LEGISLATIVE COUNCIL

Thursday, August 7, 1975

The PRESIDENT (Hon. F. J. Potter) took the Chair at 2.15 p.m. and read prayers.

PETITION: SUCCESSION DUTIES

The Hon. M. B. CAMERON presented a petition signed by 566 residents of South Australia stating that the burden of succession duties on a surviving spouse, particularly a widow, had become, with inflation, far too heavy to bear and ought, in all fairness and justice, to be removed. The petitioners prayed that the Council would pass an amendment to the Succession Duties Act to abolish succession duties on that part of an estate passing to a surviving spouse.

Petition received and read.

QUESTIONS

FISHERIES

The Hon. C. M. HILL: I seek leave to make a short statement before asking a question of the Minister of Health, representing the Minister of Fisheries.

Leave granted.

The Hon. C. M. HILL: Claims are being made by people vitally interested in the fishing industry that decisions and actions taken by the Fisheries Department have been either deferred or influenced because departmental officers have said that an economic study is being undertaken. I believe that information concerning the possibility of such an economic study being undertaken has been referred to by the Minister for some time. These interests would like to know more about this possible economic study. Will the Minister therefore say whether, in fact, an economic study is being made within or by the Fisheries Department and, if it is, about how long such a study has been in train and when it is expected that it will be completed and recommendations made?

The Hon. B. A. CHATTERTON: True, the Government intends to undertake a study of its policies relating to fisheries, and in particular looking at management policies and the allocation of resources amongst fishermen in this State. Indeed, we have already negotiated with a Canadian economist, Professor Coapes, who will come to South Australia and help with this study. We will also have two other economists, one of whom is at present in the Premier's Department. The other economist was in the Fisheries Department. He has left that department but will work on this study under contract. We hope to have the study commenced in the next month, but I am afraid I cannot give the honourable member a clear answer as to when the review of policies will be completed.

The Hon. J. R. CORNWALL: I seek leave to make a brief statement prior to asking a question of the Minister of Fisheries.

Leave granted.

The Hon. J. R. CORNWALL: The Premier, in his policy speech prior to the recent elections, indicated that the Government would double the present budget for the Fisheries Department. Subsequently, the Minister of Fisheries indicated that the money would be used to improve both administration and research within the department. While I was in the South-East recently, representatives of the South-East Fishermen's Association drew my attention to the fact that some of their members were concerned about serious administrative delays within the department, claiming these delays were due to a lack of staff. Can the Minister indicate whether there is a staff shortage within the department? Have there been serious shortages in the past and, if so, how long will it be before the situation is rectified?

The Hon. B. A. CHATTERTON: The honourable member is correct. There have been administrative delays within the Fisheries Department, correspondence has not been answered perhaps as quickly as it might have been, and the transfer of authorities and licences has not been dealt with as promptly as they could have been. It is only a few short weeks since the Premier announced the increased emphasis that is to be placed on the fishing industry in South Australia, and the increased expenditure on the Fisheries Department. I am happy to be able to report that there has been definite progress made since that announcement. Only two months ago there were eight staff vacacies within the department's administrative section. These eight vacancies represented a third of the total 24 positions in the administrative section. Since then, we have been able to fill six of the eight vacancies. The key position of Administrative Officer has been advertised, and an appointment should be made soon. This leaves vacant only the position of Director of Fisheries, about which a question was asked yesterday, and we hope soon to have a solution in that area. I can also report that the morale of the whole Fisheries Department has improved greatly and that we hope soon to be able to provide more suitable accommodation for it.

PETROL PRICES

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

Leave granted.

The Hon. M. B. CAMERON: Some publicity has been given to the fact that the Government is concerned about petrol price cutting in South Australia, and I understand the figure now is that 200 petrol stations are cutting petrol prices. My questions are: first, is the Government concerned about the effect of petrol price cutting; secondly, is the Government aware of any move by the Australian Council of Trade Unions to move into South Australia in the same way as it has moved into Victoria under the banner of some petrol stations to supply cut price petrol; if so, will the Government support the A. C. T. U. in such a move if it comes to South Australia?

The Hon. D. H. L. BANFIELD: In reply to the question about whether we are concerned about some of the things happening as a result of price cutting, I must say that we are concerned about the difficulties some service station owners are experiencing at present. Regarding the other question, that would be a matter of policy, and I will bring down a report at a later date.

The Hon. R. C. DeGARIS: I direct the following questions to the Chief Secretary. First, what evidence has the Government that price cutting of petrol exists in South Australia; secondly, is it not a fact that the petrol tax in South Australia was actually not collected after June 24 of this year because of an amendment made by the Legislative Council to the legislation; and, thirdly, is it not a refund, really, of a tax that will not be collected by the Government that is being refunded to clients and not actual petrol price cutting?

The Hon. D. H. L. BANFIELD: I will refer the Leader's question to the Treasurer.

TRAVEL SOCIETY

The Hon. J. C. BURDETT: I seek leave to make a brief explanation before asking a question of the Minister of Health, representing the Attorney-General.

Leave granted.

The Hon. J. C. BURDETT: I have been approached on behalf of a constituent regarding an investment made in 1971 in the Co-operative Travel Society Limited, whose registered office in South Australia is at Forrest Avenue, Valley View. The constituent and her son agreed to subscribe for 1 000 shares which, including premium, amounted to a subscription of $1 150, and also paid a membership subscription to the Australian Investors Social Progress League Incorporated of $60, making total payments of $910 to date, the balance outstanding as at February 20, 1975, being $300. They have produced a number of circulars over the signature of W. Gunnarsson-Wiener, which are all couched in the most extravagant and sensational terms and deal with allegations and counter-allegations concerning attempts made to remove Mr. Gunnarsson-Wiener and his wife from the board of directors. Correspondence also discloses that there has been a recent change, without explanation, of the company's bankers. The constituent is naturally concerned for the moneys which have been invested and is perplexed and worried about what should be done regarding the outstanding balance of $300. I am informed that the Co-operative Travel Society Limited is incorporated in South Australia under the Industrial and Provident Societies Act, and that it is believed that more than $1 000 000 has been raised in South Australia by the society for an alleged holiday tourist investment in Tasmania. From documents in my possession it seems doubtful whether or not the members of this South Australian society have any rights at all in the Tasmanian project. I am also informed that there are other associated societies incorporated here in South Australia. I suggest that the activities of this society and of some of the members of its board of management call for urgent investigation as a matter of general public interest, apart from the need to see what can be done for the constituent I have mentioned. Will the Attorney-General investigate this matter?

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

MODBURY HOSPITAL

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

Leave granted.

The Hon. M. B. DAWKINS: On June 11 last I asked the Minister a question with regard to the use of the existing portion of Modbury Hospital and a further question with regard to the future development of that hospital. The honourable gentleman was good enough to give me some information privately, for which I thank him. Could he now elaborate on that information and make it available to the Council?

The Hon. D. H. L. BANFIELD: Modbury Hospital is currently close to full capacity. Of the 220 beds originally commissioned in 1973 all except the eight intensive care beds have been made available for use. Outpatient and emergency (casualty) services are being used to full capacity. Consideration for the economy of running expenditure has delayed the opening of the final ward. The overflow from Royal Adelaide Hospital has not resulted from transfers of patients from the Royal Adelaide Hospital to Modbury. The only patients known to have been transferred from the Royal Adelaide Hospital to Modbury are those whom we initially sent to the Royal Adelaide Hospital for specialised treatment. The exact number involved is not known but would be very small and certainly insufficient to contribute significantly to this hospital's patient load. Regarding future development of Modbury Hospital, I approved the appointment of a building development planning team for Modbury Hospital in 1974, and a programme for progressive development has been drawn up for implementation, subject to finance, over the next five years. This will include various additional facilities, as well as the completion of the existing structure to provide approximately 450 in-patient beds.

UNION PREFERENCE

The Hon. J. E. DUNFORD: I seek leave to make a short statement prior to asking a question of the Chief Secretary.

Leave granted.

The Hon. J. E. DUNFORD: My questions are: first, notwithstanding His Excellency's Speech about legislation to be introduced this session, does the Government intend to introduce legislation giving preference to unionists in all aspects of employment? Secondly, will the legislation to be dealt with this session provide for the disallowance of the law of tort against union officials and union members taking industrial actions as a result of decisions taken in accordance with the rules of the unions concerned?

The Hon. D. H. L. BANFIELD: I am not sure of the time table or what the Minister has in mind about the introduction of Bills of this nature but I will refer the honourable member's question to my colleague and bring down a reply.

MINING EXPLORATION

The Hon. R. A. GEDDES: I seek leave to make a short statement before directing a question to the Minister representing the Minister of Mines and Energy.

Leave granted.

The Hon. R. A. GEDDES: It is stated that Mr. Connor, the Minister for Minerals and Energy in the Commonwealth Parliament, has indicated the intention of the Government to have a greater ownership participation in all companies involved in mineral exploration work and to carry out exploration work in its own right in Australia. Does the Government intend to apply to the Commonwealth for financial assistance to help the State Mines Department in its programme of geophysical and general mineral exploration?

The Hon. B. A. CHATTERTON: I will refer the honourable member's question to my colleague and bring down a report as soon as possible.

POSTAL CHARGES

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

Leave granted.

The Hon. R. A. GEDDES: It was stated in the press yesterday that the Crippled Children's Association had spent about $5 000 in ordering 55 000 Christmas cards for the coming Christmas season. The marked increase in postal charges and the suggestion that many people will not be buying or sending Christmas cards this year could cause the association and many other charitable organisations great hardship, in view of the money they have already spent in connection with Christmas cards. Will

it be possible to take up with the Commonwealth authorities a suggestion that the postal rates be waived for Christmas cards or that postal rates for Christmas cards during December be waived, to reduce the hardship that these charitable organisations throughout Australia would experience?

The Hon. D. H. L. BANFIELD: Of course, Christmas cards are not sent out only in December. If one wishes to send Christmas cards overseas, he must post the cards earlier. However, I will refer the honourable member's question to the Premier.

SHEARERS

The Hon. J. E. DUNFORD: I seek leave to make a short statement before asking a question of the Minister of Agriculture.

Leave granted.

The Hon. J. E. DUNFORD: For a considerable time in the pastoral industry it has been said by certain parties that there is a shortage of shearers. In August, 1974, there was a meeting of the South Australian Shearing Industry Committee held at 63 Waymouth Street, Adelaide. Present at the meeting were Mr. J. W. Andre, representing the Stockowners' Association of South Australia; Mr. W. J. Murdoch, Mr. E. I. Ashby, and Mr. D. Edson, all representing the United Farmers and Graziers of South Australia; Mr. G. N. Smith, Superintendent of Curriculum Development, Department of Further Education; Mr. N. Scott, Department of Labour and Immigration; Mr. W. E. Chapman of Kangaroo Island and Mr. D. Shaw, both representing the Registered Shearing Contractors' Association of South Australia; Mr. A. L. Brown and Mr. B. C. Jeffries, both representing the Agriculture Department; Mr. A. Ryan, representing the Australian Wool Corporation; and Mr. D. C. W. Edwards (Secretary), Stockowners' Association of South Australia. There was an apology from Mr. J. E. Dunford, Secretary of the Australian Workers Union, S.A. Branch. I believe that this committee was formed to increase the number of shearers in South Australia. I had meetings with the Department of Labour and Immigration and with people from the Department of Further Education, and I gave evidence to them that there were professional shearers who were union members, had preference in employment under the pastoral award, and were seeking employment. This year shearers have been sitting down for three or four months, and nowadays shearing is their whole source of livelihood; once, when the employment situation was better, they could get other employment, but they cannot find such employment this year. The minutes of the meeting state that the continuity of shearing received considerable discussion, and the meeting resolved that this was still a vital issue. Figures from Western Australia had shown that a workforce of 3 500 men who individually shore from 10 000 to 5 000 sheep would at present be required to harvest that State's wool clip under the present shearing conditions. If a spread of shearing could be obtained it was envisaged that 2 400 shearers could harvest the clip—a decrease of 1 100 shearers. I can make available the figures to the Minister. In April of last year in Western Australia, 600 shearers were required; in May, 400; in June, 400; in July, 1 600; in August, 3 050; in September, 3 550; in October, 2 750; in November, 2 050; in December, 750; in January, 900; in February, 1 350; and in March, 1 200. This will show that, if they knocked off 1 200 shearers in Western Australia, there would still be 800 shearers unemployed for up to three or four months a year. I asked the department to make a survey of the situation in the State. It sent out a circular. However, I pointed out that it was unfair to ask only the graziers, and that the people concerned, the shearers, cooks, shedhands, pressers and others, should also be asked. On February 13 it was reported in the *Stock Journal* that this would be done. However, I have received no advice that it has been done. I was told by the Further Education Department that the circular had been sent out, but I believe that the same situation will obtain in South Australia as has obtained in Western Australia, because shearers are itinerant workers knowing no boundaries, as they go from State to State. Will the Minister have the current situation investigated, because Government funds (and public servants are paid out of Government funds) are being spent to train shearers, although there will be no work for them when they are fully trained. The money spent is wasted, and this matter is upseting the professional shearers in the industry who have only a certain amount of work each year.

The PRESIDENT: Order! The honourable member must ask his question and not express an opinion about factual matters that he presents.

The Hon. J. E. DUNFORD: I ask the Minister to investigate this matter and consider the desirability of stopping Government assistance, either financial or physical, to shearing schools in future.

The Hon. B. A. CHATTERTON: I appreciate the honourable member's bringing this matter to my attention, and I will certainly examine it closely. The point in relation to training new shearers for the industry if they cannot then find employment is valid. However, the area that is more difficult to determine is whether shearers who are already in the industry would benefit from further training to improve their existing skills. This is a difficulty that has arisen in relation to the training schools that have been arranged and I will certainly look into the matter, confer with the Minister of Labour and Industry, and bring down a report for the honourable member.

The Hon. R. C. DeGARIS: Will the Minister also make sure that consideration is given to people who wish to learn to shear, so that they can shear their own sheep? Because of the depressed rural economy, people in the rural sector should not be overlooked in relation to Government assistance, especially if they seek to be trained to shear sheep. That is also an important point that needs to be taken into account in this matter.

The Hon. B. A. CHATTERTON: I will see that the report covers the question raised by the honourable Leader.

MEMBERS' AIR TRAVEL

The Hon. M. B. DAWKINS: I seek leave to make a statement before asking a question of the Minister of Lands, representing the Minister of Works.

Leave granted.

The Hon. M. B. DAWKINS: My question is supplementary to one I asked yesterday regarding honourable members' air transport and should be considered in association with that question. I quote from a circular which is headed "Air (Intrastate)" and which honourable members now have before them. It states:

> Each member is entitled to six journeys per annum between any two centres in the State—

and, of course, that is equivalent to three return trips a year—

> The Leaders of the Opposition in both Houses are entitled to four additional single journeys. A member may, at his discretion, travel by licensed charter flight in lieu of a commercial flight. Members may elect to be reimbursed

for charter flights up to the extent of $120 per annum in lieu of the entitlement of six single journeys between centres in the State on commercial flights. Where some commercial flights are taken and some charter, total reimbursement shall not exceed $120 per annum per member.

The following paragraph is, I believe, significant:

Members who reside in H.A. electorates of Alexandra, Flinders, Eyre, Whyalla, Stuart, Millicent, Mount Gambier and Victoria may travel to and from Adelaide without restriction during session and are reimbursed full air fares. Air travel is limited to six (6) return trips between sessions.

As Legislative Council members are now to be obliged, in the performance of their duties, to travel into most, if not all, these districts during any one calendar year, will the Minister say whether the Government will give further consideration to honourable members of this Chamber, having regard to the changed circumstances to which I have referred?

The Hon. T. M. CASEY: I will refer the honourable member's question to my colleague and bring down a reply.

HIGHWAYS DEPARTMENT ACQUISITIONS

The Hon. C. M. HILL: I seek leave to make a statement before asking a question of the Minister of Lands, representing the Minister of Transport.

Leave granted.

The Hon. C. M. HILL: On June 3, I asked a question in the Council regarding the Highways Department's total expenditure since June, 1970, on the acquisitions of properties along the freeway and expressway routes, as defined in the Metropolitan Adelaide Transportation Study Report. As the Council was not sitting in mid-July, the Minister kindly wrote me a letter about this matter. So that my reply can be incorporated in *Hansard,* I ask the Minister whether he would read the relevant sections of his reply to my question.

The Hon. T. M. CASEY: I shall be pleased to oblige the honourable member. My reply was as follows:

A total of $13 137 733 has been expended in this way for the period June 1, 1970, to May 31, 1975. Sales of properties in the same period have amounted to $369 811.

RAILWAYS (TRANSFER AGREEMENT) BILL

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

The Hon. D. H. L. BANFIELD (Minister of Health) moved:

That Standing Orders be so far suspended as to enable the Bill to pass through its remaining stages without delay.

Honourable members: No.

The PRESIDENT: There being a dissentient voice, there will be a division. I therefore direct that the bells be rung.

The Council divided on the motion:

Ayes (15)—The Hons. D. H. L. Banfield (teller), F. T. Blevins, J. C. Burdett, M. B. Cameron, J. A. Carnie, T. M. Casey, B. A. Chatterton, J. R. Cornwall, C. W. Creedon, M. B. Dawkins, J. E. Dunford, N. K. Foster, Anne Levy, C. J. Sumner, and A. M. Whyte.

Noes (5)—The Hons. Jessie Cooper, R. C. DeGaris (teller), R. A. Geddes, C. M. Hill, and D. H. Laidlaw.

Majority of 10 for the Ayes.

Motion thus carried.

The Hon. D. H. L. BANFIELD: I move:

That this Bill be now read a second time.

I thank honourable members for the opportunity to give the second reading explanation of the Bill this afternoon because, as mentioned in the Governor's Speech, the Government is anxious to have the Bill passed as quickly as possible. It is intended to approve an agreement entered into between this State and the Commonwealth on May 21, 1975, for the transfer to the Commonwealth of the non-metropolitan railways of the State leaving the State with responsibility for the urban railway system in and around Adelaide. From the foregoing, it will be clear that the agreement sought to be ratified is the same agreement for which ratification was sought by means of a Bill that failed to pass both Houses at the conclusion of the Forty-first Parliament. The only particular in which the present measure differs from the Bill which failed to pass is that it contains a necessary degree of retrospectivity arising from the fact that the agreement is expressed to come into operation on July 1, 1975. If Parliament approves this transfer the State will receive a number of immediate and long-term financial benefits. These benefits may be considered from three aspects.

First, the Commonwealth Government is to take over the assets of the non-metropolitan system as from July 1, 1975, and is to take over from the same date the outstanding liabilities which correspond to those assets. The liabilities themselves are of three main kinds, namely, part of the State's public debt, special borrowings under rail standardisation arrangements, and current liabilities such as sundry creditors. Also, as from July 1, 1975, the Commonwealth Government is to take responsibility for the annual operating deficits of the non-metropolitan system. The non-metropolitan deficit is estimated at about $32 000 000 in 1974-75, and in the new financial assistance grants arrangements the 1974-75 base for South Australia is to be reduced by a corresponding amount.

Secondly, the Commonwealth Government is to make a grant of $10 000 00 to the State in 1974-75 in respect of land, minerals and other assets transferred and will arrange to build a special addition into the new financial assistance grants formula. That special addition will be achieved by adding a sum of $25 000 000 to the normal 1974-75 base and, accordingly, it will escalate in 1975-76 and future years.

Thirdly, the State is to become a non-claimant State once again as from July 1, 1975. To complete the Grants Commission arrangements, grants aggregating $16 400 000 are to be brought forward in time and paid this year. The $16 400 000 comprises a completion grant of $10 000 000 in respect of 1974-75 to be paid without further review by the Grants Commission and $6 400 000 of grants assessed in respect of past years but held in reserve temporarily by the Grants Commission until required by the State to offset a deficit. The accounts for the year 1973-74 have been examined by the commission and the completion grant for that year will be paid in accordance with the normal procedures, that is to say, early in 1975-76. The special grant of $25 000 000 payable to the State as a claimant State in 1974-75 (that is, the sum of the advance grant of $15 000 000 included in the Budget papers and the $10 000 000 completion grant now to be paid, without review) is to be built into the base of the new financial assistance grants formula. Of the various grants payable, only the $10 000 000 in 1974-75 in respect of land, minerals and other assets is included in the agreement. Appropriate and satisfactory arrangements have been made to secure the other grants.

I should mention that an Appropriation Bill including provision of $26 400 000 for grants payable in 1974-75 has been passed by the Australian Parliament. The $26 400 000 comprises $16 400 000 of grants under Grants Commission procedures and $10 000 000 in respect of land, minerals and other assets. In determining the 1974-75 base for purposes of the new financial assistance grants, three major adjustments have to be made, each of which I have mentioned. The 1974-75 base is to be reduced by about $32 000 000, being the estimate of the 1974-75 non-metropolitan railways deficit. It is to be increased by $25 000 000 in respect of the transfer of land, minerals and other assets and by $25 000 000 in replacement of grants which would otherwise be received as a result of recommendations of the Grants Commission. The net effect will be an addition of about $18 000 000. The $32 000 000 is subject to review to take account of some special problems which arise out of pay-roll tax and debt services.

The financial arrangements I have described probably sound rather complex. Perhaps I could sum them up in simple terms of what advantages they achieve for the State. The advantages are two. The first one is clear-cut in that we receive in 1974-75 an additional grant of $10 000 000 and in future years an additional grant gradually increasing from a 1974-75 base of $25 000 000. The second is not so clear-cut. Non-metropolitan railway deficits have been increasing in recent years at a faster rate than have the financial assistance grants. It is probable that the future saving to the State from not having to bear non-metropolitan deficits will be greater than the offset to the financial assistance grants.

As honourable members know, the Government considered the financial advantages of the transfer of the railways to be so marked that we were able to contemplate removal of the petrol franchise tax. This I announced a few days after the Prime Minister and I had reached final agreement on the matters which form the basis of this Bill, the attached agreement and the explanations I have given. I confirm that the consummation of the arrangements will enable the Government to remove the petrol franchise licence fee. As soon as this measure is passed, the Government will proceed with all the arrangements to remove the petrol franchise licence fee and to bring about a fall in the price of petrol.

Before proceeding to a detailed examination of the provisions of the agreement which appears as a schedule to the Bill and a similar examination of the clauses of the Bill itself it would appear appropriate to set out, in broad outline, the substance of the arrangements proposed. Briefly, as from the commencement date, that is, July 1, 1975, the non-metropoiltan railways, as defined in clause 1 of the agreement, will be deemed to have vested in the Commonwealth. In addition, all rolling stock and other equipment of the South Australian Railways exclusively used for those railways will also be deemed to have passed to the Commonwealth.

During the period following the commencement of this Act, which may be described as the interim period, the South Australian Railways Commissioner and his staff will operate the railways vested in the Commonwealth at the direction of the Commonwealth authorities. At the same time, of course, they will also operate the metropolitan railways as part of this State's transport system. The interim period will also be utilised to divide between the Commonwealth and the State equipment that has a use common to the sysetms proposed to be separated. When this division is complete and all other transitional arrangements have been made, a declared day will be fixed jointly by the relevant Commonwealth and State Ministers and on this day the interim period will terminate and the Commonwealth will assume full operational control of its part of the divided system. This then is, in outline, the means by which the separation and transfer will be accomplished.

I turn now to the substance of the measure. Since, in point of time, the execution of the agreement necessarily proceded the introduction of this measure it seems appropriate that the agreement should be considered first. Clause 1 of the agreement sets out the definitions used in it and it is commended to honourable members' particular attention since, consequent on clause 3 (2) of the Bill, the definitions are carried forward into the Bill also. The definitions of metropolitan and non-metropolitan railways are of particular importance since, of themselves, they determine the nature and extent of the separation of the systems.

Clause 2 provides that the agreement shall have no force or effect until the necessary enabling legislation has been enacted by the State and Commonwealth Parliaments. So far as this State is concerned, it is sufficient to say that the provisions of this measure, if enacted, fulfil our obligations under this clause so far as it relates to the enactment of legislation. Clause 3 is intended to make it clear that the State's right to operate urban passenger railway systems outside the metropolitan area remains unimpaired. Clause 4 expresses the general intention of the parties to carry out and give effect to the agreement.

Clause 5 is a most important clause in that it entitles the Australian National Railways Commission (in the agreement referred to as "the commission") to:

(*a*) all land exclusively used for the purposes of the non-metropolitan railways;

(*b*) certain land described in the second schedule being:

(i) portion of the Mile End freight terminal;

(ii) the Islington railway workshops;

(iii) the Islington goods yard;

(iv) the Dry Creek marshalling yard;

(v) certain Port Adelaide sidings,

and other lands described in the second schedule to the agreement.

The clause further provides that minerals shall pass with the land and the vesting of land shall be unlimited as to depth. The State's interest in certain other land in New South Wales and Victoria is also passed by this clause. In addition, the clause makes consequential provision for the division and apportionment of all other assets of the South Australian Railways. Finally, the clause makes provision for the Commonwealth to secure appropriate rights over land used in connection with both metropolitan and non-metropolitan railways.

Clause 6 requires the South Australian Railways Commissioner to operate the system vested in the Commonwealth by clause 5 in accordance with the directions of the commission. Clause 7 enjoins the Commonwealth to operate and maintain the system vested in it to a standard at least equal to the prevailing standard and further obligates the Commonwealth to carry out improvements that are economically desirable to ensure that future standards are equivalent to those prevailing over the rest of Australia.

Clause 8 enjoins the Commonwealth to maintain the general standards of rail charges and freight rates at levels at least as favourable to users as they are at present and

also to ensure that, where relative advantages in relation to such charges to users have been established, those advantages shall be preserved in the future. Subclauses (2) and (3) of this clause deal with the continuation on the Commonwealth portion of the divided service of passenger concessions at levels at present obtaining. Subclause (4) provides for a general arbitration provision. Clause 9 grants the State certain rights in relation to the proposed closure of railway lines and in the reduction of "effectively demanded" services in relation to the system proposed to be transferred to the Commonwealth. An appropriate arbitration provision is provided in subclause (2) of this clause. Clause 10 gives the State the right to nominate a part-time Commissioner on the Australian National Railways Commission for two consecutive terms each of five years next following July 1, 1975.

Clause 11, at subclause (1), requires the State authorities, so far as is within their powers, to transfer to the commission certain land to which the commission is entitled being land not within the State. Subclause (2), in effect, provides that the State will make available, free of charge, Crown land within the State required for railway extensions by the Commonwealth. An arbitration provision is included in the clause to ensure that, in all the circumstances, the demands of the Commonwealth are not unreasonable. Subclause (3) provides for the granting to the Commonwealth of certain rights to take stone and gravel for the construction of future railways in the non-metropolitan area by the Commonwealth. Subclauses (4) and (5) are quite formal, and subclause (6) ensures that land, stone or gravel vested in the Commonwealth pursuant to subclauses (2) and (3) are used only for railway purposes unless the approval of the relevant State Minister is obtained. Subclause (7) gives the Commonwealth the "right of first refusal" in respect of certain railway land referred to in the subclause. Subclause (8) is intended to ensure that, should the land vested in the Commonwealth pursuant to the agreement go out of railway use, it is returned to the State free of charge.

Clause 12 confers reciprocal running rights over the two systems to the parties. Clause 13 deals with certain "transferred road and railway services" and is commended to honourable members' particular attention. Clause 14 provides for the fixing of the declared date and ensures that the responsibility for fixing this date is a conjoint one, the relevant State and Commonwealth Ministers giving joint notice in the matter. Clause 15 provides that on the declared date all officers and employees of the South Australian Railways will be offered employment with the Australian National Railways. Clause 16 sets out the circumstances and the manner in which the Commonwealth will provide a sufficient number of its employees to run the metropolitan railway system that remains the property of the State. This clause is also commended to honourable members' close attention. Clause 17 ensures that any question of reduction by reason of redundancy in the general level of employment in railway workshops will receive the closest consideration, if necessary by an independent arbitrator.

Clause 18 refers to the special $10 000 000 payment in 1974-75 in consideration for land, minerals and other assets. As has been mentioned in the general introduction, this is the only grant referred to in the agreement itself. Clause 19 refers to the taking over by the Australian Government of the long-term debt applicable to the non-metropolitan services. Of the total of about $140 000 000 involved, $124 000 000 is public debt, as specified in the sixth schedule, and about $16 000 000 is other debt incurred under rail standardisation and associated arrangements. Clause 20 provides for the State to receive revenues and bear costs in the interim period and to settle with the commission, which will take responsibility for the eventual result. The clause also deals with the apportionment of costs and revenues between metropolitan and non-metropolitan systems.

Clause 21 refers to the transfer of investments arising out of superannuation contributions made by State railway employees, who will now transfer to the commission. Clause 22 refers to the keeping, auditing and exchange of financial information so that both the Australian and the State Governments may satisfy themselves of the reasonableness of charges and financial transfers made between them. Clause 23 sets out in some detail the operation of the arbitration provisions. There are six schedules to the agreement all of which are explained by reference to the appropriate clauses of the agreement, and a reference to the appropriate clause is provided at the head of each schedule.

Clause 1 is formal. Clause 2 provides that the Act presaged by the Bill, other than proposed section 11, will come into operation on a day to be fixed by proclamation. The operation of proposed section 11 will be suspended until the "declared date", as to which see clause 1 of the agreement. Clause 3 sets out some of the definitions used in the Bill. Definitions of other "terms of art" used in the Bill will be found in clause 1 of the agreement, and the authority for this is contained in subclause (2) of this clause. Clause 4, at subclause (1), formally approves of the agreement, at subclause (2) consents in "constitutional terms" (as to which see section 51 (xxxiii) of the Australian Constitution) to the acquisition of the railways provided for by the agreement, and at subclause (3) formally authorises the State and State authorities to carry out the agreement.

Clause 5 formally vests in the commission the land to which it is entitled under the agreement, and deems the vesting to have occurred on July 1, 1975. Clause 6 vests property, other than land, with effect from July 1, in the commission, being property to which the commission is entitled under the agreement. Clause 7 passes to the commission, on and from the declared date, all rights and obligations of the South Australian Railways Commissioner in respect of the administration, maintenance and operation of the non-metropolitan railways. Honourable members will recall that the declared date is the date on and from which the commission assumes full operational control. Clause 8 is a most important provision and is part of a linked system of Commonwealth and State legislation intended to deal with some quite complex questions of constitutional law that arise by reason of the fact that, on acquisition, the railways land acquired becomes a "Commonwealth place" and hence attracts the legislative constraints of section 52 of the Australian Constitution. Honourable members of this Council who were present on the passing of the Commonwealth Places (Administration of Laws) Act, 1970, of this Parliament will no doubt be familiar with the problems and also of the legislative solution to them.

Clause 9 provides for the commencement of proceedings during the interim period that, in ordinary circumstances, would be commenced against the commission during that period to be commenced against the South Australian Railways. This is because, although the commission will be the *de jure* owner of the non-metropolitan system, the system will, in fact, be operated by the South Australian

Railways Commissioner. This clause, of course, depends on supporting Commonwealth legislation. Clause 10 is a quite crucial clause and is intended, on and after the declared date, to "refer" certain matters to the Commonwealth in terms of section 51 (xxxvii) of the Australian Constitution. The reference proposed is in two parts, one dealing with the operation of the system proposed to be transferred pursuant to the agreement and the other dealing with future railways constructed with the consent of the State, as to which see clause 11 of the Bill.

Clause 11 provides for a continuing, but somewhat limited form of continuing, consent by the State to the future construction of railways in the State. Again, this consent is expressed in constitutional terms (see section 51 (xxxiv) of the Australian Constitution). In brief, the consent covers all future construction in the non-metropolitan area and very limited construction in the metropolitan area. Clause 12 provides for the issue of certain joint certificates by the relevant Commonwealth and State Ministers and is in general self-explanatory. Clause 13 empowers the commission to operate and maintain present and future railways and is "in aid" of the "reference" provided for by clause 10 of the Bill.

Clause 14 provides for the vacation of all offices within the South Australian Railways on the declared day as a necessary consequence of the employment of the previous holders of those offices in the Australian National Railways. Clause 15 formally empowers the trustees of the South Australian Superannuation Fund to give effect to clause 21 of the agreement. Clause 16 at first sight at subclause (2) provides a wide power of modification by regulation of existing law to the end that the agreement can be carried out. Any exercise of the proposed regulation-making power will, of course, be subject to the usual Parliamentary scrutiny. It is this reservation of power of scrutiny to Parliament, it is suggested, that justifies this particular legislative solution to the problem of possible inconsistency with other laws of the State.

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

ADDRESS IN REPLY

Adjourned debate on motion for adoption.

(Continued from August 6. Page 43.)

The Hon. J. A. CARNIE: I cannot help feeling that I have come home—to a different room perhaps, but nevertheless home. A little over two years ago when I was defeated at an election for my House of Assembly seat (defeated, I may say, not by my traditional opponents who sit opposite but by a Party that is also on the non-Labor side of politics, as I am) I said that one day I would be back. I do not think many people, except me, believed it at that time, and even I did not think it would be so soon or that it would be in this Council. Nevertheless, I am now proud to be in the Legislative Council and proud to be among the first 11 members to be elected by a vote of all the electors of this State after more than 130 years of restricted franchise. I am even more proud to be here as a Liberal Movement member, the Liberal Movement having obtained about 20 per cent of that newly-franchised vote.

I do not intend to dwell on Party politics, as I believe that subject to be out of place in an Address in Reply debate in an Upper House. But I will say in passing that the retention of restricted franchise for this Council and the retention of an inequitable and unjust electoral boundary system for the House of Assembly led to the divisions within the Party to which I once belonged and to the formation of the Liberal Movement, to which I am now proud to belong. Now that this Council has taken the first step towards becoming a fully democratic one, it is time to make a closer study of its role in the Legislature of this State. It could serve no useful purpose if it were simply a duplication of the House of Assembly—if it simply rubber-stamped legislation. All this would do would be to add substance to the arguments of those who wish to abolish the Council. And I am sorry that there are now in this Council members whose publicly stated aim is to abolish it. I can only hope that it will not take these people long to become aware of the important function that the Legislative Council performs in this State.

To ensure that the Legislative Council is not simply a duplicate of the House of Assembly, there must continue to be a difference in the method of election for each House. We have now done away with the extremely unfair and unwise difference of franchise, but this makes it even more important that we retain other differences. These are the different boundaries and the length of term of members. The six-year term, with half the number of members retiring every three years, has been proved to be sufficient to ensure that a difference between the Council's constitution and that of the Lower House can occur. It has been proved in Victoria where, although the Legislative Council is popularly elected and has been for several years, the rotation of membership and the different boundaries have often resulted in the Government of the day not having a majority in the Council.

For this reason I am still not fully convinced that the measure outlined in His Excellency's Speech in connection with reducing the length of term of Legislative Councillors is fully justified. The wording, of course, is misleading where it says that legislation will be introduced providing that elections for the House of Assembly and the Legislative Council should coincide. The elections do coincide and, as far as I know, always have coincided: it is the length of term of members that is the point in question. The Upper House should perform two major functions—those of a House of Review and of a House of Investigation. To review legislation has been, and must continue to be, a major role of the Legislative Council.

I cannot agree with the honourable member opposite who, when speaking in this debate yesterday, said that, because a Government had won the election, all legislation brought forward by that Government should be passed. That a Government has been popularly elected does not necessarily mean that all legislation it brings forward is good or that the legislation cannot be improved by amendment. And "amendment" does not mean mauling, mangling or macerating. It is often impossible to tell from a policy speech or from the Governor's Speech just what is intended. Just one sentence from the Governor's Speech to this Parliament will illustrate what I mean. He said:

> Legislation to amend the Planning and Development Act will be placed before you in the forthcoming session.

This does not tell us anything, and I cannot say whether or not I will support whatever this legislation is. I do not know what it is, and neither does the public. To say that the Government has a mandate for this or anything else as loosely worded as this is quite ridiculous. Having said this, I believe we must also realise that, if our Council is to survive as a second Chamber, it must also have the respect of the people. In this, I agree with the Hon. Mr. Cornwall. We must always exercise care that our actions do not unfairly or unreasonably obstruct the Government

of the day. Sir Robert Menzies made the following statement in reference to the Senate, but his words are applicable to any Upper House:

> It would be a falsification of democracy if, on any matter of Government policy approved by the House of Representatives possibly by a large majority, the Senate could reverse the decision . . . Otherwise, a Senate Opposition whose Party had just been completely defeated at a general election would be in command of the Government of the nation. This would be absurd as a denial of popular democracy.

Those words apply to any Upper House. A fair and impartial review of legislation is the basis of the bicameral system, which is the basis of our democratic system. I believe that a Government that has been democratically elected has the right to serve the full term for which it has been elected. This does not mean that everything brought forward by that Government should automatically be passed unamended, especially if the matter concerned has not been fully spelt out before the election.

The second function of the Legislative Council should be that of a House of Investigation. This operates successfully in the Senate, with its system of investigatory committees These committees study a wide range of community and legislative problems, and their reports are available to Parliament and the public. Legislation may or may not arise from these reports but, should it do so, then all members of both Houses and the general community have access to their findings. This means that all members would have the opportunity to study a committee's report before a Bill came before Parliament. Too often legislation is brought forward on matters about which the majority of members know little or nothing, resulting either in Bills being passed with insufficient understanding and insufficient educated debate or in Bills being referred to Select Committees, which can be costly in time and money.

Subjects which could be under constant study could include constitutional and legal affairs, education, finance, Government operations, health and welfare, primary industry and secondary industry. This system, which has been proved to be successful in the Commonwealth Parliament, obviously is equally necessary at State level to prevent the passing of hasty and ill-considered legislation.

His Excellency's Speech covered a wide range, showing the amount of work that will need to be done by Parliament during this session. The subjects to be dealt with cover an extremely wide range, from dog-racing to transport, from wage indexation to health. As all these matters will eventually come before this Council, I do not intend to canvass them now, but I look forward to the session with great interest. I think it is fair to say that the Legislative Council will never again be quite the same.

In conclusion, as the first speaker in this debate for the Party that I represent in this place (it could be said that I am the Deputy Leader!), I congratulate you, Mr. President, on being elected to the highest office it is in the power of this Council to bestow. Because I have known you for some years, I know that you will always be fair and impartial to all honourable members. I support the motion.

The Hon. D. H. LAIDLAW: I support the motion for the adoption of the Address in Reply, and I hope that I can maintain the standards of my predecessor. I am extremely pleased to become a member of this Council at this time of change when the opposing numbers are so close. Change, whether good or bad, is a stimulating thing, as I have discovered over a period of about 20 years as a manufacturer. If a manufacturer cannot adapt to change he will not stay in business for long.

In the past it has been possible for South Australian companies to operate in this State or in Australia, employing Australian labour on a slightly higher wage scale than elsewhere while at the same time enjoying a reasonable degree of import protection. Unfortunately, this concept seems to be changing and, if we follow the lead of the Premier, who has shown considerable energy in establishing the Australasia Development Corporation, it appears that manufacturers such as I should be in such places as Penang, and it is in Malaysia and Indonesia that I have spent the past three weeks. After all, it is hard not to follow the Premier's lead when one sees eager Chinese working in Penang factories for $9 for a 5½-day week, when an Australian worker with similar skills receives $109 a week plus many fringe benefits.

Whether the Labor Government has been wise to invest South Australian taxpayers' money in Malaysian developmental companies is a matter that honourable members will doubtless watch with interest. Currently we must admire the Premier for the energy with which he has pursued this project during his several visits to Malaysia. However, from a political aspect, he might have been wiser to spend a little more time in the last two years in the South-East of South Australia rather than in South-East Asia.

Society becomes increasingly complex year by year, and so too does Government. There is a wide range of subjects that should, and undoubtedly will, be debated in this Council, and I listened with considerable interest yesterday to the matters raised by the Hon. Anne Levy when moving the motion for the adoption of the Address in Reply.

I have two wishes concerning my Parliamentary career: first, that I can help maintain a high standard of debate in this Council and, secondly, that no-one will say after my time in Parliament is over that I ever lost my sense of humour for too long a time.

Whilst a member of this Council, I intend to concentrate on two subjects in which I have some expertise. The first is industrial development. I have been a member of the State Industrial Development Council almost since its inception and, since the Labor Government came to power in 1970, I have been the council's Deputy Chairman. During this time I chaired the Gap Study Committee, which defined the types of new industries needed by this State having regard to the environment, pockets of unemployment, utilisation of females, clean trades (which incidentally had nothing to do with sex), and future market trends. As I am not sure whether the report of this committee, which was submitted to the Premier, has ever been made public, I will not comment on its findings.

Subsequently, I served on the Government committee dealing with worker participation in management. This committee, which sat for 15 months, comprised union leaders, industrial sociologists and "odd bods" such as Professor Badger, Mr. Lindsay Bowes and me. It was a stimulating experience. It was the first inquiry into this topic in Australia, and it produced a unanimous report which apparently was quite unique.

The other subject in which I have some knowledge is industrial relations. During nearly 20 years as a manager or director of various South Australian based companies involved in engineering, cement, quarrying, fertilisers and chemicals, I have seemingly always become

involved in their industrial problems. I hasten to add that each of these companies is owned by Australians, and long may they continue so.

On Tuesday, I listened with interest to the Governor's Speech, and I refer to one aspect of it, as follows:

> My Government considers it essential that the purchasing power of wages should be maintained and not eroded by increases in prices but in order to combat inflation wage increases should be temporarily confined to quarterly adjustments apart from dealing with anomalies.

I believe that most of our community would like to see wage indexation on a quarterly basis succeed, because it is a socially desirable concept. As honourable members know, wage indexation is nothing new in the area of wage-fixing in Australia. From 1921 to 1952, the national basic wage was adjusted quarterly, although the index itself was altered from time to time. I stress that during this period of 31 years only the basic wage altered automatically, and the margins for skill above that were set arbitrarily by the Arbitration Commission.

In 1952, as an aftermath of the Korean War, Australia was experiencing high inflation rates and the Arbitration Commission abolished automatic basic wage adjustments. It henceforth based its annual wage-fixing on the capacity of the economy to pay, as well as the needs of the wage-earner according to some notion of an acceptable standard of living. This basis prevailed for a further 23 years, but it caused grumbles amongst even the most conservative trade union members. Let us face the fact that no-one is more conservative in our society than a conservative trade unionist. They felt, with good reason, that the national wage case only caught up once a year with increased costs that had occurred progressively during the past 12 months and then, because of the restrictions imposed by the principle of the capacity of the community to bear, they did not always then get their full entitlement.

Mr. Bob Hawke, with whom I have served on a number of committees, argued continuously when an advocate for the Australian Council of Trade Unions in national wages cases that indexation should be restored. On April 30 in the 1975 wage case the Arbitration Commission gave a 3·6 per cent increase to all workers under Commonwealth awards (covering about 60 per cent of the work force), and this flowed through to workers under State awards.

The judgment of Mr. Justice Moore was in my opinion a very intelligent one and he laid down certain conditions. One was that indexation would not apply automatically every quarter but that there would be hearings in July, October, January and April each year after publication of the quarterly index figures. He stressed that, if unions continued with demands and gained wide-scale extra over-award payments, indexation would not continue.

Another condition was that, apart from quarterly adjustments due to price rises and yearly adjustments due to productivity increases, the only other grounds that would justify wage rises were, first, changes in work value (and this would not be expected to apply to an award as a whole) and, secondly, a catch-up in community movements (and in this the Commission was referring to genuine catch-up cases and not cases that will inevitably lead to leap-frogging). This last point is of course the issue on which indexation will succeed or flounder.

The Governor said in his Speech that wage increases (and in this he was referring to State awards) shall be confined to quarterly adjustments, apart from dealing with anomalies. But whilst we have so many awards, so many unions and Conciliation Commissioners acting independently, we will always have anomalies. So if the union officials in South Australia genuinely want, like Mr. Hawke, to see indexation succeed, they must persuade their members to act with some reserve. Unfortunately, there seem to be more industrial disputes on the question of anomalies in South Australia than anywhere else in Australia at the present time, I know of 22 metal fabricating firms in the Adelaide area that are at present suffering from rolling strikes, overtime bans and go-slows. If they would have simple strikes, it would be much easier for everyone.

In my opinion, many of these anomalies could be eliminated in future if the Labor Government would amend the South Australian Concilation and Arbitration Act, 1972, and give the chief judge of the State Industrial Court power, which apparently he does not have at present, to instruct the industrial arbitrators and conciliators that they must consider, when they award or agree to increases in wages or fringe benefits, the effect that it will have on other awards. If they do not do so, their findings could then be overruled by the Industrial Court. For far too long arbitrators and conciliators have acted in isolation.

Senator McClelland, the new Australian Minister for Labour, has recognised this point and stated publicly that he wants to amend the legislation relating to federal awards, and I sincerely hope that the State Government will follow this lead. In conclusion, I thank honourable members for listening to me so passively. I have pleasure in supporting the motion for the adoption of the Address in Reply.

The Hon. J. C. BURDETT secured the adjournment of the debate.

ADJOURNMENT

At 3.32 p.m. the Council adjourned until Tuesday, August 12, at 2.15 p.m.