LEGISLATIVE COUNCIL

Thursday, February 28, 1974

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

QUESTIONS

WORKMEN'S COMPENSATION

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

Leave granted.

The Hon. R. C. DeGARIS: A report in this morning's newspaper indicates that the Government intends withdrawing the regulations under the Workmen's Compensation Act and bringing down new regulations. There is also a report that the Government intends amending the legislation passed by this Council three or four months ago. Honourable members have received many queries on the legislation and it is fair to say that a good deal of confusion exists in the community as to the meaning of many parts of the legislation. This has led to insurance companies not knowing exactly what their commitments are when calculating premiums in connection with providing cover for principals whose employees may suffer an injury. I have already outlined in the Council some of the queries that have been raised, but I should like to draw attention to a specific example. A person may come into a shearing shed as a shearer. That person may normally be a dairy farmer and a labourer. Such people may receive an income of $500 a week, and they may shear for only four weeks a year. If an injury occurs, the person's average weekly earnings over the last 12 months have to be computed so that compensation can be paid. What is that person's average weekly earnings? He could be a contractor, a labourer, a general worker, and he could receive an income from a dairy farm. Will the Chief Secretary raise this question with Cabinet, and will he ask Cabinet to look at the problem associated with the concept of average weekly earnings over the previous 12 months?

The Hon. A. F. KNEEBONE: There seems to be some confusion regarding this matter. I think the situation is this: a gentleman from the press put a query to the Premier regarding the regulations, and the Premier talked about withdrawing the regulations and redrafting them in order to clarify them. Some people had been saying that confusion existed as to the purposes of the Act and the regulations. The Premier informed the person that the regulations would be withdrawn and redrafted so that the meaning of the Act would be clear. On the following day it was reported that the Act would be withdrawn: this is where the confusion lies. I know of no move at present to amend the Workmen's Compensation Act, but I know that the regulations are to be withdrawn and redrafted.

The Hon. R. C. DeGaris: The question I raised cannot be covered by regulations.

The Hon. A. F. KNEEBONE: The question the Leader has asked refers to a specific case, and I shall convey it to my colleague and bring down a reply.

BEACHPORT RESERVE

The Hon. R. C. DeGARIS: Last week I directed a question to the Chief Secretary regarding the sale of the Beachport Reserve. Has he a reply?

The Hon. A. F. KNEEBONE: In his question, the Leader referred to an article that had appeared in the *South-Eastern Times*. The letter was published as coming from the Minister of Lands and related to a public reserve at Beachport. In the letter, the Leader said, the Minister had indicated that he was not prepared to consent to the disposal Subsequently, the Leader said, it would appear that the Minister had changed his mind. I said I should like to refresh my memory on this matter and that I would bring down a reply, and the Leader commented that this had happened only four days previously. I can say now why I could not remember the matter. When my colleague the Minister of Local Government received the initial request for consent under the Local Government Act for the sale of a reserve in Foster Street, Beachport, for the establishment of a motel, he considered the sale should not be permitted as the land was created as a reserve to serve as a recreational area and an amenity for people in the area. The Beachport District Council subsequently asked that the decision be reconsidered. In doing so the council submitted that the question of the preservation of flora was invalid as the council could clear the land any time it wished. It made the point that Beachport was fortunate with the amount of flora and fauna it had within easy reach of the town. In addition to the council's submissions the National Parks and Wildlife Service indicated that the Foster Street land was of no interest to it as there was a large tract of Crown land not far from the reserve. Consequently, the Minister gave his consent to the sale of the reserve in Foster Street subject to the District Council of Beachport using the proceeds of the sale for improvement and development of recreational grounds in the area. The council was advised of this approval on February 20. No wonder I could not remember the matter; it was not in my province.

The Hon. R. C. DeGARIS: I thank the Chief Secretary for that information. When a decision was changed so rapidly one would want to know why. I have a further question to direct to the Minister, and I ask him to take the matter up with his colleague, the Minister of Local Government. Following the events I mentioned, in the *South-Eastern Times* there appeared a letter from an elector in the district claiming that the land had been sold at a figure well below its true sale value. Has the Government any knowledge that this was the case?

The Hon. A. F. KNEEBONE: I shall have inquiries made through my colleague and bring down a reply as soon as possible.

BUS SERVICES

The Hon. C. M. HILL: I direct several questions to the Minister of Health, representing the Minister of Transport. They relate to the recent take-over of privately-owned metropolitan bus operations in South Australia. What was the estimated total cost to the Government and from where was the money to come; with whom have agreements been concluded so far and what is the monetary consideration for each of those agreements?

The Hon. D. H. L. BANFIELD: I shall be happy to get a reply for the honourable member.

MONARTO

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

Leave granted.

The Hon. M. B. CAMERON: My question concerns Monarto and I think it probably concerns a policy matter and therefore should be directed to the Chief Secretary, although I stand to be corrected In the *Advertiser* today in an article Professor Scott, Professor of Geography at the University of Tasmania and a Commonwealth adviser on urban and regional development, is reported to have

said that Monarto was a somewhat curious choice for the site of a new city. He says that Monarto will not be viable in the short term and that at a time when city growth rates are declining it will find it difficult to compete with Adelaide for population. He also said there are other areas which could have been considered more seriously than Monarto, and that a very big question mark hangs over Monarto. There is a considerable amount of information apart from this in the article but, as this person is billed as being the Commonwealth Government's adviser on urban and regional development, does this mean that the State Government is having second thoughts about the site of Monarto? Does the Commonwealth Government support Monarto as a concept, and has the State Government any guarantee of financial support from the Commonwealth Government for the initial construction of Monarto and the continuing expenditure on it?

The Hon. A. F. KNEEBONE: As the honourable member has said, it is a matter of policy; but I will say this: the State Government is not having second thoughts about Monarto.

The Hon. M. B. Cameron: But has the State Government any guarantee from the Commonwealth Government?

The Hon. A. F. KNEEBONE: As I understand it, the Commonwealth Government is supporting expenditure on Monarto.

The Hon. M. B. Cameron: Against their advice?

The Hon. A. F. KNEEBONE: Well, there are advisers and advisers. It is like economic experts who can vary greatly in their advice, but I assure the honourable member that Monarto is going ahead and progressing. We are spending much money on purchasing land in that area. The indications are that it will be a viable proposition but, if the honourable member wants any more than that, I will bring down a reply to him from the Premier or the Minister of Development and Mines.

POINT PEARCE MISSION

The Hon. M. B. DAWKINS: I seek leave to make a short statement prior to asking a question of the Chief Secretary, representing the Minister of Community Welfare.

Leave granted.

The Hon. M. B. DAWKINS: Some people have shown concern about the situation obtaining at the Point Pearce mission station under the new set-up, and I am wondering whether the set-up is as successful as no doubt the Government hopes it will be as compared to the former management. I have been requested to ask the Minister whether he is able to supply details of the success or otherwise under the change of administration now obtaining at Point Pearce, and particularly the rural portion of it including the number of Aborigines engaged and the annual financial returns from the rural portion of the mission station over the past four years.

The Hon. A. F. KNEEBONE: I will attempt to get the information that the honourable member desires from my colleague.

VENEREAL DISEASE

The Hon. J. C. BURDETT: I seek leave to make a brief explanation prior to directing a question to the Minister of Health.

Leave granted.

The Hon. J. C. BURDETT: I refer to an article in the February, 1974, issue of the *S.A. Branch A.M.A. Monthly Bulletin*, which sets out the diseases notified for the year ended December 29, 1973. Amongst those, it shows 1 492 for gonorrhoea and 178 for syphilis, out of a total notified of 2 869; so that venereal diseases between them amounted to well over half of the total. The bulletin also shows diseases notified for the four weeks ended January 26, 1974: gonorrhoea 148, and syphilis 10; which is 158 notified cases of venereal disease out of a total of 216 notified. A note adds:

> Gonorrhoea notifications for 1973 which showed a 50 per cent increase over 1972 no doubt reflect some real increase in the incidence of the disease. At the same time, some of the increase is due to more extensive case finding associated with increasingly effective tracing of sources and post-infective contact.

The Hon. R. C. DeGaris: What percentage has been reported?

The Hon. J. C. BURDETT: Well over 50 per cent of the total cases were venereal diseases. There is nothing to suppose that the percentage of total venereal disease cases as reported does not reflect a true percentage of the total. Particularly in view of that last statement, namely, that some of the increase is due to more extensive case finding associated with increasingly effective tracing of sources and post-infective contact, can the Minister give me the numbers of these total figures of venereal diseases that were caused directly or indirectly through the practice of sodomy? If he is unable to give me the number, can he give me some idea of the percentage? If he is unable to give me the percentage, can he indicate the proportion of these figures due directly or indirectly to the practice of sodomy?

The Hon. D. H. L. BANFIELD: The honourable member must appreciate that I am unable to give him the reply immediately, but I shall be happy to obtain a report.

COUNTRY ROADS

The Hon. C. M. HILL: Has the Minister of Health a reply from the Minister of Transport to my question of February 20 about country roads?

The Hon. D. H L BANFIELD: Subject to the availability of funds and present priorities remaining unaltered, the following programme is proposed: Cummins to Tumby Bay, work to recommence in 1974-75 and be completed in 1976; Cape Jervis to Delamere, annual allocation for completion over the next four years; Booborowie-Hanson, no work proposed for next five years; Bordertown-Frances, completion in 1974-75.

PETRO-CHEMICAL PLANT

The Hon. G. J. GILFILLAN: Has the Chief Secretary a reply to my question of February 20 about certain land that has been compulsorily acquired for the petrochemical complex?

The Hon. A. F. KNEEBONE: There appears to be some confusion in the honourable member's mind as shown in his statement: "I have since discovered that the buffer zone covers a much wider area than was foreseen at the time the Bill was considered . . . ". In fact, the Bill delineated quite clearly the area to be acquired; this was further underlined by a map that was available at the time to honourable members. The area in the process of being acquired is that which was clearly marked on that map. At one stage it was hoped that it would be possible to install the petrochemical plant without affecting circumstances of shack owners at Chinaman's Creek. However, the consortium has made it clear to the Government that the area required for the plant is rather larger than was originally anticipated.

The Minister of Development and Mines was approached last week by the person who has in mind the development referred to by the honourable member. The Minister made clear to this person that, although the matter of his retaining his shack was still negotiable, the Government

could give him no guarantee that he would be able to obtain a freehold title. That is where the matter still stands. The Minister has personally inspected the area and can find no evidence that, to quote the honourable member: ". . . development has already commenced on a fairly large project involving a golf course, caravan park, bowling green and residential areas". That is if, by development, the honourable member means physical development.

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

Leave granted.

The Hon. A. M. WHYTE: In view of the answer that the Minister has just given to the Hon. Mr. Gilfillan, and since a specific case is involved, can the Minister say what appeal provisions are available to the man concerned if he is not prepared to accept the prescribed compensation for the loss of his land?

The Hon. A. F. KNEEBONE: As I do not have a copy of the Act with me, I suggest that the honourable member look at the Act to see whether it contains appeal provisions.

LOCAL GOVERNMENT ACT

The Hon M. B DAWKINS: I seek leave to make a short statement prior to asking a question of the Minister of Health, representing the Minister of Local Government.

Leave granted.

The Hon. M. B. DAWKINS: My question relates to the activities of the Local Government Act Revision Committee which was appointed about 10 years ago and which did much valuable work under the guidance and supervision of the Hon. Stanley Bevan and later the Hon Murray Hill. The committee took evidence throughout the local government areas of South Australia and also in many other parts of Australia, and eventually brought down what I consider to be a very valuable report. Has any progress been made in redrafting the Local Government Act along the lines suggested by that report, or has the Government decided to shelve the matter indefinitely?

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

OUTPATIENT DEPARTMENT PARKING

The Hon. C. R. STORY: Has the Minister of Health a reply to the question I asked last week about parking facilities at the Royal Adelaide Hospital?

The Hon. D. H. L. BANFIELD: The report is not yet available, but I have referred the honourable member's question to my department.

LOCAL GOVERNMENT BOUNDARIES

The Hon. R. C. DeGARIS: Has the Minister of Health, representing the Minister of Local Government, a reply to the question I asked last week about local government boundaries?

The Hon. D. H. L. BANFIELD: The report by the Royal Commission on Local Government Boundaries will be tabled in both Houses of this Parliament when available. Following the tabling of this report the Government will then decide its policy on local government boundaries and, if necessary, legislation will be introduced to give effect to Government policy.

FILM CLASSIFICATION ACT AMENDMENT BILL (No 2)

Bill recommitted.

Clause 3—"Film to which classification has been assigned may be lawfully exhibited notwithstanding law of obscenity, etc."—reconsidered.

The Hon. A. F. KNEEBONE (Chief Secretary) moved:

In new section 11a (3) to strike out "stating" (second occurring) and insert "and".

Amendment carried; clause as amended passed.

Bill read a third time and passed.

SEWERAGE ACT AMENDMENT BILL

Second reading.

The Hon. A. F. KNEEBONE (Chief Secretary): I move:

That this Bill be now read a second time

The Sewerage Act has not been consolidated since 1936 and, as this task is shortly to be undertaken, the Act has undergone a critical review. One of the principal objects of this Bill is therefore to correct minor inconsistencies and ambiguities and effect sundry amendments in the nature of statute law revision amendments, at the same time striving for uniformity with the Waterworks Act. Certain doubts have been raised as to the Minister's power to fix differential rates for drainage areas, and therefore the second purpose of this Bill is to give the Minister a clear and unambiguous power to do so. The Crown Solicitor has advised that the validity of certain existing rating practices is open to question; hence the Bill seeks to put the matter beyond doubt.

Clause 1 is formal. Clause 2 makes the Act retrospective to July 1, 1973, for the purposes of the amended rating provisions. Clause 3 effects a statute law revision amendment consequential upon the enactment of the Land Acquisition Act. Clause 4 validates any differential rate that may have been declared before this Bill becomes law Clause 5 brings the regulation-making power into line with standard practice, whereby regulations are made by the Governor in council and not by individual Ministers. Clause 6 achieves procedural uniformity with the Waterworks Act in the proclaiming of drainage areas under the principal Act.

Clauses 7, 8, 9, 10 and 11 adopt procedures designed to attract the operation of the Land Acquisition Act with respect to disputes arising between the Minister and claimants for compensation. Clause 12 effects an amendment consequential upon an earlier redefinition of "land" to include "premises". Clause 13 contains a metric conversion. Clause 14 effects a consequential amendment. Clause 15 provides that plans must be lodged with the Minister before any building or extension thereto is constructed. The Act at the moment limits this obligation to the building or rebuilding of any house, and therefore problems arise with respect to other kinds of construction that may be built over or may obstruct mains or drains. Also, all plans ought to be vetted before any work is started with a view to ensuring proper drainage into the sewerage system.

Clause 16 effects a consequential amendment. Clause 17 provides that penalties may be recovered from persons who obstruct or encroach upon sewers, whether it is done "knowingly" or not. A defence is provided for the person who did not and could not with reasonable diligence ascertain the position of the sewer or drain. Clause 18 grants a clear power to the Minister to declare differential rates within the same or as between different drainage areas. Rates for land in a country drainage area must not exceed 12½ per cent of the annual value of the land.

Clause 19 repeals section 74a of the principal Act which dealt with rates in country areas. Clauses 20 and 21 remove words now superfluous, as land is not now assessed under and by virtue of the Sewerage Act. Clause 22 repeals section 98 of the principal Act, superfluous upon the enactment of the Land Acquisition Act Clause 23 brings this procedural section in line with the Waterworks Act and thus makes the task of prosecuting offenders under the Act a little easier.

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

CLASSIFICATION OF PUBLICATIONS BILL

(Second reading debate adjourned on February 27. Page 2201.)

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4—"Interpretation."

The Hon. J. C. BURDETT: I move:

After the definition of "adult" to insert the following definition:

"legal practitioner" means a person admitted and enrolled as a practitioner of the Supreme Court of South Australia:

In the Bill as it stands at present there is no reference to a legal practitioner. My amendment can be explained only by reference to the amendment I have foreshadowed to clause 5, which amendment refers to a legal practitioner. With your indulgence, Mr. Chairman, the only way I can explain my amendment is to refer to at least part of the amendment that I will move to clause 5. Clause 5 (2) provides:

The board shall consist of five members appointed by the Governor.

There is no direction as to who the members shall be or what their qualifications shall be. However, I believe that it is essential that Parliament should spell out the areas of the community whence the board members should come. The Bill will not be effective unless the board is comprised of suitable people chosen from appropriate sections of the community. It is usual in such legislation for the Legislature to say what the qualifications of board members shall be.

In speaking to this Bill, the Hon. Mr. Cameron said that at present it was largely the courts that exercised the function of censorship. I agree that the courts are not always the bodies best qualified to perform this function, but as the Bill stands it may well be that the board will comprise people less qualified than the courts or with no qualification at all. I suggest that it is necessary to spell out the people to be on the board. Obviously a legal practitioner should be one of them, because undoubtedly questions of interpretation will arise. It is necessary and desirable, in order to assist the legislation and not to try to destroy it or to depart unduly from the Government's idea of it, that we define from which sections of the community the various board members shall come.

The Hon. A. F. KNEEBONE (Chief Secretary): On the basis of what may happen to clause 5 if this amendment is carried, I oppose it.

The Committee divided on the amendment:

Ayes (10)—The Hons. J. C. Burdett (teller), M. B. Dawkins, R. C. DeGaris, R. A. Geddes, G. J. Gilfillan, C. M. Hill, F. J. Potter, Sir Arthur Rymill, C. R. Story, and A. M. Whyte.

Noes (6)—The Hons. D. H. L. Banfield, M. B Cameron, B. A. Chatterton, C. W. Creedon, A. F. Kneebone (teller), and A. J. Shard.

Pair—Aye—The Hon. Jessie Cooper. No—The Hon. T. M. Casey

Majority of 4 for the Ayes.

Amendment thus carried; clause as amended passed.

Clause 5—"Establishment of board"

The Hon J. C. BURDETT I move:

To strike out subclause (2) and insert the following new subclause.

(2) The board shall consist of six members appointed by the Governor of whom—

(*a*) one shall be a legal practitioner;

(*b*) one shall be a person who is, in the opinion of the Governor, a suitable representative of the major churches in this State;

(*c*) one shall be a person who is, in the opinion of the Governor, a suitable representative of publishers;

(*d*) one shall be a person skilled in the field of child psychology;

(*e*) one shall be a person nominated by the Minister of Education; and

(*f*) one shall be a person nominated by the National Council of Women.

I am not trying to attack the Government or to decimate its Bill. In the second reading debate I attacked one of the principles relating to censorship mentioned in that debate by the Minister, but I associate myself with the comments of the Hon. Mr. Dawkins: I appreciate that that statement could not be attributed personally to the Chief Secretary. I should like to think that the members of this Council could co-operate in trying to hammer out the best protection for members of the community, whatever their ages Any censorship, classification, or control is difficult and, when one comes to the Committee stage of a Bill such as this and has to try to draft amendments to the legislation, one realizes how difficult it is I sympathize with the Government in its task, because I now realize the difficulty in trying to legislate in this sphere. All responsible citizens in our society, from the most straitlaced to the most permissive, realize that a line must be drawn somewhere; the difficulty is in drawing the line. I have tried to draw the line in such a way as to allow reasonable freedom but also to provide what I consider to be proper protection for the community.

Apart from the legal practitioner, about whom I have already spoken, I suggest that the next board member be a person who is, in the opinion of the Governor, a suitable representative of the major churches in this State. I had desired to make this read "a person appointed by the heads of churches" but, on further inquiry, I find that that term is not sufficiently precise; so I have adopted the provision that appears. I suggest that the churches have a proper interest in this They have been guardians of morals in the community, to a large extent, and certainly clergymen are among those people who have to try to sort out the consequences of undesirable material being circulated too freely They see what has gone wrong and are concerned to preserve the moral standards of the community. New paragraph (*c*) provides:

one shall be a person who is, in the opinion of the Governor, a suitable representative of publishers.

That is an obvious provision to insert. The list I have made is balanced and covers all people with a legitimate, reasonable, and logical interest in these matters: it is not unduly conservative, narrow, or prudish. Therefore, I suggest that a person representing the publishers should be included

The last three categories, in paragraphs (*d*), (*e*), and (*f*), spring from a desire that I and all honourable members in this Chamber have to make sure that young people are protected from the filth that is, unwarrantably and without serving any good cause, circulated in the community. We

all share this concern, because some parts of the Bill already deal with the publishing, promulgating and selling of this type of material. Everyone is concerned for the protection of children. It has proved that it is not sufficient merely to stop at the prohibition of a sale of a certain thing. Perhaps the Bill already contains sufficient provisions to stop the sale of undesirable material to children, but the matter does not end there. Experience shows that such articles rarely finish up in the hands of the initial purchaser; they are circulated widely in the community after the initial purchase. Therefore, I have inserted the three categories in paragraphs (*d*), (*e*), and (*f*) with the object of seeing not only that the interests of children are protected and that not only may they not purchase salacious, useless, unwarranted, and undesirable material but also that their interests should be taken into account by the board at all times and at all levels.

The Hon. F. J. Potter: Can the honourable member explain why there are six categories rather than five?

The Hon J. C. BURDETT: Yes. The Bill as it now stands provides for five members on the board. I did not select six as the number, but it seemed to me, after discussion with many people in trying to work out the proper personnel of the board, that there should be six.

The Hon. A. F. KNEEBONE: I have no doubt that some of these people would be appointed under the Bill as it now stands, because of their association with the problem. I still believe that the selection of people should be left open. I am sure the honourable member found it hard to limit the number of people on the board from those people really interested. Whatever number we stipulate, many people who are omitted will be disappointed. Does the honourable member believe that all literary people are suspect? There are no literary people on the board.

The Hon. M. B. Cameron: No mothers?

The Hon. A. F. KNEEBONE: No mothers. I prefer the Bill as it is and, therefore, oppose the amendment, which, if carried, would create more problems than leaving the Bill as it is. It can be left to the discretion of the Government to select the right people.

The Hon. J. C. BURDETT: I did consider literary people: in fact, that was one category in my first draft of this amendment but, as the Chief Secretary has said, I did have difficulty in limiting the categories to a reasonable number. I thought the categories I used were sufficient in number to provide a better protection (because protection was what I was looking for) rather than including a literary person. The membership of the board is an essential part of this legislation, which will work only as well as the composition of the board will allow it to—no better and no worse. Parliament should specify who is to be on the board.

The Hon. A. F. Kneebone: If it is a split decision, how is that dealt with by six members?

The Hon. J. C. BURDETT: A casting vote is given, by the Bill.

The Hon. M. B. CAMERON: Although I do not support the amendment, I do not wish it to be thought that I consider that any of the categories given here will not ensure that the proper people will serve on the board. However, there may be people in other categories better suited to serve on the board but excluded because we specify the categories in detail. Although no doubt the Hon. Mr. Burdett is trying to do his best, I think it better left to the Government to decide.

The Hon. C. R. STORY: I support the amendment, as the categories specified by the honourable member should be in the Bill. However, I intend to oppose the Bill as a whole.

The Hon. M. B. DAWKINS: I said in the second reading debate that I could not support the Bill in its present form. I stand by that because, if it proceeds through the Committee stage in the form in which it came to the Committee, I, like the Hon. Mr. Story will vote against it. However, the Hon. Mr. Burdett is to be congratulated on the work he has done in trying to make the Bill work well, and in drafting the amendments he has gone a long way towards achieving his objective. I also said in the second reading debate that I hoped that no-one would consider that I was satisfied with the present set-up. An attempt has been made to improve the position, but the Bill as it now stands may make things worse. Nevertheless, I believe that the Hon. Mr. Burdett's amendments may well make the Bill acceptable, and I support this amendment.

The Hon. M. B. CAMERON: Can the Chief Secretary say whether the board will, in certain circumstances, also review newspapers?

The Hon. A. F. KNEEBONE: I have not studied that part of the Bill closely, but I should think that a newspaper would come within the category of "publication".

The Hon. M. B. Cameron: In other words, a publication such as the *National Review* could be reviewed by the board?

The Hon. A. F. KNEEBONE: I think so.

The Hon. R. A. GEDDES: The point the Hon. Mr. Burdett has made, and to which I add my support, is the need to protect the morality of the youth of coming generations, and that is why his amendment includes people who he believes would be concerned with children such as a representative of the churches, a child psychologist, and nominees of the Minister of Education and of the National Council of Women. So, the purpose of the amendment is to ensure that what is published, allowed to be seen, and controlled, is done in such a way as to protect the morality of our youth. I support the amendment.

The Committee divided on the amendment:

Ayes (10)—The Hons. J. C. Burdett (teller), M. B. Dawkins, R. C. DeGaris, R. A. Geddes, G. J. Gilfillan, C. M. Hill, F. J. Potter, Sir Arthur Rymill, C. R. Story, and A. M. Whyte.

Noes (6)—The Hons. D. H. L. Banfield, M. B. Cameron, B. A. Chatterton, C. W. Creedon, A. F. Kneebone (teller), and A. J. Shard.

Pair—Aye—The Hon. Jessie Cooper. No—The Hon. T. M. Casey.

Majority of 4 for the Ayes.

Amendment thus carried; clause as amended passed.

Clauses 6 to 11 passed.

The Hon. A. F. KNEEBONE: As the schedule of amendments did not come into my hands until this afternoon, shortly before we commenced debating the Bill, I have not had an opportunity to study it. I ask that progress be reported.

Progress reported; Committee to sit again.

OMBUDSMAN ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from February 27. Page 2202.)

The Hon. C. M. HILL (Central No. 2): This Bill arises from recommendations made by the Ombudsman to amend the Ombudsman Act, 1972. The changes foreseen by this measure include the Adelaide University's being treated as an authority under the Act whereas, at present, it is not. Another change is that all Government departments and authorities, other than those excluded by proclamation, shall come within the jurisdiction of the Ombudsman in

future. At present certain departments and authorities are in this category, and the group may be added to by proclamation. I understand that during the last 12 months or so some departments have changed their names, and legal opinions sought by the Ombudsman have indicated that a new proclamation is required for each department to continue to be under his jurisdiction. That is unwieldy, and is one reason why this amendment is sought.

Another change being sought is that the Ombudsman will make his report direct to Parliament in the same way that the Auditor-General does, and all honourable members will support that. The last amendment deals with the redrafting of section 30. I listened with much interest to the Hon. Mr. DeGaris when he spoke to this measure yesterday, and I commend him for raising two major queries regarding this Bill. Like him, I, too, look forward to hearing the Government's attitude on the matters he raised. I have always supported the principle that if change is to be sought to a measure of this kind it should be done by regulation rather than by proclamation. I therefore hope that the Government will seriously consider the questions raised by the Hon. Mr. DeGaris. The second matter raised by the Leader related to a section of a department being either included or excluded from a regulation, and is another matter that ought to be thoroughly looked into before the measure is passed.

The history of the Ombudsman in South Australia has so far been one of considerable success, and I wish to take this opportunity to commend Mr. Gordon Combe for the dedication and skill he has brought to bear in this new office. The Act under which he works came into operation on December 14, 1972, and for the first 6½ months (which honourable members will remember was a period of some difficulty for him because of a lack of staff and the lack of suitable office accommodation) he received 308 complaints. I have taken that figure from the first annual report of the Ombudsman on June 30, 1973. That figure indicates that the need certainly exists for an office of this kind in South Australia. I am sure that the public of South Australia will, as time passes, benefit by this State's having an Ombudsman. I support this relatively short Bill, but I also support Mr. DeGaris in the questions he has raised.

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2—"Interpretation."

The Hon. R. C. DeGARIS (Leader of the Opposition): Will the Chief Secretary comment on the suggestions made by the Hon. Mr. Hill and me regarding the use of proclamations to remove a department from the jurisdiction of the Ombudsman, and, secondly, their use to declare part of a department as being subject to the jurisdiction of the Ombudsman. Both these questions depend on the Government's attitude, and if the Government is not prepared to give an answer I shall draft amendments accordingly.

The Hon. A. F. KNEEBONE (Chief Secretary): I know the general feeling of the Leader regarding proclamations and regulations because in the past we have come across these feelings. I do not believe that any great difficulty will arise from anyone as a result of this Bill. Previously various departments and authorities have been excluded from the provision of the Act, anyway.

The Hon. R. C. DeGaris: But it has been completely reversed by this Bill.

The Hon. A. F. KNEEBONE: I understand that some departments have been excluded by proclamation.

The Hon. F. J. Potter: Not excluded; they have been added.

The Hon. R. C. DeGARIS: As I understand the position, and I may stand corrected, the change to be made is that whereas departments could be added to the list previously by proclamation it is now only a council or a department that can be excluded from the jurisdiction of the Ombudsman by proclamation; and that is a somewhat different situation. Irrespective of what has happened previously, I believe that where there is power for the Government to vary or revoke a proclamation in relation to the jurisdiction of the Ombudsman, the department concerned should be told what is going on. Parliament should at least be given some idea of what is happening, because at present Executive power exists to revoke the Ombudman's application in certain areas. I believe that Parliament should have some say, particularly as the Ombudsman will in future report to the President of this Council and the Speaker of the House of Assembly. My second query relates to the possibility of varying or revoking a proclamation in respect of part of a department.

The Hon. C. R. STORY: I support the principle that the Leader enunciated. If a person is a Minister he always believes that this kind of procedure should be carried out by proclamation, because it is easier and it is final. A regulation is effective as soon as it is gazetted, but it provides an opportunity for Parliament to consider whether it should be allowed. Because it is so very difficult to get a proclamation unscrambled, I tend to err on the side of regulation, especially when the matter dealt with is of this magnitude.

The Hon. A. F. KNEEBONE: I should like to hear further explanation from the Leader in connection with varying or revoking a proclamation in respect of part of a department.

The Hon. R. C. DeGARIS: At present the provision relates to varying or revoking a proclamation in respect of a whole department. In the original legislation we completely exempted the Police Department from investigation by the Ombudsman, and that is reasonable. However, there may be parts of the Police Department not involved with straight police work but connected with administration where the Ombudsman should have jurisdiction. However, under this Bill no proclamation can apply to part of a department.

The Hon A. F. Kneebone: It would be difficult to make a proclamation apply to only part of a department.

The Hon. R. C. DeGARIS: No. One could also think of situations where the jurisdiction of the Ombudsman should apply to parts of the area covered by the Commissioner for Prices and Consumer Affairs.

The Hon. F. J. Potter: Perhaps it would be better to refer to a branch of a department, rather than a part.

The Hon. R. C. DeGARIS: "Branch" may be a better word. Provision should be made for varying or revoking a proclamation in respect of not only a whole department but also part of a department.

The Hon. A. F. KNEEBONE: The Hon. Mr. Story put his finger on the pulse when he said that when one is a Minister one prefers proclamations.

The Hon. A. J. Shard: It goes further than that: when one is in Government one prefers proclamations. Opposition members have very short memories.

The Hon. A. F. KNEEBONE: I prefer proclamations. The point raised by the Leader regarding branches of departments is worth looking at. Does the Leader intend to move an amendment in that connection?

The Hon. R. C. DeGARIS: I raised queries during the second reading debate that were not answered by the Chief Secretary in his reply to that debate. Both points I have raised are worth considering. If the Government is willing

to do something about them, it will save me the trouble of drafting amendments. However, if the Government does not implement my suggestions, I will draft amendments to test the feeling of the Committee. I agree with the Hon. Mr. Shard that people in positions of authority, whether Liberal, Labor or anything else, tend to gather all power to their breasts.

The Hon. A. J. Shard: You had it for 30 years and you treated us with contempt.

The Hon R C. DeGARIS: I would not say that anyone treated others with contempt. When one is not a Minister but a back-bencher one is justified in fighting to preserve the authority of Parliament. Throughout the democratic world there is a growing concern about the power the Executive is assuming; Parliament is being overlooked and by-passed by the Executive. I have always contended that Parliament should exert its authority The Executive has a place, and so has Parliament. It is the duty of back-benchers to see that Parliament's authority is preserved

The Hon C. M. HILL: Here we have a unique situation of a jurisdiction in respect of administrative justice. The individual who believes that he has been treated unfairly and that the weight of authority makes it completely impossible for him to obtain a fair deal has someone of great independence to whom to turn In these circumstances surely we should be prepared to consider a hypothetical case. I am not casting aspersions on any Government, but if this Bill goes through in its present form it is possible that a Government, seeing that an individual has taken a case to the Ombudsman (and it may be that in the opinion of that Government it could be politically embarrassed if the matter was taken any further) could say by proclamation, "We will exclude that department from the Ombudsman's inquiry."

Is that the type of legislative machinery this Government wants? In the proposal of the Hon. Mr. DeGaris, and in the instance I am quoting, the Government of the day would have to lay on the table of the two Houses of Parliament a regulation endeavouring to exclude that department from the jurisdiction of the Ombudsman. Parliament itself then has the opportunity to look into the matter and, if it wishes, disallow the regulation and force the issue so that the individual can put his case to the Ombudsman, who can investigate it within the department concerned, irrespective of the consequences to the Government.

I stress that this is a hypothetical situation, but it could happen If it did, would the Ombudsman's role be one of true independence? Would he be able to carry out the authority which Parliament gave by the Act in a situation where the Government of the day could cut the ground from under his feet in this way? That is not the type of situation any Government wants to see.

The Hon. R. C. DeGaris: And without Parliament's knowledge

The Hon. C. M HILL: Yes, without the knowledge of Parliament.

The Hon. A. F. Kneebone: I am not arguing on that basis.

The Hon. C M. HILL: I am.

The Hon A. F. Kneebone: We are not arguing on the basis of wanting to cover up anything.

The Hon. C. M. HILL: I do not say that, but I stress than any Government could get into this situation. It is on the shoulders of this Government as to whether or not the opportunity is introduced for any Government to do that. I do not think this Government should make that possible, nor do I hope any Government would do so. I support the Hon Mr. DeGaris's views.

The Hon. F. J. POTTER: I support the foreshadowed amendment, and I think the Hon. Mr. Hill has hit the nail on the head as to the basic argument in relation to the use of regulations. I stress to the Hon. Mr. Shard, and others who seem a little hurt about this question, that we have here a unique situation. This argument comes up every session.

The Hon. A. J. Shard: My main complaint is the change of attitude of your people.

The Hon. F. J POTTER: Sometimes I think that, as Governments and Oppositions change, there are changes of attitude. I do not deny that, and sometimes I think we get carried away, but in this case we have a unique situation. In the terms of the original Act, the jurisdiction of the Ombudsman was given specifically by the Statute. The schedule sets out the departments under his jurisdiction, and there are one or two notable omissions, such as the Prices Department mentioned by the Hon. Mr. DeGaris. There is power to add to that list, and particularly to add the statutory authorities Here, we are really revoking that and saying that in future he shall have jurisdiction not over what is specifically laid down, but more or less universal jurisdiction, and only what is taken away from him shall he not have.

This is a matter which should come under the scrutiny of Parliament. The use of the system of regulation will solve the other problem of the Hon. Mr. DeGaris because, if there is anything in his contention that perhaps some branches of a department should come under the Ombudsman and not others, if we use the system of regulation we will probably deal with that difficulty. If there is a regulation before the Council which says, for instance, that the Police Department shall not be covered, opportunity then could be taken to say that the regulation should cover the Police Department other than the accounting or administrative branches, or whatever it may be I do not see the need for an amendment to deal with that problem if we use the regulations. The regulation procedure will enable criticisms to be raised, and in that way we can draw the attention of the Government of the day to what we consider are more appropriate regulations.

The Hon R C. DeGARIS: Before I ask the Chief Secretary to report progress, I must say briefly on this question of regulation and proclamation that of course members in this Council support the question of proclamation in certain areas. Some legislation demands the use of a proclamation; there can be no argument about that. Take the need for proclamation of certain areas for fruit fly eradication. It would be quite ridiculous to deal with that situation by regulation; these circumstances demand the power of proclamation Also in the matter of noxious weeds and in other areas where urgency is required, this Council will always support proclamation. But here we are dealing with a totally different question, the matter of the power of Parliament *versus* the power of the Executive The arguments of the Hon. Mr. Hill and the Hon. Mr. Potter are valid in those circumstances To enable me to examine further and to present amendments to the Committee, I ask the Chief Secretary to report progress at clause 2.

Progress reported; Committee to sit again.

SUPERANNUATION (TRANSITIONAL PROVISIONS) BILL

Adjourned debate on second reading.

(Continued from February 27 Page 2199)

The Hon C. M. HILL (Central No. 2): I support this Bill which, as the Minister said yesterday, is a machinery

measure to enable the South Australian Superannuation Board to prepare legislation for the introduction of a new superannuation scheme for public servants in South Australia. The Minister's explanation made clear (but nevertheless it should be stressed again) that this is a transitional Bill which is necessary for the board to take the next steps along the road to having the new scheme introduced. The other point that he stressed, with which I entirely agree, is that there is a need for expedition If the new scheme for our public servants is to come into effect on July 1 of this year, time is of the essence. With those two matters that the Minister emphasized I completely agree.

The Bill in opening the way for the second measure touches mainly on the opportunity that the present members of the existing fund must be given so that they can choose as they think best which conditions of the new scheme shall apply to them and which conditions they require For example, present contributors will be required to state their intention, under the provisions of this Bill. Some will be deemed prescribed contributors, as explained in the Bill. Choice of the contribution rate will have to be made by the members of the existing fund. Various forms of unit contributions now applying are dealt with by this Bill.

In other words, it is a Bill giving the opportunity to the board to introduce changeover legislation. Certain arrangements will have to be completed where existing contributions exceed those that will need to be made under this Bill, and some contributors will be given the opportunity to withdraw from the present scheme, especially those who have been contributors for a relatively short time. They will have the opportunity to apply under the new arrangement to contribute to the new scheme without the same benefits accruing as will accrue to those people who have been contributing to the present scheme for a long time.

Returning to the urgency of this Bill and the points that must be stressed in regard to it, I concur with the Minister when he says that, if the second Bill fails, the measures that we are introducing by this Bill will have no effect. That is a query that has been raised with me since I started my review of the Bill yesterday, but it is clear that measures that we are passing in this Bill will have no effect if the second Bill about to be introduced fails.

I join with the Government in saying that this is a genuine endeavour to provide a superannuation scheme that in form will be in keeping with modern practice. I believe, too, it should be as generous as possible, bearing in mind the economic framework of the Government's administration. Indeed, it is the responsibility of all employers to make every effort to improve superannuation schemes because the effects of them on fixed income superannuitants within the last 10 to 20 years in this era of growing inflation have in many cases been harsh. We should make every possible effort to assist our public servants with a modern and up-to-date superannuation scheme.

Therefore, I support the Bill and look forward to the next measure, for which this Bill unlocks the door. I trust, too, the Council will meet the Minister's wish for a speedy passage of this Bill in the best interests of our public servants.

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

ROAD TRAFFIC ACT AMENDMENT BILL (SPEED)

Received from the House of Assembly and read a first time

STATE GOVERNMENT INSURANCE COMMISSION ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from February 27. Page 2200.)

The Hon. R. C. DeGARIS (Leader of the Opposition): I oppose this Bill. Having said that, I should like to go through the reasons that have forced me to believe that this Bill does not deserve a place on the Statute Book of South Australia. The first matter I draw to honourable members' attention is the first sentence of the Chief Secretary's second reading explanation, as follows:

Honourable members will recall that the principal Act, the State Government Insurance Commission Act, 1970, in its terms precluded the commission from undertaking the business of life insurance

I assure the Chief Secretary that all honourable members recall his statement. I wonder whether Government members readily recall the statements that were made by the Government when the first Bill was introduced to establish a State Government insurance commission in South Australia The history is a long one: it goes back to 1967, I think, with the introduction of the first Bill during the Walsh-Dunstan period of Government. The present Premier is reported in *Hansard* of August 5, 1970, as follows:

The reason for our excluding life insurance basically was that we had an investigation made into the profitability of various forms of insurance in offices of medium size. A Government insurance office would be an office of medium size (not the smallest, but certainly not the largest), and it is not possible for an office of medium size to compete effectively in the life insurance field because, in this field particularly, the economies of scale are enormously important. If one has a large-scale office, one is able to offer competitively far better benefits than can be offered through a small office Quite different considerations arise in relation to other forms of insurance.

In addition, we are not so concerned about the standard of service in the life insurance field. this is a competitive area, given the large companies operating here, and it is under the control of Commonwealth Government legislation. Different matters arise there from those relating to the rest of the business that we are interested in having a State insurance office deal with. The only reason why originally we had included life insurance was that it was considered that there was an advantage in some policy areas of having people, who were insuring with the Government insurance office, able to take up life insurance in the same office but, frankly, those advantages were minimal as against the difficulty that we would face in being able to compete adequately with the terms of life insurance offered by the larger offices. In consequence, we decided that there were advantages in excluding life insurance, and we have no intention of altering that view.

Although there are many other reasons I could give for not favouring the Bill before us for Government activity in the life insurance field, at least the reasons the Premier gave in 1970 were valid then and I know that they are valid now. If there were such a term in the English language as "more valid" or "valider", I would be only too pleased to use it So, the first task one has is to try to establish the reason why the Premier has changed his mind. I remind honourable members of the strength of the Premier's 1970 statement, part of which states:

. . . we have no intention of altering that view

But a few months pass and, suddenly, the view is totally altered. One can speculate and probably be closer to fact than the reasons the Premier gave. I believe that most honourable members could reasonably speculate on the reasons why the Government has changed its mind, but I do not know that the Premier's reasons are completely valid Let me examine them, according to the second reading explanation, a document consisting of between 50 and 60 words, on the introduction of life insurance into State

Government Insurance Office. The first reason given is that there is a greater tendency on the part of insurers in this State to offer a complete insurance service; that was easily covered by the Premier's 1970 statement.

The second reason is that the creation of a fund from life insurance premiums paid to the commission will in time generate a considerable sum available for investment in both the Government and the private sectors of the State. I intend to examine that more closely as I proceed. The third reason is that the Government has accepted the recommendation of the commission to undertake life insurance business. Three reasons are given, and no others. We have no information of any feasibility study having been undertaken or of any work having been done to examine the position in depth as far as the State Government Insurance Office entering the life insurance field: all we have are three very poor reasons for the Government undertaking this venture. I think it is reasonably fair to ask: how did the recommendation that the State Government Insurance Commission should enter this field come to the Premier? I would like the Government to table the information in the Council. Was it verbal? Did the Manager say to the Premier, "Oh, well, I think that we had better go into life insurance," or did the Chairman of the commission or any of the Commissioners or board members investigate this matter in New South Wales, Queensland or elsewhere and bring down a thorough feasibility report on the matter?

If these documents are available, why should they not be available to Parliament? All we have before us are three airy-fairy reasons why the Government wants to enter the life insurance field. I think the speculation that honourable members could make as to the real reason would be much closer to the truth than the reasons given in the Chief Secretary's second reading explanation What studies has the Government undertaken? The information I have received is that it was one day in Queensland and one day in New South Wales, but whether that is correct, I do not know. A letter was written by the Chairman of the commission and my information is that what I said earlier is probably correct, namely, that the only field study undertaken was a one-day visit to Queensland and a one-day visit to New South Wales.

So, after the presentation of the request to the Premier, he suddenly made a totally different statement from the one he made in 1970, based on the flimsiest of evidence, namely, a request from the commission. As I proceed I will refer to other matters related to the second reading explanation, but the first question we must answer is: will the people of the State be better off if the State Government Insurance Commission writes life policies? I want to provide some of the replies. First, State insurance offices around Australia do not provide a better service, better policies, or lower premiums than do the mutual life offices in Australia. I will now quote some figures for honourable members' information. I refer to the *Australian Insurance Journal Manual of Australasian Life Assurance*, 1972-73 edition. I will quote four cases of what I term reasonable comparisons between the State Government Insurance Office of Queensland and a mutual life office policy.

Case A relates to ordinary department endowment insurance with profits: the initial sum insured is $10 000 with yearly premiums; age at entry, 25 next birthday; male; term, 20 years. The policy offered by the State Government Insurance Office of Queensland provided a bonus rate of $2.30 for each $100, and the mutual life office, $2 85 for each $100. The Government office compounds interest annually and the mutual life office compounds it quinquennially. This case was dealt with in 1971. The yearly premium for the State office is $471.50 a year, and for the mutual life office, $469.80 a year. The total premiums paid to the Government office will be $9 430, and to the mutual life office, $9 396. The estimated maturity value of the Government policy is $15 760, and for the mutual life office, $17 170.

Case B relates to an ordinary department endowment insurance with profits; the initial sum insured is $10 000 with yearly premiums; age at entry, 25 next birthday; male; and maturing at age 65. The bonus rates for cases A and B are identical ($2.30 for the State office and $2.85 for the mutual life office). The yearly premium for the Government office is $217.50, and for the mutual life office, $217.70. The total premiums paid to the State office will be $8 700, and to the mutual life office, $8 708. The estimated maturity value of the Government policy is $24 830, and for the life office it is $30 470.

Case C relates to an ordinary department whole of life policy with profits. The initial sum insured was $10 000 with yearly premiums ceasing at 65; age at entry, 20 next birthday; and the assured was male. The assured died at age 40, the policy terminated, and the money was paid. The bonus rates for the Government office and the life office were the same as in cases A and B. The yearly premium for the Government office was $147.50, and for the life office, $154.50 Total premiums paid to the Government office were $2 950, and to the mutual life office, $3 090. The estimated death benefit of the Government office policy was $15 760, and of the mutual life office, $17 170.

Case D relates to ordinary department whole of life insurance with profits. The initial sum insured was $10 000 with yearly premium ceasing at age 65; age at entry, 20 next birthday; and the assured died at 60. Once again, bonuses remained the same for the Government office and for the mutual life office. The yearly premium for the Government office was $147.50, and for the life office, $154.50. Total premiums paid to the Government office were $5 900, and to the mutual life office, $6 180. The estimated death benefit to be paid by the Government office was $24 830, and by the mutual life office, $30 470.

I submit those figures as being a fair comparison of the policies available over a rather broad spectrum in relation to a mutual life office and a Government office in Queensland. The writing of insurance in this industry in Australia is highly competitive and highly skilled, with more than 40 life offices serving the people of this country. The majority of life business written in Australia is in the hands of mutual societies whose only interest is that of the policy-holder. I know that some companies writing life policies have shareholders, but the majority of life insurance business in Australia is written by mutual offices I believe the major shareholding company would be the Mutual Life and Citizens Assurance Company Limited. Anyway, it is only a small proportion of that company's income that is appropriated to shareholders' funds.

In a mutual life society no possibility exists for any political or Treasury consideration influencing or interfering with the investment policy of that society. The investment policy in a mutual society is designed entirely in the interests of policy-holders. This Government cannot demonstrate to the people in this State how they will be better off if the State Government Insurance Commission enters this field. Indeed, on most of the figures I have given I have clearly shown that people will be worse off with the commission if it writes life policies.

My next point is most important, and relates to a statement made by the Premier (who is usually rather scathing

in his comments) but who admitted that the Government is not concerned about the standard of service given in the life insurance field. One reason for life insurance being on such a high plane in Australia (and I am referring to only one of many reasons) is that Australia has a very active and vigorous insurance Commissioner operating under Commonwealth legislation. All business done by an insurance company, whether mutual or not, is scrutinized by him. Safeguards exist in that legislation that are not incorporated in the Bill before us. Honourable members may ask whether the relevant Commonwealth legislation does not apply to State Government insurance offices that wish to write life business: my answer is that it does not. I believe that this is an important issue that must be considered by this Chamber. I know it could be said that if the safeguards currently in Commonwealth legislation were written into this Bill that would overcome all my objections, but that is not so. I do believe, however, that it is a valid criticism that Commonwealth legislation does not apply to any State office writing life insurance.

In examining the costs of establishing such an operation (and I am not relying on a hypothetical calculation but the actual figures of establishing a life office in this State) I wish to quote accurate figures that have come from companies that have been established in South Australia during the last 20 or 30 years. Office A commenced business in South Australia in the mid-1950's. It began a feasibility study of operations in South Australia in 1954 and it began recruiting staff in 1955. It started to write business in South Australia in 1956. The company spent $26 000 in 1955 in recruiting staff. I wonder what the cost would be now to recruit staff for a new life insurance office.

The subsidies provided by the parent company in the United Kingdom, based in general terms on three parts ordinary business to one part superannuation business, were assessed at $20 000 for each $1 000 000 of business written. It was originally intended in the planning that such subsidies would be repaid to the parent company with interest over 15 years. Actually, the repayments were ploughed back into the company, together with further subsidies, to assist in establishing the office in South Australia. In the final analysis, during the first 18 years a total of $30 000 000 has been required to support the company in this State, comprising $14 000 000 by direct grant from the parent company in the United Kingdom and $16 000 000 ploughed back in this State.

The greatest difficulty that this company encountered was to recruit sufficient numbers of qualified and specialized personnel. An additional cost over and above the $30 000 000 referred to was the cost of establishing an adequate sales force, which in the present climate in South Australia would be increasingly difficult to achieve. This particular office has had the support of a well established and successful general office to assist it with contacts in the insurance world and in the general business world. So, to get this office off the ground it took 20 years of operations, and it had to have a vast sum ploughed back into it from outside. I have three other cases which show practically the same picture.

Let us not think that this life insurance business will suddenly provide a bonanza for the Government. I think the Premier said that it would be 10 years before there would be any money going into the community. In view of the experience of the company referred to I would say that, with the Government running a life insurance business and trying to compete against the skills in the community today, we could look forward to taxpayers' money being ploughed into the operation for 40 years; that is a reasonable expectation. One can look at what the Auditor-General's Report says about the operations so far of the State Government Insurance Commission. In its first 18 months the commission has lost more than $1 000 000. One may ask the Minister of Health how he feels about this loss in relation to his Hillcrest Hospital.

The Hon. D. H. L. Banfield: I would not have to spend so much money at Hillcrest Hospital if the Liberal Government had got the hospital into proper condition.

The Hon. R. C. DeGARIS: As there has been a Labor Government for four or five years, I assure the Minister that blaming a previous Government for everything does not wash any longer. The Minister would be the best blame-shifter I know. He has never taken responsibility for anything. I am certain that he must look with longing eyes at the money being thrown down the drain in the State Government Insurance Commission while he cannot provide proper facilities at Hillcrest Hospital. If he supports this Bill, his hope of more financial assistance for the hospital will go further into the 1970's and perhaps into the 1980's.

I shall turn now to the question of the policy speech. I always give due weight to matters raised in a policy speech, although I hold reservations in that connection.

The Hon. A. J. Shard: Before which election was this policy speech given?

The Hon. R. C. DeGARIS: The 1973 election. The policy speech states:

> On the recommendation of the Board of the State Government Insurance Commission, which has been extraordinarily successful to date, power will be given to the commission to undertake the writing of policies on life assurance.

I wonder what the result would have been if the Premier had stated the position accurately. I wonder what would have happened if the Premier had said, "Although the Government has lost $1 000 000 in establishing the State Government Insurance Commission, we intend to go into the life insurance business so that we can lose a couple more million dollars a year." I wonder how that would have appealed to the public. But did the Premier say that? No! He said that the State Government Insurance Commission had been "extraordinarily successful"! Of course, by some Government standards to lose only $1 000 000 is a success!

Until it can be shown that the extension of the commission's operations into life insurance will be of any value at all to the people of South Australia, one can only say that it will be another drain on the taxpayers' funds. Can the Government produce any written evidence that in 1973 the commission made the recommendation about life insurance that has been referred to? I doubt whether it can. I do not believe that there was any recommendation. Some people have expressed grave doubts about the future of the commission because of the intimations expressed by the Commonwealth Government in relation to insurance business. Perhaps I am now coming close to the real reason why the Government wants to move into this field. In the first 18 months the commission lost $1 000 000, and in the last three-month period it lost more than $300 000—a rate of $1 200 000 a year. There is a simple way in which one can increase the cash flow, and that is to enter into life insurance, improving the cash flow in the immediate future, forgetting about the liabilities being taken on for 20 years hence. Now I believe I am getting closer to the truth of this matter: I believe Mr. Gillen said something about this in Sydney

recently regarding the Commonwealth Government's attitude to insurance. Once again, I stand to be corrected on this, but I believe he drew a very gloomy picture of the future of the State Government Insurance Commission's ability to meet its commitments if the Commonwealth Government proceeded with its policy. In saying this, I think I am touching the essential point of the reason why Mr Dunstan changed his mind on the very core of the matter.

There are many aspects of this on which I could speak for some considerable time. For instance, there is the problem of establishment and the problem of administrative matters, which I have already touched upon briefly. The Government inevitably will be faced with considerable expense for the establishment of a commission. Life insurance must be sold, and this involves expense and the cost of setting up an organization to secure new business, plus the necessity to build up actuarial reserves under policies, which would necessitate a substantial Government subsidy for a long period. I have said 40 years; that is double the time it took a very efficient private insurance company to establish in South Australia. Such a subsidy would, of necessity, be a charge on the South Australian public for the benefit of those people effecting policies with the commission.

Then we come to the investment of life funds. The investments of a Government office could not be as well dispersed as those of an Australia-wide office, whereas the investment policies of the existing life offices are such that support is given to development of the State's economy over a very wide field. Up to the present time the life offices have invested in South Australia about $460 000 000, and they will go on investing in South Australia. If this office starts it will be a drag on the taxpayers for not less than 20 years, and probably for 40 years. The other question that I do not believe has been canvassed is the position in relation to death duties. At present, if a person has a policy with a life office and moves to another State, he simply transfers that policy to the home office of the State to which he moves However, if a person in South Australia takes out a policy with the State Government Insurance Commission and moves to New South Wales, he cannot transfer his policy to the Government insurance office in New South Wales, because that is a different organization. What is the position regarding death duties and succession duties? I say with absolute certainty that the policy held in South Australia would be subject to duty, federally, in New South Wales and in South Australia, because it cannot be transferred to the home State office

I now go back to the question of investment of life funds. A State Government office cannot have the same opportunity for investment as a mutual society, which can invest over the whole of Australia. There would be pressure from the Treasury in relation to the investment policy of a State Government insurance office. There is no question about this, and I intend to have something fairly strong to say on this on the question of State superannuation, as in that matter I believe the policy of the Treasurer has borne too heavily on the investment policy of the State superannuation scheme, thereby creating the difficulties in which the scheme finds itself at present; in other words, the Treasurer tends to cover his problems in the short term and says, "To hell with the future, forget about 20 years or 40 years hence. Let some other Treasurer tackle that problem." That is what would happen with the investment policies of the State Government Insurance Commission.

I have said that the Commonwealth legislation, in my opinion, will not apply to the State Government Insurance Commission, thereby removing much protection to policyholders in relation to policies taken through a Government office. There are many other points I could touch on, but I have been speaking for some time. I should like very quickly to recapitulate some of the points I have made. First, no reason is put forward by the Government to suggest that there is any problem in relation to the life insurance field that would be overcome by the Government's entering this field. Secondly, most business written in Australia is written by mutual societies (co-operatives), and their role is to look after the interests solely of the policy-holders. Thirdly, the investment policy of a State Government insurance commission would be influenced by the demands of the Treasurer. Fourthly, as to establishment costs, the costs of subsidy required to establish the office over a 20-year period would be such that people's taxes would be used to support it for between 20 years and 40 years. The present investment in South Australia from life offices is about $460 000 000. What can the State Government Insurance Commission do to improve this? I believe that in this matter the Government's case is completely unconvincing. It is seeking a way in which to overcome its serious cash flow problem in the business in which it is now engaged, and in doing so it will only create serious problems for the taxpayers of this State in the future.

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

STATUTES AMENDMENT (JUDGES' SALARIES) BILL

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

WATERWORKS ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from February 27. Page 2201.)

The Hon. C. R. STORY (Midland): This Bill can be better dealt with in Committee than in the second reading debate. In the main, it does two things. The first part is reasonably minor, and the second portion is major and far-reaching in its ramifications. The first portion deals with the period commencing at the beginning of the 1973-74 rating year. That would be in operation, to all intents and purposes, from July 1, 1973. It has been said that there could be some doubt because of the way the legislation is drawn at present, and the amendments in the first portion are to validate any action that may be taken in the event of the regulations being invalid. The amendments provide for the declaration of water districts as country lands water districts. This amendment, which is designed ultimately to replace the present outdated schedule of country water districts, will not come fully into effect until the commencement of the 1974-75 rating year. Amendments are made to section 10 of the principal Act, under which the Governor is empowered to make regulations on the matters mentioned in that section. The power is at present vested in the Minister but it is considered more appropriate that a regulation-making power of this kind should be exercised by the Governor. Various metric amendments are made to the principal Act. Provisions are inserted facilitating the proof of an agreement under which water has been supplied by the Minister. The Bill does not quite do what the second reading explanation says it does.

The Hon. A J. Shard: It says it does it by regulation; that should make you happy.

The Hon. C. R. STORY: At present the Minister, under section 10, can make by-laws. I am not sure why the Government has decided to do this by regulation, but I agree entirely with it. I cannot see why the Minister does not have the power—

The Hon. A. J. Shard: I think you will find it will have to be done by Executive Council.

The Hon. C. R. STORY: I think that is so. That is one of the points I want the Minister to clarify. The second portion is more important.

The Hon. R. A. Geddes: You really mean Part III when you say "second portion", don't you?

The Hon. C. R. STORY: Yes, if the honourable member wants to put it like that. There are two separate parts —that which comes into operation immediately and that which comes into operation at the beginning of the 1974-75 rating period.

The Hon. R. A Geddes: But it is Part III of the Bill?

The Hon. C. R. STORY: Yes. The present water rating system, as honourable members know, has been in operation for some time and is based on valuation. Any water used in excess of the amount that a taxpayer is entitled to receive based on the rate is excess water and must be paid for accordingly. That is for ordinary people like householders There are, of course, other people who come into the category of business taxpayers, and they are treated differently. Under the Act, the Minister has the right to enter into special agreements with them. At present there are two separate things—the amount of water that a taxpayer may use under his assessment, and excess water for which he has to pay excess rating.

The main object of these new provisions is for the Minister to declare country water districts and, in some cases, to be able to provide exemptions and variations both within and outside those districts. That is satisfactory and a great improvement, but the real crux of this matter is that in future, after July 1, 1974, there will be no excess water in a household: all the water will be computed in one rate, and what that rate will be will be entirely in the hands of the Minister in charge of the department This is probably the most stringent thing in the legislation. However, it has worked in the past, because the Minister has set the rate, after consultation with Cabinet, under the Act and he has always had these powers; so there is no really great departure except that he now sets a common rate for both normal and excess water.

The advantage to the taxpayer is that he will now be able to claim the full amount of rebate and excess water rating as a tax deduction under the Commonwealth income tax legislation, provided he does not use too much excess water, as the last Commonwealth Budget reduced the total amount of rates for which a taxpayer could claim tax deduction.

The Hon. A. J. Shard: Have you any idea what that figure is?

The Hon. C. R. STORY: It is about $500, including council rates, water and sewerage rates, and land tax. However, the situation will benefit people when they lump together these water taxes. There have been two or three committees of inquiry. One was set up when Mr. Coumbe was Minister of Works. That committee reported in 1970 and came down with virtually the same answer as a previous committee in New South Wales and a Commonwealth committee that looked at this matter of rates had done. Over the years our present rating system has been a sort of bugbear for most people; it has been an expensive hobby for the State. People are encouraged to use more water than they really need, under the present system, because, human nature being what it is, people will always use the maximum they are entitled to use. They did this when goods were rationed, and they do it in relation to water supply.

The person nearest the fountain-head has the highest rate; he probably lives in an urban area or not very far from a city or large town, so he has a high rating assessment and therefore an entitlement to an amount of water far in excess of his needs. Consequently, the person on the end of the line whose land is valued at a much lower figure but which probably needs water much more has excess water usage. The system is not equitable, and this measure is at least trying to bring some equity into it. This is more or less a Committee Bill: many sections are being amended, some with consequential amendments, and many deal with conversion to the metric system. Therefore, we should deal with these matters at that stage.

Perhaps the Minister will consider the situation concerning Bolivar water, which is being diverted at present to landholders through meters. This is a different type of water, and a different concept of the old rating system is involved. I should like to know whether the Minister has power to enter into contracts of a different type with those people using this water for horticulture or viticulture, and whether the divertees from the Murray River who do not come under the provisions of the Irrigation Act (which covers the soldier settlement areas and Land Department areas), such as private developers who are now obliged to have a meter, will be treated with the discretion the Minister is given under the Act. We are changing an old concept in which water was piped everywhere: this is a great change in the use of water from Bolivar and other effluents and in the metering of water taken from the Murray River. I support the Bill.

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

ADJOURNMENT

At 4.54 p.m. the Council adjourned until Tuesday, March 5, at 2.15 p.m.