LEGISLATIVE COUNCIL

Wednesday, October 23, 1968

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

PETITION: SCIENTOLOGY

The Hon. Sir NORMAN JUDE presented a petition signed by Mrs. V. M. Vince, of 5 Harvey Avenue, Glenelg North. It alleged that the Minister of Health had attacked her religion of scientology and had publicly stated his intention to do all in his power to restrict or prohibit the church of scientology.

Received and read and referred to the Select Committee.

QUESTIONS

BOOT TRADE APPRENTICES

The Hon. D. H. L. BANFIELD: I understand the Minister of Local Government, representing the Minister of Education, has a reply to a question I asked on October 16 about hammers being supplied to the trade school for boot trade apprentices.

The Hon. C. M. HILL: It is regretted that for various reasons the 20 hammers required for boot trade apprentices at Marleston Technical College could not be supplied earlier. However, the honourable member will be pleased to know that these hammers were forwarded to the technical college on Tuesday, October 22. Other equipment including benches, lasts and jacks will be made available in 1969 in order to provide better facilities for the training of these apprentices. This equipment is not required for the final examinations this year. It is pointed out that in 1969 the training of boot trade apprentices will be extended to four hours a week and the classes will be handled by a full-time member of the staff of the Marleston Technical College.

TOURISM

The Hon. R. A. GEDDES: I seek leave of the Council to make a short statement prior to asking a question of the Minister representing the Minister of Immigration and Tourism.

Leave granted.

The Hon. R. A. GEDDES: I understand from a press statement that Senator Wright, Commonwealth Minister-in-Charge of Tourist Activities, will be visiting South Australia early in November, and will visit Port Pirie. Near Port Pirie is a hill called The Bluff, which is a potential tourist attraction that the district council for many years has been seeking to have opened up so that tourists can enjoy the view from it. Will the Minister ask his colleague to extend an invitation to Senator Wright to inspect this area and, if possible, have it opened to the public as a tourist attraction?

The Hon. R. C. DeGARIS: I will refer the honourable member's question to the Minister of Immigration and Tourism and bring back a reply for him.

LAND TAX

The Hon. M. B. DAWKINS: Has the Chief Secretary a reply to my question of October 16 about land tax?

The Hon. R. C. DeGARIS: As land tax concessions for rural land have been announced in the recent Budget speeches of New South Wales, Victoria and Queensland, it was to be expected that some pressure would arise for further tax relaxation upon such land in this State. The Government is keeping this matter under review but in the present most difficult budgetary situation it is quite impossible to promise immediate concessions in any field of taxation, including land tax. In any consideration of the effect of land tax on rural land the Government would, of course, need to have regard to other relevant matters such as losses on country water supply schemes and rail services, which have helped to bring about greater development of rural areas, greater productivity and incomes, and higher land values as a consequence.

MAIN ROAD 106

The Hon. M. B. DAWKINS: Has the Minister of Roads and Transport a reply to the question I asked on October 17 regarding Main Road 106?

The Hon. C. M. HILL: This road carries between 60 and 160 vehicles a day. It is programmed to commence construction in 1969-70 and to complete it by 1972-73. The proposed works include the construction of a new bridge over the Light River and the construction of the summer track between Redbanks and Mallala in lieu of the gazetted main road on this section.

PUBLIC WORKS COMMITTEE REPORTS

The PRESIDENT laid on the table the following reports by the Parliamentary Standing Committee on Public Works, together with minutes of evidence:

Sewerage System for Grange (East), Henley Beach (East), Seaton (South), Fulham Gardens and Kidman Park (South)—(Revised Scheme).

Thorndon Park Primary School.

ABORIGINAL CHILDREN

Adjourned debate on the motion of the Hon. H. K. Kemp:

(For wording of motion, see page 1733.)
(Continued from October 16. Page 1902.)

The Hon. A. M. WHYTE (Northern): I support the motion. In 1962 the old Aborigines Act was repealed by the new Aboriginal Affairs Act, which was introduced by the then Minister of Aboriginal Affairs (Hon. G. G. Pearson). In his second reading explanation of that Bill the Minister said:

In their tribal days, Aborigines were a well-ordered and strictly governed society. Their rules regarding blood relationship, hygiene, settlement of disputes, care of the aged, unselfishness and realism, were all highly developed and rigorously enforced, and their attitude towards promiscuity and dishonesty we would do well to emulate.

I believe that what he said then was true. The Aborigines had a high moral standard and, as the Minister said, their enforcement of tribal law and order we would do well in many instances to emulate. The 1962 Aboriginal Affairs Act contained several advantages that the old Act did, and as the Hon. Mr. Kemp's motion hinges around drinking by Aborigines, I will deal with that aspect of it. To my belief the 1962 Act worked very well. It took in most areas of the State in which there were no restrictions concerning drinking. Furthermore, in the whole of the State, Aborigines were free to share all the rights of every other citizen.

In areas that were not proclaimed, permits were issued only to those Aborigines who were able to prove or who had proved that they were able to drink and not cause trouble. The scheme worked very well, although there were a few difficulties or anomalies, but they could have been corrected, given time. There were always booze peddlers, both Aboriginal and white, who could make a few bob by supplying drink to Aborigines who did not have a permit. There was, however, some control over these people and, generally speaking, both Aborigines and white people shunned them as citizens.

However, when all restrictions were lifted throughout the State the whole system seemed to collapse overnight. Aborigines who had not reached that stage of assimilation where they could behave themselves and control their consumption of alcoholic liquor came into settlements and used the drinking facilities without any possibility of their being able to handle them. Those Aborigines who at this time, through several generations of serving the community as respected citizens, had established themselves in good homes and who had achieved an excellent standing in the community found that their homes were crowded out. No more work was available and, instead of two or three respected families living in a given area, there were 20 or 30 families—to the detriment of the people who had shown their willingness and ability to be assimilated into the white community.

Because no more work was available, in many instances families were reduced to the point of starvation. Any money earned had to be shared amongst a larger group, and it was shared for the purchase of alcoholic liquor. I realize that we cannot turn the clock back. At any rate, I have no desire to deny these people the right to drink. The situation, however, as the Hon. Mr. Kemp pointed out, is very serious. One of our obligations is to assist these people in every way possible. We should particularly try to help the youngsters. There is still time to redeem them and to supply the youngsters with the education necessary to assist in their assimilation.

I do not know just what function the Select Committee will have and just what good purpose it can achieve, but I do know that many of the investigations made in the past have not given a true picture of the position. Establishments often have prior warning that someone is coming to check up. Consequently, when the administrator or Minister arrives the position is entirely different from that assessed by those who live among the Aborigines. Many articles, for instance, are written by supposedly qualified authorities on Aborigines; some of them are so qualified that by merely looking at a skull they are able to tell the tribe of the dead man, and whether he was killed with a nulla nulla or with a boomerang. Some of them will soon be able to assess that

it was done with a bottle! However, that does not give such people proper qualifications to assess the Aborigines' circumstances and conditions. I know of people who have lived amongst Aborigines for a short time and written articles, but who are biased and uninformed in their writing.

I believe a Select Committee could call witnesses and get information from people who are resident amongst Aborigines. The committee could take evidence from people who have lived all of their lives amongst Aborigines and who have an earnest desire to see that they better themselves.

The Hon. D. H. L. Banfield: Would such evidence be taken on the outback stations or in Adelaide?

The Hon. A. M. WHYTE: I do not know the terms under which the Select Committee will operate, but I would suggest that evidence be taken in the areas in which the Aborigines live.

The Hon. A. F. Kneebone: I think that is the only way such evidence could be obtained.

The Hon. A. M. WHYTE: Evidence should be taken on the spot and from people who live there. Unfortunately, some of the evidence that has been collected in the past has been ignored. Perhaps it was thought that people who lived amongst the Aborigines were prejudiced and had an ulterior motive in expressing disgust at the Aborigines' behaviour. I think that the new look, as suggested by the Hon. Mr. Kemp, would serve a good purpose. I have pleasure in supporting the motion.

The Hon. C. M. HILL (Minister of Local Government): I support the motion. I have held some discussions with the Minister of Aboriginal Affairs on this matter and he, quite understandably, is most concerned about the welfare of Aboriginal children in this State. The Government does not oppose the motion. Whilst it is regretted, or whilst it is acknowledged, that a problem does exist and suffering has been caused through the illicit drinking of alcoholic liquor by Aborigines before it was made legal, we have inherited a most unhappy situation that has arisen in the last few years since full drinking rights were extended to Aborigines.

The Minister of Aboriginal Affairs agrees with the Hon. Mr. Kemp that it is not possible to put the clock back and take away these rights and that the situation as it now is must be accepted. However, my colleague makes the point that we must try to encourage Aborigines, if they drink alcoholic liquor, to drink sensibly and in moderation. Otherwise they and their families will continue to suffer in the ways mentioned by the honourable member and by other speakers during this debate.

This, of course, is a most perplexing problem. As Minister of Aboriginal Affairs, my colleague would appreciate any advice that a Select Committee may care to express on the particular problem raised in the motion.

The Hon. R. A. GEDDES secured the adjournment of the debate.

REGISTRATION OF DOGS ACT AMENDMENT BILL

Second reading.

The Hon. C. M. HILL (Minister of Local Government): I move:

That this Bill be now read a second time.

Its main object is to equate the fees charged for the registration of bitches that have been spayed with those charged in respect of the registration of male dogs. It is thought that it is reasonable that persons who have gone to the expense of having their animals attended to in this way should be relieved of the additional charge of 50c applied in relation to the registration of bitches.

At the same time, opportunity has been taken to effect a general revision of the Act and of making decimal currency amendments.

Clause 1 is formal. Clause 2 makes a decimal currency amendment. Clause 3 at paragraph (*a*) removes the necessity for a receipt under the Act to be in the form of the Third Schedule. This will enable councils to adopt the form of receipt most suitable for their accounting procedures and will further ensure that all receipt books or forms do not become obsolete on any change of the scale of fees.

It is, perhaps, to be regretted that the need for receipts to be issued (except on demand) could not be removed altogether to accord with modern business practice but, since a receipt under this Act at section 30 (3) is clear evidence that the dog is registered, it is thought that provision for their compulsory issue should be retained. This clause also effects a decimal currency amendment.

Clauses 4 to 7 make decimal currency amendments. Clause 8 strikes out section 16 (1) of the principal Act which was first enacted in 1887 and which casts a duty on the registrar to cause inquiries to be made on all premises within his district as to the presence of

unlicensed dogs. Compliance with this provision is simply not practicable, and the provision should not properly remain in the Act.

Clauses 9 to 17 make decimal currency amendments. Clause 18 repeals section 36 of the principal Act relating to the keeping of up to two unregistered dogs by full-blooded Aborigines, the operation of which has now expired. Clause 19 makes a decimal currency amendment.

Clause 20 amends the First Schedule to the principal Act consequent on the proposal to reduce the fee for the registration of spayed bitches by 50c. Clause 21 strikes out and reinserts the Second Schedule to the principal Act which relates to fees for registration and reduces the fee payable in respect of spayed bitches.

Clause 22 strikes out the Third Schedule and is consequential on the amendment proposed by clause 3. Clause 24 makes certain decimal currency amendments to the Fifth Schedule.

The Hon. S. C. BEVAN secured the adjournment of the debate.

TRUSTEE ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 22. Page 2010.)

The Hon. Sir ARTHUR RYMILL (Central No. 2): This Bill, and the situation surrounding it, is extremely complex and technical. It is, I think, very much of a legal matter. I have done a considerable amount of work on the Bill, and I have done my utmost to get myself ready at this stage (as I have been asked to go on with the second reading debate) to throw any light I can on the matter. If I have overlooked anything in this complicated matter in the limited time available to me, I hope that the Chief Secretary will correct me and correct any wrong impression that I may give.

There are certain general regulations to the Act, but I have had so many Acts to look at that I have not yet had time to look at the regulations. However, no doubt I will learn more of the matter as the debate proceeds. In the meantime, I consider it my duty to throw on this situation such light as I am capable of bringing to bear so that honourable members will be able to further consider the matter themselves because, as I have said, this is a technical matter and I consider that I have some qualifications to examine this Bill fairly closely.

I make it clear that anything I may have to say is certainly not a criticism of the building societies, either as such or as institutions. We have some very fine building societies in South Australia, and in some sort of way I am associated in business with one or two of them, so certainly any criticisms I have of this Bill are of a general nature and are not directed at any individual society or at any society as such.

Regarding the problem itself, this amendment to the Trustee Act is designed to make certain deposits with certain proclaimed building societies trustee investments. The Parliament (and the law) has always regarded trustee investments as a very solemn matter. The Trustee Act, which this Bill seeks to amend, sets forth certain investments in which trustees have general powers to invest, and unless the trust gives the trustee additional powers, which it can do, those securities set forth in the Trustee Act are the only ones in which a trustee can invest.

The whole purpose is that the policy of not only this State but other States and countries is that trustees are to be authorized to invest only in securities where repayment is undoubted, and thus any security that is given trustee investment status should be in that category. I will not weary the Council with the complete list of investments that are authorized, but I will give a general list of them and then honourable members will see what a restricted category of investment the trustee is allowed to indulge in. Section 5 of our Trustee Act sets out this list, which includes:

(*a*) South Australian Government securities;
(*b*) real securities in the State;
(*c*) securities guaranteed by the Government or Parliament of the State;
(*d*) bonds, debentures, or other securities of any municipal corporation or district council in the State;
(*e*) deposits in the Savings Bank of South Australia;
(*f*) deposits in any incorporated bank carrying on business in the State and proclaimed by the Governor as a trustee bank;
(*g*) any of the Parliamentary stocks or public funds, or Government securities of the United Kingdom of Great Britain and Northern Ireland;
(*h*) Government securities of any British colony or possession (subject to certain reservation);
(*i*) any securities of, or guaranteed by, the Government or the Parliament of the Commonwealth of Australia; and
(*j*) debentures of The Adelaide Electric Supply Company Limited, and debentures, etc., of the South Australian Gas Company.

Then last year there was an amendment making certain Reserve Bank securities and money market securities trustee investments but in the latter case the money market dealer has to issue Government stock or a commercial bill of exchange accepted by a proclaimed bank, which really comes into the same trustee investment category. I think earlier this year the new Australian Resources Development Bank securities were authorized in this State as a trustee investment. It is interesting to note that the last-mentioned has not been authorized in Victoria, because the Government of that State will not grant trustee status to the Australian Resources Development Bank as it fears (so I am informed) it will affect semi-government loans if it does.

Those are the categories of investment and I think they substantiate what I have said previously, that the law regards trustee investments as solemn things that have to be absolutely secure. This is where I may be corrected if I am wrong: as far as I can ascertain, deposits in certain building societies that may be proclaimed under this Act take no priority for repayment over the shareholders' (I call them "shareholders") money in the society. If this is correct, there is no hard core of backing at present under the Bill for those deposits that will be given trustee status. If I am wrong there, I hope I shall be corrected because, as I say, I have had inadequate time fully to consider this matter; but that is my reading of it. Unfortunately, back-bench members do not have the assistance of secretaries, so perhaps we are at a disadvantage. True, two-thirds of the moneys of building societies in South Australia, under section 27 of the Act, have to be invested in mortgages and real estate. I do not know whether there is any limitation on the percentage of loan to market value. Under the Trustee Act, a trustee can invest up to only two-thirds of the market valuation of the property. I have not yet ascertained whether there is any similar limitation on a building society but it seems to me that it may be that that is not so.

We have today a system of financing public companies that has rather altered. The Commonwealth Government in its wisdom has seen fit to impose severe company taxation on the companies of Australia. Recently, in terms of the former currency, it was 8s. 6d. in the £1 but now is 45c in the $1, which equals 9s. in the £1. That is a most severe form of taxation. Also, these days companies have to see, or try to see, that the market prices of their shares are kept in line with the true financial position of the companies, because otherwise the wolves or eagles can plunge on them and take them over. This means, of course, that a company cannot afford not to pay high dividends and cannot afford not to make every cent of profit it can.

If it cannot afford not to pay a good dividend, it probably will have to pay about a 10 per cent dividend to keep it safe from the birds of prey. If honourable members care to work that out, where one has to pay a tax of 45c in the $1 before one can pay a dividend of 10 per cent, one has to earn about 19 per cent to pay that 10 per cent dividend. This is why a new pattern has emerged whereby companies are borrowing, in effect, some of their capital on debentures at rates ranging at the moment from about 7 per cent to 8 per cent (for the longer term debentures), which is of course cheaper money than the 19 per cent to which I have referred. In my opinion, this has the effect of not properly capitalizing the companies, as they would be in other circumstances. It is common to all companies but, if honourable members care to dwell on that tragic experience of a company called Reid Murray, which was so well known, if the funds with which it was trading had been in share capital (as they would have been before the Second World War) instead of in debentures, it would probably have written off a considerable portion of its capital and still be trading, and the shareholders would not have suffered nearly as much as they did when they got nothing.

I may have appeared to digress on that, but I have not: I can relate that to the matters under discussion. When a company borrows money on debentures, it has its hard core of shareholders' funds behind those debentures, and it has to lose all its capital and reserves before the debenture holders lose a cent. In most companies this is a considerable backing because the trustee debentures in general impose a borrowing limitation of a certain proportion of their total tangible assets; or, alternatively, they impose the limit that they cannot borrow more than so many times the amount of shareholders' funds. So that always ensures a hard core of backing for the debentures, which have to be paid in full before the shareholders get back a cent. As I read it, this does not apply even to investments in these bodies that the Legislature is setting out to make trustee investments. Where we have enormous and reputable companies (I can name dozens of

them) in Australia borrowing money on debentures, those debentures are not trustee securities although I think I can say without any discredit whatever to the building societies that those companies are probably in a far better position than any building society in the place.

Why, then, is the building society deposit to be made a trustee investment, and not the deposits of these other companies? I think the answer is to be found at the beginning of the second reading explanation, where the Chief Secretary said:

> The Government is anxious to assist in any reasonable measure that will promote the application of additional funds for home financing and, in fact, it gave an undertaking at the time of the election . . .

It does not seem to me to be a very substantial reason for granting any particular investment the status of a trustee investment. The Government may think it is desirable (and no doubt it is) to get more funds for housing but surely for that purpose we do not authorize a trustee to invest any funds that may not rank with other forms of trustee investment. I do not think these do.

I propose not to vote against this Bill but to make certain suggestions to the Government whereby it may be able to get over the difficulties I pose. Under the Companies Act, building societies are exempted in certain situations even from issuing a prospectus when they borrow money, which is another aspect of the situation that ought to be taken into account. In his second reading explanation, the Minister said:

> The Government is anxious to assist in any reasonable measure that will promote the application of additional funds for home financing . . .

As I have said, the Victorian Government considers that permitting certain investments to be promoted to trustee investments will sap its own borrowing power, even though that body is going to lend money for the benefit of the community. I suggest to the Government that the promotion of these societies to trustee status will largely mean merely the transfer of money from other lending institutions and other semi-government and local government loans to this other avenue. There is only a certain amount of money in the economy, and it has to go around the whole economy. Only that sum can be used and, therefore, it must be shared. If one type of institution is going to get more money than another, it is abundantly clear that the other types will get less.

The Hon. S. C. BEVAN: That is what has happened, is it not?

The Hon. Sir ARTHUR RYMILL: This is what always happens. I am chairman of one of the private trading and savings banks, so I have a little knowledge of what goes on. The Commonwealth Government recommends (that is a nice word; I do not know what would happen if the bank did not accept the recommendation) that all private savings banks lend 25 per cent of their funds for housing and, indeed, the private savings banks are doing that. They must also put practically all of the rest of their money into Government and semi-government loans. From memory, I think only about 10 per cent of their money can be used elsewhere, and that money must go into forms of lending on real estate. Therefore, virtually all savings bank money is committed to housing and to Government, semi-government or local government loans.

The Hon. S. C. BEVAN: Are you referring to depositors' moneys?

The Hon. Sir ARTHUR RYMILL: Yes. Undoubtedly, this Bill, if passed, will pull away certain moneys from the savings banks (I do not think anyone could say how much, and I do not know whether it will be a serious amount). However, I suggest that it will only go from one pocket to another, because savings banks' money is going to housing and to Government, semi-government or local government bodies that promote housing. Loans to such bodies as the Housing Trust are common, and if the Government gains something on the swings it will lose it on the roundabouts.

The Hon. L. R. HART: Would you agree that when the trading banks entered the savings bank field they may have attracted some of the money that previously went to the building societies?

The Hon. Sir ARTHUR RYMILL: I would not think so, because the savings bank rate of interest at that stage was, I think, 3¼ or 3½ per cent, while the building societies' rate of interest was about 6 per cent or slightly less. Anyway, the building societies' rate was about 2 per cent higher than the rate offered by the savings bank, and I would not have thought that any savings bank would take money from a building society. One cannot be dogmatic about these things, but anyone who is prepared to lend money to a building society certainly would not want to pull his money out and take 2 per cent less for it.

The Hon. S. C. BEVAN: Is there any appreciable difference between the interest charged by savings banks and that charged by building societies for house building?

The Hon. Sir ARTHUR RYMILL: Yes. The savings banks have been charging 5¾ per cent a year on house purchase and building loans. The rate is fixed by the Reserve Bank of Australia, and recently it was increased to 6¼ per cent. I understand that the building societies charge about 7 per cent or higher. In other words, the savings bank rate is lower than the building society rate. I think I am correct in saying that. I can certainly vouch for the savings bank rate although I am not so familiar with the building society rate. However, I am informed that the building societies charge between 6 and 7½ per cent, which is considerably higher than that charged by the savings banks. I am referring to savings banks, and in the Minister's second reading explanation reference was also made to them. He said that the operation of the Bill would be delayed until March, 1969, and continued as follows:

This delay is thought desirable to ensure that any movement in deposits from the Savings Bank of South Australia to building societies consequent upon the enactment of this Bill does not take place until after the improvement in the deposit position consequent upon the improvement in seasonal conditions is felt by that bank.

I understood that this was a private enterprise Government. I still believe that it is, but I am rather astonished that only the State Savings Bank is mentioned and not the other savings banks, because surely we are concerned with their welfare as well as that of the Savings Bank of South Australia.

The Hon. S. C. Bevan: The Government has no control over those other banks, though.

The Hon. Sir ARTHUR RYMILL: They are rigidly controlled. The Reserve Bank ensures that they have a tremendous asset backing so that they can repay their depositors. All the private savings banks are guaranteed by the trading bank. Certainly that with which I am associated is, and I think all the others are, too. A high percentage of the funds of these banks is invested in what are trustee securities, with the possible exception of 5 per cent (which is negligible anyhow), and if I know bankers they would receive sufficient security for their money. Also, the trading bank which guarantees the savings bank is under the dictates of the Reserve Bank of Australia and must retain 18 per cent of its whole deposits in the L.G.S. (liquids and government stock) ratio. Therefore, 18 per cent of the total deposits must be liquid—either cash or Government stocks. In addition, the Reserve Bank, under the statutory reserve deposit, exercises its fiscal control. This is a movable feast. Whenever the Reserve Bank calls up these moneys from the trading banks it pays the handsome rate of three-quarters of 1 per cent. So, there is a very hard core of liquidity in all the savings banks and trading banks. Of course, this is why they are authorized trustee investments—it is known that they have these huge reserves. The Chief Secretary, in his second reading explanation, when referring to the necessity for proclaiming building societies before they are given trustee status, said:

The Government will in the first instance have regard to the society's financial strength so as to ensure that deposits made will have the safety and security required of a trustee investment.

He did not say anything about the liquidity position—the society's capability to repay deposits immediately. The Government is merely concerned, so it says, with the society's financial strength. This matter will be in the hands of the Government of the day, whatever it may be. I stress that this is not written into the Bill—there is no test written into it at all as to what societies will be proclaimed. The Government of the day can proclaim any society it wants to proclaim, and it can revoke a proclamation, according to the terms of the Bill. I wonder what would happen if the Government had to revoke the proclamation of one of these societies because the society had got into difficulties? What happens to the trustee's money that is invested in such a society? The Chief Secretary continued:

The Government will require societies to give reasonable undertakings regarding their lending procedures. In particular, the societies will be required to undertake that their lending on house mortgages will be subject to the similar restriction as would apply if they themselves were trustees,

Again, this is not written into the Bill, but I believe it ought to be: it is only an expression of intention by the present Government. Of course, once Parliament has passed a Bill it is out of Parliament's hands what the Government of the day does in respect of issuing or revoking proclamations. So, this is another feature of the Bill that honourable members should consider.

I hope that what I have said is accurate, particularly—and I emphasize this—my statement that the trustee investing at present in a building society has no greater security than a member of the society ("member" is the term used in the legislation, not "shareholder"). I may be wrong here, but this is

my reading of it. I have not had any confirmation of this, but I shall certainly seek it in due course, because I do not want to mislead the Council in any way. The trustee investing in these societies has no greater security at present than the members of the society: he has no priority over the members. This is the situation as I see it—there is not the hard core of backing for this investment as a trustee security that there is for all the other securities named in the principal Act.

The Hon. C. M. Hill: Does a society have to keep a liquid reserve under the Statute?

The Hon. SIR ARTHUR RYMILL: There are certain regulations.

The Hon. A. J. Shard: Hasn't the Auditor-General got to give a certificate before it can be proclaimed?

The Hon. Sir ARTHUR RYMILL: There are certain restrictions in section 27. The society cannot receive on deposit or loan more than two-thirds of the amount of its mortgages. I do not know of any restriction on the society of the proportion of the property valuation it can lend on mortgage. There may be such a restriction under the regulations but I have not had time to look at them. The trustee is restricted to two-thirds. I do not know whether a society is restricted to this figure, but, even if it is, it does not alter my argument that there is not the backing that other trustee investments have. Having made clear my attitude on this matter, I come to the crux of what I am going to suggest. I want to suggest how the situation, which ought to be cured, can be cured, whilst still achieving the Bill's object.

My suggestion is two-fold: first, that the deposits should be of not less than three years' duration as a trustee investment (this will give some continuity of security to the society itself); secondly, that such deposits shall have a priority in relation to repayment over the rest of the society's funds. If we are going to make these things trustee securities, then it is our duty to see that there is a backing of funds so that there is no practical possibility of the trustee's losing any money. The aim of the principal Act is to avoid this possibility, as I have explained. We can achieve the aim by requiring that the deposit shall be of not less than three years' duration. This will enable the society to plan properly for its repayment and not to fall into the trap that the Reid Murray Corporation and many others fell into—of borrowing short and lending long and, consequently, finding themselves unable to repay when demands for repayment were made.

There is another way in which it could be done which I do not think will appeal to the Government: if the Government wants to make these deposits trustee securities without any of the refinements I am suggesting, then it should guarantee their repayment. It has full power under the Building Societies Act, as I read it, to do so. Section 27a, on my reading, gives the Government power to guarantee the repayment of such amounts. If the Government is so anxious to get these funds in as a trustee investment and if it is not prepared to use the other method I have suggested (or some other method), then it ought to guarantee the repayment of the deposits. My amendment would provide, first, for fixed deposits rather than on call deposits. Then, I suggest that the following new provision be inserted in clause 3:

The Auditor-General has reported that he is satisfied that the rules of the society contain adequate provisions for the repayment of deposits to trustees in priority to other claims against the society.

That is the sort of amendment I suggest. I know that the Chief Secretary is always reasonable about such matters and that he will have a good look at this. I hope I have explained the situation as I see it. I have been familiar with the Trustee Act both in my practice as a lawyer and as a trustee for very many years, and I think that what I have put forward is a reasonable proposition. I hope the Government will give it consideration, and I will certainly carry the matter further in the Committee stages. I support the second reading.

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

STATE BANK ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 22. Page 2011.)

The Hon. C. D. ROWE (Midland): I rise to support this Bill and I propose to speak only briefly in regard to it. The Minister's second reading explanation set out that the State Bank had three principal functions. First, it operates in the general banking business covering the whole normal field of trading bank activities, and in that field it has rendered over the years a signal service to various sections of the community, particularly in years gone by to the rural section. Secondly, it operates an extensive business in long-term housing loans, lending as principal a large volume of funds

made available to it out of the Home Builders Account constituted under the Commonwealth-State Housing Agreement. Many people in this State should feel indebted to the State Bank for the service it has given in providing long-term loans, thus enabling them to erect houses. Thirdly, it operates as an agent for the State in connection with various functions assigned to it. It administers, for instance, the Loans to Producers Act, the Advances to Settlers Act, the Loans for Fencing and Water Piping Act, the Advances for Homes Act and the Student Hostels (Advances) Act, amongst others.

However, in trying to balance its Budget the Government had to look around for more avenues in order to secure revenue, and one of the avenues it chose was to provide that nine-twentieths of the net profits of the operations of the bank in each financial year, beginning with the financial year at the end of June 30, 1968, should be paid to the Treasurer, and by him to the credit of the Consolidated Revenue Account of the State. It provides that in ascertaining that figure a certificate shall be obtained from the Auditor-General, therefore determining what profits the bank has made is not an arbitrary matter in the hands of the Treasurer but is an amount of money calculated by the Auditor-General, who is the auditor for the State Bank and thereby competent to issue the required certificate. Therefore, the protection to the bank ensuring that improper demands are not made upon it by the Treasurer is given in the certificate required from the Auditor-General.

The proposal contained in this Bill has been criticized by members of the Opposition on the basis that the State Bank needs all the money it can get to carry out its functions, and that by taking from it this amount of money each year we are limiting the bank in the services it can render to the public through its various departments. I wish to make two specific points. The first is that I am in favour of establishing the principle that any governmental or semi-governmental authority shall operate as nearly as possible in the same way, and be subject to the same controls and same responsibilities, as an organization that is carrying on a similar private business. I do not believe that, because a Government instrumentality operates, say, an airline or a bank, it should be exempt from the requirements that apply to an ordinary person in private business.

The Hon. S. C. Bevan: The idea is to extend the service of the bank to the people.

The Hon. C. D. ROWE: That may be so, but the point I make is that it is not unreasonable to ask the bank to contribute a portion of its profits to the State Treasury, namely, an amount equal to what it would have to pay in income tax approximately if it were a private company. If in any particular year the Government considers the bank can use more money and if the Government has the funds available there is no reason why that money should not be voted by Parliament to the bank for that purpose.

The Hon. A. J. Shard: I will take a shade of odds this is never done; once it goes into general revenue that is the end of it.

The Hon. C. D. ROWE: I think the Leader does not fully understand me.

The Hon. A. J. Shard: Will the honourable member tell me of one instance where it has been done?

The Hon. C. D. ROWE: I think the Leader suggested that the profits should not be taken from the bank and that they should be available to it each year. I did not suggest those profits should be left with the bank each year, but I suggested that where in a year there was a surplus in the State's Revenue Account and the Government considered that some of that surplus could satisfactorily be used for one of the purposes of the bank, then the Government could make that money available to it, so that to some extent the matter is more under the control of Parliament, which I think would be a good thing. I cannot see any objection to the method proposed of trying to raise some more finance towards the balancing of the State's Budget and therefore I think I am entitled to support the Bill.

The Hon. M. B. DAWKINS secured the adjournment of the debate.

PETROLEUM ACT AMENDMENT BILL

(Second reading debate adjourned on October 22. Page 2012.)

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4—"Mode of applying for licences."

The Hon. R. C. DeGARIS (Minister of Mines): Certain questions were asked by the Hon. Mr. Bevan in connection with this clause, and as soon as I have the answers I shall be prepared to give them. Therefore, I ask that progress be reported.

Progress reported; Committee to sit again.

Later:

The Hon. S. C. BEVAN: During the second reading debate I raised some queries about clause 4 because I am not happy with what it does. The second reading explanation was brief and did not deal fully with this clause, which I think does not improve the principal Act. It merely places the issuing of licences under too much Executive control. I see nothing wrong with the present procedure. This clause deals with two things —Executive control and the delays that can occur in the issuing of licences. I have already given my reasons for my attitude to this clause. I have asked the Minister of Mines to give me further information on why it is necessary. I see no saving of expense or time spent by the officers of the Mines Department in the issuing of licences. In fact, this clause will increase the time they spend in issuing licences and engaging in correspondence between the applicant and the department to get the information necessary for the issuing of a licence. Unless the Minister can enlighten me further, I must vote against this clause.

The Hon. R. C. DeGARIS: This matter was raised by both the Hon. Mr. Bevan and the Hon. Mr. Gilfillan. Clause 4 eliminates the obligation, under section 7 of the principal Act, for an application to be on a prescribed form. Most honourable members appreciate that the old regulations under the Mining (Petroleum) Act have recently been repealed. Under them, one form covered three types of licence—exploration, prospecting and mining. It was found that administratively this was not a workable arrangement. The regulations were repealed recently owing to complications arising relating to the gas pipeline from the Gidgealpa-Moomba area. New regulations are being drafted, under which the prescribed forms are being eliminated, as experience has shown that the information required by the Minister over and above that stipulated under subsections (3) and (4) of section 7 varies considerably depending on the area under application.

I point out that all applications made for licences vary considerably in relation to the area and other matters required for information. Every application differs in regard to expenditure on a licence. If we re-read section 7 as amended, it means that the only variation in the section is that the application need not be on a prescribed form. It has been found in the department that the prescribed form has presented much difficulty. Officers of the department feel that an applicant should submit his application in writing to the Director of Mines, as provided by section 7 of the Act, and any necessary follow-up should be in writing, too. The departmental officers feel that this will be much easier and quicker than trying to spell out varying requirements of prescribed forms. Section 7 (1) of the principal Act, as amended, will provide:

Every application shall be addressed to the Director.

This does not increase Executive control of the matter. Indeed, the situation remains exactly the same as it was, except that in future there will be no prescribed form of application for a licence. I hope that information will satisfy honourable members as to the intention of this amendment.

The Hon. S. C. BEVAN: I thank the Minister, but I am still dubious about the matter, because he has not explained in what form an application will be made. Section 7 (4) of the Act provides that certain information must be forwarded with the initial application for a licence. The financial position of an applicant, his technical knowledge, and information of that type must be supplied to the Minister. That subsection also provides that the Minister may obtain any further information he desires. However, the Minister is not given power to go outside to seek further information. What concerns me is that because of the experience of the considerable amendments made in November, 1967, the Minister has now intimated that we should delete from the section the words "in the prescribed form" and substitute "in a form approved by the Minister". I ask the Minister what an applicant should do. To use myself as an example: if I desired to apply for an exploration licence in an area I must, first, obtain two maps of that area (which must be verified) and submit them with my application. But what do I do to make that application? Do I go to the Director of Mines and say, "I hereby apply for an exploration licence in an area covering X number of miles. My financial position is this and my technical knowledge is such and such, and I feel I am capable of carrying out the duties laid down in the Act"?

This concerns me, because whereas at the moment an applicant can obtain a prescribed form of application and submit all his information initially, that will not apply in the future. As I see it (and the Minister has not answered this) no form is to be used. What must an applicant do in these circumstances? Must

he just write everything down? Of course, this is where delay will be caused, unless there is a prescribed application form. The Minister has informed the Committee that there is to be no such form and that this will make the procedure easier, but I cannot see how that will be so; it will be more difficult for an applicant for an exploration licence in the first place, and it will be much more difficult for the departmental officers, who will have to chase backwards and forwards with correspondence to obtain the necessary information for both the Director and the Minister of Mines.

The only answer to this problem that I can see is to place the applications for licences under Executive control, and the Executive can lay down what is desired. All members apreciate that applications will vary in relation to areas, but a prescribed form would look after that aspect, as it has in the past. I cannot remember objections having been taken by either the department or by the industry regarding compliance with the prescribed form. As applications may vary from place to place, the Minister submits that he should determine them, but this will not be satisfactory. Will the Minister therefore say what an applicant must do when making application for such a licence?

The Hon. R. C. DeGARIS: This is perfectly clear. An application for an exploration, mining, or prospecting licence shall be made to the Director of Mines, and it does not matter how it is made. Certain information must accompany that application and, even if it were contained in the regulations, a prescribed form could relate only to matters contained in section 7. We cannot have a regulation that is not associated with an Act of Parliament. The difficulty has arisen through the great variety of information required. Consequently, complications have arisen about the requirement for a prescribed form to cover all the various types of licence. Departmental officers have assured me that this has caused much difficulty. A system that does not involve a prescribed form will be easier and quicker for the department. An applicant must supply the details required and, if the Minister is not satisfied, he can request further information, which may relate to a variety of topics. Even when a prescribed form was required, the Minister could still require further information. The only variation is that the application need not be on a prescribed form.

Clause passed.

Clauses 5 to 7 passed.

Clause 8—"Term and renewal of petroleum production licence."

The Hon. S. C. BEVAN: My argument on this clause is similar to the argument I advanced on clause 4, but here we are dealing with a production licence, not an exploration licence. Clause 8 amends section 32 of the principal Act in much the same manner as clause 4 amends section 7. After exploration has taken place, if a field with commercial possibilities has been discovered, a licensee may then desire to exploit it by producing petroleum from it. Formerly, he had to apply for a production licence in a prescribed form but from now on it will be in "a manner and form approved by the Minister". I cannot see that the argument previously advanced by the Chief Secretary applies to this clause. Before a production licence is issued, a producer must declare a field to be a commercial field or, if he does not do it, the Minister has the power to do it. Once this is done, the licensee must either produce from the field or lose his rights to it. The Chief Secretary's previous argument does not hold in this case and, therefore, a prescribed form should be required.

The Hon. R. C. DeGARIS: This matter has been dealt with during previous argument. The aim is to provide a more flexible form of application. The regulations under the principal Act had to be repealed because of difficulties associated with the natural gas pipeline from Gidgealpa and Moomba.

Clause passed.

Remaining clauses (9 to 17) and title passed.

Bill reported without amendment. Committee's report adopted.

VETERINARY SURGEONS ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 22. Page 2014.)

The Hon. M. B. DAWKINS (Midland): I rise to support this Bill, which seeks to amend the Veterinary Surgeons Act to enable an oversea or foreign graduate in veterinary science, or even an Australian who may have gone overseas and graduated there, to apply for registration as a veterinary surgeon.

There was a previous provision in 1952 which lapsed about 1955, and this provision, so I am told by a prominent member of the Australian Veterinary Association, had some features which were not completely acceptable

to the members of the association. I believe that on that occasion there were not quite the qualifications that exist in this present amending Bill. This Bill has no time limit, whereas the time limit prescribed, as I indicated just now, was a three-year period. However, the objectionable features of the previous provision have been eliminated in this Bill.

Clause 3 seeks to amend section 17a of the principal Act, and in so doing it says that a person shall be entitled to be registered if he is 21 years of age or more, is of good character, and has passed through a course of veterinary study in a country outside the Commonwealth of Australia. The course of study, if he graduated before January 1, 1947, must have been of not less than four years' duration, and if he graduated on or after that day, of not less than five years' duration.

I think this may tidy up one former anomaly. A person has also by law to be qualified to practise as a veterinary surgeon in the country in which he graduated, and he must have resided in Australia for not less than two years. These requirements are marked (*a*), (*b*), (*c*) and (*d*), and the additional requirement (*e*), which I believe has the approval of the Australian Veterinary Association, is that he has to satisfy the examiners appointed by the board of his competence in veterinary surgery and practice. This, I believe, tidies up the situation which could have obtained in not only veterinary but in medical circles.

Honourable members all know that following the war we had quite a number of migrants to this country who were doctors trained in Continental medical schools which had varying standards of graduation which were not, in the majority of instances, acceptable in this country. I am reliably informed that this has applied also with veterinary surgeons, and it may have done so under the 1952 provision. However, as I have previously indicated, I believe that the Australian Veterinary Association is happy about this present amendment, particularly because of the additional requirement (*e*) which I have mentioned.

Veterinary surgeons in Australia have been a very scarce commodity indeed in former years. The situation now, I would say, is that veterinary surgeons are in reasonable supply. However, there is not the slightest doubt that more are needed, for there is still a shortage, particularly in the outback areas and in other areas which, while they may not come completely under the category of being "outback", are areas distant from large centres of population.

The continuing shortage has been highlighted by the fact that the community has become more veterinary minded. I can remember very well that not so many years ago if a stud breeder, for example, had a sick animal he treated it with some home remedy or he used an early antibiotic that he may have had access to; and if this did not work, the animal died.

This attitude still obtains in certain parts of this country. However, the opposite applies in very many areas, and now the first thing a person does when he has a sick animal is to get the vet. This applies also with regard to city people with their cats and dogs. Veterinary surgeons are now in very great demand, and the continuing shortage, as I have said, has been highlighted by this fact and by the enlightened attitude of the community with reference to the use of trained men.

Other categories have been referred to by my honourable colleagues in their speeches. We used to have (we had them in my district) the persons who were discribed as veterinary practitioners. These people, as the Hon. Mr. Hart said yesterday, are a dying race. They are people who were registered many years ago when there was a very great shortage of veterinary surgeons. I suppose it would be correct to say that many of these people were, in the early days, known as horse doctors. They were in some cases men who had assisted veterinary surgeons in the First World War and, having gained a little experience, they set up on their return as veterinary practitioners and eventually were accepted in the absence of trained members of the veterinary profession.

Then, of course, we have the permit holders, of whom there are still several in South Australia, who are in a somewhat similar category to the veterinary practitioner in that they have become somewhat competent by experience and by their practical work in dealing with animals. These people have been granted a permit where there are no veterinary surgeons within a reasonable distance. They, too, will eventually be replaced by fully trained men.

The need for veterinary surgeons in outer areas, the need for them in pathological work, and the need for more departmental veterinary officers, all underline the necessity for this amending Bill. The veterinary surgeons in these days are not only curing but doing a very great deal of preventive work in

preventing, for example, tuberculosis and bovine brucellosis in cattle and also restricting and preventing the spread of ovine brucellosis in sheep. Also, of course, the virtual elimination of foot-rot has been very largely a result of the work of the department not unrelated to the veterinary surgeons associated with it.

I believe that a very important aspect of the work of veterinary surgeons in this State today is not merely the curing of sick animals but the prevention of epidemics of the type we had in the past. The Hon. Mr. Whyte the other day referred to the need for many more veterinary surgeons, particularly in outer areas, and also by implication, if not directly, referred to the need for a veterinary chair in South Australia. My colleague, the Hon. Mr. Hart, yesterday underlined this requirement. I believe that the remarks which have been made by my colleagues and the comments I have made myself this afternoon endorse the very great need for a veterinary chair in one of the universities in South Australia.

I am aware that this would be a very expensive undertaking, but I believe it is very necessary indeed. I am aware that most of the men who have been in practice for a number of years had to go to Sydney for four years of their course. Those men were able to do the first year in the regular science course at the Adelaide University and then they had to spend four years of their life in another State training to complete their course. This of course must restrict, and certainly has restricted in the past, the number of people who can manage to do this course.

Since then veterinary faculties have been established in Brisbane and Melbourne, and also in New Zealand at what was once known as Massey College and is now known as Massey University, at Palmerston North. In my own district there are two veterinary surgeons from New Zealand who did their training at Sydney University. It is a valuable service to Australia, and also to New Zealand, that Sydney University has been able to provide in the past. But now there are three veterinary schools in Australia. As I said yesterday when my colleague the Hon. Mr. Hart was speaking, the Western Australian Government and the University of Western Australia are trying hard to secure an extra Chair of Veterinary Science in that State. I was there recently and know the keen enthusiasm for securing this extra chair. I wonder whether we in this State are trying hard enough. If the Western Australian move should be successful, we would then be the only mainland State without a Chair of Veterinary Science, which would be an unfortunate state of affairs.

It is a fact that Tasmania (which, after all is said and done, is the smallest State) has no agricultural college. The other States have made room in their agricultural colleges for some students from Tasmania. Perhaps that is understandable when we consider the size of Tasmania, but we should not expect to get into the position that Tasmania is in when it comes to training our veterinary surgeons—that everybody wishing to be a veterinary surgeon has to go for at least four years out of South Australia, his own State, to be trained. We appreciate the assistance given by both the previous Government and this Government in the provision of cadetships for the training of veterinary surgeons. I make these few remarks this afternoon in support of the Bill and the establishment, as soon as feasible, of a Chair of Veterinary Science at a South Australian university.

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

ADJOURNMENT

At 4.8 p.m. the Council adjourned until Thursday, October 24, at 2.15 p.m.