

LEGISLATIVE COUNCIL

Tuesday, March 12, 1974

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

PETITION: SODOMY

The Hon. A. M. WHYTE presented a petition signed by three persons in the Kimba and Cleve areas objecting to the introduction of legislation to legalize sodomy between consenting adults until Parliament has a clear mandate from the people to do so by way of referendum to be held at the next periodic South Australian election.

Petition received and read.

QUESTIONS

ARTS GRANTS

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

Leave granted.

The Hon. R. C. DeGARIS: Since the Government announced the grants, amounting to almost \$800 000, that it is making to various organizations involved in the arts in South Australia, several people have asked me for further information about those grants. Will the Chief Secretary ascertain from the Premier what criteria the Premier's Department used in determining the size of the grants and in determining the organizations to which the grants would go? I notice that the Premier has decided to appoint a committee that will make recommendations to the Premier's Department in relation to grants to be paid in future. Will the Chief Secretary ascertain from the Premier how that committee was chosen and what criteria were used in choosing its personnel?

The Hon. A. F. KNEEBONE: I shall be pleased to convey the Leader's questions to the Premier and bring down a reply as soon as it is available.

WATER USAGE

The Hon. C. R. STORY: Has the Minister of Agriculture a reply to my recent question about a water usage committee?

The Hon. T. M. CASEY: My colleague has informed me that he has approved the establishment of an "ad hoc" committee to report on irrigation application rates and the possible allocation of supplementary quantities for frost control and use in hot dry periods. The committee comprises the following members: Mr. J. A. Ligertwood (Chairman), Engineer for Irrigation and Drainage, Engineering and Water Supply Department; Mr. W. T. Lange, Diversions Officer, Irrigation and Drainage Branch, Engineering and Water Supply Department; Mr. L. H. Brandon, Assistant Superintendent, Irrigation Areas, Lands Department; Mr. M. R. Till, Senior Soils Officer, Irrigation, Agriculture Department; Mr. D. Alexander, an officer from the Division of Horticultural Research, Commonwealth Scientific and Industrial Research Organization; Mr. V. Zadow, an irrigator from the Upper Murray area who is a member of the South Australian Murray Irrigators Association; and Mr. R. Harvey, an irrigator from the Lower Murray area who is a member of the Lakes Water Users Association.

COUNTRY RAIL SERVICES

The Hon. C. M. HILL: My question is directed to the Minister of Health, representing the Minister of Transport. What stage has the Government reached in its negotiations

to hand over to the Commonwealth Government the intra-state country railway services?

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

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 is properly directed to the Chief Secretary, although I will be guided by him on that. The *Sunday Mail* of last weekend contains quite a large article about the problems of people who own land in Monarto which is subject to take-over by the Government for the purposes of establishing the new city. These people have raised a number of questions, including problems relating to the right to lease-back their land until it is needed for the new city development, as well as the valuation of their properties for compensation purposes. On December 21, 1972, the Minister of Environment and Conservation (Mr. Broomhill) is reported to have told these farmers at a public meeting that some farmers would be able to stay on their land for several years on a lease-back system, and that compensation to the farmers would be based on each landholder being set up again on a comparable property. An appointment has been made to the valuations committee set up under a Bill passed through this Parliament. Mr. Richardson has been appointed and he is reported to have said that the Government wanted all sheep off the city site as soon as possible and all cropping to end by February, 1975. He has also said:

You cannot expect Government agencies to pay the same price as you would get from a commercial proposition.

Will the Government reconsider the appointment of Mr. Richardson and give consideration to the appointment in his place of a farmer representative (or a farmer representative in addition to Mr. Richardson)? Also, will the Government review the policy of not leasing back this land to the farmers after 1975 and go ahead with the plan originally outlined by the Minister of Environment and Conservation?

The Hon. A. F. KNEEBONE: I shall discuss with my colleagues the propositions put forward by the honourable member and bring down a reply as soon as it is available.

The Hon. M. B. CAMERON: Has the Chief Secretary a reply to a question I asked about Monarto recently?

The Hon. A. F. KNEEBONE: On February 28, the honourable member asked whether the State Government was having second thoughts about Monarto and whether the State had any guarantee of financial support for the Monarto project from the Australian Government. The answer is that the State Government, with the full support of the Australian Government, is pressing ahead vigorously with the Monarto project. The Australian Government has undertaken to meet the full cost of land acquisition, which will involve expenditure of about \$4 000 000 this financial year. Other funds already announced by the Government are being made available this year by both the State and the Australian Governments. Planning is well advanced, the Monarto Development Commission is in operation, and a General Manager and senior divisional staff have been appointed and are on the job. It is well known that the sum total of all this activity puts Monarto in the forefront of any similar proposed development in other States, and that the energy with which the task is

being tackled in South Australia has drawn favourable comment from the Commonwealth Minister. There is no doubt at all about the support the project is receiving now and will continue to receive in future from the Australian Government. Nor is there any doubt whatever about the attitude of the State Government towards the project, which has been afforded by Cabinet a top priority for development.

The Hon. J. C. BURDETT: I seek leave to make a brief explanation before asking a question of the Chief Secretary, representing the Minister of Development and Mines.

Leave granted.

The Hon. J. C. BURDETT: There appears to be some confusion in the minds of many owners of properties on the proposed site for Monarto as to what the Government's policy is in connection with compensation. I am informed by landowners that departmental officers have stated that the Government will not go beyond a certain figure for each acre (0.4 ha). I am informed that most of the landowners have had private valuations made, and in many cases the departmental officers have said that these valuations will be disregarded if they are above a certain figure. Can the Minister say what the Government's policy is in regard to compensation for land required for the proposed city of Monarto?

The Hon. A. F. KNEEBONE: Because the honourable member's question is associated with one asked by the Hon. Mr. Cameron, I will bring down a comprehensive answer to both questions as soon as I can, perhaps tomorrow.

ARTIFICIAL INSEMINATION

The Hon. R. A. GEDDES: I wish to direct a question to the Minister of Agriculture and to make a short statement before doing so.

Leave granted.

The Hon. R. A. GEDDES: At Struan, in the South-East, a course on artificial insemination was conducted recently, and successful candidates were informed that if they wished to obtain licences to carry on artificial insemination in the State they would have to conduct further A.I. tests under supervision, presumably by the Agriculture Department. No indication was given to the people concerned of who would carry out such supervision or where it would take place, and this has led to some disappointment and confusion on the part of people who have approached me to seek clarification. Can the Minister say what form of supervision will be necessary for those who wish to obtain licences to carry out A.I. within the State?

The Hon. T. M. CASEY: I shall obtain the information for the honourable member and bring it down as soon as possible.

LAMB PRICES

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

Leave granted.

The Hon. M. B. CAMERON: In the edition of the *Farmer and Grazier* of March 7, 1974, an article appears in which concern is expressed over the cost to lamb producers of a rumoured strike at the Samcor sale yards. It is stated that, owing to a strike rumour, there was some considerable depreciation in the price of lambs at that market. Does Samcor notify the stock agents of any impending industrial trouble in the case of a sale impending or a sale in progress; if so, is there any requirement on the part of the stock agents to notify their clients of

impending trouble or trouble already existing in respect of strike action that could affect the price obtained?

The Hon. T. M. CASEY: I happened to read that article briefly. If the honourable member had read it right through, he would have seen that his question was answered, because I understand the onus is placed on the stock agent, he being entrusted with stock from the producer, and he is responsible for seeing that the producer gets all necessary consideration. I will take up with Samcor the matter of its notifying the stock agents whether or not there is a strike, and bring down a reply for the honourable member.

WORKMEN'S COMPENSATION

The Hon. R. C. DeGARIS: I believe the Minister of Health has a reply to a question I directed to the Chief Secretary last week about workmen's compensation.

The Hon. D. H. L. BANFIELD: I have the following reply:

Section 51 of the Workmen's Compensation Act makes the following provisions for the calculation of compensation to be paid to a workman who had been incapacitated owing to an injury at work:

- (a) Where the workman is incapacitated for a period of less than a week, the workman is to be paid as compensation an amount equal to the difference between the amount that he was paid for the time worked in that week and the amount he would have earned in that week had he not been incapacitated.
- (b) Where the workman is incapacitated for one week or more the workman is to be paid his average weekly earnings earned over the 12 months preceding the incapacity with that employer. If the workman has been employed with his current employer for less than 12 months, the average is to be taken over the period of his employment.

The legislation is quite clear that, in computing average weekly earnings, the calculation is based on the worker's earnings with his current employer, and money earned with other previous employers is disregarded. For instance, a workman who is incapacitated through an injury at work after working for an employer for four weeks has his average earnings calculated on the average over those four weeks. The fact that he worked for four other employers in the 12 months prior to the incapacity is not in any way taken into account in calculating average weekly earnings. The only circumstance where earnings with another employer are taken into account in calculating average weekly earnings is where a workman holds concurrent contracts of employment; this was the position before the 1973 amendments.

BEE-LINE BUS SERVICE

The Hon. C. M. HILL: Will the Minister of Health ascertain from the Minister of Transport what the cost has been thus far to operate the free Bee-line bus service within the city and what is the estimated annual cost of this service?

The Hon. D. H. L. BANFIELD: I will refer the honourable member's questions to my colleague and obtain a reply.

NON-WETTABLE SANDS

The Hon. C. R. STORY: I seek leave to make a statement prior to asking a question of the Minister of Agriculture.

Leave granted.

The Hon. C. R. STORY: Some years ago a good deal of work was done by the Agriculture Department and the Commonwealth Scientific and Industrial Research Organization on the problem of non-wettable sands in the State. Such sands present a problem in the Upper South-East, parts of the West Coast, and in the Mallee areas of the Upper

Murray. Can the Minister say whether any conclusions have been arrived at, and, if they have, what action the department is taking to make available to farmers in the areas concerned the information that may be contained in any recommendations the department or the C.S.I.R.O. has made?

The Hon. T. M. CASEY: I am unable to give the honourable member any specific details offhand. I believe he asked a question regarding these sands about 18 months ago. However, I will check what the present situation is and let him know.

HOUSING

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

Leave granted.

The Hon. M. B. CAMERON: Recently, I understand, the Housing Trust took over certain houses formerly managed and controlled by the Woods and Forests Department. In Mount Burr, some of these houses were sold or leased and, I understand, some were sold to private home buyers in Mount Gambier. Some houses in Mount Gambier are held by the trust for the use of the Woods and Forests Department. As I have been approached by employees of the department who live in these houses and who would like to purchase them rather than continue to rent them from the trust, will the Minister consider releasing these houses for sale? I understand that it would be necessary for the department to notify the trust that it no longer required them to be held on the department's behalf.

The Hon. T. M. CASEY: I have been approached by one person in the area the honourable member has mentioned, and if he can supply me with the names of any others who have approached him I should be pleased to have them. In the first place, as the houses do not belong to the Woods and Forests Department, they come not under my jurisdiction but under the trust's jurisdiction. I believe that the trust's policy in these matters is one of renting. I think that, in the circumstances, the honourable member should have referred this matter to the Minister in charge of housing instead of to me. I know that several houses were purchased by their occupants prior to that group of houses being handed over by the department to the trust; that was a legitimate arrangement in the circumstances. Now that the trust is administering these houses, it is a matter for the Minister in charge of housing.

STRUAN HOUSE

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

Leave granted.

The Hon. C. R. STORY: Several years ago the Agriculture Department was given permission to obtain additional land at Struan in the South-East for the purpose of further developing dairy research, which plays a tremendously important part in the beef economy of this State. Money was then made available to employ officers from the Agriculture Department in the Struan concept to make Struan the regional headquarters of the Agriculture Department in the South-East. When Struan House was handed over to the Agriculture Department by the then Social Welfare Department it was to be used as a centre for in-service training, farmer seminars, and general work concerned with the dissemination of the research station's work. Can the Minister say how much money has been spent on the project to bring about the situation I have

outlined and whether any in-service training or farmer seminars have been carried out there? Also, the Minister may wish to outline any other plans involving the development of the Struan concept.

The Hon. T. M. CASEY: One of the first trips I made as Minister of Agriculture was to Struan in the South East, where I inspected the old building that is Struan House. At that time I did not hesitate in recommending that the magnificent old structure be upgraded in the exact manner suggested by the honourable member. I think from memory that about \$80 000 was allocated for the purpose of upgrading the complex. However, I do not know what has been spent since, but I will check with my department and obtain the information for the honourable member. I assure him that Struan will be the centre in the South-East for seminars and other activities involving agriculture, and that it is a centre of which the department and the people living in the area can be proud.

NATIONAL PARKS

The Hon. M. B. CAMERON: I seek leave to make a short statement prior to asking a question of the Minister of Agriculture, representing the Minister of Environment and Conservation.

Leave granted.

The Hon. M. B. CAMERON: I understand that a section exists in the National Parks and Wildlife Act that provides that the Minister of Environment and Conservation shall prepare a management plan for each national park in South Australia. Concern has been expressed to me by people living in the South-East of the State that as yet they are unaware of any management plans that have been prepared involving parks in that area. Can the Minister say when the required management plans will be prepared for parks in the South-East of this State?

The Hon. T. M. CASEY: I will obtain the information from my colleague and bring it down as soon as possible.

STATUTES AMENDMENT (JUDGES' SALARIES) BILL

Adjourned debate on second reading.

(Continued from March 7. Page 2331.)

The Hon. R. C. DeGARIS (Leader of the Opposition): The question of judicial salaries is always difficult. I believe that that was the opening sentence used by one honourable member in speaking to this Bill and I think every honourable member would agree with that remark. Parliament has the task of approving the Government's recommended salaries for certain categories of people, including salaries for members of the Judiciary. Of course, in some cases it goes beyond the question of salary payments, because the Government also recommends, and Parliament approves, pension rights, some contributory and some non-contributory. Any increase in judges' salaries results in a considerable non-contributory pension right.

I appreciate the points made so far in this debate: that there is a need to attract to the Judiciary the best available people, and that the salary range must be sufficient to attract such people. Although I appreciate those points made in support of the Bill, nevertheless I voice my unease at the increases that this Bill grants, increases that range up to \$8 000 a year, and the consequent increases in non-contributory pension rights. By comparison with other States, South Australia is now the pace-setter in this field. I do not intend to vote against the Bill but I again express my unease not only at the question of salaries and pensions

for the Judiciary but also at the general attitude adopted by the Government in attempting in a number of areas to set standards that create precedents that have wider final application than their application in the narrow field for which the legislation is introduced.

The Hon. C. R. STORY (Midland): I was flabbergasted when I saw how much salary the Chief Justice and other Supreme Court judges would receive under this Bill. I agree with everything that honourable members have said about the responsibilities of judges, their high position, and the image (for want of a better word) that they must maintain. However, I believe that increasing the salaries of the Judiciary to such a high level must surely lead to members of other groups in the Public Service thinking that they are entitled to comparable treatment. It is not very many years since various categories of people serving the public were on an equal basis, but gradually there has been a relative downgrading of some of those positions, or, from the other viewpoint, there has been an upgrading of some positions.

When the Government came into office it stated that its policy would be to bring wages in this State into line with those applying in the Eastern States. However, South Australian wage levels are now higher than, not equal to, those in other States. The net result will not help the Judiciary in the slightest, because the Chief Justice will not receive a great deal more in his pay packet. By forcing up the stipend of high-ranking public servants we are making things more and more difficult for our own taxpayers, and benefiting mainly the Commonwealth tax collectors. The disparity between the "haves" and the "have-nots", which one would imagine under a Socialist Government would be narrowed, has been greatly widened. The minds of people who are working for a wage of \$100 a week must boggle when they see that the Commonwealth and State Socialist Governments are initiating legislation such as this Bill. I will not oppose it, as it is part of Government policy and it is a financial matter. However, I think the Government should look closely at getting relative categories on to an equal basis, not letting the higher brackets run so far away from the lower echelons.

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

TRANSPLANTATION OF HUMAN TISSUE BILL

Adjourned debate on second reading.

(Continued from March 7. Page 2332.)

The Hon. J. C. BURDETT (Southern): I congratulate the Government on legislating in this important sphere; in particular, it is to be commended on clearing up such doubts as there may have been that a person has the right to give permission for parts of his body to be used after his death for beneficial purposes, such as the transplanting of parts of it to the bodies of living human beings. I note from the Minister's second reading explanation that originally the common law recognized no property rights in dead bodies and only gradually has the common law developed in this area. It is still doubtful whether, in the absence of special legislation, a person has authority to provide for the disposition of organs of his body after death. This situation is ironical, because one might be pardoned for thinking that, if one had no worldly goods at all, at least one could dispose of one's own body for beneficial purposes. However, it is by no means clear that this is the case. I was most interested in this portion of the Minister's explanation, and the article he quoted seemed to set out the position accurately. The authorities I know of support what was said in that article.

As was the Hon. Mr. DeGaris, I am somewhat perturbed to find that the question of defining the point of death is dealt with so lightly, and indeed in an almost debonair fashion, in the Bill. All that it says in this regard is in clause 4 (3):

No part of a body shall be removed except by a legally qualified medical practitioner who must have satisfied himself by a personal examination of the body that life is extinct.

Tragedies have occurred when surgeons have been over-eager to proceed with transplant operations, removing organs from bodies where there must have been some doubt that death had occurred. This is important, because probably we all know of cases of persons who have been extremely close to the point of death, with all the marks of being dead, but who have been resuscitated by the very efficient methods now available and who have lived, sometimes making a good if not a complete recovery.

I agree with the Hon. Mr. DeGaris that, at the very least, a certificate should be given by an independent medical practitioner who has no part in the transplant operation; I would go so far as to suggest that there should be two independent medical certificates. It must be remembered that, almost always, transplant operations are carried out in major hospitals, where independent practitioners are readily available. It is necessary to make sure that the body is dead before any transplant is carried out, so as to preserve the life of the donor, who has the right not to be deprived of his own life by an over-anxious transplant surgeon. It would surely be a great tragedy if a person who might have lived were deprived of life to make available an organ for a transplant operation that might well turn out to be unsuccessful.

Another important aspect is that the Bill laudably provides for a prescribed form of consent wherein one may give authority or authorization for parts of one's tissue to be used for transplantation after death. This is a commendable procedure but, if there is any doubt about whether the body is dead before the organ is removed, the potential donor may well refrain from signing a consent form that may turn out to be his own death warrant. I understand that there are varying views in the medical profession about this. It is essential that this Bill should be right; otherwise, there is no point in passing it. As has been stated, it has been introduced to clarify the law and, unless it clears up all matters that may arise out of transplantation, there is no point in passing it. I think the profession would wish that there should be no doubt remaining after the Bill has been passed, and I strongly support the request of the Hon. Mr. DeGaris that the Bill be referred to a Select Committee, before which the views of members of the medical profession could be aired. They may have been aired to the Law Reform Committee and to the Government, but the Council has not had the benefit of hearing those views, and I think it should do so. I strongly urge that it be referred to a Select Committee, but I do not oppose the Bill.

The Hon. A. F. KNEEBONE (Chief Secretary): I appreciate the way in which honourable members have tackled this Bill. Both the Leader and the Hon. Mr. Burdett have suggested that a Select Committee be set up to consider it. I have discussed that suggestion with the Attorney-General, who introduced the Bill in another place, and we agree that it would be a good idea; so I do not oppose that move.

Bill read a second time and referred to a Select Committee consisting of the Hons. J. C. Burdett, B. A. Chatterton, M. B. Dawkins, R. C. DeGaris, and A. F. Kneebone; the committee to have power to send for

persons, papers and records, and to adjourn from place to place; the committee to sit during the recess and to report on the first day of the next session.

STATE GOVERNMENT INSURANCE COMMISSION ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from March 7. Page 2338.)

The Hon. M. B. DAWKINS (Midland): I oppose this Bill in its present form. Last week, we had the experienced views of the Hon. Sir Arthur Rymill and, in following him, I present merely a layman's view of this matter. I believe the Government has no real mandate to enter into life insurance. I know it did include the matter in its policy speech, but the justification (if it can be called that) for this Bill is based on what I consider to be a deliberately misleading and inaccurate statement about the State Government Insurance Commission, to which I will come later.

First, I refer briefly to the Premier's statement in 1970. I do not wish to deal with it in detail, because it has already been referred to by the Hon. Mr. DeGaris and the Hon. Sir Arthur Rymill, but I want to discuss a certain portion of it. Therefore, I must repeat that first portion, where the Premier is reported in *Hansard* on August 5, 1970, as saying the following:

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 . . .

I underline the fact that the Premier said that the Government had had an investigation made. I also quote the conclusion of his statement, where, having given certain other reasons why the Government would not include life insurance, he said:

In consequence, we decided that there were advantages in excluding life insurance, and we have no intention of altering that view.

The Premier may have had no intention of altering that view, but he has changed his intention now when he introduces this Bill to include life insurance. The honourable gentleman was at pains to underline the fact that three or four years ago the Government had had an investigation made, and the conclusion to be drawn from that investigation was that the State Government Insurance Commission should not enter into life insurance. Why has no investigation or feasibility study been undertaken if that decision is to be reversed? I should like the Government to indicate why, when it had an investigation made three or four years ago, it is now to reverse the decision reached after that investigation. Apparently, it has had no recent in-depth feasibility study made to justify that change of heart. I also refer briefly (and here again I must apologize for the fact that this has been referred to also by other honourable members, but I must refer to it) to the Government's policy speech of 1973, when the Premier said:

On the recommendation of the board of the State Government Insurance Commission—

the Government is not, apparently, prepared to make the decision itself; it has to get under the wing 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 insurance.

I have already said that the Government has no real mandate. Its justification, if there is one, is that deliberately misleading and inaccurate statement—"which has been extraordinarily successful to date." We know perfectly

well that the Government Insurance Commission, so far from having been "extraordinarily successful to date", has lost money at the rate of more than \$1 000 000 a year. First, the Premier said that the Government had no intention of altering that view about entering into life insurance, and that statement now does not mean a thing. Then, 2½ years later, he says he intends to include life insurance, and the reason given is that the insurance commission has been "extraordinarily successful to date". In saying that, the Government apparently intended to deceive the people into believing that the insurance commission at that date was extraordinarily successful.

I want to know: where is the integrity of the Premier, in view of those two contradictory statements? It just does not exist, or, if it does, it is completely eroded by this political trick. The commission has lost money at the rate of more than \$1 000 000 a year and, as the Hon. Mr. DeGaris has said, in the past three months it has lost more than \$300 000, which would take its losses to about \$1 250 000 a year. Is that being "extraordinarily successful"? In the realm of Socialist financial chaos it is not surprising, but are we supposed to sit here and meekly pass a Bill that will tend to escalate this chaotic Socialist waste of money? I could not support such a course.

I also have something to say on what I must describe as the somewhat pathetic remarks of the Hon. Mr. Creedon. I do not know who wrote his speech for him; I would not blame the honourable member for all that he said, but I cannot say anything other than that I think his remarks were pathetic. In the course of his speech the honourable gentleman made several comments, and I will quote some of them. He said:

If left to private enterprise, we could reach the stage where, with take-overs and mergers, only a few large companies, which could dictate their own terms to the public, would be left in the field.

That statement is far from factual, because the Hon. Sir Arthur Rymill has said that there are more than 40 companies, if I remember correctly what he said last Thursday. As to the policy-holders being ignorant and apathetic (to use the Hon. Mr. Creedon's words), I believe that they are satisfied, and that is why they do not often attend annual meetings. They will go along quickly enough if they are not satisfied. If, as the Hon. Mr. Creedon said, policy-holders are ignorant and apathetic, why do the companies attract so many people to do business with them? The honourable member also said:

Another example of competition with the Government is the private banks with their high interest rates.

I am unaware of any difference between private and Government banks in that regard. I have just been dealing with a long-term loan from a Government bank on which the interest rate is 8½ per cent; not so very long ago such a loan could have been secured at 4½ per cent or 5 per cent. If the Hon. Mr. Creedon is so concerned about high interest rates, he should reflect on who was in power when the rates were increased to the present levels and who was responsible for the inflationary spiral during the past 15 months that caused the increased rates. As recently as about 15 months ago the inflation rate was being contained at about 4 per cent, which was probably a reasonable rate in view of the general inflationary trend throughout the world. At present the inflation rate is far more than three times 4 per cent. If the honourable member is so concerned about the high interest rates, he should ask himself who is responsible for the policy which has brought those high rates to pass.

The Hon. Mr. Creedon referred to the "big six", and he named them. Five of the "big six" are entirely mutual

companies owned by the policy-holders. The honourable member said:

It is about time insurance companies were forced to give policy-holders a yearly statement indicating that each policy-holder has the right to vote if he desires to do so by placing his name on a roll.

The inference there is that agents are not doing the right thing by informing policy-holders of their right to vote. However, I believe that most policy-holders would be aware of their right to vote. If policy-holders are dissatisfied with the expert management advice they are now receiving, they can go to the meetings and vote. The Hon. Mr. Creedon also said:

When a policy salesman sells insurance he never explains that they have the right to vote at annual meetings.

What right has the honourable member to say something like that? How does he know that agents never explain to policy-holders that they have the right to vote at annual meetings? The fact is that he does not know. That defamatory statement casts a slur on this good class of people. As the Hon. Sir Arthur Rymill said, you will get the odd black sheep in any group, but I believe that insurance agents generally are good people with a high standard of ethics. I am sorry that the Hon. Mr. Creedon seems to have a chip on his shoulder about any successful enterprise, such as the "big six" about which he is apparently so concerned. Perhaps it is not surprising that a Socialist would have that kind of chip on his shoulder.

I am concerned that he cast a slur on what he called "supercharged" salesmen. I know many men of high integrity in the insurance field. If it is a sin to be a successful large company (and most of these companies are mutual companies owned by the policy-holders themselves), apparently it is also a sin to be a successful insurance agent. The policy-holders own the company and they show their satisfaction by staying away from annual meetings, in many cases giving proxy votes, as I have just done in one case today. If the policy-holders were concerned about the situation with their companies I am sure that they would turn up in large numbers at the meetings.

The Hon. R. C. DeGaris: Do you think the policy-holders with the State Government office will have a vote for the people to be appointed to the board?

The Hon. M. B. DAWKINS: They would appreciate the opportunity of voting for the people on the board, but what they should do is to get rid of the present Government, and I am confident that they will do that in due course.

The Hon. A. J. Shard: How far off is "due"?

The Hon. C. M. Hill: A couple of years.

The Hon. M. B. DAWKINS: The Hon. Mr. Shard's Party will be on the other side of the Chamber before long.

The Hon. D. H. L. Banfield: Put your money where your mouth is.

The Hon. M. B. DAWKINS: The Minister did a good job when he was on the back bench.

The Hon. D. H. L. Banfield: Let us know when "due course" is.

The Hon. M. B. DAWKINS: All the Minister need do is to arrange for an election. Most policy-holders prefer to leave their interests in the hands of experienced and knowledgeable people. They are not foolish enough to wish to turn these people out and replace them with incompetent and inexperienced people, as the Hon. Mr. Creedon apparently would.

In conclusion, I see no justification for the Bill as it stands. To bring in money now from new policy-holders and to leave the people of the future to carry the baby, so to speak, of the indebtedness in, say, 20 years time, with no concern about the money being lost

by the commission now or for that which may be lost as a result of this further enterprise, might be a socialistic way of woolly and hazy finance, but it has no appeal for me. Inasmuch as the Bill intends to allow the commission to write life insurance, I oppose it.

The Hon. A. M. WHYTE (Northern): I rise to air views somewhat similar to those of the Hon. Mr. Dawkins but, to be honest, who runs insurance companies is of no great concern to me. However, I am concerned with who has to pay any deficit incurred. The present private insurers in the State give good service. The Australian Mutual Provident Society land settlement scheme played a prominent part in developing the State. Were it not for these investments, made on behalf of the policy-holders, a good deal of progress not only of the State but of the Commonwealth would not have been possible. I would like the Minister to explain to me, when summing up, what is the real need for the commission, which is already running at a loss, to branch into a field which, from all the information I can gather, would be a very risky proposition for several years. It would be like trying to grow a new plant in an old field.

The bigger companies should be so firmly established by now that, without a large guarantee of public money, the State Government Insurance Commission could not compete. I am also concerned about getting rid of the present Government and then being left with the legacy of the commission dealing in life insurance. To make such a venture at all viable, bonuses would need to be competitive with those offered by private companies. Without the huge and established investment resources of the private companies I believe the Government would have to raise taxes. As the Government could not possibly afford the public a better coverage than is given by the private companies, why does it need to enter this field?

I am mindful, too, that in the 1950's the Communist Party had Government insurance as part of its policy. Prominent and well respected Labor Party speakers at that time condemned any suggestion of Governments' taking over insurance business. They spoke against it as being the first step in the nationalization of banking and other monetary affairs, and said it would be crippling to private enterprise. Now there seems to be an absolute reversal of form and we see—

The Hon. A. F. Kneebone: The Queensland Insurance Commission was introduced in 1916 by a Labor Government.

The Hon. A. M. WHYTE: That could be so because that scheme has been going for some time now, but it has not always been completely accepted by the public. Also, I believe that it never expanded its activities to go into great competition with private companies.

The Hon. R. C. DeGaris: Mutual companies are way ahead of it.

The Hon. A. M. WHYTE: Yes, and in New South Wales I understand that the State insurance office does not write enough business to worry the private companies.

The Hon. A. F. Kneebone: Have you looked at the increased premiums and new business that has been written by the South Australian Government Insurance Commission recently?

The Hon. A. M. WHYTE: I believe that the increase in premiums in all insurance is related closely to the rate of inflation. As a matter of fact, inflation has the large established companies worried at present.

The Hon. A. F. Kneebone: I am talking not about inflation but about the amount of business being written by the State Government commission.

The Hon. A. M. WHYTE: I am not certain what the Minister means, but I presume that he is asking me whether I believe that the amount of insurance written by the State Government commission is of any consequence.

The Hon. A. F. Kneebone: You said that the Queensland Government had not gone very far with insurance in this field, and I was telling you about the amount of insurance written by the commission in South Australia in the past 18 months.

The Hon. A. M. WHYTE: I have not heard any complaints from the private sector about the amount of business the commission is doing. I imagine that with the present rate of inflation some of the big private companies will attempt to transfer some of the non-profitable business to the State Government Insurance Commission, and that the State commission could find itself loaded with non-profitable business from private companies.

The Hon. D. H. L. Banfield: You tried to do that by legislation once, remember? You wanted to make sure that the Government could deal only in those sorts of policy.

The Hon. A. M. WHYTE: I thought that was the Government's intention.

The Hon. D. H. L. Banfield: It was your intention to foist that business on the Government.

The Hon. A. M. WHYTE: No; that was a matter of policy. I do not believe that a Government insurance commission would be of any great consequence to the people in South Australia. For the commission to step into other fields, especially life insurance, where no possibility exists for a quick return, would most certainly be a further drag on the taxpayers of this State. If the commission were hit with big payouts in its early years in the life insurance field it would create a further drain on the Treasury funds. Although I support the second reading at this stage, I will be interested to see what happens after further debate.

The Hon. G. J. GILFILLAN (Northern): I rise to speak briefly to this Bill because most of the important points have been well covered by previous speakers. I will have to hear more convincing arguments than have been put forward so far if I am to support the Bill in its present form. We have heard some criticism of existing life insurance companies, but it has been rather negative. Opinions have also been expressed about mutual life insurance companies, but no real evidence has yet been presented to back up those allegations.

The right of policy-holders to vote was mentioned. As I am involved with a mutual life insurance company I know that it invites its policy-holders to register to obtain a vote. A form is sent out with policies and sometimes with renewal notices. Every attempt is made by responsible companies to involve their policy-holders; after all, they are the owners of the companies.

Reference was made to "supercharged" salesmen, the inference being that pressure is put on people to insure their lives. I know of many cases where life insurance agents act in an advisory capacity and have the welfare of the client very much at heart. I also know of cases where salesmen are trained not to sell policies to people when the premiums could become a burden, such as with a young married couple with a family and a limited income. I know it has been pointed out that to take out a life insurance policy at that stage puts a burden on family living

income and would only ensure that the wife would not receive a full pension should her husband die.

Too much has been said in attacking life insurance companies to make them seem as though they are big businesses and thus are in some way detrimental to the public when, in fact, these companies are owned by the policy-holders. Policies are usually taken out by young couples when the husband is seeking some security for his wife and family in the case of his death, and this applies particularly in the case of professional and salaried men where they have no tangible assets other than an insurance policy to leave should they die. Often, policies are taken out by people of comparatively limited financial resources. Life insurance policies are by no means owned only by those with large financial interests. The Hon. Mr. Whyte is correct in saying that many life insurance companies have contributed much to the development of Australia. Admittedly, the State Government Insurance Commission has increased the amount of business it does, but it has not increased its profitability: it is still running at a loss. I refer to the following statement made by the Premier in his policy speech prior to the 1973 election:

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.

It appears to me that the word "extraordinarily" should be applied to the Premier's claim that the State Government Insurance Commission has been extraordinarily successful: it is running at a loss. I can understand that, initially, life insurance would be attractive as a means of propping up the Government insurance office and injecting new money into it. Naturally, in the first few years of operation a life insurance section receives few claims and writes a relatively large amount of new business, which is accepted only after the policy-holder has been medically examined. So, in the early years of operating a life insurance section the commission would be collecting premiums from people who represented the lowest possible risk. As time goes on, of course, there is to some extent a levelling out of the relationship between new money injected and claims paid out. The evidence shows that over a period a loss for the taxpayers of this State could result from the operation of a life insurance section. It seems ludicrous that a life insurance section of the State Government Insurance Commission should be a charge on the taxpayer's pocket while at the same time it is competing with mutual companies in which the taxpayer has an interest.

I am concerned that Governments are moving into fields that are more than adequately covered by private enterprise; I am thinking not only of this Government but also of future Governments. We are seeing more and more control of people by legislation. Not long ago we saw an attempt in a succession duties Bill to tie up the life insurance policy of a wife which had been taken out on the husband's life; the policy was to be tied up until the succession duties had been paid on the estate of the husband. I will await with interest the Chief Secretary's reply to the debate. I hope he can put forward a far more convincing argument than he has done so far.

The Hon. B. A. CHATTERTON secured the adjournment of the debate.

ADJOURNMENT

At 3.35 p.m. the Council adjourned until Wednesday, March 13, at 2.15 p.m.