can be irrigated with it. Can the Minister say whether there are any plans to use this effluent? If there are not, will the Government investigate the matter as soon as possible?

The Hon. S. C. BEVAN: This matter has received the attention of the Government for some time. I do not know of any plans to utilize the effluent in this basin for irrigation purposes. I have a report arising from the full investigation of the Engineering and Water Supply Department about the use of effluent for irrigation purposes. That report is pretty hefty, but if the Hon. Mr. Dawkins would like to wade through it I will make it available to him. I will discuss the whole question with the Minister of Works and bring down a report for the honourable member as soon as possible. In the meantime, as I said, I would be prepared to make this report available to him.

The Hon. L. R. HART: I should like to ask the Minister of Mines how it is that he is the person who can make this report available to an honourable member. If my memory

serves me correctly, the Printing Committee decided that this report should be printed, and therefore I assume that it should be on honourable members' files. I ask the Minister why this report, if it has been printed (and I assume it has), is not on members' files or available to them?

The Hon. S. C. BEVAN: The report I am speaking about and the report the Hon. Mr. Hart is speaking about are two different reports altogether. As usual, the honourable member is barking up the wrong tree.

JUSTICES OF THE PEACE

The Hon. C. D. ROWE: Recently I asked a question of the Chief Secretary regarding the method of appointing justices of the peace, and I understand he now has a reply.

The Hon. A. J. SHARD: The reply is as follows:

Quotas have been fixed and appointments have been made according to the circular letter from the Attorney-General to the House of Assembly members, dated June 20, 1966, copies of which have now been supplied to members of the Legislative Council.

RENMARK SEEPAGE

The Hon. C. R. STORY: Has the Minister representing the Minister of Works a reply to my question of August 1 about the Renmark evaporation basin?

The Hon. A. F. KNEEBONE: No, I have not at the moment, but I will inquire whether it can be made available urgently.

The Hon. C. R. STORY: There appears to be some confusion. I think the Minister of Roads may have a reply to the question I should have asked of the Minister representing the Minister of Lands.

The Hon. S. C. BEVAN: I have. Representing the Minister of Lands in this Council, I have obtained the following report:

My colleague the Minister of Irrigation has advised me that, according to information obtained from the Renmark Irrigation Trust, the contractor has been working on the site as from Monday, July 31. Pipe-laying, part of the work required to be done to enable water to be diverted from the existing evaporation basin to the new site, is now in progress and arrangements are in hand to obtain a pontoon to facilitate the movement of machinery and materials across Ral Ral Creek to the site for the new basin. In addition, action has been taken to divert some seepage water from the present evaporation basin in Block E through other portions of the comprehensive drainage scheme as a means of improving the position pending the completion of the new basin and, as a result, the water level in the present basin has been lowered $1\frac{1}{2}$ inches.

My colleague fully appreciates the desirability of having the new basin completed as soon as possible and will do what he can to this end. However, it must be borne in mind that the contract is between the trust and Roche Bros. and it is therefore the trust's prerogative to take steps to rectify the matter if the contract falls behind schedule.

SWIMMING POOL

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

Leave granted.

The Hon. C. D. ROWE: I am not sure whether I should direct my question to the Minister of Roads, the Minister of Local Government or the Minister of Mines, but I will direct it to the Minister of Roads and, if necessary, he can refer it to the other two Ministers. I refer not to a part of my electoral district but to an area that is commonly known as the north park lands, an area into which I go as the need arises. It is proposed to construct a swimming pool there. I am informed by those with great knowledge of this matter that there are proposals to widen considerably Fitzroy Terrace. Can the Minister say what the specific proposals are for widening Fitzroy Terrace? Also, will the siting of the proposed pool be such that it will not be interfered with by the widening of that terrace?

The Hon. S. C. BEVAN: This matter comes under the jurisdiction of the Adelaide City Council, not the Highways Department. I will refer the matter to the Clerk of the Adelaide City Council, obtain the information from him and allow the honourable member to have it as soon as it is available.

GOLD BUYERS ACT AMENDMENT BILL

The Hon. A. J. SHARD (Chief Secretary) obtained leave and introduced a Bill for an Act to amend the Gold Buyers Act, 1916-1935. Read a first time.

The Hon. A. J. SHARD: I move:

That this Bill be now read a second time.

By clause 4, it removes from section 15 of the principal Act the provision that a gold buyer's licence shall not be issued to any Chinese person. Such a discrimination provision is a relic of past days and is out of keeping with modern thinking throughout the world—indeed there are international conventions on the subject.

It is desirable that Australia should not lag behind other countries in having such a provision on its Statute Book. Accordingly the Bill removes the provision while clause 3 makes a consequential amendment by removing the definition "Chinese person" from section 3.

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

STATE GOVERNMENT INSURANCE COMMISSION BILL

Adjourned debate on second reading.

(Continued from August 8. Page 1077.)

The Hon. F. J. POTTER (Central No. 2): From the Government's point of view this is one of the major Bills to be placed before Parliament this session and therefore it was with a good deal of interest that every honourable member waited to hear the Chief Secretary's second reading explanation. Having heard that explanation and having had the opportunity of reading his speech again, I think it is a strange one in many respects. It contains a number of apologies and excuses made by the Minister as reasons for the introduction of the Bill. A good deal of double talk seems to have been indulged in because several reasons were given and excuses made, and then specifically abandoned, in the speech as being the basis on which the Bill was introduced.

I will refer briefly to points that were made and I do so seriatim as they came in the speech. I will comment upon them because I think it is important for all members to clearly understand what they are being asked to accept. The Minister began by saying that other States had entered the insurance field and he gave two reasons why they had done so. First, he said one reason was to keep premiums low; yet nowhere in the rest of his speech did the Minister suggest that the Government Insurance Commission as set up under this Bill would be able to provide insurance at lower premium rates to any person than he is being asked to pay at present. Indeed, he could hardly have done this in respect of premiums payable for third party insurance in this State because, as he knows and we all know, they are fixed by a statutory committee established for that purpose. He then went on and implied that that really was not the basis for the Government's entering this field, because he said there had been no complaints regarding the premiums charged. That was the first point that he made and later abandoned.

The second point he made for the Government's entering this field was to ensure, by competition, that adequate service would be given to the public. As other honourable members have said, this is one field of business activity where, if anything, there is excessive competition at present, with some 150 insurance companies competing actively in all phases of insurance in this State.

The Hon. S. C. Bevan: That includes marine, of course.

The Hon. F. J. POTTER: Then the Minister switched around on that point, because only a matter of a few minutes later, he said that there had been a satisfactory service as far as fire and household insurance policies were concerned. I do not know why he did not continue and mention also life assurance policies, because it seems to me to be beyond any doubt that there has been no cause for complaint about the administration of life assurance companies in this State. So, this question of giving adequate service was also put up and abandoned. Then the Minister said that this did not mean service, as it were, in the broad sense, but the particular condition of policies and how claims are dealt with. He then went on to stipulate what were these complaints.

First, he said there had been some trouble regarding the question of increases in franchise payable under particular policies. Franchise had been increased without proper notice to the party concerned. That was his first complaint that he said the Government had heard. Secondly, he said that there had been insurance amounts covered in excess of market value of the particular goods insured. The remarkable thing about the first two complaints listed by the Minister is that nowhere in his explanation did he suggest that the Government Insurance Commission would eliminate these two complaints. The Minister made no reference to that, and there is nothing in the Bill to suggest that the Government Insurance Commission will, in respect of those items, act in any way differently from the private insurance companies.

The Minister's third complaint was that some companies had unfairly relied on technical errors in applications for insurance. If this is so (and I am not admitting that it is), and assuming for the sake of argument that there may be some truth in it, it is interesting to see what Victoria has done regarding this. Section 25 of the Victorian Instruments Act states:

No contract of insurance . . . shall be voided by reason only of any incorrect statement made by the proponent in any proposal or other document on the faith of which such contract was entered into revived or renewed by the insurer unless the statement so made was fraudulently untrue or material in relation to the risk of the insurer. . . .

Section 27 of the Act states:

If by reason of accident mistake or other reasonable cause any insured fails to give any notice or make any claim in the manner and within the time required by the contract of insurance such failure shall not be a bar to the maintenance of any proceedings . . . upon the contract by the insured unless the court or the arbitrator or umpire (as the case may be) considers that the insurer has been so prejudiced by such failure that it would be inequitable if such failure were not a bar to the maintenance of such proceedings.

Those two rather short sections in the Victorian Act would completely overcome any legitimate complaints under this particular heading, namely, that there had been unfair reliance on technical errors in the applications for insurance.

The next point made by the Minister was that hire-purchase companies had been compelling people to use their particular insurance subsidiaries. This may have occurred to some extent, but it has not really caused any great trouble. In any case, people can insure elsewhere: they are not compelled in any way to use a particular company. If they choose not to examine fully the complete field that is available to them by reason of not being prepared to take the time or make the necessary inquiries, one can hardly claim that this alone is sufficient to raise a real reason for the introduction of this Bill.

The next point made by the Minister was that in sickness and accident insurance many classes of sickness are excluded; in other words, that the fine print in the document had to be read in some cases in order to find a watering-down of the risk that was covered. But it is strange that nowhere in his explanation did the Minister say that the Government would not have exceptions that might be in fine print in its particular insurance contracts. The Government has not in any way said that it will, in fact, have a very wide and open definition of what is sickness. Nothing of this kind has been promised by the Minister, and there is nothing in the Bill to suggest that this will be done.

The final complaint that the Minister raised was that every insurance company had an arbitration clause in its contracts which causes difficulties, expense and delays, and which is unfair. I think it is true that arbitra-

tion clauses do exist in contracts. As a member of the legal profession, I know that most lawyers do not like arbitration clauses, because they realize that they can cause difficulties, particularly when they are used as a condition precedent to taking any action in the court. However, we see again what Victoria has laid down in its Instruments Act about this matter: section 28 (2) provides:

The arbitration of any claim upon a contract of insurance by an insured or by any person claiming through or under an insured shall not be a condition precedent to the institution of proceedings in any court of competent jurisdiction by the insured or any such person upon such contract, and where any such proceedings are so instituted—

- (a) the provisions of section five of the Arbitration Act 1958 shall not apply thereto; and
- (b) no action shall lie against the insured or any such person as aforesaid for breach of any provision of the contract relating to the settlement of disputes by arbitration.

In other words, one small subsection removes this difficulty (and I agree that in some circumstances it is a difficulty). As the Hon. Mr. DeGaris has pointed out, other Government Insurance Offices still cling in one way or another to the arbitration clause in their contracts, and no statement has been made in this Council that the Government will not have an arbitration clause in the policies of the proposed commission. So, a whole series of excuses has been given. Some have been abandoned, and I think I have very clearly and effectively answered the remainder this afternoon.

The Minister said that the people would get a better deal from a Government Insurance Office, that no really great financial outlay was involved, that the Government carried its own insurance and that the commission could build on this. I understand that it is not a complete statement of fact that the Government carries its own insurance. In some sectors the Government does, in fact, insure its property with outside companies. However, the Government generally carries its own insurance, which is only another way of saying that it does not have any insurance at all: it takes the risk itself. It has sufficient finance behind it to carry the risks involved. It has no separate insurance fund; it has no sinking fund for this purpose. What will happen if, whilst the Government is building up this fund, a disaster occurs? We must remember what the Government says it will do: it will take its own insurances as a basis on which to build.

The Government is not foolish enough, one would trust, that it does not know that it will lose on certain classes of insurance if it enters this field.

The Hon. A. J. Shard: It will make plenty on others.

The Hon. F. J. POTTER: It knows it will lose more in some cases than the private companies lose now if it eliminates the fine print and shoulders a much wider burden of responsibility than it says the private companies are prepared to shoulder.

The Hon. S. C. Bevan: If this Bill is passed, do you think they would enter the tariff companies' ring?

The Hon. F. J. POTTER: I do not know. I would have thought it would be entirely a matter for the commission; it might have to do so. This is the real question: what if a disaster occurs? No funds will be available except the Consolidated Revenue of the taxpayers of this State. Do not forget that disasters can occur. We have seen a very good instance in the recent Tasmanian bushfires, and the Hon. Mr. Kemp has told us that a similar occurrence could easily happen in the Adelaide Hills. We know that from time to time winds have reached hurricane force here and have caused considerable damage to property in the metropolitan area, and I would like to know what will happen if that kind of disaster occurs and large areas of insurance have been covered by a Government Insurance Office. I think that no effective fund will be available if the Government plans to carry its own risks.

The Hon. C. D. Rowe: The Government would get some more money out of Loan funds.

The Hon. F. J. POTTER: It will not be able to do so, the way things are going.

The Hon. M. B. Dawkins: There is still a little money in the trust funds.

The Hon. F. J. POTTER: Obviously, if the Government knows it is going to carry certain policies involving a much greater risk than that which private enterprise is prepared to carry, it must be contemplating the writing of some very profitable policies to counter-balance this liability.

The Hon. S. C. Bevan: The Government will certainly carry a greater risk than that carried by private companies, because they won't take a risk at all.

The Hon. F. J. POTTER: I shall deal with that later. We must not forget that the Government is in a very unfair competitive

position in respect of some large undertakings, and it could without much difficulty and without much persuasion soon cause a large section of the public's insurance business in this State to be transferred to a Government Insurance Office. I do not think I need to elaborate on this, because all honourable members know what can be done.

We must not think that Governments cannot lose money on insurance, because they can. I should like to quote an interesting extract that appeared in the *Australian Insurance and Banking Record* of July 25, 1967. It refers to compulsory hailstone insurance which the Tasmanian Government had for many years and which was administered through its Government Insurance Office. I quote from page 328 of the magazine:

The State Government is legislating to repeal its compulsory hailstone insurance and to substitute a voluntary all-risks insurance scheme for orchards. Under the old scheme, with the Government meeting losses in excess of premiums, the cost to the taxpayers in the last 10 years was \$2,100,000.

That Government was critical of the losses that had been made. We must not think that Government insurance offices do not and cannot lose money, because they can, and that is a pretty good example of it. I should like to suggest that these alleged complaints we have heard about are largely unfounded and that some of them are too petty to warrant this **socialistic measure**. If there are unfair practices, they could easily be dealt with by legislation of the kind I have referred to this afternoon.

We do not need to get out a sledgehammer to crack a nut, which is what this Government is trying to do. In saying that, I am talking of legitimate complaints, not complaints which can arise from competition and which I think have no place in this argument. I cannot really see how it can be argued that these rather petty complaints that have been listed here by the Minister in any way warrant this Bill. After all, they all arise from the interpretation one way or another of an insurance policy, which is nothing more or less than a legal document and the basis of a contract.

Mr. President, not all contracts are fair. I am talking not only of insurance contracts but of contracts at large. Not all contracts are fair, not all contracts are entered into by the parties on equal terms, and not all of them are fully understood by both parties. The role of the Legislature and, indeed, the role of the

judiciary is to see that there is no real dishonesty and that an aggrieved party in relation to a contract has a remedy for his grievance. If that is the kind of thing the Government wanted to do, it could be done by simple legislation of the kind I have referred to, and I am sure that legislation would have the very ready support of every honourable member of this Council.

Most insurance companies in this State and, indeed, in the Commonwealth have been established for a long time. Those companies have a reputation to maintain and they are able to be flexible (and they are flexible) in their approach to difficult claims. As anybody who has been associated with them will know, there are some difficult claims. I can assure this Council that there would not be any flexibility in the approach of a Government Insurance Commission. That commission would apply the terms of the contract, such as they may be, without fear or favour, and it would stick to the very letter of the contract. Anybody who has had any dealings with Government departments, particularly those of a revenue-raising nature, will know that this is how they act. I do not blame those departments for doing this, because I realize that they have to stick to the letter of the Statute under which they are working. Undoubtedly, a Government Insurance Office would stick to the letter of its contract and its policy, and there would be no flexibility there.

I also think that the Government Insurance Commissioners, if they are ever appointed, will need to know more than just something about insurance and insurance law. They will also need, in the circumstances in which they find themselves, to be something like financial wizards, because there will be delay in building up a fund and in finalizing claims, and the whole short-term investment of premium moneys will have to be watched very closely indeed. I think the Hon. Mrs. Cooper had a very cogent point yesterday when she said that if we had entered this field 40 years ago we might have had a chance but that we are 40 years too late to have any chance of building up a satisfactory fund.

The Hon. D. H. L. Banfield: You can't blame this Government for being 40 years late in introducing this legislation.

The Hon. F. J. POTTER: I think honourable members will have gathered from what I have said that I do not like this Bill. It is a socialistic measure, and it is opposed to my philosophy and to the philosophy of the Party I represent here. I do not intend to

approach this matter purely on Party political lines. In another place I would have opposed the Bill right to the end. However, as it comes to us from another place for review I think it is necessary for us to examine what mandate the Government has for the Bill and what its motives are in introducing it. The Government has said that competition is necessary—this at a time when it is clearly admitted that there is adequate competition. I do not know where this particular argument ends, but I have a pretty shrewd suspicion that we have not been given at any time in the Minister's explanation the real motive for the introduction of this Bill.

I think the real motive behind this Bill is the possibility of making some money out of a particular section of business that is reputed to have made a great deal of money in the past. If that is so (and I suspect that it is), this is purely an opportunity to follow socialistic philosophy. It is just like saying, "Well, David Jones and John Martins are very successful businesses in Rundle Street, so we will open a Government store there in competition."

The Hon. R. C. DeGaris: They did the same thing in Queensland, didn't they?

The Hon. F. J. POTTER: Yes. That is where we are heading. I suggest that perhaps we have not come to the end of this kind of socialistic train of thought. It would not surprise me to hear before very long the suggestion that the South Australian Gas Company or some other firm should be taken over because it has not made quite as good a contract for the supply of natural gas as the Government could make.

The Hon. A. J. Shard: You will be horribly disappointed.

The Hon. F. J. POTTER: If we look at the motives, if we look at the mandate and can distil its meaning, it seems to me that in the previous Premier's policy speech a strange kind of double talk was indulged in without any real attempt to put the issue fairly and squarely before the electors. However, it was stated there that the Government wanted to enter the fields of motor vehicle and workmen's compensation insurance. In the circumstances, if that is what the Government wants to do and if this Council is prepared to deal with this Bill in the Committee stage to allow the Government to do what it has said it wants to do, I am prepared to support the Bill to that extent; but, when we get into the Committee stage, I shall look carefully at one or two amendments foreshadowed (I

think, by the Hon. Mr. DeGaris) and reserve my final vote on this Bill, as I am entitled to, to the third reading stage. I do not think this is a Bill that we, on our side of politics, would like to see on the Statute Book. It may not remain there for long, even if its provisions are reduced to a somewhat limited ambit, as the Government requested in its policy speech.

The Hon. S. C. Bevan: Why didn't the Governments in other States throw out their legislation?

The Hon. F. J. POTTER: At this stage I am prepared to support the second reading to enable a full discussion to take place during the Committee stage.

The Hon. V. G. SPRINGETT (Southern): Insurance, as most laymen understand it, is an act of prudence on the part of an individual or a group of individuals to cope with an emergency situation. In South Australia there are more than 170 companies registered for and engaged in this type of business of one sort or another. The Government has drawn attention to the defects (as it calls them) in the workings of a few of these companies. It is reasonable that, if defects exist in any system, steps should be taken to remedy them. Were this Bill intended for that purpose, to remedy some defects, it would have merit and be worthy of public sympathy, but instead it would seem, as has already been emphasized, to be a means of just setting up in competition with existing companies.

If these existing companies show the anti-social tendencies that are suggested, will it restore the situation and improve it by adding to their number? The public may be led to believe that a Government Insurance Office will be full of virtue and reasonably free from vices—indeed, almost a philanthropic institution—but charity and benevolence, inestimable virtues though they may be socially, are not the foundations on which a responsible Government and its departments base their business; and insurance is not, and never could be, a charitable hand-out. It must be, by its competitive nature, the result of a firm, keen business experience, made successful by careful housekeeping and wise husbanding of available finance. It leads me to ask: what is the function of a Government? Surely one of its functions is to create a climate in which individual citizens or groups of citizens can follow their desired employment successfully and happily, for their own well-being and thereby for the well-being of the community at large.

However, the Government has regarded the insurance sphere as a lucrative field in which to enter its own runner. But, as has been said earlier this afternoon, why stop there? We have been asked: what about the multiple stores in Rundle Street? What about the prosperous suburban grocer or motor vehicle manufacturer? These all have their faults. They also have some virtues. Why, may I ask, instead of passing Acts against illegal practices and the mistakes of these industries, has the Government not entered into open competition with them? All trades and professions have their anti-social factors and an anti-social core—law, medicine, trade and commerce: we cannot name any that has not some fault in some section of it. If the way to deal with that minority is to enter into open competition with and harm the business of the good majority of an industry or profession that has behaved with integrity, then this Bill is not one isolated instance but one of many that will occur in the future, because one is forced to ask: does the Government intend to enter only this field? Is it not a tenet of the Socialist doctrine to take over the control of the means of production and finance? Is it not stated in a certain Party's rule book that insurance heads the list of those things suitable for State ownership, which include steel, newspapers and other commodities? Is it not a part of the essence of Socialism that "the Party knows best"? It has been asked: "If existing companies are so successful, what have they to fear from a Government office?" Surely the answer is: if the existing companies are successful, why should we disturb them? Their work is not only successful within that field but is also a benefit to the whole community. To recommend as a solution to any problem that we go into open competition with it destroys initiative and effort and removes any form of encouragement to new industry to come into South Australia.

May I ask, therefore, how far this trend of insurance will go? Will the Government restrict itself to workmen's compensation and motor vehicle accident insurance? The answer to that is "No". There are two questions I wish to ask. First, what about that rather large group of skilled people called assessors, whose job it is in the insurance world to investigate accidents and other similar circumstances, evaluate the situation, offer advice and make recommendations to their clients? Will the Government insurance agency use these private capitalist assessors or will it set up a department of assessors? Secondly, medical officers

are often involved in insurance claims. Again, what do we use—a special Government department of its own doctors answerable to the Government, or capitalists? I cannot see an insurance office working successfully without qualified assessors and doctors. Many years ago I took out my first assurance policy in England, and I obtained quotations from United Kingdom, Canadian and Australian companies. The Australian company got my business (small though it was) because that company offered the best terms.

Can the Government enter into competition with firms able to submit competitive quotes on the world market? I would like to think so, but I have my doubts. Therefore I would say: if the Government is able to make a success of workmen's compensation and motor vehicle insurance then I will support it in the rest.

The Hon. M. B. DAWKINS (Midland): I rise to address myself briefly to this Bill, which has been well covered by other honourable members. I listened with great interest to the Hon. Mr. DeGaris, who covered the matter in great detail, and to the Hon. Mr. Rowe and my other colleagues. This is yet another of the Government's socialistic measures and though it may not be the Government's intention to slow down advancement (I give it credit for being sincere) the Bill will nevertheless throw some sand into the wheels of progress of South Australia.

In this State progress is aligned with private enterprise and the development of private enterprise in its various spheres. Great strides were made during the years after the Second World War up until 1965 and we became largely a self-sufficient State instead of a mendicant one because of encouragement given to private enterprise and industry generally; in addition, the general economic situation was buoyant and employment was in good state. Of course, encouragement of private enterprise included encouragement of insurance companies. They have done a good job over many years for the State and the rates of insurance premiums here compare favourably with those of other States, as Mr. DeGaris explained in great detail.

It has been said that a person cannot buy a poor motor car today because competition is so strong that any company that put out a poor car would not last very long. Surely the same principle applies to insurance companies and, by and large, the job they have done has been a good one. There have been some causes for complaint from time to time

and I have no doubt that in time, if a Government Insurance Office is established, there will also be cause for complaint about that office. We have recently seen somewhat belated moves made by this Government concerning development; in fact, a Director of Development has been appointed, assisted by an advisory council. I understand that the objective of the body is to encourage new industry to become established in South Australia and to develop existing industry.

Industry is usually operated by private enterprise; far more so than by Government instrumentalities. Therefore, I believe it is completely paradoxical that the Government should on the one hand give the impression at least that it is trying to foster free enterprise and on the other hand introduce legislation to set up a Government commission, as in this case, to conduct insurance in opposition to private companies that have been operating in South Australia for many years and have given satisfactory service to the community. I am sorry to see this. South Australia has always been known as a private enterprise State and it has been developed along those lines in no uncertain manner. On this side of politics, I say that we view with great concern the increasing tendency of the Government to enter the field of private enterprise in South Australia. As other honourable members have said, where does this end? This is yet another effort by the Government to enter a field that has been the prerogative of private enterprise, and we do not know what is to follow. If such action is continued a stage will be reached where everybody will be working for the Government and nobody will have a sense of responsibility.

When introducing the Bill in another place I believe the Premier said that one of the main reasons for the legislation was that numerous complaints had been received about the conduct of the business of insurance. There may have been some complaints, but I am sure that if there is a Government Insurance Office there will still be people who complain. Of course, some people would complain in any case, even if they were in Heaven. It will never be possible to get rid of complaints; some are justified and some are not. I believe the Premier also implied that complaints could be eliminated merely by providing competition from a State Government Insurance Office. I do not believe that this is justifiable thinking. I repeat that such an office could not avoid complaints any more than could private enterprise.

The Hon. C. M. Hill: In New South Wales they get more.

The Hon. M. B. DAWKINS: I have no doubt about that. As other honourable members have said, most insurance companies rely on interest from investments of funds built up over many years to produce a reasonable return from their operations. In fact, the State insurance offices in other States are concerned with the downward trend of profit in insurance business and I believe that this Bill will not be a solution to whatever problem exists in the insurance world today. I am not suggesting that everything in that world is perfect, but I say that our situation compares favourably with that of other States. In one large group of companies the amount of loss in 1965 on motor vehicle insurance was £1,500,000 sterling on a revenue of £27,000,000 sterling. That is not uncommon, and the companies are shouldering a big responsibility. I heard the Chief Secretary interject a little earlier to the effect that the Government was going to make some profit on this venture; that may be so, but it will also have to shoulder a considerable responsibility.

The Hon. A. J. Shard: You would not have me believe that insurance companies are losing money?

The Hon. M. B. DAWKINS: I have just quoted figures that insurance companies are not making profits on all their activities.

The Hon. A. J. Shard: The honourable member need only walk down the street and see the huge buildings used by insurance companies. I would like to have their share at the end of the year!

The Hon. M. B. DAWKINS: In his policy speech the former Premier referred to plans to enter the motor vehicle and workmen's compensation fields of insurance. This Bill goes much further than was stated by the former Premier and I believe exceeds whatever mandate the Government may be said to have for this type of legislation.

The Hon. A. J. Shard: What was the mandate?

The Hon. M. B. DAWKINS: I doubt whether there is any mandate at all. The Hon. Mr. DeGaris said there may be a limited mandate, and he also quoted what the Hon. Frank Walsh said. I am not going to repeat what Mr. DeGaris said or what I said just now.

The Hon. A. J. Shard: Tell me what was the policy?

The Hon. M. B. DAWKINS: I understand that the Hon. Frank Walsh referred to plans

to enter the motor vehicle and the workmen's compensation fields of insurance, and I do not believe that he referred to anything more than that. For that reason I say that the Government is proceeding much further than whatever mandate it may be said to have on this matter. I have already mentioned portions of the mandate, but I am not going to repeat what has already been said. One hears from time to time that the Government has a mandate for this and has a mandate for that, but all I think the Government had a mandate for in 1965 was for a change, and that was what the people wanted. There were many people who had never known what a Socialist Government was like, and they wanted a change. Now, of course, they have a change, and they all know what a change is like.

The Hon. C. D. Rowe: A change and a drought!

The Hon. A. J. Shard: So has the Liberal Party. It has a drought, too.

The Hon. M. B. DAWKINS: The Chief Secretary has asked me to quote the Hon. Frank Walsh's policy speech on insurance in full. He said:

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 Party 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 nothing there about life assurance.

The Hon. A. J. Shard: It says "State insurance". It covers everything.

The Hon. M. B. DAWKINS: The only references made were to workmen's compensation and motor vehicles.

The Hon. A. J. Shard: You are only splitting hairs.

The Hon. M. B. DAWKINS: The Minister can talk until he is blue in the face.

The Hon. A. J. Shard: We can't convince you.

The Hon. M. B. DAWKINS: The Government is exceeding its mandate. The position is that the people in 1965 gave a mandate—

The Hon. A. J. Shard: For a State Insurance Office.

The Hon. M. B. DAWKINS: — for change, and they know now what a change is like. They will take action on it, no doubt, next March or April. The free enterprise insurance industry has operated very smoothly and successfully for over 100 years in an extremely good atmosphere which, I consider, is very largely due to the flexibility of negotiation that is always available to free enterprise but rarely to Government controlled institutions. Of course, it has also been said that the Government is introducing this legislation so that there will be competition between the Government Insurance Office and private enterprise. The Hon. Mr. Whyte mentioned that over 150 insurance companies were operating in the State, and the Hon. Mr. Springett mentioned the figure of about 170 insurance companies operating in the State. If they do not provide competition, I do not know what does. I heard the Hon. Mr. Rowe talking the other day about "finance, shortage of", but I suggest that, as far as this Bill is concerned, it should be "finance, where from". Where is the money to come from to establish the insurance office, and where will the money be found if there should be some disaster?

The Hon. A. J. Shard: You said that about the lottery, too.

The Hon. M. B. DAWKINS: I did not say anything of the kind about the lottery. The Minister had better have another think about that. The State could suffer a disaster, such as happened in Tasmania. Where would the Government be if this occurred? Is the Government in a position to write out a cheque for \$2,000,000? I say without fear of contradiction that it is not in a position to do that. There are so many other matters in this State that need attention, finance and assistance, and they are far more important than this Bill. There is no need whatever for this legislation. It is only another matter of further socialization and further slowing-down of advancement in this State. I am opposed to the measure as it stands, but I shall be prepared to have another look at it in Committee. At this stage I must oppose the Bill.

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

LOTTERY AND GAMING ACT AMENDMENT BILL (No. 2)

Adjourned debate on second reading.

(Continued from August 8. Page 1074.)

The Hon. Sir NORMAN JUDE (Southern): I am rather pleased that we can return to the

really serious affairs of State and to something of a lighter nature. Nevertheless, there are many people to whom this Bill is of considerable importance. The reason for its introduction (and I think the Chief Secretary will admit this) is basically the request of the Gawler Jockey Club, Incorporated, at Evanston, to relinquish Saturday racing and to hand it over to the metropolitan clubs.

It is proposed for the balance of the year to transfer the remaining three Gawler days to the metropolitan clubs, and in the coming year to allocate Gawler a certain number of Wednesdays, including provision for the Barossa Racing Club. The only problem that arises is that there must be a few country clubs that will have to apply for different dates or have different dates allocated to them. I appreciate that this could be annoying, particularly for anybody associated with one of the smaller clubs.

On the other hand, I remind honourable members (some of whom appear to think that the South Australian Jockey Club is a dictatorial and autocratic body that says when people can and cannot race) that the club is a group of gentlemen acting in an honorary capacity to give tremendous assistance to racing throughout the year. Its job is one that very few of the racing administrators in the other metropolitan clubs would like to have to do themselves. I know for a fact that, as regards the application of dates and their allocation within the city, clubs are not always perfectly happy and in amity about the dates that they are allocated. Nevertheless, the clubs settle this matter around the table.

The Hon. A. J. Shard: Some of them wouldn't change their dates for the jockey club's dates, though.

The Hon. Sir NORMAN JUDE: No, quite. Anyhow, that is the position as we see it. I believe that the administrative club seeks to do its best in the interests of efficient racing. In recent months I have been made very aware of this by visits that members of the club's committee have made throughout the country. The committee has made it quite clear to the people it has visited that it believes it is desirable to have fewer country racecourses in the interests of efficiency and the promotion of horseracing in the country. Obviously, the committee knows more about this than most members of this Council.

On the other hand, in view of some country clubs' views and the fact that they will not get much out of T.A.B. they say, "Look, we will not get much out of T.A.B.; we are only small beer and there are only a few clubs in this district. We prefer to go on; we have our little group of trainers around here." I know that the S.A.J.C. has, in cases like this, said, "All right, if you prefer it that way; we do not think it is so efficient but we are not going to interfere." I suggest that this attitude cannot be faulted. The country clubs are told that they will suffer a few handicaps in connection with the division of the spoils and the amount they will get out of T.A.B. So, I find no fault, generally speaking, with the main clause of this Bill, but I suggest that virtually all the specific points raised can be worked out by round-table discussion between the clubs concerned and their neighbouring clubs.

I am certain that the South-East clubs can stand on their own feet. I remind honourable members that South-Eastern people can train horses, and good ones, too—Caulfield Cup favourites. The South-East has its own jockeys, its own stewards and its own amenities. Smaller country clubs do have problems, but surely it is up to stronger clubs in the district to help them. If the game is a sport anywhere (I realize that it is also a big industry) it is a sport in the small country areas, where it should be fostered. I have every sympathy with the small country clubs and I cannot see how a club 30 or 40 miles from the city can affect racing at Port Augusta. These problems can be ironed out by plain common sense.

Clause 4 deals with trotting. Apparently the opposite trend is occurring in connection with trotting, because the Bill widens the facilities for trotting, particularly on Eyre Peninsula. I understand that members representing districts on Eyre Peninsula say that this is a good thing: new clubs are to be formed. I have heard no criticism by the existing clubs that they are to be deprived of their good days because there are not enough suitable days in the year; saturation point has not been reached there. They are getting on with the job, minding their own business, and they want legislative approval to make the industry more efficient. I have no difficulty at all in supporting this clause.

Some trotting clubs may want to race on Saturday afternoons, but this matter has not been dealt with; in this Bill again, perhaps a compromise can be reached. We must remem-

ber the administrative background, and we should not remove these matters from the control of the South Australian Trotting League or the South Australian Jockey Club. I remind honourable members that in the past and at present the Chief Secretary, in conjunction with the Commissioner of Police, has power to transfer racing and trotting totalizator licences from one course to another; this is dealt with in the Act. This power, as far as I know, has always been used wisely. It has been used on such occasions as the flooding of the Morphettville racecourse, and it was used during the war when race meetings could not be held on a certain course because it was being used by the Army.

However, I do not think it is desirable to give the Minister the power of veto (I am not sure that he wants it) or the power to change a totalizator licence unless an emergency exists. The ruling club should decide the overall programme.

The Hon. A. J. Shard: I agree; otherwise, his life would be hell.

The Hon. Sir NORMAN JUDE: I support clause 5, which reverses the present provision in the Act concerning totalizator fractions so that clubs can retain these fractions and distribute them to charities approved by the Commissioner of Police. During the period that these moneys have not been available for charity in this way, there has been an outcry from these worthy bodies.

In this connection, I point out that I have not noticed any reduction in the number of badge days, despite income from the lotteries. I know that receipts from badge days have fallen since lotteries have been held. I do not know what the Government's plans are for badge days, but I draw attention to this matter. In his second reading explanation, the Minister, as always, referred to the need to tidy up the legislation. No Government abbreviates Bills; it always tidies them up. The term "dead heat" is used in the Bill.

The Hon. A. J. Shard: It is very annoying.

The Hon. Sir NORMAN JUDE: Let us consider this term; why not strike it out and insert "tie" or "equal first"? The history of the term is that a heat was re-run if the horses tied. We do not re-run races today, so there is no need for this expression. I suggest that we get rid of it on the next occasion that we tidy up the Bill. The definition of "dead heat" is as follows:

A race in which two or more leading competitors reach the goal at the same time, thus making it necessary to run the race over again.

The word "goal" is rather unusual, too; I think "finishing post" would be better.

Clause 8, the final important clause, refers to the broadcasting of races within the State. As I see it, this inclusion is obviously desirable if we are to have efficient functioning of T.A.B., an efficient service to the people who pay to go to the races, and an efficient service to the people who do not go to the races but who pay their tax through T.A.B. for the betting facility provided. There is nothing on earth to stop a person receiving the broadcast of prices through the interstate network. We have our old friend section 92, which at the moment provides that broadcasts can be picked up anywhere in Australia.

Therefore, I would suggest that this is a practical approach. I know that arguments are put up by a few people that this might lead to a return to the bad old days of the Betting shop, which I personally abhorred and which I spoke against on many occasions. However, I do not believe that it will.

I took the opportunity previously to say with regard to the broadcast of information that the matter of payment was an entirely separate one. I still suggest to the Government that the time is rapidly approaching when it will be necessary, in order to eliminate waste of time and inefficiency, for the T.A.B. to pay out in the country after the last race. The Government would find, if it wanted support, that that would be popular everywhere. I understand that it may be contemplating a further amendment in this respect soon. People would not hang around: they would go off to the cricket or somewhere else and send someone back after the last race to pick up any winnings. As things are now, it is necessary for people to take time off on the Monday, and sometimes they find when they get to the office that it is not manned because the officer is at Woop Woop or somewhere else between 10 o'clock and 12 noon.

These are practical things that I have brought to the attention of the Government. Although I imagine that the Government is aware of these things, I think it has tended to run away from some of them. I trust that my suggestions will receive consideration. Apart from feeling some regret for some of the country clubs that might be slightly disorganized by the action of the Gawler club, I support the Bill.

The Hon. G. J. GILFILLAN (Northern): In rising to speak to this Bill, I regret that I have to do so at such short notice. We received the Bill and the second reading

explanation only yesterday afternoon, and it takes some time to get information together on a subject such as this, particularly for a number of members who could not possibly be classed as racing experts. I do not intend to get involved in the complexities of some of the clauses, which have been fully explained by Sir Norman Jude, who has had considerable experience in this field.

I shall confine my remarks mainly to clause 3, which deals with a transference of the eight Saturday racing days at present enjoyed by the Gawler Racing Club to the metropolitan clubs and the allocation of 10 mid-week racing days to Gawler and three to the Barossa club, which also races at Gawler. This would be a total of 13 mid-week days to be transferred. However, I understand that the Barossa club at present enjoys one mid-week racing day at Gawler, so that makes an extra 12 mid-week racing days to be allocated to the Gawler and Barossa clubs.

The Hon. C. R. Story: Does the Bill say which days?

The Hon. G. J. GILFILLAN: No. I understand that the allocation of these days is in the hands of the South Australian Jockey Club. I agree that in an undertaking the size of the horse-racing industry it is necessary that we have a governing authority. Strict control over the conditions under which horses are raced is necessary because of the large sums of money involved in stake money and in wagering.

I agree with Sir Norman Jude that probably no other body of men knows the racing game better or is more competent to control racing than are members of the South Australian Jockey Club. At the same time, I query whether these same men know as much about the problems of many of the small country racing clubs as do the country associations concerned. I know that you, Mr. President, have had some experience in this matter.

It concerns me to think what may happen to these clubs, which are of benefit to the areas in which they are located and to the people in those areas. Considerable assets are involved. Racecourses have been established, and many interested people have spent years in supporting these clubs. With the increase in the winning bets tax (with a proportion of it going to increase the stake money in certain instances) and the introduction of T.A.B., we have a situation where big revenue and a big financial interest in the racing industry is involved. This means, of course, that the greater number of racing days at metropolitan racecourses

and near metropolitan racecourses will result in more revenue not only to the Government but to the racing industry as a whole.

Many of the country racing clubs conduct mid-week racing, and often it is this mid-week day that is allocated to them from year to year that brings in their main revenue. They race on Saturdays as well, but it is the mid-week meeting they rely on to keep their club solvent. It is in this respect that we shall come up against this problem of allocating these mid-week days to Gawler. It is obvious that these days that are profitable must be days on which large race meetings are held elsewhere.

The Hon. A. J. Shard: The important days for country race meetings are the days when meetings are held in another State.

The Hon. G. J. GILFILLAN: Yes; the small meetings can draw a large crowd because the people are interested in using the betting facilities provided at the course.

The Hon. A. J. Shard: That is right.

The Hon. G. J. GILFILLAN: That ensures not only a larger crowd but also a larger return to the clubs as their percentage of the betting taking place on the course. The Hon. Sir Norman Jude said (I do not want to misquote him here) that the South Australian Jockey Club consulted the country racing interests on this matter. I have been surprised, in the short time I have had since yesterday to make inquiries, that many country people seem to be badly informed about this Bill and its proposals. It is also true, as Sir Norman said, that these problems may be ironed out, but I maintain that the time to iron out problems is before, and not after, a Bill is introduced. Because of the large amount of revenue involved for the racing industry as a whole in holding meetings on the favourable days in the metropolitan or near-metropolitan area, the allocation of dates to these small country clubs will be such that they will rapidly go out of business. It is unfortunate that the small country clubs, which had hoped to benefit by T.A.B., will probably now find that, because of the large amount of revenue involved in T.A.B. and the winning bets tax, they will stand every chance of going out of existence since they will now lose their more favourable dates to the larger near-metropolitan courses. I have no further comments, except to say that I oppose strongly, in the interests of the country districts, clause 3.

The Hon. C. R. STORY (Midland): I am no expert on this matter, as honourable members will notice as I go along, but I have had representations made to me by some racing clubs in my electoral district and I want to the best of my ability to put their case to this Council. The Gawler Jockey Club is, I suppose, almost the biggest racing club in my district. There are also amongst others the Balaklava, Morgan, Eudunda, Mindarie-Halidon, and Kadina-Wallaroo racing clubs. The complaint about this legislation is that the allocation of week-days to Gawler will cut out many Wednesdays for other clubs. That is the suggestion, though it is not in the Chief Secretary's speech.

The Hon. A. J. Shard: There are eight more, as I understand it.

The Hon. C. R. STORY: Eight Wednesdays, yes. Apparently, Wednesday is the day that most clubs would choose because it fits in with mid-week arrangements: if owners have any distance to travel, they do not like to travel on Thursdays because on Saturdays they may be racing either in the metropolitan area or at one of the country racing clubs. There has been racing for many years at the Mindarie-Halidon club, which started in 1926. It has made great improvements, for an area of that size. It has a jockey room and reasonably good facilities for a country racing club. It had a fixed day for many years, but that day was taken away from it and allocated to Kadina. That racing club made a loss on that particular day. It did not want to give it up so, instead of its being re-allocated to Mindarie-Halidon, it was given to Balaklava. So the Mindarie-Halidon club was offered a day that it considered was not suitable, because it was a Saturday, and the Saturday allocated happened to be the day when the final of the local football competition took place. So it was advised to transfer to Tailem Bend. Again, I do not think this suits it at all: it has difficulty in getting sufficient horses in the field on that particular day. Will the Chief Secretary take up this matter and use his good offices with the South Australian Jockey Club and try to get a suitable date allocated to the Mindarie-Halidon club? When I spoke earlier in the year on the Bill dealing with T.A.B., there was a great clamour for T.A.B., and I likened it, in the way in which it was to be operated, to a gill net.

The Hon. A. J. Shard: A package deal!

The Hon. C. R. STORY: It was a package deal and a gill net: they get their heads in

and cannot pull back. This has proved to be the case more and more as time has passed. There was a great clamour, particularly from the smaller clubs, that this would save them and help racing as an industry all over the State. Now, as I thought at the time would be the case, the fear is manifesting itself, because some of the other small clubs now fear that they may not be able to keep going and may have to amalgamate; no doubt, some will have to go out of existence. What can be done about this I do not know but I should like a further explanation of clause 3 from the Chief Secretary when he replies. At the moment I sincerely hope that he will do all he can to look after the small clubs, because this is one of the communal facilities that people in country areas have. It is a day the local people look forward to because they get an opportunity to see visiting horses brought to the area to compete; it is a special day in their calendar. So we should do what we can to preserve these small clubs wherever possible and give them the opportunity to enjoy some of the privileges that their city cousins have.

The Hon. L. R. HART (Midland): Like the Hon. Mr. Story, I represent Midland, in which there are many prominent racing clubs. In fact, some of the strongest clubs north of Adelaide are situated in that district. The effect of this Bill on a number of country clubs will be such that I wish to protest about having to put it through in one day. I believe the Bill needs investigation and that certain racing clubs should be given the opportunity to make representations to their appropriate members of Parliament on its effects. Indeed, some representations have been made to me, and I have no doubt that I will receive more—or I would receive more if discussions on this Bill continued for a day or two.

The main purpose of the Bill is to allow the Gawler Jockey Club to remain solvent, and the reason why the club is in financial difficulties is a simple one: people in the metropolitan area are not prepared to travel as far as Gawler to watch horse-racing. The position has been further aggravated by the introduction of T.A.B. With that facility available it is unnecessary for people to travel out of the city to place bets, and I think it would be reasonable to say that the main reason why most people go to races is to bet. If betting were disallowed probably few people would be interested in racing as a sport. It is generally agreed that the Gawler Club should remain

financially stable, but the position in other clubs must be examined. If those clubs are placed in a position where they cannot carry on and they become insolvent, then I believe that such clubs will have a case to present. Because of that, sufficient time should have been allowed for discussion on this Bill in order to let such clubs contact their respective representatives in Parliament. As time goes by there will be further competition in the betting field. Rather, I believe the word "gambling" to be more apt. The introduction of lotteries will affect the amount of money available for gambling on races and I believe that fairly soon it will be necessary to allow gambling facilities on dog-racing. That was made fairly clear when the recent Bill was before this Council; indeed, with the transfer of trotting meetings to Friday nights, the way has been opened for dog-racing to be held at the Wayville Showgrounds on a Saturday night. No doubt applications will be made in this regard and we will be faced with another form of gambling that will have some effect on racing clubs.

This tends to make the financial position of the smaller country racing clubs rather precarious. The Gawler club races on so many days of the year while the Barossa Valley Racing Club holds races on three days a year on the Gawler racecourse. I have no doubt that the latter club would have folded up years ago had the Licensed Victuallers Association not come to its assistance, and the two bodies are now closely associated. I do not think there is any doubt that many country clubs will be propped up—not because they conduct race meetings themselves but because they will receive some financial assistance from the operation of T.A.B. on racing other than on their own course. Such a situation is at present acting to the detriment of racing clubs in South Australia, as betting facilities are available for racing fixtures in other States. That situation applies not only to Saturdays or to mid-week race meetings but also to meetings held on every other day of the week. It is possible to bet on a race being conducted in Victoria or New South Wales on a Friday or a Monday, probably at a race meeting held in a place not heard of before by some South Australians, and money is invested on T.A.B. at such fixtures. It is also well known that mid-week race meetings at Gawler cause absenteeism in industry in South Australia.

The Hon. A. J. Shard: I will tell the honourable member about that directly.

The Hon. L. R. HART: And I will tell the Chief Secretary that if he examines the position at the Metropolitan and Export Abattoirs on the Tuesday of the Melbourne Cup when a race meeting is being conducted at Gawler, he will find that there is greater absenteeism than in any other period when the abattoirs is working.

The Hon. A. J. Shard: The honourable member is wrong: the Gawler club does not get an attendance as good as that at Balaklava.

The Hon. Sir Norman Jude: There is no racing at Gawler on Melbourne Cup day.

The Hon. L. R. HART: No, but trotting meetings used to be held at Gawler on that day and I know there was a great deal of absenteeism from the abattoirs on that occasion. However, we are faced with a situation that we cannot do much about, unfortunately. If Gawler is to be helped on this occasion, then undoubtedly some other country clubs will be affected; there seems to be no alternative. I know we will be faced with a situation where racing may be held on more than one week-day a year. Why not hold races on Wednesdays and Thursdays?

The Hon. Sir Norman Jude: Some clubs race on Thursdays now.

The Hon. L. R. HART: I realize that; but we will be faced with the situation where one club will be racing on Wednesday and another on Thursday, in order to fit in their days, and then it will be the survival of the fittest. Some clubs will not survive even if permitted to conduct race meetings during the week. I find myself in the position of having to support the Bill, but I issue a warning that some racing clubs will go by the board because of the financial strain on their resources. Will we then go to the assistance of such clubs as we are now doing with Gawler? At present Eudunda, for example, is allowed two race meetings a year. This may be reduced to one or, if it is allowed two, the second meeting will be in competition with another racing club. If Eudunda is unable to continue, will a Bill be brought before this Council in order to assist that club? What will be done to assist such clubs when such a situation arises?

Unfortunately, I believe certain racing clubs must go by the board, but I agree with the Hon. Sir Norman Jude that perhaps a number of clubs should decide to amalgamate. In fact, I have suggested before that possibly this could be the answer to many of the financial troubles of smaller country clubs; the maintenance of racecourses in the country involves heavy expenditure. The public today will support

only clubs with good facilities, and I think it would be better for clubs to amalgamate and race at one centre enjoying such facilities. They will then attract patronage and thereby become more financial. However, I find myself in the position of having to support the Bill, although I do so rather reluctantly.

The Hon. A. M. WHYTE (Northern): I wish to make some points to the Minister regarding clause 3 of the Bill. It is very hard either to condemn or to oppose the Bill, without having a list of the re-allocations of the dates. It is to be hoped that the South Australian Jockey Club has given full consideration to the re-allocation of the mid-week race dates. Over the years the club has tried to get some of the smaller clubs to amalgamate, but whether this is good or not I do not wish to comment on now. I know that it will be a great loss to the racing industry if the small clubs are forced out of business, as they cannot afford to be impeded in any manner. They have conducted their business on a fine balance for a good many years and without any great profit.

The clubs are an asset to the racing game, and it would be a pity if they were impeded in any way by being given dates that did not suit them. There would not be many race dates in a year that would suit the purpose of particular towns, such as those in the Midland District. Port Augusta conducts a very good carnival of mid-week racing, and if the jockey club did not give full consideration to such a carnival, or to Port Lincoln, I would be very disappointed.

The Hon. A. J. Shard: So would I.

The Hon. A. M. WHYTE: I cannot fully comment on this Bill without having seen a list of the re-allocated dates. I hope that the Chief Secretary will give consideration to these country clubs when re-allocations come before his notice. With that reservation, I support the Bill.

The Hon. H. K. KEMP (Southern): I would not presume to speak to this Bill but for the fact that some of my constituents in the Southern District are vitally concerned with it. I am not familiar with racing, except for the information that my constituents have given me. It is a very worrying subject to me, because when the Lottery and Gaming Bill (T.A.B.) was before the Council, honourable members were assured that the purpose behind it was to preserve racing as a sport and to strengthen the country clubs, but from what I can see the reverse has happened.

In country districts racing is a sport as well as an industry. It is a clean, fast and desirable sport, but it is rapidly changing as a result of the developments in the horse racing industry. Very illustrative of this is the Victor Harbor Trotting Club, which is not exactly racing but it is under the same legislation. This club operates under a great disadvantage.

Victor Harbor is a community that expands considerably in the short summer season, but as soon as that season passes it reverts to a comparatively small community. It has no difficulty in running profitable and successful meetings during the tourist season, but this is not sufficient to support the club.

It must be appreciated that trotting at Victor Harbor is important to the community as a means of entertaining tourists, who are also important to the economy of the community. It caters not only for the local residents but it is important to the tourist industry, which supports the town.

When the tourist season ends, it is impossible for the Victor Harbor community to run meetings that will be profitable unless the club can gain wider support. This wider support could be obtained by running Saturday trotting meetings, but these have been denied to the club. I understand that it was suggested to the club that it could obtain support if it ran night trotting meetings at Victor Harbor. However, this would be far beyond what the finances of the club could sustain, and it is a ludicrous suggestion. During winter the South Coast is a very cold place at night.

This Bill should not be regarded merely as a measure to authorize the racing industry to extract maximum profit or to provide the Government with the greatest possible revenue return. With this measure we must pass the responsibility of fostering the sports of racing and trotting in the smaller communities, where they are important indeed. It should be pointed out to the Government and to the jockey club that these sports must be fostered wisely and with understanding. I pass to them the responsibility of fostering it, together with my support for the Bill.

The Hon. A. J. SHARD (Chief Secretary): I should like to thank honourable members for their consideration of this Bill. It is unfortunate that there is a very important time element connected with it. This Bill was introduced at the request of the racing clubs generally and the trotting club. Racing and trotting dates will always be something with which not everybody will be satisfied. It is a

difficult subject. Mention has been made of clause 3, which says that the Gawler Jockey Club would have 13 mid-week meetings. I understand that that was included for two reasons: the Gawler club has been in the practice of racing on eight Saturdays as a metropolitan meeting. It is the intention that that club should retain those meetings, and the Barossa Racing Club, with which the licensed victuallers amalgamated, had previously been entitled to five meetings at Gawler, thus making a total of 13. I am reliably informed that the Barossa people are satisfied with three meetings instead of five, which, if the two are taken from the Gawler eight, would leave Gawler with six. So the total number of Wednesdays, which must be taken away over the year from other clubs, is six.

On those figures, some clubs that had been racing on Wednesdays will lose them; that is obvious. From what I have been told the dates will be spread as evenly and justly as possible. I wish to make my position as Chief Secretary and Leader of the Government in this Council clear: I have no desire or intention to injure any country club.

I have visited some country racing clubs. However, I point out that I do not usually patronize mid-week race meetings because they do not appeal to me and I think they are wrong from the viewpoint of the community generally. However, that is only my opinion. The Hon. Sir Norman Jude knows that in the last 12 months I have attended distant country meetings and I have told people I have met that the Government will not institute any legislation to harm any country club. Nevertheless, the fact is that some clubs will lose some of their Wednesday meetings to fit in with the Gawler arrangements. I am told that this is necessary in the interests of racing generally. I have spoken with most of the S.A.J.C. committeemen and with the Secretary, who has the responsibility of submitting the racing dates. This is not an easy task but I am sure it will be done as fairly as possible.

I am not quite sure, but I think I have to approve the proposed racing dates, or at least the totalizer dates. I undertake that, before I do so this year, I shall thoroughly examine them and, if there is any injustice, I shall want to know why. I have heard a little about the Mindarie-Halidon Racing Club and I undertake to talk to the Secretary of the S.A.J.C. as soon as possible to see whether something can be done to put this club back on an even keel.

The Hon. Mr. Hart stated that the meetings at Gawler would increase absenteeism from work. I have been told—and I was surprised to hear it—that the Barossa Racing Club meetings, which have been held five times a year for the last few years, do not attract as many people as meetings at Balaklava, Murray Bridge, Strathalbyn and Tailem Bend do. I cannot understand it, because the course is within easy reach of Adelaide. I am led to think that country people prefer to go to courses such as those at Balaklava, Murray Bridge, Strathalbyn and Tailem Bend rather than to travel all the way to Gawler, and the number of metropolitan people who attend these courses is not as great as I was earlier led to believe.

The Hon. S. C. Bevan: He said that all the absenteeism occurs at the abattoirs.

The Hon. A. J. SHARD: This may have been correct, but it has straightened itself out since a certain incident in about 1953. This Bill has been introduced at the request of the racing clubs to correct an anomaly. I am pleased that the responsibility goes back to them rather than to me. These matters must be approved by the Commissioner of Police and it relieves me of much work. It would have been possible for the matter to be easily controlled in the case of metropolitan clubs, but I am particularly pleased about this provision regarding donations in respect of country areas. Country racing clubs may donate, say, \$15 or \$25 to a small hospital or the local ambulance brigade, which might be forgotten by the bigger metropolitan clubs.

The number of meetings to be conducted by country trotting clubs has been doubled from 20 to 40, and I do not think this will have any effect on metropolitan clubs. I think the relaxation of the provision that prohibited trotting on days other than Saturdays and public holidays is good. The clubs can fit in their dates to suit local conditions. I am sure this will meet with general satisfaction.

I do not want to debate the matter of the Victor Harbor Trotting Club. However, I want to correct an impression that was gained; when I was asked to change the date, all I said was, "When is it going to race—in the afternoon or in the evening?" I have never been to a trotting meeting at Victor Harbor. When they said that the meeting was to be on Saturday afternoon I said they could not use the totalizator. It must be clearly understood that in no State do trotting and racing meetings

in close proximity to each other clash. I do not think this State is big enough to have two meetings that would clash. If the Victor Harbor club or any other club wants to conduct a meeting on a day when there is no trotting meeting in the metropolitan area, it can do so. I point out to the Hon. Mr. Kemp that if there is anything I can do to assist this club's finances I shall consider it. I understand that last year it wanted to transfer one of its meetings to Gawler. If it wants to do this again this year, I am prepared to approve it, but it is not practicable or right for it to race on a Saturday afternoon in opposition to a metropolitan club. I am not dogmatic on this; I am prepared to hear representations. I thank honourable members for their consideration of this Bill.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—"Limitation on use of totalizator."

The Hon. G. J. GILFILLAN: I appreciate the Chief Secretary's consideration of the questions raised and his sincerity when he states that he will personally consider the allocation of dates. However, I point out that this Bill sets the pattern of racing in South Australia for the future, and from time to time there are changes in the Government that is in office. Whilst I have no doubt that the Chief Secretary will administer this matter as fairly as possible, it must be remembered that a future Minister may not be so well disposed toward it. It has been suggested that amalgamation of country clubs could provide an answer to the problem. However, I point out that many of these clubs are distant from each other.

It has been estimated that 90 per cent of the attendance at these clubs' meetings is by local people who do not normally travel great distances to attend race meetings. I also point out that racing has had much favourable consideration in the last year or two. Although this may be in the best interests of racing generally, I think we must think not only of racing itself but of the community as a whole. I still consider that this clause is not in the best interests of the community, which in many instances is scattered and far distant from the metropolitan area. As I said earlier, I am not an avid follower of racing, although I belong to the small country club in the town in which I reside because it is a local enterprise. I appreciate the problems that club is facing and has faced in the past because of the allocation of a racing date. I will not

mention the club concerned: I know the Chief Secretary is well aware of the circumstances. I do not alter my stand on this matter, and for the reasons I have stated I strongly oppose the clause.

The Hon. L. R. HART: I appreciate the intentions of the Chief Secretary regarding the equitable allocation of racing dates to country clubs. He has said that he will take care that these dates are spread as evenly as possible. The Minister could be faced with the situation that a club which at present has two racing dates a year is probably carrying on quite well financially but that if we take away one of those racing dates it could perhaps no longer carry on, with the result that we would have a club giving up not one but two racing dates. This would tend to centralize racing. Whether or not the centralization of racing is a good thing I shall not debate at this moment. However, I know that many small clubs would not agree that the centralization of racing would be a good thing for their areas.

I know of some financially sound country racing clubs that race on two days a year. Such a club would attract to its meetings some 40 trainers, and there may even be trainers located in the particular area itself. Therefore, if we do anything that will tend to put these clubs out of business we shall be taking an industry (even though it may not be a big industry) from that particular area. I would have thought that the Labor Party, which is dedicated to the idea of decentralization, would not be a party to this.

I understand that country racing clubs have an association, and that in fact there may be more than one association. I believe that the northern country racing clubs have an association that is meeting on Monday next, probably to discuss the effects of this Bill, and it is rather unfortunate that the Bill could not be delayed until after Monday, by which time these country clubs would have been able to confer together. This perhaps could have given us some useful material on which to base our submissions regarding the Bill before us. The word "charity" has been mentioned in this debate. I might mention that a charity benefits in more ways than one from country racing clubs. I know that the Balaklava Hospital benefits from the race meetings held in that town, because the women of the district do the catering for those meetings.

The Hon. A. J. SHARD: They have just about had it. I believe they are going to give it away.

The Hon. L. R. HART: The profits from this catering go to the local hospital. Factors such as these must be considered when dealing with the allocation of racing dates. I ask the Chief Secretary to take particular care, when he signs the racing date calendar, that by taking any date from a particular club he does not place it in an embarrassing position financially.

The Hon. A. M. WHYTE: The Hon. Mr. Gilfillan pointed out that although the small racing clubs contribute to the racing industry itself perhaps the main reason why they have no desire to lose their identity is the effect they have on their districts. If one club amalgamated with a club in another town, it would not only lose its identity but it would lose a day on which it attracts finance to the town, irrespective of whether or not its race meeting is profitable. This is why the clause is of considerable concern to many country people. The Chief Secretary gave an assurance to the Hon. Mr. Story regarding Mindarie-Halidon. If he would assure me that he would investigate the particular days for the Port Augusta and Port Lincoln carnivals, I would not object to the clause.

The Hon. A. J. SHARD (Chief Secretary): I think I can say with complete confidence that there would be no hope of Port Lincoln losing its racing days. That club races on a Tuesday and Thursday. I do not know what dates it wants, but it now races on the Tuesday and Thursday and I do not think there would be anything wrong with those dates. I did not go to the Port Augusta carnival, because I happened to be at Whyalla. I know that this year it had a carnival on the Tuesday, Wednesday and Thursday. We got the impression at Whyalla and Port Augusta, as well as at other places, that the general opinion, not of the S.A.J.C. but of the people who went there, was that three consecutive days was too much and that they would be much better off with two days. If that were to happen, I would not like to be blamed for what effect this Bill might have. I am prepared to look at the matter. I am inclined to think that the Northern and Port Lincoln carnivals would go on just as before; they are such outstanding events, not only from the racing point of view

but from the business and social points of view, that I do not think for one moment that the S.A.J.C. would entertain the idea of breaking up those carnivals.

Clause passed.

Remaining clauses (4 to 8) and title passed.

Bill read a third time and passed.

SUCCESSION DUTIES ACT AMENDMENT
BILL

Read a third time and passed.

ADJOURNMENT

At 4.54 p.m. the Council adjourned until Tuesday, August, 15, at 2.15 p.m.