

## LEGISLATIVE COUNCIL

Thursday, August 27, 1970

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

### ASSENT TO BILLS

His Excellency the Governor, by message, intimated his assent to the following Bills:

Advances for Homes Act Amendment,  
Statutes Amendment (Public Salaries).

### QUESTIONS

#### BOLIVAR EFFLUENT

The Hon. L. R. HART: I seek leave to make a short statement before asking a question of the Minister representing the Minister of Works.

Leave granted.

The Hon. L. R. HART: Some time ago I, together with some other honourable members, led a deputation to the Minister of Works in relation to making use of reclaimed water from the Bolivar sewage works. Representatives of the Munno Para District Council presented to the Minister a scheme for the use of this water, and I believe that other schemes have also been presented to him. There is a rumour current that the Engineering and Water Supply Department has come to an agreement on the distribution and use of this water. Therefore, will the Minister ascertain from his colleague whether a statement can be made on this very important matter?

The Hon. A. F. KNEEBONE: I shall be pleased to obtain a reply from my colleague.

The Hon. M. B. DAWKINS: Will the Minister also ascertain whether it is correct that one or more projects are contemplated to use effluent water from the Bolivar works?

The Hon. A. F. KNEEBONE: I shall be pleased to do that.

#### COUNTRY ROADS

The Hon. A. M. WHYTE: Has the Minister of Lands a reply from the Minister of Roads and Transport to my question of August 20 about sealing the main streets in Coober Pedy and Penong?

The Hon. A. F. KNEEBONE: My colleague has indicated that construction of Coober Pedy streets will commence within 12 months and sealing will be undertaken shortly afterwards, depending on the availability of funds. The honourable member has referred to Penong, too. If that reply does not cover the position I will obtain further information for him.

### CHILD-MINDING CENTRES

The Hon. C. M. HILL: Has the Minister of Lands a reply from the Minister of Local Government to my recent question about the control of child-minding centres?

The Hon. A. F. KNEEBONE: It is the Government's policy that child-minding centres shall be transferred to the control of the Social Welfare Department, and legislation to give effect to this policy will be introduced in due course.

### MORATORIUM

The Hon. L. R. HART: I seek leave to make a short statement before asking a question of the Chief Secretary.

Leave granted.

The Hon. L. R. HART: The following article appears in this morning's *Advertiser* under the heading, "March to go on":

The State Committee of the Vietnam Moratorium Campaign is going ahead with plans for a city demonstration on September 18. A committee spokesman said yesterday that on that day marchers would go from Elder Park to the city, where they would occupy "a city intersection" for six hours.

We all vividly remember the last moratorium march in Adelaide and we recall that certain State politicians took part in it and made statements about matters associated with the Vietnam moratorium, and about National Service in particular. The fact that the moratorium marchers will occupy a city intersection for six hours indicates that there may be considerable dislocation of services and the movement of traffic in the city on that day. Can the Chief Secretary assure the Council that every precaution will be taken to allow the normal flow of city traffic and that no hindrance will occur as a result of the marchers occupying a city intersection for about six hours?

The Hon. A. J. SHARD: Apparently, the honourable member does not have the faith in a certain authority under my supervision that I have. I have every confidence in that authority to see that the city will be free of interference and that peace will be maintained, and I never issue instructions.

### WINE PRICES

The Hon. C. R. STORY: Has the Chief Secretary a reply from the Premier, who is in charge of the Prices Branch, to my question of August 20 about wine prices?

The Hon. A. J. SHARD: No.

### TRANSPORTATION STUDY

The Hon. Sir NORMAN JUDE: 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. Sir NORMAN JUDE: Earlier this week it was reported in the press that when the Hon. G. T. Virgo, the Minister of Roads and Transport, was queried about any report received from the two Americans who had been here investigating the Metropolitan Adelaide Transportation Study plan, he said that as he had received only a verbal report he could not table it, and that is reasonable. He went on to say that he expected to receive a report in some four or five weeks after those gentlemen returned to America. This morning there is a report in one newspaper of a press conference on this subject and another one in the *Australian*, and the two reports, to say the least of it, do not coincide in the views expressed. Does the Minister approve of this manner of issuing a report, which he himself states that he has not had, through the medium of a press conference when so much money paid to these gentlemen by the Government is involved?

The Hon. A. F. KNEEBONE: I will not comment on the question which, of course, is one for my colleague; I will refer it to him and bring back a reply as soon as it is available.

#### 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:

Daws Road High School Additions,  
Glenelg Treatment Works (Reticulation of Reclaimed Water),  
Panorama Technical College Additions,  
Virginia Primary School (Replacement).

#### SUPREME COURT ACT AMENDMENT BILL (VALUATION)

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

#### HOUSING IMPROVEMENT ACT AMENDMENT BILL

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

#### PUBLIC PURPOSES LOAN BILL

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.*

At the meeting of the Australian Loan Council in June last, the Commonwealth

agreed to give its support to a total programme of \$823,000,000 for State works and housing. This is an increase of \$65,000,000, or about 8½ per cent above the 1969-70 total of \$758,000,000. South Australia's share of the total determined is \$112,420,000, which is \$8,500,000 above the allocation of \$103,920,000 for 1969-70. The amount that has been nominated for housing to be taken under the terms of the Commonwealth-State Housing Agreement is \$24,000,000, so that \$88,420,000 of new funds will become available for the general works programme.

Repayments and recoveries of advances and expenditures from Loan Account are expected to reach about \$20,500,000, which would be a little more than \$1,000,000 above last year's recoveries. These recoveries will be partly in respect of earlier years' expenditures and partly corresponding to current expenditures. An example of the latter is the Commonwealth contribution towards buildings at tertiary educational institutions, of which it shares the cost equally with the States. Arising directly from an increase of over \$4,000,000 in gross grants for tertiary education buildings this year is an increase of over \$2,000,000 in the recovery from the Commonwealth.

This increase of over \$2,000,000 is expected to be offset in part by several fairly large falls in other repayments to give the net increase of about \$1,000,000 I have mentioned.

The new funds, totalling \$88,420,000, to be advanced to the State by way of loan and grant for the general works programme, and the recoveries expected to reach \$20,500,000, will together give an aggregate of \$108,920,000 becoming available during the course of the year. For the purposes of the 1970-71 works programme, this will be supplemented by a further \$4,300,000 from the balance carried over in the Loan Account at June 30, 1970, so that the total programme is \$113,220,000. The balance at June 30 was \$13,032,000 but, against this, Consolidated Revenue Account was in deficit by \$4,579,000, and the Government feels for a variety of reasons that it should hold some substantial figure, at least temporarily, in reserve after offsetting the revenue deficit. In the first place, the 1970-71 outlook for the Revenue Budget is by no means clear. The Government considers that it must bring our standards of social services up to the levels operative in other States and more nearly to those standards properly demanded by the people. An application for supplementary finance to help in this has been reported on by

the Commonwealth Grants Commission, but at least in the first place the advance grant recommended by the commission is most unlikely to cover the whole prospective revenue deficit. Thus, if practicable, some Loan balances must be held against such a deficit.

Secondly, the programme now proposed is for payments for general works aggregating almost 11½ per cent more than in 1969-70. The housing programme proposes an increase of about 13 per cent, and works and housing together more than 11½ per cent. If the Government was to consider only the present needs of the community, we would be justified in using more of the funds held at June 30 last and in planning an increase this year greater than that now set before you. However, we must have regard to the commitment that will automatically flow into 1971-72 and endeavour to hold some funds on hand to supplement new funds likely to be available in that year, and so achieve a smooth increase from year to year in our capital programme.

Thirdly, the building and construction industry and the other areas of private enterprise that supply equipment and other materials for our needs can cope without any strain with the programme now proposed, and could probably handle comfortably some further addition. However, here again there are good grounds for holding some small balance of funds in reserve. The Government is most concerned with the great degree of reliance of the South Australian community on the health of the motor vehicle and home appliance industries. We are also most concerned about how easily output and employment in those areas can be affected by the market climate throughout Australia. The Commonwealth's action late in 1969-70 in raising interest rates and tightening credit has already had some adverse effect on these industries. Should this adverse effect grow because of the Commonwealth's 1970-71 Budget measures, it may be expected to have repercussions in the building trade and elsewhere, and it may be necessary for the Government to stand prepared to speed up its capital programme at short notice to counteract any threatening influences. A reserve of funds would be desirable against this contingency.

Last year the allocation of new Commonwealth-State Housing Agreement funds of \$21,250,000 was supplemented by net recoveries of interest and repayments of previous advances of \$1,693,000 within the Home Builders Account to give a total of \$22,943,000 available for housing. This year the new funds of

\$24,000,000 are expected to be supplemented by about \$1,900,000 of recoveries, so that \$25,900,000 is proposed to be distributed. The Government proposes that the Housing Trust should get increased support with low-interest moneys for its rental and low-deposit housing this year, and has allocated \$10,750,000, an increase of \$1,000,000 above advances to the trust in 1969-70. Of the \$15,150,000 to be used for financing home ownership, \$13,250,000 is proposed to be advanced through the State Bank and \$1,900,000 through building societies. Thus the support of individual borrowers through the bank and societies is to be at a level of about \$1,950,000 above last year.

The programme of semi-governmental borrowing approved by the Australian Loan Council in June totalled \$399,582,000, comprising \$397,000,000 for normal annual purposes and \$2,582,000 for special requirements. The latter figure includes \$582,000 for the South Australian Natural Gas Pipelines Authority, being the balance remaining of \$20,000,000 specially approved in 1967. South Australia's share of the normal annual programme is \$20,520,000, and of this \$10,000,000 is to be allocated to the Electricity Trust, \$4,750,000 to the Housing Trust, \$290,000 to the pipelines authority, and the balance of \$5,480,000 to the larger local government borrowers. For local government and statutory authorities wishing to borrow individually not in excess of \$300,000 a year there has been, for some years now, no aggregate limit. These arrangements apply again in 1970-71, and under them the State Bank will probably borrow, as in earlier years, to assist in financing the Loans to Producers Scheme. I will now give honourable members a brief review of the main works and purposes for which the Bill provides.

**ADVANCES FOR HOMES, \$50,000**—The State Bank handled a very large volume of funds for housing loans through the Advances for Homes Scheme, financed out of the State's Loan Account, before South Australia became a participant in the Commonwealth-State Housing Agreement arrangements in 1953-54. Since 1953-54 the volume of funds through the Advances for Homes Scheme has declined and the volume of Housing Agreement funds, borrowed at concessional rates of interest, has increased, and in 1969-70 only \$459,000 was made available from the Advances for Homes Account, whereas the Housing Agreement funds allocated to the bank through the Home Builders Account reached \$11,473,000. In recent years the advances for homes funds

were largely restricted to financing the purchase of Housing Trust houses. This was in accordance with an earlier request by the Commonwealth, but the Commonwealth Minister has now agreed that in future the special low-interest agreement funds may be used by the bank for loans to purchase trust houses in just the same way as for other dwellings. The \$50,000 of Advances for Homes provision is required now only for minor extensions to previous loans already made under the scheme, as for construction of additional bedrooms required as families increase, and also for some readvances when homes are sold subject to mortgage. The allocation of about \$13,250,000 of Housing Agreement funds to the bank this year, an increase of almost \$1,800,000, will offset the reduction of Advances for Homes funds, permit the rate of lending to be maintained, and enable the bank to increase the maximum individual loan for new houses from \$8,000 to \$9,000. Recently some four borrowers out of five have found it necessary to arrange second mortgage finance, normally at higher rates, to supplement the first mortgage finance from the bank. The increase in the maximum loan from the bank, by reducing the dependence on costly second mortgage finance, will mean that for such borrowers the effect of recent rises in interest rates will be completely offset.

**LOANS TO PRODUCERS, \$1,400,000**—To enable the bank to continue to assist in financing capital extensions by primary producer co-operatives a total of \$1,869,000 is expected to be available this year. A sum of \$169,000 has been carried forward from semi-government borrowings last year, \$1,400,000 is to be provided from Loan Account, and it is proposed that up to \$300,000 will be raised by way of new semi-government loans.

**ADVANCES TO STATE BANK, \$1,000,000**—This advance is required primarily because of the capital programme of the Municipal Tramways Trust to which I shall refer later in this statement. Before calling on State Loan funds for direct advances later in the year the trust will utilize its cash balances built up and held temporarily at the State Bank pending their use in the bus re-equipment programme. It is desirable that this unusual withdrawal of funds from the bank should be offset by further advances from Loan Account so that the bank may continue to operate and, where necessary, expand its general banking functions, particularly in the rural sector and for producer co-operatives.

**ROADS AND BRIDGES, \$1,000,000**—The Government has already announced its intention of providing a ferry link between Cape Jervis and Penneshaw on Kangaroo Island. The details of how the ferry will be operated are still being worked out and the Government will present further information to Parliament as soon as possible. In the meantime it seems clear that additional expenditures will need to be incurred by the Highways Department this year in providing approach roads and ancillary services and, possibly, in up-grading some roads. These expenditures cannot yet be calculated accurately but will be beyond those previously planned by the department in the normal course. Accordingly it is desirable that a provision be made for advances to the department sufficient to meet at least part of the probable additional costs.

**SOUTH-WESTERN SUBURBS DRAINAGE, \$1,750,000**—In 1959 the Public Works Committee submitted a report on a scheme for the drainage of floodwaters in the south-western suburbs of the metropolitan area and recommended the construction of Stage I of the scheme which at that time was estimated to cost \$4,317,000. The committee then considered that it would be in a better position upon the completion of this stage to examine the further works that would be necessary. Legislation authorizing the works recommended by the committee was assented to late in 1959 and work was commenced in 1959-60. The legislation provided that all of the funds required be provided by the Government in the first instance, with half of the cost to be recovered subsequently by instalments over 53 years from the local authorities whose areas will benefit.

Because of much more rapid building development than expected in the Marion and Brighton council areas the construction of a drain along Seacombe Road, Brighton Road and Young Street, Seacliff, became an urgent necessity, and in 1965 the committee recommended the construction of Drain 10 along this route, at an estimated cost of \$420,000. Authority for the construction of Drain 10 is contained in the South-Western Suburbs (Supplementary) Drainage Act, 1966, which provides that the cost shall be shared on the same basis as with the other works being constructed.

In 1967 the committee submitted a further report recommending a number of minor modifications to the drainage works and Patawalonga basin and major improvements to the Sturt River channel. A revised estimated

total cost of Stage I, including the construction of Drain 10 and improvements to the river channel, was then almost \$8,400,000. During the past two years substantially increased allocations have been provided to enable the scheme to be completed as quickly as possible. Drain 10 and all of the drains discharging to the sea under the revised Stage I have been completed, and all of the major drains discharging to the Sturt River, under the revised scheme, either have been completed or are in course of construction.

The committee has recently reported in favour of Stage II of the drainage scheme, and the overall estimated cost of the total scheme is now \$10,906,000. A provision of \$1,750,000 is proposed this year, \$950,000 being set aside for improvements to the river channel, and \$800,000 for the construction of various drains. Amending legislation will be introduced in due course to authorize work not included in the present Act and to vary the provisions relating to the sharing of contributions and to the repayments required of the local authorities benefiting under the scheme.

**OTHER URBAN DRAINAGE, \$1,000,000**—To assist councils in the disposal of floodwaters the Government provides \$1 for \$1 subsidies up to approved limits for the construction of suitable projects for main drains. Councils are responsible for finding their quota of one-half of the funds required and for carrying out the actual work. The sum of \$1,000,000 is provided in 1969-70 to continue work on many schemes already approved and to commence new schemes in the metropolitan area and in country towns as approved during the year.

**PUBLIC PARKS, \$300,000**—Under previously existing arrangements expenditure from this provision has been limited to the purchase of land for public parks and recreation areas and for grants to local government authorities to assist them in the purchase of open areas to be used for those purposes. In assisting local authorities in this manner the normal policy has been to provide a grant equal to one-half of the Land Board's valuation of the open area being purchased. To further assist councils and to help the growth of the tourist industry in this State the Government now proposes, in addition, to provide subsidies towards the development of land purchased since July 1, 1970, in accordance with these arrangements. Development proposals received from councils will be examined by the Director, Tourist

Bureau, before being approved for subsidy purposes. Subsidies will be granted on the basis of up to one-half of the actual expenditure on development, having regard to the type of development and the needs of the council area involved. It has been the practice in recent years to transfer to a deposit account any amount remaining unspent from these annual provisions so that it is available subsequently to be used for the prescribed purposes.

**LANDS DEPARTMENT—BUILDINGS, PLANT, ETC., \$400,000**—Actual payments from Loan Account in 1969-70 were \$342,000, a large part of which was required for the purchase of specialist machinery for the Mapping Branch of the Lands Department. The branch is to be installed in the new Government Printing Office building to be constructed at Netley. An amount of \$270,000 is provided this year for the purchase of further machinery for the branch, and \$130,000 for various other items of plant and equipment and for other minor works.

**IRRIGATION AND RECLAMATION OF SWAMP LANDS, \$788,000**—The more important provisions for 1970-71 are as follows: \$100,000 to replace the existing rising main at Mypolonga, which is in very poor condition; \$40,000 for the construction of a new overhead storage tank at Cadell to improve supplies in this area; and \$351,000 for reconstruction and replacement of various old channels with pipe-main. Of this amount, \$225,000 is required for the main supply channel at Cooltong, and \$50,000 for channels at Berri. Of the \$150,000 proposed for drainage this year, \$130,000 is to replace portion of the main drains at Cadell.

**REMARK IRRIGATION TRUST, \$400,000**—The Renmark Irrigation Trust Act provides for the Government to finance the cost of constructing a new pumping station at Renmark together with rising mains and ancillary works up to a total of \$1,120,000. Two-sevenths of the amount provided is to be by way of grant and the remainder by way of loan repayable by instalments by the trust. The Act also provides for Government grants not exceeding \$1,000,000 in total to be paid to the trust towards the cost of rehabilitation of the irrigation works and the provision of additional drainage. Actual payments from Loan Account in 1969-70 were \$235,000, of which \$85,000 was for work on the pumping station and associated works and \$150,000 as an annual payment towards rehabilitation of the irrigation works and for additional drainage. A sum of \$200,000 is provided this year to continue work

on the pumping station and rising mains, and \$200,000 towards channel rehabilitation and drainage.

**AFFORESTATION AND TIMBER MILLING, \$2,900,000**—For 1970-71, a total of \$3,300,000 is proposed, \$2,900,000 to be provided from Loan Account and \$400,000 from Commonwealth advances under the Softwood Forestry Agreement. The major provisions are as follows. The sum of \$460,000 is provided to meet the cost of recurring expenses involved in forest establishment and development; and \$850,000 is provided for preparation of land and planting. It is intended that about 6,000 acres will be planted during 1970-71. After allowing for clear felling the total area of State pine plantations will be about 190,000 acres at the end of June next. The sum of \$500,000 is provided for the purchase of land suitable for forestry as it becomes available; \$105,000 is to complete the construction of a new regional office at Mount Gambier; and \$305,000 is for log debarking and chipping equipment, also at Mount Gambier.

**RAILWAY ACCOMMODATION, \$7,800,000**—The sum of \$3,093,000 is provided this year for Way and Works Branch, and the detailed proposals are: \$1,940,000 for sundry works such as track re-laying, bridges and culverts, signalling and safety devices, minor buildings and improvements to yards; \$250,000 for houses for employees; \$500,000 for plant and sundries; and \$393,000 towards the approved special programme of betterment of main lines. The sum of \$4,707,000 is proposed for Rolling Stock Branch items in 1970-71, the more important provisions being: \$827,000 for progress payments for three diesel-electric locomotives; \$302,000 to complete three suburban railcars; \$290,000 for work on four joint stock sleeping cars; \$164,000 for the completion of three joint stock club cars; \$344,000 for work on 62 flat waggons; \$630,000 for the construction of 100 freight waggons; \$446,000 to continue the programme of modifications and improvements to freight vehicles; and \$627,000 for sundry rolling stock items.

Work is proceeding towards satisfactory completion of the standardization works between Port Pirie and Broken Hill, and the main line was opened to traffic in January of this year. The estimated total cost of work being carried out by the South Australian Railways undertaking is about \$45,000,000. Expenditure of \$7,695,000 last year carried the cumulative total of expenditure on the project to \$41,900,000 at June 30 last. As it is nearing completion, a reduced provision of \$3,000,000

will suffice for work to be carried out this year. The funds are being provided initially by the Commonwealth, with the State accepting responsibility for repaying three-tenths of the cost over a period of 50 years. The sum of \$341,000 is provided from Loan Account for progress payments for nine diesel-electric locomotives for 4ft. 8½in. gauge, and for sundry items of rolling stock.

**HARBORS ACCOMMODATION, \$4,500,000**—This year's provision includes the following: \$1,100,000 is proposed to continue work on widening and deepening the river channel between the Outer and Inner Harbours, the scheme including extending the Outer Harbour swinging basin, providing beacons in new positions, and reclaiming low lying land; \$400,000 is provided for work on the construction of the new passenger terminal to improve the passenger-handling facilities at Outer Harbour, the scheme providing for a modern two-storey building with convenient road access; \$50,000 is required to complete work on the provision of bulk loading facilities at Port Giles; and \$1,650,000 is proposed for further work on dredging and other port improvements at Thevenard to enable larger vessels to engage in the export of grain and gypsum.

**FISHING HAVENS AND FORESHORE IMPROVEMENTS, \$225,000**—A sum of \$225,000 is proposed this year for work on a number of projects to provide improved facilities, the more important being \$48,000 to complete jetty extensions and channel dredging at Franklin Harbour, and \$50,000 to commence work on a new fishing jetty at Wallaroo.

**WATERWORKS AND SEWERS, \$32,680,000.**

**Metropolitan Waterworks, \$10,418,000**—The sum of \$332,000 is provided for the virtual completion of work on the provision of additional pumping plant for the Mannum-Adelaide main. The scheme is necessary to meet the increasing demand for water in the metropolitan area and will enable the maximum annual capacity of the pipeline to be increased from 21,500,000,000gall. to 26,000,000,000gall. An amount of \$5,470,000 is proposed to continue work on the Murray Bridge to Onkaparinga main. This major scheme will augment the metropolitan water supply by pumping water from the Murray River for discharge into the Onkaparinga River. Funds are also provided for extensions and improvements to the water supply at Braeview, Elizabeth, Modbury, Torrens Island and Gilman areas, and West Lakes.

**Country Waterworks, \$7,931,000**—The sum of \$575,000 is provided for further work on

the construction of a main to connect the Tod trunk main near Lock with Kimba. The main will provide an assured water supply to the township of Kimba and to extensive areas of farming and grazing lands. An amount of \$166,000 is required to complete work on the duplication of the Morgan-Whyalla main. Permanent boosting plant will be installed subsequently as the demand increases.

The sum of \$1,134,000 is proposed to continue work connected with the construction of a main from Swan Reach to Stockwell. All pipeline work and the construction of storages has been completed. Expenditure this year will enable work on the three permanent pumping stations and the installation of pumping plant to be completed. An amount of \$2,133,000 is provided for further work on the construction of a main from Tailem Bend to Keith. The estimated cost of the scheme, including the construction of about 500 miles of branch mains, is \$14,000,000, and a special grant of \$6,000,000 is being provided by the Commonwealth under the Australian water resources development programme to assist with the scheme.

An amount of \$1,007,000 is provided to continue the enlargement and replacement of the old Tod trunk main. The scheme originally provided for the enlargement and replacement of a section of 84 miles of the trunk main between Knotts Hill and Minnipa. Approval has recently been given for the scheme to be extended to cover most of the 240 miles of main. Funds are also provided for water supply schemes at many other country areas.

Metropolitan Sewerage, \$7,018,000—The sum of \$294,000 is provided for final payments to complete work on the Bolivar Sewage Treatment Works. These works will provide complete sewage treatment for a contributing population of 600,000 persons from the Adelaide-Elizabeth drainage areas. An amount of \$964,000 is proposed to continue work on the Christies Beach Sewage Treatment Works. The construction of civil works, including tanks and galleries, is well advanced and it is proposed that installation of machinery should commence this year.

An amount of \$750,000 is provided to commence the construction of major extensions at the Glenelg Sewage Treatment Works. The existing treatment works are becoming overloaded and the proposed extensions will increase the capacity of the plant by about 40 per cent. The sum of \$840,000 is proposed for reconstruction of sewers during 1970-71. Included in this amount is \$500,000 to con-

tinue the reconstruction of the south-western suburbs drainage area to cope with increasing outflows and to provide for the sewerage of the Blackwood and Belair area; \$200,000 for the reorganization of sewerage facilities in the south-eastern suburbs; and \$140,000 for the reconstruction and replacement of a number of old trunk sewers in the western suburbs. Funds are also provided for sewerage of many new housing areas, including Christies Beach and Noarlunga, Blackwood-Belair, and West Lakes.

Country Sewerage, \$2,526,000—The sum of \$500,000 is proposed to continue work on the extension of sewerage facilities to Gawler. The approach trunk sewer was constructed last year and reticulation works within the town are in progress. An amount of \$210,000 is required to complete the provision of sewerage facilities at Millicent. This scheme is necessary to protect underground water supplies and to meet the demands of rapidly developing housing and industrial areas.

The sum of \$416,000 is provided for further work on the sewerage scheme at Murray Bridge that will provide sewerage facilities to the town and prevent pollution of the Murray River. An amount of \$700,000 is proposed for work on the sewerage scheme at Port Pirie. The preliminary work, including camp establishment, is nearing completion and sewers are being constructed. A contract for the treatment works has been approved and is scheduled for completion in late 1971.

Other Works—Included in the appropriation for waterworks and sewers is a provision of \$1,000,000 towards the development costs of that portion of the old Islington sewage farm area which is to be sold for industrial use. The development involves the provision of heavy duty roads, stormwater drainage, water supply and sewerage facilities.

MURRAY RIVER WEIRS, DAMS, LOCKS ETC, \$400,000—Provision has been made for a State contribution of \$400,000 towards the cost of capital works being undertaken in terms of the River Murray Waters Agreement.

GOVERNMENT BUILDINGS, LAND AND SERVICES, \$33,000,000.

Hospital Buildings, \$11,100,000—The main proposals for 1970-71 are:

Royal Adelaide Hospital—The sum of \$300,000 is provided for further work on the rebuilding scheme for the hospital which is now nearing completion.

The Queen Elizabeth Hospital—The sum of \$2,500,000 is proposed to continue work on

major additions at the hospital involving a new north wing, an additional floor over the existing ward block, a new pharmacy, and extensions to the outpatients department.

**Strathmont Centre**—The sum of \$1,350,000 is required to complete the new training centre for the intellectually retarded.

**Modbury Hospital**—The sum of \$3,500,000 is provided for the first stage of the new hospital at Modbury comprising the main hospital building, a nurses home, accommodation for resident medical staff, a boiler house and workshops. Work occurred last year on the main hospital building. This will be stepped up during 1970-71, and also it is proposed to commence the construction of the nurses home, quarters for the resident medical staff and workshops.

**Port Augusta Hospital**—The sum of \$700,000 is proposed for further work on the redevelopment of the Port Augusta Hospital to provide modern accommodation for patients, a new kitchen and dining room, nurses home, boiler house and laundry.

**Port Pirie Hospital**—The sum of \$250,000 is provided to commence work on the redevelopment of the Port Pirie Hospital, which is to be carried out as two separate projects. The first project comprises a children's and maternity ward complex, nurses training centre, administration accommodation, bulk store and mortuary. The second project comprises a geriatric ward of 60 beds, physiotherapy unit, and a new nurses home.

**School Buildings, \$16,500,000**—For 1970-71, the proposals for school buildings and associated works total \$16,500,000, and it is intended that these funds will be applied as follows:

	\$
Work under 30 projects with a total value of \$13,880,000 for new schools or major additions to schools, a technical college, teachers colleges and adult education centres, which were in progress at June 30, 1970	5,712,000
The commencement of 21 projects with a total value of \$11,877,000 for new schools or major additions to schools, technical colleges, Murray Park Teachers College, and an adult education centre . . . . .	3,258,000
Minor new buildings . . . . .	621,000
Library buildings . . . . .	1,293,000
Prefabricated buildings and transportable units . . . . .	666,000
Flexible units . . . . .	150,000
Purchase of land, buildings and residences for school purposes	1,350,000

	\$
Minor works, including grading and paving of school yards, fencing, roadways, toilets and facilities, furniture and equipment, subsidized works, additional Samcon schools and preliminary investigations and design . . . . .	3,450,000
	\$16,500,000

Included in the proposed expenditures are science laboratories, technical colleges, teachers colleges and libraries projects towards which the Commonwealth will continue to contribute unmatched grants in accordance with its legislation. The extent of Commonwealth support in 1970-71 for these purposes is estimated at about \$2,600,000. The Government considers the record provision for school buildings to be most important in the Bill now before you, even though the increased provision is still seriously inadequate. We hope that it may be possible later in the year to exceed this provision.

**Police and Courthouse Buildings, \$1,500,000**—The sum of \$330,000 is proposed this year to continue the development scheme for the Police Training Academy at Fort Largs; \$245,000 is provided for work on new police stations at Blanchetown, Burra, Ceduna, Elliston, Gladstone, Lamerook, Maitland, Meningie, Para Hills, and Port Wakefield; \$50,000 is proposed to commence construction of divisional headquarters at Whyalla; and \$65,000 is required for alterations to the old Police Headquarters building, and \$300,000 for accommodation for the Local and District Criminal Courts.

**Other Government Buildings, \$3,900,000**—The more important provisions for 1970-71 are:

**Agricultural College Department**—The sum of \$200,000 is required to complete remodelling of the wine cellars at the college to provide improved facilities for oenology students. As this scheme commenced prior to January 1, 1970, the date from which the college was accepted by the Commonwealth as a college of advanced education, the work is being financed by Commonwealth grants under technical training arrangements. The sum of \$150,000 is proposed to commence work on the first stage of a scheme for major extensions at the college. The cost will be shared equally with the Commonwealth from grants provided under special legislation providing financial support for colleges of advanced education.

**Agriculture Department**—An amount of \$90,000 is provided to complete extensions



and improvements at Northfield Research Centre, and \$35,000 is set aside to commence a laboratory at Turretfield Research Centre to provide facilities for soil and plant research and experimentation.

**Public Health Department**—The scheme for the establishment of dental clinics at various country and metropolitan schools is proceeding satisfactorily, and \$190,000 is provided this year for work on a further 10 clinics. Eight of these will be in country centres and two in the metropolitan area.

**Department of the Public Service Board**—The sum of \$255,000 is proposed for work on additions to the Automatic Data Processing Centre which are required to provide accommodation for additional computing equipment to be delivered during the year.

**Government Printing Department**—The sum of \$150,000 is provided to commence construction of a new printing office and mapping branch at Netley.

**Prisons Department**—The sum of \$280,000 is proposed to commence work on a new gaol at Port Augusta. The rebuilding scheme provides that women prisoners will be accommodated in the existing gaol, and \$40,000 is set aside to enable the necessary conversions to be carried out.

**SOUTH AUSTRALIAN HOUSING TRUST**—It is not proposed to make provision for direct advances to the Housing Trust from Loan Account in 1970-71. As has been the practice for some years, the greater part of the trust's new money will be provided from funds borrowed under the provisions of the Commonwealth-State Housing Agreement at a concessional interest rate. For this year the allocation proposed is \$10,750,000, an increase of \$1,000,000 above the \$9,750,000 made available last year. The allocation of an increased volume of this low interest money is the most effective way for the Government to encourage the construction of more "low-cost" housing. The trust will also borrow part of its requirement of new money direct from lending institutions, and \$4,750,000 of semi-governmental borrowing authority has been set aside for this purpose. This provision, increased from \$4,050,000 last year, will assist the trust to carry out a somewhat greater programme of factory construction. Balances on hand, internal funds, surpluses on operation, and moneys recovered from the sale of houses are also available to the trust so that from all sources it is expected that it will have funds capable of financing a capital programme of \$25,300,000.

During 1969-70 the trust completed 1,712 housing units, compared with 1,898 in 1968-69, and at June 30, 1970, there were 1,796 houses or flats under construction. The trust expects to commence work on 2,349 houses or flats during 1970-71, including 979 in the country. The total number of dwellings on which work will be carried out, that is, the total of those now under construction and those to be commenced, is thus 4,145.

**ELECTRICITY TRUST OF SOUTH AUSTRALIA—LOAN TO, \$6,000,000**—The trust proposes to spend \$24,570,000 on capital works during 1970-71. The sum of \$6,000,000 is to be provided from State Loan funds, and \$10,000,000 is to be raised by the trust from financial institutions and the public, with the balance of \$8,570,000 to be met from the trust's internal funds.

The main proposals this year are: an allocation of \$6,200,000 to continue work on the Torrens Island power station. The conventional steam power station at Section A Torrens Island is nearing completion with the fourth 120,000-kilowatt unit due for commissioning towards the end of 1970; Section B on an adjacent site is in the early stages of development as the first 200,000-kilowatt unit and is not due for commissioning until 1975. A sum of \$2,560,000 is proposed to commence the construction of a gas turbine power station at Dry Creek, which is favourably sited for connection to the main natural gas pipeline for fuel supply. Of this, \$1,980,000 is required for progress payments on turbo-generators and associated equipment, and \$580,000 for civil works, including main building, roads, drainage and electrical equipment. Also, \$430,000 is proposed for further development of the metropolitan 275,000-volt system; \$730,000 for work on the 132,000-volt system to Mobilong; \$870,000 for progress on the scheme to extend supply on Eyre Peninsula; \$1,100,000 for commencement of the second 132,000-volt transmission line between Taillem Bend and Mount Gambier on a route *via* Keith and Penola; \$2,500,000 for new transmission lines and substations and additions to existing installations in both metropolitan and country areas; \$2,100,000 for the purchase of large transformers, circuit breakers and other major items of equipment; \$2,930,000 for extensions and improvements to the medium and low voltage sections of the general distribution system; \$1,200,000 for extensions to rural consumers; \$850,000 for the purchase of transformers for the general distribution system and rural supply;

and \$850,000 for the purchase of meters and control equipment.

**LEIGH CREEK COALFIELD**—A programme of \$821,000, proposed in 1970-71, will be provided from internal resources: of this \$594,000 is required for progress payments on a new dragline excavator, and \$227,000 for plant, machinery, vehicles, and minor works.

**MUNICIPAL TRAMWAYS TRUST, LOAN TO, \$1,000,000**—For some years prior to 1957-58, the Municipal Tramways Trust was allocated annual sums in the State's Loan programme to assist it in the rehabilitation of the undertaking and the purchase of a diesel bus fleet. From 1958-59 until 1969-70, the trust was able to meet its relatively small capital programme without a further call on Loan funds. The trust now has in progress a major re-equipment programme to replace the older diesel bus fleet with new diesel vehicles specially designed for one-man operation. The backbone of this programme is the purchase and assembly of 262 A.E.C. Swift chassis and the manufacture locally of bodies and component parts. In 1969-70, as the re-equipment programme got under way, the trust began to run down cash balances that it had accumulated at the State Bank, built up from its depreciation provisions in anticipation of the current replacement requirements. As the programme reaches its peak in the three years 1970-71 to 1972-73, it will be necessary for the trust to absorb the remainder of its funds held at the State Bank and arrange new loans aggregating about \$3,000,000 from the Treasury. The Government proposes to spread these advances as evenly as practicable over the three years and, accordingly, proposes that \$1,000,000 be made available to the trust this year.

**STATE PLANNING AUTHORITY, LOAN TO, \$250,000**—Under the planning regulations that deal with land acquisition for recreation purposes, the State Planning Authority has been undertaking a programme of purchasing land as it has been offered. At June 30, 1970, the authority had purchased 560 acres of land for recreation purposes at a cost of \$490,000. The finance for such purposes has come from reserve contributions of \$290,000 by land-owners as a result of subdivisions and from semi-government loans of \$550,000 raised under guarantee by the Government. After meeting certain other costs, such as interest on loans, the authority had, at June 30 last, about \$320,000 available for future acquisitions.

Land for reserve purposes now on offer to the authority and currently under negotiation is valued at about \$1,300,000. It is expected that settlement for much of this land will be made in 1970-71. The finance presently available to the authority towards purchase comprises the cash balance of \$320,000 held at June 30 last and the proceeds of a further semi-government loan of \$300,000 arranged in June to be taken up this year. In addition, it is likely that reserve contributions of a further \$150,000 or so will become available following subdivisions during the year. It may be practicable to arrange a further semi-government loan of up to \$300,000 in 1970-71, but this is not assured. To ensure that the authority has sufficient funds to meet settlements as they fall due, it seems desirable to also provide an appropriation of \$250,000 from Loan Account.

**FESTIVAL HALL, \$900,000**—The construction of a festival hall at Elder Park is a joint venture between the State Government and the Council of the City of Adelaide. The council is the constructing authority for the project while the bulk of the cost is to be shared between the Government and the council, with the Government accepting the major responsibility. The present broad proposals for finance are that a total cost of about \$5,250,000 will be borne as to \$300,000 from Commonwealth and public contributions, approximately \$3,370,000 from State Government grants, and \$1,580,000 from contributions by the council. The Government has also taken responsibility for substantial indirect costs in supporting the festival hall proposal. The Railways Department will incur expenditures in the removal of buildings from the hall site and their replacement elsewhere, while the Public Buildings Department is also involved in expenditures for site clearance. The council has arranged tenders for earthworks, which are now completed, and for piling, which is now under way. The main building tenders are under consideration. To spread the impact on Loan Account, a Government contribution of \$700,000 was set aside in a special account in 1968-69 and a further contribution of \$900,000 was made last year. An amount of \$900,000 is proposed this year for advances to the council and for certain small payments by the Public Buildings Department. The costs incurred by the Railways Department will be met from Loan provisions appropriated for that department.

**UNIVERSITY AND ADVANCED EDUCATION BUILDINGS, \$9,400,000**—Actual payments in

1969-70 amounted to \$5,063,000 as grants were made to the major tertiary institutions to complete the 1967-69 approved building programme and to commence projects under the 1970-72 programme. The 1970-72 Capital Programme recommended by the Australian Universities Commission and the Commonwealth Advisory Committee on Advanced Education and accepted by the Commonwealth and South Australian Governments is for a total expenditure of \$20,062,000, made up as follows:

	\$
University of Adelaide . . . . .	6,352,000
Flinders University of South Australia . . . . .	4,460,000
South Australian Institute of Technology . . . . .	9,000,000
Residential colleges . . . . .	250,000

The programme is peaked rather sharply in the present financial year, and as a result State and Commonwealth grants of much more than one-third of the three-year commitment are included in the Bill. The Commonwealth contributions, equal to one-half of the cost of progress work under the approved programme, are credited to Loan Account as received quarterly.

**NON-GOVERNMENT HOSPITAL AND INSTITUTION BUILDINGS, \$2,750,000**—The major building projects at non-government hospitals and institutions for which grants are proposed this year are as follows:

**Ashford Community Hospital**—The Government is providing \$2 for each \$1 raised by the hospital towards extensive alterations being undertaken to provide accommodation for an additional 119 beds, increasing the total bed capacity to 206 beds. The work is estimated to cost \$1,300,000, and a grant of \$500,000 is provided this year for completion of the project.

**Burnside War Memorial Hospital**—The Government is providing \$2 for each \$1 raised by the hospital towards a 29-bed expansion. The estimated total cost is \$725,000, and a grant of \$240,000 is proposed so that the project may be completed this year.

**Lyell McEwin Hospital**—A major scheme of additions and improvements, including extensions to the Radiology Department, are being carried out at the hospital and the Government has agreed to meet the full cost; \$100,000 is provided this year to complete the project. The Government is also meeting the cost of a 19-bed extension at the hospital, and \$100,000 is provided so that construction may commence this year.

**Maitland Hospital**—A grant of \$200,000 is proposed this year to complete the rebuilding project towards which the Government is providing \$2 for each \$1 raised locally.

**Murray Bridge Hospital**—Alterations to the existing hospital to increase the bed capacity by 15 beds and the construction of a new nurses home are being carried out at Murray Bridge, and the Government is providing \$2 for each \$1 raised by the hospital. A grant of \$100,000 is required this year for its completion.

**Western Districts Hospital**—A new hospital to replace the existing Henley and Grange Community Hospital is to be built providing accommodation for 60 beds. The Government has agreed to provide \$2 for each \$1 raised locally, and a grant of \$100,000 is proposed this year.

**MINES DEPARTMENT, \$325,000**—This sum is provided this year for capital items to be used in the programme of exploration and development of the State's mineral resources. Of this, \$40,000 is required for the construction of new administration and workshop buildings at the Naracoorte depot, \$30,000 for water meters, and \$255,000 for new and replacement vehicles, minor additions to buildings, and for the purchase of replacement and additional plant and equipment.

**EDUCATION DEPARTMENT—SCHOOL BUSES, \$380,000**—This sum is proposed this year for the purchase of additional and replacement buses for the transport of schoolchildren in country areas.

**DEPARTMENT OF THE PUBLIC SERVICE BOARD—DATA PROCESSING EQUIPMENT, \$1,040,000**—The Automatic Data Processing Centre has been set up to process commercial-type work and to perform calculations of an engineering and scientific nature. The centre came into operation in 1965 and the present equipment is now engaged almost to its capacity. The purchase of new equipment has been arranged to enable development in data processing to continue and to permit the eventual phasing out of the original equipment at the end of its economic life. Provision for this purpose was included in 1969-70 but, because of the necessity to reconstruct the building accommodating the existing computer complex, the installation of the new equipment was delayed somewhat; \$1,040,000 is now provided for payment for the additional equipment in 1970-71.

I turn now to the clauses of the Bill. Clause 3 sets out the moneys making up the Loan Fund. As a result of the Commonwealth's

offer to make available part of the funds for State general capital programmes by way of grant instead of entirely by way of loan, as in the past, it has been necessary for Parliament to consider an amendment to section 38 of the Public Finance Act to authorize the Treasurer to credit to the Loan Fund Account the grants for general capital purposes. Clause 3 of the Public Purposes Loan Bill, which previously spelled out the kind of receipts credited to the Loan Fund, has now been shortened somewhat and states that the relevant credits shall be those specified in the principal and controlling financial measure, which is the Public Finance Act, as amended from time to time.

Clause 4 provides for borrowing by the Treasurer of \$61,000,000; this is the portion of South Australia's allocation for works and purposes arranged at the June, 1970, meeting of Loan Council which will come from public borrowings. Clause 5 provides for the expenditure of \$113,220,000 on the undertakings set out in the first schedule to the Bill. Clause 6 authorizes certain advances made during 1969-70 for the undertakings set out in the second schedule. This ratification is required to be included in the Public Purposes Loan Bill next brought before Parliament after warrants have been issued by the Governor pursuant to section 32b of the Public Finance Act.

Clause 7 makes provision for borrowing and payment of an amount to cover any discounts, charges, and expenses incurred in connection with borrowing for the purposes of this Bill. Clause 8 makes provision for temporary finance if the moneys in the Loan Fund are insufficient for the purposes of this Bill. Clause 9 authorizes the borrowing and the issue of \$40,000,000 for the purpose of financing Loan undertakings in the early part of next financial year until the Public Purposes Loan Bill for 1971 becomes effective.

Clause 10 gives the Treasurer power to borrow against the issue of Treasury bills or by bank overdraft. The Treasurer possesses and may exercise this authority under other legislation, but it is desirable to make the authority specific year by year in the Public Purposes Loan Bill as is done with other borrowing authority. Clause 11 deals with the duration of certain clauses to the Bill. Clause 12 directs that all moneys received by the State under the Commonwealth Aid Roads Act shall be credited to a special account to be paid out as required for the purposes of that Act. Clause 13 provides for this Bill to operate as from July 1, 1970.

I commend the Bill for consideration of honourable members.

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

#### REFERENDUM (METROPOLITAN AREA SHOP TRADING HOURS) BILL

(Continued from August 26. Page 1052.)

At 3.30 p.m. the managers proceeded to the conference, the sitting of the Council being suspended. They returned at 4.52 p.m. The recommendations were as follows:

That the Legislative Council do not further insist on its amendment, but make the following amendments in lieu thereof and that the House of Assembly agree thereto:

In clause 3 (1) to strike out all words up to and including "Act"; and after "referendum" insert "which shall be a day not earlier than the nineteenth day of September, 1970."

Consideration in Committee.

The Hon. A. F. KNEEBONE (Minister of Lands): I move:

That the recommendations of the conference be agreed to.

The conference was conducted in the usual amicable manner. The House of Assembly managers discussed the argument of the Legislative Council that the referendum and the by-election should not take place on the same day. After a short break, the managers returned to the conference table and the Assembly managers pointed out that, if the Legislative Council's amendment remained in the Bill, the referendum could not take place until some time in October, because the Bill would not be assented to until next week. Because the Government wanted the question of trading hours resolved as soon as possible so that legislation could be prepared, it was argued that this timing would be too late. The compromise was then put to the Legislative Council managers who, after considering the matter, decided to recommend to the Council that it be accepted. All the Legislative Council managers upheld the view of the Council and argued strongly in favour of it. When the compromise was put, we agreed that it was reasonable.

The Hon. R. C. DeGARIS (Leader of the Opposition): I support the motion. As the Minister said, the conference was conducted amicably by the managers of the two Houses. The problem that arose from the Council's amendment was that, if it remained in the Bill, it would not be possible to conduct the referendum before October 17, assuming the Bill was assented to on Thursday next. Therefore, the compromise suggested by the

Assembly managers was accepted by the Council managers.

The Hon. D. H. L. BANFIELD (Central No. 1): The fact that a compromise has been reached reflects on the allegations of some honourable members that the referendum proposal was purely a political trick. Actually, the Government sincerely desired to ascertain the opinion of the people. Its motive in proposing that the referendum be held on September 12 was to save costs and to hold it on a convenient day. When it was seen how strong was the Council's view, the Government did not want to lose the Bill; it is to be congratulated on this compromise. I support the motion.

Motion carried.

Later the House of Assembly intimated that it had agreed to the recommendations of the conference.

#### PUBLIC FINANCE ACT AMENDMENT BILL

Second reading.

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

*That this Bill be now read a second time.* It has become necessary for three main reasons. First, the Commonwealth has agreed to make available to this State grants exceeding \$27,000,000 a year for capital purposes in lieu of loans and to arrange to assume responsibility for existing State indebtedness at the rate of about \$27,000,000 a year. The decision of the Commonwealth calls for machinery amendments to the principal Act. Secondly, the extent of authority for "excess" expenditure from Consolidated Revenue, which is presently fixed at a maximum of \$1,200,000 a year, has increasingly proved inadequate in recent years as the volume of expenditure has increased, and it is desirable to extend that authority. Thirdly, there are several sections and provisions in the Act which relate to procedures long since outdated, and it would seem wise and desirable to repeal them. The recommendations upon which the Bill has been based were made by the Under Treasurer after detailed consultation with the Auditor-General.

Clause 1 of the Bill is formal. Clause 2 inserts in section 2 of the principal Act a definition of "borrowed money" and "borrowings" which embraces all State Government borrowings and is not restricted to those made by formal issue of securities in accordance with the Financial Agreement. It also removes several definitions of matters no longer relevant

and extends the definition of "public debt" to one which is more meaningful in present circumstances. Clause 3 repeals section 16 of the principal Act which at present requires the tabling in Parliament of a complex return relating to public securities which no longer requires either legislative or administrative action. All dealing with such securities is now done by the Commonwealth in accordance with decisions of the Australian Loan Council and pursuant to the Financial Agreement. All relevant information is in any case available to members in the annual Financial Statement of the Treasurer.

Clause 4 repeals Part IV of the principal Act as that Part deals with procedures now entirely superseded by the operation of the Financial Agreement and the functioning of the National Debt Commission. Clause 5 repeals and re-enacts Part V of the principal Act which relates to reserves, depreciation of wasting assets and sinking funds. These are very largely accounting matters which now must be adjusted in consequence of the arrangement for the Commonwealth to assume responsibility for a proportion of the existing State debt. The general provision is in the new section 27 authorizing the Treasurer, after considering any advice given by either of the two senior advisers on finance (the Under Treasurer and the Auditor-General) to apportion reserves arising from debt redemption and recoveries against Treasury records of expenditure of borrowed moneys. The authority of the Treasurer to make a final determination in all circumstances is limited in the proposed new section 27a in essentially the same manner as it is limited in the existing provisions. This section obliges the Treasurer to allocate appropriate credits arising from net provisions for sinking fund to accounts representing expenditure upon wasting assets so as to cover adequate depreciation as certified by the Auditor-General. Section 27a (2) provides against the contingency, which seems most unlikely to occur at least in the near future, where the reserves arising from net sinking fund provisions are inadequate to cover the full depreciation considered desirable.

Clause 6 repeals Part VI of the principal Act. This Part relates to a variety of financial and accounting transactions long since completed. Clause 7 relates to the provision of authority for "excess" expenditures from Consolidated Revenue beyond the amounts specifically appropriated by Parliament. Traditionally the authority for "excess" expenditure without prior reference to Parliament has been

much more severely limited and circumscribed in this State than in most other States and countries. It has been our custom to adopt the procedure of securing Supplementary Estimates as an alternative, usually late in the financial year. There is no intention to alter the tradition or the procedure. However, the present provision for "excess", which is limited to \$1,200,000 in all, of which not more than \$400,000 may be for "new lines", has latterly proved unreasonably restrictive. This I believe was particularly so during the last few months of the previous Government, and continued to be so during the remainder of the last financial year.

The amendment made to the Act in 1949 set the limit at a figure of \$800,000 which then represented about  $1\frac{1}{3}$  per cent of the amount provided by Parliament in the annual Appropriation Act. By 1964, the fixed figure represented only about  $\frac{1}{2}$  per cent of the amount of the Parliamentary appropriation, and an amendment increased it to \$1,200,000 or about  $\frac{3}{4}$  per cent of the Parliamentary appropriation. It has now fallen again to less than  $\frac{1}{2}$  per cent. The proposed amendment abandons a fixed figure of "excess" authority and puts it as 1 per cent of the amount provided in the annual Appropriation Act. For new lines the previous proportion of one-third of the total excess is retained. It is expected that this proportionate provision will obviate or at least defer much longer the necessity for a subsequent amendment.

Clause 8 makes an amendment to section 32b of the principal Act rendered necessary because in future it is proposed that the Loan Fund Account will include moneys other than Loan moneys which are intended for expenditure on capital works. Clause 9 is a provision which is most immediately necessary, and without which the annual Loan works programme cannot be implemented. It authorizes the Treasurer to pay into the Loan Fund Account:

- (a) any recoveries of expenditure from the Loan Fund Account;
- (b) the newly-arranged capital grants from the Commonwealth for expenditure on capital works which this year will amount to some \$27,400,000; and
- (c) any money received by the Treasurer from the sale of land belonging to the Crown where the Treasurer is satisfied that the money so received should be available for expenditure upon land acquisition from the Loan Fund Account.

New paragraph (c) of section 38 (2) which is inserted by this clause authorizes the inclusion in the Loan Fund Account of moneys derived from grants for capital purposes, and paragraph (a) of this clause in effect provides that any recovery of expenditure from such grants should also be repaid to the Loan Fund Account for further expenditure upon capital purposes.

It has been the practice since this State has had self-government to pay into revenue the proceeds of sale of lands belonging to the Crown except for those lands actually acquired out of borrowed moneys. Until recently it was the practice to acquire lands for public parks, reserves and open areas from vote from revenue. However, the recent practice has been to make the latter expenditures from the Loan Fund Account and the sums involved have so increased as to exceed the recoveries from the sale of Crown lands credited to revenue. It would seem proper that in the future the proceeds of sale of Crown lands should ordinarily be paid to Loan Fund Account. New paragraph (ca) provides the statutory authority for this. Clause 10 converts an amount of money expressed in the old currency to its equivalent in decimal currency. I commend the Bill to honourable members.

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

#### STATE GOVERNMENT INSURANCE COMMISSION BILL

Adjourned debate on second reading.

(Continued from August 25. Page 957.)

The Hon. C. R. STORY (Midland): I support this measure although, as was the case yesterday when I was speaking on another measure, not with a great deal of cheerfulness. I do not want to be obstructive. One could raise a number of points with regard to this legislation. However, I believe that it is mainly a Committee Bill, to be dealt with clause by clause. I shall say a few things about the Bill so that the Minister will perhaps be able to clear up some of the queries that arise in regard to it.

I am concerned about the control of the commission by the Minister, and I should like some information in regard to some of the machinery that will be necessary in setting up this type of State insurance office. Quite early in the piece, the Bill refers to the Ministerial control that will be introduced. I, for one, am a little worried about having Ministerial control in this type of legislation because, no matter which Government is in

power, there is always a certain amount of pressure exerted when things are not going too well. I can think of several things that would not be very lucrative at the present time for an insurance office.

One is the meat industry today, where we are meeting a lot of objection in America to Australian mutton. The insurance premiums for the export of meat at present have become very high, because the practice is that, if a consignment of meat is inspected on United States wharves and one or two cartons show either some pathological or some other form of defect, the whole consignment is rejected, and that meat has to be sold at pet food prices, the insurer then being up for the difference between the insured value of the meat and the price realized in America. So our meat costs are being increased considerably at present in order to get this type of insurance coverage.

I am a little worried that before long this insurance will not be at all attractive to insurers if the United States Government pursues the stringent policy it has so far adopted. The Australian producer considers the American market useful, for it takes surpluses; therefore, it is desirable to keep it open. If sufficient pressure is exerted on a Government insurance office at the right time (usually a few months before an election) I am not sure that the pressures will not be sufficiently great for it to take on this type of insurance; and, if a substantial loss is made, it will have to be loaded on to the more lucrative sections of insurance. This could easily lead to an increase in premium rates for people dealing with the Government.

The same thing applies to hail insurance in horticulture, that being an insurance that is not worth while at the moment because the premiums are so high that, if a heavy hail-storm occurs in certain areas of the State and produce is practically wiped out, great pressure will be exerted on the Government, a pressure that cannot be exerted on a company because it is beyond political pressure. That is why I notice that in this Bill the Minister may direct. If he is to have the option to direct, he must also take full responsibility in this matter.

Another thing I am particularly interested in is a matter raised by other honourable members—the position in Queensland where the Public Service becomes the agent for the State Government Insurance Office. I do not think that is a good thing, particularly where the Police Force is involved, because in that field there would be a conflict between two groups

of people—those in the Public Service who are actively engaged in being collectors for insurance, and the general public, who might think there could be some intimidation if they did not deal with the Government office. I sincerely hope that the Government will give due heed to this matter. I have no doubt the Minister will tell us something about this when he replies to close the debate.

But, generally speaking, this Bill is in line with similar legislation in the other States, a notable difference from the previous Bill being, of course, the exclusion of life insurance, which is a very good thing. If that was not so, many honourable members in this Chamber would adopt the same attitude to this Bill as they did to the former Bill. I think, too, that the State insurance office should pay its way, and that should be made patently clear to the public; that its methods of accounting should be the same as those used by insurance companies; and that it should not get any advantage over insurance companies—that is to say that the Public Service, if by any chance it was used as an agent (I hope it is not), would be remunerated in the same way as an employee of an insurance company doing a similar job would be.

The position in some other States, certainly in some other semi-government instrumentalities, is that over many years there has been a feeling that some of these offices have shown a fictitious profit. That is about the last thing we want to happen in South Australia in a Government insurance office. I see no reason for the Government entering this field, but it is following its policy. On two occasions it has had a mandate for it; therefore, it is going on with its mandate. I think we have been fairly well served over the years by the private insurers. There are always, of course, companies that do not meet their obligations. That is so wherever human nature is involved but, by and large, South Australia has done very well from its insurers, particularly as we have the lowest insurance rates of any State in the Commonwealth today. This will be the yardstick, of course, by which we shall measure whether we did the right thing in passing this legislation because, if insurance rates rise steadily over the next few years, one will not be able to say that the Government insurance office has not played its part in that. This must be accepted by people when they take work in this way from the experts engaged in this field in private enterprise.

We must also be terribly careful that the Government insurance office does not finish up insuring all the no-hopers; this could easily happen. If other insurers refuse to insure the motor vehicles of certain people because their record of claims is unsatisfactory, I do not think the Government insurance office should, because of sentimentality, decide to insure them. I have heard members of another place say that they want a Government insurance office because it will insure a person who would have to pay very high premiums elsewhere or whose business has been refused elsewhere. The only way in which insurance companies can remain solvent is by exercising prudence in taking risks and fixing premiums. If the Government insurance office accepts business from people who have been turned away from private insurers, it will be forced to load the premiums of those who insure with it.

No undue influence should be placed on semi-government and State-owned banks to insure with the Government insurance office; they should be allowed, but not compelled, to insure with it. The business of organizations

that are affected by certain Statutes could very easily be channelled into the Government insurance office if the Minister directs it. The various Acts with which private insurance companies must comply should apply, too, to the Government insurance office. Under this Bill the Crown is not bound in the same way as are private insurers in regard to some of these matters. I should like the Government to consider this point.

The Hon. R. C. DeGaris: You are saying that the insurance commission should be under the same laws as private insurers?

The Hon. C. R. STORY: I should like an assurance that the Government insurance office will be in exactly the same position as private insurers are at present.

The Hon. R. C. DeGaris: That involves the Workmen's Compensation Act.

The Hon. C. R. STORY: Yes. I seek leave to conclude my remarks later.

Leave granted; debate adjourned.

#### ADJOURNMENT

At 5.26 p.m. the Council adjourned until Tuesday, September 1, at 2.15 p.m.