

LEGISLATIVE COUNCIL

Tuesday, August 18, 1970

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

QUESTIONS

DEPARTMENTAL CRITICISM

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

Leave granted.

The Hon. R. C. DeGARIS: A report in the *Advertiser* of July 17 this year, under the heading "Speak Out Teachers", states:

"Teachers should speak out and tell the community what they saw wrong with the education system," the Minister of Education (Mr. Hudson) said yesterday. He believed teachers had a responsibility to draw attention to the deficiencies in the system.

Will the Chief Secretary say whether this advice given to teachers by the Minister of Education has the support of the Government?

The Hon. A. J. SHARD: I am not too clear on that particular point, but I think it does have the support of the Government.

The Hon. R. C. DeGARIS: I noticed in a television programme last night and also from a report in today's newspaper that the Attorney-General has been critical of the statements by the Commissioner of Police in relation to law enforcement in South Australia. I point out that the Commissioner, the judges and the Auditor-General are in a special category. Does the Government intend to give these people the same rights as those enjoyed by teachers to speak out on various matters of concern to the community?

The Hon. A. J. SHARD: As this is obviously a matter of policy, I ask the Leader to put his question on notice.

POLICE POWERS

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

Leave granted.

The Hon. R. C. DeGARIS: In his reply to the first question I asked today the Chief Secretary agreed that in his opinion the Government supports the view of the Minister of Education. Does the Chief Secretary agree with the statement made by the Attorney-General on the remarks of the Commissioner of Police?

The Hon. A. J. SHARD: Yes. So that there shall be no misgivings or difference of opinion between the Attorney-General and myself, I will read a prepared statement for the benefit of honourable members. I am surprised that the Commissioner has seen fit to comment publicly on matters of Government policy. Policy on law enforcement, including police powers and functions, is for the responsible Ministers and Parliament. It is for the Government to determine its policy, for Parliament to make any alterations to the law, and for the Commissioner to implement those alterations. It is not appropriate for a Minister to enter into public controversy as to Government policy with a public official.

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

Leave granted.

The Hon. R. C. DeGARIS: Once again, I draw the Chief Secretary's attention to the statement made by the Minister of Education asking teachers to speak out and tell the community what is wrong with the education system. Now we have the statement by the Chief Secretary supporting the Attorney-General's statement in the press regarding a statement made by the Commissioner of Police. Does the Chief Secretary not agree that the two statements are in conflict and that the Government has assumed a position of double dealing?

The Hon. A. J. SHARD: No.

The Hon. C. M. HILL: Has the Chief Secretary or the Government assigned any Ministerial control over the Police Force from the Chief Secretary to the Attorney-General?

The Hon. A. J. SHARD: No.

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

Leave granted.

The Hon. R. C. DeGARIS: I am loath to keep pressing this point, but I am completely confused by the replies given to me today by the Chief Secretary. To set my mind at rest, I ask him whether his first reply (that there has been no double dealing in the matters about which I have been asking him) means that schoolteachers in our community can fulfil their responsibilities to the community and draw attention to deficiencies in the system that result from Government policy, yet the Police Commissioner finds himself criticized if he does likewise?

The Hon. A. J. SHARD: I have made my position clear. The Leader has asked a question on certain things and I have said that it is obviously a matter of policy and have asked that it be placed on the Notice Paper. At this juncture I do not want to proceed further.

AGRICULTURE DEPARTMENT

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

Leave granted.

The Hon. M. B. DAWKINS: As all honourable members are only too well aware, the Agriculture Department has operated for some considerable time by using what was a converted warehouse in Gawler Place as its headquarters, and while this may have been adequate at the time of taking over the warehouse it is, of course, outmoded today. My question refers to the proposed new Agriculture Department administration building which, I understand, is expected will eventually be built at Northfield. I am sure that the former Minister was anxious to see this building constructed as soon as possible. In view of the limitations of the Gawler Place headquarters, as I have indicated (and as I am sure most honourable members are well aware), I ask the Minister when it is intended that the Government will proceed with the project of building a new and adequate headquarters for the department?

The Hon. T. M. CASEY: I assure the honourable member that any Minister of Agriculture would like to see the project that is planned for Northfield become a reality. This matter is now being considered by the Public Works Committee. I am very hopeful that the project will commence as soon as possible after the committee's recommendation has been made.

STATE PLANNING AUTHORITY

The Hon. C. M. HILL: As there is a growing public demand for conservationists to be represented directly on the State Planning Authority and as many associations interested in preserving the natural environment and beauty of the Adelaide Hills are expressing this demand, can the Minister representing the Minister of Local Government (as Minister in charge of town planning) say whether the Government plans to take any action at present to include a conservationist on the State Planning Authority?

The Hon. A. F. KNEEBONE: I will direct the honourable member's question to my colleague and bring down a reply.

MEAT

The Hon. V. G. SPRINGETT: In view of the grim situation in the primary industries in Australia, particularly South Australia, and following the banning of the export of meat to the United States of America and following several questions asked earlier this session, can the Minister of Agriculture say what urgent measures are being taken to minimize the delay that is occurring before we can recommence the export of meat to the United States of America?

The Hon. T. M. CASEY: I thought I had covered that question quite comprehensively last week. Every step possible is being taken to ensure that all the requirements of the American authorities are met, so that our abattoirs can recommence processing meat for export to the United States of America.

DRUGS

The Hon. L. R. HART: Has the Minister of Health a reply to my question of August 11 about drugs in South Australia?

The Hon. A. J. SHARD: As is probable with most other States (and overseas countries), any present review of the extent of the total problem of drug dependence in South Australia must necessarily fall into the category of an "estimate" or an "educated guess", because statistics relating to all phases of the problem are not available. An accurate assessment would result only from a complete sociological survey exploring the many facets of this problem.

However, reliable figures are available for dependence on narcotics, as a result of the system of total surveillance of medical usage, combined with figures from police activity. There may be some illegal activity undetected by police, but this, if it exists at all, is likely to be insignificant. At January, 1970, the position in South Australia with regard to narcotic dependence was as follows:

1. A total of 167 patients undergoing continual long-term treatment with narcotics and who were physically dependent upon their drug for physical well-being, but not psychologically dependent at this stage.
2. A total of 29 addicts to narcotics, the result of treatment with these drugs.

Most of these people were both physically and psychologically dependent upon the drug they were taking.

3. During 1969 the Police Department prosecuted 10 persons for illegal possession and/or use of narcotic drugs. One of these was a middle-aged patient, addicted during the course of medical treatment, who eventually turned to illegal means of obtaining his drug. The remainder were 20-30 years of age. Three convictions were for hashish, the rest for morphine.

The only reliable statistics which can be quoted on the use of "soft" drugs come from police prosecutions, almost entirely for the illegal possession of an amphetamine-type drug. It is realized that these illicit instances constitute only a proportion, probably only a small proportion, of cases of the abuse of "soft" drugs.

(1) Amphetamines. In 1969 the Police Department in South Australia prosecuted 35 persons for offences related to amphetamine-type drugs. The ages of the offenders were from 13 years to 39 years. Many of these people were unemployed. Drugs were obtained by theft, false pretences and forgery of prescriptions.

During the last few years, the Public Health Department has received an increasing number of reports from chemists and doctors of persons abusing amphetamines, which have been legally obtained upon prescription. Mostly these are housewives in the middle-age group, often with domestic or personality problems. The true extent of this aspect of drug dependence in South Australia is not known, as it is believed that only a fraction of the cases actually occurring comes to notice. It is known that amphetamine-type drugs constitute a problem with certain types of patient undergoing medical treatment with them.

(2) Barbiturates. Again, the true extent of abuse in South Australia of barbiturates is uncertain. It is known that a considerable number of patients undergoing legitimate treatment with these drugs do abuse them. Some guide is given in the report of Whitlock and Lowrey (*Medical Journal of Australia*, 1967) that in Australia 15 per cent of all psychiatric admissions were found to be dependent upon barbiturates. The South Australian Police Drug Squad has investigated a few instances of the illicit sale of barbiturates in South Australia among groups of younger people, who

have often been associated with the illegal possession and/or use of other drugs. But at present there is no offence of illegal possession or use of barbiturates under South Australian law.

(3) Bromides. The consumption in South Australia of the most popular brand of bromureide tablets is declining by 16 per cent a year. At the same time, Commonwealth health figures show that the number of prescriptions for barbiturates written each year is increasing. Retail pharmacists regularly report instances of patients buying bromide sleeping tablets too often for the correct dosage to be taken.

(4) Hallucinogens. Despite frequent rumours, the use of L.S.D. and other hallucinogens is almost unknown outside of medical practice in South Australia. During 1969 there was one validated investigation for the illegal use of L.S.D.

The Hon. R. A. GEDDES: Recently I asked the Minister of Health whether he could advise me how to tell when drugs were being peddled? Has he a reply?

The Hon. A. J. SHARD: The Department of Public Health has prepared an information kit dealing with the Use and Abuse of Drugs which is available for limited distribution at this stage to secondary schools and persons and organizations interested in promoting talks and discussions on this subject to various groups. Included in the kit is Leaflet No. 4 which details signs and symptoms of drug abuse. Much of the material contained in this kit has already been published in the press. I have an information kit with me which I will make available to the honourable member.

GEPPE CROSS SALE YARDS

The Hon. L. R. HART: Has the Minister of Agriculture a reply at long last to my question of July 21 regarding conditions at the Gepps Cross sale yards?

The Hon. T. M. CASEY: I point out to the honourable member that I have really answered this question on several occasions in reply to questions asked both by the Hon. Mr. Springett and by the honourable member, but I agreed, when I answered the question in July, that I would obtain further information regarding this important matter. I hope the reply will satisfy the honourable member and that it will be of interest to the Hon. Mr. Springett. The reply states:

Following the honourable member's inquiry and his criticism of my reply to an earlier question on the subject of the United States

ban on the export of meat to that country from the Gepps Cross abattoirs, I sought a comprehensive report on this matter from the Metropolitan and Export Abattoirs Board. The General Manager of the Gepps Cross works has furnished detailed information on the situation and, because of the importance of this matter and with the indulgence of honourable members, I will quote his comments in full:

- (1) The United States Department of Agriculture imposed a ban on shipments of mutton to the U.S.A. from sheep slaughtered since May 15, 1970. The ban was applied to all establishments supplying mutton to the U.S.A.
- (2) The reasons for the above action were as follows:
 - (a) the application of Australian criteria for the inspection and disposition of carcasses affected with caseous lymphadenitis (C.L.A.) did not conform to U.S. Department of Agriculture standards;
 - (b) incomplete compliance with inspection procedures in respect of correlation of carcass and offals; and
 - (c) unsatisfactory sheep-dressing and handling procedures.
- (3) Although to the best of my knowledge Gepps Cross had not in recent years been involved with the rejection of mutton by U.S.D.A. authorities, it was implicated in the general ban applied on Australian meatworks shipping mutton to America.
- (4) Arising from meetings between U.S.D.A. veterinarians, the Department of Primary Industry and representatives of industry, a criteria for C.L.A.-affected carcasses to meet American requirements was determined. These requirements have been satisfactorily implemented at Gepps Cross. The complete correlation of carcass and offal has been met.
- (5) The problems relating to improved sheep-dressing and handling procedures necessitating some departure from long-established practices have proved difficult to overcome. Management has made alterations to dressing chains and has endeavoured to effect the required dressing and handling procedures with reasonable success, and it is felt that with close supervision to the altered procedures and the co-operation of employees the works will shortly be in a position to seek reinspection by the appropriate authorities.
- (6) One significant improvement in the out-turn of carcasses is the recently imposed requirement that all sheep must be crutched before being submitted for slaughter.
- (7) Subsequent requirements relating to stock destroyed on anti-mortem inspection and the denaturing of condemned materials have been carried out.

(8) Since the imposition of the ban the works have been processing sheep for Russia and Japan, but it is expected that slaughterings of sheep will decrease during the next few weeks because of lamb priorities.

(9) Gepps Cross is registered for the processing of beef and lamb for the U.S.A.

I again emphasize that every endeavour must and will be made to meet the export requirements of the United States for our meat—stringent and seemingly unreasonable though they may be.

WOMEN'S REHABILITATION CENTRE

The Hon. JESSIE COOPER: Has the Chief Secretary an answer to my recent question concerning the staffing of the sick bay at the Women's Rehabilitation Centre?

The Hon. A. J. SHARD: Since occupation of the Women's Rehabilitation Centre in December, 1969, negotiations for appointment of a nurse have been proceeding with the Public Service Board. Arrangements have now almost been concluded whereby the Director-General of Medical Services will make daily and emergency services available by providing a nurse from Hillcrest Hospital, which is in close proximity to the centre. This arrangement will obtain until it becomes clearer as to whether a full-time nurse at the centre is warranted, but at the same time it will ensure that the directions of the medical officer can be carried out by a qualified person.

ROAD SCHEDULES

The Hon. C. M. HILL: Recently I asked the Minister representing the Minister of Roads and Transport whether the Highways Department intended this year making available to members of Parliament the schedule for road-works. Has he a reply?

The Hon. A. F. KNEEBONE: My colleague the Minister of Roads and Transport has supplied me with the following information in answer to the question the honourable member asked of the Chief Secretary in my temporary absence from the Chamber on August 12, 1970:

The Government does not propose to continue the practice commenced by the previous Government of releasing the annual works programme schedules of the Highways Department to members of Parliament. The Government made available a copy of the works programme to each Cabinet Minister, to the Leaders of the respective Chambers, and to the Whips in each Chamber. This is the extent to which the Government intends to distribute these schedules.

FISHING

The Hon. C. R. STORY: Can the Minister of Agriculture tell me the amount of tuna, abalone, shark, crayfish and prawns, in pounds, taken in South Australian waters in the previous two years?

The Hon. C. M. CASEY: I will obtain the information for the honourable member.

CHILD-MINDING CENTRES

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

Leave granted.

The Hon. C. M. HILL: Yesterday I received two very significant letters from the Corporation of St. Peters. In one the corporation expresses its opposition at this stage to compulsory voting in local government elections, and in the other the corporation opposes the proposal to transfer the licensing of child-minding centres to the control of the Minister of Social Welfare. Regarding the latter letter, has the Government made a decision on the control of child-minding centres? If not, will the Government consult the Local Government Association before proceeding further?

The Hon. A. F. KNEEBONE: I will convey the honourable member's question to my colleague and bring back a reply as soon as it is available.

EMUS

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

Leave granted.

The Hon. R. A. GEDDES: I understand that the inspector who gave authority for the destruction of 200 emus on Calperum Station near Renmark is a very efficient and conscientious officer who would not lightly have made the decision to allow a permit for the destruction of 200 birds. On this morning's radio news it was stated that an aircraft had flown over the area concerned and, as no emus had been sighted, the permit for the destruction of any further emus on the property had been cancelled. To avoid making a mockery of permits that are granted and then rescinded in relation to the destruction of wild life, will the Minister of Agriculture say that any permits issued in the future will be valid for the time originally stated?

The Hon. T. M. CASEY: Yes. I should like to add further that although an inspection was carried out from the air one was also carried out on the ground. Aerial photographs of the area concerned were taken. If the honourable member had seen *This Day Tonight* on television last night he would have seen that people in that area were interviewed and asked why it was that people on one station were asking for permits while those on the very next station were not, and why one station had no emus while another one had them. After inspection by the departmental officers, both by ground survey and by aerial survey, those officers were of the opinion that the licence to destroy 200 emus at that particular time was not warranted, and that is why the licence was withdrawn at that time. In these cases I think anybody is likely to make a mistake, and of course in this case the mistake was rectified and I do not think any injustice was done. If at some future time the emus come down in plague proportions, there is no reason why another application could not be made in those circumstances.

HACKHAM CROSSING

The Hon. C. M. HILL: I seek leave to make a short statement prior to asking a question of the Minister representing the Minister of Roads and Transport.

Leave granted.

The Hon. C. M. HILL: At the Hackham railway crossing on the Main South Road there are two signs on each of the dual roadways warning of a railway crossing ahead, and each sign has the usual red triangle, the cross arms, and wording. After the train services were discontinued on the Willunga line, the speed restrictions over this crossing were withdrawn. There are no similar signs where the Willunga railway line crosses the main Victor Harbour road at McLaren Vale or at Willunga.

My questions are these: do any railway vehicles whatsoever use this railway line at Hackham, McLaren Vale and Willunga? If so, for what purpose are vehicles on the railway line, and are the precautions adequate at McLaren Vale and Willunga? If the answer to the first question is "No", will the Commissioner of Highways remove the unnecessary signs at the Hackham crossing?

The Hon. A. F. KNEEBONE: I will convey the honourable member's questions to my colleague and bring down a reply.

SUPPLY BILL (No. 2)

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

The Hon. A. J. SHARD (Chief Secretary): I move:

That this Bill be now read a second time.

For some years it has been customary for Parliament to approve two Supply Bills so that the current financial commitments of the Government may be met during the period between July 1 and the assent to the Appropriation Bill following the Budget debate. The Supply Act approved by Parliament in April last provides authority to the extent of \$40,000,000. The requirement to meet ordinary day-to-day expenditures from Revenue Account is currently running at more than \$20,000,000 a month, and present indications are that the existing provision will not last beyond the end of next week. It is desirable, therefore, for Parliament to consider a second Supply Bill now to give authority that may suffice until the Appropriation Bill becomes effective, probably late in October.

This Bill, for \$40,000,000, is the same in all respects as the second Supply Act passed in 1969-70. Together with the \$40,000,000 of the first Supply Act, it will give a total of \$80,000,000 to meet the normal running expenses of the Government. Clause 2 provides for the issue and application of \$40,000,000. Clause 3 provides for the payment of any increases in salaries and wages that may be awarded by a wage-fixing body. I express thanks and appreciation to the Council for its ready acceptance of the suspension of Standing Orders to permit this Bill to be considered without delay. It is necessary that it be passed by tomorrow, or by Thursday at the latest, and I trust that it will have a speedy passage.

The Hon. R. C. DeGARIS (Leader of the Opposition): This Bill is more or less a formality. It enables the functions of the State to be carried on until the Appropriation Bill is approved by Parliament later in the session. Usually we have two Bills like this one, but one may assume that this year there will be a third Supply Bill before the Appropriation Bill is passed. As most honourable members know, the expenditure of money is governed by the appropriations of the preceding financial year. Because I see no reason why the Bill should be delayed, I support the second reading.

Bill read a second time and taken through its remaining stages.

ADVANCES TO SETTLERS ACT
AMENDMENT BILL

Read a third time and passed.

ADMINISTRATION AND PROBATE ACT
AMENDMENT BILL

Read a third time and passed.

MOTOR VEHICLES ACT AMEND-
MENT BILL

In Committee.

(Continued from August 13. Page 693.)

The Hon. A. F. KNEEBONE (Minister of Lands): I have an amendment that follows clause 1 and precedes clause 2, and a subsequent amendment to clause 2. The amendment I shall seek to move following clause 1 is to insert a new clause 1a, which I think will cover the situation referred to by the Hon. Mr. Hill and the Hon. Mr. Banfield in the second reading debate. The Hon. Mr. Hill quoted from St. Matthew's Gospel chapter 7, verse 7:

Ask and it shall be given you.

Although on this occasion the honourable member is receiving and he and many other honourable members seem to think that the quotation refers to the Government, I say that the Government does not agree that that part of the scriptures refers to it.

The Hon. L. R. Hart: Even if it is justified?

The Hon. A. F. KNEEBONE: No, I would not say that; but I would not be so blasphemous as to think that St. Matthew's Gospel referred to the Government.

The CHAIRMAN: The Committee has already passed clause 1. I suggest we now deal with clause 2, and the Minister can ask for the Bill to be recommitted so that he can move to insert a new clause later.

Clause 2—"An action for negligent use of a motor vehicle may be maintained between spouses."

The Hon. A. F. KNEEBONE moved:

In subclause (1) after "caused" to insert "bodily".

The Hon. C. M. HILL: I thank the Government for moving this amendment, which undoubtedly improves the Bill considerably.

Amendment carried; clause as amended passed.

Title passed.

Bill recommitted.

New clause 1a—"Interpretation."

The Hon. A. F. KNEEBONE moved to insert the following new clause:

1a. Section 99 of the principal Act is amended by inserting after the definition of "approved insurer" the following definition: "bodily injury" includes mental or nervous shock.

The Hon. V. G. SPRINGETT: The verbiage of this definition is clumsy. "Bodily" generally means "physically"; but in this case we have together "physical", "mental", and "emotional".

The Hon. A. F. KNEEBONE: The Parliamentary Draftsman assured me that this definition was taken from similar legislation.

New clause inserted.

Bill reported with amendments. Committee's report adopted.

ADVANCES FOR HOMES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from August 13. Page 685.)

The Hon. A. J. SHARD (Chief Secretary): I thank honourable members for their attention to this Bill, the debate on which was adjourned last week because the Hon. Mr. Hill asked for some assurances about interest rates. I have a reply that I hope will satisfy him. The Hon. Mr. Hill has asked that I give an assurance that the rate of interest charged by the State Bank in relation to loans which are made pursuant to the Advances for Homes Act will not be increased in the foreseeable future.

I think I should mention that loans made by the bank pursuant to this Act now represent only a very small part of the bank's total lending for housing. By far the bulk of finance for housing is drawn from the Home Builders Account, established under the Commonwealth-State Housing Agreement. Moneys are made available to the State under the latter arrangements at a rate of interest 1 per cent below the Commonwealth long-term bond rate ruling from time to time. Moneys are presently provided by the Commonwealth at 6 per cent per annum, and the bank is lending them at 6½ per cent per annum. Loans made pursuant to the Advances for Homes Act from State Loan funds are at present restricted to supplementary finance for alterations and additions to homes already financed by advances under the Act. These loans are currently made at 6½ per cent also, even though the present cost of new money to the Government is 7 per cent. This is considered practicable at least for the time

being because there is a flow of repayments of lower cost moneys. There is unlikely to be any variation in the present lending rate of interest for housing through the State Bank unless the Government borrowing rate for new funds should alter.

Bill read a second time and taken through Committee without amendment. Committee's report adopted.

STATE GOVERNMENT INSURANCE COMMISSION BILL

Adjourned debate on second reading.

(Continued from August 13. Page 692.)

The Hon. F. J. POTTER (Central No. 2): Three years and two elections have passed since a similar Bill was last before the Council and I note with some interest that the Chief Secretary's second reading explanation on this occasion was much the same as it was in 1967. The Bill itself, apart from the excision of the field of life insurance which, I believe, was a move made by the Government entirely as a result of the debate in this Chamber in 1967, is much the same as the earlier Bill; in fact, I could find practically no other alterations to it. I think the same excuses for the introduction of this Bill were also made by the Chief Secretary in 1967, and it is interesting to note again what the excuses were.

First, he made no pretence on this occasion, fortified by the fact that this legislation was clearly included in the Labor Party's platform policy at the last election, that the Bill had been introduced to implement a plank of Labor's policy. I suppose I should admit that there is a fair mandate for the introduction of this legislation at present but, when it was introduced before, I think it was doubtful whether a mandate existed.

The Hon. D. H. L. Banfield: Didn't the Labor Party get as high a vote in the earlier election?

The Hon. F. J. POTTER: It might have, but it did not at that time place the issue fairly and squarely before the public. The main objects the Chief Secretary said he had in mind were that, as a result of a State insurance commission, insurance premiums would be kept to reasonable levels and competition would ensure that adequate service was given to the public. On this occasion, the Chief Secretary has gone on to say that "adequate service" does not simply mean that there is competition and reasonable means of access to the covering of risks but also that it relates

to the conditions of policies and the way in which claims are handled. It seems remarkable to me that in the second reading explanation, the Chief Secretary did not say that the commission would issue a particular kind of policy.

Some of these things, it seems to me, are purely wishful thinking on the Government's part. No information has been placed before the council concerning the proposed financial arrangements for the setting up of the commission. No information has been given about the expected rate of earnings, about the field the Government insurance office will cover (except in a very broad way), or about any financial investigation regarding the financial viability of the whole enterprise. So, it seems remarkable that the Chief Secretary should claim that more adequate service will be given by the commission and that premiums will be kept to reasonable levels. How this can possibly be advocated, I fail to see, because the commission will go into active competition with the existing 150-odd other insurance companies operating in South Australia. I fail to see how premium rates can be very much different; however, time alone will tell, and I shall wait with interest to see whether or not this enterprise will prove to be a financially successful one.

The Leader of the Opposition expressed some fears that perhaps the commission's methods of accounting will be somewhat different from the normal methods of accounting used by what one might call outside insurance companies—as we normally think of them. The Leader made out a very good case last week for ensuring that proper account be taken of all the overheads which the commission will incur but which may not show in its financial returns. I do not know whether any amendments are contemplated on that matter, but I would certainly consider them with interest in Committee.

The Government has said that it will set standards of service in insurance because the standards are low in some instances. A suggestion was made that some companies altered their liabilities unilaterally without proper and adequate notice to their customers; that there had been cases in which companies had unfairly relied on technical errors in the application of policy provisions; also, the age-old problem of the so-called arbitration clause in insurance policies has again been introduced.

If these criticisms are justified (and I know from my own knowledge that in some cases, particularly in less reputable companies, some of these criticisms are justified), I repeat what I said when I spoke to the earlier Bill: it is not necessary for a State insurance commission to be created in order to deal with that kind of thing because it can be dealt with very effectively by ordinary legislation covering insurance contracts. Indeed, I remind the Council, as I did last time, that several of these matters have been dealt with very effectively by the Victorian Instruments Act. If honourable members look at that legislation they will see that it is specifically provided that no contract of insurance may be voided by reason only of any incorrect statement in the proposal or in any other document. If there is any accident or mistake or for any other reasonable cause the insured fails to give any notice (these are some of the technical points referred to by the Minister), this shall not be a bar to proceedings.

Further, that Act goes on to deal with arbitration clauses in contracts of insurance. I think there are occasions when these arbitration clauses can be of some assistance in the resolution of a dispute; nevertheless, they are not to be taken as a condition precedent to the institution of proceedings in any court of competent jurisdiction. In other words, any misuse—if one can use that term—of the strict arbitration clause in an insurance contract cannot be a bar to proceedings in court.

It seems to me that that was really all that was necessary if the Government had sincerely wanted to deal with this question, which it claimed was causing difficulty to members of the public. But instead of that, of course, the truth of the matter is, as I said a short time ago, that these are only excuses for the Bill; they do not really help the Government's argument in any way. It seems to me that the sole reason for this Bill is that it is a socialistic measure which has the support of the Government of the day. There really is no other reason for the introduction of the Bill, except perhaps that over a period of time it is hoped that by some successful operation a profit may be generated and so assist the general revenue of the State. I hope that this does occur but, in saying that, I have some doubts about the matter that the Hon. Mr. DeGaris raised, namely, that this commission will be a little different from the kinds of Government instrumentality that we see in the form of the

Electricity Trust or the Savings Bank, and that it is in fact going to be under Ministerial control.

The Minister said in his explanation that nobody ought to have any objection to this Bill unless he had something to fear. Of course, he was referring to the existing insurance companies. I suggest that the existing companies, most of which act in a very responsible and legitimate way, do not fear any ordinary and fair competition from a Government insurance commission. However, I think they are concerned about the prospect of unfair advantages that might accrue to such a commission. Indeed, I think there is some justification for those fears. We ought to look very carefully at this whole question of Ministerial control, because with the socialistic idea behind the creation of this commission there must be a temptation to see it generate reasonably healthy profits in a fairly short time, and with this temptation I suggest that perhaps there might also come the temptation to build up business rapidly, particularly if in the early months or years of operation of the commission, business seems to be a little slow.

The question of Ministerial control is very important. We must not overlook the fact that directly or perhaps indirectly the Government of the day has a certain persuasive power, through its Minister and through Cabinet, to put a considerable amount of business in the hands of its own commission. If this happens, I think we will then have the situation that the companies in ordinary business are somewhat fearful about, namely, unfair competition. Already we have seen some instances of this in the work done by insurance commissions in other States, where some monopolies have been set up and where there have been some unsatisfactory methods of carrying out business.

We have not had very much information from the Government with regard to the personnel who will be appointed to positions on this commission. It is to be a body corporate with a chairman appointed for five years and with four other members, one appointed for four years, another for three years, another for two years, and one for one year, so that in fact there can be an annual rotation of ordinary members of the commission. If this commission is set up, I hope the Government will appoint a board consisting of people who have considerable knowledge of insurance matters and insurance law. I think they will need to know a tremendous amount about

the kind of responsibilities that insurance companies shoulder and about the financial aspects of insurance, the building up of adequate funds, the finalizing of claims, and the whole question of short-term investment of premium moneys. All these matters will have to be carefully considered.

We must not overlook the vital point that the commission will be starting from scratch and entering a field where competition is already at a peak, with very good results for the South Australian public. All honourable members know that this State enjoys some of the lowest insurance premiums in Australia. I made a lengthy speech on this matter in 1967. When re-reading that speech today I thought that there was no point in again going into the detail that I gave in that year. Because that detail is available in *Hansard*, anyone can read what I and most other honourable members said on that occasion, when the matter was actively debated.

The Hon. R. C. DeGaris: We would like to hear you again.

The Hon. F. J. POTTER: I do not want the subject to become stale.

The Hon. D. H. L. Banfield: You have changed your views.

The Hon. F. J. POTTER: I do not think so. Actually, I supported the second reading of the 1967 Bill, and I intend to support the present Bill. I will consider the amendments that were canvassed by the Hon. Mr. DeGaris. Some matters will need to be fully considered during the Committee stage, but I support the second reading.

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

EUDUNDA AND MORGAN RAILWAY (DISCONTINUANCE) BILL

Adjourned debate on second reading.

(Continued from August 13. Page 693.)

The Hon. D. H. L. BANFIELD (Central No. 1): I support the second reading. I join with other honourable members in saying that I am sorry that this railway line, which has served the State for over 90 years, is now to be closed. It is regrettable that more is not done to get support for our railways. After all, the report of the Transport Control Board says that this line, amongst others, did a very good job in the early days of the State. I support the Hon. Mr. Gilfillan's plea that the Road and Railway Transport Act should be

amended to enable the Public Works Committee to have more time to consider whether a line should be closed. At present the Transport Control Board can take as long as it likes to investigate such a matter but, before the line can be closed, the matter has to be referred to the Public Works Committee, which at present has only 28 days to consider it. Unfortunately, the committee has not only such matters but also important construction projects to consider. Consequently, it is frequently very difficult to bring down a decision within 28 days.

The Hon. R. A. Geddes: Can you get an extension of time?

The Hon. D. H. L. BANFIELD: Not under the present Act. The committee received co-operation from the previous Minister of Roads and Transport when it was clearly pointed out that it would be impossible for it to finalize its investigations into the closing of a line within 28 days. As a result, he delayed the matter and promised to ask Parliament to amend the Road and Railway Transport Act to allow a period of 60 days. We had trouble when we considered the closing of the Victor Harbour line and the line from Hallett Cove to Willunga.

The Hon. Sir Norman Jude: Do you think that such matters should be taken away from the Public Works Committee?

The Hon. D. H. L. BANFIELD: No; the question should come before the Public Works Committee much sooner than it does. The committee does not get a chance to consider the matter until it is impossible for it to give any decision other than one to close the line. It is when the Railways Commissioner first considers the possibility of closing a line that the matter should come before the Public Works Committee. At that stage the committee could possibly advise the Railways Commissioner on ways of building up business on the line. However, under the present system, by the time the matter reaches the committee, either the line has deteriorated to such an extent that it would be financially impossible to restore it or business on the line has seriously decreased because the Railways Department has provided inadequate service.

The committee recommended to the then Minister (Hon. C. M. Hill) that he should ask Parliament to amend the Road and Railway Transport Act to allow the committee to have 60 days to consider each matter. On March 25, 1969, the committee received a report by telephone that the Transport Control

Board had agreed to the proposal to change the period from 28 days to 60 days and that an amendment would be made in due course. It was not until December 17 that a letter was received from the then Minister stating that Cabinet had agreed that 60 days was a more reasonable period and that an endeavour would be made to introduce an amending Bill in the next session. Fortunately, the Hon. Mr. Hill was not the Minister when the next full session got under way. I hope the present Minister of Roads and Transport will consider this matter and introduce an amending Bill soon. I support the second reading.

The Hon. C. M. HILL (Central No. 2): I, too, support the second reading of this Bill, which continues a process that had earlier been set in motion to close completely the Eudunda-Morgan railway line and ultimately dispose of the assets associated with it. I am pleased that the Government has seen fit to introduce the Bill; by doing so it is supporting the previous Government's policy of adopting a more businesslike approach to the railways generally and of closing lines that are exceedingly unprofitable. This, of course, has not been the policy of the present Minister of Roads and Transport. I read with great interest that in another place on July 3, 1969, the honourable gentleman said:

I maintain that we have to accept non-payable lines as a community obligation.

But, of course, things were different then from what they are now. However, he continued his thinking after the new Government came to office, for it was reported in the press on June 11 of this year that he said:

The general policy of the Labor Government would be to retain rail services.

The change seemed to come soon after that, because at the annual conference of the Australian Labor Party held in June of this year, the Hon. Mr. Virgo was reported in the press on June 16 to be debating and opposing a motion put forward by his sub-branch from Tailem Bend, which, understandably, wanted the retention of railway lines. He was reported in the press as saying:

Whether we like it or not, there are lines in South Australia that just cannot be retained and should not be retained.

So we have had a change of front, evidenced by both that statement and by the fact that the present Government has introduced this Bill. I commend the Government for changing its view and adopting a different pattern of approach to railway lines, as obviously it has done.

Some earlier speakers in the debate criticized the Railways Department for its policies and actions during the term of office of the previous Government in regard to this line. I accept full responsibility for those decisions that were taken at the time and point out that the Government and I did not come lightly to the decision to close this line; we deliberated for a long time. In fact, the Transport Control Board could never be accused of hurrying this question in regard to the machinery between itself, the Railways Department, and the Public Works Committee, because the first decision was made by the board in November, 1968, when it gave notice of its intention to issue an order for the closing of the line.

It was not until November, 1969, that the final decision was made that the line be closed. In the course of that long period of time, every possible effort was made to assist those people who would be affected by the closure.

It was a fact that the haulage of firewood returned only 50 per cent of its full cost to the South Australian Railways, but this was only one point that was considered. Every aspect for and against was considered fully and it was with some regret that the final decision was made to close the line.

I commend the Hon. Mr. Gilfillan for the interest he took in this matter on behalf of the people affected. I know that in his capacity as a member of the Public Works Committee he watched their interests as much as possible. I commend, too, the Hon. Mr. Dawkins for the way in which time and time again he raised the question in this Chamber in his endeavour to protect the interests of the people concerned. He asked questions on October 23, November 6 and December 4 of 1969 about this very matter.

The Hon. Mr. Dawkins, when he spoke in this debate, mentioned Mr. Boord, from Morgan. In my dealings with Mr. Boord (and I saw him several times about this matter) I found that he put his position fairly and honourably; I have a high regard and respect for him, and in particular for the way in which he endeavours to watch over and support the interests of the whole district of Morgan.

The Hon. Mr. Banfield this afternoon said that the previous Government had agreed to increase the period of time that the Public Works Committee required to consider matters such as this. We did not have time to introduce an amendment to extend that time, but we agreed that it should be extended. As the Hon. Mr. Banfield has said, we advised the Chairman

of the Public Works Committee of that extension of time. One reason why that amendment was not introduced was that the Public Works Standing Committee Act required many amendments, and the whole Act was under review. I join with the Hon. Mr. Banfield in saying that I hope it will not be long before either the old Act is repealed and a new Act introduced or the old Act is considerably amended.

The Bill provides for the disposal by the Railways Commissioner of assets that are within the right of way and are part and parcel of the old line. In this respect, I ask the Minister to consider, when the weighbridge at Morgan is disposed of by the Railways Commissioner, the wishes of the District Council of Morgan, because I understand that that council, and particularly its Chairman, believes that the district would find the weighbridge of considerable benefit to the people there. Rather than simply having tenders called in the normal way, perhaps some negotiations could be arranged with the Morgan council, because that might be one way in which considerable assistance could be given to the people living there.

Also, whilst I realize that the land is not being disposed of under the terms of this legislation, there is the matter of the land under the control of the Railways Commissioner adjacent to the caravan park at Morgan. That parcel of land, roughly speaking, stretches from the cattle yards to the present caravan park. It could be used to great advantage by the Morgan council for extensions to its caravan park. The town and the district need industry of all kinds, and the tourist industry, being profitable, is one operation in which the district could involve itself to great advantage.

I understand that the council is most anxious to extend the caravan park across this land. I ask the Minister to consider, when he thinks the time is appropriate, some contact being made with the council to see whether the area could be assisted by the Railways Department either disposing completely of its interest in the land to the council or perhaps entering into a long-term lease assigning its interests for a period of time to the council for that purpose.

In considering the final decision to close the line, one naturally wonders what alternative public transport is available to the people there. The Railways Commissioner did arrange for a co-ordinated rail and road service, in that a road bus service was provided to take the place of the rail service when that closed. That road service has not been

very profitable or successful, but I believe a new road service direct to the city from Morgan is to commence on September 1.

In supporting this Bill, I hope that that service will prove of benefit to the town and the district and that many of the problems that the people believe are associated with the closure of the line will be overcome when that direct road service is implemented.

The Hon. A. F. KNEEBONE (Minister of Lands): I thank honourable members for the way in which they have dealt with this Bill. I have very little to say in reply. The Hon. Mr. Hill answered most of the points and posed several questions regarding the disposal of the railway land associated with the line, also the Morgan weighbridge. I suggest to the honourable member that the Morgan council should, in its own interests, approach the Railways Department and, subsequently, the Lands Department regarding the disposal of the land. However, these matters will not be lost sight of. I again thank honourable members for the way in which the Bill has been dealt with.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—"Removal of portion of the railway line."

The Hon. L. R. HART: One of the problems of railway financing has always been the question of debt charges. Capital expenditure is incurred in the early stages of building any railway line or railway facility and it remains a debt charge against the Railways Department for all time. It is a recurring

interest charge on the original debt. The closing of this line involves the selling of assets associated with the line, and I wonder whether the original debt against that portion of the line still remains or whether it will be written off. Will the Minister clarify this position?

The Hon. A. F. KNEEBONE (Minister of Lands): There are provisions for writing off in regard to railway finances, and this is how these matters are handled.

The Hon. C. M. Hill: There should be more of it.

The Hon. A. F. KNEEBONE: It is on the Auditor-General's recommendation that this is carried out. I agree with the honourable member that most of the losses sustained by the Railways Department in some years is brought about by debt charges. This is orthodox financing, I am told, and this is the way that these matters have been handled regarding most Government financing in South Australia for many years. However, whether there can be any alteration to remove the debt charge from the railways would have to be agreed to by Parliament so that there could be changes to the Railways Department's finance provisions.

Clause passed.

Clause 4 and title passed.

Bill reported without amendment. Committee's report adopted.

ADJOURNMENT

At 3.50 p.m. the Council adjourned until Wednesday, August 19, at 2.15 p.m.