LEGISLATIVE COUNCIL

Wednesday, April 20, 1977

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

PUBLIC WORKS COMMITTEE REPORTS

The PRESIDENT laid on the table the following reports by the Parliamentary Standing Committee on Public Works, together with minutes of evidence:

Marion Community Welfare Centre,

Yatala Labour Prison Industry Complex.

QUESTIONS

BUILDING INSPECTIONS

The Hon. C. M. HILL: I ask the Minister of Lands whether he has a reply to the question I asked recently regarding building inspectors and the requirements prior to the issue of strata titles.

The Hon. T. M. CASEY: The Registrar-General received a submission which referred to problems associated with the issue of certificates of approval pursuant to the strata titles legislation. At present, arrangements are in hand to amend the Real Property Act, and the submission will be considered when the amendments are drafted. Until such time as section 223md is amended the certificate must be issued in accordance with the requirements laid down in the Real Property Act.

The Hon. C. M. HILL: I seek leave to make a short explanation before asking another question of the Minister on the same matter.

Leave granted.

The Hon. N. K. Foster: That is more than you would let me do last week.

The PRESIDENT: Order! The Hon. Mr. Foster will please keep quiet while the Hon. Mr. Hill is asking his question.

The Hon. C. M. HILL: I have had representations from a person involved in this overall problem of the issue of strata titles, and I put this person's predicament to the Minister, hoping he will consider the question that I intend to ask, namely, whether another matter relative to this overall subject can be considered in the review that the Minister has indicated will be made, and I ask whether a further amendment might be made to suit not only the person to whom I refer but also many other people in Adelaide.

At present the titles to many groups of home units in Adelaide are held not under the strata titles system but by other methods, such as leasing, tenancies in common, and sometimes by some corporate method, while with others it is a general combination of some of these approaches. Some of the people concerned want to change their title to ownership from their present method of that of strata titles. Under the Act, they are precluded from doing that unless every unit owner in the block agrees to the proposed change. There have been instances (and the person to whom I have referred is in this category) where all owners except one within a unit block want to change to a strata title, with the one party holding out and refusing to consent. As a result of that one objection, no progress can be made. For many reasons, some of which are in the public interest generally because they apply to the general methods of rating and so on, it is desirable that the modern and more up-to-date method of using strata titles be adopted.

Will the Government consider amending the strata titles legislation to find some way around the position whereby one person out of 12 can object to a strata title, so affecting the other persons concerned? I know consideration has been given to it in some quarters (I do not know whether it is on the Government's list for review), but will the Government look at this matter to see whether an amendment can be brought down enabling the Government still to remain fair and just to all parties concerned but, in the circumstances I have cited, to allow the persons who want to change in that situation to proceed and have their strata titles in future?

The Hon. T. M. CASEY: I shall get a reply for the honourable member.

SECOND ORCHESTRA

The Hon. M. B. DAWKINS: I seek leave to make a short statement prior to asking a question of the Minister representing the Premier in his capacity of being in charge of the Arts Development Branch.

Leave granted.

The Hon. M. B. DAWKINS: I note with interest in today's newspaper that a proposal to form a second orchestra in Adelaide is about to be brought to fruition and that an orchestra of about 30 people will be established on a part-time basis. This orchestra will be in regular rehearsal for two periods for a total of six hours a week, which will be a step in the right direction and, it being only a total six-hour period, it will enable some people who are very good musicians to have other occupations besides playing in an orchestra. My question relates to the Adelaide Symphony Orchestra, which was formed about 28 years ago with 45 players and now 60 to 65 players. Although this is a fairly large orchestra, it is not regarded as being adequate in numbers for larger-scale concerts. This could be a way in which the South Australian Government could provide further assistance to the Adelaide Symphony Orchestra, if the Government was to make available this second orchestra for the augmentation of the Adelaide Symphony Orchestra for large-scale concerts during the year. I think it would involve perhaps 10 weeks of the 40-week or 50-week year in which the orchestra may be active, and it would mean that the Adelaide Symphony Orchestra, instead of comprising 60 to 65 players, could be of possibly 85 players for these large-scale concerts. It could be a way in which the Government, which is always being asked to contribute more money to the Adelaide Symphony Orchestra, could make a really valuable contribution not only to a second orchestra but also to increasing the size of the original Adelaide Symphony Orchestra for the large-scale occasions.

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

PRAWN LICENCES

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

Leave granted.

The Hon. M. B. CAMERON: Yesterday, in answer to a question, the Minister indicated that the two people who

had been granted prawn licences under the criteria laid down by the Minister had in fact been granted only provisional licences, and they now had to go through the process of proving that they conformed to the criteria laid down by the Minister. I have been informed that the two people concerned have been told by telephone and by telegram that they have been approved for holding prawn licences. The word "provisional" did not enter into either the telephone call or the telegram, as I understand it. Can the Minister say whether that is the case and, particularly as in this case both gentlemen are already, on the basis of that information, spending money preparing for prawn fishing, whether he will immediately inform them that this is only a provisional licence, and whether he may have put these people in the position of being able to claim, under the law, if they are now refused a licence?

The Hon. B. A. CHATTERTON: One thing that can be said without contradiction about the fishing industry is that it is full of rumours; indeed, there are more rumours than there are fish, as the Hon. Mr. Banfield just suggested to me. Many people have been making all sorts of accusations and suppositions as to what various people have been doing or will be doing. The situation is clear: the assessment of applicants was done and, on the basis of a declaration that they made in their applications, and a ballot, two people were granted provisional authorities. It seemed the most sensible and economic way of tackling the situation, in view of the many applicants. It was made clear on many occasions that, after the ballot, a check would be made to confirm that the applications were true and correct in every way. That check will be carried out. The honourable member contends that the people who were selected by the ballot did not meet the requirements; if it is found that they made false declarations and if they did not meet the criteria, fresh names will be selected by ballot.

The Hon. M. B. Cameron: Were telegrams sent to them, and did those telegrams include the word "provisional"?

The Hon. B. A. CHATTERTON: The successful people were informed, but I do not know the exact wording of the telegrams or telephone conversations. The position is clear to anybody involved in this matter, as I have stated.

RAPE VICTIMS

The Hon. ANNE LEVY: I seek leave to make a short statement before asking a question of the Minister of Health.

Leave granted.

The Hon. ANNE LEVY: The Mitchell committee's report on rape and sexual offences recommended that the police should establish a panel of doctors, including women doctors, from whom a rape victim could choose a doctor for the medical examination as part of the police investigation of rape reports. I understand that the Government has accepted that recommendation. I am delighted that progress has been made towards more sympathetic handling of rape victims, for example, by the establishment of a rape inquiry unit, but I understand that at present all such medical examinations are still being conducted by the police medical officer. Can the Minister say when the panel of doctors will be set up, how many doctors will be on the panel, and what proportion of the panel will be women doctors?

The Hon. D. H. L. BANFIELD: The principle of establishing a panel of doctors and the inclusion of women doctors on that panel has been approved by the Government. As the honourable member indicated, a working party has been set up following a seminar at Queen Elizabeth Hospital conducted by Dr. Aileen Connon. It is considering the question of setting up a sexual offences referral unit in one of the large metropolitan hospitals. The question of setting up a panel of doctors, including women doctors, has been under discussion. I am awaiting the report, which is being prepared. I cannot yet say when the report will come down, but I am having it speeded up.

AUSTRAL-ASIA DEVELOPMENT CORPORATION

The Hon. D. H. LAIDLAW: Has the Minister of Health a reply to the question I asked on March 30 concerning the Austral-Asia Development Corporation?

The Hon. D. H. L. BANFIELD: Before involving itself in any project in Malaysia, the South Australian Government takes into account all known economic factors. All joint manufacturing ventures must be considered as normal commercial undertakings.

TRADE PRACTICES ACT

The Hon. J. E. DUNFORD: I seek leave to make a short statement prior to directing a question to the Chief Secretary, representing the Minister of Labour and Industry.

Leave granted.

The Hon. J. E. DUNFORD: Last week when I asked a question in this Council there was some confusion about whether I could ask that question or whether I should rephrase it. I accepted your ruling, Mr. President, that in asking a question one should not express one's opinion. Therefore, this question supplements the question I was not permitted to ask last week. Certainly, I do not want to express my opinion on this matter because, throughout the community and especially in this Chamber, my opinions are well known. My question concerns the Trade Practices Act Amendment Act soon to be dealt with by Federal Parliament, as well as amendments to the Conciliation and Arbitration Act. My several short questions are as follows: first, will section 45D read as follows:

> An employee . . . shall not engage in conduct with another person . . . for the purpose of hindering or preventing the supply of goods or services by the employer to a corporation . . . if the hindering or preventing supply would have a substantial adverse effect on the business of the corporation.

The PRESIDENT: I did not hear the beginning of the honourable member's question.

The Hon. J. E. DUNFORD: I have asked whether the Minister knows whether section 45D will be as I have outlined.

The PRESIDENT: That matter is before the Commonwealth Parliament, and no-one can know what will be in an Act until it is passed.

The Hon. J. E. DUNFORD: I am referring to the Bill.

The PRESIDENT: There is a difference between a Bill, and an Act, as the honourable member knows.

The Hon. J. E. DUNFORD: Section 45D is already in the Act, but it is to be amended by the addition of the words to which I have just referred. Secondly, will a union or association not be able to take any legitimate action when the occasion demands, because all forms of strikes, boycotts, black bans or picket lines will be forbidden, however justified or necessary they may be? Thirdly, will any attempt to resort to action, which free trade unions all over the world can use, expose individuals and unions to fines imposed by the Federal Court of Australia of up to $50 000 for individuals and up to $250 000

for unions? Fourthly, will there be no exceptions to the ban contained in section 45D, even if the action relates to disputes over wages or conditions of work (including safety); will the ban still apply? Fifthly, can any individual, including employers, apply for injunctions (even retrospectively) to prevent action under which union leaders or rank and file members can be gaoled if they attempt to defy the injunction, however unwarranted the case of the employer? Sixthly, apart from the crippling fines for the action, will unions and their members face damages litigation in which employers or individuals could recover what they claimed to have lost in the dispute? Finally, if section 45D becomes law, will not only the rights of employee organisations to represent their members be at end but also will the rights of all citizens to seek betterment of their way of life be under threat?

The PRESIDENT: I think what the honourable member is asking the Minister to do is obtain a legal opinion on the interpretation of a Statute that is not yet in the Statute Books.

The Hon. J. E. Dunford: I am not.

The PRESIDENT: It is for me to decide whether the honourable member is or is not. I do not want to be hard on the honourable member but I would like to know why his question is not the seeking of a legal opinion.

The Hon. J. E. DUNFORD: Last week I asked the Minister whether he would read the Bill and give an interpretation.

The PRESIDENT: No, to invite him to make a statement.

The Hon. J. E. DUNFORD: On the contents of the Bill. I am doing the same thing now. These provisions are in the Bill. It is not something on which I am giving an opinion. These actual provisions are in the Bill.

The PRESIDENT: That might well be, but the Bill has not passed and it may not be passed.

The Hon. J. E. DUNFORD: I know that. It is exactly the same question that you allowed last week.

The PRESIDENT: I do not think it is.

The Hon. J. E. DUNFORD: I asked him to read the Bill and give an opinion.

The PRESIDENT: If the honourable member wants the Minister to consider making a Ministerial statement about the matters to which he has drawn attention in the Bill, that is all right, although it is getting pretty close to the line. I would allow that if the honourable member would be happy with it.

The Hon. J. E. Dunford: Yes.

The PRESIDENT: If the honourable member puts it that way I will be happy to accept the question.

The Hon. J. E. DUNFORD: Yes, I agree with that.

The Hon. D. H. L. BANFIELD: I shall refer the matter to the Minister of Labour and Industry to see whether he will make a statement concerning the matters raised by the honourable member.

ADELAIDE FESTIVAL CENTRE ANNUAL REPORT

The Hon. J. R. CARNIE: I wish to direct a question to the Chief Secretary. On March 29, the first day of this session, I asked the Minister representing the Premier whether he could find out when we could expect the annual report of the Adelaide Festival Centre for the year ended June 30, 1976. I have waited patiently for the Chief Secretary to advise me that he has an answer to that question but that has not yet come to hand. As I understand that this session will finish next week, I am a little concerned that I will not have the answer before the session finishes. Will the Minister do what he can to expedite an answer from the Premier?

The Hon. D. H. L. BANFIELD: I certainly will.

HARE KRISHNA SECT

The Hon. C. W. CREEDON: I seek leave to make a brief explanation prior to directing a question to the Minister representing the Attorney-General.

Leave granted.

The Hon. C. W. CREEDON: In explanation of the question I wish to read a couple of paragraphs from a letter I received. The letter states:

I am writing to you regarding my problem with a member of the Hare Krishna sect. As I was walking towards the Adelaide railway station I was approached by a young woman who offered me an L.P. record stating that it was a gift. I conversed with her for approximately another minute during which she said that, although the record was a gift, would I like to make a donation to help "young people off hard drugs". I then offered her the only note I had, $2. She then took the record back and gave me a small pamphlet instead. I had only a few minutes left in which to board my train, so combined with the situation of me being in quite a hurry and the girl's "hard sell" aggressive manner, I did not think to question her as to which organisation she represented. When I had boarded the train I opened the pamphlet she had given me and realised that the girl was actually collecting for the Hare Krishna sect, and the guise about her collecting for charity had left me $2 poorer. I rang the police at Angas Street. I was told that, although there had been many instances of this group collecting by false pretences reported, all the police could do at this stage was watch the sect closely as they are acting within the law.

Will the Attorney-General investigate this complaint and take whatever action is necessary to ensure that it does not continue.

The Hon. D. H. L. BANFIELD: I do not know whether the honourable member wants me to take action in relation to the specific case that he has cited. If he does, I will have to ask him to supply copies of the correspondence he has received. If he is asking his question on the general principle of the matter—

The Hon. C. W. Creedon: I am: on the general principle.

The Hon. D. H. L. BANFIELD: Very well. I will take up the matter with my colleague.

MENTALLY RETARDED CHILDREN

The Hon. N. K. FOSTER: Before asking my question, I draw honourable members' attention to the fact that there is a follow-up group in the Task Force on Co-ordination in Welfare and Health, which, although it has not yet completed its report (known as the Bailey report), has made certain recommendations. I should like to quote from a certain document which has come into my possession and which contains an expression of opinion by those interested in the welfare of the Mentally Retarded Children's Association of South Australia Incorporated. It is as follows:

A major portion of the difficulty currently being experienced by the administering officers, and in consequence the organisations, can be attributed to the tremendous calls which were made on the very limited funds when the change-over was made from a two-for-one subsidy to a four-for-one subsidy. The resultant chaos has been added to by the deliberate attempts on the part of the present Government to renege on the obligations it inherited under

this Act from the previous Government, and it is my experience that the rules governing payments to voluntary agencies under this Act have been altered considerably and frequently and without reference to the organisations concerned. In short, I regard the recommendation as simply being a method whereby the Social Security Department thrusts on to the State an administrative mess that it has created through its own ineptitudes, and is a direct attempt on the part of the Australian Government to absolve itself of responsibilities for the very large numbers of handicapped persons in desperate need of assistance through the Act.

I could quote further, Mr. President—

The PRESIDENT: Order! I think the honourable member has quoted enough, having quoted someone else's opinion.

The Hon. N. K. FOSTER: I said that previously, so you agree with me, Sir.

The PRESIDENT: No, I do not.

The Hon. N. K. FOSTER: Is the Minister aware of the Bailey report, and more specifically of recommendation 14 thereof, which states that the administration of the Handicapped Persons Assistance Act is being thrust upon the State Government? Is the Minister aware of the motives behind such a proposal?

The Hon. D. H. L. BANFIELD: I am aware of the Bailey report and of the implications involved if the recommendations contained therein are implemented by the Federal Government. Many recommendations have been made to me by various organisations similar to the Mentally Retarded Children's Society of South Australia Incorporated. Those people believe, with sound reason (although I cannot express their opinion to the Council), that they are being left holding the baby, whereas previously they have been encouraged to look after the handicapped people of South Australia. Although I am having the report analysed, my first reaction is that the Australian Government has set up this committee merely to ascertain whether it can, to the detriment of this country's handicapped people, shed itself of this responsibility, which had been accepted by the previous Government.

RYE GRASS TOXICITY

The Hon. M. B. DAWKINS: On April 5, I asked the Minister of Agriculture a question regarding rye grass toxicity in the Mid North area of the State. Has he a reply?

The Hon. B. A. CHATTERTON: On April 5, the honourable member commented on the effectiveness of burning-off in the control of rye grass toxicity and asked whether there could be a rationalisation of district council restrictions to help overcome this problem in the Mid North area. In my acknowledgement of the question, I intimated that steps had been taken to permit landowners in the Mid North to burn rye grass pastures and offered to find out precisely where such steps had been taken. I have ascertained that the following district councils were issued permits pursuant to section 55 of the Bushfires Act to facilitate these burning-off operations:

Burra Burra
Clare
Eudunda
Kapunda
Robertstown
Riverton
Saddleworth and Auburn

The permits were issued on December 10 last on the understanding that there would be appropriate liaison between district clerks, landholders and district agricultural advisers, and I understand that at least two councils subsequently allowed burning-off to take place after 5 p.m.

On the other hand, it has been unofficially reported that some councils would not permit the burning of pastures and, although ultimate authority under section 55 of the present Act lies with councils, I am concerned that such decisions may be prejudicial to farmers' management needs. I therefore believe that this is an issue that should be closely examined by the Country Fire Services Board when it becomes operative, and I shall refer the matter to the board in due course.

FIREARMS

The Hon. ANNE LEVY: I seek leave to make a brief statement prior to directing a question to the Minister of Health.

Leave granted.

The Hon. ANNE LEVY: I understand from figures recently made available that in 1975 there were 30 armed robberies in South Australia, of which 10 involved the use of pistols and 20 involved the use of other firearms. I also understand that, of 57 assaults in 1975 in which firearms were used, only 10 involved the use of pistols and 47 involved other firearms. At present, all firearms are required by law to be registered. Can the Minister give information about how many, if any, of the firearms involved in these serious crimes were unregistered?

The Hon. D. H. L. BANFIELD: I have not the information regarding the registration of these firearms, but I will seek it.

WELFARE GRANTS

The Hon. C. M. HILL: I ask leave to make a short statement prior to asking a question of the Minister of Health, representing the Minister of Community Welfare.

Leave granted.

The Hon. C. M. HILL: In the issue of the Italian national newspaper *Nuovo Paese* of April 16 this year, there is a report concerning South Australia and Adelaide. It deals with FILEF and a grant to that organisation from the Minister. Part of the report states:

State grant for FILEF initiatives: FILEF of South Australia has been informed in a letter from the State Minister of Community Welfare (Mr. Ron Payne) that they have been granted $8 750 to finance a series of initiatives in order to strengthen the organisation among migrant Italian workers. The letter was sent to the Secretary of FILEF in Adelaide, Mr. Franco Barbaro. This letter is evidently recognition given for the work done by this organisation up to this day.

I ask the Minister for what purpose his colleague proposes that this money be spent.

The Hon. C. J. Sumner: It is a welfare grant.

The Hon. C. M. HILL: We want more detail than that.

The Hon. C. J. Sumner: It was recommended by the Welfare Grants Advisory Committee.

The Hon. C. M. HILL: I think we should wait for the Minister.

The Hon. C. J. Sumner: I am telling you now.

The Hon. C. M. HILL: Will other migrant groups that make application receive similar favourable consideration by the Minister, and what criteria does the Minister apply in deciding grants such as this?

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

WHYALLA CULTURAL CENTRE

The Hon. C. M. HILL: I ask leave to make a short statement prior to directing a question to the Leader of the Government in the Council, representing the Premier.

Leave granted.

The Hon. C. M. HILL: An announcement released by the Premier in Whyalla this week stated that the cultural centre proposed for that city was to be scaled down in size. A constituent from Whyalla has contacted me, expressing bitter disappointment at this announcement and claiming that the reason for the Premier's reducing his allocation and scaling down his plans for Whyalla has been in some way associated with the economic circumstances applying in Whyalla.

The Hon. F. T. Blevins: That is your constituent's opinion.

The Hon. C. M. HILL: No, it is a statement made by him.

The Hon. F. T. Blevins: No-one has complained to me about it.

The Hon. C. M. HILL: My question to the Premier, through the Chief Secretary, is: what is the exact position regarding the Government's plans and proposals to help the people of Whyalla with their cultural centre, and, if there is a scaling down of those plans, what are the reasons for this change?

The Hon. D. H. L. BANFIELD: I have not seen the report. However, I will draw the Premier's attention to it and bring down a reply.

FORESTRY BILL SELECT COMMITTEE

The Hon. B. A. CHATTERTON (Minister of Forests): I move:

That Standing Orders be so far suspended at to enable me to move forthwith for the rescission of certain resolutions of this Council.

In speaking to this motion —

The PRESIDENT: Order! The honourable member has not moved the motion yet. He has moved only that Standing Orders be suspended. I will allow him to tell the Council what he proposes to do if he gets that leave.

The Hon. B. A. CHATTERTON: The resolutions that I seek to rescind refer to the setting up of a Select Committee on the Forestry Act Amendment Bill, and I will explain why I consider it important that Standing Orders be suspended to enable this Council to reconsider those motions, which were passed yesterday. I think it important for the Council to rescind the resolutions because of the serious nature of the passing of them. They were moved by the Opposition to take the management of this Council out of the hands of the Government.

The Hon. M. B. Cameron: Nonsense!

The Hon. B. A. CHATTERTON: I do not believe that members of the Council were clearly aware of the seriousness of this at the time, and I believe it to be an important question. I am moving for the suspension of the Standing Orders so that the Council can reconsider the motion moved by the Hon. Mr. DeGaris to refer the Bill to a Select Committee. To reinforce that statement, I point out that there were two occasions when the Opposition took the business out of the hands of the Government. On the first occasion, the Government indicated that it was not prepared to have a Select Committee and, despite that, the Opposition forced a Select Committee on the Government. On the second occasion, when a ballot was taken, Government members were put on this Select Committee that we had already indicated was not our wish.

It is important that the Council reconsider the motions because of their extreme seriousness. Similar action has been taken on a few occasions in the past but rarely has the Opposition taken the management of this Council out of the hands of the Government. For those reasons, I think that Standing Orders should be suspended to allow this matter to be debated again and to make clear that these are just the actions that the Opposition has taken in moving these motions.

The PRESIDENT: Is the motion seconded?

The Hon. C. J. SUMNER: Yes.

The Hon. R. C. DeGARIS (Leader of the Opposition): When copies of these motions were placed on my desk, I was quite prepared at that stage to agree to the suspension of Standing Orders to allow the Minister to move his second motion. Following what he has said, I have changed my mind: I shall oppose the suspension of Standing Orders because what the Minister has said is not factual; nor has it any relation to the powers of Parliament. The Minister has said that there was a move yesterday to take the business out of the hands of the Government. The Minister is saying that the only people who can determine whether there is to be any Parliamentary inquiry into any question is the Government itself, but Parliament has the right to determine that question. If what the Minister says is correct, how can we move any amendment to any Bill in this Council without taking the business out of the hands of the Government?

Time and time again, we move amendments that are carried. The Government itself moves amendments in this Chamber. It is the right of every member in this Council to move what motion or what amendment he wishes to any legislation, or to move for any Select Committee to inquire into any matter he desires it to. If Parliament agrees that an inquiry should be made into a matter and the motion is carried, to say that it is taking the business out of the Government's hands is complete nonsense. I was quite prepared, when I saw this motion, to allow the Minister to suspend Standing Orders. If a member does not wish to be on a Select Committee, Standing Orders allows his withdrawal. Any member can withdraw from a Select Committee if he feels he does not wish to sit on it. That is covered in Standing Orders but, from what the Minister has said, I am not prepared to vote for the suspension of Standing Orders to allow the debate to continue on these lines. Any member here has the right to withdraw from a Select Committee if he so desires; Standing Orders provide for that, and I suggest that that procedure should be adopted if a member wishes to withdraw from a Select Committee.

The Hon. D. H. L. BANFIELD (Minister of Health): I support the motion. Irrespective of what the Hon. Mr. DeGaris has said, there was no question but that the Opposition took the business out of the Government's hands. It clearly shows how easily the Hon. Mr. DeGaris can change his mind. This happens repeatedly, and it is no wonder the Opposition is confused, because of the frequent changes of mind by the Leader of the Opposition. The Forestry Act Amendment Bill is a Bill that this Government wants through in this session of Parliament. It would not have opposed a move for a Select Committee, provided that it reported back in this session of Parliament; the Government would have gone along with that,

but deferring the report until next session would successfully take the business out of the Government's hands and frustrate the Government in getting on with the business of running the State, which it was elected to do.

The Hon. Mr. DeGaris asks: if this is accepted, how can the Opposition in the future move amendments to Government Bills? That is a ridiculous comparison, because this does not prevent a Bill from going through in this session of Parliament. It allows further discussion to take place during this session of Parliament and in no way can it be compared with the question of a Select Committee that would defer reporting back in this session. No wonder people outside Parliament are beginning to wake up to the fact that the Opposition, in its desire to govern and in its frustration, is trying already to take over the Government. Members opposite know they have no chance of taking over the Government by the ballot box, so they attempt to take the business out of the Government's hands. That is the only reason for their doing it yesterday. It was clearly indicated to them by the Minister of Agriculture that the Government wanted this Bill through in this session; it was indicated to members opposite that we would not participate in a Select Committee that would report back in another session of Parliament; and it was clearly indicated to members opposite that Government members were not prepared to sit on that Select Committee.

As the Minister of Agriculture has said, on two occasions members opposite disregarded the Government's wishes in this regard. They have frustrated the Government from carrying out the legislative programme for this session. For those reasons, I ask honourable members at least to let us move the motion. Are members opposite afraid that we may at least have another opportunity to debate this matter? The matter is still in their hands. All we are asking for is the suspension of Standing Orders to enable the matter to be debated again. We are asking the Opposition to do that because of its actions yesterday, when it took the business out of the Government's hands.

The Hon. C. M. HILL: I oppose the motion. Like the Hon. Mr. DeGaris, I intended to vote for the motion when we assembled today; I conferred with members on the front bench and we agreed—

The Hon. D. H. L. Banfield: I wonder whether the honourable member is complying with Standing Orders on this motion.

The Hon. C. M. HILL: What are you talking about?

The Hon. D. H. L. Banfield: I am asking the question; let the President decide.

The Hon. C. M. HILL: To which Standing Order are you referring?

The Hon. D. H. L. Banfield: The President has been asked, not you.

The PRESIDENT: My attention has been drawn to Standing Order 158, which states that a debate on a motion for the suspension of Standing Orders is limited to 15 minutes, and we have had about seven minutes so far.

The Hon. D. H. L. Banfield: Come off it!

The PRESIDENT: Well, we have had 12 minutes so far, and no more than five minutes is allowed to each speaker.

The Hon. D. H. L. Banfield: But how many speakers are allowed?

The Hon. C. M. HILL: I intended to support the motion when I conferred with the Hon. Mr. DeGaris—

The PRESIDENT: There is only three minutes to go.

The Hon. C. M. HILL: —and we both thought it reasonable to support the motion but, when the reason for the motion came forward and the Government claimed that this side of the Council had taken the business out of the Government's hands, that was patently ridiculous.

The Hon. T. M. Casey: If you do not support this motion, you will still be doing that.

The Hon. C. M. HILL: Indeed, any good faith that the Government had before this sitting commenced was shattered when the Leader of the Government in this Council said that, if the Opposition had moved for a Select Committee that would report back before this session concluded, he would have agreed to it. He knew full well that that could not have occurred. He knows that a Select Committee must advertise, call for witnesses to attend its sittings, take evidence from people willing to give evidence, and finally make its report. He knew that this session would end towards the end of next week and he therefore knew that it was patently rubbish that he was submitting as a reason for supporting his claim. For that reason alone, I strongly oppose the motion.

I point out that the purpose of a Select Committee is not to reject a Bill; there is nothing for the Government to object to. It is merely a machinery measure used to seek more information about the provisions of a Bill before this Council finally deals with the measure. Objection to a machinery measure of that kind, particularly in regard to a Bill that is not nation-rocking as far as the Government's policies are concerned, we cannot understand. Because of the Government's attitude, I oppose the motion.

The PRESIDENT: Order! The honourable member's time has expired. There has to be a division because this requires an absolute majority. Ring the bells.

The Council divided on the motion:

Ayes (9)—The Hons. D. H. L. Banfield, F. T. Blevins, T. M. Casey, B. A. Chatterton (teller), J. R. Cornwall, C. W. Creedon, N. K. Foster, Anne Levy, and C. J. Sumner.

Noes (9)—The Hons. J. C. Burdett, M. B. Cameron, J. A. Carnie, Jessie Cooper, M. B. Dawkins, R. C. DeGaris (teller), C. M. Hill, D. H. Laidlaw, and A. M. Whyte.

Pair—Aye—The Hon. J. E. Dunford. No—The Hon. R. A. Geddes.

The PRESIDENT: There are 9 Ayes and 9 Noes. The motion fails because of a lack of an absolute majority.

INDUSTRIAL CONCILIATION AND ARBITRATION ACT AMENDMENT BILL

The Hon. D. H. LAIDLAW obtained leave to introduce a Bill for an Act to amend the Industrial Conciliation and Arbitration Act, 1972-1975.

INDUSTRIAL CODE AMENDMENT BILL

Second reading.

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

That this Bill be now read a second time.

The hours of trading of retail stores has continued to be the subject of public discussion since the referendum of 1970, in which more electors voted against extended trading hours than for such an extension. The provisions of the

Industrial Code relating to shop trading hours have remained unaltered since 1970, and it is timely that they be reconsidered in the light of current conditions and attitudes. In some areas the existing legislation has become increasingly hard to enforce, and there are some indications of a change in public opinion on the matter.

Over the past year my colleague the Minister of Labour and Industry has undertaken a comprehensive investigation of the position throughout Australia, and this Bill is the result of that investigation. It represents the Government's view as to how this difficult and complex matter should be tackled. There are many interests to be considered when contemplating changes in the existing legislation. While many members of the public clearly would appreciate being able to buy any goods at any time of their choosing, it is not quite so clear whether they would appreciate the effects of a complete lack of restriction, which could include increased prices and the disappearance of the local store or delicatessen, with an even greater concentration of shopping services in large centres only readily accessible by private transport.

The interests of those who work in the shops is also of great importance. Any major extension of trading hours could involve a loss of private leisure time which is not readily compensated for, even by increased penalty rates. Shopkeepers themselves also have the right to operate a commercially viable business without having to work unreasonable hours.

Many different approaches may be taken to the question of regulation of closing hours. One option would be for the Legislature simply to abandon all regulation and let the market forces take their course. The Government believes this is not an acceptable or desirable option, and in fact would border on irresponsibility, as changes could then be foisted on to the public and the employees and employers in the industry without regard to their consequences or side effects, or to the increased prices that would undoubtedly result. It would mean that the public and industry alike would be at the mercy of any trader who was prepared to be aggressive in his marketing policies based on his own calculation of his immediate commercial gain and remain open as long as possible. In order not to lose competitive advantage, the rest would be forced to follow, whatever the immediate cost. The result would be chaotic, and in the end would assist neither the consumer nor the industry. While there is this conflict of interests, one group can be played off against another to the disadvantage of all.

With these conflicting interests in mind, the Government has decided that changes in shopping hours should not be an arbitrary act of the Government but should be a result of the widest possible public discussion before a tribunal which allows access to interested parties, and which can consider their submissions and make decisions based on the evidence presented. The position in Queensland, where the Industrial Commission has jurisdiction to determine shopping hours, has commended itself to the Government. One of the major provisions of the Bill deals with this. The Full Commission of the South Australian Industrial Commission is, by this Bill, given the power to amend, revoke or modify the closing hours of any shop or group or class of shops. In exercising its jurisdiction, the commission is to have regard to the interests of consumers and of shopkeepers and shop assistants affected by any order. Discretion is given to the commission on the factors it may take into account in arriving at its decision, provided it considers the interests of these three groups.

By allowing the matter to be fully explored in this way before an impartial tribunal, where the arguments of the various interest and pressure groups can be properly assessed, the general welfare of the community will be properly protected. This will mean that the matter can be looked at comprehensively and dispassionately. The Bill provides that any application to alter the trading hours of non-exempted shops in any shopping district can be initiated by a wide range of groups having an interest in the matter from the points of view of consumers, employees and shopkeepers alike. The commission will have power to receive submissions from whomever it chooses in determining an issue. By this means access to the tribunal and informality and openness of proceedings is guaranteed.

The other major change concerns exempted shops. First, the definition of shop has been amended to exclude stalls, tents and other temporary premises where there are usually no employees and the business is conducted intermittently. Secondly, the Act at present permits exempted shops to sell exempted goods at any time. Community attitudes and marketing practices have changed to such an extent in recent years that it is now impossible to ensure that exempted shops do not sell non-exempted goods after normal closing times. Exempt shops such as newsagents, delicatessens, chemists, souvenir shops, art shops and plant nurseries generally stock non-exempt goods and, unless an inspector is present, many of them sell non-exempt goods whenever they are open.

The past few years has seen an increase in the number of those specialist exempted shops taking advantage of the freedom the Code allows them to open outside the normal trading hours. It has become apparent that there is an overall public demand for the availability of particular goods after normal hours and a willingness on the part of shopkeepers and their employees to meet this demand.

To give some flexibility the Bill provides that a shop will be exempted if its stock of goods is 90 per cent or more of exempted goods. If a shopkeeper wants to have unrestricted trading hours then he can ensure that his shop is exempted by controlling the type of goods he stocks. In making this provision the Government has been careful to ensure that those shops which are known as convenience stores (a large combined delicatessen and grocery shop), which are exempted shops under the existing Act should be allowed to continue trading. On the other hand, the Government believes that the general question of the trading hours of supermarkets should be the subject of a commission hearing.

Therefore, the Bill provides that any shop in which foodstuffs are sold which was not permitted to trade without restriction previously can trade without restriction under the new provision only if it has a floor area no greater than 186 square metres (or 2 000 square feet). This floor area was, by agreement, adopted as the dividing line between small grocery stores and supermarkets after discussions in 1973 with all relevant associations of storekeepers. It is not, therefore, an arbitrary figure but one which has been reached as a result of negotiation and agreement between the Government and the storekeepers' representatives.

The Bill also provides that in future exempted goods will be prescribed by regulation rather than having to amend the Act each time an alteration becomes necessary. Parliament, of course, has the right to disallow any regulation. By expanding the list of exempted goods, consolidating it, and making it the subject of regulatory rather than statutory provision, a greater flexibility will be introduced into this area. There will also be a greater

acceptability of existing restrictions, and the need for prosecution which accompanies open flouting of the law will be reduced. To assist honourable members I seek leave to have inserted in *Hansard* without my reading it a list of the goods the Government proposed to be exempted by regulation.

Leave granted.

LIST OF EXEMPTED GOODS PROPOSED TO BE PRESCRIBED

Adhesive tape
Antiseptics
*Antiques (collectable articles which have increased in value because of age)
Aquariums and accessories for aquariums
Artifacts (products of native culture)
Batteries, dry cell
*Bleach
Books
*Bottle openers
Candles
*Can openers
*Caravans
Cards
Cigarettes, cigars, tobacco and smokers requisites
*Cleaning agents
*Clothes pegs
*Contraceptives
Cocoa
Coffee (including coffee beans)
*Cooking aids and ingredients
Cosmetic and toilet bags
Cosmetics and toilet requisites
*Detergents
*Disinfectants
*Distilled water
Drawings
*Drinking straws
Drinks, non-alcoholic (including cordials, cordial extracts and drink mixes)
Drugs
*Dyes
Electric light globes
Envelopes
Erasers
Etchings
Fertilisers
Films for cameras
First-aid requisites
Fish food
Fishing bait
Fishing gear
Flash bulbs for cameras
Flowers
*Foil
*Foodstuffs (except uncooked non-frozen meat other than bacon, poultry, rabbits and sausages)
*Fungicides
*Fuse wire
Gloves, rubber, plastic and leather
*Handcrafts (leather goods, toys, cushions, jewellery, lampshades, wood turnings, weavings, home knitteds, crochet work and the like, excluding items of clothing)
Hot water bags
Household oil
Ice
*Ice cream cups
Infants' comforters, pilchers, toilet and feeding requisites
Ink
Insect repellants
*Ironing aids
Journals
Lunch wraps
Magazines
Matches
Medical and surgical instruments and appliances, including veterinary instruments and appliances
Medicines including veterinary medicines
*Motor vehicles
*Mouse traps
Newspapers
Paintings (including reproductions)
Panty hose
Paper
*Paper cups
*Paper plates
*Paper serviettes
*Paper towels
*Patty pans
Pens and pencils (including refills)
Pesticides
*Pet accessories
Pet foods
Plants, living
*Plastics bags
*Plastic film
Pocket knives
*Polishes
*Posters
*Pots, flower and shrub
Pottery, hand made
*Pre-wash soaking agents
Rulers
*Scouring pads
Sculpture
Seeds
*Shoe laces
Souvenirs (mementoes of a time, place or occasion identified by inscription, stamping or marking)
Sponges
*Starch
Stockings
Sunglasses
*Swimming pools (demountable)
*Swimming pool accessories and chemicals
Tea
Toilet paper
Toilet tissues
*Trailers
*Water softening agents
*Weedicides
Wreaths
Writing pads
*and.....indicate new items and words which do not appear in the existing fourth schedule.

The changes to the present list are indicated in it. This Bill will ensure an orderly change in shopping hours in response to a properly tested demand balanced by considerations of the welfare of those within the industry. As such it represents a fair and reasonable way to deal with a matter of some controversy. I seek leave to include the details of the clauses in *Hansard* without my reading them.

Leave granted.

EXPLANATION OF CLAUSES

The principal object of this measure is to make a significant change in the procedure for the determination of "closing times" for shops and to some extent to rationalise the administration of the law relating to closing times. Clauses 1 and 2 are formal. Clause 3 makes an amendment to section 3 of the principal Act, the Industrial Code, 1967, as amended, consequential upon the insertion of an additional section. Clause 4 amends section 5 of the principal Act, which is the interpretation section, by—

(*a*) inserting a definition of "Designated Officer" which will be substituted for an out of date reference to the "Secretary for Labour and Industry";

(*b*) replacing the definitions of "exempted goods" and "exempted shop" to accord with the new definitions proposed in the Bill;

(*c*) inserting a definition of the "Industrial Commission" being the full commission of the Industrial Commission of South Australia constituted in the manner provided for by section 24 (2) of the Industrial Conciliation and Arbitration Act, 1972, as amended;

and

(*d*) slightly modifying the definition of "shop" so as to exclude tents, vehicles, platforms, ships, boats and certain stalls.

Clause 5 repeals and re-enacts section 165a of the principal Act and is commended to honourable members'

particular attention. It rationalises the administration of the provisions of the principal Act dealing with exempt shops, by leaving it entirely up to the shopkeeper to determine whether he will trade as an exempt shop. So long as he stocks 90 per centum or more of exempt goods he will, except in one case, be trading as an exempt shop. The exemption is contained in subclause (2) that, in effect, will exclude comparatively large food shops which have not previously been exempted shops, as to which see the third schedule to the present principal Act. Clauses 6, 7 and 8 all provide for the substitution of references to a designated officer in lieu of references to the Secretary for Labour and Industry. Clause 9 repeals section 203 of the principal Act, which provided for the making of regulations, with a view to a similar provision being inserted by clause 15. Clause 10 makes an amendment having the same effect as those referred to in clauses 6, 7 and 8. Clause 11 amends section 220 of the principal Act by recasting subsection (3) to slightly expand the class of shops that will, by virtue of the Statute, not be subject to regulation of closing. In substance, these are shops contained in recreation and sporting centres such as golf clubs and squash and bowling centres.

Clause 12 amends section 221 of the principal Act and is crucial to the measure. This clause inserts a new subsection (1a) in that section and gives the Industrial Commission the power to amend, vary or revoke the provisions of the principal Act which fix shopping hours generally, and its application to a shop or shops of a class or kind. In short, the determination of extended shopping hours will, should this measure be agreed to, be entirely a matter for the Industrial Commission. Clause 13 amends section 222 of the principal Act by providing a three-tiered system of penalties for breaches of the closing hours provisions, the penalties increasing in the case of second, third and subsequent offences. This clause is, it is suggested, self-explanatory. Clause 14 amends section 223 of the Act and is again quite significant. If this amendment is agreed to it will be no longer necessary for inspectors to undertake the time-consuming task of endeavouring to determine whether an "exempted shop" is selling "non-exempted goods". In substance if the shop keeps the total level of retail value of its goods within the bounds of the Statute it may sell any goods at any time.

Clause 15 inserts new sections 228, 229 and 230 and for convenience these sections will be dealt with *seriatim*. New section 228 sets out at subsection (1) the matter that the commission must take into account upon an application being made to it and at subsection (2) limits the classes of persons and bodies who may make such an application. New section 229 provides for the making of rules setting out the practice and procedure of the commission. New section 230 provides for an appropriate regulation-making power and at proposed subsection (3) provides a transitional provision. Clause 16 repeals the third and fourth schedules to the principal Act, since the matter in the fourth schedule will be covered by regulation (see definition of exempted goods in clause 4) and the matter in the third schedule is no longer required.

The Hon. J. A. CARNIE secured the adjournment of the debate.

LAND COMMISSION ACT AMENDMENT BILL (No. 2)

Adjourned debate on second reading.

(Continued from April 19. Page 3466.)

The Hon. C. M. HILL: First, I should like to make some general comments about the fears expressed in the commercial area in Adelaide concerning the Land Commission. The commission is growing in strength and numbers, and it is growing in power within the Public Service. Therefore, the Government should look closely at these changes and consider whether or not this trend is unwise in the general interests not only of the Public Service but also of the State at large. At present, the commission is overshadowing the State Planning Authority. It is involving itself in vast planning strategies, but with the emphasis only on that section of planning dealing with the establishment of suburban housing, amenities and facilities.

When a department that grows to this magnitude at the expense of the overall planning of metropolitan Adelaide, planning generally gets entirely out of balance, and this imbalance may not be rectified for many years to come. Great damage can be done to our metropolitan environment, and citizens become adversely affected. Also, the commission is now taking the spotlight in the housing industry away from the South Australian Housing Trust. It is the trust's basic obligation to build or supervise the building of houses but the commission, as another authority, is now treating with all the selected reputable project housing builders in South Australia, and estates of houses are being built by these builders under the commission's supervision. A few years ago when there was no commission, it was the trust that was dealing in most cases with these same builders, and the builders were building for the trust. I refer to this unfortunate growth, which the Government should examine closely.

The Hon. M. B. Cameron: Is the commission trying to take over the trust's role?

The Hon. C. M. HILL: This is what it amounts to. There is a gradual taking over of the trust's role, but it is being done in a subtle way.

The Hon. M. B. Cameron: Was it one of the commission's original intentions?

The Hon. C. M. HILL: That was not an original intention, although the commission's original intention, which has not been fulfilled, was to provide cheap land on which young South Australian couples could build their first house. That was the purpose for which Parliament created the commission, and that is why other honourable members and I supported its establishment. We have seen this tremendous growth, and the Government should be made aware of the concern being expressed about this area of its Public Service.

As the Minister said yesterday, this Bill deals with the situation where the commission gives notice to a developer who, let us assume, has recently purchased a large tract of land for the purpose of subdivision and development. Under the present legislation, if that developer substantially commences his project within two years, he can withstand the threat of that compulsory acquisition by the commission. However, if he has not substantially commenced his operations within two years, the commission has, at present, the following 12 months in which to make its claim to acquire that land compulsorily and can purchase it at the price pertaining when the first notice of acquisition was given.

In other words, the commission will be able to purchase land at the price that applied almost three years earlier, irrespective of the current value of the land or the value at the time of acquisition. Through this Bill, the Government intends to extend the period to a total of five years. At present there is a two-year period of intention plus one year (making a total three-year period in which acquisition can take place), but the Government now intends to allow the two initial years to remain in which

substantial commencement of operation must begin and to extend the one-year period to three years, making a five-year period altogether.

The Hon. M. B. Cameron: That's a long time.

The Hon. C. M. HILL: True, and I present two arguments in opposition to this measure. First, private developers find the initial two years is not a sufficiently long period in which they can substantially commence their operations on the land. This is because the current bureaucracy that faces subdividers of land (and to whom subdividers are required to make applications for consent) cannot provide the necessary approvals within two years. Various authorities have a right to say whether or not consent should be given, and the number of authorities justly entitled to state whether or not they believe some of the land should be acquired for their purposes has increased greatly in recent years. These applications to subdivide have to be submitted not only to the traditional departments, such as the Engineering and Water Supply Department and the Highways Department, but also to other authorities, such as the Education Department to see whether there is a need for land to be acquired for a school, and to many other departments that want to say whether or not at some stage they would be interested in acquiring the land. I have no criticism of the need for Government departments to be involved in the process initially, because in the public interest I think it is quite wise.

What has happened with this increased activity, however, is that the period of time for all these departments to look into their future planning and to advise whether or not they want to take action has increased tremendously. I am informed that subdividers of land find that, with obtaining approvals and with all the basic work that has to be done, involving road construction, water supply and electricity, etc., followed by negotiations concerning the commencement of house construction, surveys and all the other necessary requirements, the two-year period is just not long enough. So the problem arises that subdividers of land, whose operations are controlled as a result of legislation in this State (I say that to point out the fact that we are not dealing with people who are likely to make large profits and who should not be given fair and just consideration—the profits of subdividers are controlled under the urban price control legislation) find that they cannot substantially commence their housing estates and that they therefore come in danger of having the land acquired. Even at the present time they can have the land acquired at prices that applied two years prior to the acquisition.

One must be fair in a situation such as this. Vast sums of money are involved in such capital acquisition. Interest rates are high; the amount of compounding interest over the two-year term can be considerable, and the expense to subdividers can be considerable, too, in this initial two years of negotiations. I do not think it is reasonable for business interests of this kind to suffer by having retrospective legislation for prices to be fixed in that way. By the amendment before us, the Land Commission could go for a further two years (three years after the initial two years) and it is then purchasing land at values that applied five years prior to that date of actual acquisition. I cannot see any real justice in this at all. The aggregation of interest and holding costs and the expenses accruing of that kind, when we are dealing with initial investments, of what can be up to, say, $1 000 000, can amount to an enormous sum.

The Hon. R. C. DeGaris: As much as the land itself.

The Hon. C. M. HILL: Yes. It can quite easily get to a figure exceeding the original cost of the land. I do not think in the normal course of justice that legislation of that kind is fair.

The Hon. B. A. Chatterton: Whose amendment was it originally.

The Hon. C. M. HILL: I presume it was in the original legislation. I cannot recall the exact situation of the amendments. Whether it was in the original Bill or not I am not certain.

The Hon. R. C. DeGaris: A member of this Council moved the amendment.

The Hon. C. M. HILL: Yes. This Council wanted to give the subdivider, acting in good faith, knowing the time delays that occur, two years. This Council thought two years was fair.

The Hon. R. C. DeGaris: There was no protection up until then.

The Hon. C. M. HILL: There was no protection at all up until then. I can recall that now. That two-year period based on experience since the legislation went through, has proved to be not long enough. There is another facet of the general approach which I do not think is really fair. I can understand the Land Commission acquiring open-space land which might not be used for any further rural purpose and which, being on the fringe of metropolitan Adelaide, might at some stage be needed for housing. But, when the Land Commission moves in and compulsorily acquires land that has already been selected and contracted by a specialist in this same area, I think it smacks a little bit of unfairness on the part of the commission. This does not mean that the Land Commission could not treat privately with developers because, as I think the Hon. Mr. Foster made the point the other day, there were one or two instances where private developers did sell to the Land Commission originally.

The Hon. N. K. Foster: One or two! Put it in percentage terms.

The Hon. C. M. HILL: I do not know. If this kind of transaction is intended by private negotiation, that is a different kettle of fish altogether from the question of acquisition, but the basic point is that I do not agree with the Government's approach that this total period of three years should be exended to five years, and I will not support the Bill in that form. I believe there may be some compromise which, perhaps after full debate in this Council, can be reached and which might be acceptable to the Government and to the majority of members in this Chamber, but at present I think the measure is too severe and unfair.

The Hon. R. C. DeGARIS (Leader of the Opposition): I support the views expressed by the Hon. Mr. Hill. I would point out, first, that the reason for this amendment stems from a recent court judgement concerning the interpretation on section 7 of the Land Commission Act of the phrase "substantial commencement", where it was deemed to be the point where foundations of houses were actually laid, or words to that effect. I intend reading to the Council both subsections (7) and (8) of section 12 to try to convey what the Bill does. Subsection (7) provides:

Where a notice of intention to acquire land is served by or on behalf of the commission on the proprietor of land constituting a planning unit, and no such notice has previously been served in relation to that land, the proprietor may, within three months after the date of the service of that notice, serve personally or by post upon the commission prescribed particulars of the commercial development proposed by him in relation to the planning

unit, and in that event, land comprised in the planning unit shall not be acquired by compulsory process within a period of two years after the date of service of those particulars, and if a substantial commencement of the commercial development has been made during that period, the land shall not be acquired by compulsory process after the expiration of that period.

It has been held that the words "substantial commencement" do not mean a subdivision of land, the building of the roads, the establishment of the sewers, or electricity, but that they mean, according to the judgment, the point when the actual foundations of the houses are laid. If one looks at the processes that must be gone through from beginning to end, one sees that it can take two years to obtain form A approval. Also, there can be an appeal, and the appeal board can take 12 months to consider the matter. The Land Commission is in a position (and I am told, has done so) to force the private developer into the position of being compulsorily acquired. Section 12 (8) provides as follows:

Where the acquisition of any land has been delayed or postponed for any period by reason of the provisions of subsection (7) of this section, but the land is subsequently acquired by the Commission by compulsory process, within three years after service of the first notice of intention to acquire the land served by or on behalf of the Commission, then notwithstanding the provisions of the Land Acquisition Act, 1969-1972, the compensation to which the proprietor of the land is entitled shall be assessed in all respects as if the acquisition had been effected as soon as practicable after service of that first notice of intention to acquire the land.

In that subsection "three years" is being amended to "five years". One will note in the principal Act that there is a one-year difference between the period referred to in subsection (7) and the three years referred to in subsection (8).

What the Hon. Mr. Hill has said is perfectly true: the two years is too short a period in which to allow a developer to get right to the point of foundations. I am certain that in the original drafting of this subsection we were examining the actual surveying and road-making involved to that point. However, it is almost impossible, given all the facts that are available to Government agencies, which can frustrate (sometimes it is not deliberate frustration) private developers if they so desire, for one to get to the point of having foundations laid within two years. If we extend the period in subsection (8) from three years to five years, I believe it is reasonable to extend the period of two years referred to in subsection (7) to a period of four years. That is a perfectly reasonable request, as one can see if one examines all the facts of the matter.

Also, I should like to see a further amendment, extending the period of four years, if it can be shown by the private developer that his ability to get on with the subdivision has been frustrated in any way by any action of a public or semi-public authority. If it can be shown that the Land Commission, by lodging objections and appeals, has prevented the private developer from being able to fulfil the terms of subsection (7), I do not see why he should be subjected to the compulsory acquisition powers which the Land Commission possesses and which it exercises under subsection (8), where the price to be paid in relation to the land goes back for a period of five years.

The Hon. Mr. Hill's points regarding the interest are valid, as in such a period the sum involved could be as great as the original cost of the land, and the developer could lose everything in relation to the investment. If the Bill passes as it now stands, there will be no private development left in South Australia, which would be a tragedy. Although private developers have been amongst those who have been pilloried by the Government on occasions, the private development that has occurred in South Australia has been of a high standard.

I do not believe that the Land Commission has made the tremendous inroads that it was said it was going to make, by providing young people with cheap blocks of land. In saying that, I am not criticising the commission, believing as I do that it has a role to play. However, it should not be placed in the position of gaining a monopolistic control of all housing development in this State.

Given all the facts to which I have referred, those two points become extremely important: the period referred to in subsection (7) should be extended from two years to four years and if, for any reason, a private developer is unable to fulfil the terms of subsection (7) because of the action of a Government department or a semi-government instrumentality, the period should be extended to the period for which the operation was frustrated. I am willing to support the second reading, but on those conditions only.

The Hon. A. M. WHYTE secured the adjournment of the debate.

STATE GOVERNMENT INSURANCE COMMISSION ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from April 19. Page 3492.)

The Hon. A. M. WHYTE: I rise to state my attitude to this Bill, which, as honourable members have already said, originated from the 1965 policy speech of the late Frank Walsh. However, that was altered, and, whereas the late Premier spoke of two fields of insurance, we have been faced with a Bill introducing the concept of life assurance being handled by the Government.

This was surprising, as not many years before that the prominent leaders of the Labor Party, who spent a lifetime representing Labor people and who were not puppets of a socialist regime that we presently see dominating the Labor Party, were adamant about the matter, because this very provision of Governments taking over insurance companies and banks was part of the communist policy. Those men, who were stalwarts of the Labor Party, would not have a bar of it, and spoke out in a forthright manner condemning any action taken by the Government to take over such institutions.

The Hon. J. E. Dunford: What about Ben Chifley?

The Hon. A. M. WHYTE: What about him?

The Hon. J. E. Dunford: He wanted to nationalise the banks.

The Hon. A. M. WHYTE: He did not. It was Dr. Evatt. We now have a position that has been presented to us several times. I have always maintained that I do not care who goes into the life assurance business. I am not interested in protecting life assurance companies. As many competitors as wish are free to enter the field of insurance if they do so on the same competitive basis and are bound by the same rules as govern private companies. Unfortunately, there is no intention in this Bill that the Government will comply with those requirements. It will take a mean and despicable advantage over companies that have served this country well.

The condemnation that is made of those companies is not borne out. Much of our development and progress can be attributed to the societies which for a long time have been compelled to make contributions and which

also have voluntarily instigated developmental schemes throughout Australia. If the State Government succeeds with this scheme, it will not contribute anything like what the private companies have contributed. The development of such projects as the 90-mile desert could never have been financed by any scheme other than the one that the Australian Mutual Provident Society set up. We may get another wing on the Festival Theatre, but the Government will not contribute in the same way as the companies have done.

The Hon. F. T. Blevins: What about all the second mortgages that are given now?

The Hon. A. M. WHYTE: The honourable member may know more than I do about second mortgages. I am speaking not of them but of the privileges that the Government is taking by unfair means. The S.G.I.C. will not be bound by the Trade Practices Act or other Federal legislation that applies to all other companies.

The Hon. F. T. Blevins: That is under the Constitution, which specifically bars it.

The Hon. A. M. WHYTE: It does not bar anyone who wants to enter the field. We have always wanted fair and free competition, and the Constitution does not bar that. I abhor the fact that the Government is not prepared to compete on a fair and equitable basis. Having said that, I point out that I will support the Bill at this stage. I make clear that I have faced considerable antagonism from members of my own Party, some of whom have declared that, if this legislation is passed, they will resign from the Party. On the other hand, I have been faced with statements attributed to the Premier by Mr. Rex Jory, who often likes to please the Premier, about threatening a double dissolution if this Bill is not passed.

I tell both Parties that, as far as I am concerned, they can jump in the lake. I have made my decision, based on the fact that I believe that on this occasion the Government has some sort of mandate to proceed with this legislation. However, I am disappointed with the context of the Bill and, if amendments are moved to correct it, I will examine them closely. If I believe that there is a possibility of making the Government compete on a fair basis, I will consider those amendments.

The Hon. F. T. BLEVINS: I support this important measure. I agree with the Hon. Mr. Whyte's statement that the Government has a mandate for it. I have been amused at what the Liberals have said in this debate. I have read their speeches in the other place and, like the Hon. Mr. Laidlaw, have been disappointed with them. I have read the contradictions that Liberal Party members have tried to rationalise and come to grips with, but what they have said has been astonishing. The Opposition says that it is a Party of free enterprise and independent initiative. It also says that competition is the lifeblood of the nation, and it uses other meaningless phrases.

In this case the Government has said, "Let us have some competition. Let us set up one more office. Let us find out whether people want life assurance delivered to them in that way." There is no compulsion to go to the S.G.I.C. If the people do not like it, they will not buy insurance from it and will still be free to go to a private company. It is incomprehensible to say that it advocates competition and then to say that it opposes this measure. Such statements are illogical and they do not make sense.

The Hon. Mr. DeGaris made a rather remarkable contribution yesterday. It was extremely long and it was full of antiquated phrases and ideas that still repose in his dark mind. He made some rather silly remarks and, although this did not appear in *Hansard*, he did say that for some reason known only to his mind, and it would be of interest to me when he stated that the capitalist system—or the free enterprise system, because "capitalism" is a dirty word and he said he was not prepared to articulate it—

The Hon. R. C. DeGaris: I will articulate it for you.

The Hon. F. T. BLEVINS: —would generate poverty in Australia (and I would go along with him as far as that) at an income level which was substantially above the average income level of the Soviet Union and was 800 per cent above the average world income. In all fairness, what the Hon. Mr. DeGaris should have done if he wanted to make these comparisons was to tell us what the average income level was of the entire capitalist world, because I am sure, without having any figures whatsoever (I shall be pleased if anyone can demonstrate otherwise) that most people in this world who live under a capitalist system have an income that is less than the average income of the Soviet Union—but what that proves I have no idea.

If we went to the capitalist countries of Africa, Asia and South America, as I have, I am sure that no-one with any intelligence would agree with the Hon. Mr. DeGaris, because what the capitalist system delivers to those people is very little above subsistence level, and that is exactly the same system that we have here. That does not do the great majority of the world any good at all. Of course, the people in control of those countries do very well out of it, as do the people in control in this country, and I include among those people who do very well out of it people involved in running insurance companies, including those so-called mutual insurance companies and the like. The Hon. Mr. DeGaris also said that there is no demand in the community for this Bill. I do not want to go through all that again, when it was proposed in our platform at the election, but it is nonsense—

The Hon. J. C. Burdett: It was not at the last election.

The Hon. F. T. BLEVINS: —to suggest that we have not a mandate for it.

The Hon. J. C. Burdett: It was not at the last election.

The Hon. F. T. BLEVINS: We have something on our platform and it lies there—

The Hon. J. C. Burdett: That's right—it lies there.

The Hon. F. T. BLEVINS: —as an object to be implemented when the opportunity and the circumstances arise. It is an on-going thing and is certainly part of the Australian Labor Party's platform, as everyone knows. If there is no demand for what this Bill seeks to achieve, no-one will go and buy policies from the S.G.I.C., and the Hon. Mr. DeGaris and the Hon. Mr. Burdett will have been justified in their opposition to it; they will be able to say, "Well, there you are; the thing has withered on the vine; no-one wants it—we were right after all." As the Hon. Mr. Laidlaw points out, there is a very large measure of support for this Bill in the community. The honourable member used these figures, that 49·3 per cent were in favour, 33 per cent were against, and 17·7 per cent were not concerned either way. That shows there is a large measure of support for this Bill in the community. I think people will buy policies at the S.G.I.C. If they do not, the Opposition will be right, but we know that that will not be the case.

The Hon. Mr. DeGaris also made some comments about the highly skilled insurance agent who services the industry. I cannot speak for the whole State; my involvement with or knowledge of insurance agents is in Whyalla. If the

Hon. Mr. DeGaris considers that the bulk of the people involved as insurance agents in Whyalla are highly trained and highly skilled, he has to be joking. There are advertisements in nearly every issue of the local newspaper for insurance agents, and I know personally of insurance agents going up the street with no knowledge of the industry, getting out and selling as much as they can and getting their commission.

I think that most insurance agents are virtually only second-rate "con" men, and not very good at it. This presents a real problem in one way: there is a high disregard (or there is low regard) for insurance agents in the community. Whether rightly or wrongly, that is the case, and it often happens that people will have nothing whatever to do with insurance agents. I am one of those people. It happens that, through people not liking the only system under which they can buy insurance, they do not buy any insurance at all, and that, on rare occasions, leads to some real tragedies where people die with insufficient or no insurance cover. Their dependants, of course, are penalised because of the system under which people have to buy insurance: they do not like it so they do not buy insurance.

The Hon. R. C. DeGaris: Do you think they should buy?

The Hon. F. T. BLEVINS: Yes, although I do not like it. I am not really all that enamoured of it but I can appreciate someone who is working on the shop floor in a company with no superannuation scheme, or at best a very poor scheme; I can see that, however much a man may dislike buying insurance and keeping the insurance companies in the the manner to which they are accustomed, he still has an obligation to his wife and family and virtually must have some form of insurance or superannuation to protect them in case of his death.

The Hon. R. C. DeGaris: So they all walk into the S.G.I.C. to do it?

The Hon. F. T. BLEVINS: In all seriousness, this Bill deals with a further choice. If we do not like the present system (and I do not) all we are doing under this Bill is giving people a choice so that they can go to the S.G.I.C. and buy insurance over the counter, with no insurance agents who are overwhelmingly interested in the amount of commission they can get. We often see in the newspapers that some insurance agent has just scored $1 000 000-worth of insurance and has won a free trip to Fiji, at the expense of the policy-holders. I do not like that system; the S.G.I.C. will give people a choice—that is all. I think the Opposition should support that. As the Hon. Mr. Laidlaw says, it is certainly Liberal Party philosophy that there should be the maximum opportunity.

The Hon. J. E. Dunford: But only a few of them in the Liberal Party believe in it.

The Hon. F. T. BLEVINS: Yes. The Opposition certainly made the point that Liberal Party philosophy favoured competition and free enterprise. Hopefully, we can provide a small amount of further competition. In his second reading explanation, the Minister made perfectly clear that this was a double dissolution Bill. I would be delighted to have a double dissolution over this or any other issue. I am certain that the Labor Party would win any subsequent election, whether it was held on this issue or on any other issue. The Labor Party would gain a majority not only in the House of Assembly but also in this Council. According to the theoretical ideas of some people, this Council has run the State under the Hon. Mr. DeGaris.

To me, the attraction of a double dissolution is that the Labor Party, for the first time in the history of the State, would, following the subsequent election, gain control of both Houses of Parliament. As a result, we would see a stop to the occurrence of the kind of ridiculous situation that occurred yesterday and today, when the business of the Council was taken out of the hands of the Government. The entry of the S.G.I.C. into the life assurance field is a good move, but it is not instant socialism; I only wish it was. I support the Bill.

The Hon. C. W. CREEDON: I support the Bill. I spoke on this matter three or four years ago. I would be hard put to find better reasons than those so often enunciated by the Opposition, which constantly claims that business enterprises should function to the advantage of the people and that the rights of business enterprises should not be restricted or stifled in any way. The Liberal Party's constant clamour and hypocritical innuendoes show it up for what it is. The Liberal Party is adamant about the rights and privileges that should be enjoyed by business enterprises, which are strictly for profit making for the private individual. However, when a Government agency wants to create more competition against the private enterprise system (competition that can only benefit the State) the cry goes up that the Government wants to interfere with and control an industry that, it is claimed, the Government is going to drive out of business—the well-established private insurance operators. None of these firms are South Australian companies, and very few of them are solely Australian. They operate in this State and collect about nine per cent of their total policy premiums here, while they return less than half of that to the State. So, it is to the benefit of South Australia to have a South Australian organisation reaping some of the financial rewards, which can then be used within the State.

I would have thought that the Liberal Party, with its grandiose claims for a new federalism, would have been the first to back such a proposal. If we are to have this so-called federalism, should we not commence in our own backyard? If, as seems likely, each State in future establishes its own income tax system to run parallel to that of the Federal Government, is it not about time that we established more of our own enterprises whose income remains here solely for the benefit of the State? The S.G.I.C. is operating in the field of bridging finance, thereby helping young people to purchase a house. The interest rate is 12 per cent, but the interest rate charged by private financiers is at least 5 per cent higher than that. I remind honourable members that keeping the money in South Australia is beneficial not only to would-be house buyers but also to the building industry.

The Hon. Mr. DeGaris had much to say on this Bill yesterday, and this morning during a radio programme he continued to criticise the activities of the S.G.I.C. and the Government. He seems to have a fixation about compulsory third party insurance. It appears to me that he even implied that the tribunal, which was set up to determine third party charges under the chairmanship of a judge, manipulated the books, so to speak, to keep premiums low and force private companies out of business. Nothing could be further from the truth, and it does not seem to be a very reputable tactic to dig up all sorts of slanderous arguments because one disagrees with a policy. The fact is that third party insurance is an up-and-down profit business. The private companies opted out to try to embarrass the S.G.I.C.

We all know what is responsible for the increased costs of third party policies. Surely everyone has at some time needed the services of vehicle body repair firms. One can have a repair job done more cheaply if one is willing to pay for it personally. Instantly the repair firm knows that an insurance company is involved, the quotation is increased

substantially. The Hon. Mr. DeGaris flippantly blamed the Government and the S.G.I.C. for the inability of private insurers to compete in the third party insurance field, instead of placing the blame where it rightly belongs. I wish to refer to an article, headed "Most for S.G.I.C. in life field", in the *Advertiser* of March 23. I point out that I will quote a different part of the article from that quoted by the Hon. Mr. Laidlaw yesterday. The article states:

The S.G.I.C. question was one among a number in one of the group's periodic surveys. Younger people tended to be more in favour of S.G.I.C. life assurance than older people.

In the 18 to 24 age group 60 per cent of males and 64 per cent of females were in favour and 20 per cent and 16 per cent respectively were against. In the 25 to 39 age group 49·6 per cent of males and 42·9 per cent of females were in favor, and 35·5 per cent and 31·9 per cent against.

In the 40 to 54 group 52·7 per cent of males and 45·3 per cent of females were in favor and 34·5 per cent and 36·8 per cent against. In the 55-and-over group 51 per cent of males and 39·5 per cent of females were in favor and 38·8 per cent and 40·3 per cent against.

The only reason that I have quoted these figures is to show that the people are apparently interested in having such a service available. I trust that the Opposition is aware of the feeling in the community and will follow the lead already set by those polled on the subject. I support the Bill.

The Hon. J. E. DUNFORD: I rise to support the Bill. First, like my colleagues on this side of the Chamber and those in another place, we do not intend to take over the insurance field in this State. However, we believe that we can give a more than adequate service to the people of South Australia. The history of Governments entering the field of life assurance was outlined by the Hon. Mr. Laidlaw, who said that the first move was made in 1918. My advice is that he is only a couple of years out. Indeed, only two Parliaments have previously passed legislation enabling their Governments to enter the life assurance field. The first was under the Ryan Ministry in Queensland in 1916, and the second was under the McKell Ministry in New South Wales in 1941, both Labor Governments.

I intend to refer to both debates surrounding the introduction of that legislation in the respective Houses. However, unlike the Hon. Mr. DeGaris, I will not be reading copious notes and accounts of what has appeared in *Hansard,* although it is insufficient merely to state that the Labor Government has gone into the field of life assurance in those other two States. In his second reading speech on November 14, 1916, the Hon. J. A. Fihelly (in Queensland) stated:

This Bill is the result, I may say, of the most careful inquiry into the business of insurance, and in its drafting we have employed the most expert knowledge obtainable in this State. Unfortunately, in the past, the insurance business has taken into consideration too often the interests of the shareholder as against those of the policy-holder.

In Australia more particularly, the companies have had a fairly free hand on account of tariff arrangements, having a uniform tariff, and also not being interfered with in any way whatsoever by the various Governments. In Victoria recently the State did establish a State Accident Office in competition with private companies, and in New Zealand a State office there has been in competition with the companies for some time, but throughout the Commonwealth, speaking broadly, the companies have an uninterrupted monopoly of the business of insurance—fire, life, marine, and accident—and now we propose to step in and endeavour to safeguard the public.

The Hon. J. Tolmie made the following interjection:

And take a monopoly.

The Hon. J. A. Fihelly continued:

No, we do not want a monopoly. We propose to step in and compete with private companies and we hope to attain the same object as was attained in New Zealand—that is, reduce the cost to the public very considerably, and give a better service all round than is being given at the present time.

The Labor Party has the same philosophy 60 years later, although probably insurance companies have not had the same freedom they had before 1916 and before the passage of that Bill. In introducing his Bill in 1941 the Hon. W. J. McKell (N.S.W. Premier) said that he intended to go into competition with free enterprise and stated:

When I was Minister for Labour and Industry I made a thorough investigation of the matter, and I was satisfied that while there might not have been abuses, the rates charged were very close to that element. In other words, I was satisfied that it was necessary to increase the operation and authority of the Government Insurance Office in order to prevent exploitation and abuse, or near abuse. I do not believe in any form of exploitation.

Regarding exploitation, I will refer to the situation and the abuses applying in South Australia in 1977 if the Leader's figures are correct. Before I refer to the speech of the Hon. Mr. DeGaris, I point out to honourable members that there have been many press reports about life assurance. I am not here to knock life assurance companies, although I do not believe statements made by other honourable members who have said that those companies give an adequate service to the community, and I do not believe that all the insurance underwriters and insurance salesmen know what they are selling.

Further, I do not believe that an incentive to sell a product makes it a better product, either. An *Advertiser* report of December 31, 1976, under the heading "Is insurance a good investment?", states:

In the past 12 months hundreds of thousands of policy-holders have decided that some cash in the hand is better than more cash but less purchasing power, if current trends continue—some time in the future.

The report then gives an example of a person 25 years of age taking out a 25-year policy. Over three years his contributions amount to $2 147 and by surrendering his policy at the end of three years it has a surrender value of $1 404. After five years this person will have paid $3 578 and the policy would have a surrender value of $2 809. On a 40-year policy his contributions after three years would amount to $1 265 and the surrender value would amount to $683, and after five years contributions would amount to $2 108, and the surrender value would amount to $1 355.

The Hon. R. C. DeGaris: But that person has been covered during that period.

The Hon. J. E. DUNFORD: True. Edward Nash, the *Advertiser* Economic Editor, gives an example in the article in question as follows:

Let us look at the experience of a healthy 25-year old who took out a 20 year endowment assurance policy in 1956 for a premium of $5 a week. He has paid $5 200 in premiums and from the time of the first premium he has had a death cover or sum assured of at least $5 500. But now the policy is maturing he stands to collect $7 967. This figure comes from an authentic 1956 policy but does include a terminal bonus of $150, not all insurance companies pay these. On the face of it he has not done badly. A tax-free capital gain of $2 767 in addition to the death cover appears reasonable until the erosive effects of inflation are considered. To see what contribution our policy-holder has made in terms of 1956 purchasing power, each $260 a year premium must be discounted by the rate of inflation—in this case according to the consumer price index. Thus in the first year his weekly $5 represents that amount of purchasing power, but 10 years later the purchasing power of his $5 is down to $3·95 in 1956 dollars, and by 1976 has slumped to $1·99.

The Hon. R. C. DeGaris: Does the same apply to Savings Bank interest if you take inflation into account?

The Hon. J. E. DUNFORD: This article goes on and explains that. If you are in the honourable Mr. Hill's caper you are better off. It states that too.

The Hon. C. M. Hill: What is that caper?

The Hon. J. E. DUNFORD: Your other interest apart from being a member of this Council—real estate. I have had experience with insurance. I have had insurance policies and have sold them. When I read that article in 1976, I spoke to a person now employed by a large company, and he said, "I hope no-one reads that, because I will be out of work." It does not say that insurance is all that bad, but it does not say that it is as good as stated by some people who work for incentives and who have no regular income or long service leave.

The business of selling insurance at present is similar to that of an optometrist I heard of in Melbourne years ago. Someone wanted to go to him and say, " I want to get my eyes tested for some glasses," but he was told, "For goodness sake, don't go in there, because you will come out with glasses." That happens, too, with other people who work for incentives, such as land and house salesmen who rely on their sales. If one takes the article at first glance, one can be encouraged to buy insurance, but if one dissects and reads the whole article one has second thoughts. In the past 12 months thousands of policy-holders have decided to cash in their policies, and they are going for other forms of insurance, the most popular form being term insurance, which offers a kind of protection rather like the insurance on a house. If a person's house does not burn down or he does not die during the insurance period, he is happy to collect nothing at all.

The Hon. R. C. DeGaris: That has been operating for years and years.

The Hon. J. E. DUNFORD: I am saying what the current trend is. I am informing this Council and the public of current trends. The Leader goes on about a socialist plot that he read about when he was a member of the Australian Labor Party many years ago, having paid 2s.6d. subscription. He and others have indicated that this is a take-over plot, but I will try to disprove that in a few moments.

The Hon. R. C. DeGaris: Do you believe that all matters should be even between the S.G.I.C. and the private sector?

The Hon. J. E. DUNFORD: They never can be even, because it is a different situation. The State Government is not out to exploit people. It is not out to make hugh profits to pay board members.

The Hon. R. C. DeGaris: S.G.I.C. board members are paid.

The Hon. J. E. DUNFORD: Yes, of course, but in the A.M.P. and T. and G., etc., people are jetting around in aeroplanes. The criticism levelled last evening by the Hon. R. C. DeGaris against the State Government Insurance Commission has been refuted in another place. That can be seen by reading *Hansard* of March 31, 1977, at page 3067.

The Hon. Mr. DeGaris told us that the selling method suggested had already been rejected by the industry world wide, and he referred to the Premier's statement that the S.G.I.C. would sell life insurance over the counter. I suggest that he made a misleading statement, and that what he meant to convey to the Council was nearly all insurance companies sell in the field and in the office: one can go in and take out at the counter life assurance or any other type of insurance one desires. The Leader asked, "Does anyone believe that a Government-run insurance office can charge cheaper rates for life assurance than are charged by an existing company?" No study of the working party report can give credence to this statement, which is more in the nature of a hoax.

If the Bill is carried, as I believe it will be, the S.G.I.C. will be able to give cheaper premiums because it has proved that in the comprehensive insurance field. I have had personal experience with this because I have had to get a cover note. The S.G.I.C. does not issue cover notes, and I contacted a private company on a Friday night. This was a legitimate and reputable company in the city and a company with which the trade union, of which I have been a member for over 30 years, had dealt. I rang the S.G.I.C. first, and gave the model of the car and its classification, and I was quoted $175. Armed with that information, and having been quoted $175 by the S.G.I.C., I went to this large, reputable company, saying, "I would like to insure my car with you. What are your terms?" In reply, I was told, "$600". I said, "Goodness gracious me, that could not be right." The person to whom I spoke looked up the form, and I said, "I am in class 1, not class 6." Not many people know that one's insurance is based on the group in which one's vehicle is placed. A Holden car is in group 1, whereas a Volvo is in group 3. Also, each driver is classified. In reply, he said, "That is different. The premium will be $225."

The Hon. C. M. Hill: It went from $600 down to $225?

The Hon. J. E. DUNFORD: That is correct. I often wonder how the poor migrant who goes into places such as these gets on. I suppose he has to pay the $600. I said, "I do not think I will take that. I think I can do better elsewhere." He said, "Have you got all your other insurance with this company?" When I said that I had not, he said, "Well, we do not want you." For the information of the Hon. Mr. DeGaris, I point out that this was an internationally known company.

The Hon. F. T. Blevins: It sounds crook to me.

The Hon. J. E. DUNFORD: That is so. The Hon. Mr. DeGaris said that it was inconceivable that, if it entered the life assurance field, the S.G.I.C. would be able to sell life assurance more cheaply. However, it has sold insurance more cheaply in the past, so why will it not be able to continue to do so in the future? It will not have to pay salesmen. The Hon. Mr. DeGaris said:

Life assurance can be sold only by incentive, and salaried staff would have no such incentive.

Of course, I dispute that, because a member of the commission's staff, being paid a decent salary, would have as much incentive to sell as anyone else. The Hon. Mr. DeGaris continued:

The agents are paid by results. It is likely that many salaried staff would be paid for nothing. In the long run, this would be much more expensive than payment by results. Then, there are the questions of long service leave, annual leave, and superannuation to be considered regarding salaried staff. The Premier makes a statement about these highly-paid people selling life assurance on commission, when the average salary of a life assurance salesman in South Australia is about $12 000 or $14 000 a year, without allowing for long service leave, annual leave, a motor car, and superannuation.

I interjected, saying, "They are being exploited." In reply, the Hon. Mr. DeGaris said:

They are not. That is the average income of life assurance salesmen in South Australia.

It seems to me that, if a person is expected to work under those conditions, without having the other benefits that other people enjoy, and having to sell by incentive, it could

lead to exploitation of the people to whom the salesman is selling: the South Australian public, and they are the people in whom the Government is interested. Later, I interjected as follows:

People must ensure that they are paid. So, I am not referring to fly-by-night companies.

In reply, the Hon. Mr. DeGaris said:

I ask the honourable member to tell me of someone who was not paid and who was insured with a commercial insurer. Has there been anyone who has not been paid?

Just about everyone can recall that in 1974 people were alarmed and horrified when the Northumberland Insurance Company, which was not a small company, went broke. I was a trade union secretary at the time, and it was made clear in the press that, if one had insured with that firm, one had better take out other insurance, because that company had no money at all.

The Hon. F. T. Blevins: They'd done their money.

The Hon. J. E. DUNFORD: Yes. The Hon. Mr. DeGaris tried to suggest that this might have happened 100 years ago, but it happened in 1974.

The Hon. F. T. Blevins: That's right.

The Hon. J. E. DUNFORD: I should now like to read a question asked by Mr. Becker in another place on October 9, 1974, as follows:

In the temporary absence of the Treasurer, will the Minister of Education say what action the Government can take to assist members of the public insured with Northumberland Insurance Company Limited who have claims outstanding and who now are forced to reinsure?

Although they were forced to reinsure, the Hon. Mr. DeGaris is suggesting that they were not robbed. However, if one has to pay one's insurance twice, one is, in my book, certainly getting touched. Mr. Becker continued as follows:

I understand that, as the company has gone into liquidation, outstanding claims will not be settled in full for some time, if ever. I have received complaints from constituents that crash repair companies will not release repaired motor vehicles until the accounts are paid in full by the owner of the vehicle or by this insurance company and that, as a result, many pensioners and people on fixed incomes will suffer extreme hardship. I understand that one case involves the owner of a motor vehicle worth $4 000. Repairs to that vehicle after an accident cost $1 000, and the repair company has told him that he must either arrange a personal loan or lose his motor vehicle. I also understand that about 80 per cent of taxi-cab owners had insured with this company. Their premiums are considerably higher than the premiums paid by private motorists, and those taxi-cab owners must reinsure with another company. One rate of insurance offered is $390 for the first $1 000 and $520 for $2 000. The State Government Insurance Commission recently has increased its premiums by over 30 per cent, and the commission's premiums are $300 to $400 higher for taxi owners. That seems extremely high to me. The whole point that I am making is that much hardship is being caused to people insured with the Northumberland company who had accidents before the failure of the company and who must arrange finance to get their vehicles back. Further, pressure is being placed on taxi-cab owners and vehicle repair companies.

It has been suggested that some of these people may have been paid, but I am not satisfied about that. The Hon. Mr. DeGaris said that the Premier had lied and made scurrilous statements about people working in the industry. I was not surprised to hear the honourable member say that, but I did not believe what he said. This is what the Premier stated:

Since the publication of the report of the working party and of the Government's intention to adopt that report, a farrago, an enormous output, of sheer, utter, deliberate and repeated falsehoods has stemmed from the Australian Life Offices Association.

I understand that the membership of the association is 18, and there are thousands of workers in the private insurance companies. The way the Hon. Mr. DeGaris spoke suggested that all people associated with life assurance were in that category. The Premier, as reported in *Hansard*, dealt with every allegation, and there was not a murmur from the Opposition. It will be interesting to see the Hon. Mr. DeGaris on television with the Premier if he makes those statements and tries to justify them. The Leader has had a good press this morning. He has suggested that the public cost in relation to S.G.I.C. will be $2 000 000 a year.

The Hon. R. C. DeGaris: It is $2 000 000 a year now.

The Hon. J. E. DUNFORD: He did not say that on the air this morning. I know what he said here yesterday and I know what was implied in the report. His statements that the Government gets cheap printing have been denied by the Government in the other place.

The Hon. F. T. Blevins: Can he prove his allegations?

The Hon. J. E. DUNFORD: He cannot prove any of the allegations he has made, and we had the position regarding the Hon. Mr. Casey about a fortnight ago. This morning, when I particularly asked the Premier, he told me (and the House had been told) that the printing costs were the same. The Hon. Mr. DeGaris suggested that the public cost of $2 000 000 arose because the Royal Adelaide Hospital and perhaps other hospitals gave a 20 per cent discount to people who were insured with S.G.I.C. and whose illness involved third party insurance. That discount is an incentive. The Hon. Mr. DeGaris does not say anything about the National Health Services Association giving members a 20 per cent reduction on chemist's goods.

Before 1975, people who paid tax could take out life assurance and get a rebate of up to $1 300. Were not the people who were not insured subsidising those who were? This is part of business and competition. A concession is given to get custom. The airways do it, although that is now contrary to the legislation. Some hotels give 15 bottles of beer to the dozen. There are all sorts of incentives in private enterprise. A concession given by a Government authority is said to be too far reaching, but that statement is misleading.

The Hon. R. C. DeGaris: What about the sales tax exemption? The Hon. Mr. Casey admitted it in this House.

The Hon. J. E. DUNFORD: The Premier did not admit it in the other House, did he?

The Hon. R. C. DeGaris: I do not know anything about that.

The Hon. J. E. DUNFORD: The Premier has not admitted to the sales tax. The Hon. Mr. Foster will give facts later about that. Last evening the Hon. Mr. DeGaris said that the employees in the insurance industry got together and, even without experience, put a segment on television about Government intrusion in this sacred area of private enterprise. They were fairly experienced, and I will bet Bourke Street to a brick that the Hon. Mr. DeGaris had something to do with it. There was reference to "another socialist plot" and "a crook thing".

The Hon. R. C. DeGaris: I had nothing to do with it.

The Hon. J. E. DUNFORD: It would have been some extreme right-wing group, because they looked crook and were crook. The Hon. Mr. DeGaris said that the employees got together and contributed money, but the segment involved the 18 people from the Life Offices Association. I am sure they did not get authorisation from their members to spend the money. However, we are not told those things. The Hon. Mr. DeGaris, the Hon.

Mr. Burdett, the Hon. Mr. Laidlaw, and the Hon. Mr. Whyte say they are not frightened of the Premier's threats about an election and that they are not frightened to go to the people, but I do not believe them, because they are frightened. The best way to put the matter to the test is to vote the Bill out.

The Hon. A. M. Whyte: Is that what you want?

The Hon. J. E. DUNFORD: Yes.

The Hon. A. M. Whyte: O.K.

The Hon. J. E. DUNFORD: I will bet that the honourable member does not stick with that.

The Hon. A. M. Whyte: If you pursue that line, I will.

The Hon. J. E. DUNFORD: It has been said that the Premier made a threat, but he said, as reported at page 3076 of *Hansard*, in explaining the Bill.

This short Bill is in the same form as a measure that was passed by this House on March 28, 1974, and laid aside in another place. Since that date a general election for the House of Assembly has taken place. In this Parliament, being the Parliament next ensuing after the Parliament in which the Bill was laid aside, this Bill is again introduced. Accordingly, I suggest that the constitutional implication of this measure will not escape the attention of honourable members.

That is a polite way to put it.

The Hon. A. M. Whyte: He is polite for only some of the time. He said many other things.

The Hon. J. E. DUNFORD: This is the second reading explanaition.

The Hon. A. M. Whyte: What about all the newspaper reports?

The Hon. J. E. DUNFORD: I have not the right to threaten you and the Premier has not threatened you, but I challenge you to go to the people.

The Hon. A. M. Whyte: O.K.

The Hon. J. E. DUNFORD: People who have voted Liberal for many years have said that they want to insure with S.G.I.C. and that, if this Bill is defeated, they will join the Labor Party. Honourable members will not admit that here, but they have been told it. I wind up by suggesting that the contributions made by the Hon. Mr. Burdett can be summed up as being very soft; the contributions made by the Hon. Mr. Laidlaw were very honest, and I know he will accept the challenge; he will not throw this Bill out on principle, because it was a long contribution. He said this, as reported in *Hansard*:

I now refer to several salient arguments in favour of passing the Bill. First, Government insurance offices have sold life policies in New Zealand since 1864, in Queensland since 1918, and in New South Wales since 1941.

The honourable member made an important point that has been made before in this Chamber; he continued:

Although the legislation in Queensland and New South Wales was introduced by Labor Administrations, Liberal and Country Party Governments have held office subsequently in those States for many years and have made no effort to remove this function from their Government Insurance Offices. Furthermore, these life offices seem to have made little impact and, despite their presence and the entry of 30 other private insurance companies, five large and well-established life organisations still hold about 80 per cent of the market in Australia.

That is something to listen to and to read into what the honourable member has said. I read into it that the same thing may occur here, that the workers who have been told by the media that they will lose their jobs if this socialist plot comes about, will not lose their jobs at all. The same thing will happen: the S.G.I.C. will make a success of it. It will not capture the whole market, and other companies will still be in the market, although they may have to improve the article they are selling to the public, their approach to the public and their services to the public as a result of the S.G.I.C.'s entry into the market. The honourable member continued:

In addition, several of my colleagues, during the debate in another place, argued that S.G.I.C. should not be allowed to participate, as Government bodies are never, or rarely, efficient. I do not accept this argument, because there is ample evidence that, when statutory bodies are pitted in competition against private companies, they can operate efficiently and profitably, and can offer a decent service, depending, of course, on the competence of their management. The Commonwealth Bank, Qantas and T.A.A. are cases in point. However, I shall avoid commenting on the efficiency of statutory bodies holding a monopoly position.

So the honourable member suggests, and we agree, that when statutory bodies have a monopoly, they cannot always be successful. That shows there is a little bit of honesty coming from the other side of the Chamber.

I did not agree with everything that the Hon. Mr. Whyte said. I am sorry that I cannot always agree with him, but he got very emotional about this socialistic scheme for the Government's taking over of the banks and insurance companies. I read some years ago something put out by the monetary research group about how the banks operate and do their accounting. I was staying at a hotel with six young bank clerks, and they ran down the unions, but I could not run down the banks because I knew nothing about them. However, I read a book and it said that, if a person borrowed £1 000, it was put on the credit side. It is all credit. The banks just cannot go broke. If we go down King William Street, we see them on every corner but, if a person tries to borrow some money, unless he is a politician or has some good security, he cannot get it. The Commonwealth Bank and the Commonwealth Government went into the business and were successful, thank goodness.

The Opposition has said shocking things have been said by the Premier about the insuranee companies. One was that they interfered with elections; they spent policy-holders' money on promoting a political Party. It would not be right (in fact, it would be completely wrong) without the authority of the shareholders to support the Labor Party! We would not accept the money but, of course, the Liberals did. We were told by the Hon. Mr. DeGaris last night that, when someone becomes a shareholder in an insurance company, he is given a ballot-paper and can nominate to get on the board. Don Dunstan was in two big companies and resigned from them; he was a member of those organisations. One was the Australian Mutual Provident Society and one was the Mutual Life and Citizens' Assurance Company Limited, but he did not get a ballot-paper and the right to vote, so the opposition that the Hon. Mr. Whyte makes to the Bill could be debated. He pointed out that the A.M.P. financed the 90-mile desert. Certainly, we are not here to knock that company completely: it has done a good job there and other good jobs previously, but let us look at what the S.G.I.C. has done in the few years of its existence. It borrowed $60 000 from the Government, it paid it back in eight weeks, and now it has investments worth more than $100 000 000.

The Hon. A. M. Whyte: And has put up its premiums by 300 per cent.

The Hon. J. E. DUNFORD: But they are still cheaper than those of private companies. The S.G.I.C. has lent $40 000 000 this year to build houses for people, and that money has gone to private enterprise, which builds the houses. That is $40 000 000 from the S.G.I.C.: how much

private sector and increase employment? The S.G.I.C. has proved that it can and will do what the A.M.P. did several years ago with the 90-mile desert. I thank the Council for giving me such a quiet hearing, without many interjections. It is obvious that it will support the Bill because, if honourable members had not agreed with what I have said, they would have said so in no uncertain terms by way of interjection.

The Hon. N. K. FOSTER: I want to deal briefly with the bleats and groans of the industry against this Bill. I also want to deal with the inaccuracies of some of the statements that have been made. First, I want to take apart the Leader of the Opposition, the hope and glory of honourable members opposite in this Chamber. It is not surprising that the honourable gentleman, who has just returned to his seat and who is always prepared, with his narrow political interests, principally to knock the Government, will lend himself to be the transmitter of the bleats, groans and moans of outside interests in regard to this Bill. I do not say that outside interests have no right to do that: in fact, I will be the first to insist that they have such rights, but they should be fair in disseminating to members of this Council any information they consider would be of value to members in this place who will enter the debate. However, they did not do that. It seems that the insurance group then directed that the Hon. Mr. DeGaris should receive his riding instructions. They sent out a kit for the Leader—not a kit for all members of Parliament duly elected by the people. This document, which has come into my possession, was given to the Hon. Mr. DeGaris. The document, headed "S.G.I.C.'s proposed entry into life assurance", states:

Our suggested basis for reply to the Premier's address in support of the Bill is:

(1) Principally to speak about the real issues—

And it goes on for page after page instructing the Hon. Mr. DeGaris as to what ought to be said. Is it any wonder that the Hon. Mr. DeGaris is still the lackey of a previous member of this Council, the Hon. Sir Arthur Rymill, who sits atop the citadel on the opposite corner of North Terrace as a Director of the Australian Mutual Provident Society? Does his name not appear on a plaque on that building, which was paid for not by policy-holders but by taxpayers, because much of the floor space of that building has been taken up by Commonwealth Government departments, which have more than paid for that building twice over? The policy-holders do not have any strict control over the way in which that building is used. The same kind of thing is associated with the Adelaide Mafia, and I will draw attention to the links of various Adelaide families with associated businesses in this State.

The Premier has already referred in the House of Assembly to the question of the Trade Practices Act. If the State Government Insurance Commission is not subject to that Act, it adheres to it. The document to which I have referred claims that there is no real demand for this move by the public, but that claim is exploded by a recent Gallup poll. The Life Offices Association stated that it was preparing a formal response to the Premier's speech but it would not be available before the Easter break. The association states that material is being made available to the Leader. Further, the Life Offices Association refers to the working party that was set up and criticises the suggestions of the working party, but that criticism is not valid. Are the private insurance companies frightened of competition? If they are not frightened of competition, they will have to pull up their socks if this Bill is passed.

An unfair comparison is drawn with the true situation, and scant attention is paid to the Heenan report in Western Australia, which was held up for a long time by the Court Government. The insurance company document asserts that the whole of the insurance field in this country has no association with other countries. However, one can see from annual reports that insurance companies are bound up with some other countries. There are links with South Africa, with the result that some companies get the benefit of sweated black labour. There are links with other African countries, too. Jobson's Year Book for 1976-77 refers to South Australian Insurance Holdings Limited, fire, marine, and general insurance subsidiaries; South Australian Insurance Company Limited; South Australian Insurance Custodian Trustees Limited; Commercial and Industrial Insurance Limited; Kent Assessors Proprietary Limited, incorporated in South Australia in 1972 and acquired by Lombard Insurance Company Limited, which is in turn controlled by Jardine Matheson and Company Limited, Hong Kong. If Hong Kong belongs to South Australia, I am surprised.

So, not only do the private insurance organisations give the Hon. Mr. DeGaris false information but also he in turn uses it in debate and is not willing to ascertain the true situation. Jobson's Year Book for 1976-77 also refers to Lombard Australia Limited. All capital is held by Lombard North Central Limited, formerly Lombard Banking Limited, which in 1970 became a subsidiary of the Westminister Bank Limited. So, it is not of Australian origin. The Prudential organisation was registered in 1848 in England. Further, the National General Insurance Company Limited, general insurance underwriters, was incorporated in New South Wales in 1954. In 1953, Custom Credit Corporation Limited became a wholly owned subsidiary of the National Bank of Australasia Limited. Subsidiaries are the National General Insurance Company Limited and the National General Insurance Company (U.K.) Limited.

So, some companies have a link as lending and banking institutions with insurance companies. In this connection, I point out the valuable role of the S.G.I.C. in providing bridging finance to young couples purchasing houses. It is said that the Q.B.E. insurance group has an interest in 14 other countries, but I point out that that figure could be doubled or trebled, because the United Kingdom and Europe are referred to. We must remember that the continent of Europe includes perhaps 50 countries. So, the Q.B.E. group may have an interest in many countries.

I draw the Council's attention to the group of companies which merged in 1973 and, in conjunction with Queensland Insurance, took in Bankers and Traders, and subsequently both companies have operated fire and general insurance, yet in 1959 they entered the life assurance field through the acquisition of Equitable Life and General Assurance. There has been no criticism whatever by honourable members who have already spoken in this debate about private companies which have not been involved previously in life assurance and which subsequently changed their policy to include life assurance in their activity.

No criticism has been made of that change whatever. What is the position of criticism regarding a similar change of policy by the S.G.I.C.? Why should the S.G.I.C. be criticised? It must show all its proposals in this matter to public, Parliamentary and legislative scrutiny. The Heenan report from Western Australia reveals much about this matter, and I will refer to that later. I now refer to the family names involved in life assurance in South Australia. First, Ian McLachlan, Chairman, Colonial Mutual Life Assurance Society Limited, South Australian Board, a previous President of the Liberal Party during its split in this State. He was involved as a board member of

the Executor Trustee and Agency Company of South Australia Limited. I refer to Mr. Bruce Macklin, a previous board member of the National Mutual Life Assurance Society, also on the board of Advertiser Newspapers Limited, Bovril Limited, Quarries Limited, Elder Smith Goldsbrough Mort Limited, Elders Finance and Investment Ltd., Lensworth Finance, Onkaparinga Textiles, and the list goes on. I could go on about the Bonython family, the Rymills, and many others. There is a direct link between many companies and these people. One could refer to them as the Adelaide "Mafia".

There is much competition from time to time for the position of "Godfather", but at present Sir Arthur Rymill most certainly can be considered as the Godfather. True, Edward Hayward would like to assume that mantle, but on other occasions he prefers to play a more obscure role. I refer to the emotional letters to the Editor and press statements regarding this matter. I refer to the letter by Ian L. Frost in this morning's *Advertiser*. Such letters are connected, as we discovered, in relation to a campaign relating to letters to the Editor, to the Liberal Party. These could be identified through the initials of the writers, although often addresses were changed. This morning's letter deals with what the Life Officers Association has given in its kit to the Hon. Mr. DeGaris. I refer to another letter written by George Basisovs, who came to this country in 1949 and who is now a member of the Liberal Party. True, he played around with the Democratic Labor Party.

The Hon. B. A. Chatterton: Was he not a Liberal candidate at the last election?

The Hon. N. K. FOSTER: I believe so, and he may even be an endorsed Liberal candidate in the next election. Another correspondent was a freelance insurance broker but, when I attempted to telephone him, I found that his telephone had been disconnected. Perhaps he had failed to pay his Telecom bill, but I do not know. I understand the Hon. Mr. Laidlaw is a friend of his. I refer to the bleatings of the Life Offices Association, and the publication in the press of a full page advertisement in relations to S.G.I.C. I intend to refute all those allegations on the basis of the Heenan report at a later stage.

Other matters with which I intend to deal are contained in the speech of the Leader of the Opposition, but much has been said by the Leader and his colleagues about the rights of shareholders in public companies. I refer to a report in the *National Times* under the heading "For insurance company boards: long life, safety and mutual security", which states:

There is no more powerful group in the Australian financial community than the managers and directors of Australia's big six life insurance companies. With total assets of $6 800 000 000 and with hugh investments in shares and property, the life offices are a major influence on the policies of significant sectors of the Australian business community. It is rarely acknowledged, but for five of the big six, this power in fact really belongs to the policy-holders of the insurance companies. For all but the M.L.C. in the big six are owned by their policy-holders. And theoretically the life offices and their managers are supervised by these millions of policy-holders.

In fact, of course, policy-holders, through ignorance and apathy, have effectively disfranchised themselves. The result has been the appearance of a self-perpetuating group in the boardrooms of the life offices, who suffer little accountability or scrutiny.

I refer to the criticism made by the Leader about the way S.G.I.C. operates in South Australia. He referred to its being subsidised by taxpayers by $2 000 000 and attempted to draw red herrings across this matter. We will answer in this Chamber why S.G.I.C. has that right in relation to its scruting and its accountability as well as its responsibility to the public, because taxpayers' funds are involved as distinct from funds of policy-holders. The report continues:

It is ironic that while the life offices will increasingly influence the boards and performances of Australia's biggest companies—through their big shareholdings—there will be no-one looking over the shoulders of the insurance company boards themselves, except the Commonwealth Insurance Commissioner. Late last month the directors of one of Australia's largest life assurance companies, The National Mutual Life Association of Australasia Ltd., held a little-known extraordinary general meeting at their Collins Street headquarters in Melbourne. They passed new articles of association which gave them the ability to further entrench their own positions as directors. As a result of the move the National Mutual's seven-man board made it more difficult than ever for any outside group of dissident policy-holders to successfully try to dislodge it.

The directors apparently did not consider it was worth the expense to directly inform more than a mere five of their 500 000 or so policy-holders of these moves. Rather, the National Mutual relied on the public notices section in the back pages of the daily press as the only method of communicating notice of the meeting to the vast majority of its policy-holders. The meeting itself lasted a mere three minues. No quesions were asked and the motion was passed unanimously on a show of hands. So much for democracy. Policy-holders, it seems, are left in the dark regarding the running of the life offices which they collectively own, while the directors and management quietly go their own way. This extremely off-handed treatment of its policy-holders by the board of such a major life office with a huge $1 100 000 000 in assets which is a powerful force in the Australian commercial scene is an indicator of the attitudes that life office directors have towards their own policy-holders.

The general manager of the National Mutual, Mr. Huntly Walker, said of his board's actions: "It would have cost us hundreds of thousands of dollars to have posted the notice of the extraordinary general meeting together with the new articles to our policy-holders. Some people would have received anything up to 10 envelopes. It would have been quite unwieldy," he said.

A cosy atmosphere pervades the boardrooms of the big life offices. In comparison with highly competitive situations which exist in a fair crosssection of the Australian commercial environment, life offices are still in a gentle backwoods with few competitive pressures evident in their performance for policy-holders. They are certainly yet to reach the stage where competition forces them to extend themselves in the management of the vast sums of money under their control. Much of a life office's effort is directed at selling more and more policies;

It goes on and on in the same vein by denial, ruse and innuendo. I consider it to be a malpractice because they fail to inform. Let the Council compare that with what is required by other organisations in the community who are handling public money, or policy-holders' money, to the extent these companies are. They are required to have it made known that the ballots are on and will be conducted by an electoral officer or some such person. Compare that with the willy-nilly system of these companies. Be it upon the head of the life offices who dare draw a red herring that the policy-holders make the policy of the insurance company, that it is the policy-holders who finally determine any form of undertaking on behalf of the people, or the godfathers in the Mafia in the insurance companies at management level. A statement published in the *West Australian* of September 23, 1976, states:

The Opposition spokesman on industrial matters, Mr. J. J. Harman, said that the Government's attitude was an insult to the people of W.A., who owned the S.G.I.O. He was proposing a censure motion against the Government over its failure to act on the recommendations of the Royal Commission into the S.G.I.O. The motion calls on the Legislative Assembly to accept the recommendations. [The report, which was released on August 12, recommended a widening of the S.G.I.O.'s franchise to give it entry to all insurance business, including life insurance. The State Government will not allow the S.G.I.O. to enter life insurance but is still examining whether its franchise should be extended into other areas.]

I am not going to quote any more of that article. I am not going to quote to the Chamber the press statement of the Premier of Western Australia, Sir Charles Court, concerning the Royal Commission on State Government Insurance Offices in Western Australia. An article by E. A. Baker appears in the *West Australian* concerning this, and it states:

Existing restrictions on the S.G.I.O. were not in the interests of West Australians.

He has quoted directly from the report. One can see the difference between the attitude that the conservative paper in Western Australia can convey as against the attitude of the Adelaide *Advertiser*, which says it is nothing more than some socialist plot. That particular article goes on to cover many aspects of the denials of the State Government on that report. Let me turn to the Heenan report. In his conclusions at page 42, paragraph 107, he states:

The evidence before the Commission does not show that the practice of using Crown Law officers has given the Office an unfair advantage. Such an advantage would be extremely difficult to prove. But the objections of the Law Society are soundly based in principle and are the type of legitimate objection that can be made for so long as the Office uses the services of Government officers and the facilities of Government departments in a manner in which the general public cannot use them.

Paragraph 111 states:

In my opinion, if the existing restrictions were removed there would be no disadvantage involved for the people of Western Australia—provided that legislation were enacted to ensure that the Office carry on business in a disinterested manner and in direct, free and fair competition with other insurers. If such legislation were not enacted the disadvantages which might be involved for the people of Western Australia would be as follows:

(*a*) the Office might be used by Government, without legal sanction, to implement a particular political philosophy,

(*b*) any benefits resulting from extension of the activities of the Office might be limited to its policy holders and offset by the burdens imposed on the rest of the community, and

(*c*) other insurers might suffer from unfair competition by the Office and, if such unfair competition were sufficiently severe, monopoly in the insurance industry might result.

As to the fourth term of reference:

In my opinion, removal of these restriction would not be unfair to other insurers or to any of them—provided that legislation were enacted to ensure that the Office carry on business in a disinterested manner and in direct, free and fair competition with other insurers.

Stopping there for a moment, is this not then the basis for the measure before the Council? Does the measure before the Chamber, which has been moved for the second time by the Premier, run contrary or in contradiction to the report to which I have just referred? Why did not the Adelaide *Advertiser* in fairness quote this particular report? Mr. Cockburn, a feature writer for the *Advertiser*, could have done justice to the report in a three-page series of articles in the *Advertiser* as he has successfully done in another field. Bear in mind that there was a direct relationship between that report and the proposed expansion of the State Government Insurance Office in South Australia. It goes on, and I do not intend to quote from it any further. I seek leave to have the recommendations of the report incorporated in *Hansard* without my reading them.

Leave granted.

RECOMMENDATION OF HEENAN REPORT

I recommend that legislation be enacted to give effect to the following:

(1) Scope of insurance business:

(*a*) In addition to the authority which it already possesses the office should receive authority to engage in all classes of insurance business, including life insurance business, within the State of Western Australia (Chapter V, *passim*).

(*b*) All of the past activities of the office in relation to the fund should be validated (paragraphs 44, 46 and 47).

(*c*) The office should be enabled, as principal or agent for the State Government, to issue policies of insurance in relation to all insurable risks of the State Government (paragraph 45).

(2) Management:

A board constituted by suitably qualified persons with security of tenure should be established to make general determinations as to the policy of the office in relation to its insurance business, its investment activities, its staff and such other functions as might be prescribed (paragraphs 87-89).

(3) Direct, free and fair competition:

(*a*) State trading concerns and other bodies with a corporate existence separate from that of the Crown should be free to choose their own insurer (paragraphs 98, 99 and 100).

(*b*) The Office should pay to the State Treasurer the equivalent of income taxes and other taxes and should pay local government rates and other imposts payable by other insurers (paragraphs 102, 103 and 108).

(*c*) The Office should have only those privileges which are possessed by other insurers in relation to the services of Government officers and the facilities of Government departments (paragraphs 102-108).

(*d*) If the Office engages in life insurance business it should be bound by the provisions of the Life Insurance Act (Commonwealth), 1945-1965, as far as they can be made applicable to it (paragraphs 96 and 108).

(*e*) The use of the Fund should be limited to insurance of the risks of the State Government itself, to the intent that the fund should not be used for insurance of the risks of State trading concerns and of other bodies which have a corporate existence separate from that of the Crown (paragraphs 43, 99 and 108).

Having cut that matter short, I now refer to a subject raised by the Hon. Mr. DeGaris earlier in the debate. He said:

It is likely that many salaried staff would be paid for nothing. In the long run, this would be much more expensive than payment by results. Then, there are the questions of long service leave, annual leave, and superannuation, to be considered regarding salaried staff.

The Leader is saying that those people do not get such leave. Had he made that speech only a couple of weeks earlier, he would have been correct. However, he failed to understand the purport of a test case conducted in the courts last Thursday, in which Mr. McRae, a member of another place, appeared as counsel for the applicant. I refer to pages 26 and 28 of the judgment of Allen J. An application was made by an employee for long service leave. However, the company involved considered that it was not obliged to pay long service leave of any type to the applicant. The relevant part of the judgment is as follows:

Applying the law as I see it to the facts as I have found them, I have come to the conclusion, on all the material before me, that the relationship of employer and employee existed between the applicant and the respondent. The relationship was in the nature of a permanent one, although it was subject to termination by either party. The contract between the parties contained provisions relating to the retirement of the applicant. The areas in which, and to a not inconsiderable extent the manner in which, the applicant conducted the business of the respondent was determined by the respondent. The respondent exercised such control over the applicant as it considered desirable bearing in mind the nature of the industry in general and the occupation of the applicant in particular; the payment of commission on sales was a sufficient incentive to ensure that the interests of the respondent were protected and the applicant was chosen because he possessed what the respondent regarded as sufficient qualities to represent it in the community.

The nature of the occupation of the applicant was such that it called for individual qualities and, the respondent being satisfied that it had chosen the right man to represent it, considered its interests were best protected by a relative lack of supervision. The nature of the

occupation was such that I doubt very much, if the applicant was to be successful in promoting the interests of the respondent, any greater degree of supervision than that apparent on the material before me was desirable. By making available to the applicant the "fringe" benefits to which I have earlier referred, the respondent was endeavouring to secure a degree of permanency in its relationship with the applicant. The applicant was, in my opinion, truly conducting the business of the respondent and not his own. No capital of the applicant was at risk. He was not in a situation where, by the conduct of his work, he could expect that any of his capital would be at risk; at the worst his income could be negligible. Any documents compiled by him in the course of transacting business on behalf of the respondent were not his but became the property of the respondent. He shared in the retirement fund. These matters do not totally reflect all that I have taken into account in reaching my conclusion. Rather, I have weighed all matters and found the balance to be in favour of the applicant.

His Honour later continued:

For the above reasons, I find that the contract entered into between the applicant and the respondent on May 8, 1967, was a contract of service, and that the relationship of employer and employee existed between them. Accordingly, I find that the applicant is a "worker" within the meaning of the provisions of the Act. I find therefore that, subject to compliance with the provisions of the Act relating to length of service for the purpose of qualifying for long service leave or payment in lieu thereof, the applicant is entitled to such leave or payment. I will hear the parties further as to the quantum, if any, of such entitlement.

So, that completely blows to pieces the Leader's contribution on that score. He said that the S.G.I.C. would be an additional burden, because it would have to pay its employees long service leave, etc. At noon today, judgment was given that $3 266·66 would be paid, being so many weeks of long service leave, worked out on the gross income of the last year of service. That is considerably more than the figure quoted by the Leader as an average income for people in this field. I think the Leader referred to a sum of $10 000 to $14 000 a year, whereas, in the case before the Industrial Commission, the figure works out at $20 383 a year. When the Hon. Mr. DeGaris was speaking, the Hon. Mr. Dunford interjected as follows:

People must ensure that they are paid. So, I am not referring to fly-by-night companies.

The Hon. Mr. DeGaris replied with a challenge to the Hon. Mr. Dunford. I think the Hon. Mr. Dunford was not saying what people had been paid but was referring to the variations in the sums of money that people could get in the field of insurance about which he was speaking.

The Hon. Mr. DeGaris used the extraordinary phrase "monopoly of third party insurance for the S.G.I.C.". I will not disagree that the commission has a forced monopoly in this regard. One of the great mistakes of the private insurers in this State was to deny the public the right to a service of third party insurance. However, there was compulsion by legislative action regarding this matter. The Registrar of Motor Vehicles, under the old system, demanded a third party insurance certificate from a private insurer, and when it was set up the S.G.I.C. had to consider this matter, even using the committee of which His Honour Mr. Justice Sangster is Chairman. That honourable gentleman recently said from the bench, "The only way that this matter can be equitably undertaken is by a national scheme." Indeed, he went further and said that it should be on a no-fault basis.

The Hon. J. C. Burdett: That's Dr. Tonkin's policy.

The Hon. N. K. FOSTER: But it was not his Party's policy when the Federal Government was trying to get it on a national basis.

The Hon. D. H. Laidlaw: It was.

The Hon. N. K. FOSTER: It was not. Every insurance ocmpany was against the proposal for a national scheme. The honourable member attended a meeting in Victoria Square, addressed by Mr. Ralph Jacobi, the Federal member for Hawker. The insurance companies did not realise, when they abdicated their responsibilities and forced this unprofitable area of insurance on the S.G.I.C., that the hundreds of people in South Australia who had no idea previously of the commission's existence chose to insure with it.

[*Sitting suspended from* 5.45 *to* 7.45 *p.m.*]

The Hon. N. K. FOSTER: There has been mention by the Opposition and by the insurance industry that the State will be keeping the life insurance section of S.G.I.C. solvent in the initial few years. My understanding of the situation is that this claim is very emotional but not mathematically correct. Even though I am not an actuary, I think I can follow the mathematics involved. The premium charged is determined on probability principles, using mortality tables as a basis. The premiums (annual or monthly) have an averaging effect. Early on in the policy, there is a small probability of a pay-out, whereas later on there is a greater probability of a pay-out. Therefore, in the early stages the premium shall be small, whereas later it should be larger.

However, the premiums are averaged out, which means that initially the premiums are greater than is needed to cover the expected pay-outs. With many policy-holders the probability factor is accurate. For a one-year term policy the premium consists of two parts, namely, a natural premium, which is used to cover the pay-outs of that year, and the reserve, which is stored away and invested in long-term projects because statistically it is not needed initially.

Initially, the natural premium is small and an amount is placed in reserve, actually known as the surrender value of the policy. In the latter years of the policy, the natural premium is greater than the actual premium, and so the extra amount needed to service the current pay-outs is taken from the reserve fund. Provided the number of policy-holders is reasonably large, the laws of probability would ensure that the State would not be required to finance the venture. To quote an example, using an American mortality table, the interest factor built into the calculation is 2½ per cent, which is lower than the 4-4½ per cent used in the local insurance industry. Hence, premiums quoted would be relatively higher. I am speaking of a $1 000 whole-of-life policy. The table is:

Age Initial year	Annual premium $	Natural premium $	
22 ..	13·28	2·53	Excess into reserve fund
40 ..	13·28	6·03	Excess into reserve fund
51 ..	13·28	12·95	Excess into reserve fund
52 ..	13·28	13·95	Shortfall from reserve fund
75 ..	13·28	86·47	Shortfall from reserve fund

The above example shows that initially the excess is close to 80 per cent of the premium; that is, 80 per cent of premiums is not need for current pay-outs if there happens to be a higher mortality rate early (which is unlikely); there would be sufficient reserve to call on. Because we are dealing with probability laws, nothing can really be stated as fact. However, if the number of policy-holders is fairly large, the error from the expected probability would be very small. Remember that 2 100 people reflect the views of 8 000 000 Australians in Gallup polls, with a high degree of accuracy.

The premiums quoted are naturally the mathematical premiums calculated to cover the policy-holders. However, the insurance companies must cover their costs, that is,

salaries, etc. Therefore, premiums charged cover the mathematical premium and the costs associated with the running of the business. In addition, the investment return to the policy-holder is about 5½ per cent, whereas insurance companies invest now at about 10-11 per cent; on average, say, 9 per cent. The 5½ per cent interest rate is made up of an interest factor built into the calculation and also a bonus.

I am trying to show that the accusation that the public will pick up the tab if this legislation is enacted is false. I had experience with actuaries when I was involved in the maritime industry in the 1960's. We went to many insurance companies and got actuarial figures on all sorts of industrial pension schemes. All the actuaries to whom we were given access by insurance companies and on their behalf, including actuaries in New Zealand, criticised the other actuaries to whom we had gone previously. They were trying to put forward a scheme that represented big business, and one way for an actuary to do this was to explode the figures given by another actuary. Perhaps actuaries are similar to statisticians in that matter. Regarding the question raised about the tax and the exemption, I refer to what the Premier said in the House of Assembly, as follows:

The assumption that S.G.I.C. with its investments of more than $100 000 000, is hopelessly insolvent is quite incorrect. Answers have already been given to questions concerning obligations regarding taxation and the various Acts observed by insurance offices. Section 17 (1), (2), and (3) of the State Government Insurance Commission Act requires that S.G.I.C. pays the equivalent amount of taxation to the Treasury, so alleged tax exemption is not a fact. The same Act requires that the S.G.I.C. be subject to the Stamp Duties Act and the Fire Brigades, Bush Fires, Firefighters, Hospitals, and Hire Purchase Acts. Comment emanating from the Life Offices Association, and repeated by the Opposition, concerning alleged S.G.I.C. exemption from those Acts is not correct. The association contends that the S.G.I.C. would not be subject to the provisions of the Companies Act, thus again being relieved of the expensive burden of complying with that Act and getting immeasurably greater flexibility in regard to its operation. I do not know why the Life Offices Association went to the trouble of doing "bodgie" research on the matter. There has been criticism to the effect that S.G.I.C. has a captive area of business. We do not have to go back very far. Under successive Liberal Party Governments there were all sorts of rip-offs somewhere within the whole scheme of things. I say that because the Hon. Mr. DeGaris, in the concluding remarks of his speech, dealt with poverty in Australia, making some shocking comparisons with an oversea country and drawing the conclusion, with his limited knowledge, that our poverty level represented a line drawn above what was the average income level of that foreign country, the Soviet Union. He said we had nothing to moan about in this country. He dealt with this as some airy-fairy socialistic scheme, as I explained when quoting an *Advertiser* editorial earlier. The Liberal Party was in power in this State for many years—

The Hon. J. C. Burdett: And it worked very well.

The Hon. N. K. FOSTER: I am glad that the honourable member said that. He emerges from the shadows of the tree but cannot see for the leaves. On anyone receiving workmen's compensation who went into a public hospital a surcharge was imposed by the Government of members opposite, which was a rip-off on industry. One hears all sorts of complaints from honourable members opposite about workmen's compensation but they do not like to be reminded that they imposed a burden through that surcharge or by giving the right to hospitals, doctors and other people to charge 30 per cent more if a person was injured on the job. This cost escalated when coverage was implemented in the case of employees injured while travelling to and from work.

Honourable members opposite are now going crook because there is a rebate in some areas as far as the S.G.I.C. is concerned; they say that this is quite wrong and that it is also wrong to have any captive area. I have already dealt with the Heenan report from Western Australia and with the conclusions of that report about the captive areas, pointing out that the conclusions and recommendations of the Heenan report are absolutely overwhelming in favouring the State Government insurance office in Western Australia being given the right to cover other areas such as life assurance. In fact, it states that the people of Western Australia should not be disadvantaged by the restrictions placed on that insurance organisation. It is parallel for the purpose of this type of legislation and this rather weak exercise of the Opposition in regard to what is being attempted now. Apparently, the Heenan report has not been read by members opposite, but the facts speak for themselves and I do not need to say more about that.

I do not want to go on in a manner which seems to be detracting from the system that operates within the framework of the existing companies, whether it involves door-to-door salesmen activities or, as with the S.G.I.C., something different; but one can point to the different activities between one company and another. One matter about which private companies do not complain (and I do not think any member opposite who is fair would gainsay this) is the fact that third party insurance is handled by the S.G.I.C. There is one area in which one would commend the private companies, and I refer to the development of the old 90-mile desert, for instance. Also I have a booklet called *The Big Muster*, listing some 29 cattle stations in all, conveniently situated throughout Australia, and I do not criticise such an investment. I do not condemn what the A.M.P. Society did for the development of North Haven. I do not condemn any society able to accrue money on behalf of the policy-holders and to carry on that type of development.

However, that type of activity will be very difficult for the S.G.I.C. to engage in; therefore, people should not be bitter about permitting the S.G.I.C. to participate in some other less remunerative areas than that. If any member here feels that I have gone too far in this, he has not listened attentively. I have criticised some of the Opposition members, and I conclude by making a direct reference to something that the Hon. Mr. DeGaris said towards the end of his speech. I cannot understand the logic (if he thought it was logic) of the Hon. Mr. DeGaris. The Hon. Mr. Dunford had just interjected when the Hon. Mr. DeGaris said:

If the honourable member contains himself I will tell him what I intend to do. The great paradox is that we have in the free enterprise system the most successful economic system that has ever been developed in history. So successful has the system been that it generates poverty in Australia at an income level which is substantially above average income level of the Soviet Union and which is 800 per cent above average world income. That is the poverty line in Australia. That indicates how successful the private enterprise system has been.

The Hon. C. J. Sumner: Who said that?

The Hon. N. K. FOSTER: The Hon. Mr. DeGaris. That must stand as one of the most shocking statements ever made by a so-called legislator elected to a Chamber, even in this country with its system of Upper Houses. He is saying that the rest of the world can be on starvation level. He must realise that under the standards of a Western-type democracy there is no income level in the rest of the world comparable with ours. Tourists to countries such as Thailand to the north of Australia

return and tell us how shocked they are at the way in which people in those countries have to live. For the Leader of the Opposition, a previous Minister, to draw that to the attention of honourable members and the public is almost criminal. Actually, I do not agree with his figures on the Soviet Union. Evidently he believes that we should be concerned about the underprivileged only if Australian's poverty level falls below average weekly earnings in the Soviet Union or somewhere else. The Hon. Mr. DeGaris continued:

I am talking about the question of average income levels, which is related to the cost of living.

Actually, it is not the cost of living about which he is concerned: it is the very denial of living. He added:

I am saying that the system in Australia has been so successful that it generates poverty in Autralia at an income level which is substantially above the average income level of the Soviet Union . . . The problem, it seems to me, in looking at the legislative process, is that free enterprise does not have any dedicated salesmen.

I should like the Hon. Mr. DeGaris to explain that. What does he mean by "dedicated salesmen"? He continued:

If one looks at our resources, at the amount of wealth, and at the amount of our human talent, and then looks at the rank amateur incompetents who seek to socialise, collectivise, and control—those rank incompetents who produced the most vicious inflationary spiral we have seen in this country—in any real contest with the free enterprise system they would be put to rout.

Actually, the inflation rate in the early 1950's under a Liberal Government was higher, and at that time no-one made the outlandish statements that the Hon. Mr. DeGaris made last evening. He continued:

The problem is that there are so many people in Australia who are so busy feeding off the fruits of our system that few people are busy enough defending that system.

Will the Hon. Mr. DeGaris explain that, for the benefit of his colleagues? He continued:

It is time that someone pointed out that Government operations, whether in the life assurance field or in any other activity, will add nothing to the economic well-being of this State.

I have pointed out constructively that it is wrong in principle to deny the passage of this Bill. Anyone who opposes this Bill is making a mockery of the Opposition's claim that it believes in a free enterprise system. Honourable members opposite should bear in mind the assistance that South Autralian industries have received from the taxpayers. I refer the Hon. Mr. Burdett particularly to the Mannum implement works. Yet honourable members opposite howl about the so-called creeping socialist paralysis that they claim will invade every home in this State, because of this Bill. I recommend that Opposition members should read the Heenan report which was published in Western Australia. I support the Bill.

The Hon. M. B. DAWKINS secured the adjournment of the debate.

INDUSTRIES DEVELOPMENT ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from April 13. Page 3360.)

The Hon. D. H. LAIDLAW: This is the second piece of legislation to be introduced by the Labor Government during this Parliament dealing with worker participation. Honourable members will recall that the first was a Bill to enable the appointment of worker directors elected by the employees to State public authorities. The Legislative Council amended that Bill which, after going to a conference, was subsequently withdrawn by the Government.

Whereas that Bill dealt with worker participation in the public sector, this is an enabling Bill to permit its introduction into industrial and commercial organisations in the private sector. It is unfortunate that the Minister of Health gave such a cryptic second reading explanation, because the Premier, when introducing the Bill in another place, gave a very much longer speech together with an outline of its objects. It is necessary to refer to the speech of the Premier to gain an understanding of the Bill. Perhaps the Minister of Health was imbued with the need for brevity because of the power restrictions, or perhaps his advisers felt that it would be preferable to give the least possible information to the Legislative Council.

This Bill gives to the Government the power to guarantee repayment of a loan by a commercial lender to a trust created so that employees can acquire an interest in a company. Before the guarantee is given, both the Treasurer and the Industries Development Committee must be satisfied that the business will probably be profitable, the trustees are properly representative of the employees, the trustees will repay the loan, and the rate of interest charged on funds obtained by the trust is less than the normal commercial rate applying, because it is backed by a Government guarantee to repay both capital and interest. These are prudent safeguards.

Hitherto many South Australian companies when in financial strife have approached the State Development Division or the Industries Development Committee for assistance, and from time to time the Government has quite properly acted in order to safeguard employment. The help has usually been given in the form of a Government guarantee to repay a loan so that the applicant company can obtain funds at a favourable rate to overcome its liquidity problems. The Premier stated that guarantees under this Bill will probably originate from approaches made to the Unit for Industrial Democarcy. I deduce from this that the Government in future will extend the granting of guarantees to financially stable companies whose directors wish to introduce a scheme of worker participation rather than just to applicants in strife.

The Premier confirmed in his second reading speech that, by this Bill, the Government will use the bait of its guarantees to induce companies to embrace worker participation. He said that the scheme would enable employees to acquire a financial and managerial interest.

Employees will acquire the right of representation on the board of directors. The outline of the scheme will be put to the trade unions representing the employees. The shop floor members will then, after receiving advice from union officials and/or shop stewards, decide whether they wish to participate. The employees with representation on the board of directors will foster participative styles of management at all levels. The scheme will enable the development of meaningful industrial democracy programmes, as referred to by the Premier.

I wish to assure honourable members that I share with the Premier an interest in worker participation, and I did serve on the committee he set up in 1971 to inquire into worker participation in the private sector. The committee sat for over 12 months. It investigated practices and development in oversea countries and took evidence from many witnesses.

Whereas the Premier may incline towards worker control, I believe in worker involvement and worker consutlation at levels in which workers can make a constructive contribution

according to their experience, without at any time taking from management the prerogative to manage. I want to avoid alienating foremen and leading hands, who will carry much of the responsibility to increase productivity in Australia in the next few years and who, in my experience, are a conservative group of people.

I have been shown a model scheme prepared by the Unit for Industrial Democracy in anticipation of this Bill's passing. The applicant company would be instructed or requested to form a trust in the form of a superannuation fund for all of its employees. The trustees would consist mainly, or wholly, of employees. The Government would then guarantee repayment of capital and interest of a long-term loan which the trustees would obtain from any commercial institution or, say, the State Bank, at an interest rate matching the rate applicable to Government securities. The trustees would use up to 70 per cent of those funds to acquire an interest in the company for the benefit of the employees.

Under Australian taxation laws employee trusts are exempted from paying taxation on their incomes if they are classified as a superannuation fund. One of the criteria is that at least 30 per cent of their funds should be invested in Commonwealth Government or semi-governmental securities. That is why it is foreseen that the trustees would invest only 70 per cent of their funds with the company.

Under the model scheme shown to me by the Unit for Industrial Democracy, the applicant company would form a new operating company. Up to 50 per cent of the shares in the new company would be sold to the superannuation trust whilst the other 50 per cent would be issued to the applicant company. In effect, the existing public shareholders under the scheme have to give up half of the equity in their company. Employees and/or employer trustees would then be appointed as directors to the board of this operating company and, presumably, would fill half the positions if the employee trust had half the shares.

An alternative foreseen is that the applicant company, instead of creating a new operating company, would issue 50 per cent more of its shares to the superannuation trust. This alternative is most unlikely to be adopted because the employees or trade unions could then buy a few of the original shares from the public and add these to the 50 per cent of shares owned by the trust and the employees would then have majority control of the company.

A further requirement of the model is that the applicant company should make regular contributions to the superannuation fund for the benefit of all employees. This would be in addition to any superannuation scheme already in existence. Contributions to the fund are deductible from the income of the company for assessed tax so long as those contributions fall within the criteria set by the taxation authorities.

The trust would derive its income from any dividends on shares in the operating company which would be used together with company superannuation contributions to pay interest and repay capital to the commercial institution. Once the loan had been paid back in full, the dividends and contributions would be applied for the benefit of the employees. I have outlined the employee share ownership trust, which was outlined quite openly by the Unit for Industrial Democracy.

The idea of an employee share ownership trust in this Bill stems from the Kelso plan which has been tried with some success in the United States. Members of the Unit for Industrial Democracy admitted that this was so. Under the Kelso plan the company guarantees repayment of capital and income of the loan to the commercial lending institution. However, under section 67 of the South Australian Companies Act a company is prohibited, directly or indirectly, from providing funds to acquire an interest in that same company. Therefore, the Premier has had to offer a Government guarantee instead. The Premier has not following the plan in that regard and has proposed a Government guarantee rather than a guarantee by the company, as is the case in the United States.

Furthermore, in the United States the employee trust can obtain tax exemption on its income but can still make annual payments to its employees arising from company dividends. This becomes a second annual income for employees and doubtless provides some stimulus for them to support their company, and hope for it to prosper. However, the taxation authorities in Australia when setting the guidelines for superannuation funds have insisted that benefits accruing to employees in a superannuation fund shall not be paid until retirement, resignation or death. Therefore, under the scheme proposed by the Premier the employees would receive accrued benefits but no annual handout, because he is restricted by our taxation laws. Therefore, the stimulus would probably not be as great as under the Kelso plan in the United States.

In effect this model means that in return for a Government guarantee and a low interest rate loan the directors of the applicant company will sell up to 50 per cent of the equity to an employee trust, they will appoint employee directors to the board of a new operating company and the company will make regular superannuation contributions for all employees. This is a high price to pay but directors and managers of some companies may be prepared to introduce a modified scheme in an attempt to instill more loyalty and enthusiasm amongst their workforce.

I must stress to honourable members that I am not opposed to employee share ownership trusts. In fact, I was instrumental in starting such a trust at Perry Engineering in November, 1960. I have got a 16 year start on the Premier. Although initially only 15 staff members were invited to join, it was one of the early employee share participation schemes amongst Australian public companies and was regarded at the time as being rather novel.

The Hon. R. C. DeGaris: Is that based on a superannuation scheme?

The Hon. D. H. LAIDLAW: Yes. It was a second superannuation scheme. It was not the only one. I recognise that this is an enabling Bill and because of this I regard it as too open ended. I shall support the second reading so that the Bill can move to the committee stage where I shall introduce several amendments. These will include the following provisions.

First, an employee should not have to join a trade union before participating in the scheme.

The Hon. J. E. Dunford: And no unions.

The Hon. D. H. LAIDLAW: No. What I am saying to the Hon. Mr. Dunford is that if all employees are going to have the right to participate in the scheme, I do not believe it should be a condition that every one of them should be a financial member of the union.

The Hon. J. E. Dunford: You have got to get agreement with the unions on that.

The Hon. R. C. DeGaris: Do you disagree with what the Hon. Mr. Laidlaw has said?

The Hon. J. E. Dunford: Of course. It has been disagreed to by the unions associated with the Housing Trust.

Workers wanted to participate and not be members of the union. The unions will not have it. Unionists do not want non-unionists representing them.

The Hon. D. H. LAIDLAW: I am saying that you do not have to be a member of a union to participate.

The Hon. J. E. Dunford: You can go on the board if you want to participate, but unionists do not want non-unionists representing them on the board.

The Hon. R. C. DeGaris: He could be a shareholder.

The Hon. J. E. Dunford: We're not talking about shareholders but employees who can go on the board.

The Hon. J. C. Burdett: Do you think that only unionists should be able to participate?

The Hon. J. E. Dunford: Yes.

The Hon. M. B. Cameron: Have you read the Bill?

The Hon. J. E. Dunford: I have. You wouldn't know the first thing about it.

The PRESIDENT: Order!

The Hon. D. H. LAIDLAW: I think the Hon. Mr. Dunford and I agree on most matters but there are one or two on which we differ. I come back to the amendments I will introduce. Secondly, a company should not be compelled to issue more than one-third of its shares to the superannuation trust because in my experience companies owned 50 per cent each by two parties only function efficiently if there is complete mutual trust and this is unlikely to exist at least in the initial stages. The existing shareholders should remain the majority but there is adequate protection under the Companies Act for the minority employee shareholders.

Thirdly, since the employee trust would hold one-third or less of the shares employees elected as directors should not form a higher proportion of the board members than the percentage of shares held.

Fourthly, the company should be represented amongst the trustees of the superannuation fund in order to ensure that the funds are invested in a prudent manner to preserve the accrued benefits of the employees.

The company that is involved has consideragle obligations to make sure that that trust is administered properly and its investments are administered properly. I believe the Government has a considerable ogligation. Also, it has its reputation at stake. The most important thing if the share ownership trust is to work is that the trustees, even if there is a majority of employees, have to be properly advised in the early stages. For that reason it is essential that the company will want at least one person as a trustee with financial expertise. They do not, of course, have to be employees of the company. They can be people appointed from outside.

If the Government guarantee is given to a trust connected with a company in trading difficulties the trustees may be acting against the best interests of the employee beneficiaries by investing more than a small proportion of its trust funds with the company but in the case of a soundly based company the trustees may be safe to invest most of the 70 per cent available in the shares of that company.

The member for Davenport in another place introduced an amendment, with which I do not agree, to provide that the trustees can only invest up to 15 per cent of the funds in the shares in that company. I think that it is a matter of horses for courses. There are some companies where the trustees may be acting in a completely proper manner to invest all the 70 per cent available to them (because that other 30 per cent has to be invested in Government or semi-government loans) in that company.

The last comment I wish to make concerning investment is that the trustees would have to remain cognizant of the listing requirements of the Stock Exchange when they are trustees of a public company, or employees of a public company. The listing requirements of the Stock Exchange insist that, unless they make exceptions, fewer than 20 shareholders shall not hold more than 60 per cent of the shares. If the employees' share ownership trust is going to invest in the parent company and take up to 50 per cent of the capital in one swoop, the next thing may be that the shares of the company will be delisted, to the considerable disadvantage of the employees whom it is trying to help. I support the second reading.

The Hon. C. M. HILL: I congratulate the Hon. Mr. Laidlaw on his detailed speech. The Bill is small, comprising only two clauses, and the Minister's explanation is short. As the Minister has said, it is essentially an enabling Bill, and I stress that. Honourable members know that that means that Parliament on occasions passes legislation that is in what one may call the bare bones form of law, and then the Government introduces schemes within the bounds of those broad guidelines. However, on most occasions, enabling legislation is followed by regulations that come back to Parliament for final approval, but in the Bill we have a vastly different position. Regulations will not be tabled, so if this Bill passes in its present enabling form, it will be left to the Government and its officers to prepare and implement schemes that will not be checked in detail by Parliament.

The Hon. Mr. Laidlaw has given particulars of one of these proposals. If I heard him correctly, it was in relation to a scheme that the Unit for Industrial Democracy in the Premier's Department has put forward as an alternative that could flow from the Bill. Undoubtedly, there are other schemes about which we in Parliament will not hear. Whether we hear or not will not matter, because the scheme will be able to be implemented without reference to Parliament. I believe that this is the first time that Parliament has been asked to pass enabling legislation that does not require regulations to follow, and we have a clear duty to be extremely careful about the measure.

That is of enough concern, but the other point that constituents interested in this measure have brought to my notice is that there is a strong fear that this Bill will not lead simply to worker participation but will lead to worker control, which would vitally effect the economic progress and social welfare of all the people in South Australia. I stress these points to emphasise my concern and to try to express as clearly as I can my fears in regard to the Bill passing in its present form.

As the Minister has explained, the measure is a method by which superannuation funds can borrow and invest such borrowed money in the enterprise in which the contributors work. The lender of the money is guaranteed repayment by the State. The Industries Development Comittee and the Treasurer must approve the loan and the proposition generally.

The contributions to the superannuation fund will be channelled back to repay the loan ultimately. The superannuation fund represented by its trustees would gain votes for and seats on the particular board. Excessive investment of this kind would gain a powerful block on, and possibly control of, that board and that enterprise. They are the bare bones of the proposition, and surely they highlight the concern that we must have.

The point that concerns me is that there is an extremely important need to spread investments for a superannuation

fund for safety and to preserve the overall investment of the fund so that contributors gain proper benefits on retirement. When a superannuation fund puts all its eggs in one basket and failure results, the retired employees can lose their retirement benefit. They would have contributed all their working life to that fund but, if the fund's investment failed, they would be doomed financially. That is a cruel fate for any worker to be confronted with. It is bad enought when a worker loses his job on the failure of an enterprise, but in this situation there is a possibility of his losing his superannuation also.

The Hon. J. E. Dunford: Not all of it.

The Hon. C. M. HILL: It depends on what proportion of the superannuation fund is invested in the enterprise, and nothing in the Bill limits that, as I read it. If this Bill could allow such a situation to happen, I would not want to be part of it. I believe strongly that superannuation funds should be invested outside the business activity of the subject enterprise. This applies particularly in the smaller business operations, where reserves are not large and where danger or failure or collapse is greater than in larger enterprises in which, over periods, and because of size, larger reserves have been built up.

I know that for several years there has been concern about what the Premier and the Labor Party have in mind in the whole area of worker participation. I understand (and I will stand corrected if honourable members can deny this) that at the State Australian Labor Party convention in June, 1975, the Premier proposed what he had previously called worker participation but what subsequently was described as a scheme of industrial democracy. The Premier stated that, during a trial period over the next three years, he proposed to introduce the scheme in the public sector and that willing members of the private sector would be asked to co-operate.

The proposal was that boards of directors would be of three groups of equal size, the first elected by the shareholders, the second elected by the workers, and the third comprising persons trained and appointed by the A.L.P. I understand that at that convention the Premier also stated that, after experimentation, he proposed to legislate in a few years time to apply this principle to all South Australian companies. I understand that that was passed at the Australian Labor Party convention in 1975.

The Hon. J. E. Dunford: What is the newspaper?

The Hon. C. M. HILL: That is where this was quoted in the newspaper; I will mention it if the honourable member wants me to but I ask him: did that pass the A.L.P. convention or not?

The Hon. J. E. Dunford: What newspaper is that?

The Hon. C. M. HILL: This is the *Sunday Mail*, in 1975. If it did pass, I find in a copy of the Labor Party's Rules and Platform, which I borrowed from the Parliamentary Library, that resolutions of its conventions are binding on all members. Therefore, we have a situation in which all members of the Labor Party in this State are bound to worker participation as drastic as that, although I realise it may be understood that it would take time to implement it and that it was probably a far-sighted proposal (I am prepared to accept that). Nevertheless one must surely accept that, when reviewing this enabling legislation which lays down the broad guide-lines, if we know that the Labor Party is bound to the ultimate goal of worker control, as I have just read out and which I repeat—a situation where boards in this State will have one-third of their number trained and appointed by the Labor Party, one-third elected by the shareholders and one-third elected by the workers—there is grave danger in a proposal of this kind before us.

Those two points—the dangers of the loss of superannuation benefits to workers and the fear of what the Government's ultimate aims are in regard to its worker participation scheme—lead me to say that I cannot support this Bill in its present form. I do not want to see this fear of worker control spread in this State, because I know what will happen if it does; industry and commerce will stagnate; there will be no expansion or progress, and we shall not have that which is necessary for unemployment to be overcome and for workers' jobs to be secure. South Australia will become an economic backwater.

Having said that, I say I am not against some sensible and realistic system of voluntary worker participation. I favour employees making investments as individuals in their own company's shares. There is much merit in an approach of that kind. When the Government comes forward with legislation about worker participation, I want to have it clearly stated, in a Bill that we will pass and that will ultimately become law, what a Government can and cannot do, and obviously what the Government's intentions are. We want more clarity in the Bill and we want to know what the Government's plans are.

I was impressed, when listening to the Hon. Mr. Laidlaw, by the proposed amendments he mentioned. They have much merit but there must be, in my view, in the interests of this State, some checks and balances so that, whatever the Government's intentions are and if they are fair and reasonable, this Council can make a proper judgment on this Bill; but, where we have a Bill which is described by the Government itself as enabling legislation, I do not think the Bill should pass in its present form.

One alternative to introducing some checks and balances into this proposal would be (and I put this forward simply for general discussion at present; I am not considering moving an amendment along these lines at this stage) a proposal fashioned by the Premier's Unit for Industrial Democracy, which meets with the approval of the Treasurer and the Industries Development Committee: to come back to Parliament and lay on the table as a regulation is laid so that Parliament could at least see this detail with which it is not presented now.

Honourable members know that, when regulations are tabled, they must lay there for 14 days and, if there is no challenge in that period, they become law; but there is a possibility that within that period of 14 days they can be disallowed by either House of Parliament. Therein lies the machinery for checking a proposal.

I do not think it would be expecting too much for at least the major schemes that will affect larger companies (and by that I mean companies that employ many people) to accept a proposal of that kind, to come back to Parliament if this Government expects Parliament to pass such a broad and short measure as this Bill. That would be carrying on the precedent that flows when all enabling Bills pass; we would have a second chance to look at the details through the machinery of regulations. I will support the second reading and will listen to the amendments when the Hon. Mr. Laidlaw moves them but, unless the Bill is amended and unless checks and balances are in some way written into the Bill, I will ultimately oppose the third reading.

The Hon. J. A. CARNIE secured the adjournment of the debate.

NOISE CONTROL BILL

The House of Assembly intimated that it had agreed to the Legislative Council's amendments Nos. 2 and 3 and had disagreed to amendments Nos. 1 and 4 to 25.

Consideration in Committee.

The Hon. T. M. CASEY (Minister of Lands): I move:

That the Council do not insist on its amendments.

I do it as briefly as possible because we did discuss this Bill at some length yesterday; in fact, it took us nearly the whole afternoon and I do not want to take up the time of the Committee by going through it once again. At the outset, I say that the Government cannot accept the amendments moved by the Hon. Mrs. Cooper to set up a Noise Control Exemption Committee which, in my opinion, would be purely and simply an appeals committee. An appeal can be made to the Minister on the evidence obtained by the inspector, who is qualified and trained by the department. Not all of the committee members will be experts but, if all the experts in the world were on the committee, it would still have to go back to the decibel counter. Regarding the Hon. Mr. Laidlaw's amendment, I believe that to restrict a person in his own home and to measure the noise level inside the premises is idiotic. The noise level should be measured at the perimeter of the property. Further, air-conditioners can be positioned so that they will not offend a neighbour. The Government has included clause 20 in the Bill to keep everyone fair and above board. If someone sets out to defeat the whole purpose of the Bill, he should be prosecuted accordingly.

The Hon. R. C. DeGARIS (Leader of the Opposition): The Government and the Minister clearly still do not understand the purpose of the amendments. I refer particularly to the proposal to set up a Noise Control Exemption Committee. The Minister said that it would not be composed of experts, but I beg to differ. One could expect that the public servant and the nominee of the Trades and Labor Council would have specialised knowledge. Further, the employers' representative would have specialised knowledge in the industrial sphere and, of course, the fourth member of the committee must be an acoustic expert. The Minister said that all that the committee could do would be to pick up a decibel counter and re-examine the matter. Clause 10 provides:

(1) If any noise from non-domestic premises is excessive an Inspector may give a notice to the occupier of those premises requiring him—

(*a*) to take such steps, if any, as are specified in the notice within the period specified in the notice to reduce the noise emitted from the premises; and

(*b*) to ensure that excessive noise is not emitted from the premises after the expiration of the period specified in the notice.

(2) Noise emitted from non-domestic premises is excessive, if the noise level at a place outside the premises for a period during which noise emitted from the premises—

(*a*) exceeds by more than five decibels the background noise level at that place; and

(*b*) exceeds the maximum permissible noise level prescribed for that time of the day and the area in which the premises are situated.

An inspector could, in his notice, stipulate that certain steps must be taken by the industry to reduce the noise emitted. However, he may have no knowledge of the peculiar difficulties of the industry or of the effect that the notice may have on employment in the industry. Someone other than an inspector should be able to assess the information that may come to the committee in relation to a notice given by the inspector. To talk about the commitee's going back with a decibel counter has nothing to do with the concept of the amendment. Perhaps the committee may say, "You are making too much noise, but we recognise the extreme difficulty that your industry faces in seeking to overcome the problem. We recognise that it is impossible for the industry to get below the level prescribed in the regulations. Therefore, an exemption should be given for a certain period." It is wrong to leave the question in the hands of the inspector, the only appeal being to the Minister in relation to the time factor. I turn now to the Hon. Mr. Laidlaw's amendment which provides that the reading should be taken from inside the actual premises. I think you, Mr. Chairman, quoted an earlier portion of this Bill.

The CHAIRMAN: It was clause 18 (2) (*a*).

The Hon. R. C. DeGARIS: Clause 18 provides:

(1) The occupier of any domestic premises, shall not, without reasonable excuse, cause, suffer or permit excessive noise to be emitted from the premises.

Penalty: Five hundred dollars.

(2) Excessive noise is emitted from domestic premises, if—

(*a*) the noise emitted from the domestic premises is of such a nature that it unreasonably interferes with the peace, comfort or convenience of any person in any other premises;

All that this amendment does is to pick up that concept and say that it should be "in any other premises", not on the boundary. So, all that the amendment does is to pick up what is already in the Bill. I therefore believe that this Committee should insist on both of the reasonable amendments to which I have referred. If the Government wants the legislation to work and not to be oppressive, it should accept the amendments.

The Hon. J. C. BURDETT: I, too, oppose the motion. As the Hon. Mr. DeGaris has said, the Minister has completely misunderstood the Hon. Jessie Cooper's amendments to clause 10. The inspector is given the power to give a notice, and the notice can require the person concerned to take such steps as are specified in the notice to reduce the noise. These can be any steps at all; not necessarily the most efficient steps, but any steps specified in the notice.

Also, the notice can be such as to ensure that excessive noise is not emitted from the premises concerned after the expiration of the period specified in the notice. It is reasonable, when such extensive powers are given to an inspector which require the exercise of much discretion, that there be provisions for some appeal to another body, some other *quasi* judicial body or a body independent in its administration from the Government. That body should have the power to substitute its opinion for that of the inspectors. This is especially so as this Bill binds the Crown, and it is necessary that there be an appeal to a body independent of the Crown.

The Hon. R. C. DeGaris: Otherwise it's like an appeal from Caesar unto Caesar.

The Hon. J. C. BURDETT: True, and that is not an appeal at all. The Crown will be a great maker of noise in one way or another. Regarding clause 18 and the Hon. Mr. Laidlaw's amendment, it is important for two reasons that, in relation to adjoining premises, the domestic noise measuring point be inside the house. First, it means that the inspector must go inside the building, and it will prevent an officious inspector wanting to make a few more bookings from merely sitting on a boundary under a neighbouring air-conditioner or elsewhere to take his readings.

The Hon. T. M. Casey: Does he have to go into the house?

The Hon. J. C. BURDETT: Yes, that is essential, and it is an important protection. It is the noise that can be heard inside premises that is really offensive. During the Committee debate on the amendments it was said that the Hon. Mr. Laidlaw's amendment would strike a reasonable balance. The amended clause gives the person in domestic premises a remedy, which is essential. On the other hand, it lessens the likelihood of malicious complaints, which do happen. With the measuring point inside the premises, such a problem is less likely to arise. I oppose the motion.

The Hon. D. H. LAIDLAW: I, too, oppose the motion. Regarding noise emitted from a factory, I am extremely keen to achieve a degree of certainty. Honourable members know of my association with several South Australian public companies. Over the past decade many people have asked me how one can plan for future expansion when one can be blocked overnight by a decision of an inspector under the forthcoming noise legislation making arbitrary changes to the point of measuring noise emission.

Regarding domestic noise, whether the Hon. Mr. Sumner likes air-conditioners or not, there are 100 000 reverse-cycle air-conditioners and 70 000 evaporative coolers in South Australia. These air-conditioners should be run at low operation at night. Manufacturers have baffles to install behind these appliances, but they cannot guarantee to reduce the noise to the levels suggested in the draft regulations that they have seen.

One of Adelaide's two main industries is the appliance industry, and the two major companies involved see their future markets dropping dramatically, because purchasers will not buy reverse-cycle air-conditioners for their houses and home-units if they believe they can be restricted from using them in an arbitrary manner by an inspector as a result of a malicious or mysterious telephone call complaining about the noise level.

Air-conditioner manufacturers will see a dramatic decline in future sales if there is uncertainty concerning such appliance use. Although I cannot say how many employees may lose their jobs (be it 1 000, or a lesser number), I plead with the Minister to take notice of what I have said this evening.

The Hon. M. B. CAMERON: Rather than call this Bill the Noise Control Bill, it would be better described as the Bill of silence. I do not believe it will be effective in this important area. Its provisions are potentially difficult for industry, as the Hon. Mr. Laidlaw has pointed out. Certainly, those provisions can be used to harass industry in South Australia, yet noise is probably the least of the problems facing people living in South Australia, because we do have a separation of dormitory suburbs and industrial suburbs. True, planning has not been good but we have some such separation.

The Bill will not be effective regarding domestic noise, and the Minister will agree that it will be difficult to apply at that level. This Bill has serious implications for industry. The Hon. Mr. Laidlaw referred to the power of an inspector to vary the position from which noise levels are taken. If an inspector can by this means obtain different readings, surely industry should have some right of appeal, other than from Caesar unto Caesar, as the Leader pointed out. Employers should not have to apply to the Minister, who appointed the inspector who took the readings. I am not reflecting on the present Minister, although I can foresee a situation arising in which the Minister would not want to take action against his employee. He would have to send out another employee to see whether the first one had been accurate, but what would happen if that person went to a different spot? This gives rise to all sorts of problems.

The people who are subjected to this legislation should have some way in which to appeal, and surely the Minister would agree with that. The Crown will not appeal to itself or be subject to the Minister's control. What Minister would say that the Morphettville bus depot, for instance, was not satisfactory? There should be some way in which the public and industry could appeal, and, if the Minister does not like that set up, why does he not suggest another that would give a right of appeal? I am sure that the Hon. Mrs. Cooper would be willing to listen to any other proposal. The Bill is comparatively ineffective in relation to noise control and, in view of the effect that it will have on industry, it would be better for the Government to drop the Bill. For the reasons that have been canvassed and because the Bill has the potential of adversely affecting industry, I do not believe that it will be truly effective.

The Hon. C. M. HILL: I could understand the Government's approach to this measure if it was aiming only at the people who installed their plant or appliances that created noise after the date on which the law was proclaimed. However, I place all persons and industrial concerns that install their equipment after the law is proclaimed in a different category from those who already have installations and who will be subject to the law. Had many of them known that this law was being introduced, they would have been able to make their equipment conform to the requirements.

The people who have acted in good faith when installing their equipment need special consideration. That consideration is written into the amendment, which gives them the right to go to an independent appeal body and put their case. Obviously, however, the Government, in this Bill, would have made such people go direct to the Minister. I would not mind if this legislation applied only to those people who installed their equipment after the Bill was proclaimed. Those people who find an inspector at their door should be able to put their case to a committee rather than to the Minister.

The Hon. T. M. CASEY (Minister of Lands): I have listened carefully to honourable members, who have not convinced me with their arguments. They are trying to have set up a committee that would examine the hardships experienced by individuals. So there will be a rule for one and another rule for someone else.

The Hon. J. C. Burdett: The Minister can do that now.

The Hon. T. M. CASEY: I know that he can. Why, then, do honourable members opposite want to set up another committee? That is the point. If the Hon. Mr. Burdett happened to live on a corner in his home town of Mannum, and the schoolchildren decided each day to walk on his front lawn, the honourable member would say, "You are not allowed on my premises. Walk on the footpath." He could do that, because they were his premises.

The CHAIRMAN: But those people would be on the premises, not in them. It says not "on" but "in" the premises.

The Hon. T. M. CASEY: The Minister of Agriculture has asked me whether, if someone was in a swimming pool, it would be "in" the premises.

The CHAIRMAN: That is upon the premises.

The Hon. T. M. CASEY: It can be seen that the amendment is full of problems.

The Hon. J. C. Burdett: But the clause already provides "in the premises".

The CHAIRMAN: The clause could say "in or upon", but it does not.

The Hon. T. M. CASEY: It seems to me that what is being provided is that if the decibel level is in excess of five and the inspector issues a notice, one says, "I am going to be caused great hardship," and goes along to the committee, which then gives an exemption. However, as someone else is prepared to abide by the existing decibel level, what is the point of writing it in? All honourable members agree with that. It is up to the Minister to decide, and he will decide in certain circumstances. One has to go by 5 db.; if there is not some rule of thumb, it defeats the whole purpose of the Bill. Some standard has to be set down. What is the appeal committee going to do about hardship caused?

The Hon. Jessie Cooper: The same as you do.

The Hon. T. M. CASEY: A decibel reading is taken at the boundary. Does the Opposition suggest that people will say they cannot meet the requirements and that, because of this, people will be put out of work, as a factory may have to be closed down? I do not think that could possibly happen. I hope the Council does not insist on its amendments, because I think they are already adequately catered for in the Bill.

The Hon. M. B. CAMERON: After that I guess one could be tempted to say, "I give up". I wonder why the Minister had an adviser sitting next to him yesterday for so long. It might be as well that we report progress and get the adviser back. Surely the Minister cannot take exception to an amendment that gives a power that the Minister now has to another committee. Anywhere there is trouble with a Government undertaking, it will get an exemption, because the Minister has the power. But when it comes to a factory I will bet it will not get the same consideration that a Government depot will get. We would be remiss in this Chamber if we left it that way; if we did not give the Minister some degree of independence from such a decision. We are trying to prevent the Minister from making decisions that may appear to be wrong, and to save him embarrassment in the future. Perhaps we could leave him to harass the community, but he would not do that; he is an honourable Minister. However, he will not be Minister forever. We might have another Minister who will have the same power.

It is not an unusual step to take: many other Acts provide for appeals other than to the Minister. The air pollution legislation is one example. To save the Minister from embarrassment, let us have all decisions for exemptions made by an independent committee. It would be inappropriate of this Council not to exempt the Minister from this onerous and potenially embarrassing task that the Government is attempting to impose on him. I am sure the present Minister would rather have an independent tribunal, and I am sure this Committee should support that.

The Committee divided on the motion:

Ayes (9)—The Hons. D. H. L. Banfield, F. T. Blevins, T. M. Casey (teller), B. A. Chatterton, J. R. Cornwall, J. E. Dunford, N. K. Foster, Anne Levy, and C. J. Sumner.

Noes (9)—The Hons. J. C. Burdett, M. B. Cameron, J. A. Carnie, Jessie Cooper, M. B. Dawkins, R. C. DeGaris (teller), C. M. Hill, D. H. Laidlaw, and A. M. Whyte.

Pair—Aye—The Hon. C. W. Creedon. No—The Hon. R. A. Geddes.

The CHAIRMAN: There are 9 Ayes and 9 Noes. To enable the processes of greater consideration to be given, I give my casting vote for the Noes.

Motion thus negatived.

Later:

The House of Assembly requested a conference, at which it would be represented by five managers, on the Legislative Council's amendments to which it had disagreed.

The Legislative Council agreed to a conference to be held in the Legislative Council conference room at 9.30 a.m. on Thursday, April 21, at which it would be represented by the Hons. J. A. Carnie, T. M. Casey, Jessie Cooper, D. H. Laidlaw, and C. J. Sumner.

WORKMEN'S COMPENSATION (SPECIAL PROVISION) BILL

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

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

That this Bill be now read a second time.

Most honourable members will be aware of a recent decision in a court in New South Wales where it was held that a player of rugby league football, remunerated by a nominal "match fee" only, was a "worker" within the meaning of the Workmen's Compensation Act of the State. Although no similar decision of a court has been brought to the attention of the Government, the corresponding Act of this State is sufficiently similar to the law of New South Wales to cause the sporting bodies in this State some disquiet. Accordingly, this measure is introduced to give the sporting organisations some breathing space until suitable arrangements can be made to effect appropriate insurance protection for sportsmen. I ask that the explanation of the clauses be inserted in *Hansard* without my reading it.

Leave granted.

EXPLANATION OF CLAUSES

Clause 1 is formal. Clause 2 provides that a person will not be considered a workman within the meaning of the Workmen's Compensation Act while he is carrying out the activities described in paragraphs (*a*), (*b*) and (*c*) of subclause (1) of this clause, provided that the only remuneration he receives under any contract is for the doing of those things. Thus, a professional cricketer who was employed also as a groundsman for a club would not be exempted under this clause. In addition, by subclause (2), certain specified persons are excluded.

Clause 3 is intended to ensure that this measure will not, indirectly, be a vehicle for stimulating claims that would not otherwise have arisen but at the same time protecting claimants who have, before March 16, 1977, commenced actions. Clause 5 is intended to ensure that any past or continuing payments of continuing payments of compensation are not affected. Clause 6 reflects the temporary nature of this measure. In substance, it is only to have effect until appropriate alternative arrangements are made. In any case, it will expire on December 31, 1978.

The Hon. C. M. HILL secured the adjournment of the debate.

PIPELINES AUTHORITY ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from April 13. Page 3360.)

The Hon. R. C. DeGARIS (Leader of the Opposition): I support the second reading. I remember when the original Bill came before the Parliament. The explanation of that measure is at page 3275 of 1966-67 *Hansard*, and several points in it are interesting. I refer to the support that the then Premier (Hon. Frank Walsh) received when the original financial arrangements were made for the financing of the pipeline from Gidgealpa to Adelaide. It is doubtful whether the Government then could have finalised the construction without the assistance of a certain member of this Chamber, together with the support of the mutual life societies operating in Australia. Those of us who knew the Hon. Frank Walsh knew that he was extremely grateful for the assistance given to the Government by a Liberal member of this Council in arranging finance for the pipeline.

The pipeline from the Cooper Basin to Adelaide has been a tremendous advantage to energy supplies and the cost of energy to South Australia. I think we all appreciate that at present the cost of purchasing hydrocarbons for use in South Australia for both industrial and domestic purposes is about one-sixth of the world price for that commodity. Further, there has been the construction of the pipeline and the supply to the Sydney and New South Wales markets. One matter that must exercise all our minds and concern all of us is that a valuable resource in natural gas must be used as a fuel for firing boilers for electricity generation. I know that this is a difficult question, and perhaps a dissertation on it should not be given now. I merely mention in passing that what would be a tremendously valuable resource in 10, 20 or 30 years time is at present being burnt to fire those boilers.

Suffice to say that the exploitation of the resource does require bulk use. Otherwise, the utilisation of the resource would be extremely difficult. Much credit should be given to the exploring companies, particularly Santos, for the work that they have done in finding and developing this natural resource. It is a rather sorry tale that the original investors have, in 25 years, received no dividend on their investment. I daresay that, if the money had been spent in exploration and nothing had been found, no-one would have had any sympathy for the people who had invested and lost in their search for a natural resource that gives much benefit to all sections of the community.

It is sad that a company such as Santos, a local South Australian company, explores in some of the most inhospitable country in the world, finds a hydrocarbon, a natural gas source, but after 25 years has not returned 1c in dividends. One wonders where the money will come from for search for hydrocarbons if people are forced into either getting no dividend or finding nothing and losing their total investment. A report in today's *Advertiser* of an address by Mr. John Zehender to the Australian Petroleum Exploration Association annual conference states:

> Australian Governments ought to reduce their interference in the pricing of natural gas and oil. Even though costs have increased and will continue to increase as we spend more to find less, the energy is still likely to be of better value than this century's possible alternatives in both dollars and security. For this to happen, more realistic prices must be paid and Governments should reduce their interference.

I agree with that sentiment because, unless we allow people to invest large amounts of capital in the search for resources to gain something from the investment, the search for those materials—

The Hon. D. H. LAIDLAW: Mr. President, I draw your attention to the state of the Council.

A quorum having been formed:

The Hon. R. C. DeGARIS: Unless we are prepared to allow companies to search and, when they find some natural resource, to gain some dividends for their investors, we shall not attract very much capital in the search for a declining commodity like hydrocarbons. This is a wide-ranging subject that one probably should not deal with at great length in this Bill.

Recently, one of the partners in the Cooper Basin, Delhi, decided to sell part of its holding in that basin. I think Stantos had 36 per cent, Delhi 36 per cent, and a series of other smaller companies had the balance of the holding in the Cooper Basin. Delhi decided to sell half of its 36 per cent holding in the Cooper Basin. Acquitaine, a very large French company that has already spent much money on research in Australia, and particularly in some of the most inhospitable country in the world, in the North-West, a company with much expertise in oil search and development in the world, was interested in buying the half-share from Delhi. However, the then Federal Minister, Mr. Rex Connor, opposed the sale of half of Delhi's share to Acquitaine, on the basis that it was a foreign company, overlooking the fact that Delhi was a foreign company anyway, so there would have been no increase in foreign ownership. It would have been a better policy to allow the skills of Acquitaine to be brought into the Cooper Basin consortium (if I may use that word in relation to the holdings there). Now, the Federal Government wishes to relinquish its 18 per cent holding in the Cooper Basin, and the State Government is insisting that it take up that percentage of shareholding.

To many people in the private sector, Government involvement in this area is anathema and probably in some ways it is to me, although I freely admit that in 1968-69 I put on the Mines Department estimates a sum of $250 000 for oil search in the Cooper Basin. We must admit that right around the world every Government is getting into the act and buying into the search for and the exploitation of hydrocarbons, and it looks as though we shall do that here as well. One thing that worries me about Government involvement in this sort of area is that Governments tend to take the short-term view. I know that I dealt with this matter in the State Government Insurance Commission Bill yesterday. I also referred to the Public Service superannuation, to which I believe this attitude of Governments can be traced, that Governments tend to take a short-term political view whereas, in management of the exploration and exploitation of hydrocarbons, usually the long-term view is required.

What also concerns me is that in the future the Government may well be the only explorer interested in continuing the search in the Cooper Basin and other basins in or near to South Australia. When the Government buys into this sort of situation, particularly in regard to a company that has searched for and exploited natural resources, the Government issues the licences to search and the Government controls the expenditure as far as search is concerned. Not only does the Government issue licences for search but it also controls the expenditure, and that expenditure must be produced before the search can proceed.

The Government can put itself in the position of exercising total power in both search for and exploitation of hydrocarbons, and this attitude may well drive others out. Unless we can attract some millions of dollars into the search for hydrocarbons in South Australia, we could well be facing great difficulty in the future. As I have

said, I believe the company that deserves most of the credit here is Santos, whose shareholders have not received one dividend, although it has found the most extensive gas field so far found on the continent of Australia. Not one cent in dividend has been paid for 25 years, and that is tragic. It does not lead to confidence in people investing in the search for hydrocarbons.

The amount of money that the Government intends putting into the search is $5 000 000 over a period of eight years, and really in the search for hydrocarbons that is peanuts. Also, it should cover more than just the question of liquid hydrocarbons: it should also cover such things as coal. We know that in the Cooper Basin at great depth there are extensive coal deposits that in the future could play an important part in the supplying of fuel to the city of Adelaide, although the developmental costs of producing gas in those fields may be tremendous as far as the resources required to do that are concerned. One may be talking of thouands and thousands of millions of dollars so to do. It is not likely that Government intrusion will attract capital for the development of these resources. I have certain reservations about the Bill but, nevertheless, I am prepared to support the second reading, not that I am absolutely overjoyed with the whole Bill.

The Hon. J. E. Dunford: We have had 100 Bills before us and you have never liked any of them; every Bill is the same.

The Hon. R. C. DeGARIS: That is an exaggeration. I have spoken on many occasions and often congratulated the Government on the particular Bill before the Council, but I do not know that this is a Bill that excites me as being anything that will add much to the amount of exploration that will be undertaken in South Australia; nor will it add much to the eventual exploitation of the natural resources that we may have available in South Australia. Indeed, I believe that, if the Government is to be involved, that involvement should be in South Australia or in areas near to it. The Bill is very wide in regard to the powers it gives in connection with the expenditure of State moneys on exploration anywhere in the world. I support the second reading.

The Hon. D. H. LAIDLAW: I support the second reading of this Bill, which is one of the most significant Bills to come before this Council since I have been a member. I support it so that it can reach the Committee stage, where I shall move an amendment to clause 4. My amendment seeks to ensure that the activities of the Pipelines Authority to explore or exploit any hydrocarbon resources, whether gaseous, liquid or solid, are confined to South Australia and adjacent areas.

The Government has already provided $5 000 000 in the Supplementary Estimates to be allocated to the Pipelines Authority, and it intends to invest a further $35 000 000 over the next seven years. This considerable sum should be used to explore and operate in areas which, if successful, can directly benefit South Australia.

The Minister of Mines and Energy has explained that the Government intends to use the existing Pipelines Authority to conduct this operation, rather than create a new statutory body. It has an experienced board under the chairmanship of Sir Norman Young, who is one of the most competent professional men in the private sector in Australia. I commend the Government's action, because Governments, of whatever political persuasion, are usually far too inclined to create new statutory bodies and, once statutory bodies are in existence, Governments rarely dissolve them, even when their usefulness has passed.

My colleagues in another place proposed setting up a Select Committee to investigate this Bill, but the Government opposed that idea. The Hon. Mr. DeGaris has given contingent notice of motion to establish a Select Committee of this Council for the same purpose.

I would not want the passage of this Bill to be delayed, because its object is to expedite the exploration of the Cooper Basin and other possible deposits of hydrocarbons. This is a matter of urgency.

Initially, the Government desires the Pipelines Authority to acquire an interest in a consortium to operate in the Cooper Basin by purchasing shares owned by the Commonwealth Government and by Bridge Oil. If the consortium is expanded to include the other Cooper Basin interests, the Pipelines Authority would then have 50 per cent or less of the equity. Honourable members will recall that the consortium consists of Santos, Delhi, Bridge Oil, Alliance, Reef, Basin, Vamgas, Pursuit, and the Commonwealth.

The South Australian Gas Company also intends to join in this consortium. This company, like the Pipelines Authority, has an experienced board and a most competent chairman, Mr. Bruce Macklin. I am confident that the various South Australian interests will be treated fairly, and I do not think that an inquiry by a Select Committee of this Council would serve much purpose.

Of course, the existing producers in the Cooper Basin should be protected. Santos Limited, for example, which is based in South Australia, has done much of the original prospecting but, after more than 20 years, has not yet paid a dividend. Its directors and shareholders must wonder whether the Pipelines Authority will now assert itself, with the backing of Government finance, to such an extent that their share in the Cooper Basin will be reduced and they will fail to reap any worthwhile rewards from their pioneering efforts.

Machinery exists for an arbitrator to set the price to be paid for gas by the Pipelines Authority. At present Sir Brian Massey-Greene is inquiring into the question of the possibility of a further price increase, but any finding will, I expect, be deferred while the national price-wage freeze is operating.

I have said that the Bill should not be delayed. It is vital for South Australia to determine what additional reserves of hydrocarbons exist in or near our territories. The Pipelines Authority has an agreement to buy gas from the Cooper Basin, which agreement will expire in 1987—only 10 years hence.

Further, the Australian Gaslight Company in New South Wales has an agreement to take two trillion cubic feet of gas from the Cooper Basin until the year 2000, and the next ·8 trillion cubic feet discovered will also be allocated, at first option, to the Australian Gaslight Company. All the known reserves of 3·3 trillion cubic feet of gas in the Cooper Basin have now been sold. Under the contract, if gas supplies run short, South Australia will suffer before New South Wales. South Australia is boxed in under the contract. Consequently, we must find additional reserves quickly. The existing producers apparently do not have access to sufficient funds to explore at the speed needed.

Despite my own economic philosophy, which favours giving preference to private enterprise, I believe that in this instance the Government must be involved. I commend the South Australian Government for taking this initiative, and I believe that, if the Liberal Party had been in power, it would have acted in a similar manner within the confines of the amendment that I have foreshadowed.

As President Carter said yesterday in his address to the people of the United States the energy crisis is the greatest challenge they will face in their lifetime. I believe that the same challenge faces the South Australian people today. In Australia, indigenous crude oil sells *ex* Bass Strait at present at $2·80 a barrel. The free world price for crude of a similar quality is about $11 a barrel. President Carter suggested that buying pressure and the shortage of oil may force the world price to more than $30 a barrel by 1985. If this is true and if South Australia is dependent upon imported gas and oil after 1987, how much will petrol cost the motorist? Perhaps it will cost $3 or more a gallon. Let us hope that the Pipelines Authority, with access to Government finance, will succeed in finding ample reserves of liquid or gaseous fuel or coal that can be mined and converted to gas or oil economically.

I recognise that the price of fuel to the consumer and to industry is artificially low in South Australia, compared with the situation overseas, and that some gradual increase will be needed to provide some return to private investors and private producers and to provide some stimulant to prospect further in this State, quite apart from the future activities of the Pipelines Authority. On the other hand, comparatively cheap gas is one of the few cost advantages remaining to the domestic house dwellers and to industry in Australia, compared with the situation overseas.

I shall move an amendment to confine the exploration and operations of the Pipelines Authority to South Australia and adjoining territories, so that any discoveries can be of direct benefit to this State. The area covered by my amendment is depicted on the map now placed on the notice board of this Chamber.

The area involved absorbs the whole of South Australia and parts of the Northern Territory, Queensland, New South Wales and Victoria. Additionally, it covers the submerged lands in waters to the south of the State to latitude 44 degrees south, which corresponds with the area specified in the second schedule of the Petroleum (Submerged Lands) Act, 1967, which was determined after negotiations with Sir Henry Bolte; I am not sure that we got the best end of that arrangement.

This proposed area will permit the authority to explore and operate reserves in the greater Cooper Basin, the Pedirka Basin, the Amadeus Basin, which includes the Palm Valley deposits, the Officer Basin, the Arckaringa Basin and then, to the south and the east, the Murray Basin and the Otway Basin. This area provides considerable scope and if the authority is to investigate these basins thoroughly, much more than $40 000 000 of Government funds will be required, unless the authority can generate some income in the meantime.

If the Prime Minister has a sudden rush of blood to his head and decides to adopt the Connor concept of a national gas grid at a cost of several billion dollars, and if the authority sees advantages in buying some interest in the North-West Shelf or elsewhere, surely the Minister can come to Parliament at a later stage to amend the Act to obtain the extra necessary scope.

The Hon. R. C. DeGaris: And make a full explanation of his reasons.

The Hon. D. H. LAIDLAW: Yes, and if the authority has acted prudently in the ensuing period, I am sure that honourable members would favourably consider such a request. I support the second reading.

The Hon. M. B. CAMERON secured the adjournment of the debate.

LAND COMMISSION ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from April 13. Page 3378.)

The Hon. A. M. WHYTE: I wish to speak briefly on this matter and say that the Bill contains some clauses with which this Council can agree, but it contains one clause that is unacceptable, and I have no intention of seeing this clause pass through this Chamber if I can prevent its transition. For that reason I have given notice of my intention to split the Bill into two parts so that we can deal separately with the two aspects. If I am successful in dividing it, honourable members can then speak to that part of the Bill with which they agree and then deal with the other part. I intend to speak at length on the two separate provisions.

The Hon. M. B. CAMERON: As the Hon. Mr. Whyte has said, this short Bill contains one clause that one cannot help but ask why it is necessary. I supported the establishment of the commission, and I am certain that, in the performance of its duties, it has done much good to reduce the escalation of land prices in South Australia. True, this matter is subject to much debate, but it would be foolish to deny that there has not been some reduction of the escalation of land prices in South Australia in comparison with the position in other States. Clause 3 provides:

> Section 12 of the principal Act is amended by inserting in paragraph (*a*) of subsection (6) after the passage "any dwellinghouse" the passage, "situated on a separate allotment or parcel of land of or less than one-fifth of a hectare,".

That means that, if a person has a property which is subject to acquisition by the commission, instead of the original dwellinghouse being exempt from the acquisition as is now the case, in future the commission will be able to acquire not only the land but also the dwellinghouse.

The Hon. B. A. Chatterton: That's not right.

The Hon. M. B. CAMERON: If a man has more than half an acre of land the commission can acquire his house as well as his land. I believe that that is the purpose of the Bill. This means that a person's house situated on land of more than one-fifth of a hectare can be acquired by the commission as well as the land, which could be already acquired. I do not thing that that is fair. I do not deny the right of the commission to acquire land in the interests of what it considers to be proper development of the city. We have granted it that power, but this power was not granted, and now it is sought. I would like to know why. What problems have arisen that have caused this particular power to be sought? I do not see that it is necessary and, if my understanding of the clause is correct, why it is necessary for the commission to go to this length?

The Hon. A. M. Whyte: What happens if a person doesn't want to leave his home?

The Hon. M. B. CAMERON: Why should he be forced to leave? Why should the commission be put into the position where it can take over that land? I do not believe that it would be appropriate for that power to be handed to the commission.

The Hon. B. A. CHATTERTON (Minister of Agriculture): The purpose of the amending Bill is to remove any doubt there may be about an area of land attached to a dwellinghouse which may be exempt from compulsory acquisition by the commission. As stated in the second reading explanation, the commission has been unable to accede to requests received from a number of local

government authorities to assist it in integrated development in parts of their areas. These cases exist where a number of ownerships comprise in total a parcel of land which cannot be developed in an orderly manner unless it is first aggregated into one parcel. The existence of dwelling-houses on some of the existing parcels exceeding one-fifth of a hectare has prevented the commission from assisting the local government authorities in the orderly and economical development they are seeking to achieve in these localities. Participation by the commission in such developments is wholly consistent with its functions, as section 12 (1) (*d*) provides as a function of the commission "to promote integration and economy in the development of land for urban purposes".

I draw the Hon. Mr. Cameron's attention to the following statement, which I think is relevant to the points that he was making. The Hon. J. C. Burdett has expressed the view that it is relatively simple to exclude the land appertaining to a dwellinghouse out of a larger area being the subject of an acquisition proposal by the commission. In practice, there is, in most instances, some uncertainty about the area appropriately appertaining to the dwellinghouse in these cases, and the amending Bill removes that doubt by prescribing one-fifth of a hectare as being a reasonable area. He also referred mistakenly to the justification of assistance to local government authorities for the Bill as being on planning grounds. In fact, in this context, the amendment has been proposed to enable economical and integrated development in the interests of the local community to take place. While the provision would enable the acquisition of inner-metropolitan dwellings on areas greater than one-fifth hectare for the purpose of resubdividing the land, as suggested by the Hon. C. M. Hill, the commission has no intention of taking such action.

The Hon. C. M. Hill and the Hon. R. C. DeGaris have implied that the only objective of the commission is to provide cheap land for young people. Reference to section 12 of the Act setting out the functions of the commission indicate much wider objectives than that one. The commission is prevented from completely carrying out the statutory functions imposed on it by the Act through the limitations imposed on its ability to acquire land in the circumstances provided in section 12 (6) which the Government now seeks to amend.

Finally, the Hon. Mr. Whyte having drawn attention to his contingent notice of motion, I point out that the Government will be opposing the splitting of the Bill, regarding it as a subterfuge to defeat part of the Bill.

Bill read a second time

The Hon. A. M. WHYTE moved:

That it be an instruction to the Committee of the Whole that it have power to divide the Bill into two Bills, one Bill comprising all clauses other than clause 3 and that clause 3 be included in the second Bill; and that the Committee of the Whole on the second Bill have power to insert the words of enactment.

The Hon. B. A. CHATTERTON: I repeat that we oppose this motion for the splitting of the Bill in the way proposed.

The Council divided on the motion.

Ayes (9)—The Hons. J. C. Burdett, M. B. Cameron, J. A. Carnie, Jessie Cooper, M. B. Dawkins, R. C. DeGaris, C. M. Hill, D. H. Laidlaw, and A. M. Whyte (teller).

Noes (9)—The Hons. D. H. L. Banfield, F. T. Blevins, T. M. Casey, B. A. Chatterton (teller), J. R. Cornwall, J. E. Dunford, N. K. Foster, Anne Levy, and C. J. Sumner.

Pair—Aye—The Hon. R. A. Geddes. No—The Hon. C. W. Creedon.

The PRESIDENT: There are 9 Ayes and 9 Noes. The procedure for the splitting of Bills is provided for in the Standing Orders. This Bill is of a kind that comes within the provisions of those Standing Orders, and I therefore give my casting vote for the Ayes.

Motion thus carried.

In Committee.

The Hon. A. M. WHYTE moved:

That, according to instruction, the Bill be divided into two Bills, the first to be referred to as the Land Commission Act Amendment Bill (No. 1), to include clauses 1, 2 and 4; and the second to be referred to as the Land Commission Act Amendment Bill (No. 3), to include clause 3 relating to the powers and functions of the commission.

Motion carried.

Clauses 1 and 2 passed.

Clause 3—"Powers and functions of commission."

The Hon. B. A. CHATTERTON (Minister of Agriculture) moved:

That consideration of this clause be postponed until after consideration of Bill No. 1 has been concluded and reported on.

Motion carried.

Clause 4 and title passed.

Bill No. 1 reported without amendment. Committee's report adopted.

Progress reported on Bill No. 3; Committee to sit again.

Bill No. 1 read a third time and passed.

LAND COMMISSION ACT AMENDMENT BILL (No. 3)

The Hon. B. A. CHATTERTON (Minister of Agriculture) moved:

That the Land Commission Act Amendment Bill (No. 3) be now proceeded with.

Motion carried.

In Committee.

New clause 1—"Short titles."

The CHAIRMAN: The first question before the Committee will be the insertion of new clause 1, which provides:

(1) This Act may be cited as the "Land Commission Act Amendment Act, 1977".

(2) The Land Commission Act, 1973, is hereinafter referred to as "the principal Act".

(3) The principal Act, as amended by this Act, may be cited as the "Land Commission Act, 1973-1977".

New clause inserted.

Clause 2—"Powers and functions of commission."

The CHAIRMAN: I point out that this clause was clause 3 in the original Bill.

The Committee divided on the clause:

Ayes (9)—The Hons. D. H. L. Banfield, F. T. Blevins, T. M. Casey, B. A. Chatterton (teller), J. R. Cornwall, J. E. Dunford, N. K. Foster, Anne Levy, and C. J. Sumner.

Noes (9)—The Hons. J. C. Burdett, M. B. Cameron, J. A. Carnie, Jessie Cooper, M. B. Dawkins, R. C. DeGaris (teller), C. M. Hill, D. H. Laidlaw, and A. M. Whyte.

The CHAIRMAN: There are 9 Ayes and 9 Noes. I give my casting vote for the Ayes.

Clause thus passed.

The CHAIRMAN: The question now before the Committee is that the following words of enactment be inserted:

Be it enacted by the Governor of the State of South Australia, with the advice and consent of the Parliament thereof, as follows:

That the title be "A Bill for an Act to amend the Land Commission Act, 1973".

Words of enactment inserted.

The Hon. B. A. CHATTERTON (Minister of Agriculture) moved:

That this Bill be now read a third time.

The Hon. C. M. HILL: I oppose the third reading for the reasons I gave in the earlier debate, because the Bill includes clause 3 in the original Bill, the controversial clause. This measure provides nothing more than the obnoxious clause. For the Government to legislate for compulsory acquisition powers enabling it, through its Land Commission, to acquire any metropolitan site in excess of half an acre is legislation that I did not think I would see introduced, let alone debated or reaching the third reading stage. When I say a half-acre site or allotment, I am including the fact that it is either improved or unimproved, and the improved sites mainly include dwellinghouses. If people cannot own property in metropolitan Adelaide and live in some peace without the fear of the heavy hand of compulsory acquisition from a Government instrumentality falling upon them at any stage, when the land is required not for a necessary utility such as a school or road widening but simply because the whim of the Land Commission is, "We are going to acquire", that is legislation of which I will not have a bar. Accordingly, I intend to vote against the third reading.

The Hon. M. B. DAWKINS: I do not propose to reiterate what I said in my second reading speech on the original Bill. As the Hon. Mr. Hill has said, the operative clause of this Bill means that anyone living in a house on a half-acre or more of land could be in trouble and the Land Commission could take over that property. That is fundamentally wrong. The Land Commission should live up to its name: it was set up to acquire land so that young people in particular could buy cheap building allotments. It certainly was not meant to take over the premises of people living in a house happening to be on half an acre or more of land. This clause is iniquitous and is probably introduced because of one particular case. I oppose the Bill as strongly as I can.

The Hon. J. C. BURDETT: I, too, oppose the third reading and point out that, if a house is situated on an allotment of more than one-fifth of a hectare, the land, excluding the house and its curtilage, can already be acquired. I do not see how an ability to acquire a house helps any planning purpose, and that was given as a reason for the Bill.

The PRESIDENT: I think the Minister gave an explanation about the Bill when the Hon. Mr. Burdett was not in the Chamber.

The Hon. J. C. BURDETT: But, irrespective of what the Minister may have said, the land, apart from the house, can already be acquired, and I cannot see how it can assist in any planning purpose to be able to acquire the house unless for the purpose of demolition. No other good purpose would be served by being able to acquire the house. Therefore, I oppose the third reading.

The Hon. B. A. CHATTERTON (Minister of Agriculture): I will not reiterate refuting the arguments of the Opposition.

The Committee divided on the third reading:

Ayes (9)—The Hons. D. H. L. Banfield, F. T. Blevins, T. M. Casey, B. A. Chatterton (teller), J. R. Cornwall, J. E. Dunford, N. K. Foster, Anne Levy, and C. J. Sumner.

Noes (9)—The Hons. J. C. Burdett, M. B. Cameron, J. A. Carnie, Jessie Cooper, M. B. Dawkins, R. C. DeGaris, C. M. Hill, D. H. Laidlaw, and A. M. Whyte (teller).

Pair—Aye—The Hon. C. W. Creedon. No—The Hon. R. A. Geddes.

The PRESIDENT: There are 9 Ayes and 9 Noes. I give my casting vote for the Noes.

Third reading thus negatived.

LEGAL SERVICES COMMISSION BILL

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

ADJOURNMENT

At 10.42 p.m. the Council adjourned until Thursday, April 21, at 2.15 p.m.