

HOUSE OF ASSEMBLY

Wednesday, July 27, 1966.

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

BANK OF ADELAIDE'S REGISTRATION UNDER THE COMPANIES ACT 1892 ACT AMENDMENT (PRIVATE) BILL.

Mr. SHANNON (Onkaparinga) presented a petition from the Bank of Adelaide seeking leave to introduce a private Bill for an Act to repeal section 10 of the Bank of Adelaide's Registration under the Companies Act 1892 Act.

Received and read.

The SPEAKER: I lay on the table the report of the Examiner of Private Bills (Mr. Combe), which states:

I certify that the Joint Standing Orders of the Houses of Parliament relating to Private Bills, with the exception of Joint Standing Order No. 63—consents of members of a company already constituted—have been complied with in connection with the proceedings on the Bank of Adelaide's Registration under the Companies Act 1892 Act Amendment (Private) Bill.

I also bring up the report of the Standing Orders Committee, which states:

The Standing Orders Committee recommends that compliance with Joint Standing Order (Private Bills) No. 63—consents of members of a company—in connection with the proceedings on the Bank of Adelaide's Registration under the Companies Act, 1892, Act Amendment Bill, 1966, be dispensed with.

Mr. SHANNON introduced a bill for an Act to amend the Bank of Adelaide's Registration under the Companies Act 1892 Act and for other purposes. Read a first time.

QUESTIONS

TRAMWAYS TRUST.

Mr. HALL: In view of yesterday's announcement of an increased deficit for the Municipal Tramways Trust, can the Premier say whether the Government intends to increase tram and bus fares?

The Hon. FRANK WALSH: Cabinet is seriously considering all aspects of this question, but has not yet made a decision: it has the choice between increasing the subsidy and increasing fares. South Australia is in no different position from that of other States, and I believe fares were recently increased in Victoria.

SALISBURY CROSSING.

Mr. CLARK: The Premier is aware that during the last few weeks people have been concerned about a dangerous crossing on the Main North Road in the newly developed part of the Salisbury area. A meeting was held last week at which future action was discussed. On behalf of my constituents in that area, I thank the Premier for his prompt action in arranging for police to patrol this crossing, so that children might cross safely in the morning and in the afternoon. This patrol is having excellent results. As the Salisbury corporation and residents of that area (in conjunction with the Government) have plans for making this crossing much safer, will the Premier consult with his colleagues to ensure that such improvements and changes will be expedited?

The Hon. FRANK WALSH: I shall consult my colleague concerning further improvements. I appreciate that residents have acknowledged the action of the Police Department.

BLACKWOOD LAND.

Mr. MILLHOUSE: My question concerns the land tax being levied on property at Blackwood owned by Mr. Keith Ashby. The Premier will remember Mr. Ashby because he made a generous gift of another part of his property to the Botanic Garden. Certain of his land at Blackwood was compulsorily acquired by the Highways Department in order to widen Shepherds Hill Road, and compensation was paid to Mr. Ashby for this land on the basis of its broad-acre use, as he previously used it for grazing. Because of the transfer of ownership of the land, which was being used for grazing, Mr. Ashby has now been billed for back land tax for five years under the Act, and has been told by the Land Tax Department that the assessment of this tax has been on a subdivisational basis; whereas he was paid compensation on a broad-acre valuation, he is now being billed for back tax on a subdivisational valuation that is much higher. If the Premier is aware of this situation, can he give a reason for what has happened or, if he is not aware of it, will he look into the matter and see whether, in fact, this is so? If it is, will he use his influence to have the position altered, because the present situation seems to be entirely unfair?

The Hon. FRANK WALSH: It would be unreasonable to expect me today to answer the honourable member's question, concerning

such an important matter, across the floor of the House. I shall examine the matter and ascertain what can be done.

WATERPROOF STORAGE.

Mr. McKEE: Has the Minister of Works a reply to the question I recently asked about waterproof storage for cargo on the Port Pirie wharves?

The Hon. C. D. HUTCHENS: The General Manager of the South Australian Harbors Board reports as follows:

Consideration has been given to the provision of cargo sheds on the wharves at Port Pirie, but the prospect of the volume of general cargo trade developing sufficiently to warrant large cargo sheds is too small to justify any action at this stage. The completion of the standard gauge rail link to Port Pirie is most unlikely to result in a significant quantity of general cargo passing through the port, and the advent of containerization will make it even more unlikely. Containers will more probably arrive in Port Pirie by rail from Sydney or Perth than be off-loaded at Port Pirie for interstate destinations. Container traffic of an appreciable amount does not require cargo sheds on the wharf areas. If an oversea container trade developed unexpectedly at Port Pirie, new and better berths with large open spaces without cargo sheds would be required. It would be unwise to begin now to plan for general cargo sheds on wharves, because there is every indication that such facilities will be soon out of date.

NURIOOTPA HIGH SCHOOL.

The Hon. B. H. TEUSNER: Has the Minister of Education a reply to the question I asked last week whether tenders had been called and accepted in connection with certain work to be undertaken on the Nuriootpa High School grounds for the purpose of providing an additional oval and tennis courts?

The Hon. R. R. LOVEDAY: The Director, Public Buildings Department, reports that a tender for this work was accepted last Monday. The firm concerned has quoted a completion date of eight weeks, and every effort will be made to ensure that the work is completed on schedule.

SHEEP STEALING.

Mr. CASEY: A recent meeting of the South Australian Branch of the Australian Primary Producers Union passed the following resolution as a result of a motion submitted by the Millicent branch:

That heavier penalties and longer sentences for sheep stealing and killing with intent to steal be imposed.

I support that motion (which was carried unanimously) in every respect; indeed, the

Minister of Agriculture may recall, when he introduced the Brands Act Amendment Bill last year, that I said that it was a good measure as it gave the police an opportunity to check stock that travelled from one place to another. On examination, I find that section 136 of the Criminal Law Consolidation Act prescribes a penalty of imprisonment for up to eight years for sheep stealing. The penalty prescribed by section 137 for killing sheep with the intent to steal the carcass is imprisonment for up to eight years. However, I understand that light sentences have recently been imposed on many people prosecuted for these offences. Will the Minister see whether something can be done to make certain that those administering the Act do so forcibly so that heavier penalties may deter prospective offenders?

The Hon. G. A. BYWATERS: I think this question comes more within the jurisdiction of the Attorney-General, who has heard it. The prevalence of sheep stealing in country areas has caused me much concern. Speakers at the conference of the South Australian branch of the A.P.P.U. spoke up forcefully about the prevalence of sheep stealing, and referred to people who pretended to be spotlighting while engaged in these activities. These speakers were concerned that the sentences for offences of this type might not be severe enough to stop this undesirable practice. However, I am sure that the Attorney-General will note the remarks of the honourable member and the support I have given them.

COMPANY LEASES.

Mr. RODDA: Consternation has arisen in the South-East about the declaration of policy by the Minister of Lands regarding registered proprietary companies that hold substantial areas of land as holding companies. With regard to leasehold land, in the event of the death of a member of the company, can the Minister say whether the share of the company of the deceased member can be transferred to the remaining shareholders of the company?

The Hon. J. D. CORCORAN: The policy decision prevents companies from becoming involved in taking over leasehold land or becoming sublessees of leasehold land in the future. The policy was not intended to alter the position as it applied to existing companies, and they will be permitted to remain in existence. If, as the honourable member pointed out, a member of a company died and his interest in the company was desired to pass to its

remaining members, this could be effected, provided the other members were not subject to limitations under the Crown Lands Act.

COPPER.

Mr. HUGHES: Will the Minister of Lands ask the Minister of Mines to bring down a report on work carried out by the Western Mining Corporation in its efforts to find worthwhile copper lodes in Moonta and surrounding areas?

The Hon. J. D. CORCORAN: Yes.

COUNTRY ROADS.

Mr. QUIRKE: Last week I asked the Minister of Lands, representing the Minister of Roads, to ascertain what work was proposed on the Jamestown-Hallett road, the Burra-Clare road, and the Burra-Morgan road. Has the Minister a reply?

The Hon. J. D. CORCORAN: My colleague, the Minister of Roads, reports that there will be no major work carried out on the Jamestown-Hallett road during 1966-67, although there will be slight improvements carried out by the council using grant funds. The sum of \$20,000 has been provided for expenditure by councils on the Burra-Clare road, and will enable some improvements to standard to be carried out. The extent of such works has not been finally determined. No improvement in standard will be undertaken on the Morgan-Burra road, but consideration is being given to progressively improving the road in future years.

FREELING POLICE STATION.

Mrs. BYRNE: Has the Premier, representing the Chief Secretary, a reply to a question I asked on July 13 concerning the septic tank effluent disposal problems at the Freeling police station?

The Hon. FRANK WALSH: The complaint regarding the disposal of septic effluent at the Freeling police station has been investigated. It has been found that the soakage well and filter have silted up and have become ineffective. An approach has been made to a private contractor, who has the necessary equipment, for a price to clean out the well and filter. Subject to a satisfactory price being received, arrangements will be made for the work to be urgently undertaken. This work should overcome the problem.

FREE BOOKS.

Mr. HEASLIP: Following the new free books scheme there have been some complaints from school committees in my dis-

trict regarding the set-up of the scheme. These complaints have been both by letter and verbally, and they have come from big schools as well as from other schools. One complaint is that a headmaster has to order these books 12 months in advance, and in the meantime teachers are often transferred from one school to another and the text books ordered by the head are not the same as those the teacher has to use in the school to which he is appointed. These school committees would like to see a straight-out book allowance (as has been the case in the past) to secondary schools, because they realize that the ultimate cost of the proposed scheme must be far greater than it would be if there were a straightout grant. Those committees have requested that I ask the Minister of Education and the Government to have another look at this scheme to see whether it is not possible to bring into operation a straightout book allowance to the parents, rather than free books.

The Hon. R. B. LOVEDAY: I am unaware of the complaints to which the honourable member has referred. I have not seen any letters, and before I answer his specific question regarding the nature of the complaints, I should like to see the letters. The honourable member's statement that the present Government's scheme in relation to free books must cost more than if there was a straightout grant is completely wrong. In fact, there will be a very considerable saving, and that is one of the main reasons for adopting this present scheme. Seeing that honourable members opposite are so much concerned about the Government's deficit, the honourable member ought to be concerned that we are adopting the most economical method of providing these books.

ALPHA NUMERO SYSTEM.

Mr. LAWN: Can the Premier say when the *alpha numero* system for the registration of motor vehicles will operate?

The Hon. FRANK WALSH: It is expected that the registration of motor vehicles on the *alpha numero* system will commence later this year. Instead of allotting a registration number containing all figures, the Motor Vehicles Department will allot a combination of three letters and three figures. Specifications as to display of letters and numbers will be prescribed by regulation. It is proposed to implement the system gradually so as to place no cost burden on the motorist or the Government. The system will be introduced by allotting a number in the *alpha numero*

series to each new registration and to each re-registration of a vehicle which has lapsed for more than three months. By this means most vehicles in South Australia will be carrying *alpha numero* plates within about six years.

At the same time the allotment of special registration numbers and the retention of numbers by persons disposing of vehicles will cease, and it is intended to devise a method by which the number issued in the *alpha numero* series will be retained on a vehicle for its life, irrespective of ownership. This will simplify the system of registration and the maintenance of histories of vehicles. At present this is difficult to achieve with constantly changing numbers on vehicles, and involves the department in unnecessary work and cost. The new proposals will have many other advantages, including:

1. Easier identification, which is one of the main purposes of registration.
2. Reduction in incidence of vehicles carrying wrong numbers.
3. Facilitating tracing of vehicles.
4. Uniformity with other States.

A separate section of the alphabet is allotted to each State, and the State of registration can thus be readily identified. The letter prefixes in South Australia will commence at RAA and will be allotted in alphabetical and numerical order to TZZ. This range provides for approximately 1,700,000 registrations. It is not proposed that the Motor Vehicles Department will issue number plates, and the system whereby the motorist obtains his own plates will therefore remain.

Mr. MILLHOUSE: The question by the member for Adelaide follows questions I asked a couple of weeks ago. I listened with interest to the Premier's reply and was disappointed to hear no reference to the introduction of reflective number plates at the same time as the introduction of the *alpha numero* system. Having previously asked the Premier about this aspect, I understood from his reply that no decision had been made, certainly before the meeting of the Australian Transport Advisory Council. As that meeting has now been held, and in the light of the Premier's answer to the member for Adelaide, can the Premier say whether Cabinet has considered the introduction of reflective number plates, whether it has come to a definite conclusion, and, if it has, whether his reply this afternoon indicates that that conclusion is against the introduction of reflective number plates at present?

The Hon. FRANK WALSH: Cabinet's conclusion is against the introduction of reflective number plates.

METROPOLITAN FREEWAY.

Mr. COUMBE: Has the Minister of Lands, representing the Minister of Roads, a reply to a question I asked recently regarding the proposed freeway through Walkerville?

The Hon. J. D. CORCORAN: My colleague, the Minister of Roads, reports that the proposed freeway running in a north-easterly direction from the city of Adelaide and passing through the Corporation of Walkerville, is being investigated in detail by the Metropolitan Adelaide Transportation Group. This study is, in fact, investigating all of the transportation requirements of metropolitan Adelaide, and the results should be known in the early part of 1967. There has been correspondence between the Premier and the Mayor of Walkerville with regard to the North-East Freeway and the corporation has been advised that it will be consulted before finality is reached in the matter of freeway location. Until the study is completed the priority for construction purposes on the North-East Freeway is not known. However, it appears at this time that work on the project is unlikely to commence within the next five years. In the interim, however, some land will be acquired for freeway purposes as the opportunity arises.

COUNCIL FINANCE.

Mr. BROOMHILL: An article that appeared in this morning's *Advertiser* reported that the Mayor of West Torrens had criticized the Commonwealth and State Governments because some Government property was non-ratable. I assumed that most of this criticism was levelled at the Commonwealth Government, but as reference was made to hospitals in South Australia, can the Premier say what direct financial assistance has been provided by this Government to councils?

The Hon. FRANK WALSH: The recently introduced Land Tax Act Amendment Bill provides that council land shall be free of land tax. The Lord Mayor of Adelaide has called on me since I gave my second reading explanation, and has congratulated the Government on its attitude. The West Torrens corporation is no different from other councils: it has to pay hospital levies. Much of the land at West Beach Airport was unusable until a major drainage scheme was instituted. Perhaps it is a reflection on the Commonwealth

Government that, although it owns this property, it does not pay rates to the West Torrens corporation. The Mayor should consult the Commonwealth Government about this but, even if he does, there may not be much hope of any redress.

HOUSE FOUNDATIONS.

Mr. NANKIVELL: Has the Premier an answer to my question of July 6 about possible economies to be obtained by the Housing Trust's using a new grillage-raft system of house foundations?

The Hon. FRANK WALSH: The term "grillage-raft" footing is one adopted by A. D. Hickinbotham Ltd. and Philip Fargher, and refers to a combination of deep external and internal beams with a monolithically poured reinforced concrete floor slab. The trust is seeking prices from one of its builders, M. C. Wood Ltd., for the construction of three experimental footings of this type with a possible extension covering another 12 houses. The design for these footings has been produced by the trust and incorporates the following features:

1. Beams under the line of the external walls to be 6in. wide by 4ft. deep, reinforced top and bottom with high tensile CW60 deformed bars.

2. Internal beams to be 6in. wide by 3ft. deep, constructed in a regular two-way pattern, except in the areas of the laundry and bathroom where the beams will follow the wall lines. These internal beams to be reinforced as for external beams.

3. Building sites to be benched to form a level plateau extending 5ft. beyond the external wall lines.

4. Reinforced concrete floors, 4in. thick to be poured on a 4in. thickness of 3in. open-graded crushed rock or river gravel.

5. A waterproof membrane to be inserted between the crushed rock and the underside of the concrete floor with the edges of the membrane overlapping the edges of the surrounding deep beams 1 1/2in. on all sides.

This type of footing has a dual function. First, to provide a semi-rigid box-type footing which will resist differential movement, and to provide a curtain wall under the lines of the external walls which will tend to restrict moisture movement from outside to inside of the building. It is hoped that this type of footing will provide a satisfactory solution for moderately expansive soils, although it yet has to be proved whether it will reduce differential movement sufficiently to prevent cracking of masonry walls. This type of footing might be equally useful in those areas where soils are known to be subject to settlement. Irrespective of the type of soil,

the use of this type of footing does remove some of the hazards associated with bending, for it is no longer so important to ensure that the intended structure is founded on the same soil stratum.

It is too early yet to establish the relative costs of this type of construction as compared with the conventional deep beam construction. It is claimed that a house built using the "grillage-raft" footing will cost about \$70 more than the same house built on strip footings 15in. wide by 17in. deep. If this is true, it could be expected that a house built using the "grillage-raft" type footing will be less costly than a house with a 3ft. deep beam footing, perhaps as much as \$100. These comparisons, however, do not take into account the cost of floor coverings, and it must be appreciated that the trust would have to supply floor coverings if concrete floors were used, whereas of course, this is not the case with the standard timber floors.

There is a commonly accepted theory used in areas with expansive soils, that footing movements will be eliminated if the footings are taken deep enough to get below the zone of seasonal movement. Although there is a vast amount of research required in this connection, the trust has proved in several instances that soil movements and therefore footing movements, continue to take place for five to six years after house completion, due to a continual wetting-up of the soil beneath the external footings to a depth of at least 10ft., the expansion of the soil being caused by an increase in moisture content brought about, very largely, by development of gardens surrounding the houses. In instances such as these, the "grillage-raft" footing will have to rely on its stiffness to prevent differential movement, because there is little doubt that as soon as the ground wets-up sufficiently beneath the 4ft. deep external beams, the footings will rise. It could be argued that the best engineering solution under these circumstances is a pier and beam footing with piers at least 10ft. deep.

The trust is constructing another experimental group of about 30 houses at Elizabeth Park on soils that are considered to have high potential movement, where although the seasonal movement in the past under natural conditions has not exceeded more than 4ft. from the surface, we believe that movement due to urbanization will ultimately extend to at least 10ft. Some of the houses in this group have been constructed using straight sided reinforced concrete piers 12ft. deep under

external walls in conjunction with internal R.C. piers, varying from 12ft. deep on some houses, 8ft. and 4ft. deep on others, whilst timber stumps 4ft. deep have also been used. In most of these houses, R.C. beams have been used, although on some, timber bearers have been substituted internally. It must be remembered that all of these houses are of brick-veneer or masonry-veneer construction.

Twelve houses in the group have been constructed on reinforced concrete strip footings of various dimensions, the soil under the footings to a depth of about 5ft. having been lime-stabilized. The lime has been introduced either dry or as a slurry using patterns of closely drilled small-diameter holes or narrow trenches under the external footings. Three houses in the group have received no treatment at all, and will be used to establish the performance of normal strip footings in conjunction with masonry-veneer construction on this type of soil. All the 30 houses in the group have been instrumented in order that changes in moisture content beneath each house can be measured from time to time, and also to enable actual and relative vertical movements of the footings to be measured from time to time.

It should be mentioned that the trust has worked in close conjunction with the Commonwealth Scientific and Industrial Research Organization during the past three-four years, in order to determine suitable footings specifications to meet the variable soil conditions encountered not only in Adelaide but also in many country areas. The trust has a well established Soils Laboratory with a staff of 12, the emphasis being to measure the engineering characteristics of the various soils encountered, so that an assessment can be made of the likely reaction of the soils when the moisture content is raised, as it inevitably is when gardens are developed. The trust is also devoting attention to the possibilities of using structures of a type which will resist cracking irrespective of ground movement. In this respect, experimental walls are at present being tested in Adelaide in conjunction with the Building Research Division of C.S.I.R.O. These walls have been post-tensioned using vertically placed pre-stressing reinforcement. The initial results have been encouraging. It is possible that an experimental house using this type of construction will be proceeded with shortly. When honourable members ask for information, I think I should give it.

The Hon. T. C. Stott: Hear, hear!

The Hon. FRANK WALSH: If the member for Ridley objects to that procedure I have no objection to his being excused from the Chamber.

TOMATOES.

Mr. LANGLEY: Last spring I received many complaints from both retailers and housewives concerning the state of tomatoes grown in glasshouses early in the season, from which a large lump protruded at the bottom, which were not wholly formed, and which were generally inferior in quality. I am told that the deficiencies are caused by spraying. As tomato plants will soon be bearing fruit that will be ready for sale, can the Minister of Agriculture say whether such inferior fruit will be sold to the public, or whether action will be taken to produce a better product?

The Hon. G. A. BYWATERS: I believe the honourable member is referring to "bucks" which are sold to greengrocers and other retailers at a much cheaper price than that of better tomatoes. I suggest that the complaint lies rather with the greengrocer than with the producer, and that not all "bucks" are grown in glasshouses. I point out that good tomatoes are also procurable early in the season but if a housewife has a complaint, I suggest that she patronize another greengrocer.

GRAPEGROWING COMMITTEE.

Mr. CURREN: As a *News* article yesterday referred to a statement by the Director of Agriculture regarding the appointment of Mr. J. Guinand as Chairman of the Grapegrowing Industry Advisory Committee, can the Minister say when the other members of that committee will be appointed?

The Hon. G. A. BYWATERS: Having noticed the article to which the honourable member referred, I point out that it was not strictly correct. The Director of Agriculture, who was to bring recommendations to me for the selection of the Chairman of the committee, has spoken to me about a Mr. Guinand, whom I do not know personally but who, I was informed, would be ideally suited for the position of Chairman. I agreed that he should be appointed and, although the appointment has been made, the committee itself has not yet been appointed. I understand that the Director has sent letters to all interested people, and advertisements are being inserted in the press calling for nominations for the committee. I expect to hear soon from the Director the names of those wishing to be nominated to

the committee and, as soon as I receive the information, the committee will be appointed as quickly as possible.

CITRUS INDUSTRY.

The Hon. Sir THOMAS PLAYFORD: During the Minister of Agriculture's reply to the member for Angas (Hon. B. H. Teusner) yesterday, in connection with people coming within the scope of the Citrus Industry Organization Act, the Minister said that any person who carried on the business of producing citrus for sale was subject to the control of the committee. I point out that the definition of a grower in section 5 of the Act is twofold in its application to sections 34 and 36, which are the provisions dealing with the regulations and with growers of more than 50 trees, whereas other sections of the Act relate to a person carrying on the business of producing citrus for sale. The matter of carrying on the business of growing citrus for sale has been the subject of much discussion, the Taxation Department always having held that, to receive the concession, a grower must carry on a substantial business, rather than grow a small quantity of fruit. As this matter concerns many small growers in the metropolitan area, will the Minister obtain a full report and state specifically the obligations of small growers in the metropolitan area, in connection with this Act, and will he see whether it is necessary to amend the Act, so that those obligations can be clearly defined?

The Hon. G. A. BYWATERS: I appreciate that question and assure the honourable member that I shall seek clarification of this matter and, if necessary, an amendment to the Act.

STATUE.

Mr. FREEBAIRN: An article appeared in this morning's *Advertiser*, which has significance for me because I represent the district to which Colonel William Light gave his name. In today's popular press the article, headed "Statue May Migrate", states:

A home is being sought for a statue of Capt. Francis Light, father of Col. William Light, Adelaide's founder. Capt. Francis Light was the founder and Governor of Penang, where his statue presides in the city in much the same manner as Col. William Light's does in Adelaide. But word reached South Australia's Agent-General in London (Mr. K. L. Milne) that Capt. Francis Light was likely to become a displaced person under an alleged Malaysian Government policy of scrapping all monuments of the country's past. Mr. Milne told the Premier (Mr. Walsh) that Capt. Francis Light might be considered a desirable migrant in the light of his historical connection with Adelaide.

As I am the incumbent of the seat of Light, can the Premier give to me and to the House information in amplification of the newspaper reference?

The Hon. FRANK WALSH: The South Australian Agent-General in London (Mr. Milne) wrote to me and informed me that this statue could probably be made available to South Australia. I immediately asked the Adelaide City Council whether it wanted to go further in acquiring the statue, and the council took up the matter. In fact, the other day, when the Lord Mayor paid his official call, he referred to this matter, saying that the council would further consider it on Monday of this week. From the verbal report made to me, I understand that the council intends to find a place for the statue in Light Square. With all due respect to the district of Light, I believe the statue of the father of the founder of Adelaide should be placed where it would be best honoured, and I think the city of Adelaide would be better suited for this purpose than the district of Light, because more people pass through Adelaide than pass through the honourable member's district.

GLENELG SUNSHINE CLUB.

Mr. HALL: My question concerns a matter which has been raised in the House many times and which I hesitate to raise again, and would not have done so had it not been raised yesterday. Following yesterday's statement by the member for Glenelg, this morning I received a telephone call from the President of the Glenelg Sunshine Club. The President expressed fear that the honourable member, in presenting (as the President said) one side of the picture, might be persecuting the management of the club. It appears that the club has not yet received a licence to collect for charitable purposes. Of course, this is of serious moment to the club as its function is to help elderly people. As the management states that it would welcome an inquiry as soon as possible, and as it fears that it is being persecuted, will the Premier expedite the inquiry sought?

The Hon. FRANK WALSH: The honourable member referred to the Collections for Charitable Purposes Act. I believe it is provided that if any organization does not comply with certain requirements of that Act it is automatically precluded from the benefits to be derived under the Act. Because of its importance, I will take up the matter, and I hope to be able to make information available to the

House soon. The matter raised by the honourable member will also be considered.

MODBURY SOUTH PRIMARY SCHOOL.

Mrs. BYRNE: Has the Minister of Education a reply to my question of July 19 regarding the new Modbury South Primary School?

The Hon. R. R. LOVEDAY: The Director of the Public Buildings Department expects that the new Modbury South Primary School will be completed late in August of this year. Every effort will be made to have the school ready for occupation at the commencement of the third term. The school consists of a two-storey structure comprising 13 classrooms, library, toilets and sick rooms, and single storey wings comprising administrative, shelter and activity room facilities.

RESERVOIRS.

Mr. BROOMHILL: Undoubtedly the Minister of Works has watched closely the reservoir holdings following the good rains over the last 24 hours. Can he say what those holdings are at present?

The Hon. C. D. HUTCHENS: The rains over the last 24 hours are gratifying. This intake has resulted in the storage of metropolitan reservoirs reaching a total of 9,088,000,000 gallons. The intake in the last 24 hours was 1,137,000,000 gallons, and this included 648,000,000 gallons into Mount Bold reservoir. At the Warren reservoir, which has a storage of 476,000,000 gallons, there has been an intake for the 24 hours of 132,000,000 gallons. Of course, this is only the beginning of the intake resulting from the more recent rain. We will continue to watch the position, and on the intake will depend whether the rate of pumping will have to be increased or whether we will have to continue off-peak pumping.

Mr. HEASLIP: Yesterday I asked the Minister of Works a question regarding the storages in northern reservoirs. Has he a reply?

The Hon. C. D. HUTCHENS: The figures were taken yesterday and they are as follows: Beetaloo (which has had 30 points of rain, and I think more since these figures were taken out) had a storage at this time last year of 90,000,000 gallons and now has 104,500,000 gallons. Bundaleer (which has had 73 points of rain) had a storage this time last year of 774,000,000 gallons, and at present it has 589,800,000 gallons. Baroota reservoir (13 points of rain) had a storage at this time last year of 191,000,000 gallons, and it now has 166,400,000 gallons. The Lincoln Gap reser-

voir (which was not included in the honourable member's question, but the figures for which may be of some interest) had a storage at this time last year of 97,800,000 gallons, and it now holds 80,100,000 gallons.

SHEEP INSPECTION.

Mr. FREEBAIRN: Last week the Minister of Agriculture was good enough to let me have, through his colleague, the Minister of Lands, information regarding the difficulties experienced by South Australian exporters of sheep to Western Australia. As the Minister has further information, can he give it now?

The Hon. G. A. BYWATERS: When I visited Perth for the Agricultural Council meeting a couple of weeks ago I journeyed to Esperance at the weekend and saw the development taking place there, where in places they were running five dry sheep to the acre. One of their problems concerns the poor rate of reproduction because the fertility is very low, and they depend to a large extent on stock from South Australia. They are concerned about problems such as horehound and one or two of what we consider minor diseases. However, we cannot blame them for wanting to be free of those diseases. The people there were concerned that insufficient action was being taken by their own department regarding quarantine. They were aware of the action being taken, particularly on rail, but semi-trailers coming through made it difficult. I think that possibly this has caused the Western Australian Agriculture Department to become even more exact in its requirements, and I think the question the member asked last week and the reply that was given bear this out somewhat. Because of the importance of the export of sheep and lambs (particularly sheep) to Western Australia, I have asked the Chief Inspector of Stock to visit Western Australia to discuss this matter personally with the agricultural advisers or the Chief Veterinary Surgeon there. The Chief Inspector is going to Western Australia early next month, probably in about a week's time, to see whether an understanding can be arrived at so that problems can be solved in the right way and so that complete co-operation will exist between the department in South Australia and that in Western Australia.

SOUTH-WESTERN SUBURBS DRAINAGE.

Mr. LAWN: This morning Marion Road was flooded, as is usual after heavy rain, and when this road is flooded people can get to the shops only after ploughing through several

inches of water. Like many other people with cars, this morning I drove through the water right up to the shops and got out on to about 3ft. of unmade footpath. In view of these conditions that exist on the Marion Road from time to time after heavy rains, can the Premier say what progress is being made with the south-western suburbs drainage scheme?

The Hon. FRANK WALSH: I am afraid I would not be a very good authority on this matter at the moment. However, I visited that area recently, and I know what the conditions would have been like this morning. The position is aggravated because the Engineering and Water Supply Department has had to pump the sewer mains. I understand that there is a need for some design work to be done in association with the delivery of floodwaters to the Patawalonga area in Glenelg. I understand that it is necessary for the Public Works Committee to investigate further the question of costs. I believe there has been a delay as a result of certain engineering matters associated with this question. I also understand that the drains that were first recommended have never been laid because of this problem of the delivery of water into the Patawalonga region. The sooner we get to that the better it will be in the interests of these people who are paying an extra rate because of the money that has been spent on this drainage scheme. The ratepayers being subjected to flooding today as a result of this rain have not received one pennyworth of relief as a result of any money spent in the area. The matter having been raised, I hope it will be resolved by the committee appointed. I say that with all sincerity in the interests of the people who are being flooded today.

GAS.

The Hon. Sir THOMAS PLAYFORD: Can the Premier give the House information about the cost of the report that was obtained from the Bechtel Corporation regarding the gas pipeline?

The Hon. FRANK WALSH: The honourable member has caught me unawares on this matter, and I could not give the information offhand. However, I will see what I can get for him by tomorrow. I have nothing to hide, but this company will be further consulted because of the requirements of the Commonwealth Government. Further investigations are necessary and the company will have to re-check submissions already made, and I believe further costs will be involved because of this Government's insistence on certain con-

ditions. I presented a case on behalf of the Government but was not successful and, rather than miss out on anything, a comprehensive report has been prepared to be presented to the Commonwealth Government. A delay has occurred in its presentation, but payments will have to be made to the Bechtel Pacific Corporation in addition to those already made.

HAIRDRESSING SCHOOL.

Mr. CUMBE: Has the Minister of Education a reply to my recent question about establishing a hairdressers trade school at Barton Terrace, North Adelaide?

The Hon. R. R. LOVEDAY: I am aware that the Education Department owns a block of land on Barton Terrace that is being held as a possible site for a future hairdressers trade school. Although there is a need for such a school, the department has no immediate plans for the building of it, as, because of the heavy demands on its resources, other schools have had to be given a higher priority. It is not possible at this stage to say when a hairdressers trade school will be erected.

TINTINARA POLICE.

Mr. NANKIVELL: Has the Premier a reply to my question of July 13 about the advisability of permanently establishing a police station in Tintinara?

The Hon. FRANK WALSH: The erection of the police station and the stationing of a constable at Coonalpyn in preference to Tintinara followed a complete study of the policing requirements of the area. It was to a large extent influenced by the 1957 report of the Royal Commission on Local Government conducted by Mr. L. F. Johnston S.M. which was persuaded by the local council that Coonalpyn was more suitable as a district council headquarters. The council at first decided that was where its offices would be, but later transferred to Tintinara. Coonalpyn is ideally situated to police the area, which includes Tintinara, because of its central location midway between Tailem Bend and Keith. It would be impracticable to consider the erection of a police station at Tintinara and, with the present shortage of manpower and resources, plus the police requirements which are of a much higher priority, the provision of Government moneys for the purpose is not recommended, to the exclusion of more urgent police projects which have been on the waiting list for some time.

PATHOLOGICAL TESTS.

The Hon. Sir THOMAS PLAYFORD: Has the Attorney-General received a report from the Minister of Health about the cost of pathological tests at the Royal Adelaide Hospital?

The Hon. D. A. DUNSTAN: A report from the Director-General of Medical Services states that there are three points which call for reply:

- (1) The terms under which Cabinet approval was given for changing of fees for pathology services.

The instructions received at Royal Adelaide Hospital in December, 1961, were to the effect that charges were to be made for pathology tests, but that because this was a teaching hospital the scale of fees should be no higher than the Commonwealth medical benefit for such service. The fact that more tests may be ordered than would be the case in a non-teaching hospital was taken into consideration in restricting charges to amounts for which insured patients could receive refunds.

- (2) Comment regarding the ordering of a battery of tests on day of admission. The Medical Superintendent has reported as follows:

This patient is from Italy and was admitted with a fever of unknown origin. A perusal of his casenotes and discussion with the Honorary Medical Officer in charge confirms that the range of pathology and other tests performed were necessary. It is noted that concern has been expressed that some 17 tests were performed on the first day of the patient's admission. Experience has shown that it is essential for a diagnosis to be established at the very earliest opportunity in cases presenting with a fever of this type. His condition has responded to treatment and he is being followed up in outpatients.

- (3) Hardship to persons in the lower wage-earning bracket.

An invitation to those who may suffer financial hardship to seek special consideration is printed on the account form. To those patients who are not insured for medical benefits, relief from payments is invariably granted. The scale of pathology fees is equivalent to the amount of Commonwealth benefit only, and is roughly one-third of the normal full charge for such services. As the person concerned is not insured for either hospital or medical benefits and is in receipt of only \$34 a week, he would receive favourable consideration of any request for review of his account. A patient's financial position is not known when accounts are rendered, and the department must reply on an approach from the patient before

consideration can be given to any relief from the statutory scale of fees.

Having received this report today, I have now given instructions that a letter be sent to this person who lives in my district telling him to apply for remission of fees.

EUDUNDA-MORGAN RAILWAY.

Mr. FREEBAIRN: Can the Premier say whether the Government plans to close the Eudunda-Morgan railway line?

The Hon. FRANK WALSH: I will ascertain the position from the Minister of Transport, and inform the honourable member.

PUBLIC ACCOUNTS COMMITTEE.

Mr. NANKIVELL (Albert): I move:

That in the opinion of this House it is desirable that a public accounts committee be established to:

- (a) examine the accounts of the receipts and expenditure of the State and each statement and report transmitted to the Houses of Parliament by the Auditor-General, pursuant to the Audit Act, 1921-1957;
- (b) report to both Houses of Parliament, with such comment as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the committee is of the opinion that the attention of the Parliament should be directed;
- (c) report to both Houses of Parliament any alteration which the committee thinks desirable in the form of the public accounts or in the method of keeping them, or in the mode of receipt, control, issue or payment of public moneys; and
- (d) inquire into any question in connection with the public accounts which is referred to it by either House of Parliament, and to report to that House upon that question.

The idea of a public accounts committee is not new. It first came into existence in the House of Commons in 1861 and, in 1866, Gladstone, when speaking on the second reading of the Exchequer and Audits Department Bill, said that the last portion of the circle of Parliamentary control of finance remained incomplete until the Committee of Public Accounts had done its duty. "It was not until then it could fairly be said that the office of the House as the real, authoritative steward of public money had been discharged." This committee is still one of the most active and responsible bodies that serve that House. Its principal task is to see that the money voted by Parliament has been spent in accordance with Parliament's wishes. Its main function

is to ensure that the Parliamentary grants for each financial year, including supplementary grants, have been applied to the object that Parliament prescribed, and to consider the matters brought to the notice of Parliament in the reports made by the Comptroller and Auditor-General as a result of his audit. For this purpose they have the assistance of the Comptroller and Auditor-General in his capacity as an officer of the House of Commons. In practice, the Chairman of the Committee, the Comptroller and Auditor-General and the Commons Clerk to the committee work in close co-operation in formulating questions to be directed to witnesses examined by the committee. This committee functions actively, as I have said, in the House of Commons and has been responsible, through its inquiries, for bringing to light some irregularities in the accounting of various Government and semi-Government departments, some of which have been of considerable significance. I recently received a comment from an officer of the House of Commons that supported the fact that this committee was still of considerable value, part of which states:

Therefore, a lot of the value of the report is lost—

that is, the Auditor-General's Report—

unless Parliament follows up the points made in the report, and, since the points are mainly detailed ones, follow-up is more appropriate to a committee than the House itself. Even without pressure on Parliamentary time, a committee is more suitable, since the essential features of following-up the Auditor-General's Report is to bring home to the departments concerned the error of their ways; to give them a chance of defending themselves and replying to the criticisms in the report (an important point this—without a Public Accounts Committee they have no such opportunity) . . .

When charges are made against various officers of a department they do not have a chance to reply other than through a Minister. We have often heard it said that it is improper for us to criticize in this House any departmental officer, because he does not have that right of reply. However, before a public accounts committee, if any charges were brought against him, he could answer them fully. The Commonwealth Government also has a public accounts committee; it is a joint standing committee of Parliament comprising representatives of the Senate and House of Representatives. It is constituted under the Public Accounts Committee Act, 1951, and comprises 10 members of Parliament, three of whom are appointed by the Senate, and seven by the House of Representatives. Its members con-

tinue to hold office until the end of the Parliament by which they were appointed, as opposed to a Select Committee that usually lasts only for the specific period of an inquiry. The duties of the Commonwealth Government Joint Standing Committee on Public Accounts are similar to those outlined in the motion; the committee operates in the field of audit efficiency, which means that it may ask departmental officers, appearing before it more difficult and searching questions than can be asked in any other way. It also means that the committee does not accept a "yes" or "no" answer, and it expects to be informed if its deductions are correct. It is essentially investigatory and critical, its medium of action being through written reports to Parliament. I was present in the Chamber last year when this committee was inquiring into and taking evidence on the assessment of excise duties at oil refineries, breweries, wineries, match factories and distilleries. It was an interesting investigation at which not only members of the committee were present but also officers of the Auditor-General's Department and the Public Service departments of the Commonwealth. These people are permanently attached to the committee when it undertakes inquiries.

A sessional Committee of Public Accounts in Victoria is not a joint committee, but comprises seven members of the Legislative Assembly appointed by the House, with power to send for persons, papers and records, to move from place to place, and to sit on days on which the House does not meet. This committee has the same function as the committee I have suggested. A New South Wales committee is constituted by section 16 of the Audit Act, 1907, and comprises five members of the Legislative Assembly, appointed by the Assembly. Its duties are to inquire into and to report to the Legislative Assembly on questions which may have arisen in connection with public accounts and which may have been referred to the committee by a Minister of the Crown, by the Auditor-General, or by resolution of the Legislative Assembly, and on all expenditure by a Minister of the Crown made without Parliamentary sanction or appropriation.

A Tasmanian committee is set up pursuant to House of Assembly Standing Order 408A. This committee consists of seven members, of whom four shall be a quorum. It is appointed at the commencement of each Parliament for the examination of the accounts showing the appropriation of the sum granted by Parliament to meet public expenditure, and

of such other accounts laid before Parliament as the committee may think fit. It also has power (as have other committees) to send for persons, papers, and records, to report from time to time, and to sit during any adjournment exceeding 14 days, and any recess of Parliament. The move to establish such a committee in South Australia is not new. The first move was made in 1924 by the late Sir Richard Butler, who was then Mr. R. L. Butler, Leader of the Opposition. That first motion lapsed as a result of prorogation. A motion sometimes conveniently lapses as a result of prorogation.

Mr. McKee: Did he forget about it after that?

Mr. NANKIVELL: The same thing happened in 1925.

Mr. McKee: Prorogation again! He knew when to put it up.

Mr. NANKIVELL: In 1926, the motion was finally agreed to without condition, but it was not until 1933 that a Bill was introduced (when the late Sir Richard Butler became Premier), and passed the second reading in the House of Assembly without division. However, it was amended in Committee for the committee to be appointed by the Committee of the House and not by the Governor. The second reading passed the Legislative Council without division, but it finally lapsed, as the Council would approve it only if it were amended to be a joint committee. The original intention had been to have a House of Assembly committee only. In 1959, the then Leader of the Opposition (the late Mr. M. R. O'Halloran) moved a motion for the appointment of a similar committee, but his motion was negated by the House. That is the previous history of attempts made to introduce such a committee into the South Australian Parliament.

If such a committee were established, what would be its advantages? It would strengthen the status of Parliament in relation to the Executive, and it would certainly strengthen the position of private members in financial matters. It would enable proper and extensive consideration to be given to matters brought to the notice of Parliament by the Auditor-General. At present such consideration is everybody's business and, to a great extent, everybody's business is nobody's business. One only has to look through the Auditor-General's Report each year to observe the comments he makes with reference to various departments, none of which are in any way followed up, except by way of question, and to which no

answer is given to any member of the House unless the Minister (a member of the Executive) chooses to provide the information to the member and to the House. Referring to hospitals, in his 1965 Report the Auditor-General states:

In each report since 1962 comment has been made that the method of arriving at the cost of outpatients at Royal Adelaide Hospital should be reviewed. No such review has been made to date. As proper costing of outpatients is necessary to determine accurate inpatient costs, I am concerned that steps have not been taken within the department to remedy this matter . . . Attention has again been drawn to the non-charging of patients in mental hospitals other than those from other States or repatriation patients. No hospital benefits are payable by the Commonwealth for patients in mental hospitals and no pension is paid whilst in a mental hospital to an aged person who would normally qualify, nor is any contribution made on his behalf to the department by the Commonwealth. No call is made on funds held by the Public Trustee who holds property on behalf of a number of patients. These are matters drawn to the attention of the House by the Auditor-General, and the House has no way of inquiring into them or of ascertaining the correctness or otherwise of these assertions. It will not have these rights and powers unless a committee such as a public accounts committee is vested with them. Dealing with land and property purchases, the Auditor-General states:

I consider that some co-ordinating authority to deal with the purchase of land and properties should be set up by Cabinet. This matter is dealt with in a recent report to the Public Service Commissioner by the Town Planner. He suggests that, if the committee appointed in 1936 is to function adequately, its terms of reference should be completely revised with a view to providing greater co-ordination in the purchase and use of land in the metropolitan area. It should ensure that land purchases are consistent with the development plan for the metropolitan area submitted to Parliament in 1962, that all land held in the name of the Crown, Ministers or officers of the Crown by Government departments in the metropolitan area and adjacent thereto is kept under review to ensure that such land is being put to its best use and to initiate purchases to be held in the name of the Crown for future Government purposes.

Members can go back through past Auditor-Generals' Reports and find similar references to matters of finance, matters which are the property of the House and to which the attention of the House has been drawn by the Auditor-General but about which nothing further is done because of the inability of the House to complete the cycle of inquiry through the function of a committee such as a public accounts committee.

The establishment of such a committee is also justified with regard to subordinate legislation. Research made by the committee and the publication of its reports would ensure, on behalf of the House, a factual examination of such public accounts as are dealt with as a matter of inquiry and investigation by reference to this particular committee under the Act setting up this committee. Without question, this would give members who had the privilege of being appointed to the committee a wonderful insight into the finances and financial problems besetting the Treasurer of a State, and it could also result in a much better informed back bench on financially important matters. It would certainly enable greater scrutiny of, and more time to be devoted to, financial measures which, at present, are not very closely examined.

For instance, the Highways Department each year spends considerable money that is not subject to any annual Parliamentary appropriation. As members know, all this money is transferred under special Act direct to the Highways Department. In addition, there is expenditure of Loan moneys by trusts, such as the Housing Trust and the Electricity Trust of South Australia. We know that these are quasi governmental bodies but, nevertheless, they spend moneys, appropriated under the Loan Estimates, for the purposes of carrying out extensions in their departments, and there is no way in which we can query the manner in which these moneys are expended. No means exists whereby we can ascertain whether the reports we receive are correct. However, if a committee such as a public accounts committee were set up, this information would be more readily available to the committee under the terms of its reference and, through the committee's reports, to the House.

Last year I moved a similar motion but did not have the opportunity to speak on it for long, because at that stage the Government introduced a Bill that was never proceeded with. I draw the attention of members to some of the things I said on that occasion. This Parliament approved expenditure last year of \$314,964,000. Apart from the debate that takes place here concerning the Budget and the Loan Estimates, no further questioning is ever done about whether this money is spent as Parliament has directed it should be spent. This is an important matter. When a public accounts committee has been suggested previously, it has been said that it is the function of members of Parliament to make these inquiries, that it is their responsibility to investigate

these matters for themselves. Mr. Speaker, this is not possible. As I pointed out earlier, a member's only access to documents is through the consideration of the Minister; if he asks questions in this House or asks for documents to be made available to him, he can receive information or documents only if the Minister is prepared to give him this information or to produce these documents for him, and this he is not obliged to do.

Without much of this information, of course, we are considerably handicapped in discussing the matters of finance which, after all, are the fundamental basis of Parliament. The principal function of this House is to raise money through taxes and to spend money on Government projects, and we are expected to be able to analyse these financial matters clearly and concisely. However, I contend that without further information than we now receive on these matters this is not possible to do. I am at a loss to know why the Government did not proceed with this Bill last year, and I can only suggest that it was because it did not want anyone inquiring into the state of its house.

Mr. McKee: Don't be ridiculous.

Mr. NANKIVELL: Why hasn't the Government proceeded with it?

Mr. McKee: Why didn't you? You were in Government a long time.

Mr. NANKIVELL: It was never the policy of our Party, but it is set down in black and white as the policy of the Labor Party that such a committee should be established.

Mr. McKee: How does it come about that it is your policy now?

Mr. NANKIVELL: Because I am acting in this capacity as a private member. I am expressing my own thoughts on this matter and not necessarily those of other members of the Party on this side. They will be able to say whether they support this motion. I can only suggest that it was for the reason I have stated (or because it ran out of members for its committees) that the Government did not proceed with its Bill last year because, after all, it brought this Bill into the House and the Minister who introduced it said:

It has long been the policy of the present Government that there should be a Public Accounts Committee. Such committees exist in the Commonwealth and several other States. It is considered that such a committee could perform a very useful function in this State, and I accordingly commend this Bill to all honourable members.

That was as far as that Bill proceeded: it sat on the bottom of the Notice Paper.

Mr. McANANEY seconded the motion.

Mr. RYAN secured the adjournment of the debate.

MILK CONTAINERS.

Mr. McKEE (Port Pirie): I move:

That the regulations under the Food and Drugs Act, 1908-1962, in respect of labelling of milk containers with date, made on February 3, 1966, and laid on the table of this House on February 8, 1966, be disallowed.

I do so because of a decision arrived at by the Joint Committee on Subordinate Legislation. The committee reached its decision on the grounds that the regulation unduly trespasses on rights previously established by law. The Food and Drugs Act Advisory Committee has made a regulation which nullifies an existing regulation originally made by the Metropolitan Milk Board in 1959, and this creates an embarrassing situation. One of the main objects of the existing regulation, which provides for the use of a code, was to minimize pre-dating, and since its introduction pre-dating has become practically non-existent.

If the new regulation is enforced, the position will return to what it was before coding was introduced, and pre-dating would doubtless occur again. The existing regulation has been most effective and has operated very satisfactorily. This is borne out by the fact that with daily sales of milk in bottles being about 46,000 gallons, necessitating the use of about 400,000 bottles, complaints regarding the present procedure are almost negligible. In fact, during the last 12 months no complaint of this nature has been received by the Milk Board. I understand that there have been reports that the County Board had received between 12 and 15 complaints during one year. However, this seems rather strange to me, for if the County Board had received complaints regarding milk, why had it not referred them to the Milk Board? I should imagine that it would be their position to report complaints to the Milk Board so that the problem could be rectified. However, the Milk Board has had no complaints submitted to it within 12 months.

The coding system gives the information required by supervisors and others whose duty it is to ensure that milk sold to the public complies with the standard, both from mechanical and bacteriological angles, and at the same time prevents any unnecessary or undesirable complications. Now coding is a satisfactory method of dealing with the problem of carry-

ing over at treatment plants. The exact quantity of bottled milk required from day to day cannot be accurately calculated, and there must be a carry-over of milk from one day to the next, either as bulk milk or milk in bottles. This is in no way detrimental to the milk quality under present-day methods of storage.

It appears that too much emphasis has been placed on the dating of bottling. With modern methods of treatment and handling of milk, the emphasis is very definitely on quality, resulting in a longer shelf life under refrigeration. In the days prior to the introduction of coding, complaints were much more numerous because the consumer was misled as to the age of the milk. If the proposed regulation is allowed, the Metropolitan Milk Board will have no alternative but to revoke its existing regulation, otherwise treatment plants will be required to use both the code and the date on their bottle caps. This would mean the provision of new expensive dies and the scrapping of the dies provided a few years ago, and I believe this would undoubtedly lead to an increase in the price of milk.

It would appear that the proposed regulation has been introduced because the Food and Drugs Act Advisory Committee disagrees with the board's policy on this matter, and not because of any failure of the present system. The success of the present system is evidenced by the lack of complaints, whereas with dating of milk there will be a sharp increase in the number of complaints because the consumer will be date rather than quality conscious. The committee was satisfied that any person who desired to check the age of milk delivered or purchased in a shop could do so by asking the vendor what the code represented. In this way people could familiarize themselves with the code system. For instance, the Metropolitan Milk Co-operative Limited uses a dot above the letter "M" in the name "Metropolitan", and the United Co-operative Dairymen Limited uses a dot under the "U" in "United". All companies use this code in various ways, and it is an effective way of dating milk. If this regulation were not disallowed, the price of milk would increase by a halfpenny a pint, and in these days of decimal currency that would mean an extra cent for a bottle of milk. This increase is unnecessary and, as the present system is an effective way of dating milk, I move for the disallowance of this regulation.

Mr. HURST (Semaphore): I, like many others, was unaware that a code system of dating was stamped on bottle seals, and clearly

indicated to people who were interested the date the milk was bottled. However, I checked over a period of weeks, and found that it was accurate. No person gave evidence to the committee that dating would improve the quality of milk, but said that it would show only the date on which the milk was bottled.

The Hon. G. A. Bywaters: Which they can see by the code.

Mr. HURST: Of course. I believe this is an effective method, and if a change were made, many new dies would be needed, with a consequent increase in cost of milk. Dr. Dwyer said in evidence that people wanted this done and that housewives had told him they were prepared to pay the extra charge. With the change to decimal currency, this would mean an increase of one cent a bottle. The committee considered that, in the public interest, people should be encouraged to drink more milk but not at an increased price. Although Dr. Dwyer said that he had received between 12 and 15 complaints in a year, the board had not received any. This House should not agree to a regulation because of the complaints of 12 or 15 people. I support the disallowance of the regulation, because I believe that the present coding system is an effective way of dating milk bottles.

Mr. SHANNON (Onkaparinga): Under the present method of distribution of milk, it is picked up from the producer and taken to a depot. These factories have now more or less become depots at which milk immediately goes into refrigeration. It is pasteurized, refrigerated on the spot, and transported to the city by a tanker. I point out that the loss in temperature from the depot to the wholesaler's point of distribution has never been more than 1 per cent and that, frequently in the winter, no change in temperature occurs at all. The milk is kept in first-class condition right up to the time the wholesaler receives it.

Through the moral suasion of the Metropolitan Milk Board, companies interested in the wholesale distribution of milk have established small depots at which refrigeration is available. Milk is delivered in vans from those depots to places conveniently sited for the vendor to deliver it to the housewife. Refrigerated when received by the vendor, the milk is then prepared for retail distribution. As the member for Port Pirie (Mr. McKee) pointed out, no vendor can accurately estimate the consumers' requirements, for they can vary greatly. However, he takes what he considers to be sufficient for his round and any surpluses are returned to his depot and immediately

placed in refrigeration. That milk is, for all practical purposes, just as good as it was when it first left the depot for distribution. Although it may have been on the road for an hour or more, the milk has not deteriorated at all. That system has been established as a result of the work undertaken by the Metropolitan Milk Board, as opposed to the Metropolitan County Board. At present an impossible set of circumstances prevails in the distribution of retail milk, the two authorities concerned disagreeing with each other. Parliament should certainly resolve that problem and see that only one authority decides the issue. I have no two minds about which authority that should be; the Metropolitan Milk Board was established for this specific purpose.

The Hon. G. A. Bywaters: It does much of it now.

Mr. SHANNON: The quality of the milk on a farm must comply with the board's specifications and, if it does not, a farmer cannot sell milk for consumption in the metropolitan area. The wholesaler's standards (including those of his vehicle) are also fixed by the Metropolitan Milk Board. I think honourable members will realize that, if any problem existed, the Metropolitan Milk Board should have heard of it. I know that evidence was tendered to the Subordinate Legislation Committee to the effect that the board had experienced cases of stale milk being sold to consumers. If I received one bottle of stale milk the situation would stand condemned because no action has been taken against the purveyor of the stale milk in question. Almost as important is the fact that no report of the sale of stale milk has been made to the Metropolitan Milk Board whose duty it is to ensure that the milk complies with its standards. If something were wrong, surely common decency, apart from courtesy, would have dictated that the matter be reported to the board. I have spoken to Mr. Gale, the Chairman of the Metropolitan Milk Board, who said he had not heard of one complaint. I believe that the complaints reported to the Subordinate Legislation Committee concerned the sale of milk in shops, and not the sale by delivery to the door. A shopkeeper sells other commodities as well as milk, and probably has a refrigerated cabinet.

Mr. Freebairn: He has to have one.

Mr. SHANNON: He stocks the cabinet with no more milk than he estimates his daily sales will require. The producer's profit margins are fixed by the Metropolitan Milk Board and not by the Metropolitan County Board. However, I believe shopkeepers may carelessly

stock their refrigerators and may place the milk received one day in front of that received the previous day. Selling the milk as each customer asks for it, he may well finish up with stale milk. No need exists for that to happen. Mr. Gale has told me that if his board had absolute control of the matter it would be cured with one visit by one of his officers to the shop concerned. He also said that no problems were encountered with mobile vendors. A distinguishing mark on the top of the bottle will make no difference to the contents. It is the contents of the bottle that matters, and the Metropolitan Milk Board carefully ensures that milk is up to standard when bottled. I believe that few housewives will look at the top of a bottle of milk that they purchase before putting it in their shopping bags. Would a housewife know that she was purchasing milk on a Tuesday or Wednesday?

Mr. Hudson: Are you saying she would not know what day it was?

Mr. SHANNON: Many people do not know the date when filling out a cheque.

Mr. Hudson: Including me.

Mr. SHANNON: Thank goodness for that! I am glad I am not the only one. A housewife will not find out until she gets home whether she was unlucky enough to get a stale bottle of milk. This matter should be properly policed so that such a situation can never arise. I completely agree with the Metropolitan Milk Board having the sole control; I propounded that theory in 1946 when the board was established. If complaints are made, then the people making them know to whom to go. I support the motion.

Mr. FREEBAIRN (Light): As I represent a district not without some interest in dairying, I cannot let this opportunity go without making some comment. I might say that the member for Port Pirie is protecting the interests of the House in this matter because the Opposition in this House has no representation on the Subordinate Legislation Committee. This debate is of interest only because we are dealing with a milk container that will soon become obsolete anyway. The expense of collecting milk bottles and delivering them to the door of the house is being borne by housewives at present, but I think this expense will soon cease. A progressive company gathers milk from my district and, at Clare, packages the milk in a pyramid-shaped carton which, I think, it markets as Tetrapak.

Mr. Shannon: Do you know the extra cost of Tetrapak?

Mr. FREEBAIRN: The extra cost is trivial and the unit cost will become less as the company expands. At the moment, the company does not operate on a very large scale but I am sure this position will soon change. The milk is homogenized and the particles of fat are divided into smaller particles than when the good cow delivers the milk.

Mr. Quirke: Light cannot penetrate a carton.

Mr. FREEBAIRN: No, but it does penetrate bottles, and light impairs the keeping qualities of milk. Homogenized milk is not sold in the metropolitan districts. I suggest that at some future time a political science student doing a thesis on the milk industry will look back in amazement at the debate taking place today and will wonder what bottled milk was all about anyway. One of the advantages of packaged milk is that it can be deep-frozen. A person can go into a store, go to the refrigerated cabinet, as the member for Onkaparinga said, and take out a few cartons of frozen milk, which can then be taken home and put into the refrigerator.

Mr. Shannon: Do you know any store-keepers who have a deep-freeze?

Mr. FREEBAIRN: Nearly all of them.

Mr. Shannon: Most have ordinary refrigeration.

Mr. FREEBAIRN: Milk bottles and milk bottle tops will soon be a dead issue because of the excellent type of carton being used by a company that draws its milk from the Light District, which product will become more and more popular.

Mr. McKee: You're giving them a plug.

Mr. FREEBAIRN: Why shouldn't I? The excellent milk sold by the company operating at Clare is produced from contented cows grazing in the Light District, and it will soon displace bottled milk entirely.

Motion carried.

KAPUNDA BY-LAW: WRAPPING OF BREAD.

Order of the Day No. 2: Mr. McKee to move:

That by-law No. 20 of the District Council of Kapunda, in respect of wrapping of bread, made on March 23, 1965, and laid on the table of this House on February 8, 1966, be disallowed.

Mr. McKEE (Port Pirie) moved:

That this Order of the Day be read and discharged.

Order of the Day read and discharged.

TATIARA BY-LAW: ZONING.

Order of the Day No. 3: Mr. McKee to move:

That by-law No. 26 of the District Council of Tatiara, in respect of zoning, made on April 12, 1965, and laid on the table of this House on February 8, 1966, be disallowed.

Mr. McKEE (Port Pirie) moved:

That this Order of the Day be read and discharged.

Order of the Day read and discharged.

DEPARTMENT OF DEVELOPMENT.

Adjourned debate on the motion of Mr. Coumbe:

That in the opinion of this House the work of the Premier's Department in attracting new industries to this State has been ineffective, and that as a matter of urgency, and with a view to providing more energetic and vigorous promotion of industrial expansion and the exploitation of the natural resources of the State, a Department of Development, to be the sole responsibility of a Minister, be set up without delay.

(Continued from July 20. Page 592.)

The Hon. FRANK WALSH (Premier and Treasurer): Mr. Speaker, in opposing the motion I say at the outset that I very much regret that the time of this Parliament should be taken up in debating a motion such as this, which is nothing more than an attempt at political smearing. In fact it is even worse than that, because, by the very wording of the motion, it would, if passed, condemn senior public servants held in high esteem not only by most members of this House but also by leaders of commercial and industrial life in this State. True, the member for Torrens (Mr. Coumbe), at one stage in his remarks, made some attempt to exclude some of the senior officers of the Premier's Department from the condemnation of his motion, but that half-hearted apology does nothing to vary the actual words of the motion. I make it clear to the House that I deeply resent that, in an attempt by the honourable member to gain political favour, responsible public servants of this State are being smeared in this way.

No other interpretation could be given to this motion other than that it is a smear upon the public servants engaged in the Premier's Department. If the honourable member thought the Government had done nothing to establish industry in this State, then why did he not move a vote of no confidence in the Government? I have never shirked my responsibility towards staff I have had. I will defend the officers of the Premier's Department to the utmost because of their

high qualities and because of the service they have rendered to the State. I make no apology for saying that this afternoon. I think it was outrageous that such a reflection should have been made on these people.

What was the report that was brought down by the previous Government concerning decentralization? The committee responsible for the promotion of industries was given the job of ascertaining the position in this matter, and it recommended at one stage that because of the uncertainty that prevailed with the Government there was no responsible department to which approaches could be made. It made the recommendation that the Premier's Department or some other such department be set up so that representation could be made on these matters, but the previous Government failed miserably to do anything about it, and there was never a Premier's Department until the present Cabinet agreed that one should be established in the interests of industry in this State. A Premier's Department is in existence today, and if honourable members opposite are not satisfied with the Premier as the Ministerial head of that department they can move a motion of no confidence by all means, but I ask them to leave these public servants out of it.

This motion has no foundation. It is completely inaccurate to suggest that the work of the Premier's Department in attracting new industries to this State has been ineffective. Just as the honourable member's motion is inaccurate and without foundation, so were many of his remarks. He said that when the Premier's Department was set up "everybody held high hopes for it and it was presumed that it would carry on the realistic expansion programme so successfully undertaken for many years by the Playford Government." What exactly was the realistic expansion programme that the Playford Government had? The plain facts of the matter are that at the time of the last general election there was not one major industry in course of negotiation to establish in this State. The first major plant which I had the honour to open after the Government took office was the steel mill at Whyalla. The present Government has now been in office for 16 months, and every honourable member knows (and almost every member of the public realizes) that the negotiations necessary for the establishment of a substantial industry cannot be completed in a short period of time. I ask the House whether it thinks the negotiations for the steel mill were completed in a period of 16 months or even 16 years. In fact, the former Premier negotiated

for the establishment of the steel mill over almost the entire term of his office. Despite this, the honourable member for Torrens would attempt to discredit the Government when he knows full well that major industries take time to bring to fruition. One exception to this, of course, is the Chrysler project at Lonsdale. The honourable member suggested that every member knows that the negotiations for this factory were conducted by Sir Thomas Playford 10 years ago. If that were true, it would further explain how wrong the honourable member was in attempting to discredit the Premier's Department, after it had been in existence for only 16 months, when he suggested that this industry took 10 years to come to fruition.

The plain facts are, however, that the engine plant to be established at Lonsdale was not negotiated by the former Premier. The Managing Director of Chrysler Australia Limited has acknowledged that the negotiations for this plant were commenced with the present Government and the officers of the present Premier's Department, in conjunction with the South Australian Housing Trust. The final decision on this industry did not rest with the Australian management of the company; it necessitated a visit to Adelaide and a discussion on the site by an executive of the headquarters of the world organization in Geneva. I might add that had it not been for the strenuous efforts of the Premier's Department this plant could easily have been located in another State because, as the honourable member knows and has acknowledged, industrial development departments in other States are actively attempting to promote the interests of their respective States.

The mover of the motion suggested that because of his motion the Government had suddenly decided it was time to do something about the matter. He said that within two days we were told of the appointment of a Public Relations Officer in the Premier's Department. The truth of the matter is that negotiations for the appointment of a Public Relations Officer had been carried out and an announcement finally made at the Legacy Club luncheon on June 30. I think if members turn up the records they will find that the honourable member took action to have his motion put on the Notice Paper some time in the afternoon on June 30 and that it appeared on the Notice Paper on the following Tuesday. The *News*, which is published daily except Sundays, mentioned what I have already indicated. It is never possible for an officer to be appointed

overnight. In this case I explained to the House that the appointment was made after negotiation with the Public Service Commissioner. In fact, I was even challenged in this House to produce the recommendation of the permanent head of the department. Never in all my 25 years of experience in this House had such a thing previously occurred. Has this been done to try to embarrass the Government? I think the narrow-mindedness of some members of the Opposition prevents their expanding their knowledge in any direction. They seem to be suspicious, and they also play politics to the lowest, in some instances.

In his hurry to try to discredit the Government and the Premier's Department, the mover of the motion did not even bother to make himself acquainted with the position of the Premier's Department. For instance, he referred to the Industries Assistance Branch. He described it as "a section under the control of the Minister of Labour and Industry", and suggested that it "could assist in these matters particularly regarding existing industry". Once again I must state the truth of the matter. The Industries Assistance Branch has been part of the Premier's Department from the time the department was established. Once again, the honourable member suggests what he considers would be an improvement, whereas in fact this had taken place almost 16 months ago. The Industries Assistance Branch, under the leadership of the Consulting Engineer, has worked in the closest co-operation with the Secretary of the Premier's Department and the Industries Promotion and Research Officer. The Industries Assistance Branch has intensified its work in the field of decentralization. I had some experience on the Industries Development Committee. I spent several years on it, and was associated with the Consulting Engineer. Irrespective of whatever Government is in power, this State is fortunate to have an engineer of his calibre, and he has worked in the closest collaboration with all people associated with industry in this State.

Mr. McKee: This is an attempt to move a vote of no confidence in the Government.

The Hon. FRANK WALSH: If it is, the Opposition should get back on the right track. The Industries Assistance Branch has intensified its work in the field of decentralization. Its assistance to country industries has been invaluable and, in times of economic difficulties, such as the State has been experiencing over the last 18 months, many of the smaller country industries would have found themselves

in difficulties had it not been for the valuable assistance provided by this branch of the Premier's Department.

The honourable member suggested that if the Premier's Department were changed and a separate Department of Development set up, a more positive approach would be made to encourage industries to South Australia. Would the mere change in title make the work of the officers concerned more effective? Of course not. The creation and expansion of a department does not automatically mean improved results. The important thing in the promotion of industry is, first, to have the right type of officers engaged on this important work, and in South Australia, we are most fortunate in this respect. The honourable member pointed out that the Commonwealth Government and the States, with the exception of Tasmania and South Australia had a Department of Industrial Development and a Minister with that portfolio. He implied that the two Labor-governed States were not interested in development because of this. He also used statistics to suggest that South Australia was lagging behind the other States, and spoke much about unemployment in the State. Let us examine the employment situation at the end of June, 1966, as published in the news release of the Commonwealth Department of Labour and National Service. This is the latest official information on the subject from the bulletin issued by that Commonwealth department, which states:

During June the department's monthly survey of some 2,800 larger private factories, employing about 637,000 persons, showed unemployment rose by 1,380 (971 males and 409 females) or .2 per cent. In Queensland there was an increase in employment of 1,433 or 2.6 per cent. There were decreases in employment in New South Wales of 1,219 or .5 per cent, in Victoria 846 or .4 per cent, in South Australia 341, or .5 per cent, in Tasmania, 210 or .9 per cent, and in Western Australia, 187 or .7 per cent.

Much has been said of the rapid development in Western Australia under the virile guidance of a Minister of Industrial Development, and I pay a tribute to the work being done in that State. However, the figures I have quoted indicate that despite the virile activity of the Minister and his Department of Industrial Development, the decrease in the employment situation during the month of June, 1966, was .7 per cent compared with South Australia's .5 per cent. The decrease in South Australia was similar to that in New South Wales, only slightly worse than that in Victoria, and much better than in Tasmania. The honour-

able member has used statistics that he thought might bolster his argument. Let us further examine some statistics regarding factories and employment. At January 31, 1965, the total number of factories in the metropolitan area of Adelaide was 3,347, but at June 30, 1966, it had risen to 3,581. At January 31, 1965, 74,665 employees were working in the metropolitan factories, and at June 30, 1966, employment had increased to 76,397. Does this show ineffectiveness on the part of the Premier's Department? Does it show a lack of confidence by industrialists in the Government or in the future of the State?

Since March, 1965, the Premier's Department has been associated with the establishment of nine new factories; and a further 12 plants previously established in the State have continued to proceed with plans for expansion that they had in hand prior to March, 1965, and a further 13 companies have reported new expansion since July 1, 1965. These figures are not complete for the State, as is shown by the increase in the factories in the metropolitan area which I earlier reported, because there are no means available of ascertaining the exact figures. They are merely projects known to the Premier's Department to be operating. I shall not mention the names of the firms concerned because it is not proper that the business of private companies should be bandied in debate in this Parliament and I will not do it. One interstate industrialist recently informed me that if it had not been for the assistance given by the officers of the Premier's Department and the South Australian Housing Trust, his company would not have been able to make an appreciation of all the factors involved in a way which would have enabled it to proceed with its plan to establish a new factory. The information prepared by the Premier's Department was not available to normal consultants, nor could it be presented in a way in which one could be sure it was not slanted.

The honourable member said much about unemployment in South Australia. Every Government member is most concerned at any unemployment in this State. I remind the House that the Government's assessment of the economic situation was such that, shortly after taking office and at a meeting of the Loan Council held in Canberra, I stressed the urgent need for the Commonwealth Government to take steps to avoid this situation, which was clearly showing its head at that time, and I had the support of every other State Premier. However, the Prime Minister and the Commonwealth

Treasurer, members of the same political Party as the mover of this motion, were not prepared to accede to my request and the request of the other State Premiers. The Commonwealth Government clearly under-estimated the ability of the Loan market to support an expanded programme of Loan works, and it clearly under-estimated the resources of the country. That is one of the reasons for the unemployment that exists today.

My opinion of the position in regard to Commonwealth Government buildings is that the Commonwealth Government is spending as much money this year, as it spent 12 months earlier, but the unfortunate position is that the money is being spent in other States and not in South Australia. Were we to receive a reasonable percentage quota of the amount that is spent annually, it would not only assist the employment position in this State but it would stabilize employment in the building industry. Speaking of Commonwealth buildings, I believe this State is really entitled to have its proportion of Commonwealth expenditure on buildings stepped up. Members have already suggested by questions the need for a permanent terminal building at the Adelaide Airport. If the money spent on leasing office accommodation by the Commonwealth Government in buildings, such as the Advertiser building, Da Costa building and the National Mutual Life Assurance building, were devoted to permanent buildings, it would greatly assist the position. The Commonwealth Government has large areas of property in Currie Street which should be used for the building of Commonwealth offices.

Much has been said about unemployment, but I do not need to refer to the records of the Housing Trust to say how much it is doing for the building industry. Private enterprise, too, is doing as much as it can from the point of view of lending institutions (of which there are few). If the Commonwealth Government were to realize just how much was spent on the leasing of buildings and allocated the sum involved to the States, South Australia would be much better off, and I doubt whether any unemployment would exist in our building industry. The member for Torrens made particular mention of unemployment in the housing industry. The trend in the housing industry was apparent at the 1965 meeting of the Loan Council, when I laid particular stress on the need for urgent steps to be taken to avoid the present situation. Again, in March of this year, I presented a strong case to the Conference of

Housing Ministers, and it was only at that stage that the Commonwealth Government, through the Commonwealth Minister for Housing, recognized the situation of this industry and increased its allocation under the Commonwealth-State Housing Agreement, the South Australian share of which was an extra \$1,000,000.

Much, too, has been said about tradesmen leaving the State, but they are not isolated, for I remember that when I worked as a stonemason I left South Australia to go to New South Wales because of insufficient employment in this State. When additions to Parliament House were being undertaken, at the same time as the Australian Mutual Provident Society building in King William Street was being erected, not enough stonemasons could be obtained. Men in those days were no different from men today; if insufficient work is available, and employment exists elsewhere, the work force will follow that employment. I hope we can arrest the problem created by the exit of tradesmen from South Australia to other States, and that the Commonwealth Government will change its policy, so that the States will receive more money for the building industry. Added to the lack of appreciation by the Commonwealth Government was, of course, the severe drought that created a national calamity throughout large areas of Australia. The States of New South Wales and Queensland were particularly affected by this drought, in addition to our own State.

Victoria was affected to a lesser extent than New South Wales was. South Australia not only suffered the effect of the drought in its own area but it has also had to cope with the effect that the drought in the Eastern States has had upon our manufacturing industries. The agricultural implement industry was immediately affected by the drought. The economic recession in the Eastern States, caused by the drought conditions, had a marked effect on the market for the appliance industry, and there is no need for me to repeat the fact that the strength of the appliance industry in this State is such that much of its market comprises the population in the Eastern States of Australia. Had the Government and the Premier's Department not been as effective as they have been in the promotion of industry, the employment situation in South Australia would be much worse than it is today. More unemployment would have occurred but for the continuous efforts of the Premier's Department as well as those of the Housing Trust

which has the land at its disposal and the ability to build houses and shops for the benefit of people settling in new areas.

To show that South Australia has not lagged in regard to employment, I quote the figures regarding wage and salary earners in civilian employment issued by the Commonwealth Bureau of Census and Statistics, and published on July 19 this year. The figures covered the situation at the end of May this year. They show that in comparison with the figures at the end of February, 1965, the increase in employment in South Australia was 3.6 per cent. New South Wales and Victoria, with their Departments of Industrial Development, showed a lesser percentage increase of 3.4 and 2.5 per cent respectively. The figures for Queensland showed an increase of 4.3 per cent but this figure must be disregarded because the February, 1965 figures are not a proper comparison, as they were effected by the unfortunate strike at Mount Isa mines. Tasmania, without a Minister of Development, recorded a 3.7 per cent increase, and only Western Australia with a 7.8 per cent increase was largely in advance of the South Australian situation.

Much has been made of the fact that the only major new industry announced by the Government since it took office was that of the Chrysler plant to be erected at Lonsdale. Let me assure the House that apart from the numerous small industries that have been negotiated and publicly announced since the Government took office, negotiations are proceeding favourably for a number of other important undertakings. However, Mr. Speaker, I wish to assure the House also that it is not the policy of the Labor Government to make announcements regarding industries until final decisions have been made by the organizations concerned. There will be no major public announcements of the type which we experienced under the former Government, of projects that did not eventuate. I do not need to name any particular projects, but all members can readily recall instances of this nature. I have said what the Premier's Department, with the assistance of the Housing Trust, has done for industry. Members can take it for granted that the department is complete and operative. We have made no airy-fairy references to some deep sea port near Mount Gambier or to big industrial plants being established here. When I say, on behalf of the Government, that in the interests of the State a certain project will be established, then it will be established. I shall reaffirm now

that next Friday at 11.30 a.m. I have been invited by Chrysler Australia Limited to attend a ceremony at Lonsdale, near the oil refinery at Christies Beach, where I shall take part in the turning of the first sod on the site of this project. I announced this project early in the year, just before I left on my oversea trip, and now it has come to fruition. For several weeks the company has been conducting surveys that will enable it to commence operating with large equipment next Friday towards the establishment of this plant.

Mr. Speaker, I strongly oppose the motion and, even at this late stage, I am not without hope that the honourable member who moved it will realize that in doing so he has done a great disservice to the State in attempting to create an air of gloom for which there is no foundation. I hope his realization of these facts will cause him to withdraw the motion in the interests of the prosperity of the State.

Mr. McANANEY (Stirling): We have just heard a stirring attack on the motion by the Premier. He claims that the Opposition is trying to create a lack of confidence amongst people in South Australia. That is definitely incorrect. All the Opposition is trying to do is to stress the fact that the economy has slowed down since the Labor Government took office, and we are trying to assist the Government in any way we can. The Labor Party is not experienced in Government or business administration.

The Hon. R. R. Loveday: That's today's funny story.

Members interjecting:

Mr. McANANEY: The Minister had his little say last night. I was courteous enough to let him make his speech, but had I known he was so worked up and was going to make such a spectacle of himself I would not have allowed him to make the disparaging remarks he made. I am sorry I gave him the opportunity to talk such a lot of rubbish. The Premier said that the motion was an attack on public servants. However, when I attack anybody I attack the man at the top: I do not attack the office boy for not doing his job. That is more or less what the Premier said we were doing, but we are tackling the man at the top, not those under his control. In any department, surely it is the Minister who should be criticized when something goes wrong and not the public servants under him.

The Hon. G. G. Pearson: He should have been man enough to take it, too.

Mr. McANANEY: The man at the top is the man responsible for a department. The Government, lacking experience, relies too much on public servants. It has set up committees of inquiry, most of the members of which are public servants. I have great admiration for public servants, and since I have been a member of Parliament I have learned to respect and admire them much more than I did when I was, perhaps, too critical of them, because I was looking from the outside. Public servants are well trained and generally well educated but perhaps they lack a little of the business experience that is obtained outside the service. The Minister of Works is smiling. His department inquired into an effluent scheme at Bolivar. From various departments, five or six public servants were appointed to a committee of inquiry (one or two were from the Agriculture Department), which brought down a report. However, was there one man on that committee who had had practical experience in irrigation? Perhaps the Minister will refer to Mr. Judd.

The Hon. C. D. Hutchens: Do you know who appointed that committee?

Mr. McANANEY: The Minister might have me here if the committee was appointed before the Government came into office. However, I still make the point that the Government cannot rely on public servants always to bring down a practical proposal. In one case a department said that a fence would cost \$750 a mile. I could not stay in farming if it cost me that much to put up a mile of fencing. The same thing applies to pipes. Recently I put in a mile of fibrolite piping which I did for half of what it would have cost the department. To determine the economics of the irrigation scheme at Bolivar, the Government did not have one person on the committee who had actually irrigated pastures.

The Hon. C. D. Hutchens: I presume you're telling me that I should have sacked this committee when I came into office.

Mr. McANANEY: I am a fair-minded person. If the Government of which I was a member appointed this committee then I still say it was wrong. As I said before, the Premier is responsible for his department. Only a fortnight ago, he said in this House that he was overworked and could not cope with his various duties. I do not criticize him for that; certainly he has too much to do. He must supervise reports from various officers and keep control of and close contact with his department. Also, he has a heavy social programme and must be Leader in the House;

all these duties are beyond the capacity of one person. It would be far better if there were a Minister of Development, with more time to spare, who could interview people from overseas and from other States who were interested in establishing a new industry in this State. Surely it would be better for those people to see such a Minister than to have public servants of the department inquire into these matters. If we had such a Minister, there would be a much better chance of getting industries than there is when public servants meet the people concerned. In those circumstances I do not think there would be the same chance of getting an industry. The Premier said that it takes a long time to get an industry, and he instanced the 10 years it took to get the steel mill at Whyalla. However, I point out that first it is necessary for such an industry to develop, and that Whyalla would never have got the steel mill if the blast furnace and other ancillaries had not been developed first. Naturally, it took a long time to work up to the time when a steel mill became an economic proposition, because for one thing it had to be established that the back-loading of ships from Newcastle to Whyalla was practicable.

The Premier is now trying to tell us that the Government got these new Chrysler works almost overnight. Would he have been able to negotiate at all if it had not been for the work of the previous Premier in getting Chrysler to develop its new factory at Tonsley Park? If that first step had not been taken, this second step would never have eventuated. Therefore, the establishment of this industry has also taken a long time. It was the preliminary investigation to attract the Chrysler organization to Tonsley Park that enabled the final extension of this work. In fact, if one were talking of the extent of the earlier negotiations in baseball parlance, one would say that the home plate had almost been reached.

The Premier said that he had never seen such narrow-mindedness and low politics as he had seen from the Opposition. Well, when I first came into Parliament the then Opposition said that if it got into power it would exempt Eyre Peninsula from the road maintenance tax. The present Minister of Education stamped around the peninsula saying that that is what he would do, yet I recall that he was emphatically informed by the Premier of the day that he had an opinion from the Crown Law Office that it was not possible to do that.

The Hon. B. H. Teusner: That wasn't playing politics!

Mr. McANANEY: The Premier says that the Opposition is playing politics now. Well, we certainly had an Opposition from whom we could learn well. I say that we have not got down to the level reached by the present Government when it was in Opposition. The Premier has tried to prove that the slackening down that is evident in South Australia is general throughout Australia, but facts and figures show that it is much greater here than in other States. It is the lack of confidence in the Government and the various actions it has taken that is responsible for this slackening down. I have recently examined the employment figures, and I cannot find how the Premier arrives at his statement that there has been a greater percentage increase in employment in South Australia than elsewhere. I have figures here going back three years showing the excess of male applicants registered for employment over vacancies. This list shows that, in 1963, New South Wales had a large excess of unemployed people over job vacancies, but it has improved its position considerably. I will not be cruel and say that it is because that State now has a Liberal Government: I merely indicate that the position there has been much improved over recent years. For 90 per cent of that time South Australia had more vacancies than there were registered unemployed persons, but the position has now changed entirely and we have many more unemployed people than there are job vacancies. From being the best State in Australia we are now very much worse than any other State in terms of an excess of registrations for unemployment over vacancies available.

The Premier blames this state of affairs on certain factors, and he said that one factor was the unemployment in the agricultural implements industry. Victoria, with Massey-Ferguson and Ford, is by far the biggest manufacturer of agricultural implements. We have a factory at Mannum. I do not know the employment figures there, but I know that most of the unemployment is in the metropolitan area: unemployment has not increased very much in the country. It has also been said that we have been through a period of comparative drought. However, our grain harvest was the fourth highest on record. I admit that slightly less income was earned from grain in South Australia during the last year, but we had a record wool clip and we are carrying more sheep now than we have ever carried. The extra amount we receive

from wool will more than counterbalance the loss on grain, so how we can tie in the drought with the conditions that exist in South Australia today, I cannot imagine.

Railway revenue was very slightly down on the estimates, mainly because of the record wheat harvest from the previous year, which meant that much of that wheat was carried in the June-December period of 1965, thus keeping rail revenue up to a reasonable amount. I think where we will run into a loss of revenue is in the next six months, because with the slightly smaller harvest there possibly will not be the same degree of export in that period. I do not think we can blame the drought in any way for this slackening off in business activity in South Australia. In discussing the slackening off in the building trade, the member for Unley (Mr. Langley) said it was due to the fine weather.

Mr. Langley: I didn't say that. You read the speech.

Mr. McANANEY: I point out that for no month were as many houses built as had been built in the corresponding month of the previous year. I think the Premier also claimed that there had been unemployment in the building industry because not as many bricks were now being used in the tall buildings, that more steel and iron window frames were being used and that aluminium was also being used. I point out that that has been a steady process and that it has been going on for years. Surely somebody else must produce those things, thus employing at least as much labour as would be used in making and laying bricks. The member for Glenelg (Mr. Hudson) claimed that this slowing down in South Australia was caused solely by action that had been taken by the Commonwealth Government. It has always been the tendency for members opposite to blame someone else if things slow down. In this motion we are not showing a lack of confidence in this State: we are merely emphasizing to the Government that this situation exists and that it should do more to improve conditions and endeavour to build up confidence.

The member for Glenelg (Mr. Hudson) gave figures relating to the transfer in 1964 by the Commonwealth Government of certain moneys into the Statutory Reserve Fund, and said that that was responsible for the present position in this State, yet in that year the Commonwealth Treasurer was commended over the Treasurers of many other countries for the satisfactory way he had handled Australia's finances. The recession had been ironed out

and unemployment had been arrested, producing the ideal situation.

The member for Unley (Mr. Langley) criticized the daily press recently, but he cannot say that the *Australian* is anti-Labor, as about a month ago that paper told us what the Labor Government had achieved and gave a glowing report, which was not strictly correct. The Commonwealth Government is blamed for the recession in this State, yet the recession is peculiar to South Australia. The *Australian* described conditions in Australia, and said that employment had been increasing rapidly. It stated that last year 90,200 more people were engaged in employment in Australia than in the previous year, yet in that period only 6,000 more were employed in South Australia. That is only one in 15, which is a small percentage compared with our population percentage of 9 per cent. The figures quoted right through this article show that our figures are lower than those of other States. The article stated:

Expenditure other than on stocks rose quite well—by more than 8 per cent. This was, of course, made up of the moderate increase of 5 per cent in consumption spending and the much faster increase of 14 per cent in other forms of expenditure taken together. As to employment, the survey of 12 months ago did some speculative figuring. It thought that local increase and new migrant workers might together add about 120,000 to the work force in that year.

Recently, the Premier claimed that there had been a substantial increase in population in this State in 1965. He said:

In 1964, 15,839 British nationals arrived in this State, and in 1965 the total increased to 18,269. For 1963, the total of British nationals, non-British nationals and other settlers was 13,112; for 1964, it was 19,985; and for 1965 it was 22,567.

On looking up statistics for 1965 I found that South Australia's population had increased by 19,967 but, as 12,103 represented the natural increase, only 7,864 migrants had arrived here. I cannot reconcile that with the Premier's claim. If the number mentioned by him came here, about 15,000 must have left the State to seek employment elsewhere or because they were dissatisfied. The Premier said there had been a slowing down because no overtime was being worked. However, the Australian overtime average in the last six months was 2.8 hours a week and the South Australian average was 3.2 hours, so that statement is not correct.

Mr. McKee: You are working overtime now trying to establish a case.

Mr. McANANEY: I do not have to work hard to prove that this State has slowed down and there has been an increase in unemployment. In the 12 months before the Government assumed office, 17,900 extra people were engaged in employment. In the Commonwealth Government's employ in the year 1964-65, 400 extra people were employed, and, in 1965-66, 600 more were employed. The Premier claimed that the Commonwealth Government had done nothing, but the true fact was that it employed more people. In a broadcast last Friday the Premier said he had kept up employment. In the 12 months before he took office, 1,500 more people were employed by the State Government than in the previous year, but in the first year of office the Government employed only 500 extra.

Mr. McKee: Tell us about the Commonwealth Government's credit squeeze!

Mr. McANANEY: Everybody knows that was a mistake, but anybody can make a mistake. Since that has occurred, the Commonwealth Government has done a good job, as the *Australian* acknowledges. A neutral observer said that Australia was the best run country in the world.

Mr. McKee: Do you agree with that?

Mr. McANANEY: I certainly do.

Mr. McKee: What are you grizzling about?

Mr. McANANEY: I admit that a mistake was made in 1961, and nobody regrets it more than I, but, if one learns by and corrects one's mistakes, one is getting somewhere. We are trying to teach the Government now. It has run this State down, and we are doing our best to get it out of a mess.

Mr. McKee: See Mr. Holt and see if you can get any more money!

Mr. McANANEY: I do not have to run to daddy to get my pocket money. I can get myself out of trouble. The Government is in trouble, and we are trying to help it, but Government members say we are trying to abuse them.

Mr. McKee: You are amusing us!

Mr. McANANEY: The State has been let run down, and it will need a lot of winding up. I will come back to the point I was making about unemployment. We increased our State employment figures by 1,500 in the last year that we were in Government. The best that the present Government can do is 500 a year. For the 12 months previously, private industry increased its employment by 15,900, whereas during the first year of this Government the increase has been only 3,600. What is more important, in industry, during the

12 months prior to the present Government's taking office, 7,800 extra people were employed in this State, while during the 12 months this Government has been in office the increase has been a mere 200. Perhaps the member for Port Pirie (Mr. McKee), who was trying to be so helpful just now, could indicate to me how we could better that increase now that the officers of the Premier's Department are working like tigers. The honourable member is very quiet now. He was interjecting strongly just now.

Mr. McKee: I know how it has arisen—don't worry about that! You will not tell us how it has arisen. You should put the blame in the right place.

Mr. McANANEY: We have answered every question that has been put up; you tell me the rest of it.

The Hon. C. D. Hutchens: It is the un-Australian attitude of the Opposition.

Mr. McANANEY: Can you tell us what that un-Australian attitude is? The State's economy has run down; there is unemployment. I was unemployed in 1931 or 1932, when a Labor Government was in office. I know what it feels like to be unemployed. The first money I earned when I left school was by getting up at 4 a.m., riding a horse up to the Mile End yards, then driving a mob of cattle from those yards down to the Reedbeds, more or less through open paddocks; there was no industry or anything else. I earned 5s. for about five hours' work. Then we had 32 years of Liberal Government, and that whole area has been transformed: now there are houses everywhere. We used to paddle up the street every time there was a flood. The then Government put in a drainage scheme through the Reedbeds and now, instead of going through water, one can use a lovely highway there. Tremendous progress has been made there, and nobody is more worried about the present unemployment position than anyone who has lived through the early 1930's and has had to suffer the indignity of unemployment. This lack of confidence in South Australia arises from the actions of the present Government. It says it wants to do certain things, that it wants to spend much money and that, in order to be able to do that, first it must increase taxation. But that will increase costs, thus creating a lack of confidence in industry, whereas we should try to increase our ability to send goods overseas.

Last year members opposite said, "We shall raise taxation to the level of that operating in the other States." We cannot afford to do that, for instance, with this freight discrimina-

tion. Even today, the Premier said that freight was a big item in the price of domestic appliances. That is what has happened in this State. Now, instead of the Government's saying that our taxation should be up to the level of that operating in other States, it comes along with a Bill and says, "We have really broken through the sound barrier now. Our land taxes will be the highest in Australia."

Mr. Langley: Are they?

Mr. McANANEY: The Government's policy is having the effect of slowing down industry in this State. Admittedly, there is at present a slight slowing down of the Australian economy. So far, it has not been very big but it is definitely worse in South Australia than elsewhere. Many solutions are suggested for this slight recession or slowing down. We are particularly interested in the motor industry in this State. One reason why there is not a bigger demand for motor cars at present is that people, instead of hopping in and buying cars now because it is anticipated that the sales tax will increase, are refraining from doing so because it is now stated that there is a possibility of a reduction in the sales tax on cars. This means that people are not buying them as quickly as they might otherwise.

Members opposite have said that we on this side are acting destructively about these things, but we shall try to indulge in constructive thinking. I have been trying to be constructive in deciding on the correct line to adopt. During the debate on the Address in Reply I said that we should try to keep this finely adjusted balance of the economy. We are proud of our Commonwealth Government and the way it learned its lesson in the 1961 credit squeeze; it has evened out conditions well. If we are trying to keep the economy of the country finely balanced, we cannot do it by altering indirect taxation, because we then get a slowing down as we are not sure what the Commonwealth Government will do. Something has to be done to try to get us out of the slight recession in Australia—slight compared with the bigger one we had some years ago. However, this is not the right way to do it. For once, I agree with the member for Glenelg (Mr. Hudson) when he says that putting money into a statutory reserve does not mean that you can determine how much you can put out. But I disagree when he says that in 1964 it was wrong to take some purchasing power from the economy, because, if that had not been done, prices would have soared and inflation would inevitably have followed. During this period of

expansion the general cost structure has risen only 9 per cent, because of the control operating at that stage; but this is too slow. Money is withheld and, when it is decided to let it out, it takes some months for it to circulate through the banks to the people who want to start building houses. The process is too slow. If the Commonwealth Government reduced income tax the result would be too slow for the increased purchasing power to create a demand for goods that would overcome the present slight recession. With a decline the Commonwealth Government should continue its normal expenditure from Loan Council allocation and tax reimbursements, but should not float long-term loans. It did so in May, but the loans were not fully subscribed because of the lack of surplus money. If the Government had not borrowed in May, the money would have stayed in the savings banks, and money would have been available to build houses. This may not have helped South Australia because our position was so much worse than other States, but the overall situation in Australia could have been adjusted by long-term borrowing.

People must have confidence in order to borrow money from a bank. During the depression I worked in a bank and, at times, money was available for lending but there was no confidence in the ability of industry to thrive. People did not borrow money to build new houses, new industries, or to buy farm machinery: they borrowed money merely to pay interest on loans they already had. It is confidence that is necessary to make industry work to take up the slack in private employment. Last week the Premier asked what he could do about private employment. It is the responsibility of a Government, particularly a Liberal Government (Labor Governments hope to solve their problems by socialization and redistribution of goods available), to create conditions under which private industry can exist with confidence. That is what is lacking in this State at present. I ask leave to continue my remarks.

Leave granted; debate adjourned.

ROAD TRAFFIC ACT AMENDMENT BILL.

Second reading.

Mr. MILLHOUSE (Mitcham): I move:

That this Bill be now read a second time.

This is a simple and short Bill, its object being to make clear that the rule obliging a motorist to give right of way at an intersection also applies to a junction. By inadvertence during last session, the words "or

junction" were not inserted in the re-drawing of section 63 of the Act. For some reason we altered the wording of the right-of-way rule, which had always, in my view, been entirely satisfactory. The old wording was as follows:

The driver of a vehicle approaching an intersection or junction shall give right of way to any other vehicle approaching the intersection or junction from the right.

That was short and clear, but unfortunately when the Bill came to us the wording had been considerably altered, and provided:

Subject to section 64 of this Act when a vehicle has entered or is approaching an intersection from a carriageway and there is a danger of a collision with a vehicle which has entered or is approaching the intersection from another carriageway the driver who has the other vehicle on his right shall give way to the driver of that other vehicle.

This stated the same rule in more than twice the number of words, without getting anywhere.

Mr. Quirke: And did not clarify it at all.

Mr. MILLHOUSE: No, it was less clear than it had been before.

The Hon. Sir Thomas Playford: More confusing!

Mr. MILLHOUSE: Yes, although it was not confusing before.

The Hon. B. H. Teusner: Confusion worse confounded!

Mr. MILLHOUSE: Of course. Unfortunately the words "or junction" were omitted although the marginal note stated "right of way at intersections and junctions". This was not discovered by any member of Parliament, although there is some doubt whether the Government was told about this. It was not generally known until it was too late to do anything about it after the House had finished sitting. It was so important to have the law clear, that the House should have been recalled to put it right. I remind members that not only does this section create a responsibility under the criminal law (not only is it an offence not to observe it), but it affects civil rights and claims, and this can be a matter of great moment to individuals. The Government did not alter this Act, so I have taken the first opportunity to correct what is little more than a clerical error but which is of great importance in the law of this State, and could be of great importance to individuals who may have to prosecute claims. The only reason I can give for members missing this obvious omission is that a member of Parliament, when looking at a Bill, looks at these matters rather differently from the way a lawyer looks at them when he has a specific case before him. It is then one sees the

defects in legislation that are extremely difficult to see at other times. I have made clear what I aim to do in this Bill: it is to add the words "or junction" after "intersection" in section 63 of the Act, so that it will provide:

Subject to section 64 of this Act when a vehicle has entered or is approaching an intersection or junction from a carriageway and there is a danger of a collision with a vehicle which has entered or is approaching the intersection or junction from another carriageway the driver who has the other vehicle on his right shall give way to the driver of that other vehicle.

It is plain, simple, and obviously not controversial. Had this omission been detected at the time other amendments were made, the words "or junction" would have been inserted. I emphasize the degree of urgency of this Bill. It is important that the omission be put right at the earliest opportunity, so that I am confident that, because of its simplicity, its non-controversial nature, and its urgency, the Government will not oppose it, and that the Minister in charge will let it go through tonight.

The Hon. J. D. CORCORAN secured the adjournment of the debate.

POLICE REGULATION ACT AMENDMENT BILL.

Received from the Legislative Council and read a first time.

SUPERANNUATION ACT AMENDMENT BILL.

Second reading.

The Hon. FRANK WALSH (Premier and Treasurer): I move:

That this Bill be now read a second time.

Its principal object is to provide for the payment of superannuation benefits to persons in the Public Service upon retirement at 60 years in the case of males and 55 years in the case of females. Such a provision has existed for a number of years in the Commonwealth Public Service and applies in most of the other State services. It is the Government's policy to bring conditions in the South Australian State service into line in this respect with those obtaining in the Commonwealth and most of the States, a policy which, I believe, is shared by members of the Opposition.

The new provision is made by clause 6 of the present Bill, which inserts a new section 75d into the principal Act. Subsection (1) of that section makes provision for new con-

tributors to elect to contribute for a pension upon retirement at 60 or in the case of females 55. Subsection (2) makes the necessary provision for those persons who are contributing at rates based on 65 or 60. In such a case, if the contributor elects for earlier retirement the board makes actuarial adjustment in the rates payable in respect of units being currently contributed for while additional units are based upon the new scales set out in new Schedules XIII and XIV inserted in the principal Act by clause 7 of the Bill. Subsections (3) and (4) of the new section make the necessary consequential provisions.

New subsection (5) provides for contributors who have been contributing at the old rates and who elect on or after reaching the age of 60 or in the case of females 55 to contribute by way of a lump sum for a full pension upon retirement before 65 or 60 as the case may be. This provision is necessary, as in the case of older persons it would be practically impossible for them to make the necessary fortnightly contributions during the last few years of their service out of their current salaries.

To summarize, the Bill will enable persons on joining the service to elect for earlier retirement, will enable existing members to elect for earlier retirement by an adjustment of their contributions and will also enable older persons to elect on or after attaining the age of 60 in the case of males or, in the case of females, 55, upon payment of a lump sum to be actuarially calculated.

In connection with the optional earlier retirement provisions, I draw attention to the amendment made by paragraph (c) of clause 5 of the Bill. The Act and the new section inserted by the present Bill both require at least 10 years in the service before a contributor becomes entitled to any pension at all. It does not make any provision in respect of persons who have transferred from the Commonwealth or another State service to count their years in that service towards the 10 years' qualification.

Hitherto this position may not have been of tremendous importance since it is not usual for persons to transfer after the age of 55 years and in any event some provision was made by section 34 of the principal Act for the Public Service Commissioner to certify that an employee be exempted from the 10 years' service requirement, but such a certificate would be given at the commencement of the State service. Now that provision is being made for retirement at the age of 60 or in the case of

females 55 on pension it will be seen that the requirement of 10 years' service becomes more relevant and the amendment is accordingly introduced in the present Bill.

The other amendment made by the Bill is made by clause 5 (b). For some years the Government has followed the practice of not allowing a contributor to take up additional units in respect of additional salary or wages through temporary appointment to an acting position. The opinion has, however, been expressed that such exclusion, which was earlier believed to be in accordance with the Act, may not be so. The words proposed to be included in the definition of "salary", which have been taken from the Victorian Act, will exclude cases of temporarily acting in a higher capacity but will permit an officer to contribute for increased superannuation if the officer can satisfy the board that his increased salary is likely to be other than temporary.

The amendments providing for earlier optional retirement will come into force on a day to be proclaimed; this will enable the necessary administrative provisions to be prepared. The amendment made by clause 5 (b) will come into force on the day of assent. These matters are provided for by clause 3 of the Bill. People have stated in letters to the press that the present Government intends to retire people from industry at an earlier age. However, it is entirely false to say that. It was stated, in the House last year and in the policy speech, that the Government intended to make necessary provisions regarding superannuation by amending legislation, but pressure of work has prevented our fully considering the matter earlier. However, I have conferred with the Superannuation Committee, which represents contributors to the scheme, and the members of that committee are extremely capable people. The main purpose of this Bill is to give effect to representations made, particularly by that committee. Perhaps because of ill-health a female, who ordinarily retires at the age of 60, may wish to retire some time after reaching 55 and before she is 60. This Bill will enable her to apply to pay the sum that she would pay had she not retired, and thereby entitle her to retire before the age of 60 but also to continue to benefit from the fund.

It is not a question of merely introducing an early retiring age but of providing the benefit of an early retirement, according to the needs of the person concerned. The Government is trying to provide for individual cases similar to cases that are occurring at present.

I assure the House that, in attending conferences on the matter with representatives of the Superannuation Committee, I have tried to meet their convenience in every way; I have arranged to meet them in the evening so that they will lose no time from their employment, and I have endeavoured to allow them sufficient time to prepare submissions and to discuss them fully with Government representatives on the Superannuation Board. I commend the Bill to the House and hope that it will receive the necessary support to enable contributors to the Superannuation Fund to receive this entitlement if they wish.

Mrs. STEELE secured the adjournment of the debate.

DRIED FRUITS ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from July 14. Page 491.)

Mr. FREEBAIRN (Light): I support the Bill. In making amendments to the present Dried Fruits Act, the Bill contains one important amendment, namely an alteration to the present levy paid for each pound of dried fruit, which finances the administration of the Dried Fruits Board, and which will enable the board to charge \$1.20 for each ton of produce, an increase of about 20c a ton. A second amendment will enable the board to strike a different rate of levy between dried tree fruits and other dried fruits. Section 10 (2) of the Act provides that the No. 1 district shall comprise all land within a distance of 15 miles of either side of the Murray River in South Australia between Murray Bridge and the South Australian and New South Wales border, section 10 (3) providing that the No. 2 district shall comprise the rest of the State. The Dried Fruits Board comprises three grower-elected members, two representing the irrigated Murray River district and one representing the rest of South Australia. In drawing the attention of the House to the 36th Report of the Dried Fruits Board, I ask it to bear in mind that the annual contribution determined by the Dried Fruits Board is much less than the maximum it is entitled to determine. The report, under the heading of "Finance", states:

The rate of annual contribution was reduced by 6d. to 7s. a ton. Final production was higher than that estimated, while expenditure was contained within the board's budget. The final result was a surplus for the year of £1,304. The board is therefore able to function on a small margin, for which I commend it. A feature of the board's powers is that it can restrict the quota of dried fruit released on to

the Australian market, which has the effect of ensuring that no surplus dried fruit can enter the market, and which allows the board to maintain a price for dried fruit in Australia that will return a reasonable income to the fruitgrowers concerned. That is a worthy power, considering this country's high cost structure.

Mr. Curren: There is a Commonwealth agreement.

Mr. FREEBAIRN: Yes. The South Australian legislation is merely complementary to legislation enacted by the Commonwealth Government and other States. It is worth reminding the House of the way the board fixes local quotas.

[Sitting suspended from 6 to 7.30 p.m.]

Mr. FREEBAIRN: Under the heading "Quotas", the board's report states:

In accordance with an agreement between the boards of all producing States the quotas of the 1964 season for Australian dried fruit production released for the home market were:

Vine Fruits:	Tons.
Currants . . . 37 per cent, releasing	4,201
Sultanas . . . 16 per cent, releasing	13,547
Raisins . . . 46 per cent, releasing	3,710
Tree Fruits:	
Prunes . . . 45 per cent, releasing	2,163

Under the heading "Exports", the report states:

The Commonwealth Dried Fruits Control Board has supplied the following particulars of exports of dried vine fruits for the season: I shall not go through the various importing countries' quotas, but for the year 1964 the total currant exports were 7,084 tons; the total exports of sultanas were 70,668 tons; and the total exports of raisins were 3,900 tons. I have quoted these figures to indicate the general state of dried fruits marketing arrangements in this country and to indicate the problems that face the Dried Fruits Board. The report shows the production of dried apricots in Australia and the South Australian sales. The pack of dried apricots in Australia was 2,491 tons; 1,348 tons were exported; South Australian sales were 295 tons; and interstate sales were 817 tons. It is interesting to note that South Australia is responsible for almost the total production of dried apricots in the Commonwealth. In the 1964 season, which was not dissimilar from previous seasons, 2,491 tons of dried apricots were marketed in South Australia and the total Commonwealth production was only 7 tons more.

I wish to go back over the history of the dried fruits marketing arrangements to give the House some idea of the circumstances that

caused the Dried Fruits Board to be instituted after the First World War. I shall refer to the debate on the Dried Fruits Bill in 1924, as this was the first measure of this kind introduced in South Australia. The then Minister of Agriculture (Hon. Mr. Butterfield) spoke in the debate.

The Hon. G. A. Bywaters: That was a long time ago.

Mr. FREEBAIRN: Yes, but it indicates the real problem that faced the industry in those days, the causes of the problem and the remedies that the Parliament of that time sought to institute. At page 2351 of 1924 *Hansard*, the Hon. Mr. Butterfield is reported as saying:

The main cause leading up to the necessity for this Bill is the policy of the Governments in the southern States supported by the Commonwealth Government to settle large numbers of repatriated soldiers on the Murray River areas. With this object in view feverish activity was manifested in the preparation of land for settlement under irrigation conditions and the greater bulk of these areas was planted to grapes, chiefly for drying purposes.

I understand there were 5,000 growers in South Australia at that time and that more than 2,000 of them were ex-servicemen of the First World War. The Hon. Mr. Butterfield continued:

The growth of settlement on the irrigated areas was comparatively steady prior to the Governmental activity in respect to soldier settlement, but the increased production as a result of that policy has been very rapid and has brought about a condition of affairs which renders it imperative that legislative action should be taken to secure proper organization of the marketing of the fruit. The position that has arisen can be readily appreciated from the following figures: in 1911 the total Australian production of dried grape fruits was approximately 9,100 tons, of which 3,400 tons were currants, the balance being lexias (dried muscatels) and sultanas.

Further on in his speech, the then Minister indicated the boom that had taken place in dried fruits production. He said:

This past season (the 1924 season) the production is estimated to be in the vicinity of 45,000 tons—of which considerably over one-half consists of sultanas. In other words, the production of sultanas has probably increased ten-fold in a period of 12 years. Next year the total prospective crop of these fruits is estimated at over 60,000 tons.

He then went on to indicate the chaos that had developed in the marketing arrangements. His speech has a familiar ring to those of us concerned with the marketing of primary products today. He continued:

Outside dealers are now handling about 50 per cent of Australia's consumption, and it only requires about one-third of the anticipated increased crop for next year to get into control of these dealers to enable them to capture the whole of the Australian requirements. This is evidenced by the fact that whereas in 1920 the Australian Dried Fruits Association sold in Australia over 11,000 tons of fruit, in 1923 the total had shrunk to 8,600 tons, and this year a further reduction of 20 per cent is practically certain.

In those few words we see the cause that impelled the Parliament of the day to legislate to give effect to some sort of rational marketing organization. Later in his speech, the Hon. Mr. Butterfield said:

The object of the Bill is to enable the growers to secure a more equitable share for all concerned in the home market. Any failure in this direction means financial ruin to the growers and severe financial losses to the State without any real benefit in the end to anyone.

It is a matter of historical fact that the dried fruits marketing arrangements worked reasonably well but were subject to quite a deal of litigation in the courts. In 1934, the then Minister of Irrigation (Hon. Malcolm McIntosh) introduced a new measure not to change radically the existing legislation but to arrange it in a rather different form merely so that it would be more difficult for court action to upset it. In giving the second reading explanation of the Bill in September, 1934, the Minister said that he was introducing the Bill as a result of the experience of the Dried Fruits Board with litigation, in which the constitutionality of the legislation had been challenged. He went on to say that after being tested in the High Court and the Privy Council, it was obvious that the South Australian legislation and other legislation that had been passed in the Commonwealth was then sufficient or almost sufficient to ensure the continuity of the dried fruit marketing arrangements.

The SPEAKER: Order! I ask the honourable member to resume his seat. I have already allowed much latitude in this debate, more than is provided for in the Standing Orders. The Bill before us deals with only two matters, one being the contribution towards the board's administrative costs and the other being the conversion of amounts to decimal currency. I think I have given the honourable member a great deal of scope in allowing him to refer generally to the parent Act, and I now ask him to confine his remarks to the Bill before the House.

Mr. FREEBAIRN: I apologize if I have transgressed, Mr. Speaker. I had almost finished my historical summary of the legislation, which I believed had a very real bearing on the legislation now before us, which, in effect, brings the dried fruits legislation up to date. Bowing to your ruling, Mr. Speaker, I will not continue further with my historical references. However, I will add that the legislation that has been introduced in the past to amend the parent Act has been, in the main, to make it more effectively proof against the determination of some interests to undercut the authority of the Dried Fruits Board and its ability to maintain a reasonable price level in Australia to ensure that South Australian growers, particularly, receive the reward due to them, especially as they are forced to produce their dried fruits under our high cost structure.

I was interested to read that one smart operator (Mr. James, I think he was called) was the cause of our legislation being amended in 1938. I understand that this citizen James had an arrangement with the university students on prosh day whereby, in return for the loan of his trucks to the prosh day organizers, they agreed to have one float lampooning section 92. I shall not continue further with my comments on the historical background of this legislation. I give the Bill my full support, and I commend it to the House.

Mr. CURREN (Chaffey): I very briefly indicate my support for the Bill. Mr. Speaker, as you have given a ruling regarding references to the historical details that were quoted by the last speaker, I will not go into that aspect, especially as the details are not relevant to the Bill before us. The main purpose of the Bill is to bring levies into line with present day currency. The levy in force at present of one-sixteenth of a penny a pound weight of fruit brings in \$1.17 a ton, and the proposed new levy of \$1.20 means that there is an increase of 3c a ton in the rate of levy.

Mr. Freebairn: That is the maximum levy.

Mr. CURREN: Yes, the maximum rate of levy that can be struck by the board. The levy imposed at present on dried tree fruits is 60c a ton. Members of the board who are known to me personally have told me that they desire to increase the rate of levy on dried tree fruits because the administration of that part of their work takes at least as much of their time as the administration of the dried vine fruits takes. The return to the grower for dried vine fruits is about \$230 to \$240 a ton, and for dried tree fruits it is

about double that figure, apricots being normally about \$700 to \$760 a ton. Therefore, an increase in the levy rate on tree fruits would not be of any great consequence to the growers concerned, of whom I happen to be one; I produce both dried vine fruits and dried tree fruits. The levies are struck by the board to obtain funds to meet administration costs and also to pay inspectorial staff, which ensures the fruit is packed to the desired qualities, not only for export but also for the Australian market. I commend the Bill to the House and ask honourable members to support it.

The Hon. T. C. STOTT (Ridley): This Bill is almost a must for the continuation of the Australian Dried Fruits Association, which has performed a remarkable service over many years for this primary industry. I consider that any assistance this Parliament can give should be unanimous, because the Dried Fruits Board has such an outstanding record of service to the industry it represents. Particular clauses relate only to decimal currency, which of course we have dealt with before in this Chamber in considering other Bills. The Bill deals with the increase in the levy to cover administration costs, the payment of staff and other matters. We are getting a great deal of this type of thing today, with increased costs, basic wage increases, staff salaries, superannuation and all those things which must be provided for by a board that administers an industry such as this. No doubt we will soon hear a great deal more about this type of thing in relation to other marketing boards. This board is one of the early ones in primary industry. In the past the board has run into much difficulty, legally, constitutionally and otherwise, but, notwithstanding the attack upon it in the High Court and eventually in the Privy Council, it has survived. Although it remains outside section 92 of the Commonwealth Constitution, it still carries on.

I think that I should briefly say, with your permission, Mr. Speaker, that I think we shall soon have to consider legislation to carry on this board further in the Commonwealth field by bringing in a better stabilization plan than exists at present. I have already been approached by the Commonwealth Council and have given it the benefit of my experience, which it had requested. It is now in the hands of the council to work something out, and I hope that something will result. I commend the Bill to the House. Following

your ruling, Mr. Speaker, I realize that I cannot explain the proposed stabilization scheme to honourable members at this stage, but if any honourable member is interested in this proposal now before the Commonwealth Council to try to work out a better stabilization scheme, I shall be only too happy to explain it to him in detail. I support the principles of the Bill.

Mr. QUIRKE (Burra): This is a measure in which perhaps the members who have been long associated with the dried fruits industry have been given some latitude, because in the dried vine and tree fruits industry a decision was taken in the Privy Council upon which many other decisions have been based that have reacted favourably to the Australian industry. This is a simple Bill to convert into decimal currency a levy already being made. With the member for Ridley (Hon. T. C. Stott) I cannot help but be a little nostalgic, because I can go right back to the genesis of this legislation. I was one of those who for two years contributed \$2 a ton of dried fruit to the \$100,000 that Mr. James was awarded as compensation after the case went against the States. It is good that he did that (there is no recrimination about that) for it placed the industry on a bread-and-butter basis whereas previously it was completely chaotic. Although prices and costs have increased in unison, the dried fruits industry today provides not much more than a bare living, and the time has come when it must be stabilized to give the grower a better return.

The housewife is being penalized tremendously for every pound of dried fruit she buys in order to try to balance the low returns on oversea export quotas to a point where the grower will get something like a reasonable living. I think the returns from dried fruits should be commensurate with the large amount of exacting work involved in drying fruit on a commercial basis. Mr. Speaker, thank you for the permission that you have silently given me to speak as I have spoken. The honourable members who have already spoken (the members for Chaffey, Ridley and Light, all connected with the dried fruits industry) know that sooner or later (and the sooner the better) there will have to be some form of stabilization to give the dried fruits grower better returns for his products and to reduce the price to the South Australian consumer, if that is possible under the present conditions.

One of the difficulties about the dried fruits industry is home consumption. Many people these days buy dried fruit only at Christmas

time, in order to make mince pies and puddings; whereas dried fruit is a precious and valuable foodstuff which should be consumed by the Australian people in greater quantities than at present. That can be achieved only if we use the legislative powers of the States and the Commonwealth to do something about a stabilization scheme. I support the measure wholeheartedly.

Bill read a second time and taken through its remaining stages.

LAND TAX ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from July 26. Page 650.)

Mr. McANANEY (Stirling): I speak on this Bill with mixed feelings. I feel some compassion for the Government, which has got itself into difficulties. It has over-spent. Apparently, it has never read in Dickens about the poor unfortunate Mr. Micawber, that a man is happy if he spends 19s. 6d. in £1 but, if he spends more than £1, he is unhappy and in difficulties. So I must feel some compassion for the Government. Representing Stirling and, I hope, the interests of all South Australians in these matters, I believe we must also have some compassion for the poor unfortunate person who has to meet big commitments. There are several forms of taxation. First, there is income tax. Much as we dislike paying, it is a fair and just tax, because we pay according to our ability to pay. Secondly, there is taxation for Government services. Although at times we do not like paying for these, any fair-minded person knows he should pay for services rendered, provided they are efficient. If the Government is short of money because some of its services are not paying, the first step it should take is to make the departments in question more efficient so that more money can be produced from that source.

Mr. Curren: What about the services supplied by the Agriculture Department to landholders? Are they supposed to pay?

Mr. McANANEY: I will get around to that in a minute, if the honourable member will have a little patience. The various departments must be efficient and pay for themselves. The other form of taxation is a capital tax on the amount of capital involved, and in some ways this tax is justified. Land tax is justified when people live together in a particular area, because the value of the land increases rapidly, perhaps not through any particular effort by an individual but by a community effort. When this happens there

may be justification for an increase in taxation. The improvement in the value of country land is brought about by the individual effort. Originally, this land had some value, but it was the effort that was put into developing it that made it more valuable. I know of a property, half of which has been sold, yet within 30 years the gross income increased eight-fold. The member for Chaffey said, by way of interjection, that this was probably due to the efforts of the Agriculture Department.

Mr. Curren: I didn't say that at all.

Mr. McANANEY: I said that the member for Chaffey said it was probably due to that.

Mr. Curren: I did not say it. I asked you whether you would expect the landholder to pay for the services provided by the Agriculture Department.

Mr. McANANEY: That is the same thing.

Mr. Curren: It is not the same thing. You should talk sense.

Mr. McANANEY: The honourable member is more vocal than I have ever heard him, so I must have sparked him off. Perhaps some development has been achieved by the efforts of the department and, as an agriculturist, I admit that scientists have made discoveries that have been of benefit to the people on the land. However, most increases in production result from individual effort and knowledge. One of the things I have been given by scientists is superphosphate, and that was discovered before my time. Many methods advocated by the Agriculture Department are in common use by farmers before they are suggested by the department.

Mr. Hurst: What clause are you speaking to?

Mr. McANANEY: I am speaking about the value of land; we are dealing with land tax and the right to levy tax on land. The Speaker cannot stop me on this point, because we are dealing with land tax and I am speaking about the value of land. When speaking in the debate on this legislation last year, the Treasurer said:

Apart from the drought, it is reasonable to expect that, with increased returns brought about by improved methods in land husbandry, extra taxes should be paid. My Party has never hidden its light under a bushel in relation to taxes on big estates. The revenue of the State must be increased to meet the expenditures being incurred. The cost of hospitals, schools and other undertakings is increasing all the time. Are we to wait for further Loan money for these purposes?

Through improved husbandry methods farmers are making money more easily but, if we consider the Gross National Product, we find farmers' incomes are a diminishing share, and more so because of the decline in the number of primary producers. Because of the rise in the basic wage and other increases, it is becoming impossible to export without loss. The income of the primary producer is less and less, and this tax is not levied according to one's ability to pay. It is conceded that the State must receive revenue. Our population was increasing at the rate of about 2 per cent a year, but the rate of increase is dropping now. This Bill imposes an unfair tax on a section of the community. Last year the tax was increased by 15 per cent, this year the increase is another 37 per cent, making a compound increase of 56 per cent in two years. This increase will operate for five years, during which time the population will increase by only 10 per cent. This tax is too big a bite by the Government. The Government is hungry, the cupboards are bare, and it will snap at anything. However, it should restrain itself and take a smaller bite than it is trying to take by this Bill, as a reasonable increase may have been justified. The high rate of the proposed tax will have a heavy impact on industry, and the rate should be lower. The previous Government provided an exemption to the primary producer of about \$5,000, which exemption cut out at a certain figure. In addition to the suggested increases the amount on which exemptions were obtained has not been raised, where, in fact, a larger exemption would be justified. The small farmer, who represents most farmers, now receives less than the basic wage, yet he is being subjected to a higher tax. A higher exemption should be given to small farmers who do not receive the basic wage for their efforts. I am sure that no Government member disputes that he does receive that low income.

Mr. Langley: You wait and see.

Mr. McANANEY: The member for Unley may become mixed up with the weather, but I doubt whether he will get mixed up with farming statistics that prove that the small farmer is not making even the basic wage.

The Hon. J. D. Corcoran: How small a farmer?

Mr. McANANEY: On the land subject to an exemption of \$5,000, he would be working for a living.

The Hon. J. D. Corcoran: He is exempt if it is that, now.

Mr. McANANEY: A larger area than that is needed before the farmer can earn more than the basic wage. I know that Government members think that primary producers make much money. One Government member said to me, "Bill, wheat farmers get \$6 a bag for wheat." I said, "Don't be silly, the most we get is \$4." He said, "Then you make \$2 a bag profit." How silly that is when the farmer has a cost of production that does not allow him a margin of profit at all! Apparently that is the haywire thinking of Government members. The exemption should be on an area that would entitle the person living on it to earn at least the basic wage before he was charged the extra taxation.

Mr. Hudson: Doesn't your cost of production depend on your yield an acre?

Mr. McANANEY: The member for Glenelg is an expert economist. However, we must take an average. I admit that a profit would be made in some years. Recently the wheat farmer, by operating efficiently and increasing the number of bushels produced, sold wheat at 20c a bushel and, because of that, the member's constituents were able to buy flour more cheaply. If Mr. Hawke submitted to the Arbitration Court a case for an increase of \$10 a week in the basic wage because more work was performed, the court might grant such an increase. However, it is the poor, unfortunate wheat farmer who is more efficient and it is his efficiency and benevolence that enable the people to buy cheaper bread.

The Hon. J. D. Corcoran: Is your farm small, large or medium?

Mr. McANANEY: I have no farm: I am a full-time politician. I am earning my salary by trying to improve the knowledge of Government members so that they can do a better job for South Australia. When I sowed seed on my property, lush growth resulted, but the seed I am sowing in this House will not thrive, because the soil is not fertile.

The Hon. J. D. Corcoran: I am not being facetious. Did you consider your farm to be small, large or medium?

Mr. McANANEY: I had a fairly large farm when I started. I sold half of it and that resulted in increased production. Two men had been working the farm and six men were required in the city to do the same amount of work.

The Hon. J. D. Corcoran: Would six men be required to do the same amount of work as you did?

Mr. McANANEY: No. When I was in the city, six of us worked in a certain business but we did no more work than another man and I had done when we were on the farm.

Mr. Clark: Why didn't you sack the other four?

Mr. McANANEY: I was an employee. I could not sack the boss. The farm was a six-man farm when judged on the basis of the amount of work done by the six employees I have referred to. However, two of us had been working that farm.

The Hon. J. D. Corcoran: I am interested in how much your land tax was last year and how much it is this year.

Mr. McANANEY: It is not my farm. These assessors are so accurate that five years ago they said that the value was a certain amount, and—

The Hon. G. A. Bywaters: How much?

Mr. McANANEY: I cannot remember the amount and shall deal in proportions. The assessors are supposed to assess the unimproved value of the land, and they say that the value is twice as much now as it was five years ago. We must remember that it is more difficult to make a living on the land now than it was five years ago, and it is becoming more difficult every year that this Government is in office.

The Hon. J. D. Corcoran: You say it is worth twice as much now, do you?

Mr. McANANEY: I am not saying that. The Government assessor said it was worth twice as much. Can any Government member tell me how an intelligent person can arrive at that conclusion?

The Hon. J. D. Corcoran: Have there been any recent sales in the district that might give an indication?

The Hon. G. G. Pearson: The honourable the Minister is getting into deep water, and I suggest he leave the honourable member alone.

Mr. McANANEY: The land tax on that farm this year at the old rate of tax would be three times as much as it was last year at the same rate. Irrespective of what members may say, this benevolent Government will require us to pay twice as much tax.

The Hon. G. A. Bywaters: Have you seen the table in *Hansard*?

Mr. McANANEY: I admit that, instead of paying three times as much, the new figure might be only two and one-quarter times as much, but that would not make me happy if I were on a farm. In many cases, property values will go into a higher bracket. I think the Government must incur increased expendi-

ture, but the Treasurer says that people who have land should be prepared to pay these amounts.

In my area, one council has a rate of 2d. in the pound and I think a neighbouring council charges 3d. in the pound, so we can say that hospital fees are already about \$20 or \$30 a year. Then the Treasurer says, "You have to pay more land tax," although the Government is spending on health about one-fifth of the tax collected. Another \$20 will have to be paid if the farm attracts a payment of \$100. If the farmer belongs to a hospital association, he pays another \$30, so hospital fees could amount to \$70 a year. Against that, the local bookmaker or the man earning \$5,000 a year in the Government service makes only a small contribution. Why should the farmer pay so much more in hospital fees simply because he is the owner of land in the country?

I think I have made the point that a person should have a living area and that the exemption should enable him to earn at least the basic wage. We consider that the Government should impose some increase but that that increase should bear a relationship to the increase in the population. If we take a period of five years, the increase should not be much more than 10 per cent, which is the figure that should be considered.

I understand that the assessments in the city of Adelaide increased only by 20 per cent and that the Chamber of Commerce accepts as being reasonable that, because there has been that increase in valuation and because the rate of tax has been decreased, the amount paid will not be much more unless the property concerned is a large one. We admit that ratepayers in the city of Adelaide largely contribute to the total land tax collected but, on a per capita basis, the country person, on average, pays more than the city person pays. We must bear in mind, though, that if city ratepayers are taxed too heavily they will be driven into the suburbs. Provided a Liberal Government is in office, when a full working economy exists, and things are going well, these ratepayers—

Mr. Langley: What happened in 1961-62? Were things going well then?

Mr. McANANEY: —are able to pass the increase on to the consumer. Any extra tax will increase the cost of living, to which every South Australian will have to contribute. I point out that this increased land tax will result in a wage increase that will eventually affect the primary producer. If taxes are increased,

the guaranteed price of wheat will also increase, resulting in higher flour and bread prices.

Mr. McKee: You'd be something of a crystal gazer!

Mr. McANANEY: The member for Port Pirie has suddenly come to life, having lapsed into silence this afternoon. I am not a crystal gazer; I merely face up to the facts of life, and am interested in figures that appear on paper—and not anywhere else! I am about to concentrate on such matters as this and to reach a logical conclusion.

Mr. McKee: You'd be a gloom spreader!

Mr. McANANEY: Costs will eventually be spread, so that every consumer will have to pay more. Increased costs in South Australia and lack of export facilities will present difficulties similar to those with which we are faced today. The valuation of land in some parts of the city of Adelaide has increased, I think, by 82 per cent. As such land continues to increase in valuation (merely because of the density of population, and not because of a landholder's individual efforts), some justification may exist for increasing the tax on it, because of the land's proximity to the city and its consequent added value. In fact, if any justification exists for increasing land tax, it exists in regard to this land, yet the Treasurer's explanation on this point is a little beyond me. I gathered that he said that the values in certain areas had increased more than in other areas and that, therefore, the taxes in respect of those areas should be less. I see the political impact there, but not justification. In effect, the Treasurer is calling the assessors silly goats who should not have increased the assessment as they did. Perhaps when he replies to the debate he will explain that matter.

The Hon. Frank Walsh: You wouldn't understand it, anyway.

Mr. McANANEY: I cannot say whether the Treasurer is becoming upset at me, or taking off into orbit. Why should owners of land that has increased in value receive the biggest concession?

The Hon. J. D. Corcoran: Was any concession given?

Mr. McANANEY: Rates have been reduced for various sections of the community. What did the Government say last year? The Opposition moved an amendment that increased rates apply for only one year, to which the Government replied that the rates would continue forever. It was only by the grace of another place that a humane consideration of the matter was made possible. Those increased

rates would have applied for five years, for who can imagine the Government, hungry as it is, introducing a Bill to reduce those rates.

Mr. Langley: There are always two sides to the story.

Mr. McANANEY: The interjections we are receiving from the Government certainly reveal that the seeds are falling on barren soil.

Mr. McKee: You've said enough to confuse everybody.

Mr. McANANEY: I shall never confuse a clear pool by putting more knowledge into it, but the present pool opposite is already muddy, especially when it is stirred up. We accept the fact that some increased taxation is justified and that it should relate to the increased population, but the small farmer who is experiencing difficulties and not receiving even the basic wage should be given greater exemption. Indeed, if such exemption were made possible South Australians might be much happier than they are at present, under the severe penalty inflicted by this Bill and by a Government that has got itself into financial difficulties through no-one's fault but its own. I have mixed feelings about the Bill but shall express my views later.

Mr. HUDSON (Glenelg): I rise to support the Bill. I listened to the member who has just resumed his seat—

Mr. McKee: I bet you didn't gain anything from that.

Mr. HUDSON: No, but I think that if we could have translated his speech from Cherokee into English we might have got something from it. The honourable member said that this Government was too hungry, was taking too big a bite at the cherry, and was being completely unrestrained, when we should have been showing restraint in this matter. No doubt later in the debate the member for Gumeracha (Hon. Sir Thomas Playford) will have a similar pitch. I took the trouble to have a look at the additional land tax collection that resulted from the last three quinquennial assessments that have taken place in South Australia.

Mr. Clark: Let's hear what sort of bites they were.

Mr. HUDSON: Before I do that, I should say that I took the trouble to collect this information because of the Leader's remarks that we were asking this year for 37 per cent more land tax. He was shocked by this, but let us see what happened previously. In 1950-51 the land tax collection in South Australia was \$564,444. As a result of the quinquennial

assessment between 1951 and 1952, the 1951-52 land tax collection was \$809,982, an increase of 40 per cent. Of course, that is fairly mild!

Mr. McKee: They have done better than that.

Mr. HUDSON: Yes. In 1955-56, prior to the next quinquennial assessment, the previous Government collected \$1,134,438. In 1956-57, as a result of the quinquennial assessment, without any change in rates at all, the previous Government collected \$2,801,142, an increase in land tax in the one year of 150 per cent!

Mr. McAnaney: That was in a period of inflation, wasn't it? You are going back to years when there was a boom period and prices increased.

Mr. HUDSON: The worst of the inflation in prices was in 1951. If the member for Stirling can recall his history, in March, 1956, prior to the 1956-57 financial year, one of his financial geniuses, belonging to his own Party in Canberra, introduced a horror Budget. The 1956-57 financial year was a year in which unemployment increased because of that little horror Budget, as it was called at the time. It was a special Budget introduced in March.

Mr. McAnaney: Why go back into the past? I admitted this afternoon that mistakes have been made.

Mr. HUDSON: The honourable member has just made one speech. He is obviously not satisfied with it, because he is now attempting to make my speech as well. The Budget introduced in Canberra was one of a series of credit squeezes and horror Budgets for which the Commonwealth Liberal Government was responsible. Nevertheless, in that financial year there was no change in our land tax rates yet the Playford Government was prepared to increase the total land tax collected throughout South Australia by 150 per cent. In 1961, there was a quinquennial assessment, and the Playford Government, with great generosity to the people of South Australia, altered the rates with an amendment it introduced in the 1961 Land Tax Amendment Act. Rates were lowered slightly only on land values in excess of \$10,000. Rates on land valued at below \$10,000 were not touched. As a result of that adjustment in rates, the total land tax collected went from \$2,799,700 in 1960-61 to \$4,776,098 in 1961-62. In other words, the increase in land tax was 70 per cent between 1960-61 and 1961-62, with rates of land tax reduced slightly only for land valued at more than \$10,000. In fact, the previous Government never, at any stage in its entire history,

reduced the land tax for land valued at less than \$10,000. The rate of $\frac{1}{2}$ d. in the pound has applied from 1936 until the present day, when this Government has effected a reduction. This is the first time since 1936 (and I have not gone further back than that) that there has been a reduction in land tax for land valued at below \$10,000.

Mr. McAnaney: You missed the exemption for primary producers. You are mis-stating the facts.

Mr. HUDSON: What about suburban householders? A constituent of mine telephoned me and said, "What is all this guff the Leader of the Opposition is giving us, because my land tax in the last 16 years has gone up from 50c to \$9.50, and all you blokes are doing is raising it to \$10". Who has the record in relation to increases? The previous Government increased land tax by 40 per cent in 1950-51, compared with the previous financial year; by 150 per cent in 1956-57, compared with the previous year; and by 70 per cent in 1961-62, compared with the previous year. Now the Opposition complains about an increase of 37 per cent for this year. I shall have more to say about this, because the case has been entirely misrepresented, particularly by the Leader of the Opposition, who said:

This Bill seeks to impose significantly increased land tax on South Australian landholders; the Government is asking, I think, for 37 per cent more land tax this year, without explaining to the House how the money is to be spent.

He made a great song and dance about our introducing land tax without the Opposition having seen the Budget and without our explaining how the money was going to be spent. I think he should get together with the Opposition Whip.

Mr. McKee: What about his former Leader?

Mr. HUDSON: At page 592 of this year's *Hansard*, the member for Burnside (Mrs. Stole) is reported as saying:

We on this side of the House were blamed for many things that did not come about last year. We were blamed for the financial deficit because we opposed some financial measures introduced into Parliament. It is foolish to budget before the money is in hand. Even a woman budgeting in her own home knows she must have the money in hand before she can spend it.

I suggest that the member for Burnside and the Leader of the Opposition ought to get together, because we have the member for Burnside telling us it is not right to budget

until you have the money in hand and the Leader of the Opposition telling us that you must not get the money in hand before you budget. The Leader of the Opposition should also get together with the previous Leader, because in 1961 a Land Tax Bill was introduced following a quinquennial assessment and the former Leader (who was then Treasurer) did not introduce the Budget until later. The then Treasurer introduced his Land Tax Bill on August 24, and his second reading explanation is to be found on page 567 of *Hansard* of that year. The Budget was not introduced until September 5 of that year. Therefore, the former Treasurer was prepared to introduce a Land Tax Bill to collect extra revenue prior to his Budget. However, it is said that it is not right that the present Government should do this. Not only that, if one goes through the speech of the previous Treasurer in explaining the 1961 Land Tax Bill, one finds not a single reference to how much additional revenue the Government expected to get.

Mr. Quirke: Didn't the Opposition at that time extract that amount from him?

Mr. HUDSON: Well, I hope it did. The then Treasurer gave it later on in the Budget, when (at page 708 of *Hansard*) he said:

The reason for this (the increase) is the new quinquennial assessment of land values which becomes effective for tax payable in 1961-62. There are two aspects of the anticipated increase in land tax receipts on which I believe some comment should be recorded. The first point is that a number of unofficial estimates of the likely yield have been made, and the majority of those estimates are for a total yield much higher than I have set down in the Estimates of Revenue.

In fact, the actual turn-out was some \$800,000 greater than he had set down. Later on he had this to say:

But what we must remember is that a revaluation for land tax purposes occurs only once every five years, and that, if increased revenues are to keep pace with costs and expanding services, it is essential that the increase when it occurs should have regard not to one but five years' changes. . . . South Australian's Budget requirements have accordingly increased by at least 40 per cent; therefore, a 40 per cent increase in land tax revenues must be regarded as reasonable and appropriate.

I suggest that the present Leader of the Opposition might care to reflect on that remark that "a 40 per cent increase in land tax revenues must be regarded as reasonable and appropriate", because that was a remark made by his mentor when his mentor was in Government. Now, of course, we find objection to

a 37 per cent increase in land tax. Let us examine this further, because yesterday the Leader of the Opposition was reported in the *News* as saying:

Unless the present trend of Government expenditure is altered, I would not be surprised to see the deficit increased again this year. The danger is that unless the Government comes to grips with its financial problems we will go further into the red. They must show a far more responsible attitude.

I only wish that the Leader of the Opposition had thought of those particular remarks when he made his speech, particularly that statement that "they must show a far more responsible attitude", because if he were prepared to show a more responsible attitude to this matter he would realize that the financial situation is such that increased revenue is necessary and that a 37 per cent increase in land tax revenue is not only completely reasonable but is fully consistent with what has happened on previous occasions. In fact, it is even more reasonable compared with the 70 per cent increase in land tax revenue demanded by the previous Treasurer in 1961-62 and the 150 per cent increase demanded by him in 1956-57 compared with the previous year.

The Leader referred to the table that appears in *Hansard*. I suggest that instead of his great song and dance about a misleading table the Leader could well have thanked the Treasurer for providing him with this information, because it is a table that assists ordinary members in working out the effects of this measure; they have to apply just a little bit of common sense. Mind you, the previous Treasurer would never have provided a table like this; when he introduced his land tax measure he did not even bother to tell members how much extra revenue was being obtained out of it. If members are going to use this table, and if there is a 50 per cent increase in valuation, they can read across and see that the proposed tax on an assessment of, say, \$10,000 is \$20 whereas previously it was \$31.25.

If the valuation goes from \$10,000 to \$15,000, it is a simple matter to work out that the proposed land tax is \$40, indicating that the effect of the change in the land tax rate and the 50 per cent increase in valuation in this case is to raise land tax from \$31.25 to \$40. If a member wanted to work out the simple case of a 45 per cent increase in valuation, say from \$10,000 to \$14,500 (which I think was one example taken) it is a simple matter to use the table to work it out and to discover that the previous land tax on \$10,000 was \$31.25 and that with the 45 per cent

increase in valuation the proposed new tax is \$37.

This table helps in giving honourable members this information, and the Leader had no right (and he was being completely irresponsible, I suggest) to imply that the Government was attempting to mislead the public in relation to this matter. The Government has made it clear that it needs additional revenue. The fact that we have a deficit makes it clear, and because we need that additional revenue we cannot afford to alter land tax rates in such a way as to cut out or offset entirely the effect of the increase in valuation. We are prepared (and I commend the Government for its attitude) to offset the effects of the increased valuation, to some extent, by a reduction in rates, and particularly by a reduction in rates below \$10,000, because, as I explained, in the 1952 amendment, which was the first alteration of rates after 1936, the rate below \$10,000 for ordinary household land was not altered. Again, the 1961 amendment did not alter the rate for land below \$10,000. This Bill is the first to do that.

This makes important reading. I took, as a simple example, one case above \$10,000, assuming that the valuation increased by 50 per cent in each of the quinquennial assessments, including 1951. I took another case where the valuation started off in 1951 at \$2,000 and increased by 50 per cent in each of the quinquennial assessments. Let me make this point quite clear. In the case where the valuation started at \$10,000, the land had a valuation of \$10,000 in 1951; 50 per cent higher, at \$15,000, in 1956; \$22,500 (or 50 per cent greater, again) in 1961; and \$33,750 (or 50 per cent greater, again) in 1966. The increase in land tax collected between 1951 and 1956 was 100 per cent—from \$31.25 to \$62.50; between 1956 and 1961 it was 50 per cent—from \$62.50 to \$93.75. With the adjustment last year, that tax went to \$117.19; and, with the new proposed rate and the 50 per cent higher valuation, the land tax would now be \$150 which, compared with last year, is only a 30 per cent increase. Even if we compare it with what it was in 1962-63, it is only a 50 per cent or 60 per cent increase; but it was 100 per cent increase for 1952-53 before that 50 per cent increase, and a 50 per cent increase in tax for 1960 compared with 1955. If we look at it in this way, the kind of proposal that the Government has contemplated is completely reasonable and fair, and completely in accord with what has taken place in the past for

values above \$10,000. Where it is not in accord is in values below \$10,000. Let us look at this one. Here is an example of land valued at \$2,000 in 1951; \$3,000 (or 50 per cent more) in 1956; \$4,450 (or 50 per cent more, again) in 1961; and \$6,750 (or 50 per cent more, again) in 1966. The land tax levied in 1951 would have been \$6.25; in 1956, with the 50 per cent rise in valuation, the land tax would have increased to \$9.37, a 50 per cent rise in the land tax. In 1961, with the valuation up again by 50 per cent, the tax would have risen to \$13.91; but for 1966 the tax would be back to \$13.50—a reduction in the actual amount of land tax paid; whereas, if this particular land had been subjected to a 50 per cent increase in valuation in each of the previous quinquennial assessments, it would have paid 50 per cent extra in land tax, because the rate below \$10,000 was never altered previously, as I have explained.

We have now altered the rate below \$10,000 from an effective 3.125c per \$10 to 2c per \$10, the result being that, for a 50 per cent increase in valuation below \$10,000, instead of experiencing a 50 per cent increase in land tax, which was always the case under the previous Government, under this Government there would in fact be a slight reduction in land tax actually paid.

I suggest that this sort of information is most necessary in trying to reach any conclusion about the nature of this Bill. We have to look at it in terms of what has been done in the past, not merely of the need for increased revenue for next year but of the likely need for increased revenue over the next five years, as the previous Treasurer explained in 1961. When looked at from that point of view, the 37 per cent increase proposed by the Government is completely reasonable and fair, more reasonable than the 70 per cent levied by the previous Government in 1961 or the 150 per cent levied in 1956.

Again, I think it is worthwhile drawing the attention of honourable members to the table at the bottom of page 621 of *Hansard* in the Premier's second reading explanation, which compares land tax yields of the various States. We can see from that table that in a number of the other States there are fairly regular re-assessments, a fact that does not apply in South Australia. So that while, because of this significant jump in the land tax this year, the tax levied per capita for South Australia will rise from \$5.30 in 1965-66 to \$7.15 in 1966-67, that \$7.15 will tend, if anything, to decline gradually over the next five

years in the land tax per capita, because of the rise in population; whereas the other States over the next five years with annual re-assessments taking place will again get ahead of South Australia, so that in five years' time when the next quinquennial assessment comes up South Australia will again find itself well below the Australian average, and it will be only for the first year or so that South Australia will be above the Australian average.

Again looking at this table, we see the South Australian per capita figure of \$4.88 back in 1961-62 compared with the mean for the other five States of \$4.25; in other words, immediately after the previous quinquennial assessment South Australian land tax was higher than the average for the other States—and that was under the previous regime, which was allegedly so much interested in keeping down costs in South Australia compared with those of the other States. If we examine that argument and the comparison between South Australia and other States, it is quite clear that in the coming year there will be less margin between the land tax per capita in South Australia and the mean for all other States than occurred in 1961-62. In fact, if we look at this table we shall see that South Australia in land tax is ahead of the mean of the other five States for 1962-63.

It was \$4.92 in 1962-63 compared with a mean for the other five States of \$4.58. We slipped behind for the first time in 1963-64, when it was \$4.80 compared with a \$5.08 mean of the other States. We went further behind in 1964-65, when it was \$4.76 compared with the mean for the other five States of \$5.73. This table shows clearly that what the Government is proposing for the next five-year period is completely reasonable compared with other States and compared with what happened under the previous Government's quinquennial assessments. I hope that these rates remain firmly established for the five-year period and that the Government will not experience the kind of difficulty that it had to face last year when the Upper House attempted to reduce revenue measures. This is an important revenue measure; it is clear to all members, from what the Premier says about the overall financial position of the State, that the additional revenue proposed by this amendment is necessary for budgeting purposes. If this legislation is thrown out or drastically amended, the financial position of this State will worsen. The Government's financial position will be made more difficult than it is, and the Opposition in another place

will, I think, as a result of that have to take a large share of the blame.

Mr. Nankivell: There is no Opposition in another place.

Mr. Clark: It is practically all opposition.

Mr. Nankivell: It is your overspending.

Mr. HUDSON: We need extra revenue on two grounds. The full details of the Budget are not, as suggested by the Leader, required to show this. First, we need it because of the deficit with which we ended the last financial year and, secondly, we need it because the basic wage increase means about an extra \$6,000,000 added to the State's expenditure to maintain the same level of services as that applying last year. If Opposition members are responsible in their approach to financial problems they will not oppose this measure, but will agree to it. They will say that the Government has put up a case; it has financial problems, and it must be assisted in the best interests of the State. This measure will provide only a small part of the additional revenue required. It is more than a reasonable measure because, while it does what has been done on one other occasion (to reduce rates on valuations above \$10,000), for the first time in 30 years it lowers rates on valuations below \$10,000.

There have been three previous amendments to land tax rates for amounts above \$10,000. The amendment of 1952 raised the rates; a further amendment in 1961 lowered the rates; last year's amendment raised the rates again; and now the present amendment lowers the rates above \$10,000. Upon examining the position more closely members will see that the 1952 amendment of the previous Government introduced progressive land tax into this State, and I favour that. Prior to 1952, land tax consisted of a rate of ¼d. in the pound up to £5,000; above £5,000 the flat rate was 1½d. in the pound; and there was an additional tax of 20 per cent on absentee landowners. Prior to 1952 there were three rates of tax. In 1952, we saw the imposition of a progressive tax with the rates starting at ¼d. in the pound for values up to £5,000 (it remained there for 16 years), rising until it reached a rate of 7½d. in the pound for values exceeding £80,000. Since the introduction of progressive tax the effect of successive land valuations, coupled with the alteration in rates, has probably meant that land tax today is more progressive than it was in the early 1930's, the 1940's or the 1950's.

We must remember that by far the greater proportion of total land tax revenue collected

comes from the square mile of the city of Adelaide, but we should not experience this year the same scream that went up last year when the amending Bill was discussed. As the Treasurer explained, in the square mile of the city of Adelaide there was a small rise in valuations of only 20 per cent. If the increase were further dissected it would be found that most of the increases of over 20 per cent were on the fringe of the city square mile and that in the centre of the city valuations had not increased or, if they had, it was only a small increase, and that there would be cases of decreases in valuations. From what I have been told about land sales that have taken place in the square mile of the city of Adelaide in the last five years, the main increases have occurred on the fringe areas outside the square mile. Substantial increases in land valuations can be found in the fringe areas of Parkside, Rose Park and North Adelaide.

I estimate that the quinquennial assessment has meant increases in valuation or assessment in my district ranging from 50 per cent to as high as 120 per cent, the average being about 80 per cent. This average is greater than that for the whole State. However, despite the 80 per cent increase in valuations the increase in land tax for my own constituents will be extremely small. After the last quinquennial assessment made in 1961 by the previous Government, an 80 per cent increase in valuation in my district would have meant an 80 per cent increase in land tax. Many of my constituents would have been paying that 80 per cent increase in land tax from 1961 onwards. However, this time, for example, if a valuation has increased from \$2,000 to \$3,600, the land tax will increase from \$6.25 to \$7.20, so I expect that people living in my district may, on average, be called on to pay an additional \$1 a year. Some will be fortunate enough not to pay as much as \$1 increase, others will pay less land tax, and others may have to pay more than \$1 a year extra.

That contrasts with what would have happened as a result of this year's assessment if the practice of the previous Government of not altering rates of tax on assessments below \$10,000 had applied. The previous Government's practice would have resulted in my constituents paying an extra 80 per cent land tax, and some of them who were paying \$10 a year before this year would have had to pay \$18 after this year—an additional \$8. I support this measure. I consider that it is completely reasonable in current circumstances, and am pleased indeed that a Government has

for the first time in over 30 years seen fit to reduce rates of land tax on land values below \$10,000.

The Hon. Sir THOMAS PLAYFORD (Gumeracha): It is indeed good to know that someone is satisfied with this Bill, and at the outset I congratulate the member for Glenelg on his remarkable complacency in this matter, because I assure him that he is one of few people who can see in it the merits that he has been able to find. Those merits would certainly require a trained economist from the university to discover, and I only hope that his electors have the same ability as he has to discover the good points in this legislation.

Frankly, I cannot discover them. I cannot find any of the things that the member for Glenelg has so prudently put before us. In fact, I was astonished that he was able to advocate land tax at all, in view of what he announced at the last election, when he said we were going to have a better time with Labor and that, by the simple process of amalgamating two banks, we were going to be on easy street for the rest of our lives. It is refreshing to see that at least he has got away from that silly idea and has come back to the fact that the Government cannot spend money unless it taxes the people to get that money. I hope that, in due course, he will take the next step and realize that it is necessary to exercise some prudence about the way in which money is spent. That is the next of the lessons he is learning slowly but, I hope, surely.

I am concerned that the Government has agreed so complacently to put the taxation level in South Australia above the level of the Australian States. In my opinion this House must regard that seriously. The change of attitude by the Government in only one year is significant. Last year, the Treasurer pointed out that the Bill he was then introducing was being introduced in order to bring South Australia, which a wicked Liberal and Country League Government was not taxing sufficiently, up to the level of the other Australian States. As a matter of fact, he said he was going to do a little better than that and go a shade above, but not appreciably above. He said then that during 1964-65 the State collected land tax amounting to \$4,970,000, or about \$4.75 a head. He said that the collection of land tax in that year in the other five States averaged \$5.70 a head and that that meant that the average yield elsewhere in Australia was 20 per cent above that in this State.

So, last year we set about remedying the grave deficiency: South Australian people

were having a little benefit regarding taxation and we were going to take it up to the level of the other States. Unfortunately, in establishing the rate of increase last year, no rate was increased by less than 29 per cent and some rates were increased by 31 per cent. This year we have completely abandoned the theory of bringing the rates up to those in the other Australian States and we are now told that South Australian land tax was \$5.30 a head for 1965-66, whereas the average of the other Australian States combined was \$6.22.

However, we are now going well above the other Australian States, and I support the remarks made by my Leader on this matter. This State can exist as an industrial State only if we keep the costs of industry below costs in the competing States. In some cases, our industrialists expect 80 per cent of their production. The costs of transport to the Eastern States, damage in transport, and of maintaining agencies and stocks in the other States all inevitably mean that a company manufacturing in South Australia will go out of business unless it has some compensating advantage.

The compensating advantage in the past has been that South Australian taxation has been about \$8 a head lower than has applied in the competing States. I believe the measure introduced by the Government last year substantially (if not completely) took away that advantage. The member for Glenelg cannot overlook the fact that a serious deterioration has occurred in this State's secondary industries. This has been reflected in a number of ways, one being that much overtime is not now available to the industrial worker. No member can deny that fact, which is again reflected in the business transacted in retail stores. In fact, once a sickness occurs in any branch of the economy it unfortunately spreads to other branches.

I agree with what the Leader said yesterday, namely, that we cannot afford to have a taxation level higher than that of other Australian States. In fact, for about 27 years the Government that the member for Glenelg was able to criticize so easily always balanced its budget and its Loan funds, besides being able to maintain the lower level of taxation by about \$8 a head of population. That, apparently, is not the sort of economy in which the member for Glenelg believes: he believes in an economy in which we spend or bust. That policy was pursued in Great Britain by both a Labor and a Conservative Government, both of which had the same idea, namely, that they could spend money irrespective of the compe-

tion that existed in other countries, with the inevitable result that Great Britain eventually had to revert to competing with other countries.

I noticed with some interest that the member for Chaffey (Mr. Curren), by way of interjection, seemed to think that this increased taxation was a good thing and that there was nothing much to worry about. I hope I am not misconstruing his remarks.

Mr. Curren: I supported the Bill.

The Hon. Sir THOMAS PLAYFORD: Our small primary industries are now experiencing difficulties, including those in the district of Chaffey, as well as those in my own district and other districts where such production exists. To meet that situation the previous Government provided for certain exemptions in primary production, granting an exemption in respect of the small holding used for rural purposes, whose unimproved value was less than \$5,000. This Bill does not retain that important exemption, because the value of a primary-producing area (not the value of the primary production that comes from that area) has been assessed by the department at an average of 40 per cent higher. Land that was previously valued at \$5,000 has now been valued 40 per cent higher, and previously exempted properties are now well and truly within the taxation field, and will be taxed under this legislation. The benefit of the exemption in respect of \$5,000 properties was progressively reduced, and completely disappeared at a value of \$12,500. The strongest grounds exist for an increase in the exemption figures for the small primary-producing areas. In fact, the value of the production of those areas has decreased seriously.

Mr. Shannon: That's correct.

The Hon. Sir THOMAS PLAYFORD: Fictitious values obtain, which is not altogether the fault of the department, for the department uses what it calls a comparable sale. Because some silly goat pays more than the value of a property, the department immediately assesses the property on that basis. I hope the Government will see fit to increase the \$5,000 exemption by the 40 per cent averaged increase in values that have been assessed, because I believe such an action will only restore the *status quo*, concerning these particular properties.

It is fundamental, in Parliamentary practice at least, that when additional taxation is to be levied it should be so levied in connection with the Budget, and that the Government should bring before the House its intended expenditures for the year. The taxation to

meet those expenditures should then be approved, because that is the only real way of connecting our expenditures with the tax paid by the public. The Bill seeks to tax the people without their knowing how the money is to be spent. That is not the proper way to go about it, and I hope that we do not establish a practice of imposing a piecemeal taxation, followed at some time or other by a table showing what the expenditures will be. The increases contained in the Bill are unduly heavy, particularly in their effect on the economy. In the last few years the centre of the city of Adelaide has been slowly but surely strangled to death by taxation. The member for Glenelg said that values of properties in the city of Adelaide had not increased by more than 20 per cent. However, I can tell him that increases in values in the city of Adelaide are non-existent. Values of properties there have fallen calamitously because properties are over-taxed. If only we could show members opposite how taxation can destroy!

In fact, in this matter the history of the Labor Party has some sophistication. In its early days, the Labor Party used to advocate land tax to destroy the large properties, which was the basis for its reputation of always introducing heavy land tax measures. It is significant that this is still the policy of the Labor Party, and I believe the basis of this philosophy was to destroy somebody thereby creating what are known as landed estates, but these do not exist now. The economic strength of the city has been seriously impaired, and this has been brought about by past taxation levied on it. As a former tax gatherer, I know the enormous sums charged in taxation on these city properties. They are so high that they are having the effect of destroying the properties.

I oppose the Bill. I understand some amendments are foreshadowed, and I hope the Government will see fit to examine and accept them, as I believe they are reasonable. Irrespective of which Party is in Government, this State cannot afford to have a higher level of taxation than the levels that apply in Victoria and New South Wales. If our level does become higher than the level in those States, we will find that the economic consequences will affect not only large properties but every man, woman and child in the State. We got out of our problems in the depression by lowering taxation. If this means was good enough in those days then I believe we should remember the results of such measures.

I hope the Bill will be substantially amended to bring it more into line with reality.

The Hon. G. G. PEARSON (Flinders): As the member for Gumeracha said, this is an occasion when the House should seriously consider the general effect of high taxation in its proper perspective. I do not want to repeat points made by the honourable member, because he made them more forcibly than I could have. I believe this Government, with other Governments of a similar political colour, does not appear to be really cognizant of the short-term and long-term effects of higher taxation. The philosophy of Labor Administrations (and this Government is typical of Labor Administrations) is that if one needs money to hand out to some place or another one just goes about collecting it. I well remember that before the last election (and this possibly had some effect in my district) I pointed out to electors in my district that, if a Labor Government were elected, the first and fiercest measure it would introduce would be increased taxes on land. Of course, some people thought that this was just good tub-thumping political stuff and bogey-man electioneering, and they rather laughed it off. Today those same people are not laughing: they realize there was much truth in what I stated and their worst fears are more than realized.

It is an historical fact that land and property seem to have some fatal attraction for a Socialist Administration, which seems to think that wrapped up with the ownership of land is an inexhaustible supply of wealth. The Socialists seem to think that there is "gold in them thar hills", and an inexhaustible supply of it. This is more than just an economic fallacy—it is a politically attractive view to hold, because many owners of property are not able to hit back effectively, except through the ballot box. In many cases, these people are unable to pass on the land tax imposed on them. They either pay it or, if it is getting far too expensive, they sell out and leave their business. However, prospective buyers are well aware of the taxation that will be imposed on their newly acquired properties, and they adjust their offers accordingly. So there is not much escape from taxation on property, particularly on land.

I make it clear at this stage that my Party does not oppose land taxation as such. Indeed, we could not oppose it. Governments obviously must have revenue if they are to finance such non-revenue-producing aspects of administration as education, health and law and order

services, and so on, which of themselves do not directly produce revenue. Obviously Governments must have open to them sources of revenue upon which they do not spend much and which will be purely revenue-producing. Land tax is precisely such a tax and so some land tax must be imposed. However, what the Opposition complains about in this Bill is not the tax itself but its severity, the method by which additional revenue will be raised, the amount to be raised, and the effect raising it will have on the economics of the State.

The Treasurer said that, of the assessments, the city of Adelaide would pay an additional 20 per cent, the country an additional 45 per cent, and suburbs of the metropolitan area an additional 85 per cent. I do not query those figures because I have no means of justifying any criticism I might make in that respect, except that in the short time since the Bill was introduced I have made a few inquiries of friends in my district, and I have found that, in the few examples I have been able to gather together, the Treasurer's statement is not completely supported. I do not say that on average his statement is incorrect, because I have no means of proving that that is so. However, let us take it on his own figures and see what the position is. The member for Gumeracha has just had something to say about the 20 per cent increase in city assessments, and I accept what he says because I think he is in a position to know. That may be the lowest of the three groups the Treasurer quotes, but even if it is it does not necessarily justify the 20 per cent increase in assessment.

I heard the Minister of Lands earlier this evening querying the member for Stirling (Mr. McAnaney) about the basis on which unimproved values are determined, and I thought he was very wise not to press the matter much further, because although I know that the Commissioner assesses unimproved values according to the rules which are laid down for him, that does not necessarily say that the rules are absolutely right. It is rather interesting that unimproved values are increasing so rapidly all the time. I can understand that as money depreciates in value so the paper figure for unimproved values would rise; that is only a normal expectation. However, I know of properties where over the last four quinquennial assessments the rate has increased by 500 per cent, and I do not know exactly how this could be justified on economic grounds. In fact, I am quite sure it could not be justified.

I do not propose to develop a long argument on that score. However, I remember that some years ago when there was a very steep increase in assessments in my district (and it was under a Liberal administration, I freely admit) protest meetings were called, and the Commissioner very kindly (and rather bravely, I thought) agreed to come over to discuss this matter at meetings of landowners. The Commissioner was in some difficulty to show that unimproved value was really arrived at by a logical deduction, and he admitted that some factors in the cost of clearing land and bringing it under cultivation had been included in considering unimproved values and that actually a case could be made out for a much greater disparity between sale value and unimproved value than actually his department was prepared to accept. As a result of these considerations, there was a general decrease in the assessments in the area at that time. However, I remember rather ruefully that in the next quinquennial assessment that came out the Commissioner more than overtook the lost ground and made sure that he was on the winning side.

I am concerned about the increase in assessments in the country of 45 per cent, because this increase is a very steep one. It is putting the car into overdrive, if I may use that expression, and once this level is established as a basis for taxation there is nothing very much that can be done about it because it continues for all time. I have never known an assessment for unimproved land values to decrease, except in the case of an appeal. It puts up the Treasurer's tax-gathering capacity, or the starting off point for levying this taxation, by 45 per cent, and that is a pretty steep rise to absorb. I fail to see how country lands are able to earn any more today than they were able to earn five years ago. There again, of course, as the member for Gumeracha pointed out, the Commissioner works according to his rules and he takes sale values of land. I believe there are some people who are unwise enough to pay more for land than it is economically worth, and these sales affect rather seriously the value of land in the district. I sometimes think it is rather unfortunate (and I have said this in other places besides this House) that some people who sell out at a fictitiously high price and then take their money away from the district are impoverishing it rather than enriching it by this sort of transaction. I think the member for Gawler (Mr. Clark) appreciates the point I make, because it is a very real one.

Mr. Clark: Indeed I do.

The Hon. G. G. PEARSON: It is unfortunate that this sort of thing happens.

Mr. Quirke: I do not know whether the Commissioner is justified in taking these fictitious values as a basis for working out unimproved values.

The Hon. G. G. PEARSON: I think that as a matter of hard fact that is the rule by which he is obliged to work.

The Hon. T. C. Stott: That is so, under the Act.

The Hon. G. G. PEARSON: I think the Commissioner could, if he wished, subtract from sale values some costs in creating from unimproved land the improved land which is sold. I think there are some costs which he does not include in that deduction at present and which he might very properly include.

The Hon. T. C. Stott: The definition should be altered.

The Hon. G. G. PEARSON: That may well be. The Treasurer says, "Well, we have put country lands up only 45 per cent, and that is not an unreasonable increase." My reply to that is that it is an increase which, whether reasonable or not based on the Commissioner's rules, the people who own this property will find some difficulty in meeting, when it is translated in terms of land tax. The really serious implication of this increased assessment is in the metropolitan districts of the city of Adelaide. I want the House to take some real notice of this point. The people who are getting slugged by this Government for every kind of taxation all the way along the line are those who own ordinary, modest, family-size houses around the city of Adelaide. This burden is becoming rather heavy on the suburban householder. Not only is it heavy on those people who are bringing up families and educating them, but it also bears particularly heavily on people with fixed incomes, those who are retired on superannuation, and those who are retired and living on investments which their frugality in earlier years has enabled them to put together.

Those people, many of whom are the ordinary middle-class people who have been thrifty enough and wise enough (they thought) to own their own properties, are the ones who are being hit by this tax. This also applies to people who lease or rent properties, for a landlord must recover such increased costs in the rentals he receives. Therefore, everyone all along the line will suffer under these new tax scales and new assessments. I point out that an 85 per cent increase in an

assessment is no small matter. I believe that, when these things begin to be sorted out and the people get their land tax bills based on this assessment, even though the rate (to which I shall come later) may have been varied somewhat in their favour, they will still pay a substantially increased tax. It is the bill that will concern them, not the assessment or the rate: they will be worried about how much it will cost them to pay their tax. Much concern will be evinced by these people when they get their bills under the provisions of this legislation.

I turn to the tax itself. The Treasurer has said that in 1965-66 he collected \$5,700,000 in land tax. This in itself was a steep increase on the previous year's tax. That should not be forgotten when we consider this matter now. After all, an increase once in a while is not so bad but an increase year after year becomes onerous. This year, the Treasurer would have collected at the old rate \$9,500,000 but, because of his benevolence and kind-heartedness, he is proposing to collect only \$7,800,000. That, he himself admits, is an increase of 37 per cent on last year's collection. That is not reasonable; it is too high, it is unjustified. The Treasurer may say that the Government needs more money. Obviously it does, and how badly probably only the Treasurer and the Under Treasurer know. He is attempting, apparently, to load on to the land a substantial proportion of his increased revenue requirements. So far as the Labor administration is concerned, this is history repeating itself. To charge the land where the Government is rendering no additional services (for this is purely a revenue tax) with a 37 per cent increase on last year's figure is not reasonable or justified.

If the Treasurer has spent so much money on this or that because of unfortunate house-keeping (probably more than any other one reason) that he has to impose these savage increases on us, either he is putting all or a major portion of the burden on the land or this is a forerunner of other things to come. I do not know; we have not yet seen the Budget. We have only this first instalment; we do not know what the total Budget proposals are. In any case, to propose to take from the land a 37 per cent increase in revenue over and above last year's increase is not fair; it is not a reasonable tax. I support entirely the suggestion foreshadowed tonight that there should be some amelioration of this matter. When it comes up for debate, I assure the Treasurer that the Opposition will press strongly for some relief in this matter.

The Treasurer has also said that, in the scale he has prepared and which he has set out in his explanation, there are some people who, up to the \$50,000 value mark, will pay rather less, because he is suggesting a reduced rate this year. He says he is reducing the rate to 64 per cent of last year's rate. That may be so, but I cannot find those people who will pay less tax. I have looked for them but cannot find them. I do not know who they are. Among those people whom I asked over the weekend, I can find no such lucky person who will pay less tax this year than last year. Of course, plenty of people will pay more tax—and many are under the \$50,000 mark. In every case I have investigated, the increase in assessment has more than compensated for the decrease in rate—the reverse of what the Treasurer said would be the case. He said the decreased rate would more than offset the increased assessment.

Mr. Quirke: The fact is that more money will be collected under these proposed provisions.

The Hon. G. G. PEARSON: As my colleague suggests, the fact is that under this Bill we shall collect \$7,800,000 this year, whereas last year the amount collected was only \$5,700,000;

so, in general terms, nobody will pay a great deal more but the Treasurer himself said that there would be people within some salary brackets who would pay less. However, I cannot find them; I do not know where they are.

The Treasurer also included in his tables in *Hansard* a comparison between this State and other States in land taxation. I know from past experience that, when a Treasurer or Minister wants to bolster his case or produce an argument in favour of certain legislation, he puts before the House the argument of comparison with other States, if it suits him; but he is careful not to do that if it does not suit him. The Treasurer has done so in this case, to persuade the unwilling taxpayer that he is being benignly treated by this rather voracious Government. The taxpayer is not concerned about comparison or how the figure is computed; he is concerned about how much he will have to pay and where it will come from the money he may earn. I ask leave to continue my remarks.

Leave granted; debate adjourned.

ADJOURNMENT.

At 9.58 p.m. the House adjourned until Thursday, July 28, at 2 p.m.