

## HOUSE OF ASSEMBLY.

Tuesday, September 19, 1961.

The SPEAKER (Hon. B. H. Teusner) took the Chair at 2 p.m. and read prayers.

### PUBLIC PURPOSES LOAN BILL.

His Excellency the Governor, by message, intimated his assent to the Bill.

### SENATE VACANCY.

His Excellency the Governor, by message, intimated that His Excellency the Governor-General of the Commonwealth of Australia, in accordance with section 21 of the Constitution of the Commonwealth of Australia, had notified him that in consequence of the death on September 11, 1961, of Senator Rex Whiting Pearson, a vacancy had happened in the representation of South Australia in the Senate of the Commonwealth. The Governor had been advised that, by such vacancy having happened, the place of the Senator had become vacant before the expiration of his term within the meaning of section 15 of the Constitution of the Commonwealth of Australia, and that such place must be filled by the Houses of Parliament, sitting and voting together, choosing a person to hold it in accordance with the provisions of the said section.

Later:

The SPEAKER: I have to inform the House that I have received an intimation from the President of the Legislative Council that he proposes to summon a joint meeting of the two Houses in the Legislative Council Chamber on Thursday, September 28, at 12 o'clock noon, for the purpose of choosing a person to fill the vacancy in the Senate caused by the death of Senator R. W. Pearson.

### QUESTIONS.

#### MEDICAL BENEFITS.

Mr. FRANK WALSH: My question concerns the Australian Medical and Accident Insurance Company Limited, generally known as A.M.I. which used to be located in Elizabeth House, North Terrace. A few weeks ago I asked a question about this matter and was told that the police had taken charge of the books of the company. I have since ascertained that K. Rees Emporium Ltd., which I understand is a Victorian company, has taken over A.M.I., and that this company is now in the hands of the liquidators in Victoria. As the Victorian company has taken over A.M.I.,

will the Premier say whether there is any safeguard for the people of South Australia who may still be contributing through bank orders or by other means to this company?

The Hon. Sir THOMAS PLAYFORD: The Crown Solicitor and the Police Department took certain action in connection with this company. I have not been told the result of that action, but I shall find out and advise the Leader, I hope tomorrow.

#### CHOWILLA DAM.

Mr. KING: Can the Premier elaborate in any way on the results of the intense inquiry into the hydrological engineering prospects of the Chowilla dam and on what steps will be taken in due course?

The Hon. Sir THOMAS PLAYFORD: I have not had a copy of the report, which has not yet been released, but I have been informed in a general way that it favours the project. Knowing that the report was finalized, I wrote to both Mr. Bolte and Mr. Heffron requesting a conference to continue the discussions previously held, and suggested that it might be held towards the end of this month. Mr. Bolte has already advised that it will not be possible to hold the conference then but he hopes to be available in October.

#### SCHOOL LEAVING AGE.

Mr. CLARK: In yesterday's Melbourne press the Victorian Chamber of Commerce expressed concern that 160,000 Australian children leaving school in December would, as a result of the credit squeeze, find it difficult to obtain employment. This morning's *Advertiser* contained a similar statement by the secretary of the Adelaide Chamber of Commerce (Mr. D. F. Thomas), who said:

Commerce would be "flat out" trying to absorb 8,000 school-leavers seeking jobs at the end of this year.

In the same article the secretary of the South Australian Chamber of Manufactures (Mr. C. W. Branson) is reported to have said:

If the employment problem is still being felt at that time, it could have the effect of raising the school leaving age. Parents would not take their children away from school "to run around the streets until they got jobs."

Will the Minister of Education say whether, in view of the situation, any special arrangements have been made by the Education Department to assist children leaving school at the end of the year to obtain employment? Because of the likely difficulty children leaving school will have in obtaining jobs and

also because of the recent statement by the Director of Education that the department is within measurable distance of adequately meeting all staff requirements, will the Minister consider introducing legislation to raise the school leaving age?

The Hon. B. PATTINSON: No special arrangements have been made by the Education Department for the very good reason that we do not anticipate any unusual difficulties in that regard. The question of compulsorily raising the school leaving age is a matter of Government policy and is not one for the Minister of Education or the Education Department to decide, but on an entirely voluntary basis the average age of leaving has risen rapidly in recent years as a result of requests by leading educationists and also the Minister of Education and the inducements offered to young people to obtain the best possible education according to our present standards. That is an increasing tendency, and I think the estimates of the number leaving school at the end of this year may be found to be astray because I think that more boys and girls will stay on longer at the end of this year than is expected.

Mr. KING: Has the Minister of Education any recent figures concerning the percentages of pupils leaving school at various ages in New South Wales and South Australia?

The Hon. B. PATTINSON: A report received last month from the Australian Council of Educational Research on its survey of pupils leaving school from Government schools in the various States of Australia suggests that South Australia has reason to be pleased with the increasing tendency of students to remain at school voluntarily for additional secondary education. For example, the minimum school leaving age in New South Wales is fixed by law at 15, compared with 14 in South Australia, yet the cumulative percentages show that 34.8 per cent of boys and 41.7 per cent of girls left New South Wales schools at or before the age of 15, while in South Australia the figures were 33.6 per cent for boys and 43.3 per cent for girls. In New South Wales 73.9 per cent of boys and 80.1 per cent of girls left at or before 16 years of age, compared with only 61.4 per cent of boys and 75.6 per cent of girls in South Australia. In New South Wales 83.9 per cent of boys left at or before 17 years of age and 92.1 per cent of girls, compared with only 85.7 per cent of boys and 93.3 per cent of girls in South Australia.

#### FIREWORKS.

Mrs. STEELE: I draw the Premier's attention to a press report concerning the collapse of two women during a church service when a fire cracker exploded in the porch of the hall. As a result, in the Port Adelaide juvenile court a 15-year old boy pleaded guilty to a charge of wilful interruption of religious worship at Exeter. The boy told the magistrate that he had meant to throw the cracker (which, he said, was a penny bomb) on to the footpath. That is not an isolated incident, and during the recent school holidays there were frequent complaints about the prevalence of children playing with fireworks. I live adjacent to a park which includes a children's playground, and I have frequently heard crackers being let off during a period when many young children were in the playground. I know that any prohibition would be difficult to frame, because we now have in our midst many Europeans whose religious observances and feast days include the practice of letting off fireworks and having other pyrotechnic displays, but perhaps a regulation could be framed to prohibit the purchase of all types of fireworks by children below an age to be fixed except during the two weeks preceding November 5. A trader in my electorate has drawn my attention to the hazards involved, and this, I think, draws attention to the genuine concern of the general public on this danger. Will the Premier investigate the position with a view to bringing this danger under control?

The Hon. Sir THOMAS PLAYFORD: I will have the matter investigated.

#### LEGISLATIVE COUNCIL ELECTIONS.

Mr. LAWN: In view of the very poor poll on Saturday last in the by-election for Central District No. 1, when only a few more than 4,000 people voted out of 56,000 persons enrolled, will the Premier submit for Cabinet's consideration this session an amendment to the Constitution Act to provide for compulsory voting for Legislative Council elections?

The Hon. Sir THOMAS PLAYFORD: I do not think that will be necessary. On this occasion my Party did not nominate a candidate, and as a consequence there was not much enthusiasm by the voters to come out. Where we stand candidates I have no doubt whatever that the electors will come out, and there is no necessity to compulsorily make them come out and vote for our Party.

## ROAD PERMITS.

Mr. HALL: Periodically, special cases have required special consideration by the Transport Control Board, and frequently this consideration has not been satisfactory to those applying for permits to use road transport instead of rail; either the board cannot grasp the significance of these cases or it will not do so. An incident I wish to describe concerns the trouble that has arisen at Balaklava concerning the disposal of a flock of sheep infected with foot rot. These sheep, which belonged to a Mr. Schaefer, of Balaklava, developed a severe case of foot rot, an unusual occurrence in this district.

Mr. Jennings: Is this a question?

The SPEAKER: The honourable member must ask his question.

Mr. HALL: I cannot ask the question without explaining it.

## RAILWAY ACCIDENT.

Mr. RALSTON: I recently asked a question of the Minister of Works concerning the cost of repairs to the permanent way and rolling-stock that was damaged in a recent road accident between a timber truck and a train at the rail crossing on the Millicent Road near Mount Gambier. I understand the Minister has a reply.

The Hon. G. G. PEARSON: My colleague, the Minister of Railways, reports that the cost involved by the Railways Department in rehabilitating the railway line and damaged rollingstock was £3,463.

## SAFETY BELTS.

Mr. MILLHOUSE: Recently there has been much publicity emphasizing how desirable it is in order to save life in vehicular accidents that seat belts be fitted in motor vehicles. I refer particularly to this morning's *Advertiser* containing a report of some remarks by the Minister of Roads and also an article (on page 2).

Mr. Frank Walsh: Did you see where I supported it?

Mr. MILLHOUSE: I am glad to hear that. I also refer to the resolution passed last week by the annual conference of the Liberal and Country League on this matter. So far as I am aware, no provision for seat belts appears in the Road Traffic Bill, and I ask the Government whether, in view of the remarks reported in this morning's newspaper and that resolution, it intends either to introduce legislation on this matter or to refer it to the Road Traffic Board or the State Traffic Committee?

The Hon. Sir THOMAS PLAYFORD: The only way it could be considered in connection with the Road Traffic Act would be by making compulsory the fitting of seat belts in all cases. Quite apart from the difficulty of policing the use of belts, even if they were put in the vehicles, I doubt very much whether the House or the Royal Automobile Association would approve of such a provision. Of course, there is nothing to prevent people from using safety belts, which undoubtedly greatly enhance a person's chance of escaping serious injury in case of accident. The evidence strongly favours the use of safety belts to prevent serious injury in ordinary road accidents.

Mr. Frank Walsh: Provided it is voluntary.

The Hon. Sir THOMAS PLAYFORD: Yes. At this stage I could not commit the Government to making it a compulsory requirement that before a vehicle could be driven on the road the cost of installing seat belts should be incurred. That cost is not small, particularly where they have to be fitted in a car already in use. However, I will have the matter investigated and consult with the Royal Automobile Association to see what practical steps can be taken.

## FISHING POTENTIAL.

Mr. TAPPING: I refer to the fishing potential of South Australia and to meetings held last year, both in my district and in other parts of the State, with regard to ways and means of preserving the fishing industry of South Australia and giving the State a better return. I understand that in discussion it has been argued that the amateur fisherman plays some part in decreasing supplies to the local market. Without having taken advice on the matter, may I ask if the Minister of Agriculture can today tell the House what his or his Department's plans are for preserving our fishing potential in South Australia? Do they involve discrimination against amateur fishermen?

The Hon. D. N. BROOKMAN: Fish stocks have been considered by the department as closely as possible and, in order to ensure that our fishing potential is fully preserved, the inspection work has been increased to make sure that our fishing laws are being observed and that there is no abuse of the present Fisheries Act. The Government certainly does not intend to make any decision that will prohibit amateur fishermen from following their sport; nor is it in any way interested in holding back anyone from his fishing activities, whether for sport or for commerce. The Government's sole

object is to preserve the fish stocks as we understand them to be now and to see, for the benefit of everybody, that they do not deteriorate.

In every discussion on fisheries, varying views are expressed on what is the best type of regulation to introduce for various kinds of fish, but the one thing that is almost a uniform factor in all these discussions is that the truth of any particular statement cannot be proved definitely. One of the difficulties involved in altering laws is that one just has to go on guesswork and cannot prove that one statement is right and another wrong. At the moment, the Fisheries Department is increasing its activities in this respect to ensure that the present laws are observed. The amount of inspection work has been increased greatly in the last 12 months.

#### TAPLEY HILL ROAD.

Mr. DUNNAGE: Has the Minister of Works a reply to a question I asked about a fortnight ago about the road over Tapley Hill and the long time being taken to complete it?

The Hon. G. G. PEARSON: My colleague, the Minister of Roads, has received the following report from the Commissioner of Highways:

Work was temporarily held up some time ago as acquisition of land had not been completed, so that portion of the gang was transferred to construct Dyson Road which is on the eastern side of the proposed refinery at Port Stanvac. Land is now available, and the whole of the gang will be transferred back to work on the Main South Road. It is expected that six lanes will be completed to the top of Tapley Hill by the end of next summer. It is expected that the funds allocated for work on this road during the current year will be spent.

#### GROCERY PRICES.

Mr. RYAN: Has the Premier a reply to my recent question regarding the black-listing by Beckers of supplies to a certain wholesaler and a certain retailer because of the non-signing of an agreement to sell at the agreed prices?

The Hon. Sir THOMAS PLAYFORD: The headquarters of Beckers Pty. Ltd. are in New South Wales but the company also has a factory at Dudley Park employing over 170 persons. The full requirements of Bex powders and tablets for South Australia, Victoria and Western Australia are manufactured at this factory. The retail price of Bex powders and tablets has remained unaltered at 1s. since 1935 and the company has always insisted on strict maintenance of this price. The company claims

that considerable expense is involved in policing the "fixed" retail price and that the reason for this action is to protect the smaller businesses selling the products. The Prices Commissioner has reported as follows:

Bex powders and tablets are not subject to price control. The manager of a large wholesale organization approached the Prices Department in November last year and brought under notice that following the insertion of an advertisement in the press offering Bex powders at a reduced price, supplies of the products to his company and the 245 retail stores associated with the company had been stopped. The legal position was explained to the manager and as it appeared that he had reached a deadlock in his approaches to Beckers for reinstatement of supplies, the department decided to try and assist in the matter by calling both parties together for a discussion. Resulting from this Beckers undertook to resume supplies subject to written assurance being given by each of the stores concerned that the retail price of 1s. would be observed and this was also agreed to.

It is understood that the required assurances were given subsequently by all but one of the stores concerned and that, with the one exception, supplies to these stores were then reinstated. It has now been ascertained from Beckers that no retailer has been or would be penalized for unknowingly supplying the products to another retailer who was on the "stop list". The only instance of a retailer in this State having lost his supplies for selling to another retailer involved a storekeeper who purchased a large parcel of the products and passed them on to another retailer already on the "stop list". The department has at no time upheld the action of any manufacturer who has refused or contemplated refusing supplies of any goods. The department does, however, appreciate the fact that Beckers has maintained the retail price of its products at 1s. for over 26 years despite any cost increases over this period and under these circumstances would have some justification for insisting that this long-established price continue to be observed.

Mr. RYAN: The Premier's reply discloses that a certain retailer is still on the black list regarding supplies from Beckers. In view of that position and the report of the Prices Commissioner that the manufacturer has no legal right to stop supplying a retailer on the black list, if I supply the full information will the Government take action against the company concerned or, if not, will it say what action by the retailer is necessary to ensure that his legal right to supplies is maintained?

The Hon. Sir THOMAS PLAYFORD: The honourable member mentioned a case in which a grocer had not been given supplies. I point out that the Government has no power to take action against Beckers unless, in the first place, it issues a proclamation and controls this

article. The Government is satisfied that Beckers has been reasonable in its charges. If the honourable member looks at the record that has been disclosed in the House today he will see that, despite all the cost increases that have taken place over many years, this firm has maintained supplies of its product to the public at a uniform price and at a price which the Prices Commissioner believes to be fair.

Mr. Ryan: This deals with minimum, not maximum.

The Hon. Sir THOMAS PLAYFORD: I realize that. In the Government's opinion, there is no ground for recontrolling this article. I make that quite clear. As far as we can see, this firm has acted entirely honourably in every way. It has supplied the public fairly and in a way that does not warrant the Government's taking action against it. However, if the honourable member will inform me of the retailer that has not been able to get supplies, I will have that case investigated.

#### NEW ROAD AT VICTOR HARBOUR.

Mr. JENKINS: Has the Minister of Works a reply to my recent question about a new road at Victor Harbour?

The Hon. G. G. PEARSON: My colleague, the Minister of Roads, reports that the reconstruction of the Noarlunga to Victor Harbour Main Road No. 31 from Kleinig Hill to the River Hindmarsh bridge will not be undertaken at present, due to other more urgent works. When reconstruction does take place, provision will be made for 40ft. pavement plus foot-paths. This width on the present road will be fitted in between the houses and the railway reserve, with the least inconvenience to land-owners.

Mr. JENKINS: I seek a more specific reply than the one given by the Minister. My question concerns a constituent named Mr. Ronald Rudd, whose house is the first on the left this side of the Hindmarsh bridge. Highways Department surveyors have put pegs within a few feet of the front window of his new house and this survey will take in 14 feet of his front lawn, and bring the road almost under his front window. Will that alignment be observed by the Highways Department when it re-makes the road?

The Hon. G. G. PEARSON: Now that the honourable member has mentioned this specific case, I will refer his question again to my colleague to see whether he can give any further information.

#### MACCLESFIELD-STRATHALBYN ROAD.

Mr. JENKINS: Has the Minister of Works a reply to my recent question about the Macclesfield-Strathalbyn Road?

The Hon. G. G. PEARSON: My colleague, the Minister of Roads, reports that the alignment and width of the Macclesfield-Strathalbyn section of the Aldgate-Langhorne Creek Main Road are sub-standard with the traffic it is now carrying. In addition, pavement failures have occurred in several places. The commencement of reconstruction will depend on the availability of funds.

#### PORT PIRIE RAILWAY LINE.

Mr. McKEE: With reference to my question about the removal of the line from Ellen Street, Port Pirie, I understand a preliminary meeting has been held. Can the Minister of Works give the House further information on this matter?

The Hon. G. G. PEARSON: As I indicated to the House earlier, the matters governing the progress of this project related to certain Commonwealth properties which it was necessary to remove so that space could be provided for the additional railway track to enable the traffic through the main street to cease and be transferred to the new line. Conferences have been held between the General Manager of the Harbors Board and the Commonwealth authorities concerned, and I think agreement has been reached in principle on one problem—the Customs Office. I speak from memory and subject to correction but I think that is the position: that it has been suggested that there should be an exchange of land between the State and Commonwealth authorities, which would enable the Commonwealth to vacate that Customs Office. The further question of the Postmaster-General's premises is still the subject of negotiation and I cannot indicate at the moment what the prospects are for reaching a satisfactory conclusion on that; but negotiations are proceeding.

#### HILLS WATER SUPPLY.

Mr. SHANNON: My constituents in the hills village of Coromandel Valley enjoy the privilege of a main running through their township but at this stage the Engineering and Water Supply Department is not connecting up everybody in the village because of a lack of pumping facilities to maintain the supplies required for the whole of the area to be served—Blackwood, Eden and Belair. The coming summer will be difficult for a few people in this village who are giving a public service. I have been

asked to inquire whether the department would be prepared to make some connections to the main, even though they would have a low pressure. It would be cheaper for the people to receive water at low pressure than to cart it as they have done in the past to provide this public service. This could be the means of affording immediate relief to these people.

The Hon. G. G. PEARSON: My memory is that it is necessary to install pumping equipment to elevate water to a point where it can command the whole township and provide a satisfactory pressure to all users. I think the honourable member's suggestion is worth considering, because it would mean that water could be available for urgent cases. If he directs inquiries for urgent cases or for public utilities to the department, they will be sympathetically considered. I point out that if an undue number of connections were made it would ruin the prospects of providing any satisfactory service and the department would have to consider that aspect in making connections. If the honourable member brings particular cases to my notice I will refer them to the department where they will be sympathetically considered.

#### HIGHWAYS DEPARTMENT BUILDING:

Mr. CUMBE: Last week the Minister of Roads announced the proposed construction of an administrative block for the Highways Department in Walkerville. Whilst this has been welcomed by many people in the locality, some misunderstandings have arisen. Will the Minister representing the Minister of Roads ask for a report to clarify this misunderstanding, and will he ascertain why the block is to be built in Walkerville, and what type of structure it will be? I might mention that the proposal has been welcomed by the majority of people in the district.

The Hon. Sir THOMAS PLAYFORD: Two matters are associated with this question, and I should like to refer to one of them which has a bearing on public policy, and which is not frequently understood. The application for the erection of the building was approved by the council, with only one dissenting vote, after the council had carefully examined it. As is often the case when such a matter is before a council, many people desired to know the Government's plans for a freeway that was presumably to be established through the district, and sought to have its location published. The Government's experience has been that once it becomes known that a block of land is necessary for a public purpose its price

increases by about 300 per cent overnight and, under those circumstances, the Government has always refrained from publishing plans for future expansion until it has secured the land at reasonable prices under ordinary buying and selling arrangements. The Government is not prepared to disclose the precise nature of proposals it has for a particular area. Regarding the matter the honourable member has raised, the corporation has already approved of the application, although the Highways Department did not need to apply. However, it works in with councils and applies in the normal way.

#### WHYTE YARCOWIE STATION MASTER.

Mr. CASEY: Has the Minister of Works, representing the Minister of Railways, a reply to my question of several weeks ago about the Whyte Yarcowie station master?

The Hon. G. G. PEARSON: My colleague, the Minister of Railways, reports that nothing is known of a proposal to remove the station master from Whyte Yarcowie, and he advises that the Railways Commissioner does not intend to seek approval for such a course of action.

#### PUBLIC RISK INSURANCE ON FERRIES.

Mr. BYWATERS: Concern has been expressed to me regarding public risk insurance on the River Murray ferries. I have been told that the Highways Department and the local councils concerned have been worried about the inadequacy of the coverage. As some investigations have been made, can the Minister representing the Minister of Roads say whether there is to be some alteration to the present public risk insurance?

The Hon. Sir THOMAS PLAYFORD: The Government has investigated this matter. For many years local councils have been controlling the ferries, but the Government has believed that they have been doing so as agents for the Government. Under those circumstances the Government has not desired to put an obligation upon the councils and has, in point of fact, taken out insurance policies to cover the risk.

#### PENOLA ROAD.

Mr. HARDING: On August 31 I asked the Minister of Works whether he would confer with the Minister of Roads regarding a portion of Gordon Street, Naracoorte, which carries all traffic south of Naracoorte to Penola, Mount Gambier and the south-western districts of Victoria. Has the Minister of Works ascertained from his colleague whether the road will be sealed soon?

The Hon. G. G. PEARSON: The Minister of Roads advises that the road in question has been due for reconstruction for some time, and, as the surface became badly potholed last winter, the corporation, rather than carry out extensive patching which would be wasted, tynd up the roadway and reverted to open surface until such time as the sewer main was completed. Funds are available in the current year for reconstruction. However, this cannot commence until the corporation is in a position to carry out the work and until the back-filling of the sewer main, which was completed about six weeks ago, has had a reasonable chance to consolidate. It is expected that the section will be reconstructed and sealed by January, 1962.

#### SOUTH-EAST SCHOOLS.

Mr. CORCORAN: During the debate on the Loan Estimates I mentioned the proposed expenditure of £334,000 for about 18 primary and infants schools, including the Millicent South primary school, and of £311,000 for seven area schools, including Kangaroo Inn, and asked what portions of those amounts were likely to be spent during the current financial year on these two schools. I asked for an assurance that work on the Kangaroo Inn area school would be commenced during this financial year, as rumours had been circulating that it would not. I also asked whether the domestic arts and craft work centre for the Kingston area school would be commenced during this financial year. Has the Treasurer obtained the information he promised to make available?

The Hon. Sir THOMAS PLAYFORD: During the debate on the Loan Estimates a dozen requests were made on particular items. I have the information and will see that each member receives it in a letter so that he can inform his constituents accordingly.

#### COOMANDOOK: AGRICULTURAL SCIENCE COURSE.

Mr. NANKIVELL: Will the Minister of Education obtain a report on whether the Education Department intends to purchase additional land to establish an agricultural science course at the Coomandook area school and, if it does, on what area the department intends to purchase and what stage negotiations with the vendor have reached?

The Hon. B. PATTINSON: I shall be pleased to obtain that information for the honourable member.

#### GILLES PLAINS BUS SERVICE.

Mr. LAUCKE: I have previously referred to the proposed extension of the Municipal Tramways Trust's services from the present terminus at Gilles Plains to the junction of Kiltie Avenue and Lyons Road, Windsor Gardens, which would have adverse effects on the existing privately owned Bowman's bus service and which is being hotly opposed by many of my constituents. This morning I received a petition for submission to the Premier from Mr. T. J. Tulloch, president of the Gilles Plains and District Progress Association, signed by 1,119 local residents and seeking that the Municipal Tramways Trust bus service be not extended and that Bowman's Bus Services Limited be permitted to continue to operate the present service. Will the Premier urgently consider this matter in an endeavour to meet the petitioners' request?

The Hon. Sir THOMAS PLAYFORD: If the honourable member will let me have a copy of the petition I will refer it to the Tramways Trust for consideration.

#### ELECTRONIC BRAIN

Mr. FRED WALSH: It has been reported that an electronic brain that will prepare 1,250,000 consumer accounts has been purchased from Germany by the Electricity Trust. It is said that this computer will operate without human aid and that it will prepare the trust's pay rolls, handle all accounting and costing business, and control the stores inventory. It is also reported that, although an account will be calculated in 1½ seconds, the assistant manager of the trust (Mr. Huddleston) claims that there will be no retrenchment of staff. Can the Premier substantiate the claim that there will be no retrenchments and can he indicate the cost of the machine?

The Hon. Sir THOMAS PLAYFORD: I know nothing about these two matters other than what I have seen in the press, but I will obtain a report for the honourable member.

#### TOWN PLANNING ACT.

Mr. LAWN: Has the Premier a reply to my recent question concerning an amendment to the Town Planning Act?

The Hon. Sir THOMAS PLAYFORD: The Government is considering the introduction of suitable legislation this session to remedy the position described by the honourable member.

#### WHEAT EXPORTS.

Mr. HALL: Has the Minister of Agriculture a reply to my recent question regarding the

cleaning and grading of wheat before it is sold for export?

The Hon. D. N. BROOKMAN: I have a report from the General Manager of the Government Produce Department which reads:

Inspection of wheat for export has not, at present, a statutory basis and it is only carried out if the overseas buyer seeks a Government certificate. Although a substantial portion of the grain exported is shipped under Government certificate, other sales are made for which an inspection by the marketing authority is accepted. In general, sales are made on the basis of the f.a.q. standard set by the South Australian Standards Committee for the season concerned. Standard samples are provided to the department for:

F.A.Q. Mixed Hard and Soft Wheat

F.A.Q. Hard Wheat

F.A.Q. Soft Wheat

and these form the basis of inspection for quality, condition and soundness of the grain, and set the level of permissible admixtures (impurities, including foreign grain, etc.).

Inspections are made for the issue of:

(a) State Government certificates;

(b) Commonwealth Phytosanitary certificates.

This work is performed under the direction of the department's Senior Inspector, with the assistance of trained and experienced samplers. In bulk shipments a continuous examination of grain is carried out on shipping belts and periodical inspections are made on weighing belts before the grain reaches the shipping belt. Shipments of bagged grain, or bulk *ex* bags, are examined by the steel trier method before bagged grain is lifted on board vessels.

#### ISLINGTON PARKING.

Mr. COURCE: On several occasions recently I have taken up with the Minister of Roads the question of providing off-street parking for employees at the Islington railway workshops. Representations have also been made to the Railways Commissioner by the Prospect and Enfield Corporations, but as yet the Commissioner has not agreed to provide off-street parking for employees to overcome a definite traffic hazard on Churchill Road. At present a distinct rumour is going around the district that the Road Traffic Board has requested the Railways Commissioner to provide off-street parking. Will the Minister of Works ask his colleague, the Minister of Railways, whether such an approach has been made and, if it has, what recommendations are likely to be made?

The Hon. G. G. PEARSON: I will ask my colleague for a report on this matter.

#### PALMER TO SEDAN WATER SCHEME.

Mr. BYWATERS: Last year, and even before that, I (together with you, Mr. Speaker, as member for Angas) brought to the notice

of the Minister of Works the question of a water scheme from Palmer to Sedan. This scheme, being a large one covering a big area, was referred to the Agriculture Department, as I understand from correspondence I had from the Minister, with reference to the potential of the district to see whether this scheme should be implemented. Will the Minister look at this matter and bring down a report so I may know the present position?

The Hon. G. G. PEARSON: What the honourable member has said is accurate. The scheme was prepared and showed a high cost in relation to the number of people to be served. But, despite every effort to keep the cost to a minimum by the use of fibrolite piping and the less expensive type of storage tank, the capital cost would still be high and would involve, in fact, both for your constituents, Sir, and for the constituents represented by the honourable member a high rating, which appeared on the face of it to be out of line with the benefits likely to be derived from the scheme.

It was then referred to the Minister of Agriculture for a report by his officers on the expected increased production resulting from a supply of water to this area. That report has been received, but it is a little inconclusive. I do not suggest that the officers have been inconclusive in their appreciation but the factors disclosed by their investigations have not shown that any great benefit would result, although the report does disclose that in their opinion there would be some benefit—obviously in respect of small improvements in the production of sidelines, etc. The latest position is that the district councils concerned have approached me verbally on the matter and suggested that they might, as councils, look at the scheme to see whether, in their opinion, it could be modified and whether they would be prepared to suggest modifications so that it might be reduced to a scheme smaller in some respects and cheaper in cost.

I agreed that the councils concerned might look at the scheme so that they could comment on it. Without their being involved in a mandatory manner, I thought their suggestions would be useful and agreed that the councils involved should look at the scheme. Whether or not they have yet been furnished with the information I am not sure but, if they have not yet received it, they will receive it in due course so that they may look at it and comment on it.



## BORDERTOWN COURTHOUSE.

Mr. NANKIVELL: In the reply to my recent question about a proposal to build a separate courthouse at Bordertown, together with a new police station, it was indicated that those two jobs would be done concurrently. As court work is becoming increasingly heavy at Bordertown and officers cannot extemporize in the office but have to seek outside accommodation, which is limited and often difficult to obtain, will the Minister of Works ascertain from the Public Buildings Department when tenders will be called for this work and, because of the circumstances, can the department hurry the matter along in order to alleviate the position?

The Hon. G. G. PEARSON: I will ask the Director of Public Buildings for an up-to-date report on this matter.

## SEMAPHORE SOUTH DRAINAGE.

Mr. TAPPING: A fortnight ago I asked a question about an area at Semaphore South where £1,000,000 worth of homes was to be built. I now refer to the need for drainage in that area. About five years ago I made representations on behalf of people living in this area for drainage, and the reply was that sufficient people were not there to warrant such a scheme. Because of this £1,000,000 scheme and because the Harbors Board is claiming thousands of acres of sandhills for building purposes, will the Minister of Works ascertain whether a drainage scheme is likely to be contemplated for this area?

The Hon. G. G. PEARSON: I will try to get a report for the honourable member.

## KANGAROO INN SCHOOL.

Mr. CORCORAN: My question relates to the Kangaroo Inn area school. I should like to read from last Friday's *South-Eastern Times* a brief report.

The SPEAKER: It must be in explanation of the question.

Mr. CORCORAN: I want to read this report and the information it gives. It is headed "Kangaroo Inn-ers 'can expect some action next month'" and reads:

People in the area could expect some action in the next month (October), the Hon. A. C. Hookings, M.L.C., said on Wednesday, when discussing the Kangaroo Inn area school project. Speaking from Adelaide, Mr. Hookings told the *Times* that alteration of plans would mean a much earlier completion of the school. He said he had been informed that day by the Minister of Education that it had been decided to erect a building of "solid spine

structure" but with timber buildings for classrooms. This would be an almost exact replica of the area school at Parndana, on Kangaroo Island. Mr. Hookings added, "The department is not proceeding with Mount Gambier stone, as was investigated by the Public Works Committee, as the department regards it as an urgent matter to get educational facilities into the area. This alteration could mean that the Kangaroo Inn school will be completed one or two years earlier than would be the case with a stone building."

Can the Minister of Education say whether Mr. Hookings, M.L.C., has been correctly reported? I have no objection to his belated interest in this matter, but in future will the Minister of Education supply me with a copy of information that is made available to any member of the Legislative Council, including the member I have mentioned, so that I can keep in touch with events, otherwise I will not know what is going on? As the Minister knows, I have been keenly interested in this matter for a long time, and I claim that I have done all the spade work and have been a constant pest to the Minister. I sought this information during the Loan Estimates debate. I do not think it is unfair to ask the Minister to provide me with a copy of all information supplied to members of the Legislative Council. I do not care what they do, but as member for the district I should be informed.

The Hon. B. PATTINSON: I have not read the article referred to by the honourable member but, from hearing him read it, it seems to be a substantially correct statement of the facts as I know them and as I have stated them here on several occasions. In recent years the Government has embarked on the most ambitious school-building programme in the State's history. I think that all told we have no fewer than 100 projects in various stages of construction and planning. It is physically and financially beyond the scope of the Education Department or the Public Buildings Department to carry all these works into effect simultaneously. However, as a result of the representations made to me by the honourable member, by representatives of the various school committees, and by members of the Legislative Council, I did confer with my colleague, the Minister of Works, and, in fact, with Cabinet to see whether the construction of this school could be expedited in any way, and found that the only way was to change the plan and to build prefabricated classrooms with a solid spine core the same way as the Parndana area school and several other fine schools. The Hon. Mr. Hookings spoke to me one day in the lunch

hour at Parliament House—I think last Thursday week. It was the very day on which my colleague and I had arrived at that decision. He asked me a specific question on it and I gave him a specific reply verbally.

Mr. Corcoran: It was just a coincidence!

The Hon. B. PATTINSON: There was no written communication.

Mr. Lawn: You still didn't tell the member for Millicent.

The Hon. B. PATTINSON: I listened politely and patiently to the honourable member, as I always do, and I thought that his and my relations were always extremely cordial. I very much regret that lately he is departing from his long-standing custom of courtesy.

Mr. Corcoran: Not at all.

The Hon. B. PATTINSON: There has been no written communication to the Legislative Council member or to anybody else. I think I have kept the honourable member very well informed regarding this school and all other schools in his district.

Mr. Corcoran: There is a vital difference here.

The Hon. B. PATTINSON: When my colleague, the Minister of Works, is able to inform me officially that the plans and specifications for this new type of school have been prepared and are ready I will indicate the decision to the honourable member, to members of the Legislative Council, and, what is more important, to the members of the school committees of the five or six primary schools so vitally concerned for the education of their children.

#### MEAT PRICES.

Mr. McKEE: According to this morning's *Advertiser* Alderman H. H. Atwell of the Port Pirie Council told a meeting that last week when he attended a meeting of the Municipal Association in Adelaide he compared the price of meat in Adelaide butchers' shops with the Port Pirie prices and was surprised that T-bone steak was about 2s. a pound cheaper in Adelaide, sausages several pence a pound cheaper, and that he bought half a side of lamb for 11s. 6d. whereas in Port Pirie he paid the same price for a forequarter. The mayor of Port Pirie—who is a grazier—said that there was little difference in the market prices of stock at Port Pirie and at Adelaide. It would seem that some butchers at Port Pirie have taken little notice of the retail prices guide published in the press by the Prices Commissioner. Will the Premier take this

matter up with the Prices Commissioner with a view to his giving special attention to Port Pirie?

The Hon. Sir THOMAS PLAYFORD: I will obtain a report for the honourable member.

#### WEEK-END WORK.

Mr. FRANK WALSH: Has the Premier a reply to my question about Saturday morning work on Housing Trust houses at Christies Beach?

The Hon. Sir THOMAS PLAYFORD: The Chairman of the Housing Trust reports:

The Housing Trust is not aware of any non-observance of award conditions in the construction of its houses at Christies Beach. As far as hours of work are concerned the trust of course has no specific control over the matter. However, the trust is concerned to see that the work is carried out only when its clerks' of works are present to inspect the work. At the request of the contractor work on Saturdays is therefore being carried on at Christies Beach on condition that the contractor pays for the services of the clerk of works.

#### RIVER MURRAY WATER.

Mr. KING: Recently I heard that the Hume dam had been increased to its maximum capacity of 2,500,000 acre-feet and that steps were being taken to use that storage. I refer also to previous statements that the River Darling has been blocked off by the lakes scheme near Menindee. As it has been rather dry over the catchment areas, will every precaution be taken to see that the flow of the River Murray towards South Australia is not impeded in the next irrigation season because of the necessity to fill the new Hume dam catchment area?

The Hon. G. G. PEARSON: I am sure that the South Australian representative on the River Murray Commission (the Engineer-in-Chief) would have kept a close watch on the matters the honourable member raised. I will refer the honourable member's remarks to the Engineer-in-Chief for his comment, and bring down a report.

#### COMPANY ACCOUNTS.

Mr. LAWN: It was reported in the press recently that the Prime Minister said at a press conference that if he had power to do so he would favour the compulsory publication of the results of financial operations, including the financial statements of General Motors-Holden's Ltd. At about the same time there was a report in the press, allegedly coming from Victoria, that, as a result of a decision at a

conference between the various State Attorneys-General, the Premier of Victoria (Mr. Bolte) intended to introduce legislation to provide that all proprietary companies would have to publish their balance-sheets. Has the Premier any information about this matter?

The Hon. Sir THOMAS PLAYFORD: No.

#### MURRAY BRIDGE SOUTH SCHOOL.

Mr. BYWATERS: Will the Minister of Education obtain information on whether an infants school will be attached to the new primary school at Murray Bridge South, as is done in the larger schools?

The Hon. B. PATTINSON: Yes, I shall be pleased to let the honourable member have the information as soon as possible.

#### AUDITOR-GENERAL'S REPORT.

The SPEAKER laid on the table the Auditor-General's report for the financial year ended June 30, 1961.

Ordered to be printed.

#### LAND TAX ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from August 24. Page 568.)

Mr. FRANK WALSH (Leader of the Opposition): I am sorry that the Notice Papers do not show the Orders of the Day in their correct order. When I obtained the adjournment in the Budget Debate and on this matter I believed that the Budget would be dealt with today, although this Bill had been on the Notice Paper for some time.

At the outset, I desire it to be understood that I support the second reading of this Bill on the firm understanding that in the committee stage I shall submit certain amendments which appear on member's files. If time does not permit other amendments being placed on member's files, I intend to seek permission to move them. I will move amendments to clauses 4 and 5. The amendment to clause 4 seeks to grant the same beneficial treatment to all small landholders in this State whether the small section of land is held for the purpose of primary production or not.

The amendments the Government proposes to the Land Tax Act have destroyed the basis of the original Act in that preferential treatment is given to the large landholders without there being any compensating benefit to small landholders. This is clearly manifest in clause 5, which cancels the absentee land tax provisions of the existing Act and also grants a

half-penny reduction in the land tax rate on all land which has an unimproved value of more than £5,000, but comparable preferential treatment is not granted to the small landholder. Despite the fact that the valuations have been increased three to four-fold by the latest assessments, it is intended to leave the rate in the pound unaltered for these properties whereas the larger properties are being granted a reduction in the rate of  $\frac{1}{4}$ d. in the pound. Therefore, I intend to move for a reduction in the land tax rate provided in the first line of the table in clause 5. A reduction should be made from  $\frac{3}{4}$ d. to  $\frac{1}{4}$ d. in conformity with the reductions provided in the following rates in the same table, because the substance matter contained in the Bill, as introduced by the Treasurer, undoubtedly provides for selective treatment of those owners with either large or valuable holdings.

We know that roads have been made through certain areas which were previously used for primary production and which could still be profitably used for this purpose but, other than placing roads through the areas, nothing further has been done and they are degenerating into unsightly and unproductive areas of weeds. The blocks may have been sold but no houses have been erected, and probably the greatest query of all is: have the purchasers completed their purchase price on deferred payments?

A section of land near Sellick Beach was advertised for sale early this year and all sorts of representations were made to the public. This land was under production, and I have been told that the subdivision is to be referred back to the owners. In most parts of the State, particularly the closer-settled areas, the same type of thing is going on, but, because of the terrific amount of subdivision, the average citizen is the one who will be paying the greatest land tax. The boom prices paid have reflected themselves in inflated assessments because the assessors have had no other alternative by the provisions of the Act but to assess these lands at the inflated prices. At the same time, in the older settled areas, where there have not been any vacant allotments for sale, the same basis of inflationary assessment has been applied as has been applied in the newly subdivided areas. These inflated assessments, when used as the basis for rating by local government, are having the effect that many people are finding it a severe hardship to meet the taxes and charges on a small block of land that is providing them with a home.

Under the provisions of the Land Tax Act, the assessor is compelled to make his valuation in accordance with the most recent land sales in the neighbourhood, and his assessment is usually about three-quarters of this figure in order to protect the department from successful appeals. Undoubtedly, the excessive subdivision has contributed greatly to the inflation in land prices, particularly during the last five years. This excessive subdivision has also contributed greatly to the higher cost of providing extended public services to this subdivided land, but I consider that this process can be discouraged by the method of charging for public services and by council rating. However, this problem is not being overcome by the present Bill. Perhaps the greatest problem to overcome concerns the case of a person who is in a position to pay a high price for land in order to make a deed of gift or otherwise to a son or daughter with the intention of providing that person with sufficient land to obtain a satisfactory standard of living. The point then to decide is the basis of valuation for that particular piece of land: should it be based on the inflated purchase price merely because the person is in a position to pay a high price; should it be based on the economic earning capacity of that particular land; or is it to be taken for granted that the person purchasing should know the locality and assess the productive capacity of the land?

I hold strong views on the unimproved rating system. For instance, if a person has engaged in primary production in an area and the other landholders surrounding his property have sold out for subdivisional purposes, the person who remains in primary production should not have his tax based on the subdivisional value. Whilst he retains the property for primary production, the assessment should never exceed the economic earning capacity of the land, because I believe we should consider that this land is being used for primary production and is not being held in the hope of getting a speculative capital gain from the investment. There should be one qualification to this provision, however, and that is that if the primary producer sells to a speculative investor then both should lose any protection in the Land Tax Act, and these matters have been catered for in clause 7 of the Bill.

Sections 45 to 55 of the Act give the procedure to be adopted for objections and appeals. The Act empowers various valuation boards, consisting of three members, to be

appointed by the Governor for periods up to seven years. Sections 51 and 52 provide that a taxpayer who is dissatisfied with an assessment may appeal to the Commissioner within 60 days after notice of assessment and, if dissatisfied with his findings, he may appeal to the valuation board within a further 60 days; and, if there are any disagreements on points of law, he may appeal to the Supreme Court within a further 30 days. The Commissioner and the board have similar rights in that they may appeal to a higher authority in order to satisfactorily determine the appeals. This is satisfactory so long as the taxpayer exercises his right in the various time limits provided, but matters can arise subsequent to an assessment which may provide grounds for appeal but which may not be considered because the time limit for the lodging of an appeal has passed. Sections 28 and 29 provide that the Commissioner may alter or reduce any assessment at any time, but I can see nothing in the Act which provides that a taxpayer may appeal at any time. It appears to me that the only time he would have a right of appeal would be within 60 days of the quinquennial assessment, or within 60 days of a special re-assessment by the Commissioner.

Because the credit squeeze imposed by the Commonwealth Government has had an adverse effect on the business potential of retailers and large emporiums, this could be grounds for a legitimate appeal by these persons or companies. The same could apply to farmers in the fat lamb areas with no overseas markets, and there is the further factor of the possibility of England's joining the European Common Market. These are all factors which would affect the sale value and hence the unimproved value of the land concerned, because the most recent assessments have been based on land sales which have occurred on a buoyant market in anticipation of a rapidly expanding economy. What will be the immediate effect of these later developments? Will it mean that the valuation boards will be called together to re-assess the whole position in view of the most recent developments, or will the last quinquennial assessment which was made on inflated land values be the basis of land taxation for the next five years?

I believe the Government, in bringing forward the Bill to make reductions to certain classes of people, namely, those in the higher and not the lower valuation brackets, is clearly admitting that the underlying principles of the existing Land Tax Act have broken down, and we on this side of the House shall

press for reductions in rates which are equitable over the whole range of land taxation, and not just for preferential treatment to certain sections of taxpayers. In any case, we believe that the whole land tax question should be the subject of a committee of inquiry, which would be able to make recommendations as to the method of assessment with a view to submitting alternatives to cater for different circumstances. In the meantime, the amendments which I propose at least give an equitable measure of adjustment.

The Auditor-General's report circulated today states that the Land Tax Department was £23,000 down on its estimate of revenue for last year, but under the present proposals the Treasurer has forecast a 40 per cent overall increase. However, when closely examined it boils down to this: the Treasurer's own figures disclose that preferential treatment is being given to certain sections, because the average suburban assessment has increased by 189 per cent over the last five years. I should like to know just how much the Treasurer expects to take from people in the metropolitan area, many of whom are unemployed. I support the Bill only because I hope to have further assurance about the amendments to be moved in Committee.

Mr. LAUCKE (Barossa): In my opinion this is one of the most important Bills to come before the House in recent times. Its provisions are extremely necessary and urgently required, especially as they relate to rural lands situated in areas where subdivisional activities have skyrocketed land values. The proposals will enable owners of land in these areas to continue their operations as primary producers, and their adoption will not force or precipitate further unnecessary and undesirable subdivision. It is claimed that sufficient land has been subdivided today to meet the requirements of house-building for the next 10 years. That being so, it would indeed be wrong to allow an intolerable tax burden to apply to owners of farming land in subdivisional areas, for that would give the owners no alternative but to sell out prematurely and in advance of the actual need for home sites. Already we have the spectacle of many acres of fertile land out of gainful production growing only weeds and presenting an ultimate fire hazard, and criss-crossed with roads constructed in accordance with town planning requirements, which roads through non-use are in many cases rapidly deteriorating. This is wasteful and unnecessary.

Mr. Clark: The land is out of production.

Mr. LAUCKE: That is important because subdivisional lands generally around the metropolitan area are in locations where the land is fertile and can be retained for productive purposes for some years, at least until subdivision is really required to cater for house builders in those districts. To aggravate the situation of unnecessary subdivision by not taking appropriate action to discourage further subdivision would be irresponsible, and I commend the Government for its quick decision to arrest a condition which was indeed an impossible one. It now permits those who desire to remain farmers in good districts to so remain.

This is a realistic and practical approach, for which I commend the Government strongly. The impossible situation of producers desiring to continue in that calling in certain areas in my electorate is heavily influenced by their neighbours disposing of land at subdivisional values, and it is indeed clear to me. That is why I emphasize that the Government's proposals are most timely. In general principle they are excellent, realistic, constructive and in accord with the desirable policy of not forcing people to subdivide against their own desires prematurely.

The most important aspect of the amendments in regard to subdivisional lands is that there must be two assessments of unimproved value. The person whose land values have been inflated by subdivisional or other commercial activity may have his land declared rural land and assessed accordingly at its unimproved value for rural purposes. Then there is the unimproved value, having regard to all the aspects which affect its value, including subdivisional potentialities. So long as the land continues to be used for primary production the tax will be based on the first valuation, but once it is sold and is no longer used for primary production the tax will be on the second valuation, that is, applying the subdivisional value, and the owner will be called upon to pay the full amount of the tax applying for the last five years.

This seems to be a reasonable approach to the problem as, no doubt, when the owner eventually sells the land he will expect to receive a price commensurate with the subdivisional activities. In such a case it is not unreasonable to ask him to pay a land tax for a previous period based on the same method of assessment as other land in the State not used for primary production purposes. I should like to see a shorter period

than five years for this retrospective tax payment obligation. I feel that the State's contribution to the increment in land values in subdivisinal locations should be recompensed by a three-year period of taxation at the higher assessment. I do not hesitate to concede that the provision of major utilities, such as water, roads, bridges, assistance to councils to provide open spaces in recreation areas, has played a considerable part in bringing to land owners a financial increment in values, and that there is a liability on them to pay, but I think the period should be curtailed to three years. The public interest would be preserved in this, so far as the State's contribution is concerned, and it would not entail such a heavy impost on the subdivider.

In general principle the Bill's provisions are good, but there are certain aspects of some of them about which I am not happy. Under clause 7 the Governor may declare any area in the State to be a defined rural area and within that area there can be land declared as rural land for the purposes of land tax assessment. As rural land it would enjoy a rating attaching to such land as distinct from a rating attachable to a value determined by a subdivisinal activity. In this the Commissioner is given absolute authority. He may make or renew a declaration that certain land is rural land for purposes of concession. He may revoke or refuse to renew a declaration. He is given absolute authority and his decision is final. There is no redress or facility for an owner of land to appeal to another authority in any matter in which he may be at variance with the Commissioner's decision.

Mr. Clark: You appeal to the man who made the assessment?

Mr. LAUCKE: The Commissioner can say yea or nay, and there is no other person to whom the owner can go for a review of the decision. The Commissioner's word is arbitrary and final.

Mr. Clark: I do not like that.

Mr. LAUCKE: I don't either. I have the utmost respect for the Commissioner, who is one of the outstanding land tax authorities in Australia, as was his predecessor (Mr. Reiners). He is a man of easy approach and is extremely conscientious and fair in the discharge of his duties. I am aware of all this through my contact and personal discussions with him, but I am concerned that the democratic right of appeal is not incorporated in the Bill's provisions. A straight out question of fact is involved. Is certain land to be or not to be determined as rural land? I bear in mind the

high standard of administration and justice that we have in our courts, and in my opinion there is no party better fitted to arbitrate whether land is rural land. We have highly qualified, carefully chosen, and highly respected judges and magistrates. They are trained to make judicial decisions and I strongly urge the Government to consider providing an appeal provision in the Bill, which would give recourse to an objector to a Commissioner's decision to go to a court for a final decision.

The other concessions in the Bill are good. They give credence to the basic taxation rule of taxing according to the ability to pay, and I am pleased to note that no land tax will be imposed by the department when the rating is less than £1. At present the amount is five shillings. There will be no land tax in an urban area where the property has an unimproved value of less than £320. Hitherto, it has been £80, so this is a fourfold increase and in line with current monetary and land values. There is to be no tax on land used for primary production where the landholder owns land not exceeding a total value of £2,500. That represents an increased concession that will cover many small landowners. We are to have a sliding scale of concessions to £6,250, levelling out to the basic rating from that figure upwards. A reduction of ½d. in the rate will apply to most of the present sliding scale for rates above the basic ½d.

Another matter to which I referred in my opening remarks dealt with subdivisinal land and the incidence of taxation thereon. I refer now to the fact that as soon as land is sold the arrears of tax—

Mr. Lawn: You do not sound too convincing. Do you believe all you say?

Mr. LAUCKE: Yes. In the event of the death of a landowner whose estate has been assessed at the high sub-divisinal rate, the tax on that land is to be requested forthwith before the land can be disposed of by an inheriting party. This Bill should contain a provision to allow the tax to be paid when the land is actually sold and not before, because, if the land changes hands from father to son or is willed to a certain party an immediate call would be made for this high rate of taxation.

This Bill provides for no carry-over from one landholder to the next on the rural rating. The person currently in occupation of certain land is the only person to whom that land would be available for use as rural land with tax based on it at rural land values. I believe that that interpretation is correct. I stress

again that when what I regard as a capital tax—tax on highly valued land—is payable it should not be levied until the land has been turned into cash. An elderly couple may own a farm and they may decide to cease farming. In that case they can no longer prove that they are farmers in their own right on their own land and, having ceased farming, they may begin to negotiate for a subdivisational sale of their land. As soon as they cease farming an immediate demand will be made on them for the cash applicable to five year's retrospective payment under this Bill. I wish to have those aspects of the Bill further examined but, for the present, I again commend the Government for introducing this urgently required Bill. I support this measure in principle but, as I have indicated, I wish to see certain aspects further considered before the Bill becomes law. I support the Bill.

Mr. LAWN (Adelaide): Had it not been for the fact that my colleagues believed that we should support the second reading of this Bill and seek to amend it in Committee, I should have been content to come straight out and oppose the Bill. I am amazed that a Government, in these days, should introduce such a Bill. First of all, before referring to the Treasurer's explanation of the Bill may I refer to one or two remarks made by the last speaker. No sooner had he jumped to his feet than he said, "I commend the Government for its quick decision . . . full of praise for the Government . . . most timely and excellent." I could not record all the phrases he wrote down for his master because I could not write shorthand. The honourable member's statements recalled to my mind Psalm 84, verse 4, which reads:

Blessed are they that dwell in thy house: they will still be praising thee.

The member continued those words of praise to his master from start to finish but he was not too happy that he was doing the right thing because he made certain reservations that before this Bill became law he wanted to see certain things done. He concluded by saying that he still wanted to have another think.

I was astounded when I heard the Treasurer explain this Bill. We all know—and I protested earlier this session to the Treasurer because of complaints from my constituents—that members have received many protests from their constituents about the steep increase in land tax. Statements later appeared in the newspapers that the Government intended to do

something about it. Being an optimist I felt that the Government might do something but I was not too sure that it would do anything because I know this Government. When I knew that a Bill was to be introduced I thought that the Government would do something to alleviate this heavy land tax burden, particularly having in mind the words coming from the Government about inflated land values. The Treasurer, when explaining the Bill, said:

Its principal object is to make some concession concerning land tax payable on land used for primary production. The Bill will also reduce the present rates of land tax on all land exceeding £5,000 in value. In addition, the Bill abolishes the absentee land tax and provides that no tax is to be payable when the amount of the tax would be less than £1 (instead of 5s. as at present).

In a nutshell that statement means that owners of all land worth over £5,000 in value will receive some concession from this Bill and it also means that a man having a block of two acres or more totalling in value £6,250 will receive some concession, but the ordinary poor man—the poor pensioner and widow who own just one block on which a house is built—will not get the cracker about which the member for Burnside spoke this afternoon. No, they do not count. I was sitting here when I heard the Treasurer give his second reading explanation and, thinking of my constituents and the people we represent, I could not help recalling Psalm 86, verse 1, which states:

Bow down thine ear, O Lord, hear me: for I am poor and in misery.

I can visualize the thousands of people I represent and the other thousands in the metropolitan area, among them the working people who may own only one block of land, like myself, and are still buying their homes. I have in mind widows, pensioners and the like who are trying to buy a home, including the unemployed, and even some who are in employment, who are finding great difficulty in getting sufficient money to pay their council rates, the Government land tax, and water and sewer rates. If they were here today I am sure they would agree with me and say:

Bow down thine ear, O Lord, hear me: for I am poor and in misery.

Mr. Quirke: But there is a statutory exemption of £2,500 unimproved value.

Mr. LAWN: Exemption on land tax to the value of £1.

Mr. Shannon: No.

Mr. LAWN: Your mates on your side are not too happy that you are right.

Mr. Shannon: You are not right, for a certainty.

Mr. LAWN: You say that there is an exemption up to £2,500 on assessments.

Mr. Shannon: No. You are entirely wrong.

Mr. LAWN: I read the Treasurer's statement just now and he said:

In addition the Bill abolishes the absentee land tax and provides that no tax is to be payable when the amount of the tax would be less than £1.

In reply to Mr. Quirke's interjection, I still maintain that I was right. If, after a person's land is assessed in accordance with the provisions of this Bill, the tax comes to 19s. 11d. he pays no tax, but if it is above £1 he pays it. In the metropolitan area close to the city no block of land would be worth less than £1,250. In this case the rate has jumped.

Mr. Quirke: How much would it be?

Mr. LAWN: They are now paying 22s., which would jump to £3 17s. I received my assessment two or three months ago and all the other people in my area are something like myself. Many would have to pay a higher amount. Under this Bill their tax jumps from 22s. to £3 17., and yet all the "haves" whose land is worth more than £5,000 are to get a hand-out. They will receive a ½d. in the pound off the old rate.

Mr. Nankivell: Their assessments have been increased.

Mr. LAWN: Forget the assessments: this Bill has nothing whatever to do with that. The assessments have already been made by the department and this Bill provides that where the assessed value exceeds £5,000 but does not exceed £10,000 the tax will be £15 12s. 6d., plus one penny for each pound over £5,000. Under the present Act it is 1½d. in the pound and for land over £10,000 in value it is 2d., instead of the present rate of 2½d. So, the owners of land worth more than £5,000 are to have a ½d. reduction.

Members on the Government side do not know what the Bill means. They interjected and said that land assessed up to £2,500 was exempted, but it is not. Anyone who owns land worth more than £5,000 is to receive a ½d. in the pound reduction. I am concerned about the people I represent as well as others in the State. There are people in country townships and at other country places who are in a similar category to those I am concerned about. If the land tax does not reach £1 the people concerned will be totally exempt, but if the assessed value of the land is £1,250 or £1,000 the owners will receive no reduction under the Bill. What the Treasurer really said was:

Hear my law, O my people: incline your ears unto the words of my mouth. I will open my mouth. I will declare hard sentences of old which we have heard and known: and such as our fathers have told us.

Ever since the beginning of the world we have had the wealthy and the poor, the downtrodden, the "haves" and the "have nots," and the sick and the healthy. The Government occupying the Treasury benches is no different from those who had the power and wealth in Christ's day. It gives no consideration to the poor, those in misery, the unemployed, the pensioners, the sick and the aged. They will have to pay the same rate as they have paid in the past, but the Government intends to give another hand-out to certain people. It started two years ago by giving a hand-out in succession duties to the large land holders, but the people I represent got no reduction in these duties.

When I quoted my own case in the House, the Minister of Works howled me down, the same as Mr. Shannon tried to do this afternoon. Later, when I showed the Minister the Act, he said he did not realize that the position was as I had said. It cannot be denied that in 1959 the Government handed out to large landholders concessions in succession duties, and today it is asking this Parliament to hand out a reduction in land tax to the large landholders. That cannot be denied, because the owners of land worth £5,000 or less will have to pay the same high land tax as they are paying today. The Government tries to attribute its action in 1959 and its proposed action under this Bill to inflation. I instanced in 1959 the inflation that had taken place in the value of my own block of land, and it also happened to the land owned by the people I represent. I bought my block for £10.

Mr. Nankivell: Our land values have gone up, too.

Mr. LAWN: The honourable member would not know the difference between a motor car, a sigh and a donkey. I am discussing the Bill before the House. The reason given by the Government for introducing this Bill is inflation in land values. What is it going to do about the poor man, the small man, who has only one block of land, on which his house is? My block jumped in value from £10 to £1,236 at the last assessment. I paid £10 for my block of land in 1940, 21 years ago, and only two or three months ago I received my land tax assessment of £1,236. That is inflated value. The land is not really worth £1,236 but, having in mind the price paid for other land, I suppose it is; but its value is inflated, just



as the value of other land has been inflated in value to over £5,000. A block that was worth £4,000 in 1940 has an assessment value of £8,000 today. A person owning such a block will receive a rebate under this Bill, but what about the small man?

Last Saturday the people in Central No. 1 district went to the poll. They did not know then that this Bill was before the House, and the press will not tell them tomorrow of the representation we on this side of the House are making on their behalf. Had they known that this Bill was before this House, and that its effect would be that people owning one block or two blocks would not receive any redress (and this applies to the people in the district of the member for Torrens (Mr. Coumbe)), when they went to the poll last Saturday the majority of Mr. Kneebone would not have been what it was: it would have been far greater. The Treasurer would not have had those other 50,000 people voting for him. It does not matter where you go, it is always the Labor voters who are apathetic. The Liberal Party holds the Northern District. Perhaps Labor people are apathetic in the Northern District, and stay away and do not vote. I will not say that on Saturday last our people were not apathetic (I know they were) but they did not know that this Bill was before the House, the effect of which would be that they would have to pay treble the land tax that they had been paying. When they discover that this Bill before this House reduces the land tax payable by other people, there will be a bigger vote for Labor at the general election next March.

Mr. Shannon: It is well over a month since this Bill was put on the files, and the people have had ample time to study it. I am only wondering why the member for Adelaide did not tell his constituents.

Mr. LAWN: I am telling them all the time.

Mr. Nankivell: Tell them the truth!

Mr. LAWN: We on this side always speak the truth. We have always had with us the wealthy and the poor, the sick and the healthy, yet this Government today is still making its hand-outs to the one section of the community it represents. Some people in the country working for these landholders are deprived of the right to go to the State Industrial Court to ask for an award, yet this Government will get up and glibly say that it believes in arbitration and tell the wage-earners to apply to the courts. It gives landholders concessions in succession duties and

land tax, and a freedom from payment of any fair and just rates as determined by an arbitration court award. I say not that I support the Bill but that I will not call for a division on the second reading, because the Opposition will attempt to amend the Bill in Committee. However, I assure the member for Onkaparinga (Mr. Shannon), who is laughing so much, that there will be a division on the third reading, even if I am the only member opposing it, if our amendments are not accepted, because I will not be a party to giving large reductions in land tax to people owning large blocks of land worth £40,000 or £50,000 while the people I represent (and there are such people in all the country districts) owning land valued at less than £5,000 get nothing out of this Bill. That is not governing for the people; that is not justice. That is governing for a section of the people. Since I have been a member of this House, the 1959 Bill and the present Bill are the two clearest examples I have experienced of government in the interests of one section of the community.

Mr. Ryan: Government for the minority.

Mr. LAWN: Yes, as represented by the other side of the House. No wonder the people at every general election try to give the Playford Government the sack! I conclude by saying that I will not oppose the second reading but, even if I am the only member on this side of the House opposing, I will divide the House on the third reading, if the Government does not accept our amendments.

Mr. HEASLIP (Rocky River): The Leader of the Opposition said that this Bill gave preferential treatment to large landholders. The member for Adelaide (Mr. Lawn) said it was a hand-out to the people who supported the Government; there were concessions to the large landholder and none to the worker. The Treasurer made clear its intentions when he introduced this Bill, and the member for Adelaide quoted what he said. I will quote it again. He said:

Its principal object is to make some concessions concerning land tax payable on land used for primary production.

The Treasurer made clear the intention of the Bill: there were to be some small concessions to primary producers in country areas. Arguments have been used that the country man is getting all the concessions under this Bill while none are given to urban people. The Bill does not intend or set out to give concessions to urban people, except those who happen to have a block of land with an unimproved land value not exceeding £300; they will not

have to pay land tax. In other words, no tax will be payable when the amount of the tax would be less than £1 (instead of 5s.). But today people in the metropolitan area when wages rise get an increase; they get some concessions. People in business, if land taxes or costs rise, increase their prices. They can meet these increased costs, but the primary producers have no chance whatsoever of meeting any of these increased costs. They have to sell their products on world markets. Today meat and wool prices are far below what they were last year and in previous years. The primary producer's costs are all the time rising, but his returns are coming down. He cannot adjust his prices. He has to accept overseas values for his products. This Bill sets out to remit part of the additional land tax that every primary producer and every person in South Australia will be called upon to pay. Make no mistake about it, this Bill does not reduce land tax to the primary producer. He will pay a lot more, even if this Bill is passed, than he paid 12 months ago. However, the Bill does reduce the actual amount he will pay.

Mr. McKee: He can afford to pay it.

Mr. HEASLIP: It is not a question of whether he can afford to pay it; he has to pay it. He does not fix the price he receives for his produce but must accept what is offered to him on world markets. If it were not for the primary producer and the produce he exports and the credits he creates overseas, South Australia could not have secondary industries or a big metropolitan area. New section 11 (2) provides that where the unimproved value of all land owned by the taxpayer does not exceed £2,500 there shall be a statutory exemption equal to the unimproved value of so much of the land as is land used for primary production. Few will benefit from that. To get the benefit of this exemption a person cannot hold more than 250 acres of land, assuming that its unimproved value is £10 an acre. What kind of living could a man get from 250 acres unless it were in the high rainfall area? If it is in the high rainfall area the unimproved value would be at least £15 an acre which would reduce his holding to less than 200 acres for him to benefit.

New section 11 (3) provides that the concession will cut out at £6,250 and it contains a sliding scale of concessions up to that amount. Even with land at £10 an acre unimproved, a person could not hold more than 625 acres. The concessions are small and will affect only a few primary producers. Where primary producers own land worth more than £5,000

unimproved value, they will get a reduction of a halfpenny in the pound in the rate of taxation, but their assessments are so high that the overall tax will be much greater than 12 months ago, although the price they are receiving for their produce has decreased.

I cannot understand why members opposite should object to this legislation. It is not class legislation or sectional legislation, but is designed to assist people who today are receiving far less for their production than they received 12 months ago and whose returns are beyond their control. A man employed in secondary industry gains from basic wage increases, but the primary producers' costs are increased because the cost of implements and other articles necessary for primary production are raised to absorb the basic wage adjustments. The primary producer cannot get more for his commodities.

New section 12e is important because it will enable those people who want to carry on primary production on land adjacent to subdivided areas to do so. If this provision is not carried, acres of primary producing land will be offered for subdivision and will no longer be producing. If a man subsequently subdivides his property within five years he will be required to pay the higher taxation retrospectively. He will be able to do so because he will be well paid for his land, and the Government should be entitled to get the retrospective rates. The Bill does not reduce land tax to the primary producer, but as it does assist him slightly I support it.

Mr. LOVEDAY (Whyalla): In view of the importance of this Bill it is surprising that we have heard so little about it from members opposite. There is no doubt that the debate on this Bill this afternoon has caught members unaware because they thought the Budget would be debated. It is regretted that members have had such little notice of the change in the order of business. The member for Rocky River has just pointed out that, in his opinion, the Treasurer gave an adequate explanation of the Bill in his second reading speech, but I think it was most inadequate because in his speech the actual effects and implications of the Bill cannot be found. In fact, the Treasurer gave far more information on its effects in his Budget speech, although he did not go far in dealing with the far-reaching implications of these suggested amendments to the Land Tax Act. The member for Rocky River said that primary producers would benefit little from this legislation, but surely this Bill has been introduced because there are

people in rural production whose properties are adjacent to land that is being subdivided for residential areas and whose assessments have so greatly increased that it is virtually impossible for them to pay the land tax.

Mr. Clark: It has increased by 400 per cent.

Mr. LOVEDAY: Exactly, and that is why this Bill has been introduced. We have heard nothing of the far-reaching implications of the measure in other directions, and I want to try to point some of them out. The member for Barossa made the astonishing statement that the principle of this Bill in some respects was very good because it followed the principle of taxation according to ability to pay. He cited the instance that every person whose tax would be under £1 would be exempted, whereas the exemption is 5s. at present. Obviously that is not a case of taxation according to ability to pay: it is simply that few people today are affected, in the light of the recent assessments, by this particular amendment exempting people whose tax would be under £1. A person owning a block worth less than £320 will no longer be liable to pay any land tax, but it is obvious that few blocks in this State are worth less than that sum, so this has nothing to do with the principle of ability to pay. Probably tax on properties worth less than this figure is not worth collecting.

The rate of 5s. below which no tax was payable was put into the Act in 1952, before which it was 1s., and now it is being altered to £1. This simply reflects the difference in the value of money over that period and has nothing to do with the principle of payment of taxation according to ability to pay. This Bill amends section 11 of the principal Act, which provides:

The unimproved value of any land shall be the taxable value of that land.

“Unimproved value” is defined in section 4 as:

The capital amount for which the fee simple of that land might be expected to sell if free from encumbrances . . .

The Bill proposes that section 11 shall be repealed and that a new section 11 shall be inserted. New section 11(1) provides:

The taxable value of any land shall be the unimproved value of that land less the statutory exemption provided for by this section. The original definition of “unimproved value” is clear, and the Act states categorically that it shall be the taxable value of that land; it makes no exception whatever. This is a beginning in the making of exceptions; in other words, the whole principle of land tax is being broken down in this Bill.

Certain things are happening that are breaking down the original principle of land taxation, and that is why our Leader is justified in saying that the fullest inquiry into all aspects of land taxation is necessary. It is obvious that these things are producing effects different from what was intended when land tax was first imposed. Broadly, I think it was imposed to split up larger estates and to prevent people from getting away with capital gains through land speculation, but it is obvious that it is now having different effects. We should have a most thorough investigation into what is happening to see whether a radical adjustment of the whole matter is necessary.

It is interesting that land tax has been virtually abolished in Great Britain. In a recent information booklet issued by the Government of Great Britain it was pointed out that land tax had almost disappeared and that people had been given an opportunity to redeem their obligations by making down payments. There must be a reason for that. Perhaps similar circumstances have arisen there, but I am sure that what is happening here is producing results that were never intended when this taxation was first introduced. Members on this side do not oppose relief being given to people in rural production whose properties are now adjacent to areas where subdivision is taking place. It is obvious that they can no longer continue in primary production if they have to pay taxation based on the enormous assessments placed on their properties. I do not blame the assessor for this; he obviously has to make his assessments in accordance with the Act.

Mr. Bywaters: Current sales play an important part.

Mr. LOVEDAY: Exactly. He must consider sales on adjacent properties and act accordingly. When an Act is producing these results, something is radically wrong with the whole principle underlying this form of taxation, and we should have a Bill before us to deal with the cause instead of just tinkering with the effects, which is all this Bill does. It is wrong to break down the whole principle of the Act by giving special consideration to a few selected persons, as it will obviously not stop there. Probably there will be further effects later on that will have to be dealt with, and finally the whole thing will become unworkable. In introducing the Budget the Treasurer said:

It is important to bear in mind this year that a particularly large part of the present increase in aggregate unimproved values is

for suburban land in relatively small individual values, whereas the previous re-assessment mainly affected the high value city and country properties. The total valuation for suburban land has risen in the latest revaluation from some £70,000,000 to a little over £202,000,000, thus accounting for an increase of £132,000,000 out of the total increase of £186,000,000 for all land. In this category, of course, practically all land will remain in the £5,000 and under group, and thus will attract only the lowest rate of tax; it will not secure a taxation yield proportionately greater than the increased assessment.

This draws attention to what we have been saying today—that this Bill gives relief to only a few people and does not touch the great majority of land tax payers. It is obvious that the great majority of land tax payers (the people who have suburban properties and whose assessments have been greatly increased as a result of unrestricted speculation) will not get any relief from this Bill. Among these people are many home builders, pensioners and people in difficult financial circumstances, and they are all being affected by greatly increased assessments and corresponding increases in land tax. We should be asking ourselves whether the incidence of this tax under these circumstances is in any way just as well as asking whether it is just on those who have rural land adjacent to subdivisions. The incidence of this tax is wrong, as it is producing results that were not expected, and this should not be allowed to continue. That should be the crux of this debate. What is being done in this Bill is only a stop-gap measure. Admittedly, it may be necessary to save those people who are in this particular set of circumstances, but in our move to reduce land tax over the whole field we are at least recognizing the position that the people whom this Bill is designed to save are not the only ones adversely affected by the circumstances to which I refer.

I want to draw attention to another aspect of this Bill, namely, the abolition of the absentee tax. In introducing the Bill the Treasurer made one or two interesting statements which I felt were to some extent inconsistent. He said that the absentee tax would be abolished. He also said that it brought in very little revenue indeed; I think the amount for the current year was only £315. He stated that under modern conditions of travel it was practically impossible to police the provisions of the Act in this respect. He went on to say:

It appears to be somewhat anachronistic to be imposing such a tax when the investment of overseas capital in the State is being actively encouraged.

In effect it is a suggestion that people investing capital in this country should be free of land tax. In other words, it is a concession, otherwise those words mean nothing. The member for Mitcham seems a bit puzzled by that, but it seems to me to be clear that what the Treasurer is saying is that nothing should be put in the way of anybody who wants to invest capital, yet he says that the absentee tax amounted to only £315. I find the whole argument very inconsistent and somewhat contradictory. Furthermore, I can see no reason why people about to invest in this country should be exempt from the laws of the land in respect of land tax.

The Hon. G. G. Pearson: Would they be exempt?

Mr. LOVEDAY: Yes, because the absentee land tax is to be abolished, and the Treasurer links up his remarks regarding such abolition with the investment of overseas capital. If it has no bearing on the matter, why does he say that? The Treasurer links up the two arguments as though one has a bearing on the other, but either they have no bearing or the Treasurer is wrong.

The Hon. G. G. Pearson: No, not at all; it has a bearing. It is a special tax.

Mr. LOVEDAY: Then why link up the arguments? They are linked closely together.

The Hon. G. G. Pearson: You said they would be exempt from the laws of the land, but that is not so at all.

Mr. LOVEDAY: They would be exempt from the laws of the land as they applied to other people in this country paying land tax, simply because they were absentees from the country.

The Hon. G. G. Pearson: Are you suggesting they will pay no tax at all?

Mr. LOVEDAY: The Treasurer says that it is proposed—and it is proposed in the Bill—to abolish absentee land tax. If the overseas investor is an absentee he will be exempt from land tax under this provision and if the two matters are not connected why does the Treasurer link them?

The Hon. G. G. Pearson: I think it is a special tax; they will pay the ordinary tax.

Mr. Millhouse: It is something extra.

Mr. LOVEDAY: The point still remains that the provision was put in the Bill for a purpose, and the overseas people who are investors in this country will no longer have to pay that tax.

The Hon. G. G. Pearson: That additional tax.

Mr. LOVEDAY: Yes.

The Hon. G. G. Pearson: You said they would pay no tax at all. I said they would have to pay the ordinary tax.

Mr. LOVEDAY: Perhaps we are at cross purposes.

The Hon. G. G. Pearson: I think we are.

Mr. LOVEDAY: As I said earlier, I feel that the main point is that this form of taxation is no longer doing what it set out originally to do, and that the whole matter needs thorough investigation. I hope that our amendments will receive the favourable consideration they deserve, because at least we are approaching the matter bearing in mind that not only are these particular primary producers in a difficult position owing to the circumstances I mentioned but other people also are in a very difficult position. I could comment upon those who have residences in areas which, for example, have been declared business areas. Some of those people are pensioners, and they are finding that land tax under such circumstances is a very onerous burden, something which they never calculated on and something which obviously is not a fair tax by any of the proper canons of taxation.

The Hon. G. G. Pearson: What would the honourable member do to replace the revenue which would be lost?

Mr. LOVEDAY: It is not my place to say how to replace the revenue. After all, that is the Government's job.

Mr. Millhouse: It is an irresponsible suggestion.

Mr. LOVEDAY: Not at all. We are saying that the land tax itself no longer does the job it was originally intended to do, and that the whole matter should be investigated. That is as far as we are prepared to go at present. Surely we should not be expected to say at this juncture just how the Government is to raise alternative revenue. We do not even have the report of the investigation.

The Hon. G. G. Pearson: Supposing you were to occupy the Treasury benches: you would have to answer that question.

Mr. LOVEDAY: Exactly, but we are not occupying the Treasury benches; when we are there we will answer that question quite well.

The Hon. G. G. Pearson: Obviously, it is a revenue tax; where would you get the money from?

Mr. LOVEDAY: The Minister of Works is asking me to answer the question now, and that is not my job but the Minister's.

Mr. Coumbe: You are suggesting that we should dispense with some of this revenue, so

you should also suggest an alternative source of revenue.

Mr. LOVEDAY: We say that if the revenue is not gathered in, some alternative means must be found if the same amount of revenue is to be obtained.

Mr. Coumbe: Why don't you suggest some other way?

Mr. Clark: Where did the Government get the revenue before these steep increases were made?

Mr. LOVEDAY: From other directions, I suppose. Members opposite are virtually saying that it is a very fortunate thing that there has been land speculation and inflation, because otherwise they would not have obtained this revenue. That is true. But for the land speculation and inflation the members opposite would not have obtained this revenue.

Mr. Coumbe: Rubbish!

Mr. LOVEDAY: It is perfectly obvious that they would not have obtained it, because the increased assessments would not have been there to get it. Members opposite are silent on that question, because they know, as the Treasurer said, that even with the concessions contained in this Bill the revenue will be about £2,000,000, and if it were not for higher assessments produced by the inflationary period we have gone through that extra revenue from land tax would not have been available.

Mr. Harding: It would not have been required.

Mr. Hall: If we had not had inflation, something else would have happened.

Mr. LOVEDAY: I suppose we could say that if Adam and Eve had not done something there would have been some difference with the world.

The Hon. G. G. Pearson: Revenue has to be produced.

Mr. LOVEDAY: I am amused at the member for Gouger's remark that if we had not had inflation something else would have happened. Of course something else would have happened. The Minister cannot put it back on us and say that we have to provide the solution to this problem. It is not our job to find that solution. All we are saying is that the land tax is no longer doing what it should be doing and what it was originally intended to do, that there should be an investigation of the whole problem, and that this measure is only a stop-gap. We do not object to the stop-gap measure, provided it is evenly applied

over the whole field. Provided that our amendments will be given the right and proper attention, I will support the second reading.

Mr. TAPPING (Semaphore): I support this Bill with a certain amount of reluctance because I believe it is not just. Because of that the Opposition is perturbed at the situation generally. If the second reading is carried the Leader of the Opposition will move amendments which we think will make the position more just for all concerned, but I am not allowed to pursue that matter now.

For many years I have been concerned about the way in which assessments have been made. Assessments adopted by the Land Tax Department have always been accepted as the yardstick by councils. Not only has there been an increase in the land tax because of the increased assessments, but council rates have been increased accordingly, and we do not know where it will all end. Whenever I have spoken on this matter I have said that the only cure is control of land sales. In the war years land sales were controlled and there was no argument about the matter because everything was just to all concerned. Unless we arrest the present inflation the position will be difficult for people who want to build houses after having paid atrocious sums in the purchase of the land. As the years go by land will be more difficult to obtain, and the problem will be accentuated. Parliament should try to arrest the inflation by using the wisdom that was used during the last war and several years afterwards by controlling land sales. Because it is using Land Tax Department assessments as a yardstick the Port Adelaide Council this year will get £75,000 more in revenue than it did last year. This will continue year after year and I will not be convinced that in the years since the last assessment there has been a 500 per cent increase in the value of land. There has been only an artificial increase, not a real one. The position has been reached because the Land Tax Department and the councils say, "What is a comparable sale?" Irrespective of the worth of the land, if Mr. Jones has been able to get £500 more for a neighbouring block the department and the councils say that that is a comparable value, and the assessment is fixed accordingly.

There should be an inquiry by experts in an attempt to reach a formula for land tax assessments. The present assessments are wrong. Recently I heard that in the Port Adelaide district a petrol company paid £4,500 for a house worth, in my opinion, about

£1,000, and that it paid the same price for three adjoining houses. This sort of thing becomes the yardstick for the Government in determining such things as water rates. It looks at comparable values before making assessments, and I say that is wrong. The member for Rocky River said that the burden of land tax on primary producers was fairly high because prices for wool and wheat decreased from time to time. I can see the point, but the honourable member should be able to see that the only thing to do is to take notice of real and not artificial values. If that were done the burden of increased tax could be reduced, that is, according to the prices obtained by primary producers. The Government should consider this matter seriously. The people are concerned about it. People show me the amount they paid last year in land tax and say that it has been increased this year by about 350 per cent. That sort of thing cannot be justified.

Mr. Lawn: Mine has gone up like that.

Mr. TAPPING: If we continue in this way in the years to come the Government will increase the assessments every five years. There will be no protection for the people. The Government should appoint an expert committee to find a formula that will determine the matter realistically, instead of doing it artificially. I support the second reading.

Mr. QUIRKE (Burra): I support land tax as a tax. Some people say it should be the only tax, that it is the only fair tax, and that all the revenue needed by the Government should be obtained in this way. I do not argue whether that is right or wrong, but the Government has ideas along these lines, because the Bill will mean progressively increased taxation as land values increase. There will be no need for a further alteration to the legislation. Under the Land Tax Act the unimproved value is the price for which the land can be reasonably expected to sell. Other speakers in this debate, notably the member for Whyalla, have said that where a man uses for farming purposes land that is contiguous to subdivided land there should be some relief from taxation, but it will not work that way. The Treasurer said that under the Bill there would be more taxation and that next year there would be more again. Ultimately we may reach the position where a single tax man will say that we have the right position, and we shall get it without much effort on our part. I thoroughly disagree with one matter in the Bill. The Land Tax Act provides for an appeal to a board, but there is no such

provision in this Bill, which all the way through refers to the Commissioner. The definition clause says:

“declared rural land” means land in respect of which a declaration by the Commissioner under section 12c of this Act is in force; “defined rural area” means an area declared by the Governor under section 12c of this Act.

“land used for primary production” means any parcel of land of not less than two acres in area as to which the Commissioner is satisfied that it is used mainly for the business of primary production.

Clause 7, which deals with special provisions for rural land, says:

(7) No proceedings shall be taken in any court to compel the Commissioner to make or renew any declaration under this section or to review, set aside, or vary any decision or notice of the Commissioner under this section.

The Bill sets up the top-ranking bureaucrat of all time in South Australia. We should delete from the Bill any reference to it. We should have an appeal in accordance with the Land Tax Act. We are going a bit too far with the Bill. It is not even an appeal from Caesar to Caesar, nor is there even an appeal to Caesar. Any Act which denies the people who are taxed the right of access to a court must be a bad Act, because it strikes at the principle of the British democratic form of government. It is absolute bureaucracy. One man is set up to deal with so many million acres of land in South Australia subject to land tax and that man has in his hands the complete destiny of all these taxpayers because no appeal is allowed against his decision, not even to Caesar. That is not right and I have never agreed with that principle. A separate tribunal should be set up of qualified people to whom taxpayers may appeal. Even in district councils an assessor makes assessments but the whole council constitutes an appeals committee and that is somewhat different. There we do not have an assessor and then appeal to the assessor against whom there is no appeal, but that position applies here. The Commissioner is an assessor because he defines the type of land. That is the weakness of this Bill, the weakness in the Act, and the strength of the bureaucrat and I will have nothing to do with that clause. I suggest that clause 7(7) be struck out of the Bill, and provision made for an appeal against a declaration of the Commissioner. The Commissioner declares the land and, having declared it, even though his decision could be completely unjust—and that is bound to happen because no-one could infallibly make declarations on such a wide area of land as this

—the Commissioner is the only authority who could alter the declaration and if he does not choose to admit his mistakes the taxpayer could not appeal to the court for a decision. I disagree with that part of the Bill and I hope that the Government will examine that portion because Parliament should not sanction it. I should like to hear the Treasurer reply on that point and say why that is in the Bill and why, at this stage, legislation is proposed under which no appeal could be made. I support the Bill generally, with reservations, but do not support that clause.

Mr. STOTT (Ridley): This Bill has caused tremendous concern to many people on rural land throughout South Australia. I qualify that statement because many people may not yet have felt the incidence of the new assessments but they will hear about it and of how other people have been concerned. They will ask themselves how long it will be before the land tax assessments now being made will apply to their land. Because of that, the present land tax assessment has caused considerable anxiety to people in many country districts. It has also, quite obviously, caused some anxiety on the Government benches because the House now has this Bill before it. If the Government were satisfied with the principal Act on land tax it would not have introduced this Bill.

The Bill seeks to overcome some anomalies that exist in the principal Act. We have to analyse this Bill to see if it strikes the right note and I am certain that it does not do that. It is, in my opinion, an attempt by the Government—a genuine and sincere attempt as the Government sees it—to alleviate the distress caused by the new assessment, but it is only a stay-put proposition because if the same trend continues to spread (which it inevitably will do) obviously we will have to consider a further amendment to the Land Tax Act before long.

When Parliament deals with taxation to raise revenue for road-building and other works the main principle behind any such move should be to see that the tax is just. We cannot, as a Parliament, justify any action for the purpose of raising revenue if that action strikes unfairly at one section of the community compared with other sections. Therefore, we have to see that any tax, and particularly land tax, is based on proper equitable accounting methods of raising taxation. Probably we are all at fault and I for one plead guilty because I have not before realized the tremendous incidence of land taxation provided

for in the Bill. I did not realize that until I was alerted by the recent assessments when it became obvious and certain to me that the whole question of land tax should be examined by Parliament.

The whole question of this land tax is raised by the Commissioner under this Bill on the principle that to make an assessment on land he just says, in effect, "For the purpose of my assessment I assess land at what it could be expected to sell for." That is the formula he adopts under the Act and nobody in this House can tell me that is a proper system of accounting because it is not. It is entirely wrong under every law of accountancy to guess that somebody with a little money may come along and buy X acres and say that price should be the assessment for land tax purposes. That is wrong under every chapter of every book. We find, because of that, that Parliament has been caught up by the existence of subdivisional activity in rural land. Further, we find that what has happened at Gawler, Salisbury, Port Pirie, Whyalla and Morphett Vale (spreading down to the south coast) is causing us great concern. We find that, in one case, on an assessment of 500 acres the increase in tax is £3,321. There is something wrong with the method of assessment and we must look at the principles of it. In another case on 308 acres the increased tax amounts to £244; on 353, £1,417; on 237, £1,139; on 160, £208; on 153, £453; on 107, £222; on 658, £2,259; on 918, £1,039; on 320, £1,605; on 438, £1,055, and on 10, instead of £9 12s. 6d. as previously, the owner will have to pay £324 7s. 6d. He cannot pay it, because he is an age pensioner and has leased the land. He understood, justifiably, that he would not be assessed under the new rates because of the incidence of subdivision and he leased his 10 acres for £205 a year and yet he is to pay £324 in tax. How will he get on?

Down through the ages Governments and Parliaments have wisely or unwisely on the question of raising revenue adopted the principle of income tax assessments. For this purpose the individual has to fill in a return showing his gross income, less the various allowances. Consider, for instance, a primary producer who shows his gross return from wheat, barley, sheep, pigs and cattle. His allowances and costs are deducted from his net return and his taxation assessment is based on the productivity of his land.

But for land tax we adopt an entirely different method and the officials pluck out of the air some haphazard method and say, "We

will assess the tax on what the land could be sold for." How ridiculous is that principle! Let us consider people who have tons of money, such as speculating companies, doctors and lawyers—and I am not speaking derogatorily of anyone in those positions—who may buy, say, 500 acres and pay £10, £20, £30 or even £40 an acre more than it is worth. Because of their wealth, they can pay these false values. Then the fellow living alongside is caught in the net, because under the Act the Commissioner considers the matter from the point of view of what the land can be expected to be sold for and because the other fellow has paid, say, £50 an acre more than the land is worth, the Commissioner then says, "You will pay the same rate of tax." How ridiculous is this question of land tax!

Incidentally, the Bill does not strike at the fundamental principles I am aiming at, and does not alter the position in any way. If one applies to the Commissioner to have his land assessed as rural land, it will be assessed on that basis. There is no explanation given of what land will be assessed for as rural land. The section in the principal Act relating to this has been retained and is as follows:

"unimproved value" of any land means the capital amount for which the fee simple of that land may be expected to sell if free from encumbrances.

In other words, the value of improvements such as the house, buildings, fences, bridges, roads, tanks, wells, fruit trees, etc. are wiped off, and then what is left is the unimproved value of the land. So, under the Bill the wealthy speculating company, lawyers and so on will be able to come along to the owner of land and apply to have the land assessed as rural land. This agricultural land may be producing sheep, grapes or barley and the speculating person can say, "I can do something with this land. It may be suitable to cut up into little sections and I may be able to put my sons on it. I am prepared to pay for it £50 or even £100 an acre more than it is worth."

Immediately the owner sells, the poor cocky alongside will be assessed at the same figure, representing a high inflated value. That is assessing land on a false and inflated value. How can the Government justify gathering revenue from the people's pockets on an inflated or false value? It is wrong in every way. I believe that the Government should assess land tax similarly as income tax is assessed—on the productive value of the land. Many people raise objection and say, "You



cannot do that, because you penalize the efficient as against the inefficient." I do not think so. One may say, "One person has a good section of land compared with a poorer section." In this way one runs into many anomalies. I think that the answer is to assess land according to its productivity. One will know how many tons of wine grapes to the acre it can produce or how much the fruit is worth for drying purposes. That would not be a difficult formula to adopt in assessing the average productivity of the land.

In my view, that is the way to assess land tax. That would be a justifiably correct method of raising revenue from people who determined that they wanted to go on the land as their avocation. We can say, "All right. You have chosen that way of life to earn income; therefore, you should be prepared to pay to the Government of the day some revenue for the privilege of having that way of life."

If we do that, we must also say, "Surely, the land tax must be based on some sound formula or principle." What is wrong with that formula—anything? I can see nothing wrong with it, but many people can. If they are not satisfied with that idea that is all right with me, but do not let us adopt this one, which the Government admits is wrong by introducing this Bill. Why proceed with it if the Government admits, by bringing in this amendment to the Act, that it is wrong in principle? Why carry the wrong principle further? Why should we not appoint a committee of inquiry to examine the whole question of land tax and its anomalies, and how we can rectify them? Whether the tax can be assessed on the productive value of the land or not I do not know. I have said it is my opinion, and nobody yet has convinced me that it is wrong, but my mind is open to conviction. If somebody can come up with a better method of assessing land for land tax purposes than this, I will listen to him.

The Hon. G. G. Pearson: When the honourable member speaks about averaging, first how does he deal with the problem of a small area used for primary production in a built-up area? Secondly, what is "productive capacity"? Can he define that expression?

Mr. STOTT: I am asked how I would deal with a small area of primary production in amongst suburban land. There is a small area of such land in the locality. The Minister can bring it from the sublime to the ridiculous if he likes. I am making a genuine answer.

Taking a ridiculous case to answer the Minister adequately, it would be this: You have a big area of houses and a certain area there is used for sheep or barley. The question is: How do you strike an average on that? The answer is simple: not far away there would be, under the Highways, Land Tax or Statistical Department, figures to show that the average capacity of that land would be X bushels of wheat, and that would apply to that section within this housing area. What was the Minister's other point?

The Hon. G. G. Pearson: How do you define the term "productive capacity"?

Mr. STOTT: I define it as whatever the productive capacity of the land is. Assume the average is 30 bushels of wheat or barley an acre, so many tons of grapes an acre, and so much poultry an acre, you lay down your formula of how you assess your productive capacity and take an average of that locality. I believe it may not be the complete answer. I am putting this up for it to be knocked down, but nobody has yet been able to knock it down sufficiently to convince me that there is anything better. However, I am open to conviction.

The Hon. G. G. Pearson: I have in mind two farms side by side, one dairy and the other wheat.

Mr. STOTT: That does not pose any problem to me.

The Hon. G. G. Pearson: It does, because you say to the wheat farmer, "The productive capacity of your land is much higher. You should go over to dairying and make a higher income there."

Mr. STOTT: We are not going that far; one will not be compelled to turn from wheat farming to dairy farming. A farmer can do what he likes. If two farms are side by side and one is wheat, you assess him on the productive capacity of his wheat farm. If the other is a dairy farmer, you assess him on the productive capacity of his dairy farm. Is there anything wrong with that?

The Hon. G. G. Pearson: I do not think that is productive capacity because each might have a different productive capacity if used for the same purpose.

Mr. STOTT: That is so in all walks of life. It is most apparent in this House. One member may be more vociferous or capable than another. One farmer can be a greater farmer than another. I want to bring the Minister back to the fundamental principles of how to get revenue from the people under a just, not

a false, system. This is a false system. It is getting money from the people on inflated value. The value is false and inflated. If I am wrong (and I admit I am not Mandrake by any means), let us inquire to find out how we can get revenue from land tax by a better method than the present, because obviously the Government (I am not lambasting the Government on this; I am having a go at the whole principle of land tax and the feelings of the House and Government) has shown genuine concern by bringing down this amending legislation.

This is the time to have an inquiry and put the whole question of land tax on a proper basis, and not get revenue for land tax purposes from the people under a false or inflated value system. Land value may be assessed, for instance, for the purpose of building a factory on it. In that case the company concerned has to go into the whole question of what it intends to produce. It may make motor cars, pot plants or anything else. That company in a businesslike approach to its efficiency employs what is known as a costing accountant, who goes in and says, in effect: "The market value of our goods is £X per vehicle or pot plant. Therefore, the factory will cost us £X to build. We can expect to employ X people, whose wages will be £X." In other words, he reduces it to a proper system of accountancy and then says, "We can afford to pay £X for this land to build a factory on."

That is a proper system of accountancy. Should not Parliament adopt the same sound principle of accountancy in raising revenue for land tax purposes? I believe that the time is now here when Parliament should look at the whole question of land tax and appoint a committee of inquiry of competent persons who can make an assessment and examine the whole question from an accountancy point of view. Whether the "productive capacity" method is the answer I do not know. I am prepared to give evidence before such a committee and put forward my "productive capacity of the land" proposal. The committee can knock a hole in it and I shall not be sorry if it does. My mind is searching for a better method than the present; you cannot tell me it is a good one.

Mr. Clark: Has that been used in other countries?

Mr. STOTT: I cannot answer that. I have been trying to ascertain whether it has. I know there have been some inquiries into this question which have caused me to believe that

the whole question of land tax has caused other Governments some concern, because they have inquired into it. I have read one or two reports and am not satisfied that the commissioners came back with the correct answer. They did not look at it sufficiently.

Mr. Clark: I believe it was tried in New Zealand and was abandoned.

Mr. STOTT: I do not know; I have not the answers.

Mr. Bywaters: How could productive value apply to two adjoining shops?

Mr. STOTT: Urban and rural land would have to be defined. With two adjoining shops, one might be purchased by a wealthy man who wanted it for his son or daughter and the other shopkeeper would suffer because of the inflated price paid.

Mr. Bywaters: Could the production angle come into it?

Mr. STOTT: A more equitable system of assessing urban land would have to be devised for land tax purposes. If this definition remains, the position of a shopkeeper could become worse because on the other side of the road a hotel or drive-in theatre might purchase land at a highly inflated price.

Mr. Bywaters: I could give such instances.

Mr. Clark: Wouldn't productive capacity vary from year to year?

Mr. STOTT: Yes, but an average could be determined for a district. At present with wheat we lay down a base price. The wheat plan extends over five years and in the first year, after ascertaining costs, we determine a base price. If land tax is to be assessed over a similar period a base figure could be used to determine productive capacity.

Mr. Clark: How does the system work out with wheat?

Mr. STOTT: Excellently, because every year we meet and review the cost structure and assess percentage increases above the base price.

Mr. Clark: Could that work out as satisfactorily for people using their properties for other production?

Mr. STOTT: Yes.

Mr. King: But your base price is an average.

Mr. STOTT: We take the average price of wheat for the whole of Australia. I realize that we are discussing State land tax, but there are State figures for wheat. In determining our base price we consider administration charges, storage charges at local sidings, and agents' fees, which vary. However, we work out an average figure for administration costs

and apply it to the base figure. We also consider railway freight charges.

Mr. King: Some land produces 30 bushels of wheat to the acre and other land only 15 bushels.

Mr. STOTT: Yes, but the man who produces a higher volume would pay a higher land tax, and shouldn't he?

Mr. King: I am asking you about your figures.

Mr. STOTT: Yes, but I ask whether that man should not pay a higher land tax. He pays a higher income tax.

Mr. King: Does not the demand for that type of land determine its unimproved value?

Mr. STOTT: I can see the point. The honourable member is as conversant with accountancy as I am and would probably say that after working out his costs he could afford to pay £30 or £40 an acre for certain land. Unfortunately, a man with four or five sons may be prepared to pay £70 an acre for that land and so the landholder adjoining has to pay land tax on that inflated value. The adjoining landholder could appeal to the Commissioner, but what would be the good? The appeal would not succeed because the Commissioner would point out that, under the Act, he had been instructed by Parliament to determine that the unimproved value should be what the land could be expected to be sold for.

Mr. Clark: This amendment virtually wipes out appeals.

Mr. STOTT: No, but where the Commissioner has declared that land is rural land one cannot appeal. If a person's land is declared to be rural and he sells it subsequently the Commissioner has the right to make him pay retrospectively on the assessment of that land as subdivided land, and there can be no appeal. That is absolutely unjust. I do not agree that the Commissioner should be able to do what he likes with rural land and that there should be no appeal.

Let us examine this question further and assume that a man has 500 acres of land on which the assessment was £154 an acre. The assessment, on its subdivided value, is £3,475 an acre. The man applies to the Commissioner and has the land assessed as rural land and the Commissioner makes the original assessment of £154 an acre. Instead of the man paying on the assessment of £3,475 for subdivided land, he pays on the assessment of £154 an acre. If, five years later, that land is sold for £100 an acre he will collect £154,000 for it but, as the Commissioner will have power to ask for

retrospective payments, he will pay £173,000 in land tax. How can rural members justify that? That is saying that the man must pay extra taxation because he has reaped £X as a reward and should therefore pay for it. If Parliament passes this legislation members will forever have to hang their heads in shame, as this is a capital tax rather than a land tax. Is this Parliament, which is supposed to be responsible to most landholders, forever to adopt the principle of imposing a capital tax? This Parliament cannot justify a capital tax.

On the figures I have given members will see that such people—farmers, grape growers and the like, who are experiencing falling overseas prices—have nightmares every time they go to sleep. These people think that Parliament is bringing in an amendment to give them relief, but what relief is there when the exemptions are only for properties of under £2,500? Is there any rural land that is not worth at least £2,500? That exemption does not apply.

The Hon. G. G. Pearson: That's not correct.

Mr. STOTT: It is.

The Hon. G. G. Pearson: Give me the correct interpretation. The honourable member could find a vast number of blocks on the River Murray that would be exempt.

Mr. STOTT: In his second reading explanation the Treasurer said:

The other concession relating to land used for primary production is provided by clause 4 which amends section 11 of the principal Act to provide for a statutory exemption of £2,500 progressively reducing to nil at £6,250.

The Hon. G. G. Pearson: Unimproved value, £2,500.

Mr. STOTT: That is so, but I think I have blown out that point. The Treasurer continued:

Thus subsection (2) of the amended section 11 provides that where the unimproved value of all the taxpayer's land—that is, not only farm lands, but also other lands—is £2,500 or less the statutory exemption will be the value of the farm land.

Where is there any farm land that does not exceed £2,500 in value?

The Hon. G. G. Pearson: Many blocks are in that category.

Mr. STOTT: Point them out and I will buy them tomorrow!

The Hon. G. G. Pearson: The honourable member would buy himself some trouble.

Mr. STOTT: I would sell them at a profit. I should like to know where they are. This matter should be referred to a committee of inquiry to bring down to this Parliament a

just and proper system of gaining revenue from the people. This system is unjust, particularly if we assess people and increase their land tax on 500 acres from £154 to £3,475. Even more so is it unjust if we then turn around and say, "We have gone a bit hay-wire. We admit that, if you are still going to produce barley, grapes or wool on that land, you should not pay £3,475 on 500 acres, so we will provide that you can be assessed as having rural land." So, that land is assessed as agricultural land. He does not get an exemption unless it is worth less than £2,500 (and obviously it is not worth less) and we then say, "We will allow you to pay land tax on a lower level, but, mark you, if you do not continue to be a farmer for the rest of your natural life you will go back to the period of that assessment and pay to the Commissioner the total rating on the sum that you would have been originally assessed at under the subdivision, which is £3,475 a year."

The Hon. G. G. Pearson: That is not correct either. Read the Bill.

Mr. STOTT: In the *Advertiser* of March 24, 1961—

The Hon. G. G. Pearson: Read the Bill!

Mr. STOTT: I am reading the Treasurer's statement, and later I will say what he said in his second reading explanation. The *Advertiser* contained the following report:

In areas where subdivisional activity had resulted in a big increase in the valuation placed on rural land, it was proposed to provide that a landholder could have his land gazetted and apply for an exemption. In such cases his land would be assessed on a rural valuation basis, much lower than the inflated value caused by subdivisional activity. In the event of the landholder selling his property or ceasing to use it for farming purposes, he would be obliged by law to pay the full rate of land tax applying for the past five years.

The Hon. G. G. Pearson: Yes, but it is five years only.

Mr. STOTT: That does not destroy the argument I have used.

The Hon. G. G. Pearson: You said "for all time".

Mr. STOTT: The Minister would be wise to listen.

The Hon. G. G. Pearson: I was listening.

Mr. STOTT: Then listen; and do not put up to me false things that are so easily blown out.

The Hon. G. G. Pearson: The honourable member said "for all time".

Mr. STOTT: And it is for all time.

The Hon. G. G. Pearson: It is not!

Mr. STOTT: Listen for a moment and I will prove it. It is until this Act is amended again, so it is for all time. There is no answer to that. If this farmer sells his land within five years, he has to make retrospective payments of £3,475 a year for five years. If we have a new Parliament and the Act is not amended, it could be 10 years: while the present amendment remains in the Act it will be 10 years.

The Hon. G. G. Pearson: Will it?

Mr. STOTT: Yes, until the Act is amended. The Minister cannot turn it around some other way. I am talking as I see things today, and under this Bill this man would have to pay £3,475 a year for five years. I will concede the point relating to five years, but is that right? It is still a capital tax, irrespective of whether its retrospectivity extends for five years or 10 years.

Mr. Jenkins: You have conceded the Minister's point?

Mr. STOTT: Only regarding its retrospectivity for five years, but under the Bill, unless it is amended in future, it will be retrospective for 10 years.

Mr. Hall: Which words say it is retrospective for 10 years?

Mr. STOTT: The principle that the young honourable member of this House should learn is that Governments usually dislike—and rightly so—bringing down Bills to amend Acts. If this Bill is passed, the principle will still apply, in the absence of any other amendment, in 10 years' time; that is obvious.

Mr. Hall: It is retrospective for five years.

Mr. STOTT: It will be retrospective for 10 years, because the five years, my dear fellow—

The SPEAKER: Order! I ask the honourable member to address the Chair.

Mr. STOTT: I beg your pardon, Sir. The speeches this afternoon have been mainly confined to the unjust provisions relating to rights of appeal. The member for Adelaide, I think, took a different tack from me: he said, in effect, that it was a class tax and that we were granting exemptions to people on the land, but in my opinion that is not right. I am fighting against a principle that I say is wrong.

This Bill does more than cope with the effect of subdivisional activity. I know of a chap—and I can bring down the files to prove this—who was assessed at £42 an acre for land tax; he is not affected one iota by any subdivisional activity, yet his new assessment is £68 an acre. There you see the effect of this Bill. The assessment I mentioned was made in an area where there has been a complete absence of

any subdivisional activity, so it is obvious that the provisions of the Bill apply to areas other than those in which there have been subdivisional activities and consequent big increases in land values. That indicates to me that we will in the future have some high assessments on agricultural land. Is it not time that Parliament had a look to see what the incidence of land tax is going to be? Have primary producers not had enough increases to cope with?

Mr. Hall: How much land has that chap got

Mr. STOTT: I am not sure, but it would be about 500 acres.

Mr. Jenkins: What could he sell the land for?

Mr. STOTT: I cannot say exactly, but it would probably be about £40 or £50 an acre. The principle of raising revenue by way of land tax is wrong, because it involves assessments on false and inflated values. I concede that there is some justice in an amendment that reduces the land tax burden on agricultural land. That amendment tackles the problem of inflation caused by subdivisional activity, but when we find steep increases in assessments that are not affected in any way by subdivisional activity it is time the matter was looked at, because such increases are apparently causing a chain reaction throughout the State. Who is going to be affected next? Many people are becoming anxious and concerned at the incidence of land tax, and are wondering where it is going to finish. Where is it going to bring me? I have no subdivisional activity in my locality, nor is there likely to be any within the next five years, but notwithstanding that, under the current assessments a person in that locality who previously was liable for rates on an assessment of £42 an acre now has to pay on £68 an acre. That indicates to me that many agriculturists in future will find their land tax assessments in the same proportion. When that happens I hope that country members will point out to this Parliament how the primary producer is being slugged for land tax.

I want to alert Parliament to the necessity of appointing a committee of inquiry which could tell whether or not I was wrong about this question of raising revenue by means of land tax. The committee could be given the task of formulating a just system of raising revenue by these means. Clause 7 of the Bill inserts proposed new section 12c, which reads:

(1) The Governor may by proclamation declare any area in the State to be a defined rural area for the purposes of this section. The Governor may at any time amend or revoke any such proclamation.

(2) Any taxpayer liable to pay tax in respect of any land within a defined rural area may apply to the Commissioner for a declaration or a renewal of a declaration that any such land is declared rural land for the purposes of this section.

New section 12c(6) states:

If—

(a) the Commissioner revokes a declaration in pursuance of subsection (4) of this section; or

(b) the Commissioner refuses to renew a declaration in respect of any land within a defined rural area or any part thereof;

and new subsection (7) states:

No proceedings shall be taken in any court to compel the Commissioner to make or renew any declaration under this section or to review, set aside, or vary any decision or notice of the Commissioner under this section.

Where are we going in this Parliament? By those provisions we are setting up the greatest dictatorship of all time. A farmer who wants to take advantage of the provisions of this Bill must apply to the Commissioner, and the Commissioner defines "rural land." If the farmer cannot satisfy the Commissioner in respect of that land he has no appeal at all, and I do not like that provision.

(Sitting suspended from 6 to 7.30 p.m.)

Mr. STOTT: According to the principles of law, new section 12c (7) is wrong. New section 12c (3) states:

Where the Commissioner is satisfied with respect to any such land that that land is used for primary production he may make or renew a declaration that that land is declared rural land. A declaration or renewal of a declaration under this subsection shall be deemed to be in force as at midnight on the 30th day of June next preceding the date thereof and shall, unless sooner revoked by the Commissioner under subsection (4) of this section remain in force until midnight upon the 30th day of June immediately preceding the making by the Commissioner of the next following new assessment pursuant to section 20 of this Act.

Subsection (4) of the new section states:

If the Commissioner is satisfied that any declared rural land or any part thereof has ceased to be land used for primary production he may by notice given by post to the taxpayer revoke the declaration in respect thereof. That means that the Commissioner becomes a law unto himself. There will be no right to test his opinion, and irrespective of who the Commissioner may be other people may hold a different opinion. I do not speak

derogatorily of the present Commissioner, but would he know all about rural land and practical farming?

Mr. Shannon: He would not have to.

Mr. STOTT: No, yet he could revoke a declaration that land was rural land, and there could be no appeal against his decision. Is it right that there should be no right of appeal? Ever since I have been in Parliament I have believed that the right of appeal is a principle of British justice.

Mr. Quirke: The honourable member has changed a bit.

Mr. STOTT: The law has changed a bit, and it has become somewhat unjust, and I do not like injustice. If the Bill passes the second reading it should be amended to provide for an appeal to a tribunal against a decision by the Commissioner. I have asked the Parliamentary Draftsman to prepare an amendment on the matter and it should be ready within a few minutes. I propose that the taxpayer shall have the right to take the matter to the local court. Under the principal Act there is an appeal to a tribunal, but it only applies in relation to an assessment. My amendment deals with the Commissioner making a proclamation about a defined rural area. Under the Bill he can revoke or refuse to renew a declaration, yet no action can be taken to upset his decision. Referring to the appeal against an assessment, section 45 of the principal Act states:

For the purposes of this Part there shall be such valuation boards as the Governor determines. There shall be three members of each board, consisting of a chairman and two other members, who shall be appointed by the Governor. The members of a board shall hold office for such period, not exceeding seven years . . .

Section 51 states:

A taxpayer who is dissatisfied with any assessment for land tax may within 60 days after the giving of the notice of assessment, post to or lodge with the Commissioner an objection in writing against the assessment, stating fully and in detail the grounds on which he relies. The Commissioner shall, with all reasonable despatch, consider the objection and may either disallow it or allow it either wholly or in part. The Commissioner shall give to the objector written notice of his decision on the objection. A taxpayer who is dissatisfied with the decision of the Commissioner may within 60 days after the service by post of notice of that decision in writing request the Commissioner to refer the decision to a valuation board for review of the value assigned to the land in the assessment.

Under the section the piece of land may be declared by the Commissioner and the taxpayer may object. The objection would go to the

Commissioner, who would give his reasons in writing, and then the taxpayer could take the matter to a board for a review of the assessment. A tribunal would be set up and to it the taxpayer would give reasons why he thought the Commissioner's decision should be altered. The Commissioner would argue that his decision should stand and obviously he would put up an impenetrable case as to why it should not be altered. He would be able to say that he based his assessment on the sales of land in the district or in an adjacent area. In other words, he would refer to the definition of "unimproved land", which under the Act means the capital amount for which the fee simple of that land might be expected to sell if free from encumbrances. The Commissioner will go to the local stock and station agents and inquire about land sales, the people involved, and the prices paid. The agents will supply the information sought and in view of the definition, notwithstanding that the sales may be at inflated and false values, how could the taxpayer persuade the board to uphold his appeal in view of that incontrovertible evidence? His appeal would not be worth a cracker.

I do not like the principle of setting up a Caesar and of appealing to him. Therefore, I believe that the appeal should be heard elsewhere such as in a local court. I have stated a case to illustrate the anomalies in the principle. I do not attack the Government or anybody else on this but I throw it into the ring as a principle to be adopted in assessing land tax. The principle that we adopt of assessing land on unimproved values or on its expected price is wrong in law and equity and should not be adopted by any Parliament.

Parliament should consider the wisdom of the case I have stated because there may be anomalies in this Bill and there may be something in my points. We should consider whether it is worth while or justifiable to have an inquiry to ascertain all these facts. Should we alter the principles of raising revenue for land tax purposes by altering that provision or should there be another method? Can it be applied in raising revenue from land tax? Let the committee of inquiry tell us all these things.

No honourable member can deny that the present method is wrong. It is wrong and a committee of inquiry should be established to find out where it is wrong and to right the wrong. I am not satisfied to allow this opportunity to pass. I attack the whole principle. Terms of reference similar to those I now outline would fill the bill. We should

set up a committee of inquiry with the following terms of reference:

To call for and receive evidence to enable the committee:

(1) To consider and report on the present methods and bases of the valuation of land for land tax, local government, succession duty, and other State revenue purposes, and the extent to which they give rise to anomalies and injustices.

(2) To devise and recommend an equitable basis of valuation for such revenue purposes of land in areas where land is used in fact substantially for primary production and is intended to be so used in the future alongside or near land which has been sold or cut out or is intended to be used for subdivisinal or building purposes.

(3) To consider the practicability of basing the values for such revenue purposes on land used for primary production on its productivity for that purpose.

(4) To consider and report generally on the valuation of rural, as compared with urban, land.

(5) Whether any anomalies, variations, or injustices are apparent between the State authorities and Commonwealth authorities made on assessment on land for gift, estate, and/or succession duties, and to make recommendations as to the course to be adopted to ensure the uniform application of any methods recommended to the assessment of gift and estate duty and to other Commonwealth revenue purposes.

Although this does not come squarely within the four corners of the Bill I intend to relate the two matters. We find when assessing for land tax purposes that other authorities assess for gift tax purposes and use the expected selling price. This results in a grave anomaly where a farmer has sold his farm or divided it for the benefit of his sons by the formation of a company to relieve him of high property duties. That land is assessed to ascertain how much gift duty shall be paid. The farmer pays three per cent of the value of the land. The Commonwealth Government comes into this assessment and to my astonishment I find that its assessment is £25 over the State land tax assessment for gift duty purposes. That grave anomaly should be rectified. If we have a committee of inquiry into these matters we should allow the same committee to examine these anomalies in gift tax duty.

Mr. Quirke: That is a Commonwealth matter.

Mr. STOTT: It is both State and Commonwealth. A report of that type would be extremely valuable to members when dealing with this vexed question of land tax. It is a vexed question because many members in this House are not happy with the present land tax principles and they would like to see some amendment of the present system. Members are not certain how to go about it and the

committee of inquiry would provide valuable assistance. In the hurry this afternoon of getting on with the job of preparing a speech I found I had one point to clear up. I argued that the retrospective tax would apply for longer than five years but, on examination, I must concede that the Minister of Works was correct and that it does not apply for longer than five years. I was acting on a misunderstanding there.

However, let us look at the five-year provision in relation to a property of, say, 500 acres. Supposing that it is worth £30 or £40 an acre now for agricultural purposes and later it is sold for, say, £100 an acre. I think it is reasonable to assume that the Commissioner, under this Bill, would be empowered to impose taxation for five years at the old rate, of which I gave illustrations, in which case the rate on the 500 acres would be £3,475, and on calculating for five years under the new proposal the landholder would pay in retrospective tax £17,375. I do not agree that because he received £100 an acre, amounting in all to £50,000, it would be justifiable for him to have to pay back retrospectively £17,000 in land tax, because obviously and undeniably that would be a capital tax; and I will not agree to a capital tax under any section of the law.

Mr. Jenkins: It is a pretty big unearned increment.

Mr. STOTT: Are we to tax people by capital tax? In that case what are we to do with people on the land? On the one hand costs are rising against primary producers and on the other hand overseas prices for their products are falling. Just because a speculator comes along with unearned increment and wants to pay £100 an acre, which may not be justified on the productivity of the land, we penalize a man who has had the land for 25 years or longer and has worked himself to the bone, by taking £17,000 from him in capital tax. It is not just to have a capital tax. We do not want to get away with the idea that he has not paid any tax during the five-year period, because obviously he has paid to the limit in income tax, water rates, etc. He does not receive the whole £100,000 clear during this five-year period. Because this man has been so efficient is the Government going to reap £17,000 from him on the basis of retrospective capital tax?

I am not clear on one point: what happens under new section 12c, which reads:

The Governor may by proclamation declare any area in the State to be a defined rural area for the purposes of this section. The Governor may at any time amend or revoke any such proclamation. . . . Notwithstanding anything in this Act contained a taxpayer in respect of declared rural land shall be liable to pay and shall pay only an amount of tax computed in accordance with the provisions of this Act upon the taxable value based upon the unimproved value of that land assessed as land used for primary production.

What happens to a man who applies to be assessed for rural land under this provision and within the five-year period sells the land to another man who wanted it for agricultural purposes? Because he sold it, probably at a higher price, must he pay the amount assessed on three years of the five-year period? That point was not made clear in the Treasurer's second reading explanation. I hope that he will consider referring the Bill to a Select Committee, as I do not like it. In my view it is not justice, and it certainly creates an anomaly. Obviously, the Government admits that there is an anomaly in the land tax otherwise the Bill would not be before us. It has taken steps to rectify a grievous anomaly where there is subdivisional activity in rural land. It proves that there was an anomaly under the old Act.

The Bill does not answer the anomalies to which I have referred. Unless we alter the definition of "unimproved value", agricultural land in future will still be assessed on its expected selling price. It is a wrong way to raise revenue by basing the value of land on inflated and false values. Anything that is false should not be included in any legislation. If the Bill passes the second reading, I will move amendments regarding the appeals I have outlined in my speech.

Mr. BYWATERS (Murray): I support the second reading, but hope that in Committee some of the amendments forecast are carried. It is apparent from the speeches from both sides of the House that there is some discontent with the Bill. I believe it is as our late Leader of the Opposition used to say: the Bill is like the curate's egg, good only in parts. Members' remarks on the measure have been related to how it affects their electorates. That is understandable. We had the remarks from Mr. Lawn and Mr. Tapping, and those remarks would apply likewise to members on the Government side representing city electorates. They are concerned because of the anomalies existing in relation to rural areas on the one side, and on the other the interests of their own constituents who will have to pay tax on property worth over £320.

A building block in the city area today cannot be purchased for under £1,000, so naturally it will be taxed. Many building blocks will far exceed this amount in cost. But, in my own electorate—and particularly in Murray Bridge, Tailem Bend and Mannum—not many building blocks will be affected. I differ from the member for Ridley when he says that very few blocks would be exempt, because I know that most of the building blocks in those three towns, as in most country towns, on unimproved values would be under the £320. In my own case, I am assessed at £170 for my building block with my house on it, so this provision does in effect try to remedy some of the things that have led up to the introduction of this Bill. Here, members are speaking in the main as it will affect their particular electorates.

This afternoon the member for Barossa (Mr. Laucke) was, on the one hand, concerned about and, on the other hand, praising the Bill. I understand that he would be concerned, just as the member for Gawler (Mr. Clark), who is to speak presently, myself and others living within a reasonable distance of the metropolitan area are, for large subdivisions have taken place recently. It has happened in my electorate in the last three or four years. These subdivisions have affected the land tax assessment. Under the present set-up, of course, not much can be done about it. The assessments are based on recent land sales in the area and existing valuations. It is because of these recent subdivisions that this Bill has been brought down.

We see today a different set-up from what we have experienced previously where an assessment has been brought down each five years, and possibly a previous assessment has given some indication of values; but this one has been even more accentuated because of the many recent land sales by subdivision of rural areas. So, in the main, where these subdivisions are taking place the land tax assessment has been the cause of the increase, because there has been no alternative basis on which to assess the values of the land sales in that locality. This applies to the districts of many members in this House.

The Bill is, of course, trying to remedy something that has taken place. The answer would not have been in trying to overcome certain apparent anomalies, but I believe the member for Ridley had a point (and it has been mentioned by other members, too) when he said that the whole set-up needed a new look, that some form of committee should be appointed to examine the whole question of



assessments. I cannot understand or accept the method that the member for Ridley stressed today when talking about productive valuation or productive capacity, because I do not think it would work in all cases. But, as he said, it would be possible to put this to a committee to see whether some better method could be suggested by it. After all, that is only logic.

I think the member for Ridley this afternoon stuck his neck out a little when he said that one would not get any primary production land for £2,500. I could name a number of people, primary producers in my electorate, whose valuation would be well below the £2,500. They have a good deal to gain from this Bill although, as I said earlier, it is trying only to correct some anomalies that have arisen because of subdivision. There are many glasshouse growers not only in my own electorate but in others also: Barossa, Gouger and possibly others in the metropolitan area still have glasshouse growers who are classed as primary producers. A number of them have only four or five acres and, in most instances, have purchased their land for about £200 an acre. As primary producers, they would of course be well and truly exempt, so there are some good things in this Bill. Although it is correcting only something that has cropped up, there are some things to support in the Bill, and there are some things that are of great benefit to many people. That would apply also to primary producers who were poultry farmers, of whom there are some in my electorate.

Mr. Jenkins: And small market gardens.

Mr. BYWATERS: Yes. The valuation in my electorate would be under the £2,500. They would be exempt under this Bill so, if the member for Ridley were to say that he was prepared to buy all those places, he would need a fat purse, because there are many of them. That applies also to block holders because in Tailem Bend, Mannum and Murray Bridge most of them would be exempt under this Bill as they would be under the £320 valuation.

I agree with the member for Ridley when he says that there is need for a committee of inquiry to investigate the whole position that has arisen as a result of subdivisions. It is apparent that most members of this House are concerned about the Bill as it stands. There is a good reason for us in the Committee stage to amend it to make it more palatable for all concerned. The suggestion that we should amend the Bill so that people in the metropolitan area would share the same privileges as primary producers, particularly up to

£2,500, is a worthy one. If all members with city electorates were to ask their various constituents what they felt about this, I am sure they would have their wholehearted support and they would be truly representative if they supported the amendments.

I want to draw attention now to something I said by way of interjection when the member for Ridley was speaking this afternoon. It concerns business places. Some of the clauses in the Bill are quite good and will, I think, help many primary producers, but there is also the business section to be considered. In the main street of Murray Bridge, large business houses from the city have purchased blocks of land and buildings. That is all they have done; they have immediately bulldozed the buildings down and erected new ones on the sites, so they have paid virtually only for the land itself. They have paid rather high prices and the land tax assessor naturally has taken that as a basis, and we find that some of the business section in the main street area is being hard pressed as a result. Like the member for Ridley, I do not intend to quote particular amounts because I have not them here, but I have been told by some of these people that they have been affected considerably by the high prices paid. It has been suggested to them that they could sell out and receive these high prices themselves if they so desired, but they have been in business there for many years. In some cases their parents had the businesses before they had them. They want not to sell out but to retain their businesses. They consider that high prices have been created but they are not real; they have been brought about by the desire of big city businesses to come into that area to get a select spot in the main street. They have paid a high price far in excess of what normally would be paid.

I know of a business house which, prior to November, was prepared to pay an extremely high price for a nearby business in order to expand its activities. However, the credit squeeze caused the deal to fall through. That business house was prepared to pay an exorbitant price for land in that locality. It was not interested in the existing building, which it would have bulldozed down, but in the land. Business interests are affected by the Bill, which should cover all sections of the community and not one section. These matters could all be considered by a committee as suggested. Present exorbitant prices should not be responsible for causing hardship to adjoining landholders who are assessed at

unreal values. Although the Bill provides great assistance to people affected through the creation of this new assessment, it does not answer the whole problem. The problem should be answered by the assessments themselves rather than by the rates prescribed in the Bill.

Some dairy farms along the River Murray swamps have sold for unrealistic prices. Some have doubled in price since the last flood and the genuine dairyman, who wishes to remain in business, is penalized by the prices that have been paid and his land tax has been increased. I do not want to delay the debate on this Bill because it will be discussed further in Committee. I suggest that it has been introduced because of pressure from primary producers who have been affected by the recent assessments sent out by the Land Tax Department. That is natural because those assessments were based on prevailing prices—unrealistic prices. The Bill endeavours to satisfy some of the primary producers, but it will not meet the need of those who have been overlooked and whose land has increased in value through no fault of their own. After all, many of them purchased their land on which to build their houses, and that was the only reason. They should be considered too. I trust that in Committee some of the anomalies will be rectified. I do not know whether Standing Orders will permit a committee of inquiry or Select Committee to be appointed, but I commend that suggestion to the Government.

This legislation will be only a start because similar problems will arise in future. The Bill does not answer all objections and most members who have spoken have indicated features of the Bill that they do not like. The legislation will be of a temporary nature only, and it would be appropriate to refer it to a committee of inquiry. The Government should consider this because the proposals are causing concern not only to primary producers but to business people and householders who own small blocks of land. I support the Bill hoping that it will be satisfactorily amended in Committee.

Mr. HALL (Gouger): I welcome this Bill because I believe it will affect people in my electorate in the Virginia area who, in common with people in some other districts close to the city, have been and are being at present hard hit by increased assessments. The Bill will provide them with some alleviation. In referring to the Bill and its effects we should consider it to be an alleviation and not a concession. The use of the word "concession"

creates a wrong impression and much of the criticism has arisen through members opposite regarding it as a concession and not as an alleviation. We have heard much about the methods of arriving at assessments, but I maintain, after hearing those arguments and from undertaking research, that the sale value is the fairest way of arriving at comparative values. Whether or not it arrives at the true economic value is another matter, but it does arrive at relative values for varying classes of land, which will be sufficient to give a fair distribution of the tax in the actual amounts paid.

There should have been far more discussion of the rates charged under this Bill than of the method of arriving at the assessments. The rates determine the amounts to come from primary producers' pockets. We have heard little about the amount that will be payable because of the rate adjustments. I was astounded to hear the figures presented by the member for Ridley for a property of 500 acres. The figures I obtained from the schedule to the Bill are completely different. He said that on a 500-acre property that was sold for £100 an acre the retrospective tax payable would be £17,000. According to the schedule a property of 500 acres valued at £50,000 would carry a land tax of £557 a year, or a total of £2,785 for five years.

Mr. Nankivell: He was speaking of the subdivisional value.

Mr. HALL: The value quoted by the honourable member was the sale price of £100 an acre, which was supposed to be about twice the farming value. We must also remember that the assessment arrived at by the department would not be the sale value; it is always a little below sale value. I should like to correct the member for Ridley who, if he can substantiate his figures, can do so in Committee. I feel that he made a great mistake in arriving at the figure of £17,000. It would not be above £2,785 on that property sold for £50,000.

Members of the Opposition referred to a committee. If they were successful in getting a committee appointed I hope they would give it more support than the committee set up in this House last year to inquire into the decentralization of industry, which members opposite have since tried to disown. I support the Bill with a great deal of satisfaction and look forward to the expressions of satisfaction that I know will be made by my constituents, who have been in difficulty over this matter until now.

Mr. CLARK (Gawler): Like the member for Gouger, I have waited with a great deal of anticipation for this legislation to be brought down. The honourable member said that in his district many people have to bear a colossal burden of land tax because of inflated values and subdivision. From what he said, it appears that primary producers in his area, particularly at Virginia (where I have many friends) are quite happy about this legislation. I do not know if that is so, but I do know that people in my district in similar conditions are not at all happy about it. Although I waited for this measure with a good deal of pleasurable anticipation, on hearing the Treasurer's second reading speech and on studying the Bill I found that I did not like it very much. I think it gives little relief, and I do not think it is equitable. Surely, as everyone will agree, equity should be the basis of all taxation. Like many other members who have already spoken, I intend to support the second reading in the hope that some improvements can be made to this Bill.

Some of us may tend to think that land tax is a new thing, but actually it is the oldest form of taxation in existence. That, of course, does not mean that it is necessarily the best. As far as I can make out, land tax began in the days when it was the habit of warring nations to attack other nations. The first land tax was that imposed on conquered territory, where the conqueror magnanimously allowed the occupiers of the land to pay tribute for continuing to use it. In China, which seems to be the home of nearly everything, land tax was levied in 2,000 B.C. According to the clay tablets of early people in Mesopotamia (or Iraq, as it is now called) many centuries ago a comprehensive land survey was made and a land tax was imposed on the people. In the Middle Ages a type of land tax was imposed from time to time. This was usually only transitional, and imposed when the king wanted extra money to go to war or for something of that nature. As a matter of fact, in those days most taxes were paid in services.

Land tax as we know it was first introduced in England in 1692, but in 1798 it was made a redeemable rent charge. The member for Whyalla said that that is what it is in England in the main now. Our pattern of land tax as it exists today was largely founded on the ideas introduced into France in 1790, at the time of the French Revolution. Peculiarly enough, land tax provisions made at the time of the French Revolution have proved the basis for land tax throughout most European and English-speaking

countries. The Australian land tax system is generally recognized as being the most elaborate in the world. The original French idea in imposing land tax was to discourage the formation of over-large estates and to prevent land from being kept out of production. Most of us who bother to think about this will agree that that was a sensible aim.

I do not claim to be an expert on economics, but I know we have one or two experts in this House. This afternoon when the member for Whyalla was speaking I heard a peculiar interjection regarding some sort of inflationary theory of taxation which seemed to me to come from some sort of an expert, but I was not expert enough to follow it. However, it is simple economics that land tax raises the cost of production, and we must admit that the burden rests largely (for big amounts, at any rate) on the producer. We must realize that where the domestic or local producer is exposed to competition from a foreign producer, either in his own country or on the world markets, the price of his products in general is fixed by factors over which he has little control. I think members will all agree that the burden of a steeply increased land tax rests mainly on the producer and that his net return is obviously decreased; I think even my political opponents will agree with that.

One might ask why this amending Bill was introduced at all. I think it was because the recent assessment was absurdly high, but I will admit that the previous assessment may have been a little low. I often heard the late Leader of the Opposition (Mr. O'Halloran) say that one of the worst faults of the Government was to let things go on for a long time and then suddenly alter them with a bang, so the severity was much more noticeable. I think that is so in this case. The increase in assessments has been particularly steep on land adjacent to or within some miles of subdivisional land, such as in my district and in the districts of Gouger, Barossa, and Alexandra. When the increased assessments were first forwarded to people who were unfortunate enough to have to pay them, dozens of my constituents came to me with the same complaint. It reached the stage where, if I saw a man I knew to be a primary producer come in my front gate, I could be almost certain what he would talk about. Although many of them are friends of mine, I could not expect them to vote for me in the next election. Most of them were Liberal supporters, and I advised all of them that they should appeal against their assessments.

I took the opportunity of forecasting what the Government's opinion might be and I told them I was almost certain that something would be done about it, because it appears logical that if a government finds that hundreds and indeed thousands of people are objecting most strenuously and vociferously to something that they consider to be unjust, then that government, even if only in self-defence, is obliged to do something about it. This Bill is the result. It is obvious to anyone who has studied it that the original amounts due under the new assessments were unjust. Many of the people who have come to me are people whose ancestors had worked their farms for generations; they are landholders who have no intention of subdividing their land. Some of them are as far as 10 or 12 miles away from the nearest subdivided area, yet they have found that because of the inflated land values their assessments have been increased. Indeed, they have gone up to an astonishingly high rate. Let me quote an acknowledged authority on this particular matter, who stated:

It is unfair for a primary producer who has perhaps been farming on his land for a number of years and who intends to continue to do so, to find himself suddenly faced with a great increase in his land tax merely because the general area in which his land is situated happens to have increased in value as subdivided land.

I think most people in the House would agree with that statement. I most certainly agree with it. As a matter of fact, it is an extract from the Treasurer's speech when introducing the Bill, and for once I find myself agreeing with him. This amendment is supposed to correct or, as the member for Gouger (Mr. Hall) aptly put it, to alleviate the situation. Incidentally, although the member for Gouger mentioned that Opposition members were regarding the Bill as a concession, quite frankly I do not remember any member on this side of the House speaking of it as a concession at all. It is true, as the member for Gouger said, that it is supposed to alleviate the situation. It was stated that it is supposed to correct the position, but I ask the House: does it do that? I do not think it does. If we go to the trouble, as I have done with perhaps eight or 10 of my constituents—and it is not such a very difficult mathematical problem—to work out the comparative land tax payments, we find that very little indeed is being done to alleviate the burden of this land tax. In fact, I was impressed with one sentence at least of what the member for Rocky River (Mr. Heaslip) said this afternoon. The

honourable member said, "This gives little assistance to primary producers." Neither it does. The very large landholders may benefit a little, the smaller landholders benefit less, and the ordinary householders, pensioners and the like—and those people have also been hit by inflation—who own a reasonable sized block of land receive no benefit at all.

It is important to remember that whatever amendments are being made in this proposal—particularly as they affect my area and probably other areas—do not alter the assessments, for this remains the same. In a large portion of my area this has had the effect of increasing the burden, because various councils have based their rates on the land tax assessment, with the result that some council rates have increased by up to 400 and 500 per cent.

Mr. McKee: They showed a cop out of it, too, did they?

Mr. CLARK: Yes, they came in on it, too. The provisions of this Bill do not alter the assessment: no matter how much alleviation is supposed to be given, the assessment remains the same. The assessments from south of Salisbury up to well north of Gawler are, to put it mildly, absurd. Why should this be? Why has land tax become inflated, as has everything else? Of course, the answer is fairly obvious: it is simply because unrestricted speculation in land has led to over-subdivision and the consequent loss of land to production. As I have said in this House before, this has had a snowballing effect. I know of much land farther to the north that, because of fancy prices being paid by the Housing Trust and others wishing to subdivide, has been sold for terrific prices. These subdividers have gone farther north and paid prices about twice what they should be, with the result that the surrounding land for taxation and probate purposes has increased to a figure far beyond its real value.

I know that the member for Barossa, who spoke this afternoon, has a very similar problem, yet I could not agree with much of what he said. I know the honourable member will pardon me for saying so, but he did not seem to have conviction about much of what he said this afternoon. He said the Bill was realistic, practical and constructive. I do not think it is realistic, because it does not do what the Treasurer says it does. Quite frankly, I think it simply lays a smoke screen, with a good many gaps in the smoke at that. I do not believe it is practical, for the very same reason, and I do not think it is constructive. Indeed, I believe it is destructive, because I know of

at least half a dozen people in my district—and no doubt there are more—who are now prepared to sell land which they had no intention of selling and which they wanted to continue farming, because under such land tax and council rates as they are now forced to pay (even under this amending legislation) they just cannot afford to use the land for primary production any longer. Yet this afternoon, peculiarly enough, one Minister and several other members who are no doubt candidates for Cabinet rank by interjection virtually told the member for Whyalla that we must not reduce a tax unless we put some other revenue maker back in its place. Well, of course, under that criterion the Treasurer had no right whatever to give even the slight reduction contained in this Bill, unless he replaced it with some other revenue producer. Surely their attitude cannot be that any tax is good as long as it raises revenue, irrespective of whether or not it is equitable. I cannot believe that those honourable members could have meant that, yet the tenor of their interjections would lead anyone listening to think that they did.

I think I have made it obvious that I do not like this Bill very much, even though I badly wanted to see some alleviation of the position. I did not use the word "concession", and I have no intention of using that word. As is so often the case in this House, I must support the Bill because I should like to see it amended in Committee, and even if it is not I will support it because of the very slight relief that it affords. Summing up, my objections in the main are these: I think, firstly, that under the guise of making a generous gesture it does very little indeed for primary producers and nothing at all for others whose land tax has also risen steeply. I do not agree for one minute that the Commissioner of Land Tax, no matter how worthy a gentleman he may be—and I believe he is a worthy gentleman—should be given the powers of a dictator. I was very pleased to hear the remarks of the member for Burra (Mr. Quirke) in this connection; I think he adequately covered the ground, and I entirely agree with him on that issue. I do not believe that the Commissioner should be the only court of appeal. No-one can justify that, and I assert that there should be a land tax court of appeal.

I believe that there should be a greater all-round equitable reduction, which I do not think is provided for in the Bill. No-one can convince members that there is such a reduction. I believe that inflated money values have

made increased land tax a heavy burden on *age* and invalid pensioners. In any case, people of that type should be exempt from land tax altogether. I was delighted to hear the member for Murray talk about an inquiry, for I believe that there should be a complete and thorough inquiry into the whole basis of land tax assessments. Such an inquiry would remove any cause for objection, as we have about this Bill. It would remove the necessity for the Treasurer to bring forward such a Bill. It would give Mr. Stott and those who support him a chance to bring before the committee the theories that he put forward today, particularly in regard to productivity values. I have yet to be convinced that that is right, but it would give the honourable member a chance to bring the matter forward. I do not like the Bill very much. I badly want to see it amended, but I am glad to support the second reading in the hope that with the combined wisdom of members we can improve it.

The Hon. Sir THOMAS PLAYFORD (Premier and Treasurer): I was surprised at some of the remarks in this debate, particularly by the member for Ridley. The Bill gives tremendous concessions to primary producers. It was designed for that purpose and if we adopted the suggestion and delayed its passage so that the matter could be referred to a Select Committee it would mean that the present Land Tax Act would apply. It would mean that assessments would go out and the people whom the honourable member wants to help would be deprived of the benefits under the Bill. Anyone with a knowledge of the ramifications of taxation laws knows that a Select Committee could not bring in a report within two years. In the meantime, a large section of the people would be deprived of the benefit under the Bill. In asking for a Select Committee the honourable member wants the present law to continue for an indefinite period. The Opposition says that the concessions in the Bill should be given not only to primary producers but given generally or not at all. I think that is what I have heard from members opposite, although I will not try to interpret their remarks. The reference of the matter to a Select Committee would mean that the legislation would be held up indefinitely and the Commissioner would, in order that the Government might get money before the Estimates are passed, have to issue assessments under the present law.

Mr. Stott also referred to retrospective taxation in connection with assessments of land declared to be rural land. These are extremely

generous concessions and in many instances they mean that the amount to be paid in taxation on *bona fide* rural land would be based on one-tenth of the present selling value of the land. Obviously Parliament would not be justified in giving concessions of this type if the land were held only for speculative purposes. In South Australia we have no capital appreciation tax, but other States have it. I believe that it is a wrong tax. Under Mr. Stott's proposal a person could hold land in a suburban area and have it declared rural land over a number of years. In the meantime, its value could spiral, as land values in the metropolitan area have spiralled, and the owner would pay no tax, except the bare minimum for land declared to be rural land. Obviously a concession could not be given on those lines.

Mr. Stott suggested that it was retrospective legislation that applied forever, but that is not so. If land is sold for developmental purposes and is not declared to be rural land the Commissioner will collect the difference between the tax paid on the ordinary value and the tax on the rural value, over a period of five years. I have worked out a number of examples and undoubtedly it is an extremely generous concession. Anyone who wants to hold land for rural production in an area where subdivision is taking place will be able to do so without let or hindrance, and value will be maintained in accordance with the rural productive value. It can be maintained in that way for as many years as the owner likes. If he later subdivides the land he will be called upon to pay the normal tax over a period of five years. That is an extremely generous provision, and it would not be justified except for the fact that Parliament would not in any way desire to force people engaged in rural production off the land merely because adjacent land has been subdivided. In view of existing prices for primary products, subdivisional values could not be supported by primary producers.

The honourable member is wrong in believing that there are no concessions in the Bill, because the concessions are substantial. The third question is that raised by one or two members about the right of appeal. This point has much difficulty in it, but I believe that the suggestion made by the member for Burra is reasonable and, unless the Parliamentary Draftsman advises me of some reason against it that I cannot see, I have no objection to accepting it.

This matter could involve easy ways of completely defeating the provisions of the

Land Tax Act. As a typical proposition let us take the case of a hotel that is located on a block of land in a country district. Let us assume that the land comprises three acres and that the hotel is established in one corner of it. Does any honourable member suggest that that hotel should be exempted as rural land because once a year the hotelkeeper buys six wethers to clean up his back yard? Obviously that would not be *bona fide* rural production at all. The Commissioner would undoubtedly examine the cases. Under the Commonwealth taxation provision this type of case to determine whether a man is a primary producer has to be decided by the Commissioner every day of the week and he would decide the issue fairly and squarely. I have no objection to the amendment suggested by the member for Burra, but I believe that the Parliamentary Draftsman, when drafting the Bill, was probably ultra-careful not to establish rights that are probably superfluous so far as the Act is concerned.

I wish to emphasize two or three points in connection with this. The Government has carefully examined all the cases submitted to it on the Land Tax Act. The Government announced about six months ago that it proposed to amend the Act. It became necessary to make the amendments because, over a considerable period, money values have been steeply inflated. That steep inflation resulted in the previous rates of taxation not being particularly applicable today. The Government adjusted these matters to make some concessions where high rates applied and where, in its opinion, the payment of the taxation would have involved hardship. The Government is not in a position to make concessions light-heartedly, because if this season continues in the way it is advancing I assure members that revenues will be down, for they are coming in slowly and poorly.

Mr. Lawn: You should blame the Prime Minister for that, not us.

The Hon. Sir THOMAS PLAYFORD: I am not blaming anybody for it at the moment but, because of conditions completely outside the control of the Government, the revenues of the State are coming in extremely slowly and if we wish to maintain our standard of social services and Government employment we cannot make unjustified taxation concessions. Every concession proposed in this Bill has been made after careful examination of the incidence of taxation and the relative hardship to the taxpayers concerned. Some of the concessions go as far as it is possible to go

and they apply particularly to primary producers who are at present being affected by low overseas prices and who are, in the main, probably having the most difficult time of any section of the community.

In those circumstances I ask honourable members not to suggest any further concessions because, frankly, the Budget cannot stand them, and if Parliament decides upon them they could only be given at the expense of some other section of the community and some social service, and I am sure that honourable members on reflection would not desire that. I thank members for the attention they have given to the Bill.

Bill read a second time.

Mr. FRANK WALSH (Leader of the Opposition): I move:

That Standing Orders be so far suspended as to enable me to move an instruction without notice.

Earlier this afternoon I gave notice of my intention on this matter, but, owing to some misunderstanding either by myself or through some other message that I received, I understood that the Budget would have been proceeded with this afternoon. Consequently, had discussion of this particular Bill now before the House been adjourned until tomorrow I would not have called for the suspension of Standing Orders. If I were permitted to obtain the suspension of Standing Orders now it would be quite a simple matter to indicate what I desire, which is that land on which there is a residence owned and occupied by a person in receipt of an old age, widow's or invalid pension be excluded from land tax. That is the subject matter that I desire to discuss.

The SPEAKER: The member will not debate the subject matter.

Mr. FRANK WALSH: The purpose of asking for the suspension of Standing Orders is to enable me to have the right to move what I desire.

The Hon. Sir THOMAS PLAYFORD (Premier and Treasurer): Normally the Government cannot accept the suspension of Standing Orders and an instruction on every Bill coming into the House because, quite frankly, the session would never be long enough to enable that to be considered. In ordinary circumstances the Government cannot do this and on two or three occasions when Government members have asked for instructions to enable them to widen the scope of Bills I have pointed out to them that if

they wanted to do something of that description provision is made for them to introduce a Bill in their own right at the appropriate time. This Parliament gives members more time for consideration of private Bills than any other Parliament of which I have any knowledge. I realize there are two points in connection with this. In the first place, the Leader of the Opposition is normally extremely courteous with regard to the conduct of this House and, secondly, the fact that this Bill has been brought on unexpectedly has precluded him, under ordinary circumstances, from having his proposal set out on the Notice Paper in the ordinary way. I make this statement because I do not want it to be considered that this is to be a precedent, and on the understanding that the matter which the honourable member desires to have considered will not be unduly delayed by a long debate I will agree to his moving the suspension of Standing Orders, and putting the matter before the House.

I want members to realize that this is not the type of procedure that could normally be adopted, because if we were to open up every Bill that is introduced the session would not be long enough and, secondly, the Government would be precluded on many occasions from bringing in legislation because it would know there would be endless debate upon what normally is some simple matter. As to private members' business on Wednesday afternoons, the Government has never been niggardly. On the understanding that the Leader of the Opposition will not unduly delay a vote on the Bill, I shall not on this occasion oppose the suspension of Standing Orders as he desires.

The SPEAKER: Standing Orders provide that the mover for suspension is entitled to speak no longer than 10 minutes and the Minister in reply for no longer than 10 minutes.

Mr. STOTT: On a point of order, Mr. Speaker, I am rather impressed by what the Treasurer has said regarding the suspension of Standing Orders.

The SPEAKER: I should like the honourable member to state his point of order.

Mr. STOTT: The Treasurer has said that he has no objection to another Bill being introduced by a private member. He says it should not be allowed to be done within the suspension, but is there not a Standing Order providing that the same subject matter cannot

be debated by the House in the same session? Would that not preclude a private member from introducing another Bill on the matter?

Motion carried.

Mr. FRANK WALSH moved:

That it be an instruction to the Committee of the Whole House on the Bill that it have power to consider a new clause to amend section 10 of the principal Act.

Motion carried.

In Committee.

Clauses 1 to 3 passed.

Clause 4—'Amendment of principal Act, section 11'.

Mr. FRANK WALSH (Leader of the Opposition): I move:

In subsection (2) to delete 'of so much of the land as is land used for primary production'.

In suggesting that, I realize, and I think the Committee realizes, that there has been a big degree of inflation in valuations. Recently the Treasurer said:

The total valuation of suburban land had risen in the latest revaluation from some £70,000,000 to a little over £202,000,000, thus accounting for an increase of £132,000,000 out of the total increase of £186,000,000 for all land. In this category, of course, practically all land will remain in the £5,000 and under group and thus will attract only the lower grade of tax; it will not secure a taxation yield proportionately greater than the increased assessment.

This is just my point because, as the Treasurer says, practically all land will remain in the £5,000 and under group. Consequently, the owners will not receive any reduction in the rate per pound to relieve the disproportionately large increase in assessment. Because of this, it will mean that the actual tax payment due from these landholders will increase by approximately 189 per cent on what they paid last year. The Treasurer said earlier that the increase was reasonable, being only 40 per cent over a five-year period, but he did not mention that all suburban landholders in the metropolitan area are to be increased on average by 189 per cent for the same period.

I offer no apology for my amendment. I am concerned from the point of view of excluding all land owned by the taxpayer where the unimproved value does not exceed £2,500, and that there shall be a statutory exemption equal to the unimproved value. I want to relieve the obligation particularly to the metropolitan area and consider that there should be no land tax. We have been accused this afternoon of substituting something in lieu of something else,

but we are acutely aware of the hardship imposed on people today (and particularly those who have recently become unemployed) by the steep increase in valuations—at least 189 per cent over last year's.

Mr. LAWN: I support the amendment. When I quoted an extract from the Treasurer's explanation this afternoon, the member for Burra (Mr. Quirke) drew attention to this provision and said that I was wrong, that all land up to £2,500 was exempt. When I disagreed with him, the member for Onkaparinga (Mr. Shannon) interjected and said that I did not know what the matter was before the House. In that, he was supported by two or three of his colleagues. This afternoon, they thought that this Bill provided exactly what the Leader has now moved, and they were then in full accord with what they believed the Bill to provide.

The Leader said that this would virtually exempt all the metropolitan area, but I disagree with him there because much of the land along the Anzac Highway, Port Road and South Road would be worth more than £2,500, so it would not exempt that. If this amendment were accepted, I would not object much to the rest of this Bill.

This amendment attempts to exempt the small man with a block of land less than £2,500 in value. If he owns two or three blocks that together total over £2,500 they will not come within the provisions of this amendment. I am thinking of the man with one block of land and a house on it. He should be exempt from land tax. The Minister of Works said that money would be lost to the Government, but not even one penny would be lost to the Government because of this amendment. This Bill will not operate until the Governor proclaims it.

Recently, assessments have increased considerably so the Government will, even on the old basis of payment, receive three to five times the revenue from land tax that it received the previous year. Members on this side have instanced the recent increases in assessments, so it would not be correct to say that the Government would not, in ordinary circumstances, have received less money; it would have received 350 per cent more this year than last year because of the increased land tax assessments. The Government expects to receive £2,000,000 more this year than it received last year. By accepting this amendment, the Government will not lose revenue. If it is still argued that it will, it stands confounded on its own Bill by which it seeks to



take a halfpenny in the pound off all land valued at over £5,000.

Mr. HEASLIP: I cannot support the amendment. As I have already said today, the Treasurer has made it clear that the principal object of the Bill is to make some concessions in land tax payable on land used in primary production. This amendment, if agreed to, would completely alter the Bill. Whatever concessions there were would all go to the metropolitan area, where building blocks up to a value of £2,500 would be exempt from land tax. In other words, few metropolitan residents would pay land tax on their allotments.

Mr. Jenkins: Nor would residents in country towns.

Mr. HEASLIP: I would not mind country towns getting concessions because I believe that decentralization is a good idea, but why should metropolitan dwellers be freed from land tax while primary producers, who have no control over the prices they receive for their produce, are bound to pay it? After all, metropolitan wage earners get basic wage increases, but primary producers cannot increase their returns. This amendment would entirely change the Bill's intentions and give concessions to metropolitan residents.

Mr. Ryan: Don't they deserve a concession?

Mr. HEASLIP: I do not know, but the Treasurer pointed out that the Bill was designed to provide a concession for primary producers. Members opposite are trying to change the Bill's objects and to exempt metropolitan residents at the expense of country people.

The Hon. Sir THOMAS PLAYFORD (Premier and Treasurer): The Bill is designed to give concessions to people who, because of the times and the change in monetary values, are being extremely hard hit. Had I known that this matter was to be raised I would have brought documents that show that primary producers will pay more in land tax than their total receipts from their land if the Bill is not accepted. The Bill was intended to meet hardship cases. The Government is not in a position today to give away its revenues lightly. Members opposite want social services, education, roads and all those services that go to make an ordered community, but the only way to raise the revenue is by equitable taxation. The Government has closely studied the question of granting concessions over a long period. Members opposite may ask, "Why make a concession of this particular type as against another type?" The land of a small dairyman is his tool of trade,

and that is why we must make some concession. The man with 100 acres of land would be taxed out of existence unless a concession were granted. The small fruit blocker today is adversely affected by overseas prices and will probably be even more adversely affected in the near future, and his 25 or 30 acres is his tool of trade. He works extremely hard and for long hours and in many instances does not get—

Mr. Lawn: We are not objecting to that.

The Hon. Sir THOMAS PLAYFORD: I know. Members opposite seek to provide an exemption that will make the legislation impossible, because that exemption will take revenue from the Government. If this amendment is accepted the Government could not proclaim the Act or make the concession because it would not have the money to enable it to do so. I assure members that the Government examined all angles and, incidentally, did increase the general exemption by 400 per cent.

Mr. Lawn: By 300 per cent.

The Hon. Sir THOMAS PLAYFORD: It increased the general exemption. Members opposite talk about supporting rural production, but those who are most up against it today, as I know from experience, are the small landholders, and that is why they were singled out for a bigger exemption. As soon as a landholder becomes substantial, the exemption cuts out. The concession is only to the small landholder because he is the most adversely affected member of the community by economic conditions. The Bill was designed not to make general concessions in taxation. The concessions provided represent only about £400,000 altogether, but the exemption provided in the amendment represents probably not less than £1,000,000. It would mean that people who are not embarrassed in paying a small amount of land tax would be exempted. A negligible amount is paid on an ordinary suburban block valued at £600 or £700.

I remind members that all costs of living are assessed by the arbitration court and wages are adjusted periodically to meet altered contingencies, but the primary producer has no arbitration court to go to and he must depend for his returns on world markets and world conditions. I ask members to reject the amendment because if it is accepted it will make the legislation impossible within the State's Budget.

Mr. FRANK WALSH: When I introduced the amendment I made no apology, and it would not concern me whether the Government lost

£500 or £1,000,000 in revenue. That makes no difference. It was suggested that members on this side were not concerned about small primary producers, but we are most concerned about them. Market gardeners would come under our proposal, yet only dairymen were mentioned by the Treasurer.

Mr. Shannon: They could come in as well.

Mr. FRANK WALSH: I am concerned about people in the metropolitan area who pay land tax, and I should like to know where a block of land can be purchased for the £500 or £600 mentioned by the Treasurer. If it were possible to buy it for that amount, why would the trust pay at least £3,000 an acre for land?

Mr. Shannon: That is exactly £600 a block.

Mr. FRANK WALSH: But how far out? I trust that the amendment will be carried.

Mr. RALSTON: The Treasurer said he was concerned about the prosperity of small primary producers, especially dairy farmers. I do not believe he is any more concerned about them than I am, as there are many in my electorate. I support anything that will give a concession to them, but what concession is the Treasurer giving? A dairy farmer in my district with 100 acres of land, valued at £100 an acre, would pay under the old scale £46 10s. 6d. and under the Bill £36 9s. 2d. A farmer with land the unimproved value of which (with improvements) is £20,000, and the real value of which would be between £50,000 and £60,000, would pay under the old schedule £151 0s. 10d. and under the the new schedule £119 15s. 10d. Will that make or break him?

Mr. Quirke: The whole tax on that value is negligible.

Mr. RALSTON: It is, and what is going on in this House is almost a farce. Under the amended schedule, whether the land is used for primary production, industrial purposes or as a store (such as the Myer Emporium) they will all get a concession. If the unimproved value of the land occupied by the Myer Emporium were £80,000, the tax payable would be £1,401 0s. 10d. under the old schedule and £1,244 15s. 10d. under the Bill. The more valuable the property the greater the alleviation.

The Leader of the Opposition says that the principle of alleviating the burden of taxation should be extended to people who find it difficult to pay their way, such as men with families who are buying a house. These people will get no concession unless the unimproved value of their land is less than £320. A block

could not be purchased at that figure in any decent town, let alone in the metropolitan area; it would cost between £400 and £500 at least. Why is the little man not given something under this Act? He has been carefully excluded. The Treasurer boldly said, "We have lifted it from £80 to £320", but that does not mean a thing unless somebody wants to buy a block of land in the scrub.

In the Mount Gambier district there are 4,000 assessments for land that is built on and another 1,000 for land that will be built on later. Less than 500 would benefit from the £400,000 concession mentioned by the Treasurer. I see no reason why those people should not be granted some small concession. The Bill gives concessions to the commercial people in Rundle Street and elsewhere, so why is the little householder not getting something out of it? He has a harder fight to get along than Woolworths and Myers.

Mr. Ryan: Next March the Government will make a lot of promises about what it will do for the little man.

Mr. RALSTON: Unless the Leader's amendment is carried the little man will get nothing; he is not going to be too pleased about that, and I do not blame him. Most of the people, including pensioners, who live in these houses in Mount Gambier that I spoke of are assessed at well above £320, and I think they are justified in expecting some alleviation. I support the amendment.

Mr. DUNSTAN: The Treasurer said that the concessions contained in this Bill would amount to £400,000 and that, although he had not calculated it, he expected that the concessions advocated by the Leader would amount to another £1,000,000. From a swift look at the returns from land tax for 1960-61 I see that they amounted to £1,399,850, so if the Treasurer's lightning calculation were correct he would be getting a minus amount, yet his projected estimated receipts for the coming financial year amount to £2,000,000.

Mr. Lawn: After the £400,000 concession.

Mr. DUNSTAN: Yes. I find it very difficult to see how the Treasurer makes this lightning calculation. I cannot understand how it can be calculated that on the tax as it would stand after the Leader's amendment there would be so little return to the State under land tax. I feel that this is simply a figure which the Treasurer has plucked out of the air and one which is not based on a satisfactory calculation at all.

Mr. LAWN: The Treasurer stated that if we want the social services that we have the Government has to have the money. That may be, but what social services have we? We have to pay for hospitalization while other States have free hospitals. If my mother were a widowed pensioner and I bought her a wireless or a television set and installed it in her home she would be unable to obtain any relief from this Government. What social services is the Treasurer boasting about?

He spoke about the person with 100 acres of land. The Opposition is prepared to support the principle of the Bill, but it does not stop at 100 acres of land: it includes land of a value of over £100,000. As the member for Mount Gambier said, the wealthier they are, or the more land they have, the more handouts they get from this Government. That was my protest this afternoon. I do not mind a half-penny in the pound reduction on the rates of large landowners if the Government is prepared to give a comparable reduction to the small man. I have often said that the Government represents only one section of the community, whereas the Treasurer and his supporters, including the member for Mitcham, have frequently argued that it represents all sections. Here is an opportunity for the Government to prove that it does not represent only those who own large blocks of land worth well over £5,000.

The Treasurer went on to say that the Leader's amendment would take away revenue of £1,000,000 which the Government needs to carry on, but the member for Norwood answered that. The Treasurer has the habit of getting away with things because he has the numbers. If he has not got the numbers he can line the Independents up; he has been doing that all this afternoon and tonight. We know what is going on: he is going around the Chamber and getting the Independents. When he knows he has the numbers he can get up in the House and tell all the lies about the place, barefacedly, without any blush, and get away with them. Other members cannot do that, but the Treasurer is clever enough to do it. He got up just now and gave his calculations, but the member for Norwood disproved them.

Mr. Shannon: He did nothing of the sort.

Mr. LAWN: The Treasurer said the Bill provided for concessions of £400,000, and that the Leader's amendment, if carried, would mean a further £1,000,000 reduction. That means that the Treasurer would be minus £150 on last year's land taxation revenue.

*Members interjecting.*

Mr. LAWN: Members opposite do not like it, but they will not provoke me. The member for Norwood proved that the Treasurer, if his figures were not incorrect, was telling members that this year he would show a £150 deficit on last year's figures. When it suits the Treasurer he can paint a different picture altogether, because in his Budget speech, after referring to the £400,000 concessions provided under this Bill, he said:

Overall, my best estimate for land tax, having regard to the new assessments and to the proposed concessions, is for a yield of £2,000,000 for 1961-62.

Yet just a moment ago he led us to believe that we would have a minus of £150 if we carried the amendment. Members are confounded. If the brains of some Government members were gunpowder they would not have enough to blow off the tops of their heads. The Treasurer should remember that there are other members in this Committee. I could not make a speech to my constituents like the one the Treasurer made just now. Before I finished they would tell me I was minus £150. The Treasurer forgot what he told us when he delivered his Budget Speech. Tonight he has tried to get members to vote against the amendment. He has told his own supporters not to speak in this debate, so there will be no contradiction from them. He can quote any figure he likes because he will not be contradicted by his own supporters, and he knows that the Independents will not contradict him.

Mr. Quirke: We are the only people putting up a fight.

Mr. LAWN: I will welcome any help the Independent members can give to help us provide a fair and equitable concession to all sections of the community, which Parliament should represent.

Mr. McKee: It never has.

Mr. LAWN: I would not say that because I think that from 1924 to 1927 the Gunn Government did it. If the honourable member refers to the time since 1933 I believe that Parliament has not represented all sections of the community. I will not oppose the Bill provided the Government makes the concessions general. Is that asking too much? Is it asking too much for Parliament to represent all sections of the community? There is silence on the Government side. If we listen carefully we can hear a pin drop.

Mr. Shannon: We are waiting for the scream to pass over.

Mr. LAWN: About next February the Treasurer and the members for Onkaparinga and Unley (the latter is the predecessor of Mr. Langley) will tell the people in the 400 words that we all get in the *Advertiser* about election time that the Government in the last 20-odd years has represented all sections of the community. Here is an opportunity for it to prove that that is correct. The Opposition asks only that the concessions apply to everybody, the small man as well as the big man. I support the amendment.

Mr. SHANNON: I have never heard such an exhibition of irresponsibility in all my life, and what we have seen tonight is a fair example of what we can expect from a Labor Government. This vociferous request from Labor members surprises me for it virtually means wiping out land taxation, which is one of the means Labor members have of raising money. It is refreshing to have this opportunity to hear what our friends opposite think. It seems that they believe they will get many votes from people who will not have to pay land taxation.

It is strange that they should talk about the big fellow getting an advantage that is not available to the small fellow. Unfortunately, both the big and the small fellow have suffered because of the increase in land values. The bigger the man the heavier has been the fall. What about the revaluation that these people have had to put up with? Apparently members opposite have forgotten that. The member for Frome should remember it. He must have some personal understanding of the matter. I shall be surprised if the Treasurer's estimate of £1,000,000 is not reasonably correct. It could be more. The member for Norwood used last year's figures and forgot that we are discussing the impact of the re-assessment.

I cannot imagine that if our friends opposite by some mischance had the opportunity to occupy the Treasury benches there would be a reduction in land taxation. On the contrary, taking a line through history we could expect an increase in land taxation. It is easy now for them to talk, knowing that they have no responsibility of government, but if they had to find the sinews of war there would be a different story. We might find them in reverse gear. If the principle of land taxation is accepted surely the man who owns a block of

land on which a house is built is entitled to his share—

Mr. Lawn: Is he not entitled to a share in the concession?

Mr. SHANNON: The Opposition's proposal would wipe out not less than 50 to 60 per cent of house owners.

Mr. Lawn: You are only guessing.

Mr. SHANNON: Guessing my eye! I am being conservative. In towns in my electorate it would mean practically no land taxation for the people owning private dwellings. Some of them are fairly wealthy, yet the Opposition proposes to relieve them of the responsibility of paying land taxation. I do not believe that a thinking person would try to exclude a large section of the community from paying its share towards the revenue needed to carry on the affairs of State. These people enjoy all the services provided by the State, yet one would think from listening to Mr. Lawn that they get nothing. On mature consideration I do not think the Opposition can be happy about propounding this change in the land tax system. If ever they had the opportunity to be on the Government benches and had to examine the financial structure on which to bring in a Budget they would look for revenue from land taxation.

Mr. STOTT: I am sorry that the debate has gone as it has. We should be looking at the effects of the amendment. If the amendment of the Leader of the Opposition is accepted it will mean that the exemption will apply to most suburban land. Taking into account the exemption of £2,500 and applying the rate of  $\frac{3}{4}$ d. in the pound that would mean, in the terms of the schedule to the Bill, that on an assessment of £5,000 the taxpayer would pay land tax of £2 10s. Most of this land would be in the suburban areas and the greatest increase in recent years has been on suburban land.

If that is factual we find, under this Bill, the exemption would apply to the biggest part of the land on which there has been about 90 per cent increase, which would be suburban land, but under the amendment all that land will remain under the £5,000 and being in the lowest tax group it will not result in the same taxation yield that will apply in country areas. The tax on land assessed at over £1,000 but under £10,000, plus one penny for each £1,000 over £5,000, would equal £36 9s. 2d. On property exceeding £10,000 but not exceeding £20,000 land tax would amount to £119 15s.

10d., and on property exceeding £20,000 but not exceeding £35,000 the taxpayer would pay £307 5s. 10d.

Where the land is assessed at more than £35,000 but not exceeding £50,000, £557 5s. 10d. would be paid. That is the minimum rate that would have to be paid under this Bill notwithstanding the provision of this concession for primary producers. That argument cannot be sustained under this schedule because if this exemption is taken and applied to suburban land the taxpayers there will pay £2 10s. whereas some of my constituents will pay £300 and £400 in taxation. The Auditor-General's report for the year ended June 30, 1960, had this to say about land tax:

In terms of the Land Tax Act, 1936-1952, tax is levied on unimproved land values assessed at five-yearly intervals. Unimproved values at 1st July, 1955, the date of the last general assessment, were £207,000,000. Since that date additional assessments, mainly arising from land sub-divisions, have raised the total to £210,000,000. The increase for the current year was £1,000,000. The tax levied for 1959-60, £1,394,000, was £900 lower than the previous year.

Notwithstanding the increase in unimproved values from £207,000,000 to £210,000,000, according to the Auditor-General's report, the return was £900 lower than the previous year and the effect on the revenue if this amendment were carried would be greater in proportion than that £900 because of the point I made if I am correct.

The Committee divided on the amendment:

Ayes (14).—Messrs. Bywaters, Casey, Clark, Corcoran, Dunstan, Hughes, Lawn, Loveday, McKee, Ralston, Riches, Ryan, Frank Walsh (teller), and Fred Walsh.

Noes (17).—Messrs. Bockelberg, Brookman, Coumbe, Hall, Harding, Heaslip, Jenkins, King, Laucke, Millhouse, Nankivell, Pattinson and Pearson, Sir Thomas Playford (teller), Messrs. Quirke, Shannon and Stott.

Pairs.—Ayes—Messrs. Jennings, Tapping and Hutchens. Noes—Mr. Nicholson, Mrs. Steele and Sir Cecil Hincks.

Majority of 3 for the Noes.

Amendment thus negatived.

Mr. FRANK WALSH: I do not intend to proceed with my other amendments to the clause.

Mr. STOTT: The whole of this clause relates to the declaring of certain lands rural land. What happens if an application is made to have land declared rural land and the new schedule applies and subsequently a farmer

sells to another farmer? Does the incoming farmer still carry on at the same rate or will there be a new assessment on which he has to pay the higher rate retrospectively?

The Hon Sir THOMAS PLAYFORD: The honourable member asks whether the exemption would apply to land declared rural land in a subdivisational area. The answer is "Yes." The procedure that would be adopted in a subdivisational area would be that the land would be assessed in the normal way at the normal figure, which would apply for five years. The land would be assessed by the Commissioner as rural land and while it continued to be used as rural land in a subdivisational area the taxation would be levied as upon rural land.

Mr. Stott: Irrespective of whether it changed hands?

The Hon. Sir THOMAS PLAYFORD: If it changed hands for subdivisational purposes there would be some rebate, but if it continued to be used as rural land it would still be under the provisions applying to rural land.

Mr. Stott: And the same tax would apply?

The Hon. Sir THOMAS PLAYFORD: It would carry rural land tax, but if it were sold for speculation purposes for subdivision it would immediately become subject to the payment for five years of the higher rate.

Mr. Stott: If a farmer sold land which he was using as a primary producer to another person who used it for primary production, would the second fellow have to make a new application?

The Hon. Sir THOMAS PLAYFORD: The land would still be declared land.

Clause passed.

Clause 5—"Amendment of principal Act, section 12."

Mr. FRANK WALSH: I move:

To delete "¼d." and insert "½d."

As I indicated earlier this evening, because valuations have been increasing in the last five years I believe that the rate of ¼d. is out of proportion to the amount actually paid during the last five-year period. I mentioned earlier that assessments had increased about three-fold compared with the figures operating last year. If we believe in a higher assessment, the rate in the pound should be considerably less than that provided in the Bill. I consider it will be necessary to alter certain amounts in the schedule. The Treasurer has overstepped

the mark regarding the amount he expects to receive this year. If the Bill is passed the rates will apply for five years and it will be another five years before the next assessment is made. If no reduction is made on this occasion, the rates will continue for at least another five years. Under the amendment, from time to time the ½d. in the pound might be increased whenever the Government desired to bring down another Budget. This matter must be made known to the people. The amount of revenue expected from this source is not in keeping with the Treasurer's declaration. He asserts that it is about 40 per cent overall increase but a close examination reveals that, because of the high assessment (at least 189 per cent greater, on the average), if we reduce the ½d. by ¼d. we reduce the revenue to a level approximating last year's; but, if we leave the amount of tax as proposed in the Bill, we multiply the revenue three times. To be consistent a reduction from ¾d. to ½d. in the pound would be reasonable in the prevailing conditions.

I do not know what has happened in Hindmarsh but in my own electorate subdivisions have taken place and the demand for land for house building has inflated the true value of neighbouring land. In some parts of my district, land has been sold for as much as £10 a foot—for instance, on Shepherd Hill Road. A little further back it has cost £11 a foot, yet in Broadacres it sold for £100 an acre. In the more settled area of Tonsley Park land was sold for between £200 and £300 a block, but today the demand has completely altered the picture; it has increased the assessments. I doubt whether the same changes have taken place in the older settled areas like Hindmarsh but, on the Port Road, where there was a demand to establish a used motor yard when there was a big business in used cars, it was not uncommon for people to pay pounds a foot beyond the value of the land, which tends again to inflate values. Anyone living on a main road will be taxed almost out of his house, for two reasons. First, there may be a demand there for land for commercial purposes. Dwellinghouses could be intermingled with commercial areas on the main roads because of decisions made by councils. A person owning a dwellinghouse in such an area will be rated according to the inflated values created by commercial undertakings. People living on main roads are being taxed out of existence. One cannot readily sell a house on the Anzac

Highway under the unimproved rating because of inflated values over the last few years. People who bought a house there 20 or 30 years ago and are now on the point of retiring cannot see how they can continue to live on the Anzac Highway, because of inflated values. The assessors have no alternative but to consider the effect of recent sales in those areas, but new areas cannot be compared with the old.

The Hon. Sir THOMAS PLAYFORD: I hope the Committee will not accept the amendment. This question was considered by the Government when it determined the amounts of tax provided in the Bill. I point out that the concessions do not apply only to land valued at under £5,000 but right through the scale to land valued at over £200,000. It is not a concession granted to one section of the community. Members have spoken of the increase in this taxation, but to illustrate the position I refer members to the Auditor-General's report, which was tabled today. In 1951 the payments from consolidated revenue totalled just over £30,000,000, but in 1961 they were over £80,000,000. The taxation position is interesting. In 1951 land tax valuations were lower, but since then additional assessments have raised the total to £212,000,000. The tax levied for 1960-61 was £1,393,000. Members can see that the State's expenditure has more than doubled whereas taxation, including land tax, has increased by less than double.

In many instances the increased value of properties has arisen from the expenditure of public moneys. If there had not been roads, water, electricity and sewers (most of which services are provided to the landholder at below cost) these higher values would not have applied to the land. This is really a question of what we can afford. A similar suggestion to that now before the Committee was examined by the Government when it considered amendments to the Act and we found that we could not possibly include it unless some drastic cuts were made in social services.

Mr. FRANK WALSH: I am not concerned with land valued at more than £5,000. Can the Treasurer indicate what revenue will be obtained from the rate of three farthings in the pound from the group comprising land not exceeding £5,000 in value?

The Hon. Sir THOMAS PLAYFORD: I have not those figures with me, but it is difficult to determine what revenue will be received from the assessments that have been provided, because the tax works in two ways. Members

will see that an amendment I propose is designed to prevent taxation accruing in one instance where I believe it is unjust. I point out that if one man owns 10 houses he pays very much more taxation than 10 people owning one house each, because the taxation is calculated on the aggregate value of all property owned by an individual. The Leader's amendment would be extremely costly. A computation was taken out but the Government had to discard it when it realized that it could not forgo such an amount of taxation. I even examined the possibility of a farthing reduction but that, too, had to be discarded because of the cost. I assure members that if it had been possible the Government would have tried to adjust all sections of taxation, but it could not do so because the margin of taxation over the cost of public services was tending to decrease.

Mr. FRANK WALSH: If the rate were reduced to  $\frac{1}{4}$ d. in the pound, in the schedule £15 12s. 6d. would become £5 4s. 2d.; £36 9s. 2d. would become £26 0s. 10d.; £119 15s. 10d. would become £107 7s. 6d., and so on. If the rate were reduced to  $\frac{1}{2}$ d. in the pound, £15 12s. 6d. would become £10 8s. 4d.; £36 9s. 2d. would become £31 5s.; £119 15s. 10d. would become £114 11s. 8d.; £307 5s. 10d. would become £302 1s. 8d., and so on. The Treasurer admitted that a rate of  $\frac{1}{4}$ d. would mean a steep increase in revenue because of the assessments that have been made. I am prepared to compromise in the circumstances so that the minimum rate will be  $\frac{1}{2}$ d. instead of  $\frac{1}{4}$ d. I think that is a reasonable compromise, as valuations have increased by an average of 189 per cent.

The Hon. Sir THOMAS PLAYFORD: The Leader appears to have altered his amendment. He obviously does not know the purpose of the amendment he has moved in either case. I anticipated that the amendment altered the schedule all through and the Leader said that it did so, but neither the amendment nor his compromise does that. Under the latter there would be the anomaly that, on land not exceeding £5,000, £10 8s. 4d. would be payable, but if it exceeded £5,000 a rate of £15 10s. 4d. would be payable. The Leader has altered only the base rate, leaving the rest of the schedule as if the base rate were  $\frac{1}{4}$ d. Which ever amendment he is moving, there is a bad break in the schedule or taxpayers in the higher group are relieved of a considerable sum in taxation.

Revenues are not coming in well at the moment, the Government has a heavy cost in maintaining public services, and no member wants to curtail expenditure on education or other services or have the Loan programme cut, with the retrenchment of labour that would necessarily arise. Any interference with the base rate of taxation would be extremely costly. The figures were examined by Cabinet, which concluded that the Government was not in a position to adjust the base rate. The figures I have quoted show that land tax has not provided as great a percentage of our revenues as it did 10 years ago. This tax, which is a fair tax in every way, is not increasing to the same extent as the cost of social services. I hope the amendment will not be accepted.

Mr. FRANK WALSH: I still intend to insist on the amendment to reduce the rate from  $\frac{1}{4}$ d. to  $\frac{1}{2}$ d.

Mr. RALSTON: The Leader in his amendment has suggested a reduction in the base rate from three farthings to a farthing, and he has also stated that, provided the Treasurer was willing to compromise, he would settle for a base rate of a halfpenny instead of three farthings. The Leader pointed out how the base rate on each of the figures quoted in the schedule would vary. If it were reduced from three farthings to a halfpenny it would be reduced by about £5 on each item, and, if brought back to a farthing, by about £10 on each item. They are only nominal amounts, and I was rather surprised that the Treasurer made an issue of it. I think the Leader has thought about this matter. The very fact that he is prepared to point out the reductions that would occur to each item in the schedule clearly indicates that he is fully aware of what he is advocating. I hope the Treasurer will consider the Leader's remarks, which are justified in view of the reductions that have been offered all along on every one of the various schedules.

The Committee divided on the amendment:  
Ayes (13).—Messrs. Bywaters, Casey, Clark, Dunstan, Hughes, Lawn, Loveday, McKee, Ralston, Riches, Ryan, Frank Walsh (teller) and Fred Walsh.

Noes (16).—Messrs. Brookman, Coumbe, Hall, Harding, Heaslip, Jenkins, King, Laucke, Millhouse, Nankivell, Pattinson and Pearson, Sir Thomas Playford (teller), Messrs. Quirke, Shannon and Stott.

Pairs.—Ayes—Messrs. Hutchens, Jennings, Tapping and Corcoran. Noes—Sir Cecil Hincks, Mr. Nicholson, Mrs. Steele, and Mr. Bockelberg.

Majority of 3 for the Noes.

Amendment thus negatived.

The Hon. Sir THOMAS PLAYFORD: I move:

After “£869 15s. 10d. plus 6d. for each £1 over” to delete “£80,000” and insert “£65,000”.

This corrects a purely typographical error.

Amendment carried; clause as amended passed.

Clause 6—“Amendment of principal Act, section 12a.”

The Hon. Sir THOMAS PLAYFORD: I move:

To delete subclause (1) and to insert the following new subclause:

(1) Subsection (2) of section 12a. of the principal Act is amended by striking out all the words after the words “shall be” therein and inserting in lieu thereof the words “three farthings in the pound.”

I think honourable members will be willing to accept this amendment, which arises out of the differences that exist in the composition of various churches in this State. As members may know, in some denominations the individual churches are held as separate properties, whereas in other denominations the property is aggregated in the name of one person in the church. That applies particularly with the Roman Catholic church. Members will see that there is a big difference between that instance and the other instance where individual church properties are held separately. In one instance a charge on a church property would be three farthings in the pound, and in the other case it might be 4d. or 5d. in the pound under the aggregate tax. The amendment would put them all on the minimum amount of three farthings in the pound. I assure members that this amendment has been closely looked at, and I believe it gives complete justice as between the various religious denominations.

Amendment carried; clause as amended passed.

Clause 7—“Special provision for rural land”.

Mr. STOTT: New section 12c (1) says:

The Governor may by proclamation declare any area in the State to be a defined rural area for the purposes of this section.

Subsection (6) of the new section says:

If . . . (c) any declared rural land or any part thereof is transferred or conveyed by the taxpayer to any other person . . . pay the difference between the amount of any tax paid under subsection (5) of this section and the land tax which, but for the provisions of that subsection, would have been payable in respect of the land . . .

I interpret that differently from the way the Treasurer interprets it. I believe that if the Governor proclaims a certain area to be rural land, and it is assessed under the special provision, on its sale later, under paragraph (c) the seller must pay retrospectively the tax that would have applied if the special provision had not been brought into operation. This may create many disadvantages. A farmer may die whilst farming land in a proclaimed area and the land may be sold in accordance with the will. In that case the tax that applied previously would have to be paid retrospectively. I mentioned earlier that I was concerned about this matter of retrospectivity, because I thought it could become capital tax.

The Hon. Sir THOMAS PLAYFORD: I think the honourable member has a point in relation to transfers that take place in one section of the community. I do not think the matter of the sale would cause much concern because the seller would get the best price obtainable. If there were a subdivisive value the seller would sell at not less than that value. I do not think a position would arise where the honourable member need have any apprehension. I know of a case where a primary producer objected to a subdivisive value being placed on his rural land. He had had a value of £248 put on the land, but shortly afterwards when the Government wanted to buy some of it for road purposes the value of £248, which had been considered too high, became £9,000. There would be no problem in this matter, but there would be where the property changed hands on the death of the farmer and it went to his son. There would be no sale, because the same family would be carrying on the farm. I will have the matter examined and if this matter is not covered by the Bill an appropriate amendment will be made in another place.

Mr. STOTT: Earlier today I was concerned about the Commissioner becoming a dictator and there being no appeal against his decisions. I understood from the Parliamentary Draftsman when I suggested deleting subsection (7) of new section 12 (c) that I would have to move a series of amendments, and I had them prepared and distributed amongst members. However, since the dinner adjournment there



has been time to discuss the matter further and I now understand that when the Governor makes a proclamation in this matter there can be no appeal against it, so instead of moving all the amendments that I had prepared I now move:

To delete subsection (7) of new section 12e. I understand that this will have the same effect as I desired previously.

Amendment carried; clause as amended passed.

Remaining clauses (8 to 12) passed.

New clause 3a—“Amendment of principal Act, section 10.”

Mr. FRANK WALSH: I move to insert the following new clause:

3a. Sub-section (1) of section 10 of the principal Act is amended by inserting therein after paragraph (g) thereof, the following paragraph:

(h) Land on which there is a residence owned and occupied by a person in receipt of an old age, widow's or invalid pension.

My amendment is an addition to section 10 (1) of the principal Act. The Act provided for certain exemptions that were added to in 1952 and, consequently, I move the amendment indicated. Whilst it is my intention to avoid a repetition of what was suggested earlier this afternoon, I reiterate that I am concerned mainly with pensioners because most of the complaints I have received on land tax have come from them. As soon as I knew that a new land tax assessment was to be made I communicated with all classes of people, and particularly with those in the pensioner class, asking that they should appeal against the proposed assessment because, in most cases, they received nothing but the age pension. Their land was to be assessed at a much higher figure and that would impose a hardship on them.

The Treasurer cannot tell me that other provision is made for age pensioners. I am concerned because of the complaints that I and other members on this side of the House collectively have received that the new assessment has imposed a hardship on these people. Every pound means something towards their welfare and it is not much comfort to them if I tell them that certain amendments are proposed to the Local Government Act to give them certain rights in that direction. I must act on the representations made to me by pensioners and pensioner organizations for assistance. My colleagues have received several requests and I am compelled to move as indicated.

The Hon. Sir THOMAS PLAYFORD: The amendment has one or two defects that make it impossible for the Government to accept it. Firstly, it is not based on much equity because, probably half of the pensioners have no house at all but have to pay rent, and where they are paying rent the house is owned by someone else and the land tax has to be paid. Obviously that is partly on what the rent is based. The Leader of the Opposition proposes to give relief not to the pensioners who are the worst off but to the pensioners who are the best off and, obviously, the way of dealing with pensioners and people who are unfortunately not in a position to apply for a pension is to see that the pension itself is adequate and sufficient to meet their living requirements. Anything of a piecemeal nature works a further injustice and probably prevents those experiencing the most difficulty from receiving any consideration at all. Quite apart from that, the Children's Welfare and Public Relief Department provides standards whereby, if a person is suffering hardship, his pension is supplemented to make provision, in certain instances, to assist with his rental. I believe the amendment should not be accepted but I am prepared to meet the Leader in one way.

The Government has done this in some cases already and it will not require an amendment of the Act but can be done by administration. I am prepared to assure the honourable member that any person suffering from hardship through having to pay land tax will be enabled to have the land tax stood over and made a charge on the property. The person who subsequently receives the property may not necessarily be a pensioner but we do what we have done with water rates and what many councils have done in connection with council rates.

Mr. FRANK WALSH: I am not prepared to accept the type of solution to the problem suggested by the Treasurer. To me it is not a solution. The same principle that the Treasurer has mentioned already applies under other Acts, such as the Local Government Act. Many of these people have struggled to get a home and the Treasurer's proposal is only a wipe-off as regards the principle involved. From the point of view of relief, it offers nothing. If necessary these people could possibly go to their relatives to get assistance to pay their land tax because they desire to leave their property without any encumbrance upon it. It is not for us to say that the

Commonwealth Government should increase payments to pensioners. I propose to insist upon my amendment.

The Hon. Sir THOMAS PLAYFORD: I think the honourable member gave his case away in his explanation of what my offer would do. He said it meant that people who inherited a property might have to pay some charges upon it. His amendment is not for the benefit of pensioners, but for someone who inherits a property at some later stage. From the point of view of a pensioner, the thing that interests him is how much he has to pay and whether he is free from eviction. What I said meets those two things completely. It does not meet the position of a dependant or a descendant of the pensioner who may not be a pensioner himself but who, by the honourable member's amendment, would be relieved from making up a few pounds which had actually been spent by the community in servicing the property. One has only to look at the Auditor-General's report to see that the cost of community services provided by the Government is not met.

There is another angle to this. Many people are just debarred from getting a pension. As they received one fraction over a certain amount, they cannot be pensioners. The honourable member makes no provision for them and in some instances these people are probably worse off financially than the pensioner himself, because of other concessions outside the pension, such as a reduction in tram fares and that kind of thing. I consider that my suggestion of allowing the land tax to stand over is a much fairer and more equitable way to meet the position than the proposal of the honourable member. I oppose the amendment.

Mr. LAWN: I support the remarks of the Leader of the Opposition. I have in mind the fact that in the representations we have placed before the Committee on this Bill the Government has with the aid of the Independent members defeated us. Obviously, we cannot carry our amendment and, if the Treasurer is sincere, I suggest this to him: will he, instead of giving us an assurance, insert in the Bill an amendment having the effect of his assurance? He has in the past assured us that pensioners will not be charged for hospitalization—but they are. They are subjected to a means test. The Treasurer first said that they would receive free treatment, then that they would have to pay 10s.

a day at the Royal Adelaide Hospital, but we have since ascertained that they pay according to a means test, even as pensioners. The Treasurer has said he is prepared to let land tax stand over where pensioners are concerned. I suggest that the Treasurer report progress and draft a suitable amendment to incorporate his offer.

Mr. RICHES: I support the member for Adelaide in that request. The principle of the granting of concessions in certain circumstances to a section of the community paying land tax has been established in this Bill. A provision has been inserted making it possible for the Government to recoup land tax over a period of five years. This measure would be more acceptable to me if the Treasurer's assurance (which I admit has some merit) could apply to pensioners on the same principle as has been applied already to other sections of the community, in that the maximum period of recoupment on disposal of the property should be five years. My experience has almost always been that, where this has been applied to pensioners having difficulty in meeting council charges, I have had the greatest difficulty in explaining to them that they will not lose their properties. If there is some reason why the Treasurer does not want to report progress and there is some urgency about this matter so that it must be decided tonight, will he consider the representations made by the member for Adelaide, together with mine, and perhaps have an amendment submitted in another place?

The Hon. Sir THOMAS PLAYFORD: The honourable member's last suggestion may not be possible because a much stricter rule about instructions applies in another place than applies here, and it may not be possible to insert an amendment in another place to provide what the honourable member has suggested because it is not in the principal Act and the President in another place is most strict on the acceptance of instructions. Probably the better way would be to report progress so that an amendment could be prepared. I suggest that the amendment be to the effect that, where a pensioner applies to the Commissioner of Land Tax and satisfies him that it would be a hardship for him (the pensioner) to pay the tax, the Commissioner shall have power to allow the tax to stand over as a charge against the property. Does that meet what honourable members opposite are asking for?

Mr. King: Would that include a person on superannuation?

The Hon. Sir THOMAS PLAYFORD: I should say "Where any person shows that it would be a hardship."

Mr. Lawn: That's better!

The Hon. Sir THOMAS PLAYFORD: I think "Where any person upon superannuation or pension shows . . ." would be fairer.

Mr. Lawn: No—"any person".

The Hon. Sir THOMAS PLAYFORD: I think I can go even that far, but I should like to look at it. If honourable members desire

me to have an amendment prepared, I will report progress so that the matter can be considered by them tomorrow night.

Progress reported; Committee to sit again.

WHYALLA TOWN COMMISSION ACT  
AMENDMENT BILL.

Received from the Legislative Council and read a first time.

ADJOURNMENT.

At 11.40 p.m. the House adjourned until Wednesday, September 20, at 2 p.m.