

HOUSE OF ASSEMBLY

Thursday, November 18, 1965.

The SPEAKER (Hon. L. G. Riches) took the Chair at 2 p.m. and read prayers.

ASSENT TO BILLS.

His Excellency the Governor, by message, intimated his assent to the following Bills:

Electricity (Country Areas) Subsidy Act Amendment,

Private Parking Areas.

QUESTIONS**KANGAROO CREEK RESERVOIR.**

The Hon. Sir THOMAS PLAYFORD: I refer to the proposed reservoir at Kangaroo Creek, which is on the boundary of my district. Prior to this year's election this matter had been the subject of an inquiry by the Public Works Committee and plans were fairly well advanced. Steps had been taken to divert the road to enable the reservoir to be built but some difficulty had arisen regarding the foundations of the abutment wall. A further geological investigation was made and I believe that, as a result, it was decided to re-site the dam a few hundred feet from the originally intended site. This question becomes important in a dry season such as this when the seriousness of the water position is emphasized. I ask the Minister of Works whether a satisfactory solution has been found to the site problem and whether new specifications for the dam have been provided. Will it be necessary to resubmit this matter to the Public Works Committee, or can the Government go ahead with it if satisfactory conclusions are reached?

The Hon. C. D. HUTCHENS: I received a report only today from the Director and Engineer-in-Chief. As the Leader said, there has been much concern about whether the ground will provide suitable foundations for the dam on any particular site. A number of sites have been investigated, and from the findings of the geologists that we had available to us it was thought that we should seek further advice regarding the construction of a concrete dam. A senior geologist from the Snowy Mountains Hydro-Electric Scheme, when in South Australia recently, carried out some investigations. The department has decided that it would be unwise and probably unsafe to construct a concrete dam on the area. Accordingly, estimates and plans are being prepared for a rock-fill dam and, as soon as they

are available, we will have to consider whether they must be submitted to the Public Works Committee. My present thought is that because there is a real change in the plans it will be necessary to submit them to the committee. It is a sad position. There is some doubt whether the ground formation is satisfactory for a concrete dam; therefore my department thinks that it would be unwise to start the construction of such a dam now and regret it later.

FISHING CRAFT.

Mr. McKEE: Has the Minister of Marine anything to report as a result of a deputation that waited on him recently regarding survey fees charged in respect of small fishing boats?

The Hon. C. D. HUTCHENS: Following the deputation, notes are being prepared and will be submitted to the Harbors Board. I intend, after discussing the matter with the board, to confer with the Minister of Agriculture to see what can be done. Complaints have been received regarding the survey charges, which I think are now imposed on vessels of 25ft. and over. It is claimed that smaller vessels can operate at a great advantage compared with the 25ft. vessels because they are allowed to go out. Until this matter has been fully examined and discussed we cannot arrive at a decision, but the request is being fully investigated.

TRADING HOURS.

Mrs. STEELE: Several weeks ago I asked a question relating to the extension of trading hours for certain small shops. In his reply, the Premier said that a committee had been set up and that its report, when ready, would be brought down to the House. Has he that report?

The Hon. FRANK WALSH: I regret that I have not received a report. The committee appointed by the Government to investigate the hours of trading of small shops and other associated matters has commenced its work, but it may be some months before a report is available to the Government.

BURRA SCHOOLS.

Mr. QUIRKE: I have received a letter from the Burra High School Council. This school and the Burra Primary School occupy the same building, which has been standing for a hundred years or so and was built like a fortress. Members of the high school council and the primary school committee have planned

to put a comprehensive library in both schools, and have applied to the department for a subsidy. They were told that if they raised £1,000 a subsidy would be granted, and suitable arrangements regarding the full subsidy would be made. Although they have raised the £1,000 in less than six months, difficulties have apparently arisen, and I ask the Minister of Education whether he will investigate this matter.

The Hon. R. R. LOVEDAY: I shall be pleased to do that.

BARLEY.

Mr. HALL: Has the Minister of Agriculture a reply to my question of November 10 about the local purchase of barley from this season's crop?

The Hon. G. A. BYWATERS: A report from the General Manager of the Australian Barley Board states:

A number of similar requests are received from time to time, and the board endeavours to assist as much as possible. However, certain requirements must be complied with. Without specific details as to the source of the inquiry, we wish to advise the general requirements of the board against requests of this nature:

- (1) A sample is to be collected from the grower's paddock by an authorized agent for classification. Should the barley be of unmarketable quality, then consideration would be given to the granting of a dispensation for the grower to dispose of the barley privately, but if of marketable quality, the barley would be classified into its relevant grade and would have to be delivered either to the board or as instructed by the board.
- (2) In order that correct payment be made to the grower, the barley must be tendered to an agency of the board for weighing, checking of quality, moisture content, issuance of cart-notes and claim for payment.
- (3) It would not be necessary for the barley to be actually placed into an agency silo but could, by arrangement with the grower or his carrier, be carted direct from the weighbridge to the buyer, who would be required to pay to the board the relevant price for the barley dependent on the grade into which it was classified.

In view of the necessity to carry out the forementioned procedures, which provide the required protection for all parties, it is not practicable to permit the form of transaction requested, as the procedure outlined does not deny a purchaser the means of obtaining barley from near at hand sources under conditions which are considered to be not unreasonable and which meet the requirement of the board.

JUSTICES OF THE PEACE.

Mr. COUMBE: The Attorney-General may recall that some months ago questions were directed to him regarding the appointment of justices of the peace in South Australia, and I understood him to say that investigations were proceeding in his department regarding the classification of justices in various categories. Will the Attorney-General indicate how far this investigation has proceeded, and when he will be able to announce the completion of the inquiry and the introduction of the new system he has suggested?

The Hon. D. A. DUNSTAN: The inquiry is almost complete, and little remains to be done. Some processing of the results must take place, but I expect that I shall be able to make an announcement before the end of the year.

CEDUNA AREA SCHOOL.

Mr. BOCKELBERG: When visiting my district last week I was pleased to see that the long-promised toilets at the Koongawa school were nearly completed. Can the Minister of Education say what progress is being made on plumbing work at the Ceduna Area School?

The Hon. R. R. LOVEDAY: The Director of the Public Buildings Department states that a contract for the provision of plumbing services to the boys and girls craft centres at the Ceduna Area School was let in July, 1965. This work is now completed, but the P.V.C. drainage pipes used proved to be inadequate because of faulty material, and have had to be replaced. It is expected that the work will be carried out soon.

POTATOES.

Mr. RODDA: I have received a complaint from a potato-grower at Kalangadoo to the effect that some growers wait for six to eight weeks for payment on potatoes they have delivered to the Potato Board after having received the green light to forward them. The trouble seems to be that, although growers have an order to forward potatoes, they are not paid until the produce leaves the distribution centre. Will the Minister of Agriculture ascertain whether an anomaly exists and why this delay occurs?

The Hon. G. A. BYWATERS: Yes. As this matter concerns the Potato Board, I shall be happy to take it to the Chairman and to see whether the delay can be overcome. I should be grateful if the honourable member would give me a specific case, as that would give me something on which I could check.

NATURAL GAS.

Mr. CUMBE: Some time ago the Premier announced in the House that investigations into the discovery of natural gas and its exploitation were being stepped up, and that a United States company had been engaged to carry out a survey. Does the Premier know how far this matter has proceeded? If he does not, will he obtain a report?

The Hon. FRANK WALSH: The Minister of Mines has not presented a report to Cabinet, but I assume investigations are still proceeding. It was expected that something would be ready before the end of this year. I am unable to confirm it at this stage but I am prepared to consult the Minister on the matter early next week. I take this opportunity to say that I intend to accept an invitation from the Minister to proceed to Alice Springs tomorrow and from there to visit Mereenie field and Palm Valley over the weekend.

PENOLA WATER RATING.

Mr. RODDA: Has the Minister of Works a reply to my question of last week regarding water rating at Penola?

The Hon. C. D. HUTCHENS: The Director and Engineer-in-Chief reports:

Rates are payable under the Act on abutting lands from the first day of the month following gazettal of the mains as available for provision of a constant supply. The mains in Penola were gazetted in September, 1965, and rates are therefore payable from October 1, 1965, and will be levied for the nine months period to June 30, 1966, in the next few weeks. The rates so levied will entitle the ratepayer to use 1,000gall. of water for every 3s. of rates paid and all water used in excess of this quantity up to the end of June, 1966, will be chargeable at 2s. 6d. per 1,000gall. Consumers have drawn water from the department's mains for varying periods since the temporary pumping plant was installed early in the year and, where the quantity used from the installation of the service to end of June, 1966, exceeds the allowance for the rates levied for the nine months to June 30, the excess consumption will be charged for at the current price of 2s. 6d. per 1,000gall. and the account rendered with the 1966-67 rate account.

SURGICAL AIDS.

Mrs. STEELE: My question relates to various surgical aids that are subject to sales tax. I have received a letter from a medical practitioner on the matter, in which he refers to three items: shower chairs, raised toilet chairs, and a hydraulic patient lift-up. Incidentally, the hydraulic patient lift-up costs about £50, and the sales tax makes it even more expensive. The letter states:

This type of equipment is most frequently needed by the elderly, often pensioners who can ill afford it. In normal circumstances they would only be bought after medical recommendation and certainly are unlikely to be used for other than medical reasons.

Will the Premier ask the Minister of Health to take up this matter with the Commonwealth Minister of Health or the Commonwealth Treasurer in an effort to have these articles exempted from sales tax if they are bought on a medical prescription?

The Hon. FRANK WALSH: I shall place the matter before the Minister of Health and ask him for a reply. I will correspond with Canberra if that is necessary.

SEMAPHORE KIOSK.

Mr. HURST: Has the Minister of Marine a reply to my recent question regarding the kiosk on Semaphore jetty?

The Hon. C. D. HUTCHENS: The General Manager of the Harbors Board has reported to me that an inspection made last week shows that the kiosk is not in a very bad state of repair structurally and that the exterior has recently been repainted. The present tenants have a lease which does not expire until August 31, 1971, and the rent of £110 10s. a year is the only income the board derives from this jetty which, in common with others, costs the board on an average about £2,000 a year to maintain.

MORGAN-WHYALLA MAIN.

Mr. CUMBE: Will the Minister of Works obtain a report on the progress being made on the duplication of the Morgan-Whyalla main, especially regarding the crossing at the north of Spencer Gulf, which was stated to be a new process in South Australia? As I understand that the work has commenced and the contractor is on the site laying the main, will the Minister obtain a report indicating the work being done on this project?

The Hon. C. D. HUTCHENS: The work on the gulf crossing is in the nature of an experiment in South Australia, although I understand that the contractors doing the work have done similar work in many other countries. As the matter is of great public interest, I shall be only too happy to obtain a full report, and I shall inform the honourable member when it is available.

ASSURANCE INVESTMENTS.

The Hon. T. C. STOTT: Can the Attorney-General say what safeguards the South Australia law provides for policy holders in life assurance companies in the investment of their

funds? Is the range of investments allowable to life assurance companies from moneys collected in the State regulated by law and, if it is, what securities are permissible? What steps can the Government take to compel the Directors of the Mutual Life and Citizens' Assurance Company to replace the £6,000,000 to £8,000,000 lost by those directors by their investments in H. G. Palmer, which was nothing more than a series of retail radio and television shops? Does the Government intend to inquire into the affairs of this company, which must have lost millions of pounds belonging to South Australian shareholders? Finally, can the Attorney-General ascertain and advise me what other moneys this company has invested in non-trustee securities?

The Hon. D. A. DUNSTAN: Obviously I cannot give the honourable member an off-the-cuff opinion on this matter. However, I will undertake to have an examination made and get a reply. I am not certain of the exact extent of South Australia's powers in the life assurance field, as life assurance is the subject of Commonwealth legislation.

The Hon. T. C. Stott: There is a Trustee Act in this State.

The Hon. D. A. DUNSTAN: True, but the question the honourable member asked is not easy to answer. I will have an investigation made and bring down a prepared reply.

GREEN BELT.

Mr. HALL: A responsible citizen in an area near Adelaide has told me that he has heard a rumour about the development, for housing, of some stock paddocks north of the metropolitan abattoirs. I am not personally aware of any such moves, but this gentleman was concerned about possible loss of part of the green belt surrounding the city. Has the Attorney-General heard this rumour, and can he say whether there is any truth in it?

The Hon. D. A. DUNSTAN: I am not aware of a proposal for housing development in that area. At one stage I was informed that all stock companies except one concerned with this area had agreed to submit a development plan for the area. They were to prepare a plan at their own cost and submit it to the State Planning Office. I must say that I consider that an extremely commendable course, and I certainly gave every blessing to the idea that they should prepare such a plan and allow us to look at it so that we could see that the best possible use, in accordance with the recommendations of

the Town Planning Committee, was made of this area.

Mr. Hall: What sort of development are you referring to?

The Hon. D. A. DUNSTAN: Taking into account the necessity of maintaining a green belt in this area.

RAIL STANDARDIZATION.

Mr. CASEY: Under the Railway Standardization Agreement of 1949 the Commonwealth Government is committed to assisting with the standardization of the line between Port Pirie and Adelaide to the extent of providing the initial finance and eventually contributing 70 per cent of the total cost. Since that agreement was signed, 16 years has elapsed, and during this period South Australia has developed her secondary industries and export market to the stage that was never believed possible 16 years ago. In the main, the market for our goods is on the east coast of Australia. I point out that the closest link between Adelaide and Sydney and Brisbane is through Peterborough, and that many of our expanding and potential markets are in the western districts of New South Wales. Will the Premier consult the Minister of Transport on the matter and also refer it to Cabinet with a view to ascertaining whether a special committee should be set up to examine all the economics of this proposition and the advantages to be gained by the construction of a standard gauge link between Peterborough and Adelaide, to link up with the standardization work now going ahead between Broken Hill and Port Pirie? At the same time, will he also arrange for the necessary representations to be made to the Commonwealth Government?

The Hon. FRANK WALSH: I shall be pleased to discuss the matter with my colleague and to ascertain the possibilities.

LUCINDALE LAND.

Mr. RODDA: There is much local interest in the Crown lands in the Lucindale area that are surplus to the requirements of the war service land settlement scheme. Can the Minister of Lands say whether his department plans to throw this land open soon for development?

The Hon. J. D. CORCORAN: I am not aware of any plans of the department regarding this land. However, I will look into the matter for the honourable member and, if possible, ascertain for him the future intention regarding it.

REFLECTIVE NUMBER PLATES.

Mr. MILLHOUSE: This morning's newspaper contains a small news item reporting some remarks by the Minister of Roads regarding reflective number plates. It goes on to say that the Government is examining this matter. I am very glad to know that the Government is examining this, because I think that reflective number plates are an extremely good idea and I hope that they will be introduced here. What I should like the Minister of Education to ascertain from his colleague (and I guess he will be able to tell me, as the Government and not only the Minister of Roads has been considering it) is this: when is a decision likely to be made on this matter?

The Hon. R. R. LOVEDAY: I cannot say when a decision will be arrived at. However, I will ask my colleague whether he has further information to give me and inform the honourable member as soon as possible.

RENMARK PRIMARY SCHOOL.

Mr. CURREN: As a proposal to build a new solid construction building at the Renmark Primary School is at present being investigated by the Public Works Committee, and as the new type of construction known as Samcon appears to be quite a suitable building for a school, is much cheaper to construct and has many built-in features, such as air conditioning, will the Minister of Education investigate the possibility of erecting one of these Samcon buildings at the Renmark Primary School?

The Hon. R. R. LOVEDAY: I shall be pleased to do that. The department plans to build six Samcon schools this financial year. I have no more definite information at the moment, but I will obtain some for the honourable member in respect of his request.

LOAN FUNDS.

The Hon. Sir THOMAS PLAYFORD: The Financial Statement issued by the Treasurer last month showed a serious run-down in Loan funds. Speaking from memory, the deficit in the Loan funds increased from some £400,000 to £1,100,000, which, for one month, is a very steep decline. Can the Treasurer say whether this is attributable to some lag in payments from the Commonwealth Government, or to the fact that contractors generally are now concentrating upon Government work to the extent that they are spending money under contracts much more rapidly than had been expected? If that is so, what action does the Government intend to take?

The Hon. FRANK WALSH: I have discussed this matter with the Under Treasurer. We have acknowledged that there are factors over which we have no control, one being the weather. Many activities associated with the works have been continuous (there has been no stand-down period), and this has tended to boost the work much more quickly. Also, there was a fairly heavy programme of works in train when we assumed office, and we have tried to continue that programme. The Under Treasurer has indicated that he expects that we may, with care, keep within the sum provided, although the expenditure is more than was expected at this time of the year.

The Hon. Sir Thomas Playford: Is the money running out faster than was expected?

The Hon. FRANK WALSH: Yes, but the fine weather has helped boost this expenditure, as in normal circumstances less work would have been done.

The Hon. Sir Thomas Playford: Is there a lag in the payments from the Commonwealth Government?

The Hon. FRANK WALSH: Not that I know of. I assure the Leader that these matters are being watched closely.

REGENCY ROAD.

Mr. COUMBE: Will the Minister of Education obtain from the Minister of Roads a report on the widening of Regency Road, Prospect, between Prospect Road and Main North Road, particularly with respect to land acquisition? When is the work expected to be completed?

The Hon. R. R. LOVEDAY: I shall be pleased to ask my colleague for a report.

SUCCESSION DUTIES ACT AMENDMENT BILL (RATES).

In Committee.

(Continued from November 17. Page 2913.)

Clause 7—"Property subject to duty."

The Hon. FRANK WALSH (Premier and Treasurer) moved:

In paragraph (f) to strike out "three years" and insert "one year".

The Hon. Sir THOMAS PLAYFORD (Leader of the Opposition): In future will the same rule apply as applied before the introduction of this Bill?

The Hon. Frank Walsh: Yes.

The Hon. Sir THOMAS PLAYFORD: The amendment is accepted by the Opposition.

Amendment carried.

The Hon. FRANK WALSH: I move:

In paragraphs (m), (n), and (o) to strike out "three years" and insert "one year".

These are consequential amendments.

Amendments carried.

The Hon. Sir THOMAS PLAYFORD: I cannot be as agreeable about the whole clause. Provisions in paragraph (e), providing for the amalgamation of the various items, should be given a facelift by the Treasurer. This clause, together with the provisions of the previous clause, alters the whole basis on which succession duties are levied at present, and possible repercussions have not been considered by many members. One of my colleagues this morning received information that has not been confirmed, and I am not sure whether he will bring it to the Committee's attention. I understand that private undertakings are to be amalgamated and made subject to duty by the Commissioner. I do not think that the Government really desires to cast a net so wide as to include many payments to funds which previously had not been subject to taxation. We should not rush into too much legislation, when it may be preferable to consider fewer measures more carefully.

Mr. Hudson: Which clause are we discussing?

The Hon. Sir THOMAS PLAYFORD: I am dealing with the provision in clause 7 that amalgamates properties subject to duty, which I believe to be undesirable. I believe that we should forget the provisions of clause 7 altogether, although I agree that we should perhaps increase the rate of taxation on larger successions. This clause and a preceding one completely alter the whole basis of succession duties, and will cause hardship in certain instances. The supplementary amendments to be moved by the Treasurer are inadequate. Although we have accepted these amendments, that does not alter the fact that the clause is completely obnoxious to the Opposition. I hope that the Treasurer accepts the suggestion to forget about the supplementary matters that we are discussing at present, concentrates on the three matters on which agreement exists and, after more thought has been given to the problems we have encountered in this Bill, introduces amendments to cover specific loopholes, which amendments the Opposition will support. We do not believe in evasion. I think the Government is going about this the wrong way and I ask the Committee to reject the clause outright.

The Hon. FRANK WALSH: Certain evasions have taken place with which the Leader would be familiar, and I do not wish to detail them. To catch up with some of these evasions the Government provided for aggregation. This was examined at my request because of certain matters associated with insurance. Three kinds of insurance on the life of a deceased person are presently subject to duty: first, when he is the owner of the policy and the benefits are payable to him; secondly, when he keeps up the payments for the benefit of a third party, either by assignment or as the beneficiary named in the policy; and, thirdly, when a third party, say a wife, has taken out insurance on the life of the deceased and she is thus the owner but he has kept up the payments.

All three types will be subject to duty under the new provisions but they will aggregate for the purpose of determining the rate of duty, whereas at present the latter two will not aggregate with ordinary testamentary dispositions. There is no extension of duty to any insurances which are not at present subject to duty. Those which are kept up by, and payable to, a third party on the life of a deceased and may, at the full discretion of the legal owner of the policy, be actually paid to the widow, are not presently dutiable and will not be in future. There is also a procedural alteration in that an insurance company may not pay out to a beneficiary a dutiable amount except on a certificate of release from the Commissioner. This is to prevent evasion by non-disclosures and to ensure that liquid funds are kept available to meet the duty. Another amendment I will introduce later extends the provision to 75 per cent. This may be a pill for people to swallow but why should they not take it now instead of delaying it? I ask the Committee to support the clause as it stands. It is not good politics to be introducing financial measures every session.

Mr. Millhouse: Certainly not in the last session of a Parliament.

The Hon. FRANK WALSH: Honourable members know that opportunities have existed under the Act for people to escape certain provisions. Other amendments I shall introduce will assist the Leader in the matters exercising his mind. It is unfortunate that these provisions were not in the original Bill, but we shall learn by experience.

Mr. Quirke: Do you intend to proceed with those amendments immediately?

The Hon. FRANK WALSH: I want to finish this Bill. Paragraph (e) is being disputed at the moment because it provides for an aggregation of settlements.

The Hon. D. N. BROOKMAN: The people being asked to swallow the pill constitute a fairly wide group in the community.

Mr. Hudson: That is not so.

The Hon. D. N. BROOKMAN: Yes it is. I want to know why company superannuation and provident funds come under this Bill. However humble a person's superannuation may be, the superannuation that will accrue to him should he die before reaching the retiring age will be added into his estate.

The Hon. D. A. Dunstan: What part of the clause are you talking about?

The Hon. D. N. BROOKMAN: I think this would come under section 8 (1) (e). If this is correct, this will affect weekly wage earners, employees of companies and factories, and in fact anybody in a superannuation fund. Previously, there would have been an exemption of £4,500 in any event. This will now be assessed in their estates, and aggregated along with everything else. It could be extremely damaging to a wide section of the community. I do not think it is a good thing to say, "Swallow the pill", because the Government is telling more than just a few people to swallow this particular pill.

The Hon. D. A. DUNSTAN (Attorney-General): The insurance funds the Leader spoke about would be covered by paragraph (k) and not by (e), which deals with settlements. In paragraph (k) the amount that is dutiable is only in proportion to the proportion of the premiums paid by the superannuated person. I understood we were talking about the kind of provident and assurance fund in which a number of private employees have entered. Most of these (although not all of them) provide for a lump sum settlement. That was the particular one to which I understood the Leader to refer. Some assurance policies would not come within the purview of the Act at all, because of the way in which the fund had been arranged to avoid duty. Where it is the common case, as with paragraph (k), the only amount that will be aggregated is the proportion of the lump sum in accordance with the proportion of the contribution made by the superannuated person to the premiums on the policy. In the smaller cases, with the increase

in the general exemption clause, that is not going to hit anyone. In fact, they are going to be covered quite well.

Mr. MILLHOUSE: I believe there may be something in what the member for Alexandra has said. Only today I was handed a memorandum by a practitioner in this State, and I notice that it states:

Policies of assurance on the life of one person are effected by the life insured and assigned to some other person or are effected from the beginning by some other person for a number of reasons.

The first reason given is an employer insuring the life of an employee under the provisions of a superannuation scheme. That comes under paragraph (k). These forms vary, as I understand it.

The Hon. D. A. Dunstan: When it comes in (k), it is only in relation to the proportion paid by the employee.

Mr. MILLHOUSE: I see. I have not the knowledge to argue with the Attorney on that matter. I hope he has the knowledge to back up his assertions on this, and that we do not find that we have run into trouble. Perhaps I could ask him this, as the Government is in a generous frame of mind this afternoon: would he be prepared to have a look at this point specifically and take some action regarding it in another place if it turns out that there is something in this?

The Hon. D. A. Dunstan: Yes.

Mr. SHANNON: I deplore the Government's use of the word "evasion". There is no such thing as evading the law without due punishment for that evasion.

The Hon. Frank Walsh: Well, shall we say "non-payment"?

Mr. SHANNON: The Treasurer used the word "evasion", and I deplore that.

Mr. Millhouse: The Treasurer knows perfectly well that they do not mean the same thing.

Mr. SHANNON: Quite obviously, an attempt is being made by the Government to show that this legislation was designed by a previous Government to provide loopholes for dishonest people.

The Hon. Frank Walsh: Never!

Mr. SHANNON: That is the impression given by Government members, including the member for Glenelg. Some of the comments in this Chamber have tried to sugar-coat a

very bitter pill. It is still a bitter pill which for the Treasurer may be lethal, for I think the manufacturers of the pill will very likely be the ones to suffer the lethal dose. Regarding the Attorney's suave suggestion that only that portion of the employee's contribution will be aggregated, I point out that the employee during his working life (subsidized by his employer) has set out to avoid being a charge against the State. All these superannuation schemes are voluntary schemes. If by thrift he gains a little more than what his superannuation is going to give him, it will add up finally and he will be in the unhappy position that instead of paying a very little (as he would under the existing law) he will be paying quite a considerable sum.

Unfortunately for the Government, these people who will leave estates of between £7,000 and, say, £15,000 represent by far the largest percentage of the population. When the final calculations are made, it will be discovered that these will be the people who have paid most into the Treasury. It is all very well to talk about the "tall poppies", but they are few and far between, and naturally fewer such people die in a given period. There is not the opportunity for a quick recovery into the Treasury because the large sums are not there. There are few people who will not pay some hundreds of pounds in succession duties. It seems to me that the Government is not to be convinced that it is penalizing its own supporters. Because of insurance policies, wisely taken out by the wife, money is immediately available to her as a widow, and she does not have to wait for probate to be granted. That is a factor in the sad circumstances arising for a widow. However, this will have an impact on the aggregation.

The Hon. Sir Thomas Playford: Under aggregation they will take the whole lot away.

Mr. SHANNON: I can quote instances where that will be the case, and it is not uncommon for the residue left to be required to pay duty on the whole estate. The administration of estates is normally reasonably expeditious, but there are applications that may take six or 12 months. In some cases it could be held up indefinitely awaiting the result of applications to a court. In the meantime, the widow carries on as best she can as she is not allowed anything until probate is granted. If that is the Government's approach to the problem, there is a reckoning not far away.

The Committee divided on the clause:

Ayes (17).—Messrs. Broomhill and Burdon, Mrs. Byrne, Messrs. Bywaters, Casey, Corcoran, Curren, Dunstan, Hudson, Hurst, Hutchens, Jennings, Langley, Loveday, McKee, Ryan, and Walsh (teller).

Noes (16).—Messrs. Brookman, Coumbe, Ferguson, Freebairn, Hall, Heaslip, McAnaney, Millhouse, Nankivell, and Pearson, Sir Thomas Playford (teller), Messrs. Quirke, Rodda, and Shannon, Mrs. Steele, and Mr. Stott.

Pairs.—Ayes—Messrs. Clark and Hughes.
Noes—Messrs. Bockelberg and Teusner.

Majority of 1 for the Ayes.

Clause as amended thus passed.

Clause 8—"Duty to be first charge on real and personal estate."

The Hon. D. N. BROOKMAN: I rise on a point of order, Mr. Chairman, and point out that the questions you are putting are being put so fast that a person on this side voting against has not enough time in which to call out. You say, "Those in favour say Aye, those against No, the Ayes have it." You say it so quickly that it could almost be described as one long word. It practically forces the losing side to call for a division, because the words are run together. It would be more in keeping with Standing Orders if you would pause after the words "Those in favour say Aye", and again after the words "Those in favour say No", in order to give members time in which to call the vote of their choice.

The CHAIRMAN: The honourable member has made three points. First, he said that the Chairman says, "Those in favour say Aye, those against No, the Ayes have it." If the honourable member will look at the *Hansard* report of the proceedings of last night he will find I said, "Those in favour say Aye, those against No, the Noes have it." Secondly, no-one can demand a division until the Chairman declares the result on the motion. Thirdly, the honourable member said the Chairman should delay his declaration to allow honourable members a chance of calling for a division. Every honourable member has the right to vote "Aye" or "No". How long would the honourable member desire the Chairman to wait—one minute or 10 seconds before he declared the result of the call? I point out that no division can be sought until a declaration is made.

The Hon. D. N. BROOKMAN: There is a slight misunderstanding, Mr. Chairman. It is not the time in which you give members an opportunity to call a division that concerns me but the time in which you call "Aye" or "No". We do not have time to call "No" (when that is our desire), or for you to hear us.

The CHAIRMAN: I shall endeavour to go more slowly.

The Hon. Sir THOMAS PLAYFORD: I ask that you put the question more deliberately please, Mr. Chairman.

Clause passed.

Clauses 9 to 14 passed.

Clause 15—"Donatio mortis causa to vest in administrator."

The Hon. Sir THOMAS PLAYFORD: This is another clause dealing with aggregation, which I believe to be undesirable. It seeks to have brought under Form A matters that were previously included in Form U. This is entirely unnecessary, unwise, and unjust, and will cause much hardship to the small people.

The Committee divided on the clause:

Ayes (17).—Messrs. Broomhill and Burdon, Mrs. Byrne, Messrs. Bywaters, Casey, Corcoran, Curren, Dunstan, Hudson, Hurst, Hutchens, Jennings, Langley, Loveday, McKee, Ryan, and Walsh (teller).

Noes (16).—Messrs. Bockelberg, Brookman, Coumbe, Ferguson, Frcebairn, Heaslip, McAnaney, Millhouse, Nankivell, and Pearson, Sir Thomas Playford (teller), Messrs. Quirke, Rodda, and Shannon, Mrs. Steele, and Mr. Stott.

Pairs.—Ayes—Messrs. Clark and Hughes. Noes—Messrs. Hall and Teusner.

Majority of 1 for the Ayes.

Clause thus passed.

Clause 16 passed.

Clause 17—"Property conveyed or assigned to evade duty."

The Hon. FRANK WALSH: Because of the Committee's vote on clause 7 it will not be necessary to proceed with this clause.

Clause negatived.

Clauses 18 to 21 passed.

Clause 22—"Commissioner may extend time for payment of duty."

Mr. MILLHOUSE: I move:

At the end of new section 38a to add "or postpone the date from which interest is to run."

I know that the Attorney-General has received a letter from the Law Society because I have a photostat copy of it. The letter was dated November 16 and suggested this amendment. It would give the Commissioner discretion to postpone the date from which duty would run in the same way as he has discretion to extend the time for payment of duty.

The Hon. D. A. DUNSTAN: I have not seen the letter referred to by the honourable member, and I am glad that he has drawn my attention to it.

Amendment carried; clause as amended passed.

Clause 23—"Additional power of administrator to recover duties in certain cases."

The Hon. Sir THOMAS PLAYFORD: This clause is directly related to the schedule. When the Bill was explained we were informed that the rates in South Australia were appreciably lower than those in other States. The schedule has been amended to bring the rates to the level of those in other States. However, the rates will be increased in two ways: first, certain concessions have been taken away from beneficiaries that were previously provided by law; and secondly, the rates have been directly increased. The net effect of these increases will be that the rates in South Australia for succession on a small estate will probably be the highest by far in the Commonwealth.

The Hon. D. A. Dunstan: That is untrue.

The Hon. Sir THOMAS PLAYFORD: It is true. The member for Onkaparinga quoted cases to show the effect of the provision.

Mr. HUDSON: On a point of order, Mr. Chairman. This clause relates to the additional power of the administrator to recover duties in certain cases. Should not the Leader of the Opposition confine his remarks to the clause?

The CHAIRMAN: All members must speak to the particular clause.

The Hon. Sir THOMAS PLAYFORD: I am speaking to the clause. I have pointed out that on estates to be administered the rates will be higher than those in other States.

Clause passed.

Clause 24 passed.

Clause 25—"Application of Part IVA to Korean War and certain other operations."

The Hon. Sir THOMAS PLAYFORD: I move:

In paragraph (e) to strike out "if such wounds were inflicted, such accident occurred or such disease was contracted within twelve months before death."

I do not know why these words are included because they constitute a completely unjust provision. If a soldier were wounded, as a result stayed in hospital for 13 months (and this happens frequently) and then died, he would be denied all rights by the Bill. If a man contracts a disease and lingers on for more than 12 months why should his rights be denied? I should be interested to hear the philosophy behind this provision.

The Hon. D. N. BROOKMAN: I support the amendment. Not enough credit is given to those in the community who provide this essential service. They undertake tremendous risks and sometimes lose their life. Sometimes such a man may be wounded or contract a disease and linger on for many years before he dies.

Mr. MILLHOUSE: I, too, support this. There seems to be no just reason to prescribe a 12-month period. We give little enough to men who have been on active service. I cannot see why the Government should want to take the exemption away from those people.

The Hon. D. A. DUNSTAN: There is no departure in this provision from the provisions previously written into the Act by the Leader of the Opposition himself. Section 55a provides the provisions in relation to the last major war, and each one of these subsections states:

. . . dies from wounds inflicted, accident occurring, or disease contracted whilst on such service and within twelve months before death.

The Hon. R. R. Loveday: Now it is a terrible thing!

The Hon. D. A. DUNSTAN: Now, it is shocking. The reason for this provision is that, unless such a provision is there, it is extremely difficult to establish the cause and the effect. Indeed, what we are doing here is to extend for a considerable period beyond normal what could be considered direct cause and effect. The Government questioned this, but it was pointed out by the Under Treasurer that it was normal, and that the previous Government had done it. Members opposite have certainly not moved to strike out what they wrote into the Act, and in fact to provide

a specific provision in this way would put people in this group in a privileged class compared with those who have previously been given benefits. No instruction to the Committee was moved by members opposite to depart from the provisions which they enacted. The Government is doing nothing strange or new or unfair, according to the lights of members opposite.

The Hon. Sir THOMAS PLAYFORD: The provision may have been in an Act, and it may have been enacted by a Government in my time.

Mr. Hudson: It was.

The Hon. Sir THOMAS PLAYFORD: Most of the concessions in the Act are being wiped out here today. If we retained the concessions in the old Act, we would have a totally different Bill from this Bill. This Government says the present Bill is an improvement. However, it has taken away many concessions from the people, and it has taken away concessions from returned soldiers, who are now subject to the aggregation provision. I did not know that provision was in the Act, and, if I had realized it, I would not have put it there. The obligation of proof is still on the person claiming the remission: the Commissioner does not just have to accept any statement. I say frankly that if I had discovered that the provision was in the Act, I personally would not have approved of it.

Mr. Hudson: You must have read it.

The Hon. Sir THOMAS PLAYFORD: The trouble was that we had a very ineffective Opposition in those days: they let all sorts of stuff get through. Apart from the fact that it was in the old Act, is there any reason for having it here? The obligation is on the beneficiary to prove that it was a war injury or a war death, and that would be clearly established by the Commonwealth Government itself in repatriation benefits. I suggest that the Attorney's comments do not deal with the question we are discussing, and this provision should not remain.

The Hon. D. N. BROOKMAN: This provision was put in the Act 23 years ago, and after that section 55aa was added to cover the more recent wars in Korea and Malaya. The Attorney has clouded the issue by pointing out that this was in the old Act. The only relevant thing he has said about this is that it is extremely difficult after 12 months to prove the cause of death. Surely it is for a court or a board to determine this matter,

and no time limit should be imposed. If it is obvious that a person dies of wounds incurred, say, three or four years ago, why should his estate not benefit from this provision? The Government is bringing in a Bill now which is harsher to most people. When we have an obvious chance to improve the law, as we have here, why do we not do so? There is no point whatever in defending the position simply by saying that it has been there for 23 years. I say we should take it out.

Mr. MILLHOUSE: There is a corresponding section in the Commonwealth Estate Duty Assessment Act providing for a period of three years. If a time limit is to be included, why not include the same as that in the Commonwealth Act, because much of the wording of this section is identical with it?

The Hon. D. A. DUNSTAN: Apparently, when these provisions were included in the Act members thought they were fair and generous. If the honourable member wishes to move an amendment to change the period from one year to three years, we will show that we are prepared to be more generous than the previous Government was.

Mr. SHANNON: I know of many cases of returned men that I have taken before the medical board, not three, or 10, but 15 years after the war in which they suffered their injury. Many medical men will confirm that some complications of a man's health take many years to develop, but these men qualify to receive a military pension on examination. I see no merit in a time limit. This provision puts on the dependants the onus of proving that the disability causing the death of the man was the result of war injuries. If the injuries cause the death, why should there be a time limit?

The Committee divided on the amendment:

Ayes (17).—Messrs. Broomhill and Burdon, Mrs. Byrne, Messrs. Bywaters, Casey, Corcoran, Curren, Dunstan, Hudson, Hurst, Hutchens, Jennings, Langley, Loveday, McKee, Ryan, and Walsh (teller).

Noes (16).—Messrs. Brookman, Coumbe, Ferguson, Freebairn, Hall, Heaslip, McAnaney, Millhouse, Nankivell, and Pearson, Sir Thomas Playford (teller), Messrs. Quirke, Rodda, and Shannon, Mrs. Steele, and Mr. Stott.

Pairs.—Ayes—Messrs. Clark and Hughes.
Noes—Messrs. Bockelberg and Teusner.

Majority of 1 for the Ayes.

Amendment thus negatived.

Clause passed.

Clauses 26 to 33 passed.

Clause 34—"Prohibition of dealing with shares, etc."

The Hon. FRANK WALSH: I move to insert the following new paragraph:

(b1) by striking out the words "or such policy satisfied" in subsection (1) thereof and inserting in lieu thereof the passage "nor shall such policy be satisfied (except to the extent of three-quarters of the proceeds of any such policy where the proceeds thereof are payable to some other person as provided by paragraph (j) or (k) of subsection (1) of section 8)".

As has been stated earlier, hardship can be imposed on beneficiaries, in respect of assurance policies of the deceased. The amendment provides that three-quarters of the assurance shall be immediately available to the beneficiary without his having to wait for a certificate to be issued by the Commissioner. The Act already provides that up to £500 can be immediately paid, provided the estate does not exceed £1,500. The amendment will enable a beneficiary to use some benefits that may accrue from an insurance policy.

The Hon. Sir THOMAS PLAYFORD: As the Bill stands, the proceeds of an insurance policy would have to be handed over to the administrator of an estate and finance would not be immediately available to a widow for expenses incurred on her husband's death. I assume that this amendment provides that, instead of the whole of the proceeds of the policy going to the trustee of the estate, 75 per cent can be paid to the widow and only 25 per cent will go to the trustee. I assume also that the amendment does not mean that the 75 per cent of the proceeds will be exempt from succession duty. This sum will still be subject to the aggregation clauses in the Bill. I support the amendment because it will afford relief to widows by enabling them to have cash available immediately. This is an improvement on the Bill.

Mr. MILLHOUSE: I am glad the Government has introduced the amendment. I think it must have done this as a result of what I said. I would have thought it was as a result of a letter to the Attorney-General from the Law Society but he said that he had not received that letter. The Government is not going as far as I should like it to go

but it is at least acknowledging that the clause introduced in the first place was unjust. I am glad it is prepared to acknowledge a mistake in this case. However, the clause still has one grave defect. In certain cases a policy wholly belongs to a third person, not the deceased, and the premiums are paid by that person. Let us consider the case of a husband and wife where the wife takes out a policy on her husband's life and pays the premiums out of her separate income.

Mr. Hudson: It is not subject to duty now and was not before.

Mr. MILLHOUSE: Of course it is not subject to duty. The wife takes out a policy and pays the premiums herself, so it is her policy but it is on the life of her husband. When the husband dies she is entitled to the whole proceeds of the policy and no duty is payable at all because it is not part of the estate of the deceased. However, because of the provisions in the Bill the insurance company will hesitate to pay to her the proceeds of the policy because there will be a doubt whether it is really she who has paid the premiums.

The Hon. D. A. Dunstan: All she has to do is make a declaration.

Mr. MILLHOUSE: Can the Attorney say why the insurance company should be willing, without further inquiry, to pay out on a declaration? The prudent thing for the company to do under this clause would be to wait and make sure.

Mr. Hudson: A company could pay out 75 per cent.

Mr. MILLHOUSE: Yes, but why should a widow be precluded from getting the whole sum? If the insurance company has to wait for a certificate pursuant to section 63a as amended, a widow may have to wait months for the money. The present amendment will take care of most cases because 75 per cent of the money can be paid, but it will not take care of a case where a widow is entitled to the whole of the proceeds of a policy and is caused hardship when she cannot collect the entire sum. I understand that in Victoria and Tasmania a procedure exists whereby life offices are permitted to pay claims in respect of certain classes of assurance policy on the life of a deceased person without production of the Commissioner's certificate, provided that the life office makes regular returns to the Government, that is, notifies the Government

of policies that have been paid out in these circumstances.

Mr. Hutchens: That could be done administratively under this.

Mr. MILLHOUSE: I do not think it could. As I understand this amendment, it is to protect the revenue against cases where a policy is paid out and there are not sufficient proceeds to cover the payment of succession duty later. There is no question of changing the obligation to pay duty.

The Hon. D. A. Dunstan: Or to obtain disclosure.

Mr. MILLHOUSE: That is so. If some such procedure as that were adopted, there would be automatic disclosure by the assurance company to the Commissioner, and this difficulty would be overcome. There would then be no reason why the company should not pay out. There would be no reason, really, for the procedure adopted by the Government in this amendment to section 63a. I suggest it could have been done (and the whole thing got over in that way) as it is done in Victoria and Tasmania. I wonder whether it is possible in some way to provide by way of regulation for some such procedure as that, so that there would be disclosure not by the person entitled to the proceeds of the policy but by the society that pays out the policy. I am sure the Government will admit that that would get over this difficulty, and it would also get over what could still be quite an injustice. Would the Government consider this, or has it any idea for getting around this?

Mr. SHANNON: The Government is going part of the way. I wonder if we were to move an amendment to the effect that 100 per cent be paid out to the widow, the Government would agree. If another place decides that only 100 per cent is justice, will it throw the Bill out on that score? I think not. I think we are getting a tiny bit of reason into the Government benches, for I notice another amendment along similar lines. There is no doubt in my mind that the legislation we have been getting has been ill-considered.

The Hon. D. A. DUNSTAN: I do not think the difficulties the member for Mitcham foresees will arise or, at any rate, not nearly to the extent that he suggests. Where the policy is wholly owned and the premiums have been wholly paid for by the wife, then in that case it is not dutiable, and while undoubtedly the assurance company would want to make some

inquiry as to where the premiums came from, I think those inquiries could be fairly rapidly satisfied. The assurance company, of course, could get itself into difficulties if it did not pay up fairly promptly upon a claim. After all, the wife, unless there was an arbitration clause in the assurance policy (and by no means all life policies include arbitration clauses, and I hope some time in the future none of them will)—

The Hon. Sir Thomas Playford: The policy becomes dutiable under this Act.

The Hon. D. A. DUNSTAN: No, the policy that we are discussing does not become dutiable. Where the wife has wholly paid for the premiums, and where she wholly owns the policy and it is on the life of her husband, it does not become dutiable. The member for Mitcham's point is that, although it is not dutiable, the assurance company may, because other policies which are owned by the wife but which have been partly paid for by the husband will be dutiable, be a bit cautious in paying out. Well, of course, she only has to go round to a solicitor's office and have him write a little note saying, "Pay over or else", and I should think that fairly rapid results would be achieved. However, regarding the suggestion made by the honourable member as to the administrative procedure in Tasmania, the Treasurer says this is an interesting suggestion, and the Government will pay attention to it.

Mr. MILLHOUSE: I am indebted to the Attorney-General and to the Treasurer for that undertaking. However, I think the Attorney is rather minimizing the difficulties of an assurance society and the risk that it would not pay out. The society has to protect itself, and it is liable (I think I am correct in saying) under section 63a to a penalty if it pays out wrongly. I have no doubt that the societies will be most loath to pay out until they are absolutely satisfied. I point out to the Attorney the very clause that he pointed out to me earlier in the afternoon, which says that, even if only part of the premiums are paid by the deceased (the husband in this case), it is caught under section 8 (1) (k). Therefore, as I say, it is not nearly as easy as the Attorney suggests. New paragraph (k) in section 8 (1) provides that only part of the premiums need be paid by the deceased, so even the payment of one premium in one year is sufficient, technically, to catch this. How is the assurance society to safeguard

itself and to satisfy itself that that has not happened? This is not an easy thing to do. The Attorney has a touching faith in the efficacy of a solicitor's letter if he thinks that simply on the writing of a letter a society will pay out.

The Attorney-General has referred to indemnity. If, after inquiry, the Tasmanian scheme is not approved, perhaps the full amount could be paid out after the Commissioner certified that he was satisfied that sufficient funds were available to pay the duty. However, that would be difficult and I do not think it is a practical solution. I ask the Government to consider this point, and not to minimize the difficulties of life assurance societies or any insurer in paying out in these circumstances.

Amendment carried; clause as amended passed.

Clauses 35 and 36 passed.

New clause 2a—"Arrangement."

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

2a. Section 3 of the principal Act is amended by inserting therein after the passage "Part IVB.—Rebate of Duty in Respect of land used for Primary Production" the following passage:

"Part IVC.—Rebate of Duty in Respect of Dwelling-houses."

Earlier I said that, because of the matters raised, the Government would meet the situation. These amendments provide that a widow may receive a total of £9,000 without succession duties being charged on that sum. I am sure that the Opposition will accept these amendments, but if further details are necessary they can be obtained.

The Hon. Sir THOMAS PLAYFORD: These amendments cannot be debated until we consider the further amendments to be moved by the Treasurer, as this is part of a series of amendments. It is difficult, without being well versed in these matters, to realize the consequences that arise from such amendments. I believe that the £5,000 exemption in respect of the living area will be merged with the exemption relating to a house property. This seems to take something away from the primary producer; it will certainly penalize him if the provision is considered in connection with his concessions under Form U. The amendments benefit a house owner in joint tenancy, if it is a small estate, but it seems that that

benefit is quickly dissipated on an estate over £9,000.

Progress reported; Committee to sit again.

LAND TAX ACT AMENDMENT BILL.

Returned from the Legislative Council with an amendment.

CONSTITUTION ACT AMENDMENT BILL
(SALARIES).

Returned from the Legislative Council without amendment.

ADJOURNMENT.

At 4.55 p.m. the House adjourned until Tuesday, November 23, at 2 p.m.