LEGISLATIVE COUNCIL

Wednesday, August 30, 1967

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

QUESTIONS

DANGEROUS DRUGS

The Hon. R. A. GEDDES: I ask leave to make a statement prior to asking a question of the Minister of Health.

Leave granted.

The Hon. R. A. GEDDES: Today's *Advertiser* reports that the hallucinatory drug LSD is being manufactured in Adelaide and that $7 worth is sufficient to give a seven-hour "trip" to those who use it. It also reports that the New South Wales Government is considering regulations to control the misuse of LSD and other dangerous drugs. Is the Minister of Health aware of the dangers of irresponsible people using or selling these modern drugs, and will he take steps to have them placed under the Dangerous Drugs Act?

The Hon. A. J. SHARD: As one who never uses drugs of any type, I am no authority on them and do not know the dangers associated with their use, but I shall be happy to make inquiries and bring back a reply as soon as possible.

WATER PUMPING

The Hon. R. C. DeGARIS: Has the Minister representing the Minister of Works a reply to my recent question concerning water restrictions and pumping from the Murray River?

The Hon. A. F. KNEEBONE: The Minister of Works advises:

Pumping from the River Murray at Mannum to the metropolitan area has been continuous since last summer, except for some minor disruptions that resulted in power not being available for pumping through the Mannum-Adelaide pipeline as follows:

Sunday, June 4
Sunday, May 14
Sunday, May 21

On each occasion power was unavailable to the pumps for seven hours when the transmission line was out of service to enable the trust to install additional equipment. In addition, the power supply to these pumps has been disconnected on a number of occasions this year in accordance with the arrangement that this load will be "disconnectable" and thus qualify for a low tariff. There have been two complete disconnections (all pumps) and six partial disconnections as follows:

Complete disconnections: one of two hours, and one of three hours.

Partial disconnections: two of one hour, one of two hours, two of four hours, and one of 14 hours.

During the week commencing Sunday, August 13, some restriction was placed on pumping by failure of electric power. This caused a loss of pumping of some 30,000,000 gallons of water. However, since that time there has been no further shortage of power, and pumps are operating at full capacity.

The Hon. Sir ARTHUR RYMILL: Has the Minister of Labour and Industry a reply to my recent question relating to the percentage of the total capacity of pumping through the Mannum-Adelaide main during the winter months?

The Hon. A. F. KNEEBONE: The Minister of Works has advised that the monthly pumping rate on the Mannum-Adelaide main since April has been as follows: April, 47 per cent; May, 52 per cent; June, 47 per cent; July, 95 per cent; and August, to date, 97 per cent.

SEISMIC TEAMS

The Hon. R. A. GEDDES: I seek leave to make a statement prior to asking a question of the Minister of Mines.

Leave granted.

The Hon. R. A. GEDDES: Yesterday, the Minister supplied me with a reply to my question on the number of seismic teams operating in South Australia. In his reply he stated that two teams were operating: one on behalf of Delhi-Santos, and the other on behalf of the Continental Oil Company of Australia Limited. Can the Minister say whether these are the two crews that were established by the Mines Department to assist in oil searches or whether they are operated by private interests? If they are not Mines Department's crews, in what areas are the department's crews now operating?

The Hon. S. C. BEVAN: At all times when anyone wishes to use it the Mines Department's seismic equipment is operated by the Mines Department's crews.

The Hon. R. A. GEDDES: From the Minister's reply I take it that no Mines Department seismic crews are operating in the field at present.

The Hon. S. C. BEVAN: I thought I gave the honourable member this answer yesterday, when I told him that the Mines Department had two seismic teams operating, and I gave him details of the areas in which they were operating. The department has two crews, and they are operating in those areas.

GILES POINT

The Hon. C. D. ROWE: Has the Minister of Labour and Industry a reply to my recent question regarding the use of day labour in the construction of the deep sea facilities at Giles Point?

The Hon. A. F. KNEEBONE: The Minister of Marine has advised that of the five bulk loading plants built since 1958 the most successful plants were the two built by direct labour, namely, those at Port Pirie and Port Adelaide. The use of direct labour for the construction of the Giles Point bulk loading facility will ensure the continued employment of the department's construction forces, which would otherwise have to be retrenched.

ABORIGINAL GIRLS

The Hon. V. G. SPRINGETT: I seek leave to make a short statement prior to asking a question of the Minister of Labour and Industry representing the Minister of Aboriginal Affairs.

Leave granted.

The Hon. V. G. SPRINGETT: Recently in one of the newspapers an article appeared concerning Aboriginal girls in Adelaide. The article stated that there were more than 200 such girls whose economic situation was disturbing and was causing them to drift into mischievous habits, with potential moral dangers. It pointed out that Aboriginal girls were flooding into Adelaide, where employment facilities were not available for them. Can the Minister say what steps are being taken by the Government to deal with this problem?

The Hon. A. F. KNEEBONE: I shall be pleased to convey the question to my colleague and get a reply as soon as possible.

KIMBA WATER SUPPLY

The Hon. A. M. WHYTE: I seek leave to make a statement prior to asking a question of the Minister of Labour and Industry representing the Minister of Works.

Leave granted.

The Hon. A. M. WHYTE: The Minister of Works has assured us that negotiations are taking place with the Commonwealth Government for finance to commence work on the Kimba-Polda water scheme. Can the Minister say what stage negotiations have reached?

The Hon. A. F. KNEEBONE: I shall be pleased to convey the honourable member's question to my colleague. I know that representations have been made by letter but, further than that, I do not know the exact stage reached. However, I will find out from my colleague and bring back a reply as soon as it is available.

BREATHALYSERS

The Hon. Sir ARTHUR RYMILL: Has the Minister of Roads a reply to the two questions I asked yesterday about breathalysers?

The Hon. S. C. BEVAN: Yes. So that I could get the information as quickly as possible, this morning I contacted the Commissioner of Police. I should like to make it plain that the answers I have relate to breathalysers only and not to blood tests, which are a different matter altogether. The Commissioner of Police advises that the time taken for a breathalyser test is between 30 and 40 minutes. This is made necessary by keeping the person for 20 to 30 minutes before a test is taken. There may be a considerable alcohol content still in the mouth, which would result in a false reading being obtained if taken at once, so a period of 20 to 30 minutes is allowed to elapse to make sure that this does not happen.

It is estimated that the cost of labour and materials is $4.60 a test, this including the mouthpiece, the ampoules and the test solution but not depreciation or maintenance costs. This charge of $4.60 could be increased if there were many requests for voluntary tests. That could influence the costs involved, because it might be necessary for another specialist to be brought in, which would increase the cost. These costs have been submitted to me by the Commissioner of Police.

T.A.B.

The Hon. R. C. DeGARIS: I seek leave to make a somewhat lengthier statement than usual before asking a question of the Chief Secretary.

Leave granted.

The Hon. R. C. DeGARIS: I have received a letter from a resident of Highbury stating that on Saturday, July 1, 1967, at approximately 12.54 p.m. he placed bets at the Tea Tree Gully T.A.B. agency on horses competing in Melbourne. The T.A.B. agency closed at 12.10 p.m. for the first race on which he placed a bet and at 12.45 p.m. for the second. Tickets were issued on both the races, which were race 4 and race 5. For the first of the races the advertised starting time was 12.50 p.m.; it actually started at 12.54 p.m. This man placed his bet at 12.54 p.m., and the horse won, a dividend of $72.10 being declared. Under part 4, section (*g*) (i), of the board's rules, no payment could be made because the

bet had been placed after the closing time for bets on that race. I agree with this principle wholeheartedly in this case. However, it is rather disturbing when a ticket is issued on a horse after the closing time of the T.A.B. betting on that race, and it is disconcerting to the person involved. If a person places a bet on a horse that does not win, as far as I can see he has no way of knowing that the bet is not on, and therefore he does not get a refund. Will the Chief Secretary consider this case and see whether a refund of a bet can be made in such circumstances?

The Hon. A. J. SHARD: I do not wish to comment at this stage because the matter is rather involved; I shall refer the question to the Totalizator Agency Board and bring back a report.

The Hon. R. C. DeGARIS: I ask leave to further explain my previous question.

Leave granted.

The Hon. R. C. DeGARIS: I have already taken up this matter with the board, so it is fully aware of the circumstances. Will the Chief Secretary consider the question of a refund in the circumstances I referred to?

The Hon. A. J. SHARD: If something is done about this matter it must be done by regulation, and the experts on the matter will have to guide us.

IRRIGATION

The Hon. C. R. STORY: Has the Minister of Labour and Industry obtained from the Minister of Works a reply to my recent question regarding water licences?

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

A record has been kept by the department of all inquiries made since the cessation of the issue of new licences and extensions for additional plantings. Upon completion of the detailed investigation and its analysis those inquiries will be assessed in the light of any available remaining water for diversion purposes.

The Director and Engineer-in-Chief considers that the need for an appeals board does not exist, particularly since it is quite apparent even at this stage that the State could be overcommitted on water diversion. At present there is no course of action open to a would-be diverter or to anyone hoping to increase his allowable diversion, except in the case of an individual who was given an assurance prior to January, 1967, that water would be available and who as a consequence of that assurance made a financial commitment. The interdepartmental committee is currently examining all cases where an assurance has been given.

With regard to the four specific cases handed to me, I have available information concerning each case, and if the honourable member speaks with me afterwards I shall be pleased to provide him with the necessary details.

ELECTRICITY

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

Leave granted.

The Hon. C. D. ROWE: A report in today's *Advertiser* states that the Minister of Works yesterday in another place gave the reason for the damage that recently occurred in the turbo-alternator in the Torrens Island power station. The report states:

"Difficulty was experienced with boiler ignition, and the turbo-generator, after an initial generating period, was forced to reduce its power output," he said. "Difficulty was experienced with boiler ignition. An excess amount of water was pumped into the boiler and, although corrective action was taken, this was inadequate. The machine was not shut down in time to avoid damage".

I have read the whole of the explanation but it does not mean much to me and it does not enable me to understand what actually happened. It seems that an additional protective device is necessary to prevent a recurrence of this damage. Will the Minister ascertain from his colleague whether a more detailed statement can be made concerning what actually happened, and will he say whether action can be taken to ensure that this kind of incident does not occur again?

The Hon. A. F. KNEEBONE: I shall discuss this matter with my colleague to see whether the honourable member's request can be complied with.

CLEAN AIR COMMITTEE

The Hon. F. J. POTTER: Can the Minister of Health say whether the committee appointed under the Health Act, which is known as the Clean Air Committee, intends soon to recommend the promulgation of regulations under that Act?

The Hon. A. J. SHARD: I am speaking from memory, but I think that the regulations or proposals were to be finally considered at a meeting of that committee last week or the week before. I am not sure what the findings were, but I understand that the committee will be ready to discuss them with the Government shortly. However, I would like to check to ascertain the present position.

PORT PIRIE RAILWAY STATION

The Hon. R. A. GEDDES: Has the Minister of Transport a reply to my question of July 25 concerning the Port Pirie railway station?

The Hon. A. F. KNEEBONE: The Port Pirie passenger platform is 3ft. 2in. above rail, and this is the standard for the South Australian Railways. The floor of the passenger cars is 4ft. 3in. above rail, and this, too, conforms to the South Australian Railways standard. Both of these dimensions fall within the parameters laid down by the Australian and New Zealand Railways Conferences. A great many factors must be taken into account when fixing platform and car floor heights. These include the necessity to maintain a uniform coupling height, so that contiguous vehicles can be coupled together without the risk of becoming uncoupled in travel; and the fact that rolling stock from other systems moves freely over the South Australian Railways means that provision must be made for the characteristics of those vehicles and also for the overhang of underfloor equipment on curves and through turnouts. There are two such turnouts on the Port Pirie platform. Because the intra-system cars on the South Australian Railways must provide for a step-down to ground level at those stations not provided with a high level platform, it is not possible to fit an intermediate step on to the cars. The matter of clearances will be discussed at the Australian and New Zealand Railways Officer's Conference to be held in October next. It will be appreciated that inter-system uniformity is necessary in such cases as this.

ORDNANCE DEPOT

The Hon. C. D. ROWE: I seek leave to make a statement prior to asking a question of the Chief Secretary representing the Premier.

Leave granted.

The Hon. C. D. ROWE: A few days ago the Premier made the statement that the South Australian Housing Trust had 929 houses built under the rental-purchase plan at Elizabeth and that of that number 245 were vacant. According to a press report, the Premier said that the trust in planning its building programme in the Smithfield area placed a good deal of reliance on the statement that the Commonwealth Government would erect an ordnance depot on adjacent land that it had owned for 12 years. Yesterday the Minister for the Army, Mr. Fraser, said that not more than 20 or 25 houses would be required at Elizabeth when the army built its proposed ordnance depot.

It seems to me that, if 245 houses were built in anticipation of the construction of that depot when only 20 to 25 were required, something has miscarried somewhere. Either a much greater number of houses than necessary has been built or, alternatively, an excuse has been used that will not hold up. Will the Chief Secretary obtain the following information from the Premier: (1) how many houses did the Premier understand would be required in connection with the ordnance depot; (2) from what Commonwealth Minister, department or authority did the Premier obtain the information concerning the number of houses required; and (3) does the Government consider that it is justified in erecting large numbers of houses without first obtaining a firm undertaking from the Commonwealth Government on its possible requirement for housing?

The Hon. A. J. SHARD: I am prepared to refer the questions to the Premier.

STATUTES AMENDMENT (PUBLIC SALARIES) BILL

Read a third time and passed.

LICENSING BILL

Adjourned debate on second reading.

(Continued from August 29. Page 1631.)

The Hon. F. J. POTTER (Central No. 2): I support the second reading. I am indebted to other honourable members for the very fine contribution they have made to this debate, in particular to the Hon. Mr. Story for his very thorough examination of practically all of the questions which will trouble us. He said that this was a big Bill in every sense of the word. I should like to adopt his expression and say that this is a Bill that calls for very big decisions that will undoubtedly have very far-reaching consequences in some respects on the social pattern of drinking liquor in this State.

The Bill has undergone quite a remarkable transformation in some respects from the time when it was originally introduced last session is another place. Fundamentally, it is a pretty good one. I think perhaps the point that has not been made so far in the debate is that the Bill, in whatever form it may eventually be passed, will provide the most advanced laws in Australia in some respects for the supply and consumption of liquor, and that is saying a great deal. I refer particularly to the sale

of liquor at theatres. No other State in Australia has this privilege at present, and I have no doubt that the matter will be looked at in the other States.

The issue that has been given a great deal of publicity is the question of 10 p.m. closing of both lounges and bars of hotels. I say at the outset that I do not oppose this provision. We have all heard the expression that no man is an island, and I think in this day and age and under our federal system of Government no State can be an island in its social laws, particularly laws of this kind.

The Hon. C. M. Hill: The State can be a stagnant island.

The Hon. F. J. POTTER: Yes, we can be a stagnant island economically, and we all know that unfortunately we are in that position at present. However, I am talking now about social laws of this kind, and in this respect we cannot be an island, which we would be if the present Licensing Act continued unaltered. I personally cannot see that any great extension of the sale of liquor, particularly in bars, will result as a consequence of the late closing provided for in this Bill.

In saying that, I do not in any way want to give the impression that I approve of everything in the Bill, because there are some things here which have caused me, as a member of this Council, to do a good deal of heart searching. I have had to face up to a decision which perhaps in some respects is one of the hardest decisions I have had to face. Of course, we always get this kind of situation when we have to deal with social legislation.

I do not want to deal in detail at this second reading stage with all the rather difficult matters that were touched on by honourable members yesterday, because I think that when we get into Committee these will all receive very lengthy consideration indeed. However, I want to say something about the one matter in this Bill that causes me a good deal of concern. I refer to the matter of club licences and club permits. This seems to me to pose a fundamental question that will have to be faced by all members of this Council. Under this Bill we are proposing to license clubs and issue permits to both licensed and unlicensed clubs. This is set out in clause 66, which provides that any club, licensed or unlicensed, may obtain a permit for the keeping, sale and supply of liquor on any day, including Sunday. In other words, it is clear that permits can be issued by the court to these clubs to sell at any hour of any day. That is the first thing that emerges from this clause.

It is true that this part of the Bill confines itself to existing clubs. If one reads the report of the Royal Commissioner (and one should do this, of course, in making any approach to the problems posed in this Bill), one is left in no doubt that over the years there has grown up in South Australia an illegal trade in liquor in clubs that are in all cases, I think, unlicensed. Indeed, this is obvious from one's own knowledge of the situation. This trade in liquor has been going on primarily on Sunday mornings.

This weed (if I can use that expression) has been growing and flourishing in our midst illegally because the authorities have merely shut their eyes to it. We have reached the stage now where under this Bill it is proposed that we should legalize what has been previously illegal. I think all honourable members, and indeed the whole of the public of South Australia, must realize that if we in fact legalize these activities we may be setting out on a path that will have some disastrous social consequences for South Australia. I think we are at the cross roads in this legislation. In fact, we may have come to almost a five-corner junction here. We do not want to pursue the same old path that we have been stumbling along for many years: we want to go ahead in a way that will provide the sanest and most satisfactory laws for the supply and consumption of liquor.

We do not want to take a wrong turn in this matter. However, it seems to me that if we are not careful the legalizing of these illegal activities, particularly in unlicensed clubs, may be a source of great evil in the future. Once we establish an illegal situation as a legal one, we immediately open the door to the possibility that that activity may be publicly and widely advertised, and that in fact people may be invited to join in that activity.

This is the real crux of the matter, because I have no doubt that much of the illegal activity of unlicensed clubs in the past has provided for the supply and sale of liquor under the worst possible standards and conditions. These clubs are not required by law in any way to provide the real facilities that a publican has to. Indeed, some of them can be called only second-rate in the facilities they provide for the supply and sale of liquor. If we legalize and foster this activity and face the possibility of its becoming publicly advertised as a legal activity, we shall have done, as the honourable Mr. Rowe has said, a disservice to the people of South Australia.

I want now to refer in more detail to clause 66, which provides that any club can get a permit to sell at any hour on any day. First, it

is not clear what period of time the permit will cover but it seems to have been assumed (and it would be a practical proposition) that the court would have to grant such a permit on at least a yearly basis. Certainly, it would not be a practical proposition for these permits to be obtained every week of the year. Secondly, it is apparent that these permits will cost only $3 to cover the supply and sale of liquor in the unlicensed clubs. Thirdly, the liquor must be sold and supplied for consumption only by members of the club and there must be some restrictions on the entry of persons into the club. There is nothing in this clause or anywhere else in the Bill, as far as I can see, that in any way lays it down that members must be members who pay a membership fee to the club, and there is no restriction on members who are operating under this permit system limiting the introduction of temporary members to five on any one day, as would be the case with a fully licensed club. So it can be seen that people could easily be made honorary or temporary members of these unlicensed clubs, perhaps for a nominal membership fee—if this is to be the criterion of membership.

Other speakers have indicated that a nominal fee of about 20c would be sufficient, and I can see nothing to prevent that. This membership would include the right to partake of liquor on Sundays at any hour. This is undesirable because coupled with it is the fact that the hotels and licensed clubs will not be permitted to indulge in the same activity at the same time. In this connection, I quote what the Royal Commissioner said about this problem:

> The most essential ingredient of my view is that no club should have any liquor rights more extensive than hotels.

Perhaps he could have put it in another way just as forcibly, that no hotels or licensed clubs should have any liquor rights that are more restricted than the unlicensed clubs.

There is only one way in which this problem can be dealt with, because it is undesirable that this permit system, this illegal activity, should continue: that, as the Commissioner himself suggested, it would be the lesser of two evils for the hotels to be allowed to open their lounges on Sundays after 12 noon and make all clubs conform to that provision rather than allow this illegal activity to be carried on legally under this permit system. Either that course should be adopted (and this matter will have to be canvassed when we get into Committee) or clause 66 should be amended so that some statutory form of notice should be given both to the clubs applying for these permits and to the Licensing Court itself that no such permits will be available or obtainable—indeed, the whole of clause 66 can fall to the ground at any time—if in the future the publicans are allowed to open their lounges on Sunday afternoons. They both are only variations of the same fundamental theme.

In saying that, I am not suggesting that there is not adequate provision in the Bill under clauses 64 and 65 for obtaining permits in respect of special functions, such as an entertainment, a social gathering, a concert or a dance, because adequate provisions exist in those two clauses for special permits to be obtained. But, other than special permits for that special kind of function, which can be made available to people who want to use licensed or unlicensed premises under this legislation, I think the general policy of this measure should be that all clubs, large or small, should be licensed and should not operate as unlicensed clubs under the permit system. I know that in saying that all clubs, large or small, should be licensed we would have some difficulty about the fee payable for such a licence by a comparatively small golf or bowling club, and particularly in the country, but that should not deter us from observing the principle.

That is a simple matter capable of amendment by providing for a sliding scale of fees according to membership or the particular type of club. However, it is strange that practically every other form of activity concerning the liquor trade (and all its ramifications) is to be licensed under this Bill except the activities of certain existing unlicensed clubs, for which we are providing for the permit system under clause 66; the whole principle is being departed from. I have already said that it would be a step in the wrong direction to legalize this activity.

I understand the dilemma that the framers of this legislation were in when they had to deal with a situation that had been allowed to develop in our midst unchecked for a number of years. However, I think there is nothing wrong with the club system. I do not see any reason why anybody should not be a member of his own club. We might have to provide for special circumstances, such as Anzac Day or the day following the winning of the football grand final; these could be exceptions to the general rule, and a special permit could

be granted for the sale and supply of liquor beyond the normal hours. These would all be adequately covered by clauses 64 and 65. Otherwise, I think the hotels and all clubs should be on the same basis, and none should be more restricted than the others.

In connection with this problem, I see no reson why we should extend the present provisions dealing with *bona fide* travellers, except for very technical reasons that could be easily covered in another way. With the extended hours provided in this Bill for most hotels (I do not say "all hotels") to open from 9 a.m. to 10 p.m., with, for lounges in the case of meals, supper permits until midnight, and with meals on Sundays after 12 noon, what more does the *bona fide* traveller want? It seems to me that if we continue with this provision it will only encourage the traveller to get away in his car on Sunday mornings to the nearest hotel that is 60 miles from his residence. This state of affairs would be undesirable. There are one or two techincal problems, such as the carrying away of liquor from hotels, that must be dealt with, but I do not think they need be dealt with in this way.

Clause 85 deals with the licensing of clubs; other honourable members have referred to the difficulties that arise in respect of clubs that cater for functions attended by people who are not members of the club. This question is difficult because of the wide variety of catering; clubs like the Mount Osmond Golf Club have been pioneers in this field but others until now have engaged in it only in a very small way to provide a small contribution to their overheads. This difficult problem must be considered carefully in the Committee stage.

I now wish to refer to the court and to emphasize what some honourable members said yesterday. The Government should very carefully consider the appointment of the person who is to be a Licensing Court judge and who will administer the provisions of this Bill. As one honourable member said yesterday, this judge will need to be of the highest calibre and to have a knowledge of the present Licensing Act, how it has been administered, and of the troubles that have arisen. He will have to be a person who is not on the easy side when it comes to granting a permit, because so much is left to the discretion of the court in this Bill.

It is completely wrong that this man should be appointed for a limited term of seven years. The Hon. Mr. Rowe said yesterday that he had received a letter from the Law Society of South Australia strongly opposing this provision, and I support the society's attitude. If a man, no matter who he is, is appointed for only seven years, I think he would be only human if he did not wonder at some stage during the term of his appointment whether he would be reappointed. The person appointed to such a responsible position should be completely free from any desire, conscious or unconscious, to do what might please the Government of the day or to refrain from doing what might displease it, for fear of prejudicing the possibility of his reappointment.

This principle is fundamental in the appointment of our special magistrates, the Local Court Judge and the Supreme Court judges: they have always been appointed for a term that expires, in accordance with a Statute, at the age of 65 years in the case of magistrates and of the Local Court Judge and at the age of 70 years in the case of Supreme Court judges. The President of the Industrial Court and the Supreme Court judges can be removed from their offices only by an Address from both Houses of Parliament. I think that this kind of judicial separateness from the Administration of the day is absolutely fundamental to our concept of the rule of law. We ought not to appoint anybody, particularly in this important jurisdiction, who in any way has an eye to his future reappointment for a second term. He should be appointed in a way similar to that in which other members of the judiciary are appointed; namely, with a fixed retiring age.

I do not quarrel about the chairman's having the rank and title of judge and being equivalent in status to the Local Court Judge; I think that is his appropriate place. I do not think he should be given status as high as that of a Supreme Court judge, because he will be dealing with only one field, important and difficult as that field may be. I believe that the suggested status is correct. In the Committee stage I intend to move an amendment to clause 5 to provide for appointment until removed from office by an address of both Houses of Parliament, which will mean an appointment until the age of 65 years.

I support the Bill, although I do not support everything in it. There may in its Committee stage be many matters on which I will speak and perhaps move amendments. I believe something must be done about clubs either by providing now equal rights and privileges for hotels —for example, permitting them to be open on Sundays after 12 noon, and restricting clubs to hotel hours—or, alternatively, providing for

such a situation to come into existence in the fairly near future.

The Hon. M. B. DAWKINS (Midland): I am unable to support the Bill as it stands. However, I want to make it clear that that does not mean I will oppose its going into Committee, because I believe many improvements can be made in the Committee stage. The Hon. Mr. Story said yesterday that this was a big Bill, and I think the word "big" is inadequate. It is a tremendous, extensive and complicated Bill containing over 200 clauses and well over 100 pages. The Hon. Mr. Hill commended Mr. Story for his contribution, and I believe the Council is indebted to the Hon. Mr. Story for the very great amount of work that he put into analysing the Bill. I express my personal appreciation to the other honourable members who have dealt with the Bill with great ability and thoroughness. I do not intend to dwell on the various clauses handled so competently by other members, because in many cases it would only be repetition.

The Bill sets out, as it states in the preamble, "to consolidate and amend the laws relating to the supply of intoxicating liquors". In other words, it is a completely new licensing Bill, which also repeals the Acts named on page 113 in the schedule. As the Chief Secretary said yesterday, the Bill is not, strictly, a Government Bill, and it should be dealt with impartially and not on Party lines so as to secure the best possible Act to assist in the administration of these matters. As all honourable members know, the Bill deals with trading hours and the sale of liquor as well as with many other matters necessary in a Bill of this sort.

The main change in hours is the extension of closing from 6 p.m., which has been in force since 1915. The extension proposed is to 10 p.m. It will be recalled that 6 p.m. closing was introduced as a result of a referendum conducted in 1915. That was 52 years ago, and times have changed considerably since then. I am not enthusiastic about 10 p.m. closing and the proposed extension of four hours' drinking time; I question whether that will benefit South Australians generally, and I believe it must mean some increase in the consumption of liquor. In some cases it will mean an excessive consumption of liquor, and that is why I consider it will not benefit the State. However, I realize that many problems are associated with the so-called "6 p.m. swill", and if an extension of hours until 10 p.m. were certain to eliminate those problems I would support the measure more readily and wholeheartedly.

As I have said, the present hour of 6 p.m. was fixed as a result of a referendum. I would have thought that the present Government, whose policy seems to be to test many matters by referendum, would have referred this matter to the people by that means, perhaps at the same time as the referendum on lotteries. I thought that was the policy of the Australian Labor Party. I believe that after 52 years of development many South Australians want an extension of hours, although not necessarily until 10 p.m. I believe many people have indicated that they require some extension of drinking facilities, and I take notice of what appears to be the wish of the people. I hope that in the new situation some of the problems associated with this so-called "6 p.m. swill" will be eliminated. I would prefer that drinking in the evenings be confined to lounges, as was originally envisaged by the Royal Commissioner for Sunday trading.

The Hon. A. J. Shard: In the main, that is what happens in other States where these suggested hours operate.

The Hon. M. B. DAWKINS: I believe that is the case; that it is usual where an extension of hours has been granted, and I believe that also applies to the Old Country. I do not intend to deal with the Bill in detail, but I am not happy with the provision concerning permits for the supply of liquor to both licensed and unlicensed clubs, as referred to by other honourable members. I think the Hon. Mr. Hill and the Hon. Mr. Potter mentioned that matter as it is set out in clause 66, portion of which provides:

Any club, whether licensed under this Act or not, may apply to the court for a permit for the keeping sale and supply of liquor for consumption on the premises of the club on such days (including Sundays) and during such periods as the court thinks proper:

The operative words are "(including Sundays) and during such periods as the court thinks proper". The clause then sets out certain conditions. I consider that this clause is open to a fairly liberal interpretation and that it could mean a very great increase in Sunday drinking. As other honourable members have said, we are all aware, unfortunately, that there is a certain amount of illegal drinking, particularly in football clubs, on Sunday mornings. I do not wish to give the impression that I am not keen on football, as I follow the game quite

keenly, but I consider that the legalizing of this activity would be a wrong step to take.

The Hon. Mr. Hill said yesterday that if Sunday drinking were introduced it would only add to the power and influence that clubs in South Australia already wield and that all the Government was doing was making legal the present illegal practices of clubs. The Hon. Mr. Story added the comment that particular care must be taken if Sunday drinking were not to get completely out of hand. I support those statements wholeheartedly. I think Mr. Story referred yesterday to the fact that club members would each be able to take along five visitors to a club. The Hon. Mr. Potter referred to the fact that no membership fee was fixed for clubs, and that it might be possible for a person to become a member or an associate member of a football club for a nominal fee and that this situation could expand and become quite difficult and be a very bad blot on the moral integrity and standing of South Australia. I consider that the very large increase in members of football and other clubs that could come about as a result of the permissive powers in clause 66 could mean that there would be a very large pressure group, and the situation could be very much worse than the Sunday afternoon lounge drinking suggested by the Commissioner, although I do not wish to see this come about. If at all, I consider that the hours that the Commissioner mentioned should be restricted possibly to three hours in the afternoon.

I do not wish to give the impression that I am in favour of any increase in Sunday drinking. If possible, this clause should be tightened up considerably. I would not readily exchange this clause for lounge drinking on Sunday afternoons, although I agree with some other honourable members that lounge drinking would be the lesser of the two evils and that there would be small numbers of people in quite a large number of hotels, whereas I am opposed to large congregations of people drinking under conditions that would not be good. Nevertheless, I am not anxious to see lounge drinking on Sunday afternoons.

Over the last few weeks I have received many letters disapproving of Sunday trading. I have received some letters with a very large number of signatures attached to them. Unfortunately, they were not set out in the proper terms so as to constitute petitions, but they had the same effect: of very large numbers of people objecting to Sunday trading. Among these is the following letter from the Gawler Ministers' Fraternal:

The Gawler Ministers' Fraternal has asked me to acquaint you with their opinion regarding the extension of Sunday liquor trading times and practices. The Fraternal is not in support of extension of Sunday liquor trading.

Yours faithfully,
John Green,
Secretary.

The Rev. John Green is one of the Anglican ministers in that area. I have received other letters. Another letter, from the Rev. W. J. Stafford, Superintendent of the Gawler Methodist Circuit, and President of that fraternal, has a very large number of signatures attached to it. I have received other letters from the area, and I have no doubt that other honourable members have received similar communications.

While there are many people who want an extension of drinking hours on the one hand, on the other hand there are many people who, while they do not want the extension, are prepared to accept the fact that large numbers of people want the facility on week days. Nevertheless, I believe large numbers of people in South Australia do not wish to see any extension of drinking facilities on Sundays. Generally speaking, I support this view.

All licensed and unlicensed football clubs, bowling clubs and the orthodox type of club in the city and country towns available to subscribing members seem to be bracketed together in this Bill. However, I am not in any way unsympathetic to the needs of the regular clubs that exist in the city and country to provide the necessary facilities for their members, and I shall watch their interests in the Committee stage.

In conclusion, I should like to say one or two words in support of what the Hon. Mr. Rowe and the Hon. Mr. Potter, who are both legal practitioners, said about the necessity for the Licensing Court judge to be a man of very great experience and integrity. I believe it is one thing for members of the legal profession to say this and another thing for the general public to say this and to feel that this is the case.

The Hon. R. A. Geddes: Are you saying that two lawyers are agreeing?

The Hon. M. B. DAWKINS: It does not happen often, but from time to time it does.

The Hon. D. H. L. Banfield: Something must be crook.

The Hon. M. B. DAWKINS: As a layman, I agree with them that the person who is appointed judge of the Licensing Court should be a man of very great integrity and very wide experience. I am not happy with the Bill. As

I have indicated, I have much material here from various sources. I have taken note of correspondence from people who are interested in various branches of the winemaking trade, and I shall endeavour to watch the situation as the Bill goes through Committee. The Bill, of course, is purely and simply a Committee Bill. I cannot say that I am prepared to support it at this stage, but I will not oppose its going into Committee, where I believe some of the contentious and doubtful matters can be straightened out. I reserve the right to support or to oppose the Bill at the third reading stage.

The Hon. R. C. DeGARIS (Leader of the Opposition): I do not wish to speak at any great length on this Bill because, as pointed out by other speakers (including the Hon. Mr. Dawkins a few moments ago), it is essentially a Committee Bill. I offer my congratulations to the members who have spoken, particularly to the Hon. Mr. Story and the Hon. Mr. Hill who, in relatively long speeches, dealt with every matter in the Bill that is of concern to this Council. I hope that before the Bill passes the second reading stage some member of the Australian Labor Party will make a contribution to the debate. We have had the second reading explanation by the Chief Secretary but so far, apart from odd interjections, we have not had the advantage of the knowledge that these honourable gentlemen surely possess on this most contentious matter.

Two years ago in another place Mr. Steele Hall had a motion before the House to introduce 10 p.m. closing of hotels in South Australia. Apparently this motion worried the Government. Perhaps because it was concerned with the politics in this matter, it saw fit to appoint a Royal Commission to inquire into and report on all aspects of the liquor trade and licensing in this State. After sitting for some time the Royal Commissioner (Mr. Sangster, Q.C.) issued his report. I believe that the Commissioner did his job very conscientiously and that he produced an excellent report, and I congratulate him on the way he carried out his task.

I believe that the Government, having appointed the Royal Commission and having received the Commissioner's report, should have introduced a Bill along the lines of the Commissioner's findings. Some publicity has been given to the fact that the vote on this Bill will be a free one. Can it be said that this will apply to members of the A.L.P.?

The Hon. A. J. Shard: They can vote any way they like on it.

The Hon. R. C. DeGARIS: I consider that, as the statement was made that it would be a free vote, the whole of the Commissioner's findings should have been introduced.

The Hon. A. J. Shard: You would have liked us to do that, would you?

The Hon. R. C. DeGARIS: The Royal Commissioner was appointed, and after sitting for some considerable time he brought down a logical and excellent report. The Government then said there would be a free vote on the question. Therefore, what is wrong with the Government's putting up the Commissioner's report as a whole and then allowing a free vote of Parliament to deal with the contentious matters?

The Hon. A. J. Shard: People have a habit of misconstruing things.

The Hon. R. C. DeGARIS: It indicates to me that this Bill has been introduced on Party lines and that what it contains is the Government's intention as opposed to the Royal Commissioner's findings.

The Hon. S. C. Bevan: We don't have to agree with everything the Royal Commissioner puts up.

The Hon. R. C. DeGARIS: I think that when we examine this question this magnificent statement about there being a completely free vote can be somewhat discounted, because we have departed from the Commissioner's findings. I believe that, as a consequence of that, we in this Council have been presented with a Bill that contains a blueprint for a development that will constitute a major social evil in this State. I consider that this state of affairs will be directly attributable to the Government's departure from the Commissioner's findings in an attempt to satisfy all sections of the community.

In my opinion, this Bill provides for Sunday trading on a scale that will develop in the future into this major social evil in the community to which I have already referred. I believe that this action will have the worst possible effect on this State. I think it was the Minister of Roads, by interjection, who said that all that was happening was that we were making legal a practice that had been going on for years, and that is perfectly true. It is fact that the practice has been going on for many years, virtually under the lap. I am certain that with their becoming legal these practices will develop under the cloak of legality to a proportion that will constitute a major social evil. In dealing with this matter, the Royal Commissioner (at page 97 of his report) said:

One proposition stands out clearly, as both the starting point in the thinking on this particular topic by the Victorian Royal Commissioner and as his principal reason for recommending the extension in question of trading hours, that is, that there is a fundamental presumption in favour of freedom which should prevail unless there are evils associated with the proposed extension of liberty.

Then this appears in the evidence before the Royal Commission:

The following is an extract from rather than a complete summary of the Victorian Royal Commissioner's statement of the arguments put to him and his views thereon: (1) that 6 p.m. closing resulted in heavy trading under crowded conditions between 5 p.m. and 6 p.m., particularly on Fridays and Saturdays.

This is dealing in particular with what was considered previously to be a social evil—what has commonly been called "the six o'clock swill". We are overcoming that social evil by the introduction of 10 p.m. closing. In other words, this extension is being made because we believe it will provide saner drinking facilities in our State. Will it? If this principle is accepted, that we are doing these things to introduce more sanity into our licensing laws, then surely the opening up of Sunday trading to one particular section of the community, the clubs, will create a similar social evil. Sunday trading was dealt with by the Royal Commission at pages 103 to 107 of its report. The submission from the Australian Hotels Association was along these lines:

In its preliminary submission for the second working session, this association submitted that there should be no extensions of hotel trading on Sundays unless granted to other outlets . . . In its reply this association sought Sunday trading only if granted to clubs.

The United Churches Social Reform Board had this to say before the Commission:

This board's preliminary submission for the first working session was against any extensions of trading hours . . . In its final submission it repeated its "original request that Sunday trading be not permitted" . . . but added that "should Sunday trading come we believe less harm would result from lounge trading from 12 noon to 7 p.m. than other hours", closing bars and beer gardens, and confining drinking to indoor lounges without entertainment.

Throughout this report, no matter whether we look at the evidence of the Australian Hotels Association or of the United Churches Social Reform Board, we observe the same answer being given, that, if legal Sunday trading is to become part of our society, it is necessary to open up hotel trading on Sundays from 12 noon to 7 p.m. I go back now to page 24 of the report, where under the heading "Sundays" we see:

In my opinion, there should be on Sundays no trading in bars or bottle departments, drinking lounges should be available for the sale, supply and consumption of liquor whilst seated, the seating referring to consumption but not to prevent either self-service on an "honour-system" (as in some clubs now) or service at a counter or service hatch (as in some drinking lounges now), between 12 noon and 7 p.m. On Sundays in hotels, clubs and restaurants, liquor should be available with or as ancillary to meals from 12 noon to 9.30 p.m. with 30 minutes to clear; supper rooms should not be available on Sunday nights.

There is the finding of the Commissioner, based on the evidence given before him. With this Bill now before us, the report of the Commissioner and the evidence tendered before him (including the evidence of, on one side, the Australian Hotels Association and, on the other, the United Churches Social Reform Board) this Council is faced with a grave responsibility. I hope that we shall be able to handle this matter without rancour. So far, this has been done. The Hon. Mr. Story's contribution was one of which every honourable member took great note, and these matters were dealt with without rancour or heat.

As this Bill stands at present, it will create a situation in this State that we shall come to regret. This imposes on this Council the grave responsibility of considering all factors in connection with the Bill. We all know what has happened in other States—that in New South Wales the clubs are dominant in Sunday trading. Many people believe that in New South Wales it is because the clubs have those iniquitous things called poker machines that the club system has developed in such strength, but there is just as much evidence to show that the growth of the club system in New South Wales arises from the clubs having a monopoly of Sunday trading. If we examine the peak attendances and the peak sales of liquor in New South Wales clubs, we find that they occur between 11 a.m. and 4 p.m. on Sundays.

The dominance that the club system in New South Wales has achieved to the detriment of the State comes from the fact that the clubs have a virtual monopoly of Sunday trading. I must confess that until a week ago I was totally opposed to the hotels opening on Sundays; yet, the more I have considered this matter and what will happen in the future, with the clubs having a monopoly of Sunday trading, the more I realize that we face a grave responsibility to see that we do not force upon

this State a social evil that we shall come to regret.

I turn now to the Bill. I shall not deal at length with the clauses because they have already been canvassed by other honourable members, but I shall refer to one or two matters that concern me particularly in respect of which the Chief Secretary may be able to supply some information. Clause 22 deals with the retail storekeeper's licence. This was dealt with yesterday by the Hon. Mr. Story. I refer in particular to subclause (2), the effect of which is that there will be a freezing of retail storekeepers' licences for three years, and I cannot understand why this should be so.

I realize that, after this Bill passes, the court will have to handle much work of probably greater importance than work associated with these licences. I believe that the period of three years imposed by clause 22 (2) is far too long; several kinds of situations could arise. For example, a retail storekeeper might have already sought a licence through a local option poll and been unsuccessful; he might then have decided to wait for three or four years with the intention of reapplying, and suddenly this new provision puts him another three years behind. In the meantime, other outlets might be established in his area and he might find that he had no hope of obtaining a licence. This long period of three years should be explained. I believe the court should decide this and should handle applications under this provision within three years.

I turn now to the most contentious clause in the Bill on which I believe there will be much argument in the Committee stage. This matter has been dealt with today by the Hon. Mr. Potter and I believe that his contention was very sound, namely, that we should ensure that, as far as possible, clubs are licensed and that we should not rely completely on the provision of permits for the normal trade of the club. I have quite a number of small bowling clubs in my district with between 25 and 35 members; the fee and the conditions that must be complied with are not conducive to these clubs becoming licensed. Therefore, such clubs must operate under the permit system of clause 66. I believe that the permit system should be used to the smallest possible extent and that clubs should be able to become licensed, whether they are large or small.

Clause 66 permits Sunday trading and applies to any club, whether licensed or unlicensed. I believe that a distinction should be drawn in this legislation between what have come to be known as community clubs, and other clubs; there is a very great difference. Community clubs were established as a result of local option polls and were granted licences despite the fact that voters in earlier local option polls had refused to grant licences. I know of areas where the establishment of an extra hotel has been defeated at local option polls time after time, but when a poll has been held to establish a community club in the district the proposal has been strongly supported.

The constitutions of these clubs provide that they must devote a proportion of their profits to the benefit of the community. In other words, they do not exist purely to supply amenities for their members or purely to foster a sport: they exist for the good of the community in which they are established. Problems will be created by some parts of this legislation if we deal with community clubs in exactly the same way as with other clubs. For example, a community club may have been established in a country town where there have been one or two hotels for 60 years, and in that period numerous local option polls may have been defeated. Over that period the town may have grown to 10 times its earlier size, and finally the community may, in a local option poll, support the granting of a licence to a community club.

Under this legislation community clubs are regarded in exactly the same way as any other clubs that may become licensed. However, I should like to draw a clear distinction between these two types of club, a distinction that may not be as clear in the metropolitan area as it is in a country town. At present I am considering whether it may be wise to provide in this legislation for issuing a special licence to community clubs as such.

Clause 85 provides that clubs are restricted to selling in one-half gallon lots for off-premises consumption; the maximum capacity of the container must be one-half gallon. Yesterday the Minister of Local Government interjected when the Hon. Mr. Story was speaking and asked, "Why should they have the right to sell in more than one-half gallon lots?" I would reply, and say, "Why should they not have the right to sell in more than one-half gallon lots? Once again we come back to the distinction between a community club that has been established for many years and another type of club not in the same category.

This restriction of sales to one-half gallon lots applies to certain clubs, and I cannot see why a bowling club or a football club should

have the right to sell for off-premises consumption at all. I believe that putting community clubs in exactly the same category is wrong, particularly when we remember that under this legislation there are seven exempt clubs that are to retain rights and privileges granted many years ago, yet we find a community club that has been established for some years losing some of its privileges under this legislation. I cannot see why these community clubs should not have the same trading rights that they have enjoyed for many years.

I also wish to refer to clause 86 (*e*), which was also dealt with by the Hon. Mr. Story. This clause presents some difficulty; it concerns catering, and I will read the latter portion of it:

Without limiting the generality of the foregoing no club shall be licensed or continue to be licensed where its activities include catering for functions or any other form of trading for or with the public whether on or off the premises of the club.

The intention is for the club to serve only its own members, and I think that is reasonable at first glance. Certain clubs have already been mentioned, and I ask the Council to examine the application in total of clause 86 (1) (*e*).

Many country towns have a golf club or some other club that is the only organization of its kind in the town capable of catering for a large function. The hotel or hotels cannot do it, nor is there a caterer in the town; therefore other organizations enter that field. I know that applies to many country towns where, for example, the Country Women's Association or the local golf associates may handle all catering required. They are perhaps the only groups providing such a service in a country town. Supposing that it is a club with a licence that provides the only catering service in the town: under this Bill such a club could not continue to cater because it held a licence or, if the club did not hold a licence but wished to continue catering, it could never obtain a licence as a service to its members.

I should like to know the meaning of the term "catering for functions". A golf, bowling or Returned Servicemen's League club may possess the only hall in the town capable of holding a large function. Does the term mean only supplying food, or does it mean catering for other things? For example, could a supply of chairs and tables come within the meaning of "catering for functions"? I do not know, but I should like clarification on that point.

The Hon. S. C. Bevan: You know all right, but you are not going to tell us.

The Hon. R. C. DeGARIS: Clause 129 has not been mentioned previously: it deals with a restriction on the use of licensed premises for theatrical performances. In part, it provides:

Notwithstanding the provisions of the Places of Public Entertainment Act, 1913-1965, no portion of any premises in respect of which a licence is current, or of the appurtenances thereof, shall be used as a theatre, concert-room or ball-room or otherwise for public entertainment, without a permit from the court and upon such terms and conditions as are imposed by the court including conditions relating to health, safety and morals having regard to the provisions of the Places of Public Entertainment Act, 1913-1965.

I direct the attention of honourable members to the words "having regard to". We know there has been a remarkable development in entertainment on licensed premises; I know of many hotels that have a dining-room floor that seats possibly 300, 400 or 1,000 people and provide an entertainment that may continue for half an hour or three-quarters of an hour. When such entertainment ceases anybody who has attended such a function knows what happens. Another example is a hotel with a dance floor on the sixth floor. The court in examining such a situation should have more than regard to the provisions of the Places of Public Entertainment Act. Perhaps I should remind honourable members that under that Act many matters must be considered; for example, where the attendance is more than 500 persons a fire watchman must attend. Ventilation and sanitation must be provided, and there must be a certain number of closets for females and closets and urinals for males based on the seating capacity of the theatre. Exits must be free from obstruction and of a certain size; staircases, lobbies and corridors as well as dressingrooms must be provided; a fire resisting proscenium, together with emergency lighting, must be provided; hanging drapes and curtains must be treated with fire-resistant solution, and tests must be conducted on fire hoses and other equipment. It can be seen that entertainment in hotels is a rapidly developing business.

The Hon. S. C. Bevan: That is covered under the Licensing Act.

The Hon. R. C. DeGARIS: I thought I was dealing with a Bill relating to licensing; as far as I can see, the Places of Public Entertainment Act will not apply as far as the court is concerned, but the court must have regard to its provisions. The same strong measures should apply in relation to hotel entertainment as apply to other places of public entertainment. While entertainment is taking place in a hotel, smoking is permitted, but it is not

permitted in a theatre. I think the Minister will find that I have an important point here.

The Hon. S. C. Bevan: I am not disregarding your comments.

The Hon. R. C. DeGARIS: Smoking is permitted in a hotel but not in a theatre, and the risk must be greater when entertainment is held in a hotel with possibly 1,000 persons seated.

The Hon. R. A. Geddes: In South Australia?

The Hon. R. C. DeGARIS: Yes.

The Hon. A. J. Shard: I know of an occasion when 1,250 people were present.

The Hon. R. C. DeGARIS: Yes, but smoking is not permitted in a theatre. In addition, seats in a theatre must be fixed or joined but in a hotel when an entertainment is held all seats are movable. In a hotel there is a kitchen, with stoves, boiling fat, and other possible fire hazards, but no such places exist in a theatre: these regulations apparently apply in a place of public entertainment, but under this Bill the court has only to have regard to them when there is entertainment on licensed premises.

The Hon. S. C. Bevan: A theatre will not be "licensed premises" under the Bill, though.

The Hon. R. C. DeGARIS: No, but full-scale entertainment, possibly films, will be provided. This has already occurred in Victoria, where a film was recently flown from Sydney. That film had not been shown in Melbourne prior to that time, but it was shown in a hotel there. If the same film had been shown in a theatre under similar conditions, all rules and regulations would have been broken.

The Hon. A. J. Shard: We haven't got to the film stage in South Australia yet.

The Hon. R. C. DeGARIS: No, but all the Bill says is that the court shall have regard to the provisions of the Places of Public Entertainment Act. We should be concerned with applying all the rules and regulations under that Act to hotels just as stringently as we apply them to picture theatres, etc.

The Hon. Sir Norman Jude: The live theatres will be licensed, of course.

The Hon. R. C. DeGARIS: The live theatres will have to comply with the Places of Public Entertainment Act, but for licensed premises putting on entertainment the court has only to have regard to that Act. This matter should apply to entertainment in hotels. Clause 146, which has already been mentioned by the Hon. Mr. Story, will be dealt with in the Committee stage.

I hope that the Labor Party members in this Council will make some contribution to the second reading debate. I support the second reading but, as I indicated earlier, I am interested in some of the clauses of the Bill and in amendments that are in accordance with the views I have put forward.

The Hon. Sir ARTHUR RYMILL secured the adjournment of the debate.

REAL PROPERTY ACT AMENDMENT (STRATA TITLES) BILL

Adjourned debate on second reading.

(Continued from August 24. Page 1583.)

The Hon. C. M. HILL (Central No. 2): This Bill, which is now popularly known as the Strata Titles Bill, is a measure to which we have been looking forward for some considerable time. I remember that many questions have been asked in this Council from time to time about whether or when the measure would be brought forward, and in general terms it is pleasing to see that at long last we are to have the opportunity in South Australia to issue strata tiles for these occupancies, which have now become known as home units.

In welcoming the Bill I trust that in the future it will be proved that it is practical legislation, but I have some doubts about whether it will be as practical as it ought to be.

The Bill is lengthy and complex. Its main purpose is simply to allow people who wish to purchase home units to borrow money much more easily than they can at present on this form of security. By this I mean that they will be able to borrow greater sums than they can at present, as the lender will be able to have a strata title for security. As mortgage money is involved, the interest rate is a major factor, too.

Some owners are able to borrow on home units at present, but most of the lenders charge high interest rates. Under the Bill, we have the opportunity to bring these securities down within the range of the savings banks and other lending authorities, which lend on what we might call normal house mortgage interest rates. That is a feature that is welcome on this form of security.

From my experience of Adelaide, I do not think there is a strong demand at present for this kind of finance by people who have already sought units, because most of the buyers have been middle-aged or elderly people of some means who, in the main, have been able to provide all the purchase money or the vast majority of it from their own capital.

The average buyer of a home unit today is a person who sells a residence in a suburb

and transfers the proceeds of that sale into the purchase of a home unit elsewhere. These people want to put behind them the worries of maintenance and gardening and, in many instances, the houses are now too large for them, so they dispose of them and seek this other form of new, smaller and much more convenient accommodation.

That is not to say that there is not a number of younger people who would like to purchase home units, but at present they have not been able to do so. This is the sector of our community that will benefit by this legislation.

In many instances these people are newly-married couples, of which the husband is an executive or a professional man and the wife proposes to continue to work in the city for a number of years. Married couples of this kind can find a great benefit in purchasing a home unit, holding it for, say, five or seven years, then either disposing of it or holding it as an investment and going farther out into the suburbs, buying a normal suburban house and raising their family in that second house.

This is the case, for instance, in Melbourne, where many young couples are buying home units and finding it particularly convenient because they are close to the city and thus are able to save on transport costs and time, as both husband and wife work. They begin their married life and they plan it in this way.

Although there are not the same number of married couples in this category in Adelaide as there are in the larger cities, nevertheless there are some, and these people will be able to arrange quite large mortgages at reasonable interest rates on this form of security. At least, I hope they will be able to do so.

I refer to one sentence in the early part of the Minister's second reading explanation, when he said:

Since this Government took office it has devoted a considerable amount of time to working out an inexpensive and practicable scheme whereby persons would be able, with security of title and without infringing the law, to own their own home units.

I cannot let that sentence pass without commenting on it, because it makes certain inferences that I do not think are altogether true. First, the Government says it is bringing down this legislation to provide an inexpensive method of purchase, but I question whether, if one looks closely at the Bill, it will be inexpensive. I seriously question whether it is practicable, because in time it may not prove to be so.

There is also an inference that the present forms of ownership do not provide security of title, but I do not think this is true, as I think the present forms of ownership do provide security of title. It is not the same form of title that will be provided under this legislation; nevertheless, there is a form of title, and in the vast majority of cases it is secure. It then implies that there have been infringements of the law in the present method of holding home units, which I do not think has been the case. It might have been the case in the very early days when the first home units were built, but I submit that at present the vast majority of owners of home untis are not infringing the law in the present method of home-unit ownership.

The Hon. F. J. Potter: It is a bit indefinite, isn't it? It does not say what law.

The Hon. C. M. HILL: No, it does not. I thought I would comment on these points because I think a sentence of that kind ought not to be passed by without some discussion. One advantage of the legislation, I hope, will be that it will assist further building in South Australia. If the younger people to whom I have referred demand home units, the builders in turn will try to build them to fit in with this legislation, so that strata titles will be provided. It will be a very welcome change to have building activity created as a result of this legislation.

Of course, this will ultimately increase the housing density and the density of population close to the city. Most of the people will be those without children, for they are mainly the ones who wish to own home units. Many of these people wish to live close to the city where they are handy to transport and conveniences and other forms of amenities, and I think this will be quite a good feature in our metropolitan development. From the State's point of view, too, this means that services do not have to be extended so far into the outlying areas. More people will be catered for with housing near the heart of the city, and in the long run this can provide a saving to the State.

The change from the present form of ownership to this proposed new form will not be accepted without some question by people who wish to own these home units, for it must not be overlooked that under this strata titles system there will be some loss of presently-existing control by those who own units under what we commonly know as the "company system". Under the company system, some control exists as to who will come in and live in a home unit in a particular block, particularly when resales of units occur. It is usually written into one of the documents making

up the present title to ownership that the consent of the other home-unit people within the particular complex must be given to a purchaser of any one of those units. In this manner, there is some check, and this enables existing unit owners to object to a particular person if they consider on looking at that person's references that some check might be desirable in the interests of the whole. Of course, this check will be lost with the strata system of titles.

I was told in Queensland about two years ago that the trend there was to go back more to the company form of ownership because of this particular point. Experience there had proved that the strata titles system, losing this form of check, had created a good deal of embarrassment and loss in value of units in that State, particularly in Brisbane.

The Hon. L. R. Hart: Because of incompatible tenants?

The Hon. C. M. HILL: Yes. Once the strata title is sold, the problem exists, whereas under the company system there is a form of check and control. That is one reason why I do not think we will have an immediate sweeping change from one form to the other.

The Hon. L. R. Hart: We could have the problem of deterioration through lack of maintenance on certain units, also.

The Hon. C. M. HILL: That could occur, but it would exist only in regard to the renovation of the inside of the units, because the outside maintenance is carried out by the company, and that results from a unanimous decision of all the owners.

The Hon. L. R. Hart: But it could occur under this legislation, couldn't it?

The Hon. C. M. HILL: Exterior maintenance will never present a problem under either system. The point could be made even more strongly when we consider commercial premises. One of the features of this Bill is that it provides, under what it calls "unit-building schemes", that all forms of commercial complexes can be split up into strata titles. For instance, a 10-storey building in the city of Adelaide could be split up so that a strata title would be issued for each floor or even for sections of any one floor. One wonders whether, because of this loss of control, that will ever happen.

If there is some form of unit ownership of this kind in a commercial building under the present system, this control exists, but under the system of strata titles, for example, a business competitor could buy up a portion of the ground floor and the person who owned a title to the third floor could find his business operations adversely affected.

The Hon. R. A Geddes: Could it affect his right-of-way?

The Hon. C. M. HILL: No, because that is common ground. A business competitor buying a unit covering portion of the ground floor and setting up in competition in that way could affect the position. I do not think business enterprises will run that risk, so they will not take kindly to this proposed idea that business establishments will be able to own parts of city buildings under the strata titles system.

The same thing applies to shops in the suburbs. I think we see the point there to an even greater extent, because if each of the shops in a suburban shopping centre is sold on the unit principle the danger exists that a person who has a business in that shopping centre and does not have a competitor there at present can find himself tomorrow with a competitor alongside him. This can happen because the person in the next shop to him can sell his title to that competitor. Therefore, it is a very serious problem when we consider the commercial aspect.

Another reason why I do not think the change will be greatly welcomed is the angle of expense. It will cost quite a deal of money to obtain strata titles. The Director of Planning is permitted under this legislation to charge up to $100 a unit at the time he is asked to give his consent to the strata title application. I appreciate it is a figure of up to only $40 outside the metropolitan planning area but I am dealing mainly with premises within the metropolitan boundary.

There will also be fees payable to the Commissioner of Land Tax, the local council, and the surveyors, because a surveyor has to prepare the strata plan. There will also be solicitors' fees, because solicitors will undoubtedly prepare the necessary documents. Then there will be fees to the Registrar-General of Deeds and the Registrar of Companies. So, overall, it will not be an inexpensive business, and particularly in the case of residential home units the developers will endeavour to pass on that total charge, which will cause them to consider whether indeed the demand will pay for that added cost within their general costing. So, in this kind of legislation the machinery ought to be practical if we expect it to work.

I wonder whether existing groups of home units will change over to this new form of

strata titles, as they can do under this legislation provided the building was erected after 1940. An interesting point here is that all unit owners in a particular block must agree to the changeover. It will not be easy to get all to agree. Some with outstanding mortgages will, no doubt, want to agree because they will then be able to borrow money more cheaply if the changeover is made.

In many present home units maintenance costs and general outgoings are shared equally, but under the new system they will not be. They will be shared under the unit entitlement principle, which means that the person who has the unit of the highest value will pay proportionately more than the person who has a unit of lesser value, which will cause people when considering changing to the strata title system to think seriously before doing so. So I do not think there will be many changeovers of existing buildings to the new system.

Then let us consider the position of the developer erecting home unit buildings and wanting to apply the strata title system: he, too, has his problems under this legislation because it is so complex; particularly, he will have his problems because of the involvement of the Director of Planning in this measure. I find from inquiries that in New South Wales (and this legislation, we were told, was based principally on the New South Wales Act) the person holding the office equivalent to our Director of Planning is not involved in that legislation at all, but it is certainly written into this measure in a big way.

A developer in South Australia will now have to buy his land and plan and complete his building; he will have to finish the erection of his block of home units and then set in motion the machinery for securing strata titles prior to selling them. I fear a long time will elapse between the completion of the building and the time when the units can be put on the market and be represented as being strata-titled units. One can only guess, of course, although my opinion is backed by some experience of these matters. For example, this Bill relates home units to subdivisions in several ways, and I think the whole process of obtaining a subdivision would take about two to four months, in which time the developer would have his building completed and ready for occupation but would not be able to offer it to people under the strata title system.

The question of accruing interest will arise, which is an important item. Other problems of quick turnover and available markets for speculative building when completed will emerge, and there may well be some reluctance on the part of the financiers providing the builder with his mortgage to hand over the title at the Lands Titles Office and wait for that title to change to the several strata titles ultimately to be issued in place of it.

It seems that the financier will simply have to hold his mortgage and, after a period of time, he will get back these various strata titles in place of the title he has handed over in the machinery of changeover. I hope this problem that may arise will not be as bad as I think it will and that the change from the one title held by the builder to the 10 or 20 strata titles will be made as quickly as possible; otherwise, it will affect the commercial activity of the developers.

Of course, there is not a great period of time involved in New South Wales, because there the principal party with whom the developer treats is the local council and, dealing at the local level, the developers can discuss the matter with the council. They seem to get the council's consent fairly quickly, so the time taken is kept to a minimum. I trust, too, that our lending institutions, such as banks and building societies, will be prepared to lend on strata titles in the same way as they lend on normal house titles in the case of applications by newly-married or young people.

We do not yet know the views of the lending institutions about strata titles. We do not know whether the Government, in preparing this Bill, referred the matter to any particular lending institutions to obtain their views or what percentage of the whole value of the security will be lent by them. However, I trust that the banks and all the other lending institutions will treat these securities in the same way and as well as they treat other securities, subject to their normal method of valuation.

I commend the Government for introducing legislation to cover single-storey buildings. I find that in New South Wales this does not apply, and the Real Estate Institute of New South Wales has requested the Government there to make the change. So, apparently, it has been found in New South Wales that it is advantageous for single-storey buildings to be brought under the strata titles system. If this legislation is carried, this machinery will be available here from the start.

I earlier queried the need for the Director of Planning to be included in this legislation. It seems that the subdivision of land is used as an excuse for him to have some say in this matter. It can be said, of course, that a block of land becomes subdivided in another form

when home units are built upon it. Of course, there are various occupancies, and a number of occupancies is brought into being when home units are built, but I cannot see how this can be closely related to land subdivision. It will take considerable time to obtain the Director's consent.

We must also remember the expense, particularly that of the capital tax—and I do not think it can be described in any other way. An applicant for a strata title will have to pay up to $100 in the metropolitan area, and I think it is not unreasonable to say that, with the legislation worded as it is, the tax will finish up at the figure of $100.

Much work will result within the Planning and Development Department, and consequently there will be a further expansion of that department and, in turn, of the Public Service. Here we have another example of over-government and of duplication. The more we can simplify processes of this kind and prevent over-government the better. Not only is the Director included in the legislation but the Planning Appeals Board has a role in it, and I cannot see any need for this, either.

The Hon. S. C. Bevan: If an application is refused shouldn't any appeal be referred to the board?

The Hon. C. M. HILL: I can understand that the Planning Appeals Board is included in this legislation because the Director is included, but what concerns me is that local government ought to be able to do exactly what the Director will do under this legislation. Local government ought to be able to consent to a home unit development within its own area; it ought to be able to give consent, as indeed it can do under the Building Act, and, if there is some form of appeal at that stage, it then goes to the building referees.

I notice that there are to be two appeal authorities here, in effect, and this seems to be duplication. Where will this process stop? Will the next stage be that we shall have regulations under the Planning and Development Act concerning the construction of flats, so that the developer of flats will have to contribute to the Planning and Development Fund a fee of up to $100 a flat? Again, it can extend further to a person who simply wishes to add a flat to the rear of his house; his mother or mother-in-law may wish to live there.

The Director can say, "That is not right, because I would not give consent for a resubdivision to be made on that house site in order for it to be divided into two allotments, so why should two families live on the one block?" We can reach the point where the Director charges up to $100 in this situation, and I repeat that this is a capital tax: it goes into the Planning and Development Fund, and we are told that it will be used for the development and purchase of reserves.

The Hon. R. A. Geddes: If that type of flat was built on to an existing house, would the same restrictions apply, or would it have to be a separate building?

The Hon. C. M. HILL: The example I quoted was only an example of where this process can lead. This process is commenced in this Bill, because the Director has the right to tax a developer up to $100 a unit for the right to obtain a strata title. Whilst I appreciate that this fund needs money, I do not think it should be obtained by this means. There are many other sources by means of which this fund can grow, and these are set out in the Planning and Development Act.

When we consider what kinds of reserve would suit purchasers of home units, another interesting picture emerges. Up to the present the vast majority of purchasers of home units have been elderly people who have wanted to give up the idea of space and open areas; their age group is not that of people who play sport and want park lands and playing fields. One could understand it if people with families were grouped together and some charge was made in order to provide reserves and playing fields in the vicinity.

The main development in home units, of course, is close to the city—all around the city and close to it. If space is wanted within that short radius of the city centre, there are the park lands around the city of Adelaide, which are by no means fully developed at present. However, I do not oppose this clause; indeed, I do not oppose any clause in the Bill, but I do criticize the imposition of this capital tax.

It is written into the Bill that that money will be used for the purchase or development of reserves, but the money must be placed in the fund mentioned in the Planning and Development Act. All kinds of money will be placed in it, such as moneys made available by the Treasurer, moneys derived from the authority on the sale, lease or other disposal of land vested in that authority, moneys under section 52 of the Planning and Development Act received when people pay $100 for each new allotment when a new subdivision is approved, together with moneys raised by loan by the Town Planning Authority, and other money too.

I would like an assurance that the fund will show a dissection of the money so received. That information would probably be available from the Auditor-General's Report because the town planning funds have certain headings covering certain amounts of money, but it seems to me that at present all moneys will be lumped together. However, it appears from the Bill that the money will be used for a specific purpose, and I think one is entitled to ask if that will be shown in the accounts of the fund so that it can be seen that when money is placed there it will be retained for such specific purposes.

The Hon. S. C. Bevan: One would be entitled to assume that this would be so; that this Bill makes provisions for one particular purpose. It can be assumed that this will be done, otherwise nobody would know what the money would be for.

The Hon. C. M. HILL: I accept the Minister's assurance on that point. With regard to over-government, I cannot see why an applicant wanting a strata title should not be able to treat with a council instead of with the two authorities, the council and the Director. Surely the council could refuse or grant an application, check architectural standards of the development, and check whether or not the building complies with the Building Act (that is done with all building applications, anyway). The council has certain discretionary power that could be exercised if the members of that council so wished.

It seems a much simpler procedure, and more acceptable as a process, for an applicant to treat with a local government body in this way. I think it is the full and proper responsibility of local government to see that home-unit development within a particular municipality is in keeping with all the regulations and Acts over which the council has power and control. I think this could be achieved if the matter of appearance, or aesthetics, or some other standards, were not at present covered by local government. It would be better to see that this was taken care of rather than introducing the suggested new authority into the picture at all.

Referring now to the Planning Appeal Committee, I think the building referees need be the only appeal authority. From experience, up to the present time few home-unit developments have been built that could be called unattractive; there have been a few, and I do not deny it, but correction of that problem should rest with the local council. It is a relatively small problem that has occurred in a particular sector, but that is no reason why one must turn to another authority. It simply means more control and power may have to be given to local councils.

In any case, supply and demand usually helps solve such a problem. If a developer builds unattractive home units they do not readily sell and therefore the next time he will not build the same type of dwelling. That is how things are sorted out by private enterprise when subject to the laws of supply and demand.

On the same question concerning the Director, I shall read a further paragraph taken from the Minister's second reading explanation when dealing with clause 223mb, which deals with strata plans. It reads:

Subsection (3) of this section has been inserted with the object of enabling the legislation to apply to single-storey units without defeating the purposes of the Planning and Development Act. The subsection enables regulations to be made prescribing, for instance, a maximum area of garden (or unbuilt on) space to be held as a unit subsidiary that is appurtenant to a unit and a minimum area of such space to be held as common property.

The maximum and minimum areas would probably be prescribed as a proportion of the area occupied by the unit in question or a proportion of the area of the parcel. Without this safeguard it would be possible for any landowner who cannot get his land subdivided under a plan of subdivision or plan of resubdivision to resort to a physical division of his land into home units to which sections 44 and 59 of the Planning and Development Act at present would not apply. If proper controls were not imposed on home-unit schemes, it would be possible for unscrupulous home-unit promoters to take advantage of this situation to create a type of home unit which could well become a slum of the future. The Government accordingly intends to amend that Act to exempt from the application of those sections only existing home-unit schemes and future schemes which conform to standards to be prescribed under this Bill.

I appreciate the concern of the Director of Planning that there are or may be some unscrupulous home-unit promoters—unscrupulous people exist in every field of business. But what about all the developers who are not unscrupulous and who are going to be dragged into this net by an amendment to another Bill, notice of which is given here? Again, up to $100 a unit tax will undoubtedly be imposed, and again the developer who does not want to be concerned with strata titles will have to place his application with the Director of Planning.

Again, the time aspect and all the problems of paper work will arise. I take the simple example of a person who builds three home units on a corner block of land. We know

that the owner of that land could not obtain a resubdivision of that site into three separate allotments. It would be just a building block of ordinary size, but we also know that three home units could be placed on the site. Is there anything wrong in this? Must this person be grouped with the unscrupulous promoter group? Why should this person be forced to make special application when he obtains the council's consent? He goes through all the present machinery that a builder goes through. He obtains his consent, and in a reputable way builds three splendid home units, and there are three willing and anxious buyers to buy them under the present system.

We see the stage of control and the process of greater complexity evolving. It started with the Planning and Development Bill; it has been drawn up through this Bill; and we have been given notice in the Minister's explanation that in the very near future it will go further.

We have been told more than once in this Council that the Director of Planning or the Authority will never usurp the powers of local government. It might be argued here that he has not, but he is certainly running parallel to it and causing twice the amount of work that a developer or builder would undertake at present to get his promotion through the planning stage. However, the proof of the pudding will be in the eating in regard to this legislation.

I consider that it is the responsibility of the Government to see that the Bill will work in practice. To change it radically and make it much more straightforward would mean starting all over again. The best method at present is to support it and see whether it will work in practice.

There has been considerable criticism of the Bill by people who have made a close study of it in the last week or two. A solicitor has written to me commenting on its complexity and saying that it is extremely verbose in its wording. Another solicitor has said, "All we wanted was a Holden but we have been given a Rolls Royce." I think that expression has much meaning.

The Hon. D. H. L. Banfield: It could have been the other way around.

The Hon. C. M. HILL: It could have been the other way around. What we basically wanted in metropolitan Adelaide was simple legislation, principally to cover the small existing development being erected at present. We wanted to help the people who build, say, four or five units on a block of land and the buyers of those units, but the Bill primarily concerns itself with large developments. It will be ideal legislation when we see going up in Adelaide high-rise developments of home units, but we have not reached that stage yet.

The Hon. F. J. Potter: I do not think we want to see this everywhere.

The Hon. C. M. HILL: No. We are dealing here only with home units, not with flats. The definition of "common property" in new section 223m (1) of Part XIXB is as follows:

> "Common property" means so much of the land for the time being comprised in a deposited strata plan as is not within a unit defined therein.

I seek the Minister's assurance that the words "so much of the land" includes what I term upstairs passageways or stairways and, perhaps, the roof structure and the roof covering of home units.

I appreciate that the legal definition of land is that it means the land and everything that is under and over it but, as far as some upstairs passageways are concerned, there will be strata titles between those passageways and the ground surface. It has been put to me that this may raise considerable difficulty later.

The Hon. C. D. Rowe: What you are saying is that the title must give a means of access and egress.

The Hon. C. M. HILL: No. I want to be assured that the definition of "common property" includes such things as stairways and passageways above the ground, and the roof structure and roof covering, because later in the Bill the top boundary of the topmost unit in a block is stated to be a line midway between the upper and lower surfaces of that unit's ceiling. This means, therefore, that the roof structure above it (and this might well be used to house the hot water services, etc.) and the roof covering come within the maintenance of the corporation that manages the property, so I believe that the roof is intended to be common property. However, I think it ought to be written into the Bill.

The Hon. S. C. Bevan: It might be considered to be no man's land.

The Hon. C. M. HILL: It might, but there cannot be any no man's land. It must be common ground, because it must be maintained by the corporation. The point is further made in new section 223m (2) (*b*) which states:

> the common boundary of a unit and common property immediately above it lies midway between the lower and upper surfaces of the ceiling of that unit;

That was the point I wished to mention concerning the problem of who owns the roof of these multi-storey home unit developments.

In new section 223mc (4) (*a*) the point is covered. All existing owners of home units must sign the application to seek strata titles. That cannot be done by an absolute majority of unit owners. This is an aspect on which many people who own home units have spoken to me. I think it is a very wise check to be written into the legislation, and one with which I agree.

New section 223md (4) deals with the certificate on behalf of the council and the Director. This certificate is the one which both authorities must issue and which must accompany the application to the Registrar-General for the issue of strata titles. I shall read this, because it strengthens my point that there is much power and control and quite a degree of the unknown in this legislation in connection with the Director of Planning. This new subsection provides:

The Director may refuse an application referred to in subsection (2) of this section if the strata plan or the building unit scheme laid out therein would contravene or be inconsistent with any provision of the Planning and Development Act, 1966-1967, or any regulation thereunder, or would be inconsistent with any authorized development plan within the meaning of that Act.

We do not yet know what those regulations are. New subsection (5) provides:

Without limiting the effect of subsection (3) or subsection (4) of this section—

(*a*) the council or the Director may refuse an application referred to in subsection (1) or subsection (2) of this section—

(i) if the application or any annexure thereto or any document accompanying it does not comply with the appropriate provisions of this Part; or

(ii) on any further grounds which may be prescribed.

That last sentence, of course, is very wide indeed, for we do not know what regulations the Director is going to prescribe. It means that he will have the right to hold up an application for a strata title. I repeat that in my view all the control he is going to exercise under this Bill could be exercised by the local council.

In subsection (6) of this proposed new section the same point is made regarding the contribution of $100 a unit to the fund. I have already discussed that question. Also, in the last line of that subsection we see the provision that the money shall be used by the State Planning Authority for the acquisition or development of reserves.

In subsection (3) of new section 223mf the position arises that an assessment is to be made for rating purposes. This assessment is to be made either by the Commissioner of Land Tax or by some other authority. That subsection provides:

The schedule to every strata plan must be endorsed by or on behalf of the Commissioner of Land Tax or, if the Governor appoints (as he is hereby empowered to do) some other person for the purposes of this subsection in lieu of the Commissioner of Land Tax, by or on behalf of such other person to the effect that the unit entitlement of each unit as set out therein is approved by him.

I would have thought that the first authority the strata plan ought to be given to is the authority that rates on the improved land basis. I consider that that authority ought to be the Engineering and Water Supply Department, because an assessment must be made for rating purposes and that assessment is always made by that authority when we are dealing with improved property. The fixation of the value of each unit on an improved basis must be made under this Bill before the unit entitlement attached to each particular strata title can be fixed.

I think one of the good features of this Bill is that each unit holder will be paying his contributions towards the maintenance and management of the property in proportion to the value of his unit; it will not be on an equal basis with other units irrespective of value, as it is in many cases at the present time.

The Hon. G. J. Gilfillan: Is it the assessed value or the market value?

The Hon. C. M. HILL: Of course, it has to be fixed at somewhere near the market value. However, it is usually a rather conservative figure. After that fixation has been made, the unit entitlement has to be assessed. The unit entitlement has to be attached to the schedule that goes in with the application for the issue of a strata title, and that has to be approved by the Commissioner of Land Tax. The right is given here for this matter to be referred to the other authority, and I think in practice this must happen. It will then have to come back to the Commissioner of Land Tax, because he will have to apportion the land tax over the unimproved value of the site, proportionately to unit entitlement, to each particular unit holder.

Therefore, another change is going to be that, whereas under the present system one

account for land tax is issued by the Commissioner of Land Tax and is usually paid for by the present company or by the present method in which all unit holders contribute to the payment of one land tax amount, under the strata titles system each strata title owner will receive his own assessment for land tax. I think the steps in the making of assessments as set out in this section are wrong: I think the matter should go first to the authority that fixes improved value, and that it should then be referred by that authority to the Commissioner of Land Tax.

The Hon. G. J. Gilfillan: Would the assessment take internal fixtures into account?

The Hon. C. M. HILL: The improved value assessment will no doubt be based in the first instance on the plans. Periodically, as reassessment is made, the valuers will have the right to enter, just as they have under the system that applies now.

The next new section I want to deal with is 223ne. This section provides for the appointment of a committee of a corporation, which is the management body, to conduct the affairs of the corporation. This is a considerable change from the method of management and control that exists at present. It has been found in practice that all the unit holders want to have a say in the management of the property; for instance, they want a say in how the exterior painting should be carried out and what colours should be used, and in what payment should be made for garden maintenance, lawn cutting, and so forth. At present every unit holder seems to want to play some part in the management of these units. In fact, this almost becomes a human problem, for it is that person's unit; he owns part of the whole property and he wants to take some part in the maintenance of the exterior of the property and of the garden.

Under this Bill, that state of affairs will not necessarily apply, because once the development of more than seven units exists under a strata plan the committee of the corporation cannot be more than seven members. Several people have mentioned that this is a rather unfortunate change. Perhaps it is a more businesslike change, and there again perhaps it would be an excellent change if we were considering these large high-rise multi-storey blocks of home units that we are envisaging. However, if we want to be practical about this legislation, it seems unfortunate that existing or new owners who hold titles under the strata titles system may not have a direct say on that point.

The last new subsection I want to deal with is 223ng. Subsection (3) introduces a great change in principle into real property practice in South Australia. Here we have a right being given to a mortgagee when default has not been made in any way at all by the mortgagor or borrower. First, there is the right of the mortgagee to indicate to the corporation that he is indeed a mortgagee but, more importantly, he and not the mortgagor has the right to vote at a meeting of the corporation. Confidence has always been involved, in that people who have borrowed have been able, to some degree, to keep their transactions confidential.

I know that titles can be searched and this is vital to the public but, nevertheless, when people live closely together as they do in home units, those who borrow money do not want it known publicly among their immediate neighbours and the other unit holders that they have a mortgage on their unit. Here, we are breaking that confidence.

I do not mind it being broken if there is any default by the borrowers, but we are breaking that confidence even though all the payments of the borrowers are maintained, and we are giving the mortgagee the right to come to the meetings of the corporation and vote instead of the unit owner—indeed, instead of the registered proprietor.

I have made some inquiries about the reason for this, because it seems to be a change in our practice; I find that the financiers in New South Wales apparently insisted that it be written into their legislation, and we have simply copied that part of their Act. It is a great pity that it is included in this Bill, because I see no need for a change in principle of this magnitude.

Finally, although I have expressed some grave doubts about how the Bill will work in practice, I hope it will work, that it will engender more building activity, that people wishing to borrow on the security of their new strata titles will be able to, and that more buyers will come into this field, because home units do provide a service for particular types of people. If my fears prove unfounded and in practice this does work out satisfactorily, it will be a step in the right direction for South Australia.

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

INSTITUTE OF TECHNOLOGY ACT AMENDMENT BILL

Second reading.

The Hon. A. F. KNEEBONE (Minister of Labour and Industry): I move:

That this Bill be now read a second time.

Its object is to increase the membership of the Council of the Institute of Technology from 15 to 19. Of the four additional members, one is to be the Director of the institute who is to be a member *ex officio*, two are to be appointed on the nomination of the academic staff of the institute and one will be an officer of the Education Department nominated by the Minister. The Bill is introduced following discussions with the Director and the Staff Association. Clause 4 of the Bill defines "academic staff of the institute" as including heads of divisions, heads of schools, heads of departments, senior lecturers and lecturers. Clause 5 provides for the enlargement of the council by the addition of the Director and the three new members to whom I have referred. The Director will not be subject to retirement. Existing members will continue in office for the balance of their terms, while, of the new members first appointed under the Bill, one of the nominees of the academic staff will be appointed for one year and the other for two years; the Education Department representative will be appointed for three years. This will mean that six members in all of the council will retire every three years. In the case of the nominees of the academic staff, reappointment can be made for only one successive term; this will make for a certain flexibility.

I take the opportunity to refer to the excellent service given by the members of the Institute of Technology and, before that, the members of the governing body of the School of Mines. They have, indeed, rendered excellent service. Important and far-reaching developments are taking place in technological education and this Bill is to some extent a natural consequence of these developments. The Staff Association emphasizes that representation of staff members on the council of the institute would enable them to play a more active part in the development of the institute, an aim common to both staff and councils. I believe there is a wealth of experience and expert knowledge among the academic staff that will make a valuable contribution to the formulation of policy and its implementation. When considering how tertiary academic institutions should be governed, it is important to remember that strong academic representation from within is an integral feature of all universities and most other tertiary institutions in Australia and overseas. The growing importance of advanced colleges of education has been frequently emphasized since the publication of the Martin Report, which dealt so extensively with the subject. It has been said on numerous occasions that our advanced colleges of education in this new phase of development have achieved a status similar to that of our universities. In fact, those diploma courses which will replace some degree courses at present conducted at the South Australian Institute of Technology will be of identical high standard.

It is intended that the staff representatives shall be elected by all members of the academic staff; the election will not be restricted to members of the Staff Association. It will be conducted by the Administrative Registrar. The council of the institute has considered this question and has agreed to the proposal that the Director and two members of the academic staff should be appointed to the council. It took into account the comments of the Commonwealth Committee on Advanced Education regarding staff participation in the government of such tertiary institutions as the Institute of Technology. Clause 2.26 is as follows:

> Whatever the form of government of such a college it should provide adequate procedures for the voice of the community and the voice of the staff to be heard on major policy matters. In our view it is essential to a balanced policy that it should take into account the needs and views of those responsible for its implementation in teaching and administering the departments of the institution, as well as those who are concerned with the graduates of the college.

The appointments of the Director and an officer of the Education Department as members of the council are also desirable because of the new developments of the institute. It is expected that some of the lower-certificate work at present being carried out by the institute will eventually be handed over to the Education Department. Also, there will need to be an even closer liaison between the institute and the Education Department in the future. The preparation of our secondary students who will be going to the institute will be a matter of increasing importance.

The Hon. JESSIE COOPER secured the adjournment of the debate.

ELECTRICAL ARTICLES AND MATERIALS ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from August 29. Page 1633.)

The Hon. H. K. KEMP (Southern): I support the Bill; its purpose is to bring the principal Act up to date and to substitute the Electricity Trust of South Australia for the committee that had certain powers under the old legislation. This Bill is undoubtedly necessary. Its whole purpose is to ensure that the standard of new electrical materials offered for sale conforms with standards that are to be fixed and enforced by the trust.

However, the wording of the legislation is such that it controls sales of electrical goods of all kinds: there is no exclusion. Consequently, unless a specific exclusion is made, difficulties could be caused in respect of sales of secondhand equipment that is in thoroughly good order but which is not stamped as required by the legislation.

It would be wrong if such equipment could not be included in a clearance sale, for instance, unless an officer of the trust or a competent electrician had first certified that the goods were up to standard. I do not think we would wish this situation to occur. So, I think that materials that have been in use and are sold other than through trade channels should be excluded.

I agree that it is necessary to protect people who do not know what they are doing when they buy an old piece of equipment that might appear on the surface to be in working order but, when it is connected to the electric current, might blow every fuse in the house and be very dangerous. However, I believe that this desirable aim of protecting people should not involve certification of secondhand equipment. I think that the situation could be covered by a simple exclusion clause, and I should like the Minister to consider this idea, although I do not insist upon it.

The Hon. S. C. Bevan: Perhaps you could have a proviso to the clause.

The Hon. H. K. KEMP: I do not think it should be necessary for anybody conducting a clearance sale that includes secondhand electrical equipment to call a trust officer to certify that the equipment is fit for sale. I think that that would be going too far. There is a very wise provision in this legislation that, where equipment has been certified as fit for use by an interstate or other authority, it is normally acceptable in South Australia, but the trust is given power to refuse to certify equipment that does not conform to this State's standards. The system that everything acceptable in another State will be accepted here should not be an automatic procedure. I think the standards of safety and efficiency in electrical equipment are very satisfactory, and it is quite right that articles from other States should have to conform to our high standards.

I am worried that much personal equipment, such as electric shavers and hair cutters, which are used in houses and hairdressers' shops every day, usually has no provision for earthing. Consequently many people may be taking a risk that they are not aware of. In nearly all electrical equipment, good earthing provides safety, and in this connection I point out that every shaver and haircutter I have seen has only a two-point connection, with no earthing at all.

The Hon. C. D. Rowe: Isn't there supposed to be some inbuilt feature that protects the user?

The Hon. H. K. KEMP: There is certainly no earthing. I support the Bill.

The Hon. A. F. KNEEBONE (Minister of Labour and Industry): I thank honourable members for their expeditious handling of this Bill. I think that generally honourable members support the Bill. The only query I recall was in regard to the sale of secondhand electrical goods.

The Hon. H. K. Kemp: What about electric shavers?

The Hon. A. F. KNEEBONE: These are no different from other electrical appliances: they have to be approved electrical appliances, and if they are approved and marked this indicates that they are all right. Regarding the query about the sale of secondhand electrical goods, if people try to sell secondhand goods that do not conform with the provisions of the Bill they will be prohibited from doing so. The Bill is designed to ensure safety. I consider that that is the answer to the query raised on this aspect. If articles became obsolete or if they were considered to be not in accordance with the standard set out, they would not be stamped, so their sale would be prohibited.

Bill read a second time.

In Committee.

Clauses 1 to 5 passed.

Clause 6—"Registration of sales and hiring of electrical articles and materials."

The Hon. L. R. HART: I presume that once an article has been approved the approval stands for that article even though it may be let out or hired on subsequent occasions. A person may wish to hire an electric drill which in the first instance had been approved by the

appropriate body. This would be a re-hiring. A farmer at a clearing sale may offer for sale certain electrical appliances which he had used over the years and which originally had been approved. When those items are resold at auction, is it necessary that they be re-approved, or does the original approval still stand?

The Hon. A. F. KNEEBONE (Minister of Labour and Industry): I thought I answered this question in replying on the second reading. Once an article has a mark on it, it is acceptable unless for any substantial reason the mark has to be cancelled. It is the approval of the article when it comes on the market that is important.

The Hon. G. J. GILFILLAN: Do the words "letting on hire" apply to electrical goods such as refrigerators, vacuum cleaners, television sets or anything else that may be in a furnished house for rental?

The Hon. A. F. KNEEBONE: I should think those words apply to any electrical appliance that has to receive the approval and be marked. Any electrical appliance can be dangerous because it uses electricity, and that is why it has to be approved. Any electrical appliance let on hire must have had this mark on it in the first instance.

Clause passed.

Clause 7—"Prohibition of sale hire or use of unsafe or dangerous articles or materials."

The Hon. Sir NORMAN JUDE: Does this clause mean that if the trust has some doubt about an article that has possibly been on sale for some years and has become obsolete in type, it would be able to issue a notice that would be a complete bar to the resale of the article?

The Hon. A. F. KNEEBONE: I understand that that is so. Some time ago some electrical goods that were imported from another country operated on a voltage lower than the voltage used in this State. At first those goods seemed to be all right, but after a while when the extra voltage had been put through them they became dangerous because they broke down under that voltage. These became dangerous electrical articles after they were accepted. I think the clause is enacted so that such goods can be declared unsafe.

Clause passed.

Clause 8 and title passed.

Bill reported without amendment. Committee's report adopted.

ROAD TRAFFIC ACT AMENDMENT BILL (No. 2)

Adjourned debate on second reading.

(Continued from August 29. Page 1645.)

The Hon. R. A. GEDDES (Northern): It is ironical that the welfare State which the Government believes needs 10 p.m. closing and so many other so-called social attributes should now have to bring in the first curb to prevent people from abusing the privileges of 10 p.m. closing by introducing this amendment to the Road Traffic Act that will, in effect, curb the driver of a motor vehicle who drinks to excess or who has an excess of alcohol in his system when driving. Not only is there a need to curb the driver of a motor vehicle but there is also an urgent need for other factors of road safety, and the Bill has been introduced to deal with this one aspect. However, other matters affect road safety, such as the unnecessary speed modern motor vehicles are designed to do, the faulty construction of roads, and the fact that construction is not in keeping with the speed the engines will allow cars to do.

Also, many drivers today lack correct co-ordination between the speed of the vehicles and the condition of the road, and do not understand when to use the brakes and many other things. So, although all Governments consistently try to control death and accidents on the road, many other things must be looked at to make road safety a reality. The Licensing Bill is designed to give an amazing financial gain to the leading manufacturers of alcohol, and I predict that the measure I am now discussing will be one of the first of many controls that will have to be brought in to curb the irresponsible driver who has a tiger in his tank.

There is an ignorance about how this breathalyser works or how it is going to work; how much a driver of a motor vehicle can safely drink and still legally drive is a complete mystery not only to the people who are legislating the Bill but to those who will suffer from it. Yesterday the Hon. Mr. Springett told us an excellent story of the problems as he sees them—one might say a medical opinion or a doctor's diary—but he pointed out how irregular the breathalyser could be in relation to the irregularities of man himself. He also pointed out that the size of a man, how much fat he had, the time it has taken him to consume his alcohol, his health and many other facets all contribute to make the breathalyser unreliable within

itself. So the man in the street will not understand how this machine is going to work until he has actually had an examination by the police authorities, and then it will be up to the breathalyser to tell him whether his blood has 0.08 per cent alcohol.

The Hon. S. C. Bevan: He would not show that percentage if he had not had a drink.

The Hon. R. A. GEDDES: That is a debatable point. The Hon. Mr. Springett told us yesterday that there were several facets to this problem. Man has a right to drive and to drink.

The Hon. D. H. L. Banfield: Not at the same time.

The Hon. R. A. GEDDES: How is he to know when he has taken too much alcohol into his system, because he can drink a considerable amount of alcohol over an extended period and produce one set of results, yet he can consume alcohol over a short period and produce another set of results. I have been told that the answer is never the same twice.

The Hon. S. C. Bevan: We must have civilized drinking.

The Hon. R. A. GEDDES: Of course, and there is a curb so that the person who abuses his privileges is liable to be caught. That, in a nutshell, is the whole principle of the Bill. There are still some problems in the Bill, which provides that a person shall not attempt to put a motor vehicle in motion if the concentration of alcohol exceeds 0.08 grammes in 100 millilitres of blood. I pose the hypothetical case of a person who is seen by the police leaving a hotel and, even though he may appear to walk quite normally, steadily and correctly, once he sits behind the wheel of his car and possibly puts the key in the ignition switch the police can say, "Right, this is a case where you have to come and have a breathalyser test".

The Hon. G. J. Gilfillan: But he can have a much higher concentration as a pedestrian and not be apprehended.

The Hon. R. A. GEDDES: That is so. However, a man comes out of a hotel thinking he has not had too much to drink—say, four or five beers, which he will not have consumed in a hurry because, once 10 p.m. closing comes into operation, he will not have to gulp it down as he does in the "6 o'clock swill"—but, if in the considered opinion of the police he is suspect, there is nothing he can do about it. He does not know whether he has exceeded the .08 blood alcohol content nor does the policeman, but the police will hold the whip hand because, once they get this man to a breathalyser test, the result will become known; it may be unfavourable to the man who thought, in all innocence, he was within the safety limits. One can take this even further: will there be an assurance from the Chief Secretary that at no time will the police have a campaign to check motorists on the streets near hotels to see whether or not they have too high an alcohol content in their systems? Finally, I quote from new section 47g(1):

> . . . the concentration of alcohol so indicated shall . . . be evidence of the concentration of alcohol present in the blood of that person at the time that the breath of that person is analysed by the instrument and during the period of two hours before the analysis.

Subject to a reasonable explanation from the Chief Secretary, there is an undue onus of proof involved here, the breathalyser indicating to the authorities, who in turn will indicate to the court, that "Two hours prior to the test being taken this man, who was driving a vehicle, had too much alcohol in his blood." It would be fair if, when the results of the test taken were submitted in evidence in court, what had happened two hours previously was not taken into consideration. With this one exception, I support the second reading.

The Hon. L. R. HART secured the adjournment of the debate.

LAND TAX ACT AMENDMENT BILL

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

STATE GOVERNMENT INSURANCE COMMISSION BILL

The House of Assembly intimated that it had agreed to the Legislative Council's suggested amendments Nos. 1 and 3 and disagreed to amendments Nos. 1 to 12 and suggested amendment No. 2.

Schedule of the amendments made by the Legislative Council to which the House of Assembly has disagreed:

No. 1. In the Title—After the word "on" insert "certain classes of" and leave out the word "General".

No. 2. Page 1, lines 12 to 14 (clause 2)—Leave out definition of "insurance".

No. 3. Page 5, line 4 (clause 12)—Leave out "general".

No. 4. Page 5, line 5 (clause 12)—After "insurance" insert "in respect of motor vehicles within the meaning of the Motor Vehicles Act, 1959-1967, and employers' liability".

No. 5. Page 5, line 6 (clause 12)—Before "insurance" insert "such".

No. 6. Page 5, line 8 (clause 12)—Before "insurance" insert "such".

No. 7. Page 5, line 9 (clause 12)—Leave out whole line.

No. 8. Page 5, line 10 (clause 12)—Leave out "general".

No. 9. Page 5, lines 11 and 12 (clause 12)—Leave out ", or any class or form of insurance,".

No. 10. Page 5, lines 38-41 (clause 12)—Leave out "may, with the approval of the Minister and the consent of the Minister controlling any department of the Public Service of the State, and on such terms as may be mutually agreed upon", and insert "shall not".

No. 11. Page 5, line 42 (clause 12)—Leave out "that" and insert "any".

No. 12. Page 5, line 42 (clause 12)—After "department", insert "of the Public Service or of any instrumentality of the State".

Schedule of the amendment suggested by the Legislative Council to which the House of Assembly has disagreed:

No. 2. Page 7 (clause 17)—After line 24 insert new subclause as follows:

(1a) The commission shall from time to time as the Auditor-General shall determine but not less frequently than once in each financial year pay to the Treasurer such sums as the Auditor-General certifies -

(*a*) would be payable by the commission if the commission in respect of its insurance business were liable as an insurance company for the payment of charges, fees and other disbursements payable under any State or Commonwealth Act to any State or Commonwealth department or instrumentality and rates and taxes payable under any State or Commonwealth Act to any local government authority; and

(*b*) would be payable by any other person engaged in the business of insurance to a vendor of goods for sales tax.

Consideration in Committee.

The Hon. A. J. SHARD (Chief Secretary) moved:

That the Committee do not insist on its amendments Nos. 1 to 12 and suggested amendment No. 2.

The Hon. R. C. DeGARIS (Leader of the Opposition): I seek some advice on this matter. I am prepared to agree to the suggestion that we do not insist on our suggested amendment No. 2. At this stage I think it might be better if the amendments were separated, so that the Committee could deal with them as such, instead of handling them all together.

The CHAIRMAN: We will deal with them separately.

The Hon. A. J. SHARD: I take it, from what the Hon. Mr. DeGaris has said, that suggested amendment No. 2 will not be insisted upon, and that all the others will be considered together. In order to assist the Committee I will withdraw my previous motion and now move:

That the Committee do not insist on its amendments Nos. 1 to 12.

The Hon. R. C. DeGARIS: I oppose the motion. Like the Chief Secretary, I do not wish to go into the whole matter again, as it has been fully dealt with in debate.

The CHAIRMAN: I shall put the question in the positive form, namely, that the Committee insist on its amendments Nos. 1 to 12.

Motion carried.

The Hon. A. J. SHARD: I think it is necessary for me to move that the Committee do not insist on the suggested amendment No. 2. I move:

That the Committee do not insist on amendment No. 2.

The CHAIRMAN: I put it in the positive form, namely, that the Committee insist on its suggested amendment.

Motion negatived.

Later, the House of Assembly requested a conference, at which it would be represented by five managers, on the Legislative Council's amendments to which it had disagreed.

The Legislative Council granted a conference, to be held in the Legislative Council conference room at 8.15 p.m., at which it would be represented by the Hons. S. C. Bevan, R. C. DeGaris, G. J. Gilfillan, C. D. Rowe and A. J. Shard.

At 8.9 p.m. the managers proceeded to the conference, the sitting of the Council being suspended. They returned at 9.53 p.m.

The Hon. A. J. SHARD (Chief Secretary): I have to report that the managers have been to the conference on the State Government Insurance Commission Bill, which was managed on behalf of the House of Assembly by the Premier and Messrs. Burdon, Hall, Hudson and Millhouse, and they there received from the managers on behalf of the House of Assembly the Bill and the following resolution adopted by that House:

That the disagreement to the Legislative Council's amendments be insisted on.

Thereupon the managers for the two Houses conferred together. The conference was conducted in a friendly manner, and the managers for each Chamber put forward the views of those Chambers, but no agreement was reached.

The PRESIDENT: As no recommendation has been made by the conference, under Standing Order No. 338 the Council must resolve either not to further insist on its requirements or to lay the Bill aside.

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

That this Council do not further insist on its amendments.

I do not want to labour this question because, as I said earlier today, I do not think any words I could use could influence this Council's decision. I want to say as kindly as I can that although this Council has a right to disagree with Government policy it must also accept the responsibility for doing so. I believe that the Government has a mandate to do exactly what it proposes to do, and if this Council chooses to disagree with it—and I am not denying its right to do so—it must do it with its eyes open, knowing that if it insists on its amendments and does not pass the Bill as it was introduced it must take the responsibility.

The Hon. R. C. DeGARIS (Leader of the Opposition): I oppose the motion. I agree that the conference was held in a harmonious atmosphere; the views of both Houses were put by the respective managers but unfortunately no compromise could be reached. The managers of this Council upheld the Council's views on this matter. In the Bill as amended by this Council the Government was given full authority to enter the fields of motor vehicle and workmen's compensation insurance; this is exactly the same position as that which exists in Victoria at present.

Also, all other States that have established Government Insurance Commissions have begun by operating in a certain field, and it is obvious that the Government here must set up the proposed Government Insurance Commission step by step. After it was amended in this Council, the Bill still gave the Government the right to operate in the two fields in respect of which complaints had been received—motor vehicles and workmen's compensation insurance. No compromise could be reached at the conference, and I see no reason why this Council should alter its decision.

I realize that if the Council insists on its amendments the Bill will be laid aside. In point of fact the House of Assembly is rejecting the proposal to proceed in the two fields I have named unless the Government is given access to other forms of insurance business. Thus, the responsibility for not establishing a State Insurance Office in the fields of motor vehicle and workmen's compensation insurance rests with the House of Assembly. I think the offer that was made in the legislation as passed by this Council for the Commission to be set up and to operate in a limited field, which can be expanded later, was reasonable; therefore, I see no reason why I should support the Chief Secretary's motion.

The Hon. D. H. L. BANFIELD (Central No. 1): I support the motion because, as the Chief Secretary has pointed out, this Council has a responsibility. This Council thought it desirable that there should be a commission, but it put restrictions on it. It is interesting to note what would be the effects of the restrictions. The Government cannot be said to be at fault in not accepting these restrictions because, on the figures given during the debate, which were supposed to be authentic, the break-even point was at a level where the ratio of claims to premiums was 65 per cent, which meant that there was a 35 per cent overhead that had to be carried. We were later told that this ratio in respect of compulsory third party insurance was 94.12 per cent; if we add the overhead of 35 per cent to this figure, we arrive at a loss of 29 per cent.

The Hon. R. C. DeGaris: Is this why the Government has for years been farming out its third party insurance?

The Hon. D. H. L. BANFIELD: The Government has not yet been able to conduct a State Insurance Office and it has attempted to relieve outside bodies of that responsibility, provided it is given room to manoeuvre. These figures were given by the Opposition; we have been told that the Government mismanages its finances, yet when it attempts to undertake a business operation, the Opposition restricts it to motor vehicles and workmen's compensation insurance. The Opposition told the Government that the ratio of claims to premiums in respect of third party insurance was 94.12 per cent, and for workmen's compensation insurance it was 74.82 per cent; if we add the 35 per cent indicated by the break-even point we find that neither of these fields would be a paying proposition. This compares most unfavourably with percentage profits in insurance fields that the Government has been refused permission to enter.

In 1964 in South Australia the ratios of claims to premiums were as follows: for fire insurance, 32 per cent, and if we add the overhead of 35 per cent, it gives a profit of 33 per cent; for householders' insurance, 29 per cent, and if we add the overhead of 35 per cent, it gives a profit of 36 per cent; for marine

insurance, 45 per cent, and if we add the overhead of 35 per cent, it gives a profit of 20 per cent; for public risk insurance, 42 per cent, and if we add the overhead of 35 per cent, it gives a profit of 23 per cent; and for burglary insurance, 53 per cent, and if we add the overhead of 35 per cent, it gives a profit of 12 per cent. The average profit on these five items is 24 per cent. This compares with an average loss of 15 per cent in respect of the fields to which the Opposition has attempted to restrict the Government, and it is trying to say that it is the Government's fault, because it will not accept the amendments insisted on!

For the last two years we have been hearing the Opposition's statements regarding this Government's handling of its finances, and we find the Opposition committing the Government to a 15 per cent loss on every policy written—and then it says the responsibility is the Government's. Much criticism has been levelled at this Council in the past, and I am afraid that its rejection of this Bill will bring about more justified criticism of it. This Council's amendment would mean that every insurance policy written by a Government Insurance Commission under this set-up would be subsidized to the extent of 15 per cent. I think it is most unreasonable of the Council to insist on that set-up, and I hope that the motion is carried.

The Hon. C. D. ROWE (Midland): I agree that the conference was conducted in a happy atmosphere and that the pros and cons of the proposal were discussed at considerable length, but it was not possible for us to reach a compromise. I regret that that is the position, because this is a procedure which is set down in Standing Orders and which has stood the test of time, and in the majority of instances a compromise has been achieved. That has been the history of this Chamber through its long period of existence and, in particular, in the last two years. My firm view is that, had wiser counsels prevailed, a compromise satisfactory to everybody concerned could have been reached in this instance.

The alternative proposal made by the Council to the Assembly was that the Government should be permitted to engage in motor vehicle insurance, both comprehensive and third party, and workmen's compensation insurance. I think the basis of the proposal was that it was considered that these were cases in which there was the most criticism.

We were influenced in coming to that decision by the fact that the Victorian Government Insurance Office, which has operated profitably, is limited to those two spheres, and as far as I know the last balance sheet which is available to us with regard to that office and which, I think, covers 1965-66 shows that that office made a profit in its operations in that year. My own view is that if the Government had accepted the amendment moved by the Council and had established an office operating in those spheres, it would have shown a profit if it were run satisfactorily and effectively.

My reason for making that statement is that not only is that the experience in Victoria but it is also supported by the fact that the Government would have had immediately available to it the possibility of insuring motor vehicle owners in a specialist class. The Government owns a large volume of motor vehicles of its own. They are maintained in very good mechanical order and are driven by responsible people who are experienced in handling vehicles; many of them are competent and effective drivers whose occupation is that of driving.

The very large volume of vehicles owned by the Government or its instrumentalities or by semi-governmental bodies (for example, the Electricity Trust and the Abattoirs Board) are maintained above the average standard. They are maintained and driven by people who are above the average standard, so one would expect that the percentage of claims for both comprehensive and third party insurance on these vehicles would be considerably less than would be made by the rank and file members of the community. So, if the Government had accepted our proposal, it could have started operations on a very much better basis than any company could have started in these two spheres, because it would have had the chance of picking the nature of the risks that it would undertake.

It also has advantages in other directions. Although the Bill as presented to us contained a provision that the Government was to compete on an equal basis with private insurance companies, by its very size and the services that it has at its disposal (the offices and officers that it has throughout the State) the Government would be able to collect premiums and to manage its affairs on a very much cheaper basis than the ordinary private company that has to send travellers into the area and pay their expenses would be able to do. So I do not go along with the argument that, if the Government had started off in these particular spheres. it would necessarily have made a loss.

The Hon. D. H. L. Banfield: Your Leader gave the figures. What about them?

The Hon. C. D. ROWE: In all the circumstances, I think that the proposal made by the Council was fair and reasonable. The Government said that it wanted to start off in a small way and that it would have had to do that in the nature of things; that is common sense. I presume that, if it had wanted to start in a small way, the logical thing to do was to start in the areas where there was most dissatisfaction. I cannot see the reason for establishing a Government Insurance Office except to cure some alleged inefficiency of the existing insurance companies.

I know that there are criticisms with regard to the treatment that people receive with comprehensive, third party and workmen's compensation insurance. However, I add with emphasis that if a Government Insurance Office is established and operated on correct lines, the experience of the claimant would not be any better or more satisfactory; he would not get any better treatment from the Government office than he receives from the private offices, if the Government office is to pay, which it must do.

The Hon. D. H. L. Banfield: On the figures given it could not have paid.

The Hon. C. D. ROWE: With regard to third party premiums, a very efficient committee looks into the question of what rates should be paid. I take it that the committee looks into all aspects of this matter, and into what should be a fair and reasonable premium for the owner of the vehicle and for the operating companies. I cannot imagine that the committee would fix a premium that would be so depressed as to result in companies making a loss. That is the function of the committee.

The Hon. A. F. Kneebone: Why do insurance companies refuse third party insurance?

The Hon. C. D. ROWE : When we have it tied up in that way, I do not see the reason for the attitude of the Government.

The Hon. D. H. L. Banfield: We have used the figures given from your side of the Chamber.

The Hon. Sir Norman Jude: You didn't give any.

The Hon. D. H. L. Banfield: Yes, we did.

The Hon. C. D. ROWE: I think I am justified in taking the more reliable figures. My understanding is that a private company is required to take third party insurance, unless it can be shown that there are reasons why it should not do so. I take it that that would be the position with regard to a Government Insurance Office. I am thinking of a particular case of a man who had a very bad accident record. He had had several prosecutions for driving under the influence and a very much worse accident record than the average run of motorist has. His insurance company carried him for a long time and must have made a considerable loss by doing so, but it eventually said, "This has gone far enough; we do not propose to carry you any further." As I understand it, people must satisfy the body that has been established that it is reasonable for it to have taken the action it took. That, I believe, is a case where I think it frequently happens that an insurance company may say, "We do not like your accident experience and we will not carry you any further." But that does not end the party's rights in this matter: he can start certain further action and, if he does not do that to protect his interests, it is his own fault.

Another important point is that for many years the private insurance companies have carried insurance for certain Government and semi-government instrumentalities; they have given good service to the Government in insurance cover and, because they have concentrated on this kind of activity, the result is that it represents a large portion of their business. If overnight we let the Government come into all fields of insurance and immediately by a stroke of a pen transfer this insurance from the companies that have had it for years to its own Government Insurance Office, that will constitute unfair treatment of the existing insurance companies. That kind of thing does not create confiidence in the Government and in our economy. I go further and repeat what I said during my second reading speech that, unless I am misinformed. I have reason to believe that the insurance companies, either directly or indirectly, came to the help of this Government in providing the money for the construction of the gas pipeline from Gidgealpa to Adelaide. That was important to this State but could not be achieved without outside finance. These insurance companies came willingly to the party and assisted in that way, and at a reasonable rate of interest acceptable to all parties. Is it then fair, reasonable and just that, having accepted the assistance of these people in this way for this important project, in the very next breath the Government should say, "Thank you very much. We will now set up in opposition to you"—and on what I call "unfair terms"? That is typical of what has happened in this State under this Government since it has been in office. From time to time actions have been taken that can do

nothing but create a lack of confidence on the part of the private sector of the community.

The Hon. D. H. L. Banfield: And the restrictions you have put on this Bill are typical of your actions.

The Hon. C. D. ROWE: As a result, the State is now in the unfortunate position in which it finds itself today. I conclude by saying that the amendments suggested by this Council, giving the Government the opportunity to start an insurance office with motor vehicle third party and comprehensive insurance and workmen's compensation insurance, together with a large volume of ready-made business available to it, would have meant, if they had been accepted, that the Government could operate profitably. I say without fear of contradiction to those people who think they would like the advantage of a Government Insurance Office to look after these types of insurance that it is the Government, and the Government alone, that has denied it to them.

The Hon. D. H. L. Banfield: At least, you have contradicted your leader's figures.

The Hon. G. J. GILFILLAN (Northern): I oppose the motion. The conference was conducted in a proper manner but I am more convinced now than ever that this Council acted responsibly in the way it handled the problems associated with this Bill. As has already been stated, no compromise was reached at the conference, but the Bill as amended by this Council did not prevent the Government from setting up a Government Insurance Office in those field in which it claimed that complaints had been received. These were the fields mentioned prior to the last election. When forming a Government Insurance Office, it is prudent to enter into fields of known risk. Certainly, those fields that this Council agreed to (motor vehicle and workmen's compensation insurance) are fields in which the risks and the premiums are well-known by any enterprise expecting to set up in business.

In the wider field of general insurance where national disasters, such as large fires that can occur in a dry State like this or an earthquake, as occurred some years ago, the risk is much greater. During the debate on this Bill, it has become obvious that no real investigation has been made into the ultimate cost of establishing a full general Government Insurance Office. It also appears that no understanding has been sought with underwriters to spread this risk over a wider field. So this Council, in amending the Bill in the way it has, has shown not only prudence but also a real concern for the financial risk that the Treasury might have to take.

The Hon. D. H. L. Banfield: You are very concerned about restricting the provisions of the Bill.

The Hon. G. J. GILFILLAN: In all the debating, no argument has been submitted showing any real demand from the public for the Government's insurance franchise to be extended beyond that for motor vehicle and workmen's compensation insurance. If the Government had accepted the Bill as amended by this Council, it could have set up an insurance office for these types of insurance; and then, if at some future time it had become obvious that further fields of insurance should be entered into, the Government could then have introduced an amending Bill backed by its reasons for asking for an extension of the franchise. In the meantime it could have gained experience in insurance and could have presented a much sounder case for a Government Insurance Office. By rejecting the Legislative Council's amendments, the Government has in fact rejected a Government Insurance Office. This Council has acted responsibly. It has not denied the Government the opportunity of setting up an insurance office.

The Hon. S. C. BEVAN (Minister of Local Government): I am amused that the political angle has been introduced into this matter excusing this Council's attitude and trying to convince people outside that this Chamber offered the Government an opportunity to set up an insurance office on a profitable basis. That is what this Council is saying now. The Hon. Mr. Rowe said that the onus was on the Government. I do not think it is. This Chamber is adopting the wrong attitude. What was offered in the conference was offered in the second reading debate, and it was rejected by the Government.

The amendments to the Bill made in this Council restricted the proposed insurance office to those lines of insurance mentioned over and over again—motor vehicle third party and comprehensive, and workmen's compensation. Honourable members have spoken about a "compromise", but a compromise was not possible because the managers from this Council were not prepared to entertain or accept a compromise. What was put forward by this Council as a compromise was the Bill as amended in this Chamber restricting the operations of the proposed Government Insurance Office to the three types of insurance already mentioned. It is all very well to say that the Council offered as a compromise the motor

vehicle insurance business of Government departments. It has been pointed out that the Government does not want a Bill providing for that, because the Treasury can cover that type of insurance without further legislation.

The Hon. A. F. Kneebone: The Treasury carries some Government insurance now.

The Hon. S. C. BEVAN: Yes, it already carries some of that insurance and undoubtedly it could arrange with underwriters to carry even more. So, what did this Council offer as a compromise?—nothing at all. We must be factual. During the conference it was said, "Here are our amendments and that is what we are sticking to." As a compromise, the Government offered to relinquish life assurance.

The Hon. C. D. ROWE: Mr. President, I rise on a point of order. I do not want to interrupt the Minister but, as I understand it, it is not competent for us now to discuss what was said at the conference.

The Hon. A. J. Shard: Oh—be reasonable! You went over the whole story except for a little bit.

The Hon. C. D. Rowe: I did not.

The Hon. A. J. Shard: You did. You have had a good crack of the whip.

The PRESIDENT: Order!

The Hon. S. C. BEVAN: If I am wrong, Mr. President, I look for your guidance to correct me. If I am out of order, I take it you will draw my attention to the fact. However, we have discussed the conference tonight. The Leader has discussed the conference and, if it is not in order for an honourable member to discuss what took place at the conference, what is the use of our coming back to this Chamber after the conference and bringing to the Council the results of the conference and speaking of the attitude of the managers? Why send managers to a conference if we cannot tell the Council what we did? That is what I am doing at the moment. It is all very well to say that we could not arrive at a compromise and that the onus is on the Government because it rejected the Council's proposals. Of course it did—it rejected them from the beginning because they were completely repugnant to the Government. We knew before we entered the conference room what would happen.

The Hon. R. C. DeGaris: I did not deal with anything that happened in the conference room.

The Hon. S. C. BEVAN: I do not want to dwell on that. We return to this Chamber and say that we offered a compromise when, in fact, we did not. The Government could not accept what was offered. The Premier said previously that an insurance office, when set up, would have to start in a small way. That is understandable and would be agreed to by everybody. A business does not start as a giant enterprise: it starts in a small way and develops. The present insurance companies started in a small way, not as big companies—but they were not restricted in their franchise. They had a franchise to operate in their present fields of insurance and, because they operated in those fields, they were able to build up to their present position. If they had been restricted to the fields proposed by this Council for a Government Insurance Office, they would never have developed as they have done.

The Hon. R. C. DeGaris: Some State Insurance Offices started with workmen's compensation and motor vehicle insurance.

The Hon. S. C. BEVAN: The Premier stated that a Government Insurance Office would naturally start in a small way but honourable members seized on that statement made over the air and before the cameras and said, "All right. This is starting in a small way by being restricted to two fields", but how far would it go? It is assumed that the office would be run at a loss. We are supposed to be protecting the taxpayers of this State but this Council proposes to set up a State Insurance Office so restricted that it is sure to lose, and the taxpayers will have to pay for the loss.

The Hon. Sir Norman Jude: You were warned that it would.

The Hon. D. H. L. Banfield: The Opposition put the restrictions on this measure.

The Hon. S. C. BEVAN: We have been told repeatedly that Victoria has made a profit out of this restricted field of insurance. I always thought that members of the Opposition believed in majority rule—they have said this over and over again. If they do believe in majority rule, they should look further than Victoria and consider how State Insurance Offices operate in other States and whether those offices cater for other fields of insurance. They will find that Victoria is the only State that restricts its field in this way. If we believe in majority rule we will consider the other States as well and we will notice that all but one of the State Insurance Offices in Australia are not restricted in this way.

The Hon. Sir Arthur Rymill: That is not what you told us about Victoria; you said it was a shining example in relation to taxation measures.

The Hon. S. C. BEVAN: We are dealing with insurance, not State taxation: what did the Liberal Government in New South Wales do in relation to taxation? Why single out one State that has restricted itself to this field of insurance, when all the other States cater for all types of insurance, including life assurance in some cases? The Government said that it would not insist on life assurance. In relation to the Public Service, I am sure that the conference could have tidied up this matter, but we did not reach that clause because the compromise offered was unacceptable to the Government and we did not get any further than that.

This Council is making a mistake in its attitude; it is all very well to say, "Start off in this field and then you will be able to extend later. When the office has been established for a time, you can introduce amending legislation." If the Government came back in 12 months with amending legislation, honourable members know how far it would get. The Government Insurance Office should not be restricted and, had the compromise been accepted, life assurance business would have been left to the private insurance offices. The onus is not on the Government: the Government has not rejected the proposal to set up a Government Insurance Office in this State. The onus is on this Council because it has restricted the Government, and this Council knew that a Government Insurance Office could not operate under the restrictions it imposed.

The Hon. A. J. SHARD (Chief Secretary): For the first time since I became a member of this Council I have heard a second reading debate upon a report from a conference. I congratulate the Leader of the Opposition: we tried to put the results of the conference fairly and squarely before honourable members. However, politics were brought into the matter, and that started all the trouble. The only decent and genuine compromise offered at the conference came from the managers of the House of Assembly. They were prepared to say, "We will forgo life assurance": this was a real compromise, but the managers of this Council by a majority offered something that meant nothing to them—it was less than what the Government has the right to do today, if it so desires. The managers from this Council made no compromise offer at all, but there was a genuine compromise offer from the other place, which we refused to accept.

There should be no misgivings about what the people outside want. I do not like insurance: I insure only what the law requires me to insure and my home and furnishings, which I am forced to protect. I have received more complaints in the last three months about insurance companies in respect of a certain field of insurance than I ever received prior to this period.

The public is saying, "We want the Government Insurance Office," and I think there will be a reaction to this Council's decision. This Council and this Council alone must take the responsibility for rejecting this measure. I believe that this Council's managers went to the conference not prepared to compromise; they never budged from what was said during the second reading debate. If this is the form of compromise to be proposed, we will never reach decisions at conferences.

The Hon. R. C. DeGaris: What you say is not exactly true.

The Hon. A. J. SHARD: It is true.

The Hon. G. J. Gilfillan: A compromise was offered on clause 2.

The Hon. A. J. SHARD: Yes, but we did not reach that stage because we failed to get past the first stage. I apologize if I have made a mistake. I repeat that in relation to types of insurance we never shifted a fraction of an inch; it is typical of what this Council has done in connection with other matters involving finance. This Council has made the Government's path as difficult as possible in respect of financial matters, and the public is well aware of it. We shall fight this issue at the next election and I have no doubt about the people's decision.

The Hon. H. K. Kemp: It is just as well you are not fighting it on unemployment.

The Hon. A. J. SHARD: In 1961, under the Playford Government, there was worse unemployment.

The Hon. H. K. Kemp: Of course, but only for three months.

The Hon. A. J. SHARD: The Government will face up to the Opposition on the question of unemployment. I gave the true figures last year, in the Budget or Loan Estimates debate, and the Opposition had no answer to them. All the Liberal Party has done here and all the honourable member has done has been to knock the State and to knock the Government—not one word of constructive criticism

has been heard. Members of the Opposition are doing tonight what they are here to do—protecting the interests of the people who really support them—and when the Government wants to do something for the majority of the people, for which it has a mandate from the people, it is denied the right to do so. The people know what they want and they will tell the Opposition their attitude next March.

The Council divided on the motion:

Ayes (4)—The Hons. D. H. L. Banfield, S. C. Bevan, A. F. Kneebone, and A. J. Shard (teller).

Noes (15)—The Hons. Jessie Cooper, M. B. Dawkins, R. C. DeGaris (teller), R. A. Geddes, G. J. Gilfillan, L. R. Hart, C. M. Hill, Sir Norman Jude, H. K. Kemp, F. J. Potter, C. D. Rowe, Sir Arthur Rymill, V. G. Springett, C. R. Story, and A. M. Whyte.

Majority of 11 for the Noes.

Motion thus negatived.

The PRESIDENT: The Bill is laid aside.

ADJOURNMENT

At 10.47 p.m. the Council adjourned until Thursday, August 31, at 2.15 p.m.