LEGISLATIVE COUNCIL

Wednesday, October 31, 1973

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

QUESTIONS

PETROL PERMITS

The Hon. R. C. DeGARIS: I seek leave to make an explanation prior to asking a question of the Minister of Health, representing the Minister of Labour and Industry.

Leave granted.

The Hon. R. C. DeGARIS: I have been told that schoolteachers are unable to obtain any ration of petrol under the present emergency conditions. However, I believe certain categories of schoolteacher should be given urgent consideration. I refer to those teachers who teach fourth and fifth year classes and, as honourable members know, they are now at the most important part of the education year, so that any interference with their ability to continue with classes until the end of the school year could have a serious effect on the students. Will the Minister raise this matter with his Cabinet colleague as a matter that requires urgent attention?

The Hon. D. H. L. BANFIELD: I shall be happy to refer the honourable member's question to my colleague.

DENTAL HOSPITAL

The Hon. M. B. CAMERON: I seek leave to make a statement prior to asking a question of the Minister of Health.

Leave granted.

The Hon. M. B. CAMERON: Yesterday, in answer to a question I asked the Minister concerning dental treatment, the Minister, in part of his reply said (in reply to my question on what method is employed to assess patients for treatment):

> When patients' names reach the top of the waiting list, the patients are sent a card informing them of the date and time of an appointment made for them.

The Minister also said that 178 patients had been on the waiting list since 1965. For what year are we now sending out to people notices of their arrival at the top of the waiting list? Obviously it must be prior to 1965. In view of the alarming length both in numbers and time that people have been on the waiting list, can the Minister say whether more people are being added to the list than are capable of being treated by the dental hospital?

The Hon. D. H. L. BANFIELD: True, more names are being added to the waiting list each year, as the figures I gave yesterday indicate. However, we are trying to overcome this problem. Regarding the other question, I will obtain a reply for the honourable member as soon as possible.

CEREAL CROPS

The Hon. R. A. GEDDES: Many reports have been made regarding the type of rust affecting this State's cereal crops this season. Some reports have stated that the rust is the fungus released by skeleton weed, whereas others have stated that it is a type of fungus completely unknown to Australia. Will the Minister of Agriculture ask his departmental experts to report on what is known about this rust problem, which is affecting such a large area of the State this year?

The Hon. T. M. CASEY: I am pleased to be able to tell the honourable member that this is already being done. However, I cannot give him a report on the matter now as

samples of the rust must be collected and sent interstate to be analysed in laboratories set up to do this work. This matter has been in hand for some time, and we should soon start to receive reports on the type of rust involved. The first indication I had of this rust's being of foreign origin (I understand that it has not been recognized in Australia previously) came from the Ceduna area. Some discussions have taken place regarding where it may have emanated, and in this respect South Africa was one place referred to, as the prevailing winds come from its direction. As the honourable member would realize, the rust fungi can be collected from the stratosphere from between 20 000ft. (6 096 m) and 30 000ft. (9 144 m), and it travels in this way. As soon as a report is available, I shall be pleased to give it to the honourable member.

The Hon. G. J. GILFILLAN: Has the Minister of Agriculture a reply to the question I asked on October 17 regarding receival and disposal of rust-affected grain?

The Hon. T. M. CASEY: Although I agree with the honourable member that rust is a matter of some concern this year, I doubt that it will have the alarming consequences implied in his question. I understand that representations were made recently by growers' organizations to the Australian Wheat Board regarding disposal of rust-affected grain. The Australian Wheat Board's Manager for South Australia has informed me that wheat is not generally received in bulk if it has a weight of less than 62 kg a hectolitre (about 50 lb. or 22.68 kg a bushel). However, the grower cannot dispose of lightweight wheat, which the Wheat Board classifies as screenings, unless he receives authority from the board. Growers are therefore required to submit a sample to the board, which, if satisfied that the wheat is not up to the standard for receival as bulk wheat, will issue a permit to the grower for its private sale or disposal. Normally, the quantity of screenings for sale in any one season is such that growers do not experience difficulty in disposing of it as stock or poultry feed.

Should the rust situation develop to the extent where large quantities of wheat under the prescribed minimum test weight for receival as bulk wheat exist, consideration may be given to relaxing the standard to accommodate such wheat in the bulk receival system. It must be appreciated, however, that before such a decision could be made, the board would have to be satisfied that a market could be obtained for such wheat. He emphasized that obviously it would not be in the best interests of growers to burden the storage system with an unsaleable commodity.

GOVERNMENT TELEPHONES

The Hon. A. M. WHYTE: Has the Chief Secretary a reply to my recent question regarding Government telephones?

The Hon. A. F. KNEEBONE: Telephone facilities to the State Administration Centre and a number of Government offices located in other buildings in and around the Victoria Square area are provided by the Victoria Place P.A.B.X. exchange. Because of the growth of Government activities in the area, and the modern trend towards greater use of telephones as a means of communication, the existing P.A.B.X. exchange has reached the limits of its capacity, which cannot be increased. Additional staff would not contribute to the effectiveness of the system. The Government is conscious of the difficulties arising from this situation and constant efforts are made to ensure that the existing system operates as effectively as possible within its limits. Future planning, however, provides for new telephone facilities to be incorporated in the proposed new Flinders Street building complex. The increased capacity of the new system is considered sufficient to meet the current and

future requirements of Government departments in the Victoria Square area.

GLOBE DERBY PARK

The Hon. R. C. DeGARIS: As the Totalizator Agency Board operates the on-course totalizator at Globe Derby Park, can the Chief Secretary ascertain for me whether the T.A.B. makes a profit or a loss from the operation and also the amount of such profit or loss?

The Hon. A. F. KNEEBONE: I will get the information for which the honourable member has asked and bring it down as soon as possible.

PETROL STRIKE

The Hon. C. M. HILL: Can the Chief Secretary, as Leader of the Government in this Chamber, inform members whether there have been any further developments in the petrol strike over the past 24 hours; can he make any forecast of possible relief for citizens in this State?

The Hon. A. F. KNEEBONE: I can inform honourable members that, as a result of the Premier's intervention with Mr. Hawke, the President of the Australian Council of Trade Unions, some efforts have been made to bring about a conclusion of the petrol strike and I believe meetings are taking place in Melbourne at present which could bring about (and I say "could") some early solution to the problem.

PRIMARY SCHOOL TEXTBOOKS

The Hon. M. B. CAMERON: Has the Minister of Agriculture a reply from the Minister of Education to my recent question about the availability of primary school textbooks?

The Hon. T. M. CASEY: The Minister of Education has provided the following reply:

Alternatives to the present system of supplying free textbooks to primary schools are being undertaken in the Education Department. A committee was set up to investigate the existing scheme and to make suggestions for its improvement. The committee has investigated many other schemes, including that in use in our secondary schools. The Chairman visited Western Australia to discuss the scheme in operation there. A report from the committee is expected shortly.

LOCUSTS

The Hon. A. M. WHYTE: Has the Minister of Agriculture a reply to the question I asked recently concerning locusts?

The Hon. T. M. CASEY: A survey on Eyre Peninsula was completed during the week commencing October 15, 1973, by entomologists and district agricultural advisers. Numerous small hatchings have occurred in the pastoral areas adjoining agricultural areas and some spraying has been necessary, but the situation does not appear serious. During the week commencing October 22, 1973, an entomologist assessed the situation in the north-east pastoral areas; some quite extensive hatchings have been reported north of the Broken Hill line. East of Broken Hill very extensive infestations have developed and wide-scale spraying has been carried out by the New South Wales authorities. South Australian departmental officers are watching closely this situation in these areas, particularly as it is possible that flights from these areas could come into agricultural areas in South Australia. This is particularly so when a strong easterly wind blows. That is what happened last year, as I think I explained to the honourable member last week. Councils and the department are ready to take any necessary action. The Agriculture Department now has 12 misting units available to assist with the treatment of outbreaks, and ample insecticide is on hand.

LICE INFESTATION

The Hon. C. W. CREEDON: My question is directed to the Minister of Health. This morning's newspaper contained a report of a head lice infestation in certain suburban areas. Has the Minister any report on the matter; if not, can he obtain one?

The Hon. D. H. L. BANFIELD: I have inquired this morning and I find that the report is confirmed. It would appear that the increased prevalence of such infestations could have been brought about by the humid weather, and also because some children nowadays, especially the male members of the population, wear their hair longer and perhaps do not keep it as clean as they should. The infestation can be aggravated by children exchanging headgear, thus spreading the lice. I advise parents to educate their children in ways of keeping themselves free of such infestation. They can do it by advising them not to use other children's headgear and by making sure that their hair is kept clean at all times. In the event of people becoming infected, it is advisable for everyone in the household to have his head treated; in the event of anyone in a household being affected by this infestation, he should take early steps to see that it does not develop and to provide for prevention as well as treatment. Also, leaflets are available from the local boards of health and from the Public Health Department advising of the treatment necessary to cope with the infection and what action can be taken to prevent its spreading.

PETRO-CHEMICAL PLANT

The Hon. A. M. WHYTE: I seek leave to make a short statement prior to asking a question of the Chief Secretary.

Leave granted.

The Hon. A. M. WHYTE: I ask a question about the petro-chemical complex at Redcliffs because it is something in which I am interested, and I certainly do not want to deny the State this complex. However, apart from that, I want to make sure we know what we are doing when we talk about the Redcliffs complex. I understand it is necessary to build such an industrial complex close to the coast because huge quantities of water are needed for cooling. In that process, some residue could be left in the water that could be a hazard to the marine life in the area. First, has any consideration been given to building a causeway across Spencer Gulf, which would impound completely the waters of the northern part of the gulf so that any waters needed would have to be pumped in and any waters to be treated from there would have to be filtered? This would overcome many of the fears presently expressed that pollution could endanger the fishing industry of South Australia. Secondly, I understand that huge quantities of fresh water are needed in the treatment of ethane gas. What quantities of water from the Murray River will be necessary to maintain such a plant?

The Hon. A. F. KNEEBONE: I shall endeavour to obtain for the honourable member the information he seeks and bring it down as soon as possible.

MOUNT BOOTHBY PARK

The Hon. R. C. DeGARIS: Has the Minister of Agriculture a reply to a question I asked recently about the Mount Boothby Conservation Park?

The Hon. T. M. CASEY: No clearing has taken place within the Mount Boothby Conservation Park. The letter which appeared in the *Advertiser* regarding such clearing in fact related to clearing on an adjacent property of timber

which had fallen some 25 years ago. Two days later, the *Advertiser* published a letter from the same person acknowledging that a mistake had been made.

RAIL STRIKE

The Hon. C. M. HILL: As there was a report in this morning's press of the threat of a further serious industrial dispute in this State—namely, a possible rail strike—can the Chief Secretary say whether or not the train drivers are now on strike and, if so, has he any preliminary report to make on the situation?

The Hon. A. F. KNEEBONE: I am informed that there is to be a strike by train drivers.

The Hon. M. B. Cameron: When?

The Hon. A. F. KNEEBONE: I have not received full information but, from the information I have received, I believe that the strike will start at midnight tonight. Endeavours are being made to overcome the problem. It is an interstate dispute, as is the present fuel strike.

The Hon. R. C. DeGaris: Do you think that the people of South Australia understand that?

The Hon. A. F. KNEEBONE: I do not think so. An interstate dispute of this nature comes under the control of the Australian Council of Trade Unions, and therefore assistance is being sought from that organization. I am sure it has been pointed out to the A.C.T.U. that the problem is much greater in South Australia than it is in other States because at present we are experiencing the effects of a fuel dispute, which is restricting petrol supplies. Efforts are being made to overcome the problem but I cannot say whether those efforts will be successful. It is an interstate dispute that will have to be dealt with on an interstate basis. Conquently, approaches will have to be made to the Commonwealth Conciliation and Arbitration Commission rather than to the State authorities.

PREVENTION OF CRUELTY TO ANIMALS ACT AMENDMENT BILL

Read a third time and passed.

CRIMINAL LAW (SEXUAL OFFENCES) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 24. Page 1403.)

The Hon. C. M. HILL (Central No. 2): I spoke at great length last year when I introduced a private member's Bill on this subject. I made my speeches on August 2, 1972 (*Hansard*, page 464) and on October 11, 1972 (*Hansard*, page 1950). I still maintain the views that I expressed on those occasions. I do not intend to speak at length today, nor do I want to repeat myself.

This Bill is designed to provide a code of behaviour, and those who offend against that code, whether they be male or female, commit offences under the criminal law. Except for a special definition, all reference to homosexual acts is removed, and therefore the object of my Bill of last year, as far as that subject is concerned, would be achieved if this Bill was passed.

When I first looked at finding a way to alter the law last year, I considered the simple and separate approach to be best. That Bill dealt with the one subject only: homosexual acts between consenting adult males in private. At that time I thought that a wider approach to all the anomalies in this law on the whole question would prove too complex and confusing to both the public and the Parliament. I understood, too, that the overall question of reform and revision was being considered by an official committee. Also, I was not informed that a minority, or any individual for that matter, was affected adversely by other areas of proposed change, whereas on the subject of my Bill I believed that many South Australians (estimates varied from 14 000 to 25 000) were directly concerned. That does not mean that the law will not be improved by the wider approach now adopted.

I commend Mr. Duncan, the member in another place who brought this Bill forward, for his courage and obvious concern for these people. I emphasize, too, that I respect the views expressed in this Chamber by honourable members who either support or oppose this measure. I respect, also, those who have not, or who shall not, express themselves here. I wish to stress that I do not condone or approve homosexual practices. Briefly, I will mention two points.

First, when the Bill was debated last year, and on this occasion, too, honourable members were provided with an opportunity to consider deeply the whole question of the moral code as it applies to the law. One's right to decide and obey one's own moral code is a private affair of the individual and, provided that community interest is not adversely affected, such a right must be respected by other people and the law. At least, that is the position in a truly democratic society. Despite the fears and concerns expressed by those opposing this measure, I cannot agree, after much research and study, that change would be adverse to community interest. There are many supporting views and opinions from people and authorities along the same lines, matters that I dealt with in much detail during the debate on this Bill last year.

Secondly, as a result of last year's Bill and the decision of the Council, the door to a life removed from discrimination, fear and blackmail was unlocked for a numerically large number of South Australians. It was not opened, however, and will never be opened, until such homosexuals are removed from criminal sanctions. The tide of public opinion is changing, as there is slow but definite acceptance by people showing greater compassion and tolerance.

I mentioned on the last occasion the large number of European and other countries where the law had changed. I have been told that, in the meantime, the law has also changed in some of the States of the United States of America. No doubt it was of interest to honourable members to read only a week or two ago of a change occurring in Canberra that will affect the Australian Capital Territory and the Northern Territory. In the resolution that was passed there which introduced that change, the vote was 64 in favour and 40 against. It may be of interest to honourable members to know that, of the 11 South Australian members of the Commonwealth House who voted on the resolution, 10 voted for it and one opposed it.

Finally, I make two personal observations. Last October I said that I had complete faith in this Council ultimately meeting the challenge of reviewing wisely the ever-increasing volume of social legislation that is inevitable in our modern world. That challenge confronts us again on this occasion. Secondly, I understand completely the point of view of those who find homosexual acts distasteful and incomprehensible, but it is not helpful, humane or just to retain such conduct as a criminal offence where it occurs between adults in private and by mutual consent. I support the Bill.

The Hon. A. M. WHYTE (Northern): I have an almost opposite view to that expressed by my colleague, the Hon. Mr. Hill. When a Bill substantially the same as the one now before us was before the Council last session, we were presented with volumes of evidence both for and

against the measure. Considerably less evidence has been presented on this occasion, it being suggested that if the State Parliament will not accept it, the Commonwealth will. If this legislation succeeds here I shall have to accept the law. However, at this time I am opposed to a widening of the acceptance of homosexuality. I do not say that lightly, because I spent considerable time in studying this matter on the previous occasion. After summing up all the evidence, I considered that much of it had been presented by people who were not truly homosexuals. There seemed to be a great following of gay boys and other people interested in the widening of the law but who were not genetically maladjusted people.

For the comparatively few true homosexuals I have the greatest sympathy. I expressed my sympathy on the last occasion, and that was probably why I received so much attention from people both for and against the issue. I think it was the Hon. Mr. Springett who suggested that 5 per cent of Australians are homosexuals. He said that it would be difficult to calculate the exact number. I agree with him, because I do not know how it could be calculated. Nevertheless, I think that considerably fewer than 5 per cent of Australians would be true homosexuals who practise homosexuality. I think we must differentiate clearly between these two segments of the community: one who has an affliction for whom all of us have some sympathy, and the other who wishes to capitalize on a broadening of the law. I did not support the previous Bill, because so much evidence was presented to me which I believe did not come from the people for whom it was claimed the legislation had been introduced.

I think that, in general, the homosexual is a fairly retiring person who does not want publicity and who does not demand much of the community. In many respects, he is an accepted person. I know of a fairly elderly couple who are well accepted by the people in the street in which they live because, if a near neighbour is ill or incapacitated in any way, one of these people is the first to offer assistance. I do not think that there is any attempt in the community to interfere with the way in which these people live. They do not come forth; they are not the type of people who would come forth and say, "We want a greater acceptance of homosexuality." Of all the evidence I received last year, I think that it included evidence from only one or two true homosexuals. I had people coming in day after day to see me, and I was convinced that much of the evidence that was given was absolute hogwash.

We have heard so many stories about homosexuality being not only part of our life but also part of animal, bird, and reptile life, and every red herring that co ld be drawn across the path has been brought forward. Although I have lived all my life among animals, birds nd reptiles, I have never been quick at ascertaining the sex of reptiles or birds; as regards the animal side, it is all rubbish, and I would question any amount of the evidence that was put before me on this issue. A male animal that showed homosexual tendencies in any herd or flock would not be accepted for very long, for obvious reasons.

The matter now before us is one on which a decision must be made. I will decide, not with the idea of trying to condemn a person who has to face life with this burden and stigma but, if there were any way in which he could be drafted off and labelled, I would be the first one to say, "Give him a fair go." My fear is that, by broadening the acceptance of homosexuality, we will not assist homosexuals, because we could not remove the stigma that attaches to them, no matter how much we tried. Homosexuality has been with us since time immemorial, and I do not think that we can do much about it. There is nothing in the Bill that leads me to believe that it would do anything to remove the stigma.

Although I like to be sympathetic and helpful to people who suffer this maladjustment, I make clear that I have no intention of assisting a group of gay boys, spivs, blackmailers and poofters (whatever they might be called colloquially), and this is where my fear lies. Until such time as other legislation is presented that does something to overcome the unfortunate position in which homosexuals find themselves, I will not support this Bill. If we can at any time pass legislation that will lead to true homosexuals leading a more normal life, we should do something about it. However, this Bill will not have that effect and I will oppose the second reading.

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

FRIENDLY SOCIETIES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 30. Page 1466.)

The Hon. Sir ARTHUR RYMILL (Central No. 2): At the request of the Leader of the Opposition I spoke recently on what I decided was a simple Bill. This is also a simple amending Bill. The Leader will often hand me down a simple amending Bill to deal with, because he knows there is some possibility of my understanding it. As the Chief Secretary said in his second reading explanation, the effect of the Bill is to increase from $1 000 to $3 000 the maximum amount that can be lent by a friendly society to its members.

The legislation dealing with friendly societies is quite ancient. Indeed, the word "ancient" is included in the names of one or two such societies in this State. It goes back at least to 1886, according to the Statute, and it may well go back farther than that. However, it is not necessary to examine that aspect. Section 9a was not in the Friendly Societies Act of 1919. Indeed, it was not inserted in the Act until 1956. It provides that, subject to the provisions of the section, a society may, out of a separate fund to be formed, make loans to its members. Subsection (4) provided that a member should not at any time be indebted to the fund for more than £100. In 1961, this was amended to £200, in 1966 to £500, and then, in 1968, to the equivalent of $1 000. It is now sought to increase this sum to $3 000, which, in the parlance of the original provision, is £1 500, or 15 times as much as was provided for in the original legislation. However, it is not nearly as much when one takes into account the inflation that has occurred in the meantime. Once again, the second reading explanation may be a little misleading, as the opening paragraph of it states:

> The effect of this short Bill is to increase the maximum amount that can be lent by a friendly society to its members from $1 000 to $3 000 .

As I understand it, that is not what it means: it means that this sum can be lent by a society not to all its members but to any one of them. From a literal reading of the second reading explanation, one would think this was all that a society could lend. Honourable members are entitled to rely on what is stated in a second reading explanation, although I suppose it is better for them to check with the Bill as well.

The Hon. A. F. Kneebone: We made a mistake last week.

The Hon. Sir ARTHUR RYMILL: I thought it was. This is, at best, ambiguous. I know that is not intended, of course, but I think second reading explanations should be drawn fairly precisely. However, I do not wish to labour that point. The final sentence of the second reading explanation is as follows:

The increase in the maximum loan that may be granted under this section proposed by the amendment will clearly benefit the borrowing members of the friendly societies.

I hope it will be to the benefit of the lending members of the societies as well. It is up to the committees of the respective societies to decide this. As I read it, and assuming that my interpretation of the first paragraph of the second reading explanation is correct (and I think this is borne out by the Bill itself), the Bill imposes a maximum of $3 000 on a loan to any one member of the society. This matter is left, first, to a judgment on the rules and regulations of the individual societies and, secondly, to the committees operating within those rules to make judgments on the creditworthiness of the member applying for a loan. The section being amended provides:

A member shall not at any time be indebted to the fund for more than $1 000.

If the Bill is passed (and I have no doubt that it will be), the reference will be to $3 000. I have always believed that organizations of this nature should control their own affairs, just as I believe this Chamber should control its affairs as, indeed, it is doing within a few restrictive Standing Orders. A maximum loan is being set by the Bill; I suppose this is a general protection to all friendly societies and their members, be they lending or borrowing members, and I think we can properly and safely leave it to the individual societies to ensure that loans are made to creditworthy people (in the verbiage of subsection (2)) "with or without security or sureties or both". In other words, this sum can be lent unsecured or with security, guarantees and so on. In summary, this Bill gives the friendly societies greater powers to lend to their members. As I think they should be permitted, within reasonable limits, to control their own affairs, I support the Bill.

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

COMPANIES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 30. Page 1470.)

The Hon. T. M. CASEY (Minister of Agriculture): I thank honourable members who have spoken in this debate, and I shall reply to the queries raised yesterday by the Leader of the Opposition and the Hon. Mr. Burdett. By giving the explanation I obtained this morning, I hope their queries will be satisfied and that any problems will be cleared up in relation to the effect that this Bill will have on the principal Act. Honourable members criticized clause 3, saying that the amendment could lead to the Commonwealth Auditor-General being appointed auditor of companies. to the detriment of practising accountants. The amendment certainly is not intended to achieve that result, and it may be appropriate, therefore, for me to outline the history of section 9 (18) of the principal Act.

From time to time a small number of companies, of their own volition, have chosen to appoint the Auditor-General of South Australia, or the Commonwealth Auditor-General, to be the auditor of the company. Yorke Peninsula Barley Producers Limited and the Australian Wine Research Institute are examples. Until the enactment of the Companies Act, 1962, an Auditor-General could not accept appointment as auditor of a company unless he was registered as a company auditor under the Companies Act, in the same way as any other person who wished to practise as a company auditor. In the drafting of the Companies Act, 1962, it was considered that, in view of the undoubted qualifications of a person whom the Government would see fit to appoint as its Auditor-General, such a person should be exempted from the requirement to be registered as a company auditor, and section 9 (18) was enacted in 1962 for that purpose. The Bill seeks to repeal and re-enact section 9 (18) solely for the purpose of correcting an error that arose out of the amendment to that section by the Companies Act Amendment Act, 1971-1972. Section 9 as originally enacted dealt with two distinct matters. Subsections (1) to (6) inclusive set out the circumstances in which a person was disqualified from acting as auditor of a company, while subsections (7) to (17) inclusive dealt with the functions of the Companies Auditors Board in relation to the registration of auditors and liquidators, and subsection (18), as I have said, provided that the disqualifying provisions contained in subsections (1) and (6) had no application to the Auditor-General of the State or of the Commonwealth.

In the drafting of the Companies Act Amendment Act, 1971-1972, it was considered that subsections (1) to (6) inclusive of section 9 should be repealed and re-enacted in section 165 of the Act, which dealt with the appointment of auditors and their duties and responsibilities, leaving section 9 to deal only with the functions of the Companies Auditors Board. Unfortunately, subsection (18), which contains a reference to the repealed subsections (1) and (6), was not consequentially amended, with the result that the Auditors-General had been unwittingly deprived of their exemption from registration as company auditors. The current Bill seeks to remedy that anomaly. The wording of the new subsection (18) differs from the wording of its predecessor for two reasons. The disqualifying provisions previously contained in section 9 are now contained in section 165, and it was considered to be tidier drafting to confer the exemption on the Auditor-General by appropriate wording in subsection (18) exclusively, without reference to section 165.

Secondly, the new subsection (18) is now identical to corresponding subsections recently enacted in Queensland, New South Wales and Victoria. Any suggestion that the new subsection (18) is proposed to be enacted at the whim of the Labor Government is, of course, discounted by the fact that identical provisions are already in force in three States where a Labor Government is not in office. It should be borne in mind also that if the Auditors-General were denied exemption from registration as company auditors they would have no difficulty in obtaining registration, so that the rejection of clause 3 would do nothing more than impose on them a requirement to become registered as company auditors, a requirement that a former Liberal Government considered unwarranted when it enacted subsection (18) of section 9 of the Companies Act, 1962.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—"Registration of auditors and liquidators."

The Hon. Sir ARTHUR RYMILL: I listened with interest to the reply of the Minister, which I did not find very convincing, because what is being reinstated in the Act is not what was in the 1962 Act. Most of what the Minister said was quite factual, but the fact that Queensland, New South Wales and Victoria have made similar amendments does not impress me in the slightest, because if that is the Government's idea it may as well hand over the government of South Australia to the Governments of

those other States. We are here to govern ourselves and not to pay lip service to what goes on in other places.

Section 9 (18) of the 1962 Act refers only, as far as Auditors-General of South Australia or of the Commonwealth are concerned, to subsections (1) and (6) of the same section. Subsection (1) provides that a person should not consent to be appointed auditor if he is not a registered company auditor, and so on, while subsection (6) provides that no company should appoint a person as auditor without consent in writing to act. This section, on my reading, is entirely different because it says that a person who is for the time being performing the duties of the Auditor-General of the Commonwealth or of a State or Territory of the Commonwealth, shall be deemed to be a registered company auditor; that is something entirely different.

Once again, the clause just does not re-enact subsection (18), because subsection (18) applies only to the Auditors-General of South Australia and of the Commonwealth, whereas this applies to the Auditor-General of the Commonwealth, any State or any Territory of the Commonwealth. For a start, therefore, that is different. The very important words (it is different in this respect also) that it shall apply to the Auditor-General of the State or of the Commonwealth when acting in the exercise of his powers or the performance of his duties (and they are the words I emphasize) are notoriously omitted from this amendment—for what reason I do not know. I imagine it could or should be the only purpose of the Act that there people should be exempt from the provisions I have mentioned when they are acting in the use of their powers or the performance of their duties, and in no other case. Why should they have any further intention than that? I cannot see the reason for it, but I suggest once again that the second reading explanation on the matter was misleading.

The Hon. R. C. DeGARIS: I was not in the Chamber when the Minister began his reply to the second reading debate but I agree with what the Hon. Sir Arthur Rymill has said—that these words are different from the words that were in the original section 9 (18). It is this that has caused some concern. Would the Minister report progress on clause 3 to enable us to study the reply he gave and decide whether this Committee is completely satisfied with the wording of the Bill?

Progress reported; Committee to sit again.

URBAN LAND (PRICE CONTROL) BILL

Adjourned debate on second reading.

(Continued from October 30. Page 1469.)

The Hon. G. J. GILFILLAN (Northern): I admit little remains to be said as the details of the Bill have been covered very well and sensibly by previous speakers. However, I am concerned about its contents. It appears to be a measure to control the price of land in theory rather than in practice with respect to the problems involved in the provision of urban land for building. I question whether adequate outside help from experts in this field was sought in conceiving this Bill and the other Bill setting up the Land Commission. We have a situation, confined not entirely to South Australia, of an urgent need for land for building purposes in urban areas. This problem has been compounded strongly by the type of legislation that the present Government has introduced over a period of time—for instance, the conditions laid down in its planning and development measures. Also, there are the vastly extended powers of the compulsory acquisition of land to cover various situations. This, in turn, causes bottlenecks in administration.

For instance, the Crown Law Department now has to process so many of these applications for acquisition that in some areas settlement has not yet been made five years after the land was acquired, and certainly three or four years since revenue was produced from that land by Government undertaking. Many of the problems have been created perhaps in goodwill, and I do not condemn planning and development in principle, but the vast powers sought and the rigid conditions laid down have all contributed greatly to the shortage of land and the high prices prevailing when supply does not equal demand.

At the very least, I believe that this type of legislation should be subject to review, as is the Prices Act. It is legislation that has been introduced with no real knowledge of how it will work in practice. In fact, the further one looks into it, the more reason for concern one finds. This legislation may not reduce the price of blocks of land—it may even increase it substantially. The Bill does not, of course, refer only to land: it refers to new houses. These, too, have become very expensive because of the many different forms of so-called consumer protection legislation passed through Parliament in the last few years. To mention one measure only, there is the one dealing with the registration of builders. Because of the conditions laid down in that Act, it may give some protection in some instances but it certainly forces builders to cover themselves against claims, which may not arise.

It is interesting to see that the Commonwealth Scientific and Industrial Research Organization in June of this year did an exercise on the building of houses and the method of arriving at a "reasonable profit", which are the words used in this Bill. Since this survey was done, interest rates have, of course, risen. I do not think any honourable member in this Chamber questions that the C.S.I.R.O. is a first-class research body, a Commonwealth organization of many years standing. It is also interesting to see the breakdown of the percentage costs involved in the building of a house. Interest is 1·25 per cent. Overhead supervision is 3·25 per cent; overhead administration is 5·5 per cent; selling expenses are 4 per cent, and net profit is 5 per cent, which is 2 per cent less than what is proposed in this Bill. That gives a total of 19 per cent. Taking this as a yardstick and relating it to a house costing the builder $20 000 in direct costs, the mark-up will have to be 23·5 per cent, or $4 700, giving a final sales price of $24 700, or 19 per cent of turnover. This is the type of reasonable profit that would have to be added to the cost of the house to give a net profit of 5 per cent.

Increased interest rates and other charges that now have to be met will lead to a still greater increase. This legislation will deter people from subdividing and building because, as other speakers have said, the real guiding factor in price for any commodity is supply and demand. Many builders will be reluctant to build houses when a reasonable profit is out of the question. It would need perhaps only a spell of bad weather or a strike somewhere to affect the supply of materials and therefore to increase costs. I believe that having to meet the market is probably the biggest deterrent there is to keeping prices down in open competition. I fear we will see a return to the kind of black market that we had after the Second World War. If the need is great enough, people will take a risk, however heavy the fine. And, of course, there is a great need for housing. This type of legislation will inhibit the person who is willing to risk capital, develop land, and provide housing for the people. Clause 5 provides a definition of "controlled area"; after

enumerating various parts of the State, the definition provides:

(*f*) any other area declared by proclamation under this Act to constitute a controlled area.

I believe that that definition is too wide. If necessary, a separate Bill could be introduced later to widen the scope of the controlled area; or, perhaps it could be done by regulation. If my suggestion was adopted, there would be some check by Parliament to prevent the blanket use of this legislation. We must remember that it may not achieve what it is intended to achieve; in fact, in the long run it may be a handicap. We appear to be reaching the stage where the members of boards and tribunals are nominated by the Minister. Indeed, at one stage a Bill provided that even the Prime Minister was to nominate a board member. Clause 7 (2) provides:

The tribunal shall consist of three members, appointed by the Governor, of whom . . .

(*b*) one shall be a person with wide knowledge of, and experience in the valuation of land, nominated by the Minister;

and

(*c*) one shall be a person with wide knowledge of, and experience in the building industry, nominated by the Minister.

The Bill does not sufficiently spell out who these people are to be. Other legislation passed by this Council provides that appointments to boards shall be made by the Governor after nominations have been received from organizations representative of the industries concerned. Perhaps the industries concerned with this Bill could nominate several persons, from whom the Government could make the appointments. This procedure ensures that the nominees are genuine people who are held in high regard by the industries concerned. Of course, it is easy for anyone to claim that he has a wide knowledge of the building industry, but that knowledge may not be an expert knowledge. For these reasons, I believe that the provision I have referred to is far too loose.

The Hon. C. M. Hill: Your suggestion about the appointment of tribunal members was standard practice at one time.

The Hon. G. J. GILFILLAN: Yes, and we are now getting too far away from it. I am not suggesting that the Government does not intend to appoint people who will do their work successfully, but we owe it to the consuming public to ensure that the best possible people are appointed to the tribunal, and that the appointment of members is not a case of granting favours to people. It will be almost impossible to define a reasonable margin of profit. A person may be reimbursed for the rates and taxes that he has paid on land but only in respect of the rates and taxes for the period during which he was the owner of the land. I should like the Chief Secretary to explain why the vendor should not be allowed all the money he paid in rates and taxes; after all, if he paid them, it is a legitimate expense.

For the reason I have already given, I believe that the control of prices of new houses is not practicable. Because of the unknown quantities in the legislation and because of the tremendous harm it could do in connection with the building of dwellings throughout the State, I believe that the legislation should come up for periodic review. From the Government's viewpoint, it may be necessary to review the legislation frequently to overcome any shortcomings that may become obvious. To enable the Bill to be discussed in Committee, I support the second reading.

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

ADJOURNMENT

At 3.33 p.m. the Council adjourned until Thursday, November 1, at 2.15 p.m.