HOUSE OF ASSEMBLY

Tuesday, October 18, 1966.

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

QUESTIONS

UNIVERSITIES.

Mr. HALL: This morning's *Advertiser* states that quotas will be introduced in regard to students desiring to enter the Adelaide University and that this procedure will also be considered for the Flinders University, although I believe no announcement has been made whether such a system will apply at the latter university. Can the Minister of Education say how severe these limitations on entrants may be and whether he expects them to be a permanent feature of entrance qualifications for the two universities?

The Hon. R. R. LOVEDAY: It is made plain, I think, in the statement by the Vice-Chancellor of the Adelaide University that the planning in respect of the severity of the quotas is being worked out by the Adelaide University and that no information is available regarding the Flinders University because the Vice-Chancellor there is away until, I think, Thursday next. In answer to the latter part of the question, the possibility of quotas becoming a regular feature of universities will, I think, depend on the finance made available by the Commonwealth Government in future over and above what the States are able to provide by way of matching grants, because already the States, as far as I can see, are providing as much as they can for the universities. In fact, I noticed in the statement by the Treasurer in Queensland that the Government had decided for the forthcoming triennium to fix the sum for the universities at a level not exceeding one and a half times that of the sum provided for other Government services, because that State had reached the stage of being unable any longer to provide finance over and above what had already been provided. The quotas are not new in South Australia: there have been quotas in architecture, medicine and physiotherapy at the Adelaide University. Quotas have applied to New South Wales for a considerable time. I think, unless a change occurs in the financing of education generally in Australia, quotas could become greater than they are today, and could become a permanent feature.

The Hon. D. N. BROOKMAN: Has the Minister of Education a reply to a question I asked last week regarding the uses to which the increased grants to the Adelaide University would be put and when the money was likely to be spent?

The Hon. R. R. LOVEDAY: The uses which the university will wish to make of the increased grant to which the honourable member referred in his question are as follows:

(1) Extensions to the physics buildings, approximate cost $270,000.

(2) A large lecture theatre, seating 250 students, primarily for the Department of Mathematics; and a building adjacent to the lecture theatre which will provide more space for the Faculties of Architecture and Engineering. The approximate cost of these projects is $470,000.

(3) Alteration of the teaching laboratories at the Waite Agricultural Research Institute to provide accommodation for more students in agricultural science. The approximate cost of this is $16,000.

(4) A number of minor projects which will give relief where it is most needed.

It is probable that most of the expenditure will fall in the financial year 1967-68.

ELECTRICITY TRUST.

Mr. HUDSON: Has the Minister of Works an answer to the question I recently asked about capital expenditure by the Electricity Trust?

The Hon. C. D. HUTCHENS: I have obtained the following information from the General Manager of the Electricity Trust:

The estimated capital expenditure for the electricity undertaking for the year 1966-67 is $35,000,000. This is a record. The capital expenditure in previous years was as follows: 1961-62, $18,692,000; 1962-63, $15,712,000; 1963-64, $19,642,000; 1964-65, $18,962,000; 1965-66, $28,698,000.

PEDLAR CREEK ROAD.

The Hon. D. N. BROOKMAN: Will the Minister of Lands ask the Minister of Roads for a report on the estimated completion date of the Pedlar Creek road (between Noarlunga and Aldinga) and the bridge, which will shorten the road considerably?

The Hon. J. D. CORCORAN: Yes.

KADINA HOUSING.

Mr. HUGHES: Has the Minister of Education a reply to my recent question about departmental housing at Kadina?

The Hon. R. R. LOVEDAY: One house which the Housing Trust has almost completed at Kadina will be occupied by the Headmaster of the Kadina Primary School. The other, the building of which has not yet commenced, is for the Principal of the Kadina Adult Education Centre.

HIGHGATE SCHOOL CANTEEN.

Mr. MILLHOUSE: I have been approached on behalf of the Highgate Primary School Committee about the erection of a canteen at the school. I am informed that all approvals have been given for the site and the plans and specifications, and that, in fact, a tender has been let for the erection of the canteen on the school property. The total cost of the project (the building and the furnishings) is $6,000. The school committee has either funds in hand or has appealed specially for funds up to $3,000 to match the hoped for subsidy from the Education Department. However, unfortunately the department has not approved of the $3,000 subsidy required for the erection of the building. The committee is most anxious that the canteen be erected in time for use at the beginning of the 1966-67 school year. I point out to the Minister of Education (this he undoubtedly knows) that new schools have canteens built in when they are erected, but the school to which I refer is not new. As funds have been collected on the basis that the canteen is to be erected, will the Minister inquire why the subsidy has not yet been approved for the erection of the canteen, and, if it is not possible to give a subsidy in this school year, could he see whether special provision could be made for the school committee to go ahead and have the canteen built, if an undertaking is given by the department that the subsidy can be paid retrospectively?

The Hon. R. R. LOVEDAY: I shall be pleased to do as the honourable member asks. I have been approached once or twice regarding a school where the committee has had sufficient funds to proceed with a project and has wished to use the subsidy that would come to it in the following year. I have said that this is quite practicable, and I will examine this matter in that light.

MIGRATION.

Mr. CLARK: Has the Premier any information arising from last week's release of figures of the recent census indicating a population gain to the Australian States from migration?

The Hon. FRANK WALSH: The census figures released last week were a preliminary count. An analysis from them has revealed that over the five years to June 30 last South Australia made a proportionate gain from migration which was a very close second to Western Australia, and greatly in excess of any other State. The approximate gains through migration in that five-year period were as follows: Western Australia, 45,800 (or 6.2 per cent); South Australia, 58,600 (or 6 per cent); Victoria, 98,400 (or 3.3 per cent); New South Wales, 98,400 (or 2.5 per cent); Queensland, 36,200 (or 2.4 per cent). Tasmania had a loss of 5,600, representing a 1.6 per cent loss.

TANUNDA ROAD.

The Hon. B. H. TEUSNER: I have noticed recently that some of the fencing on the eastern side of the main road between Tanunda and Rowland Flat has been shifted back a considerable distance from what was previously the boundary on that side of the road. I realize that there are some hairpin bends in this road. Will the Minister of Lands inquire of the Minister of Roads whether the Highways Department has plans for the widening and/or re-routing of the present road and, if it has, when this work is likely to commence. Will he ascertain also whether such work would involve the removal of some of the stately gum trees now growing along this road?

The Hon. J. D. CORCORAN: I shall be happy to obtain a report from my colleague on the matter. However, I hope that no more gum trees will have to be removed.

HOPE VALLEY PRIMARY SCHOOL.

Mrs. BYRNE: Has the Minister of Education a reply to a question I asked on October 4 concerning the need for a new surrounding fence at the Hope Valley Primary School?

The Hon. R. R. LOVEDAY: The Public Buildings Department has inspected the fencing at this school and has recommended that the existing fencing be replaced with 5ft. high chain mesh fencing. This work will be given a high priority, but the actual commencement of work will depend on priorities allotted to other works on hand. Every consideration will be given to having this work undertaken at the earliest possible date.

WATER RATING.

The Hon. G. G. PEARSON: Has the Minister of Works information for me relating to the incidence of water rating following the recent quinquennial land tax assessment?

The Hon. C. D. HUTCHENS: In answer to the honourable member's request, I have obtained the following information from the Director and Engineer-in-Chief:

The statement that the earnings in the country lands were shown in the Auditor-General's Report as being $3,872,351 is not strictly correct. This figure represents the earnings from country waterworks as a whole, and comprises earnings from country lands and from townships in country areas. Only country lands water districts are rated on acreage at a rate based on the land tax assessment of the unimproved value. The township water districts are rated on an assessed annual value basis in a similar manner to properties in the metropolitan area. The earnings attributable to country lands in 1965-66 were about $1,250,000, and the balance, making up the total of $3,872,351, was derived from the townships.

It is expected that the additional revenue to accrue from country lands as a result of the recent land tax quinquennial assessment will be about $100,000, representing an increase in actual water rates payable of $135,000 less a reduction of about $35,000 in excess water charges as a result of the increase in rebate entitlement conferred by the increase in rates. This increase in revenue would be derived as follows:

	$
Beetaloo, Bundaleer, Yorke Peninsula and Baroota water district	65,000
Country water districts	18,000
Tod River water district	13,000
Warren water district	4,000
	$100,000

WAYVILLE INTERSECTION.

Mr. LANGLEY: Has the Minister of Lands a reply from the Minister of Roads in answer to a question I asked recently about traffic lights at the intersection of Goodwood Road and Greenhill Road, Wayville?

The Hon. J. D. CORCORAN: The Minister of Roads advises that since the previous reply concerning traffic lights at the intersection of Goodwood and Greenhill Roads was given on August 2, some delays have occurred mainly due to difficulties in land acquisition on two of the corners. In addition, the agreement of the Unley City Council to provide street lighting has yet to be received. All of these matters should be finalized within the next few weeks and tenders will then be called for the installation of the traffic signals. No doubt the contractors will require several months to obtain the necessary electronic equipment, and it is unlikely that the signals will operate before March next.

ADELAIDE WATER DISTRICT.

Mr. COUMBE: Has the Minister of Works a reply to the question I asked on September 27, during the Estimates debate, about why $140,000 less was being provided this year to the Engineering and Water Supply Department for expenditure on the Adelaide water district, and why expenditure for wages and for materials and services was reduced?

The Hon. C. D. HUTCHENS: Following the honourable member's question I obtained the following information from the Engineering and Water Supply Department:

(1) The actual costs incurred during 1965-66 were unusually high because of above average consumptions due to unfavourable seasonal conditions.

(2) Provisions for 1966-67 for the operation of pumping stations (other than electricity for the Mannum-Adelaide main) and for water treatment have been reduced below the 1965-66 actual costs in anticipation of more favourable seasonal conditions.

(3) In order to conserve revenue funds, maintenance employees have been transferred to Loan and reimbursement works where practicable.

(4) There will be a reduction in the quantity of cement lining *in situ* works carried out under contract.

In addition to the above, consideration should be given to the reduction in costs due to improving techniques and efficiency which lessen the impact of the additional funds required each year to maintain expanding services. For example, the past programme of cement lining work is having the effect of reducing the cost of maintaining mains, and the installation of copper water services is having a similar effect on the maintenance of services. Seasonal conditions and the rate of consumption will largely determine whether expenditure on operations in the Adelaide water district can be maintained within the limited provisions available during 1966-67.

UNEMPLOYMENT.

Mr. LAWN: Has the Premier any information about unemployment in South Australia?

The Hon. FRANK WALSH: The Regional Director of the Department of Labour and Industry has informed me that at the beginning of September last 7,347 were registered as unemployed, and that 7,078 were so registered at the end of that month. At the beginning of the same month 1,657 unfilled job vacancies were registered, and 2,492 at the end of the month. At the beginning of September 1.7 per cent of the work force was unemployed, falling to 1.6 per cent at the end of the month. Incidentally, it is important to note that in September, 1961, 3.1 per cent of the work force in South Australia was unemployed.

Mr. MILLHOUSE: I was particularly interested in the Premier's answer, and I am

sure that everyone is heartened by the drop in the percentage of unemployment from 1.7 per cent to, I think, 1.6 per cent. However, how does the percentage in South Australia compare with the percentages of unemployment in other States?

The Hon. FRANK WALSH: I have not got the figures with me now, so I shall obtain the information for the honourable member by tomorrow.

SOLDIER SETTLEMENT.

Mr. RODDA: Has the Minister of Repatriation a reply to the question I asked last week about the Supreme Court case in which about 120 zone 5 settlers (about half of them living in the district of the Minister and half in mine) are involved?

The Hon. J. D. CORCORAN: Yes. As I indicated last week, this matter is at present before the court, and preliminary hearings have taken place. I share the honourable member's concern about this matter, fully knowing that the longer it goes on the more difficult it could be for some settlers, at least, who may not have provided for additional costs that may have to be borne at the outcome of the case. The Crown Solicitor states that at present certain preliminary matters are being dealt with in chambers. These interlocutory proceedings were initiated by the plaintiffs, and the Crown has done nothing to delay their hearing. It is the plaintiff's responsibility to set down the case for hearing, but that has not yet been done. Until the case has been set down, it cannot be given a place in the court lists and cannot consequently be dealt with.

DIECASTERS.

Mr. NANKIVELL: Has the Premier a reply to the question I asked about the future of the factory at Elizabeth, previously occupied by Diecasters?

The Hon. FRANK WALSH: The trust has never had any financial responsibility for this factory and, therefore, the responsibility for its use is completely with the company. Personal discussions have taken place between officers of the South Australian Housing Trust and officers of the company, the trust having been informed that the company is currently advertising the factory in various financial journals in Australia and overseas.

LOXTON ROAD.

The Hon. T. C. STOTT: Has the Minister of Lands, representing the Minister of Roads, a reply to the question I asked about the Loxton to Swan Reach road?

The Hon. J. D. CORCORAN: The Minister of Roads reports that in recent years the District Council of Loxton has been allocated funds to improve the alignment of the Nuriootpa-Loxton Main Road No. 34 from the junction with the Kingston-Loxton Main Road 263 to Maggea and for the construction of the formation to open surfaced standard. This year, 1966-67, funds have been programmed to permit the District Council of Loxton to commence sealing from the junction with the Kingston-Loxton Main Road 263 towards Wunkar. No reduction of the original programmed amount for 1966-67 has occurred, and the date of commencement of the work will depend on the works programme of the District Council of Loxton.

KANGARILLA WATER SUPPLY.

Mr. SHANNON: Has the Minister of Works a reply to the question I recently asked about the possibility of a water supply for Kangarilla and the surrounding district?

The Hon. C. D. HUTCHENS: I have obtained the following up-to-date report from the Director and Engineer-in-Chief on progress made with the proposed water scheme for Kangarilla and district:

A modified scheme with the source of supply from the Clarendon to Chandler Hill pumping main has been designed to serve Kangarilla and surrounding area. The scheme envisages two mains through the area, and landholders whose properties do not abut the mains would be responsible for the laying of their own pipes to their properties from indirect services. Estimates of capital and annual costs have been prepared, but as yet, because of other urgent revenue work, it has not been possible to undertake a revenue statement of the modified scheme. The revenue statement will, however, be prepared after more urgent commitments have been completed by the Chief Valuer. There is no provision on the current year's Loan Estimates for the Kangarilla scheme and the delay in preparing the revenue estimate will therefore not affect consideration of the proposal for inclusion in a subsequent year's programme of works.

STAMP DUTY.

Mr. McANANEY: Has the Treasurer an answer to the question I asked about stamp duty collection?

The Hon. FRANK WALSH: The honourable member has assumed that the first quarter's figures for stamp duty receipts can be multiplied by four to give the prospective revenue

for the year. This is not so, as revenue from all stamp duties does not flow evenly throughout the year. In particular, revenue from annual licences of insurance companies is all received in the first couple of months of each calendar year. Others, such as conveyance duty, normally produce more revenue in the second half of each financial year. In addition, the increase in duties prescribed in the Stamp Duties Bill at present before Parliament will not commence to yield the additional revenues until the Bill is passed. Some revenues are running ahead of Budget and some are trailing a little but, provided Parliament approves the amending Bill to enable its provisions to be proclaimed as soon as possible, present indications are that receipts from stamp duties should go close to the Budget estimate.

WALLAROO MOTEL.

Mr. HUGHES: I have been very much concerned at a rumour (brought to my notice on Sunday by a prominent businessman) that the Government intends to charge the applicant to build a motel at Wallaroo $7,000 for seven acres of land. The *Kadina, Wallaroo and Moonta Times* of August 25, 1966, under the heading "Wallaroo Motel", stated:

Mr. Bavistock of Esquire Motels Limited this Thursday (today) wishes to address Wallaroo Corporation and present a scale model and plans of the motel to be built in Wallaroo. The model of this motel and plans will be displayed in the A.N.Z. Bank window of Wallaroo for the benefit of public and tourists.

Under the heading "Wallaroo Corporation", the same publication stated on September 15:

No longer needed: The council passed a resolution that the area of parklands chosen for the Esquire Motel site is no longer required as parklands. The Lands Department is to be advised of this fact and is to be asked to transfer the land to the Esquire Motels, a company in process of formation. The Lands Director has estimated that the transfer may take three months, and council has written to the department asking for the transfer to be speeded up, for the company has stated that an early start on the motel is essential. The actual area is 100ft. along Cornish Terrace, south from Lydia Terrace and a distance of 600ft. at right angles to Cornish Terrace in a westerly direction and includes all land northwest of this line to the Moonta railway.

Also, I will make available to the Minister an announcement by the motel authorities on Yorke Peninsula asking for inquiries from local residents wishing to invest in this venture. Finally, I wish to quote from the usual notification, necessary under the Act, by the Lands Department which was inserted in the *Kadina, Wallaroo and Moonta Times* and which states:

Department of Lands: Motel site for allotment. Section 1847, hundred of Wallaroo, seven acres adjacent to and westerly from the town of Wallaroo, is gazetted open to application under Agreement to Purchase conditions until October 20, 1966. Full particulars in the *Government Gazette* of October 6, 1966 or from the Director of Lands, Box 293A, G.P.O., Adelaide.

Will the Minister of Lands say whether Mr. Bavistock of Esquire Motels Limited has as yet applied to the Lands Department for seven acres of land in section 1847, hundred of Wallaroo, and whether the Lands Department intends to charge $7,000 for the seven acres of land as gazetted open to application under agreement to purchase conditions, which application I understand closes tomorrow?

The Hon. J. D. CORCORAN: I shall probably have to examine the honourable member's remarks leading up to his question in order to fully cover what it contains. Only last week this matter was dealt with by me and gazetted as open for application for motel purposes. The price placed on the seven acres was $7,000 and, of course, this price was arrived at after the Land Board had considered the value of the land. I can say without fear of contradiction that the Land Board has always been fair and reasonable in its valuation of land, and I do not think anything else applies in this case. An area of seven acres is involved and, as the honourable member has already given the location of this land, I believe that any honourable member with a knowledge of Wallaroo would realize that the sum asked is not exorbitant considering that the venture to be undertaken will provide a return to the purchasers. I do not know whether Mr. Bavistock has applied for this land, but I will obtain that information and bring down a report as soon as possible, together with information concerning any other points raised by the honourable member that I have not covered in this answer.

BRICK-VENEER HOUSING.

Mr. COUMBE: Can the Premier say when he will be able to give me a reply to the question I asked on September 29 about the cost of brick-veneer houses compared with the cost of solid-construction houses of a similar size? If the Premier does not have it for me today will he make it available fairly shortly?

The Hon. FRANK WALSH: As stated by the honourable member, the trust turned to

brick-veneer houses because it had used up the good building soils available to it and had to turn to soils usually known as the expansive type. The trust has a considerable technical establishment, including a soils laboratory, and is not building brick-veneer houses in any area, either in Adelaide or elsewhere in South Australia, where its soil technicians believe it would be safe to build internal walls of masonry, except, of course, with very elaborate and costly footings. The trust has found no difference in price between a solid brick house and a brick-veneer house.

VINEGAR.

Mr. CLARK: Recently I sought from the Premier, in his capacity as Minister in charge of prices, details of the proposed increases in the cost of vinegar. Has he a reply?

The Hon. FRANK WALSH: The Prices Commissioner reports:

(1) Manufacturers have ceased selling vinegar and other grocery lines in returnable flagons as a retail pack. The reasons for this were given in a reply on plastic containers by the Chief Secretary on September 20.

(2) Vinegar is not subject to price control.

(3) Some manufacturers are now packing in non-returnable plastic, half-gallon and gallon containers. Although a half-gallon in two quart bottles costs more than what was the price in a returnable flagon this is due to the cost of packing in a smaller container plus the cost of the container. However, the alternatives of buying in half-gallon or one-gallon plastic containers are available to the public. For example, vinegar in a one-gallon plastic pack is on sale at prices from 59c to 65c which is less than the price of two half gallons of similar quality previously sold in returnable flagons.

HILLS FREEWAY.

Mr. SHANNON: Recently I asked the Minister of Lands whether he would get a report from the Minister of Roads on the desirability of preparing a plan of the new freeway for exhibition on the Princes Highway somewhere near Crafers. The work that is going on now is becoming more and more difficult for uninformed persons, of whom I am one, to follow; in fact, working out what is going to happen there is like piecing together a jig-saw puzzle. It would certainly be good from a public relations point of view if the department produced such a plan. Has the Minister a reply on this matter?

The Hon. J. D. CORCORAN: I have not yet received a reply on this question. However, I noticed that a plan appeared in the newspaper the following day.

Mr. Shannon: That is not what we want.

The Hon. J. D. CORCORAN: I did not disagree with the honourable member previously, nor do I disagree with him now, and I will see whether the matter can be expedited.

PIMBAACLA TANK.

Mr. BOCKELBERG: Can the Minister of Works tell me when the second tank that has been approved will be constructed at Pimbaacla on Eyre Peninsula?

The Hon. C. D. HUTCHENS: I shall obtain a report and inform the honourable member later in the week.

KANGAROO CREEK RESERVOIR.

Mrs. BYRNE: I have received correspondence from an orchardist residing at Paracombe drawing my attention to certain lands being acquired in the district as a consequence of the Kangaroo Creek reservoir project. On the former property of Mr. H. C. W. Verrall, the fruit trees remain intact and, with the approach of the fruit season, these represent a hazard to neighbouring orchards for the reason that, because of non-spraying, the breeding of codlin moth and other orchard pests will proceed unchecked. It is requested that the Engineering and Water Supply Department prevent this problem from arising, perhaps by the immediate removal or destruction of the trees concerned. Will the Minister of Works obtain a report on this matter?

The Hon. C. D. HUTCHENS: I assure the honourable member that the necessity to protect all orchards in the interests of the industry is appreciated. I shall take the matter up with the department and see whether prompt action can be taken.

CHICKEN FATTENING.

Mr. HUGHES: An article in yesterday's newspaper, headed "Fattened on Detergent" and emanating from London, states:

A group of British scientists has discovered a method of transforming a chicken from an egg into a plump 1 lb. broiler in six weeks—they just feed them on washing-up detergent. Operation "super chick" was launched at the Agricultural Research Council's poultry centre in Edinburgh several months ago. Dr. W. Bolton, head of the nutrition department, disclosed today that detergent mixed with the chickens' normal food had the same effect as antibiotics—it encouraged "very rapid growth".

Can the Minister of Agriculture say whether officers of his department have had experience in feeding detergents to chickens in an endeavour to get a larger bird in a shorter time?

The Hon. G. A. BYWATERS: When I first noticed this article yesterday I thought this would be a frothy or bubbly question. My poultry officers say that this feeding has been the subject of textbooks for some time, and that much discussion has taken place regarding the production of a larger bird in a shorter time. At this stage, however, it is considered that the feeding of detergent material or a wet mix is the exception rather than the rule. Often, something is developed by experiments in isolation, but it is taken up by the press and receives much publicity although only in the experimental stage. It is considered that the production of a 4 lb. bird in six weeks should be left to the future.

PEAKE WATER SCHEME.

Mr. NANKIVELL: Has the Minister of Works a reply to my question of September 20 concerning the Peake water supply?

The Hon. C. D. HUTCHENS: Following the recent satisfactory pump test of the bore conducted by the Mines Department, the water supply scheme for Peake will proceed. The Director and Engineer-in-Chief reports that materials, including a tank and stand, have been ordered, and arrangements will now be made for the purchase of a suitable pumping plant. Financial provision for this work is included in the Estimates under the line "Miscellaneous extensions and minor works."

Mr. NANKIVELL: Will the Minister obtain information about the commencement of work on the Peake scheme and about whether or not there is any likelihood of its being completed before the end of this summer?

The Hon. C. D. HUTCHENS: I shall be happy to obtain particulars for the honourable member.

WATER TANKS.

Mr. McANANEY: Has the Minister of Works a reply to my recent question about the removal of dilapidated water tanks at Woods Point?

The Hon. C. D. HUTCHENS: Following the receipt of the honourable member's letter, the Director and Engineer-in-Chief has considered the three tanks on allotment 21, and recently recommended their removal. I am pleased to advise that I have approved that they be demolished and the site levelled. The land is vested in the Minister of Works, as it was purchased from the Woods Point Irrigation Board in 1963.

HOUSING LOANS.

Mr. HALL: Has the Premier an answer to the question I asked last month about housing loans?

The Hon. FRANK WALSH: This query relates to an allegation that purchasers of Housing Trust houses are receiving higher priorities for house-building loans from the State Bank and the Savings Bank than are purchasers of houses from private developers. The State Bank devotes, by arrangement with the Commonwealth, no part whatsoever of the Home Builders' Account moneys available to it to financing the purchasing of Housing Trust houses. The aggregate of these funds in 1966-67 is likely to be about $12,250,000 including the net recoveries available for re-lending. However, out of funds voted on the Loan Estimates under the Advances for Homes Act, the State Bank is lending $500,000 a year to purchasers of Housing Trust houses as submitted by the trust. This is only 4 per cent of the total housing loans made by the State Bank and, in the light of the proportion of Housing Trust houses built for sale to other houses being built, it is very clear that the State Bank effectively gives a considerable preference to purchasers of privately built houses, and not the reverse as alleged. This has been the traditional role of the State Bank, and the main financing of the purchase of Housing Trust sale houses has been by the Savings Bank of South Australia and the Commonwealth Savings Bank.

The Savings Bank of South Australia makes its housing advances in three main groups. First, it makes advances to its own depositors who have maintained significant balances over a considerable period, and these are dealt with on a preferential basis which calls for a shorter waiting period than applies to other applicants. Secondly, it makes advances to others who do not qualify for the preferential basis and who, accordingly, have a longer waiting period. Thirdly, by arrangement with the Housing Trust and the Treasury a specific sum its set aside by the Savings Bank from time to time for advances to purchasers nominated by the Housing Trust. These are, in substance, loans which otherwise the Savings Bank would have been prepared to make directly to the trust itself, but it has been convenient to the Treasury, the trust, and the purchasers of trust houses to make this arrangement. As a proportion of total funds which the Savings Bank devotes to housing loans, the amount which it is making available in this way to Housing Trust nominees is about one-quarter.

Having regard to the number of houses built by the trust as compared with those built otherwise, such a proportion does not constitute a high priority. This is more particularly so when regard is also had to the fact that the State Bank makes relatively few loans to Housing Trust nominees. Undoubtedly, the Housing Trust nominees often do not have to wait so long for their loans after they have been nominated to the bank by the trust as do a number of applicants who go directly to the bank. However, in most cases the nominees have had their applications in with the trust for houses and for loans for considerable periods before being nominated for and receiving a Savings Bank loan.

FREE BOOKS.

Mr. MILLHOUSE: I understand the Minister of Education now has an answer to the question I have asked several times regarding the supply of free books in primary schools.

The Hon. R. R. LOVEDAY: When the Government decided, in pursuance of its policy on free textbooks for children in primary schools, to supply textbooks to children rather than make a monetary grant to parents, the most economical way of obtaining the books was obviously by bulk purchase. In accordance with long established practice in the procurement of Government supplies, the purchase was handled by the Supply and Tender Board, which invited tenders by advertisement for all the books except those printed by the Government Printer and those supplied by the Australian Broadcasting Commission.

On the question of preference to local industry, it is the policy of this Government, as it was of the last Government, to give preference to goods manufactured in South Australia, and this policy was followed. Some of the books used in schools have been for many years, and still are, printed overseas, and of these, contracts totalling $157,453 went to South Australian distributors and $147,041 went to distributors in other States. Of the books printed in Australia, $127,006 worth will be printed in South Australia, and $89,468 worth in other States. Most of the books tendered for use next year will have been printed and published in the same country and the same State as for some years previously.

The packaging of the books for dispatch to schools after receipt from overseas or Australian publishers is all being done by South Australian labour in the Public Stores Department. Instead of the books being delivered to schools for the most part in large containers which had to be unpacked where dropped because of their weight, all books will be delivered in smaller parcels which can be handled and stored with ease. In the case of books published in South Australia, it would be reasonable to expect that the publisher would have submitted the lowest tender. In fact, a distributor from another State obtained a contract for some $63,000 worth of books printed in South Australia while the South Australian publisher's share was about $57,000 worth.

Of books printed in other States, one local South Australian distributor received orders for $54,000 worth of books as against $35,500 worth from a distributor in another State. Overall, South Australian firms got 53 per cent of the business in open competition with distributors from other States. There is no evidence that the overall employment position in South Australia has been adversely affected by the Government's policy in regard to the supply of free textbooks for primary schools.

TOTALIZATOR AGENCY BOARD.

Mr. NANKIVELL: I have been informed that the prospective Chairman of the Totalizator Agency Board has been named, although I prefer at this stage not to declare the person's name. As the public seems to know about the appointment, and as I should like confirmation myself, will the Premier state publicly the choice made in this matter?

The Hon. FRANK WALSH: Although I do not know what is going on outside Parliament, I shall be permitted, after the Executive Council meeting, next Thursday at about 11.45 a.m. to make the name known.

FORESTRY.

Mr. RODDA: Has the Minister of Forests a reply to my recent question about the "benefit cost" report prepared for the Australian Forestry Council?

The Hon. G. A. BYWATERS: The "benefit cost" report formed part of a submission to the Commonwealth Treasury in relation to a proposal for a Commonwealth loan to the Australian States for the purpose of expanding current forestry programmes. That report contains certain information submitted confidentially by individual State forest services, and has not been made available for public scrutiny. I have been informed that the Commonwealth Forestry and Timber Bureau considers that in the circumstances the report should remain a confidential document.

CONSOLIDATED REVENUE ACCOUNT.

Mr. MILLHOUSE: Last week I asked the Treasurer a question about the apparent lag in payments for debt servicing in the current financial year. Although the Treasurer was not able to answer the question then, I understand that he has an answer now.

The Hon. FRANK WALSH: As I informed the honourable member earlier this afternoon that I had a reply, I doubt whether there was any need for him to make a personal explanation. I extended to him the courtesy that I extend to other members, and take exception to what he has said, because I undertook to obtain the information for him. I doubt whether there was any need to twist the matter further and to say that I was unable to do certain things. I think that in fairness, if the honourable member wishes to have information, he should ask for it with the decorum that has been normally established in this place.

There are two reasons for the apparent lag in payments under the heading of debt services. The first is that wide variations occur month by month in the payments of interest on the public debt. November and May are the months in which interest payments are heaviest, and neither of these months is reflected in the September quarter's figures. Secondly, debt service commitments under the Commonwealth-State housing and railway standardization arrangements are paid only once a year, in June. Overall, the present indications are that payments for debt services for the full year will be close to estimate. I should add that many variations occur month by month in both payments and receipts, some of them being of the kind that occur every year and some being due purely to chance factors. Provided the necessary revenue-raising legislation is passed with no delay, I consider that there are reasonable prospects that the complete Revenue Budget results for the year will be close to estimate, that is, a current deficit of about $2,300,000.

WHEAT HARVEST.

Mr. RODDA: Today's *News* reports that the Minister of Agriculture has expressed jubilation that agricultural conditions are improving, and he is further reported as saying that he has just returned from Eyre Peninsula where, he says, the farmers are in good heart. About a fortnight ago the Minister generously offered to buy me a drink if the State's wheat harvest exceeded 55,000,000 bushels, but my stocks slumped a little last week when the experts forecast a harvest of only 48,000,000 bushels. However, after today's report my stocks have risen again. Following the Minister's generous offer to me I received many calls from people having more than a vested interest in what could be the biggest harvest this State has ever had. Can the Minister indicate whether his previous forecast is likely to prove accurate?

The Hon. G. A. BYWATERS: I did not know my offer had received so much publicity.

Mr. Nankivell: It was on the front page of the *Advertiser*.

The Hon. G. A. BYWATERS: Yes, to my surprise. Some of my temperance colleagues thought I had gone astray, but I assured them the drink on offer was one of Berri fruit juice. I was pleased to see, when on Eyre Peninsula last weekend, just how good the country looked. Not having had an opportunity to speak to Mr. Pearson this morning about the estimate at this stage, I shall try to obtain the information for the honourable member as soon as possible. I should still like to honour my offer to the honourable member.

Mr. FERGUSON: When he obtains the estimate requested by the member for Victoria, will the Minister also obtain an estimate in respect of Eyre Peninsula and all other districts in South Australia?

The Hon. G. A. BYWATERS: I shall be happy to do that.

PARAFIELD GARDENS BUS SERVICES.

Mr. HALL: Has the Premier a reply to the question I recently asked about bus services to Parafield Gardens?

The Hon. FRANK WALSH: When the bus services operated by Lewis Brothers Coach Services, including the Parafield Gardens to Adelaide service, were brought under trust control on October 1, 1965, the trust authorized the continuance of the existing fares including weekly passes at concession rates. On July 29, 1966, Lewis Brothers made a written application to the trust for permission to discontinue the issue of weekly passes. In support of the application it was stated that "costs have now risen to the extent that we should discontinue the issue of passes". As periodical concession tickets have not been available on bus services operated by the trust or its licensees, other than Lewis Brothers, for some years, and as the cash fares payable on the routes in question are below the trust's standard fare scale, Lewis Brothers' request to discontinue the issue of weekly passes was granted.

BRIGHTON ROAD.

Mr. HUDSON: Has the Minister of Lands, representing the Minister of Roads, an answer to my recent question about the widening of Brighton Road?

The Hon. J. D. CORCORAN: My colleague reports that in a previous reply given during this session it was stated that a length of Brighton Road between Dunrobin and Stopford Roads should be substantially completed before the end of this financial year. Following this it is proposed to proceed with the reconstruction of the Cement Hill Road to Stopford Road section of Brighton Road. This work should be completed during the next two financial years depending on the availability of funds and the ease of land acquisition. In the latter part of the next five-year period it is proposed to reconstruct the remainder of Brighton Road north of Dunrobin Road.

STATE'S FINANCES.

Mr. HALL: Has the Treasurer a reply to my recent question about the State's finances?

The Hon. FRANK WALSH: In a question on October 13, 1966, the Leader of the Opposition asked whether the temporary lag in water and rail revenues accounted for the whole of the difference in the quarterly deficit this year from the comparable deficit last year. He is correct in his conclusion that these two factors alone do not fully account for the deterioration for the September quarter, 1966, as compared with the September quarter, 1965. In the press release of October 13 there was no suggestion that they did fully account for it. However, it is pointed out that the Revenue Account to the end of September had not received any significant benefit from the proposed and recently authorized increases in certain taxes and charges announced in the 1966-67 Budget. With the operation of these increases it is expected that the Budget estimate given to Parliament can be realized.

TRANSPORT.

Mr. CLARK: Can the Minister of Education say what increase is likely to occur in the number of enrolments at occupation and spastic centres and whether the usual transport assistance will be available for these children?

The Hon. R. R. LOVEDAY: The Education Department expects about 50 to 65 new enrolments at occupation and spastic centres during the year. Assistance will be provided for the transport of these children in the same way as it has been made available in the past.

EVIDENCE BILL.

Mr. MILLHOUSE: In the light of the Premier's censure on me when I asked my previous question, I feel that I should ask your permission, Sir, and that of the House to explain this question. Several times in the last few months, since the last session of Parliament, the Attorney-General has stated publicly that it is intended to re-introduce the Evidence Act Amendment Bill. Of course, so far that Bill has not been introduced this session and the time for adjournment is drawing close. Therefore, can the Attorney say whether the Government intends to allow him to re-introduce the Bill before the House adjourns on November 17?

The Hon. D. A. DUNSTAN: That will depend on the number of repetitive speeches made by Opposition members on Bills before Parliament.

MURRAY BRIDGE CANNERY.

Mr. NANKIVELL: Can the Minister of Agriculture say whether there is any possibility of reconstituting the personnel responsible for the co-operative cannery at Murray Bridge, or is that cannery to remain closed this season?

The Hon. G. A. BYWATERS: It is not a co-operative: it is a company. As this company was selling at a rate less than the cost of production, it could not keep going on that basis because the more it produced the more it lost. That was the unfortunate story of this cannery. However, the receiver has been instructed to try to sell the cannery as a going concern and I have been told of one company that is interested. In fact, I had negotiations, as member for the district, to see whether this company could be interested and whether it would, in fact, carry on the work. If it did carry on, the industry would have a rosy future, as that company is large and has interests in other States.

GAS.

The Hon. Sir THOMAS PLAYFORD (on notice):

1. What is the estimated capacity of the alternative gas pipelines investigated by the Bechtel Pacific Corporation on behalf of the Government?

2. What is the present estimated requirement of natural gas at Whyalla, Port Augusta, Port Pirie, and Wallaroo respectively?

3. What is the anticipated requirement at each of these towns by 1970?

4. At what pressure will the pipelines operate?

5. When will drilling at Moonie be resumed?

6. When is it expected the Moonie field will be fully drilled and tested?

The Hon. FRANK WALSH: The replies are as follows:

1. The alternative pipeline combinations investigated were as follows:

(*a*) 22in. diameter looped with 22in. diameter—capacity 636,000,000 cubic feet a day.

(*b*) 18in. diameter looped with 18in. diameter—capacity 396,000,000 cubic feet a day.

(*c*) 18in. diameter partially looped with 18in. diameter as submitted to the Prime Minister—capacity 314,000,000 cubic feet a day.

2. Whyalla: 8,400,000 cubic feet a day. Port Augusta: about 250,000 cubic feet a day. Port Pirie: 1,300,000 cubic feet a day. Wallaroo: about 50,000 cubic feet a day.

3. Whyalla: 12,400,000 cubic feet a day. Port Augusta: about 250,000 cubic feet a day. Port Pirie: 1,700,000 cubic feet a day. Wallaroo: about 50,000 cubic feet a day for domestic use; about 5,050,000 cubic feet a day if a proposed industry is established.

4. The maximum pressure will be 1,000 pounds to the square inch.

5. This field is not in South Australia, but it is believed that drilling is taking place currently.

6. See No. 5.

TRANSPORT SURVEY.

Mr. COUMBE (on notice):

1. When will the Metropolitan Adelaide Transport Survey be completed?

2. What is the cost of this survey to date?

3. What is the estimated total cost of the completed survey?

4. From what source are funds being provided for this survey?

The Hon. FRANK WALSH: The replies are as follows:

1. The survey was commenced in February, 1965, and is expected to be completed in the first half of 1967.

2. Total cost of the survey to September 30, 1966, is $450,628.

3. Total estimated cost of the survey is $531,000.

4. Highways Fund.

ADELAIDE WORKMEN'S HOMES INCORPORATED ACT AMENDMENT BILL.

The Hon. D. A. DUNSTAN (Attorney-General) obtained leave and introduced a Bill for an Act to amend the Deed of Trust of Adelaide Workmen's Homes Incorporated. Read a first time.

The Hon. D. A. DUNSTAN: I move:

That this Bill be now read a second time.

Its purpose is to enable the Adelaide Workmen's Homes Incorporated to provide suitable dwellings at reasonable rentals for pensioners and aged persons. At present the institution, which was established many years ago, is authorized only to provide dwellings for workmen. Changing circumstances and modern conditions have rendered it desirable to broaden the scope of the institution's activities, and the Government has willingly adopted this Bill to assist in bringing up to date the activities of the institution. The Bill also extends the power of the institution in a number of minor matters where limitations have hampered the continuance of the valuable social work of the institution.

The institution was established under the will of Sir Thomas Elder by a legacy of £25,000 which he requested be settled on the lines of the "Peabody Donation Fund" in England. Sir Thomas Elder died in 1897, and his trustees in accordance with the will executed a trust deed dated September 30, 1898, establishing the Adelaide Workmen's Homes. The Peabody Donation Fund referred to in the will was apparently the fund (later in England in 1900 incorporated by Royal Charter) established by George Peabody, an American philanthropist. George Peabody descended from an old family from Hertfordshire in England, and after successfully engaging in business in America, established himself in London as a merchant. He later gave £500,000 for the erection of dwelling-houses for the working people in London.

Adelaide Workmen's Homes was incorporated under the Associations Incorporation Act, 1858, and the trust deed of September 30, 1898, was amended by Private Act of the South Australian Parliament in 1933 by adding clause 8a (relating to remuneration of the trustees) and imposing on the trustees certain obligations as to annual accounts. The trust deed provides that there should be a rigid exclusion from the management of the institution of any influence calculated to impart to it a character either sectarian as regards religion or exclusive in relation to

local or party politics. The institution now owns 146 houses of which 48 are in the vicinity of Angas and Wakefield Streets, Adelaide, 24 are at Mile End, and 74 are at Hilton. The houses are of various sizes, the largest having six rooms and the smallest three rooms with enclosed back. The average rental of the houses at December 31, 1965, was $5.51 and the average rental a room $1.19.

At the present time the tenants of 51 of the 146 houses are pensioners, some of them being the widows of former workmen tenants. Under the trust deed as amended by the Private Act of 1933, the institution is limited to providing homes for "workmen", which expression honourable members will be interested to note is specifically defined to include workwomen. In the circumstances it is the wish of the institution that in addition to providing homes for workmen the institution should be enabled to provide houses for pensioners and aged persons. Honourable members will find the trust deed as amended set out in full in the Private Act of 1933 and the objects in clause 12 thereof. They will also find in clause 11 how the funds are to be laid out and spent.

Recently the Corporation of the City of Adelaide gave notice to the institution that portion of the land between Wakefield Street and Angas Street belonging to the institution was required for an extension of Frome Street, and as the result of negotiations between the corporation and the institution it has been agreed that the corporation will acquire from the institution the whole of the city houses for the sum of $360,000. The corporation will require possession of 28 of the houses by December 31, 1966, and the remaining 20 houses by August 31, 1968. The institution is at present building 13 flats at Hilton at a cost of about $120,000, and as these are due for completion before December 31, 1966, it will be possible to re-accommodate in these flats or in other houses belonging to the institution those tenants who will have to vacate the city houses by December 31, 1966, and who wish the institution to provide other accommodation.

Some of the tenants of the institution's city properties desiring accommodation have been tenants for many years and, although workmen when they originally became tenants, are now pensioners. Some of the tenants are pensioner widows of men who were workmen when they originally became tenants. These pensioners and pensioner widows have been permitted to remain in occupation, but the trustees are advised that they have not the power without amending legislation to re-accommodate them in other houses or flats since they are not now workmen or workwomen. The institution also believes it desirable that authority be given to provide accommodation for aged persons. Apart from the land on which the additional 13 flats are at present being built, the institution owns a vacant block of land at Hilton comprising about 4 acres. The institution wishes to be able to erect on this land units for the accommodation of aged persons.

Subject to the Adelaide Workmen's Homes Incorporated Act being amended in accordance with the present Bill, and subject to the institution complying with the requirements of the Aged Persons Homes Act, 1954-1957, of the Commonwealth, the Social Services Department has intimated that the institution will qualify as an organization eligible for assistance under the Aged Persons Homes Act. In such case, with the money to be received from the City Council ($360,000) and the Commonwealth Government subsidy of 2 for 1, the institution would have available for such a scheme an amount of over $1,000,000. At this stage the institution has not of course been able to make any final decisions, but preliminary plans prepared by the institution's architects show that about 80 units could be erected on the four acres of land and the amount of money to become available would be more than sufficient for their erection.

Clause 5 of the Bill extends the object of the institution to benefit pensioners and aged persons in addition to workmen. Clause 4 (*a*) extends the area within which land may be purchased from the present limit of 10 miles from the General Post Office at Adelaide to 100 miles. The 10-mile limit is in clause 11A of the deed. Clause 4 (*b*) adds to the types of buildings which may be built, such buildings as home units, flats, hospitals and shops. At present the type of building is limited as in clause 11B. Clause 4 (*c*) gives the trustees power to sell any land or buildings which have become unsuitable for the purposes of the institution, such power being at present limited to the sale of land or buildings which have become unsuitable for workmen's homes. The Bill, being of a hybrid nature, will require reference to a Select Committee in accordance with Joint Standing Orders, and I do not therefore propose to go into more precise details at this stage.

Mr. COUMBE secured the adjournment of the debate.

SUCCESSION DUTIES ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from October 11. Page 2167.)

Mr. HALL (Leader of the Opposition): Members are used to inept descriptions of Bills coming before this House, but the description of this Bill was one of the most misleading and inept in the way it was described in the second reading explanation and the way it has been publicized in the press. We have seen a continual reference to the Bill stating that it provides relief from taxation in respect of lower valued estates, but no explanation is given of those provisions where the impositions will hit hardest. Of course, estates that are not large estates on today's values will suffer under these provisions. I believe that the explanation is in character with others we have had, especially the Bill which came before the House last year and which the Government attempted to push through Parliament. This Bill is an admission by the Government that the Opposition's predictions last year were correct, because it has now acted on the lines indicated by the Opposition. Last year's Bill contained many restrictive provisions in respect of small estates.

The Hon. D. N. Brookman: It has only gone part of the way.

Mr. HALL: Of course. In introducing relief for estates of lower value the Government is cloaking the Bill, which is aimed at gaining extra revenue by taxation. It is using the widows' exemption as a cloak in every case, particularly in the tables that have been put before the public. The Attorney-General has said that the Government needs money for widows and children. He is predictable, and I believe he will justify additional taxation by claiming it is for widows and children. He conveniently forgets that we devote revenue to the purchase of old houses, for computers, and for other socialistic experiments.

The Hon. D. A. Dunstan: Did you buy an old house for a computer, Frank?

Mr. HALL: The Attorney-General can joke about it as much as he likes, but the Treasurer is using money, as the public knows, for things other than the interests of widows and children. This measure, a capital tax, is supporting these socialistic ventures. It would be too much to expect the Treasurer to explain this Bill fully. The Treasurer called a press conference to publicize the provisions of this Bill by emphasizing favourable aspects of it in order to gain public support. I have been told that his publicity agent came out with a sheaf of printed papers and said to the interviewers: "These are the questions you may ask." He produced another sheet and said, "And these are the answers you will be given." The Treasurer cannot explain this Bill because it is so complicated. In the explanations that have been supplied to him and presented to the public, he has used the most favourable aspects but has failed to show how the Bill will affect the public.

For instance, the Treasurer claimed that because this State had a lower yield of taxation per capita than Victoria and New South Wales, he was justified in increasing the taxation. This is an old, old story that has been presented many times in the last two sessions. New South Wales and Victoria are wealthier than South Australia; they are the central base of business operations of many large companies in Australia; and there is a much greater aggregation of wealth in those States than in South Australia. When that wealth is handed from one generation to another a greater proportion of it, on a per capita basis, would go to the State treasury. In 1963-64, the total personal income left to the citizens of New South Wales after all charges had been met was $4,916,000,000; in Victoria it was $3,713,000,000; and in South Australia it was $1,159,000,000. Victoria has almost three times the population of South Australia, and New South Wales has almost four times. If the figures are multiplied accordingly, South Australia, in comparison with Victoria, had $3,477,000,000, whilst Victoria had $3,713,000,000, a difference in favour of Victoria of $236,000,000. The difference in favour of New South Wales was $280,000,000. This is an infallible means of comparison, and demonstrates that the two Eastern States are more wealthy than South Australia. It is futile to compare, on a per capita basis, the yield of succession duty in South Australia with the yield in these two States.

Of the total State taxation, succession duties in South Australia amounted to 20.1 per cent in 1963-64. In Victoria the percentage was 21.7 per cent, and in New South Wales it was 21.3 per cent. It is interesting to note the percentage applying in the other States: in Queensland it was 17.6 per cent; in Western Australia, 11.6 per cent; and in Tasmania, 19.2 per cent. The Australian average was 20.2 per cent, compared with 20.1 per cent in South Australia. Of the four States, excluding Tasmania, which State is progressing the

fastest today? Western Australia! Which State has lower succession duties? Western Australia! It is no coincidence that Western Australia has set out deliberately to attract industry with policies that include the one relating to succession duties.

Apparently, this Socialist Government has gleefully found the reason why South Australia has been so successful in the past; it has certainly not failed to appreciate the reason why South Australia's development was superior and why it attracted people. The reason, of course, was that this State's taxation was lower, but the present Government has found that that reason is saleable. The Government is selling our success in the short term and will inevitably increase our costs at least to the level of those in the Eastern States. If that happens, we can indeed say goodbye to much progress and to much industry that would otherwise have established here, producing goods for export to other States. If this Bill is passed our level of succession duties and State taxation generally will be above the Australian average. How can we tell settlers to come to South Australia, knowing that our level of taxation will be above the Australian average?

The Bill seeks to legislate for another plank in the Socialist Government's platform, and it is interesting to note that the Treasurer was able to refer again to his policy speech made in March, 1965. The Treasurer can conveniently refer to that speech when we tackle some of its provisions, and conveniently depart from it when we tackle such provisions as those relating to hospitals and a number of other important items referred to in it. However, the Treasurer did not, prior to the election, say anything about a change in the method of assessing succession duty; undoubtedly, he does not have a mandate from the people to change that form of assessment. The tables are drafted in a complicated and detailed manner in an effort to redistribute the State's wealth. Again we are dealing with legislation that ignores the emphasis on development, and simply aims at taking from one and placing in the hands of another. This measure will be detrimental to the State's production and development.

It was interesting to note the Treasurer's remark that only 3 per cent of South Australia's estates assessed for succession duties are over $40,000, but he has neglected to say, if the Bill is passed, that aggregation would apply: the number of estates whose values exceed $40,000 will be significantly higher than 3 per cent. The member for Glenelg (Mr. Hudson) may smile, but if we are to aggregate the forms of succession, the estates affected will be more. The Treasurer has based his ridiculous claim that the Bill is a welfare measure mainly on a substantial concession to widows. However, at the same time, in removing the Form U benefits (similarly to what was provided last year) and giving a concession to widows, the Treasurer does not say that the benefits will apply to children. What happens, say, to a daughter who may have spent 20 or 30 years of her life looking after her parents, who jointly owns a house with her father (the widower), and who is willed a joint interest in that house? She will not receive the benefit that is at present rightfully hers under Form U, for the Bill applies only to widows.

Mr. Shannon: A son may be in a similar situation.

Mr. HALL: Yes.

Mr. Nankivell: The use of the word "widow" is more emotive.

Mr. HALL: Yes. Are we supposed to support this sort of thing? Of course, the rights of succession under a separate valuation for duty on other properties in joint names are removed altogether, as Form U no longer applies. The special right of succession in the case of a joint ownership is no longer to be received. Properties will be aggregated, and duty charged accordingly. The Treasurer also makes much of the fact that $2,500 will be used to calculate a rebate, but I should like to know how much that would represent of the insurance policies in force today. This is a deliberate attack for revenue-raising purposes on citizens holding insurance policies. It is ridiculous to say that an exemption of $2,500 is significant.

If the Treasurer wishes to see a decent application of the succession duty law, he had better go to Victoria, where the Government encourages insurance in this type of legislation. Basically, an insurance policy may be assigned or directed to a beneficiary, the only estate duty on an estate in Victoria being paid on the last three premiums. The policy can be for $25,000 but the Victorian Government (which is in a somewhat difficult financial position, although its position is not as bad as that in South Australia) will not attack that policy for revenue purposes as the Treasurer intends to do in this State. The Government still encourages insurance in Victoria.

The action the Treasurer intends to take here will work directly against saving in the community. This provision will take away from insurance policies the benefits that fall due and include them in the total value of an estate, except for a small concession of $2,500.

This provision penalizes thrift and will affect thousands of existing policies, which exist for perfectly good reasons. The holders of policies believed that the policies would be valued under Form U, a separate value for succession duty purposes. The Treasurer, in aggregating them, has obviously made them a target for State revenue. Also regarding insurance policies, provision is made that only 75 per cent of the value of a policy may be paid to a benefactor initially, and this can cause direct hardship. It could be that a person has taken out an insurance policy to cover the duties that will apply to his estate. However, there might be many charges on an estate and he might not have taken out a policy sufficient to cover these duties. If a son or daughter took over a business concern, the insurance policy taken out to help in taking over the business might not cover the duties payable if the son or daughter received only 75 per cent of the value of the policy.

Again, great play has been made regarding primary producing land. Apparently, the Socialist Government has given some thought to the living area. However, once again it appears to have missed the mark. Living areas of various valuations are listed. Although the provisions relating to these living areas are difficult to decipher, it appears that the exemption rate for children under 21 years of age and for widows is $24,000, for widows $18,000, and for descendants and ancestors $18,000. This is a futile attempt by the Treasurer, who had the audacity to allude to his election policy speech in regard to these living area proposals. I do not see how he can think these figures have any reasonable relation to a living area. The living area required today is far in excess of the values provided in the Bill, which do not come close to the figure of $40,000 referred to by the member for Glenelg (Mr. Hudson) last year.

This Bill also includes a provision regarding the responsibility of an administrator of an estate to meet succession duty charges. In many instances this could cause great hardship to administrators of estates. If a person had left his son a substantial sum 12 months before his death and had appointed a third person an executor and the money has been dissipated, then, under this Bill, the executor would be liable for the succession duty. If the recipient of the gift had dissipated the money and had no resources, the executor, as I understand it, would have to bear the duty levied on the value of the gift. This is a most unfair provision as it applies to executors, who may have been nominated many years before an estate had to be considered for succession duties. I object to this responsibility being placed on executors who, after all, are innocent parties endeavouring to assist whether privately or as members of companies.

The increase in rates provided in the Bill is cunning and follows similar moves made in relation to other Bills, especially that relating to land tax with which we dealt earlier this session. The provisions in the Bill will achieve much if they become law because they narrow the steps taken in fixing succession duty rates. Whereas, previously, rates were in steps of from $4,000 to $20,000, from $20,000 to $40,000, and from $40,000 to $100,000, the new ranges are from $20,000 to $40,000, from $40,000 to $60,000, from $60,000 to $80,000, from $80,000 to $100,000, from $100,000 to $120,000, and so on. By increasing the steps, the yield from succession duty is to be greatly increased in this State if the Bill is passed. It is interesting to note that, if a person is not in the favoured category of a widow (if one can talk of a favoured category in this respect), then the result is not nearly as good as the figures outlined by the Treasurer would indicate.

I have taken out several tables indicating how these provisions work, and I have checked these figures to my own satisfaction. First, I shall deal with an estate of $80,000, which is fairly large but nevertheless of a size of which there would be a number in the community. It is interesting to compare what would be paid in Victoria on such an estate with what would be paid here, because Victoria levies an estate duty, not a succession duty. Victoria has an estate duty levied on the full value of the estate. Assuming that the $80,000 was willed to one dependent child over 21 in Victoria, the tax would be $10,600; whereas, if that sum was willed to one child in South Australia, the tax would be $13,875. If this sum was willed to two children in South Australia, thereby making two successions each of $40,000, after allowing for the respective rebates (which I think are $6,000 in this case) there would be a total taxation of $11,050.

This is what we are doing. Although there has been much talk of the vicious Victorian

estate duty, we, in South Australia, by wording this Bill in a cunning and clever way, are making our succession duties bear more heavily in a number of cases than is the estate duty in Victoria. Are we to legislate to lose the benefits of a succession duty? It is interesting to take this further and apply it to a child over 21. Under the present Act the total tax payable in South Australia on the $80,000, divided two ways, is $10,000, or two sums of $5,000 each. Under the present Victorian Act, whether the money is divided one way or two ways the total tax is $10,600. In South Australia at present the total tax would be $10,000, and under the new legislation, if the money went two ways, the total tax would be $11,050.

This does not appear to me to be anything in the way of a welfare measure to those people. Members may say that this applies to only a limited number of estates. However, I should like them to consider an estate of $40,000 which the Treasurer said comes into this category of only 3 per cent. I believe it will be greatly enlarged if we aggregate the value of the estate, and that far more than 3 per cent of the estates will exceed this value limitation if we aggregate them.

Mr. Nankivell: It is a completely misleading figure.

Mr. HALL: Yes, and deliberately misleading. The Bill has not been fully explained either in this House or in the press. On a $40,000 estate in Victoria, where there is estate duty, if the money went to a child over 21 the estate duty would be $3,600; that would apply regardless of how many ways the estate was divided. In South Australia under the new legislation, if such an estate went two ways the tax payable would be two lots of $2,100, or a total of $4,200. I point out that this is not a large estate.

This present Bill will mean that we will pay more in succession duties than would be payable in Victoria, which levels an estate duty. We are not just altering rates here: we are altering methods, and I say the Treasurer and his Government have no mandate whatever for doing that. In fact, the succession duty at present payable under the Act in the last instance I quoted would be $4,000.

It is interesting also to compare an instance of succession duty as it would apply to a farm in South Australia. I have taken a farm valued at $40,000, which is a small farm.

The Hon. D. N. Brookman: A very small one.

Mr. HALL: Yes. At present under the Act the tax on this $40,000 would be $5,000, less 30 per cent rebate of $1,500, which would give a total succession duty of $3,500. Under this so-called welfare Bill we find that the tax is $6,500, less a rebate of $2,925 under the rather complicated system of rebates that we have, the total payment being $3,575. This is still an increase, although only a small one.

Mr. Hudson: To whom is the farm going?

Mr. HALL: To a son over 21 years of age. Can the honourable member claim that this is an unusual application? In fact, many farms go to sons over 21. Under this Bill, a few more dollars will be paid in this so-called beneficial case. The explanations the Treasurer has given have been peculiarly inept.

The Hon. D. N. Brookman: They have been keen to inform the farmers that they are not under any handicap.

Mr. HALL: Yes. I would think the Treasurer would have liked to treat the House as he treated his press conference: perhaps he thought that if he could say, "Here are the questions you can ask, and here are the answers", as he did to the news media of the State, he could have got it through without much criticism. However, those things do not work in this House. We demand a better explanation from the Treasurer than he has given, and we expect to get it in Committee. We say it is our right to have a full explanation of all the hideous details that are revealed to us when we study this Bill.

It is interesting to compare a $40,000 property here with a similar property in Victoria. We find in Victoria that the primary-producer has a flat 30 per cent rebate on any primary-producing land. In this instance, the total tax in Victoria, with this property passing to a son over 21 years, is $2,520. We are instituting in this Bill procedures many of which will be much harsher than the present Victorian taxation. I believe it is a sorry thing indeed that this State believes it can afford the privilege of raising our taxation, especially in a capital field, to a figure greater than the taxation in the Eastern States, with which we have to compete, and on grounds which are less secure than theirs. If this is to be our attitude, we could see in South Australia a great running down of the progress we have made over the years.

I sum up my opposition to the Bill by saying that I have deliberately not followed the tables the Treasurer has had published in the

newspapers, because on every occasion the examples most favourable to his argument have been selected. He has used the widow's exemption in every possible case in these tables, but has failed to present the full effects of this Bill. I believe it has not been an honest explanation, and that is what the public should demand. The Treasurer said that there would be increasing exemptions for widows, for children under 21, and in other minor instances, and he has referred to an additional exemption of up to $2,500 for insurance. How can this be called an additional exemption? We are asked to sanction a disadvantage to children or members of a family who own a house jointly with a person who dies.

The provisions in respect of Form U, which have given many benefits to deserving persons whether through insurance or joint ownership, are removed, and the advantage goes to the matrimonial home. I protest at the severe increase in rates, which is imposed so that revenue will be much higher. I protest at the aggregation, and I believe that the administrator's responsibility of finding the duty under all circumstances is a distinct disadvantage to him and is a responsibility which, in many cases, would be unfair. Comparisons with New South Wales and Victoria are completely false, as comparisons should be made with States more comparable with South Australia. We are destroying the advantages this State has had for many years, and the Government, knowing that the secret of the success of South Australia has been the lower cost of living and of other things, has traded these advantages for increased taxation. It will take many years for this State to return to the position that it once occupied. On these grounds I oppose the Bill.

Mr. HUDSON (Glenelg): As most people on this side suspected, when the Opposition—

Mr. Nankivell: Where are the members on your side?

Mr. HUDSON: —rose to debate this measure it adopted an attitude of opposition and supported the wealthy few in the community, instead of supporting the vast majority. If the Leader's stand is in accord with the general attitude of the Opposition, it will distort the truth in order to protect the wealthy few. Although the Leader said that in 1963-64 succession duties in this State represented 20.1 per cent of the total State taxation, he neglected to say that in 1965-6 these duties had fallen to 16.6 per cent. The Leader claimed that it was a hardship that only 75 per cent of any insurance policy would be available to the beneficiary immediately, and said that people would have to wait until the estate was wound up before the remainder was available. That statement is untrue, and if the Leader had checked the principal Act he would have discovered that the remainder was not available unless the Commissioner certified in writing that all duties in respect of the said property were paid or security had been given for the payment thereof. If security was given and the Commissioner so certified before the estate was wound up, the remaining 25 per cent would be made available.

The Leader had the nerve to say that every table appearing in the newspapers presented the most favourable case for the Government, but that is not correct. Table C stated the existing duty where a primary-production rebate was claimed on the assumption that the whole of the succession was primary-producing land. That assumption stated the most favourable case for the existing Act and not the most favourable case for the new Bill. The existing Act provides that if only half the succession is primary-producing land then only half the rebate is available. It follows that if half the succession was primary-producing land the duty payable under the existing Act in every case would be greater than shown in table C, but under the proposed Bill it would be the same. It is untrue to say that these tables showed the most favourable case for the Government. They stated the position fairly with respect to widows, which was what they were designed to do, but table C stated the most unfavourable case for the Government's proposals.

The Leader compared South Australian duties with what would be payable in Victoria, but he entirely forgot that, in the case of $40,000 going to descendants over 21 where $3,600 would be payable in Victoria $4,000 would be payable under the Act in South Australia where $40,000 passed to two sons over 21. I should not be at all surprised to find, if I had the time to make the proper comparisons, that in other examples that the Leader gave the duty payable under the existing Act would be more than it is in Victoria. I refer to the case of an estate broken up into a number of successions in which the effect on the individual of succession duty, rather than an estate duty, becomes more apparent and less duty would be payable in South Australia. On that point alone the Leader's speech stands condemned for inaccuracy and distortion. I hope that, while the clack that was in the back row may have been misled by the Leader's remarks, others in the community will not be.

Mr. Quirke: They certainly cannot mislead anybody on your side; there is nobody there to hear them.

Mr. HUDSON: It seems to me that the whole argument over aggregation has been enlarged into a magnificent principle that we are somehow turning what is a fair succession duty, designed to protect everybody from the poor to the very rich, into something that attacks the ordinary person—the modest succession. The aggregation provided for in this Bill does not convert the succession duty into an estate duty: it involves only the aggregation of different classes of property passing to one person as the result of the death of another. Where an estate is broken up into a number of successions, that degree of disaggregation remains and will continue to exist under this proposal. Where, for example, an estate is left to a widow and two children under 21, $49,500 can be claimed under the Bill as a total exemption alone. The widow can claim exemption up to $20,500, and each child under 21, an additional exemption of $14,500 each. For each additional child under 21, an additional exemption of $14,500 applies. Therefore, in the case of an estate being left to a widow and three children, the total exemptions could rise to $64,000; and it would be $78,500 in the case of a widow and four children, which is greatly in excess of the claimable exemptions under the existing Act.

The Act, in general, treats most unfairly people concerned with property that is left by will alone. In a typical case where an estate is left to a number of children, with a life interest to a widow by means of a will, which is a fairly common situation, this Bill deals more fairly in almost every instance than does the existing Act. If the member for Burra (Mr. Quirke) cared to do his homework he would discover that that was true and that the large family in every case was protected by this Bill, whereas it is not so protected under the existing Act. The larger successions that provide the inducement to take advantage of the disaggregated provisions of the existing Act are more protected by that Act. Those provisions benefit the wealthy few; they do not represent, in comparison with this Bill, a benefit for the ordinary and modest succession. In the case of an estate left to a widow and two children over 21 the total exemptions claimed can rise as high as $37,500, with an additional $8,500 claimable for each additional descendant over 21. Therefore, a widow and three children over 21 could claim total exemptions of $46,000; a widow and four children over 21 could claim $54,500, and so on.

It would be common to find a primary-producing property left to children, with a life interest to the widow. Where such a property was passed to a widow and two children under 21 the total exemptions claimable under the Bill could be as high as $55,500, with a further $14,500 for each additional child under 21; where a rural property was passed to a widow and three children, the exemptions claimed could rise to $70,000; and the exemptions would be $84,500 in the case of a rural property passing to a widow and four children. That disaggregated effect of a succession duty still applies in the Bill; the Bill provides a considerable benefit for a large family, as compared with the existing Act. The member for Mitcham should take some interest—

Mr. Millhouse: Go on.

Mr. HUDSON: —because, if he wills his property to a wife and five children, the family will do much better under this Bill than under the existing Act, unless he is much more wealthy than I think he is.

Mr. Millhouse: I'm a poor man.

Mr. HUDSON: Where a rural property passes to a widow and two children over 21 the exemptions claimable (and I give the lie direct to the Leader on this point) total $42,500, with a further $8,500 available for each additional child over 21, so that with three children over 21 a total of $51,000 can be claimed.

The Hon. B. H. Teusner: It does not apply in respect of a tenancy in common.

Mr. HUDSON: I shall come to that; I am glad the honourable member has raised that point, because many rural properties are held in joint tenancy. The entire succession, if it passes from husband to wife, comes under section 32 of the existing Act. All the property that passes from man to wife is the joint tenancy—

The Hon. B. H. Teusner: It is aggregated.

Mr. HUDSON: I am glad the honourable member confirms that. I realize that is so.

The Hon. B. H. Teusner: You realize it only too well.

Mr. HUDSON: I have a table illustrating the effect where a rural property is held in joint tenancy and where it all passes under section 32 of the present Act and is aggregated under that section. Many rural properties are held in joint tenancy, and the entire assets that would pass to the widow or children would come under section 32.

That could be a common case. In that case (and honourable members opposite obviously have not stopped to work this out) under the Bill not only is there a basic exemption available but the marital home exemption is also available. The primary-producing land exemption is not available under the Bill, but neither is it available under the existing Act. The only exemption available under the Act is $9,000, whereas under this Bill the marital home exemption is available in this joint tenancy case as an additional benefit, and the exemption available in the joint tenancy case, where all the property comes under section 32 at present, could, if we allow for $2,500 of insurance assigned to the widow (which would also come under section 32), rise as high as $20,500 as compared with $9,000 at present.

To be more realistic, let us assume that the marital home and other buildings on a half-acre of land are valued at $12,000 so that the half interest is $6,000. Under the Bill, with $2,500 worth of insurance, the total exemption claimable in that case would be $17,500, and above a $40,000 succession the exemption claimable would abate gradually from $17,500 to $14,500. I have a table showing the duty under the existing Act, the duty payable under last year's Bill, and the duty proposed now. I ask leave to have it incorporated in *Hansard* without my reading it.

Leave granted.

DUTY COMPARISON.

Value of Succession.	Existing Duty.	Duty Proposed under 1965 Bill.	Proposed Now.
$	$	$	$
15,000	900	Nil	Nil
20,000	1,650	900	375
25,000	2,400	2,075	1,162
30,000	3,150	2,950	1,979
35,000	3,900	3,825	2,812
40,000	4,650	4,670	3,656
50,000	6,400	6,670	6,035
60,000	8,150	8,670	7,962
80,000	11,650	13,200	12,281
100,000	15,150	18,200	17,100

Mr. HUDSON: The table shows lower rates of duty under this measure than apply under the existing Act up to a value of $60,000 succession. The member for Mitcham can nod his head.

Mr. Millhouse: No, I was shaking it.

Mr. HUDSON: I assure him that my calculation in this respect is correct, because this example does not show any benefit from the existing Act. It is not affected by the provisions of the Act at all.

Mr. Millhouse: It's a pity you don't work in a proctor's office where you would learn a few of the facts of life.

Mr. HUDSON: Undoubtedly, the member for Mitcham will hold himself up as an expert on this matter.

Mr. Millhouse: No, I won't.

Mr. HUDSON: In the case where a rural property is held in joint tenancy between a husband and wife (which is common in rural areas throughout the State, such as in the South-East and in the river districts) and where no other assets exist so that there is nothing to pass under a will, the Act does not give any benefit. There is no disaggregation benefit under the existing Act at all and, because of the additional exemption proposed in the Bill for the marital home and for insurance (which would normally, under the Act, pass under section 32), there will be lower rates of duty for those rural properties up to succession values in excess of $60,000 and that is only half the value of the property because it is held in joint tenancy. Therefore, it applies up to property values in excess of $120,000. I suggest that members opposite should do their homework in respect of joint tenancies held in rural areas.

Mr. Millhouse: You will be telling us soon that this Bill will bring in less tax rather than more.

Mr. HUDSON: I am merely pointing out that there are important categories that benefit which the member for Mitcham is so blind about that he would not admit even if he knew they were there.

Mr. Rodda: How many of the properties of which you speak would have no other assets?

Mr. HUDSON: I think the honourable member would find that insurance assigned to the widow would come under the existing Act and be aggregated on the joint tenancy under section 32. The Leader of the Opposition misled the member for Victoria: he tried to suggest that insurance somehow was previously protected under the Act. Insurance held under a person's own name and not assigned to someone else is dutiable under section 8, and insurance assigned to a widow with the premiums kept up by the deceased person is dutiable under section 32 and aggregated under section 32 along with everything else referred to in that section. Insurance which is assigned to someone else but on which the premiums are paid up by that other person is not dutiable under the Act nor is it dutiable under the Bill.

All I am pointing out is that there are many cases of rural property where the only asset of any substance is the property itself, and that property will usually be subject to some sort of mortgage or other encumbrance on it—some sort of indebtedness to the stock and station agents.

In the case of a joint tenancy, the table I have incorporated demonstrates that on a value of $30,000, for example, the existing duty is $3,150 and the proposed duty under the Bill $1,979. At $40,000, the existing duty is $4,650 and the proposed duty $3,656. Of course, that property is a joint tenancy and its net value would be $80,000. At $50,000, the existing duty is $6,400 and the duty proposed $6,035. At $60,000 succession (and, therefore, $120,000 property value) the existing duty is $8,150 and the proposed duty $7,962.

Mr. McAnaney: You have run out of ways to get your extra $1,000,000.

Mr. HUDSON: There are cases where I am well aware that this succession duty will bite on wealthy estates but there are many cases, particularly in relation to rural property, where the Bill gives substantial benefits. I have no doubt that members opposite will want to chuck those benefits away because they will want to protect not the ordinary rural landholder but a few landholders. It is only on succession in the case of joint tenancies in excess of $60,000 that the duty proposed under the Bill would catch up with the existing duty; in the example with which I am dealing that would be a property of $120,000. I admit that this is a case where the entire asset of the person is in the property and there are no other assets outside. Therefore, everything that comes to the widow is currently aggregated under section 32.

Let me take this matter of rural land a little further. I suggest that if members opposite vote against this Bill they will be really throwing away considerable death benefits for most of their rural constituents. A substantial sample of assessments was examined by the Treasurer over a recent nine-month period, and all cases within the sample that involved primary-producing land rebates were recorded.

The Hon. G. G. Pearson: Where did you get this information?

Mr. HUDSON: I got it from the Under Treasurer, from whom I requested it. The Treasurer knows that I have this information and is happy for me to use it.

The Hon. G. G. Pearson: Will that be available to me?

Mr. HUDSON: I am just about to give it to the honourable member. These are cases involving primary-producing land rebates. As members opposite will no doubt know (because they do their homework on these matters) primary-producing land rebates under the Bill before us apply only when the property in question is held in sole ownership by the deceased person: they do not apply in the case of joint tenancy that I was previously talking about, nor do they apply in the case of companies. In relation to this sample of all cases which involved those primary-producing rebates, 34 per cent involved net values of primary-producing land of $10,000 or less. The average net value of the land was about $5,800, and of other property in the same successions, $9,000. Therefore, 34 per cent had an average size of succession of $14,800, and the average net value of the primary-producing land in the succession was $5,800.

An additional 36 per cent involved net values of primary-producing land of over $10,000 but not exceeding $20,000. The average net value of such land was about $15,300, and of other property in the same successions $9,700. So this further 36 per cent involved an average size of succession of $25,000. A further 15 per cent involved net values of primary-producing land of over $20,000 but not exceeding $40,000. The average net value of such land was about $28,400, and of other property in the same successions $16,800, so the average size of the succession was $45,200. Therefore, 85 per cent of the successions involving the primary-producing land rebates had an average size of successions of $45,200 or less; 10 per cent of the successions involved net values of primary-producing land of over $40,000 but not exceeding $60,000. The average net value of such land was $46,400 and of other property in the same successions $20,700. Therefore, the average size of the succession was $67,100.

A further 5 per cent involved net values of primary-producing land of over $60,000 but not exceeding $80,000. The average net value of that land was $64,800 and of other property in the same successions $8,400. So in this 5 per cent category the average size of succession was $73,200. There was not a single example in that nine-month period of net value of primary-producing land over $80,000. Of course, we are dealing with succession duty. There may have been an estate greater than $80,000, but there was not a succession greater than $80,000. According to this sample of

primary-producing land rebates, we can see that 85 per cent of the successions over this nine-month period involving primary-producing land rebates were less than $60,000, and 80 per cent were less than $50,000.

If members care to check on the duty levied under the Bill on primary-producing land where that rebate could be claimed, compared with the existing duty, they will find that the Bill involves lower rates of duty up to $60,000. I put it to the member for Flinders that in 85 per cent of the cases where the existing primary-producing land rebate can be claimed beneficiaries will get equivalent treatment or lower duty than they get under the existing Act.

I am aware that many primary-producing properties are held as a company and do not qualify for the current rebate under the existing Act and do not qualify for it under the Bill. Nevertheless, where primary-producing land is held by the deceased as the sole owner or by the deceased and his widow as joint tenants, or by the deceased and a child under 21 as joint tenants, in most cases this Bill involves a significantly lower duty up to very high values of property.

Mr. Millhouse: Well, who is going to pay the extra?

Mr. HUDSON: A significant amount extra comes as a result of the aggregation provision on the larger estates, because, as the member for Mitcham well knows, the higher the value of the succession the greater the advantage the existing Act gives by means of non-aggregation. The member for Mitcham having prompted me, let me discuss this matter of aggregation in a little more detail. Members opposite are accustomed to talking about Form U. Form U benefits are the section 32 benefits which come under the heading of joint tenancies, insurances assigned to the beneficiaries, and so on—various non-testamentary dispositions. However, other sections involve assessment of duty under the existing Act. First, testamentary dispositions (those dispositions by means of will) are dealt with under section 8, and duty is chargeable according to the Second Schedule on all property passed by will under that section.

Secondly, under section 20 (1) settlements are chargeable with duty according to the Second Schedule. Thirdly, under section 20 (2) deeds of gift, if the gift is made within 12 months of death, are chargeable with duty according to the Second Schedule. In each separate case I am mentioning there is another exemption of $9,000 if the property is going to a widow, $9,000 if it is going to a child under 21, or $4,000 if it is going to a child over 21. Fourthly, various non-testamentary dispositions come under section 32, and in that section the main cases are joint tenancies and insurances kept up by the deceased and assigned to a beneficiary.

Fifthly, we have gifts that are not covered by section 20 (1) and (2), and not covered by section 32: they are under section 35 (1). Section 35 (1) of the existing Act applies to gifts made within 12 months of death. The final section that levies duty under the existing Act is section 35 (3), which deals with gifts with reservation, dutiable whether the person dies within 12 months of making a gift or not. Under the existing Act that is not a gift. If section 20 (2) dealing with deeds of gift and section 35 (1) dealing with gifts made within 12 months of the person's death are left out, we are left with four main methods of disposing of property under the existing Act. It is possible to divide the property and pass it to one person under each of these heads and claim an exemption, so that substantial duty can be avoided by so doing. It is possible that there are further ways in which this division can be made, but it would not be correct for me to say publicly how this can be done.

Mr. Millhouse: You flatter yourself if you think you know anything that is not known to a legal practitioner.

Mr. HUDSON: It may not be known to a legal practitioner who is a member of this House, but many legal practitioners outside the House know more about this subject than does the member for Mitcham.

Mr. Millhouse: That is what I am saying, and more than you know, too.

Mr. HUDSON: There are other ways of dividing property and passing it to one person without having it treated as a separate succession. I shall not tell the member for Mitcham how to do it, but it can be done.

Mr. Rodda: Is your Bill doing that?

Mr. HUDSON: No. Will the member for Victoria explain why it is just that a widow receiving $200,000, by will, pays $35,150 under the existing Act, yet another widow receiving property in four lots of $50,000 as a result of the death of her husband pays a duty of $6,400 on each under the present Act, so that the total duty instead of being $35,150 is $25,600. What sort of equitable treatment is that? That is what this aggregation means: inequity of treatment between widows who succeed to the same amount of property. It means that those in

the know who can afford to pay for advice from a legal expert receive the benefit of lower duty. If the natural thing is done under the existing Act the ordinary person pays more duty. If one is aware of the loophole and of how it can be done, or a friend tells one—

Mr. Millhouse: Don't you think this is the advice given by any competent solicitor to a person who goes to make his will?

Mr. HUDSON: Many Opposition members talk about leaving property by a will and using Form U benefits—two ways only. In general, there are four ways of doing it, but no Opposition member said anything about that. Don't they know! Haven't they been to see competent lawyers, or haven't they spoken to the member for Mitcham! If they saw the member for Mitcham he would tell them of the two ways of doing it. There are solicitors, expert solicitors, and super legal experts. The super expert knows more than four ways, the expert knows four and, presumably, the average solicitor knows about the two.

Mr. Rodda: I think you have missed your calling: you should be in a business of this kind.

Mr. HUDSON: Perhaps I am upsetting the member for Mitcham and it worries me when I do that. Confusion has been created in the minds of many people that aggregation turns a succession duty into an estate duty. That is false: it does not. Aggregation means that duty will now be levied on the total sum when one person succeeds as a result of the death of another. It does not prevent the case where an estate is passed to a number of people so that there is more than one succession. Those successions going to different people are not aggregated: all that is aggregated is what is passed to one person.

The Hon. G. G. Pearson: In the case of a single succession it is equivalent.

Mr. HUDSON: In the natural meaning of "succession" that is the equivalent of an estate duty. The extent of aggregation in the Bill is only to remove the possibilities of a reduction of duty by the manipulation of the existing Act. No doubt exists that there is a manipulation, and the sort of manipulation that people in the know can take advantage of. Furthermore, only special classes of people can get the real benefit from the disaggregation allowed by the existing Act. The property has to be divisible as to title, or it cannot be broken up into parts. For many primary producers the advantages in the existing Act are just not there, because the property is not divisible. As I have already explained, in all the cases where a property is held in one person's name or in joint tenancy, there is no advantage in the present Act. In a company where the shares can be split into groups, one can take advantage of the existing Act.

The more liquid the assets a person has, the greater the advantage that the existing Act gives, because it is then much easier to split assets into parts and to pass them by means of settlement or gifts with reservation to another person in different ways. To the very large estate the existing Act gives the advantage, because, as any member opposite who may have tried to take advantage of the existing Act will discover, costs are involved. Costs are involved in the case of a house held in one person's name when a joint tenancy is sought to be created, because a gift of half the value of that house is being made to the wife, and the person concerned is lumbered for stamp duty and the Commonwealth gift duty, as well as any other legal costs associated with creating the joint tenancy. For the low succession, the costs involved in taking advantage of the existing Act offset the gains to be made from the duty avoided. The larger the succession duty, the greater the duty to be avoided, and the lower the proportion of the costs (legal and others) to the duty avoided.

In general, in the case of aggregation, once we make special provision for dispositions of properties, such as the creation of joint tenancies and the provision of insurance that arise naturally in the normal course of events, the advantage created by the disaggregation in the existing Act, as compared with the aggregation proposed in the Bill, is almost entirely with the larger estates. It should be recognized (and I hope it is recognized by the people of South Australia) that talk about aggregation affecting modest successions is, by and large, poppycock. The larger the estate, the greater the duty that can be avoided by dividing the property, and by passing it to the one person, partly under section 8, partly under section 20, section 32, and so on. Members opposite, in defending the existing Act as against the Bill, are protecting the wealthy in the community, and the large estate. Let us make no mistake about that, for that conclusion is clear.

Mr. Hughes: How will it affect the people around Nangwarry and the other horse-and-buggy towns referred to by the member for Victoria?

Mr. HUDSON: I think most of the people in that area would hold land either individually or in joint tenancy.

Mr. Rodda: The Government happens to be the owner of Nangwarry.

Mr. HUDSON: In the District of Victoria I should think the number of cases where sole ownership or joint ownership—

Mr. Rodda: A big batch would come under that.

Mr. HUDSON: Therefore, a big batch would come under this Bill. Members opposite should not be misled by what appeared in the press when the Bill was last before the House, because the whole argument that took place last year sought to direct attention to the few cases involving estate values below $40,000, in which adverse effects were created. The whole purpose was to protect the larger successions where the last Bill would bite. This Bill eliminates almost every case of a widow paying additional duty on an estate below $40,000. In fact, the Leader today did not quote a single example of a succession below $40,000, because he could not find one. Although I do not know where he obtained this information, the Leader said that aggregation meant that there would now be more than 3 per cent of the estates above $40,000, but that is hogwash. Aggregation does not affect the size of an estate.

The Hon. G. G. Pearson: You know what he meant.

Mr. HUDSON: I do not know what the Leader meant; it was impossible to determine.

Mr. McKee: He didn't know himself.

Mr. HUDSON: The Leader was commenting on the Treasurer's remarks that only 3 per cent of people who died left estates in excess of $40,000 in value. That can be checked by examining the report of the Commonwealth Taxation Commissioner. Whether there is an aggregation or not, that fact has no relevance at all. It would not alter the percentage of estates above $40,000 in value, so the Treasurer's statement stands unchallenged, and the Leader's remark was, in this context, quite incorrect. The benefits proposed in the Bill are substantial, and make a significant difference to the position of the ordinary beneficiary, who succeeds to a property less than $40,000 in value. In the case of the joint tenancy in a marital home, the existing Act gives preferential treatment, as against the case of a marital home being held in the sole ownership of the deceased. This Bill provides that the exemption for the marital home will apply whether it is held in joint tenancy or not.

The tables published in the *Advertiser* last Monday show clearly that even in the case of the joint tenancy, which is the one most favourable in respect of the existing Act, the Bill provides for lower rates of duty for a widow up to a sum in excess of $40,000. Even in the case of a succession involving a sum up to $40,000, which is most favourable from the point of view of the existing Act, and in which the house passes by survivorship under section 32 if it is a joint tenancy, and the rest of the property passes by will, the Bill is more favourable to the widow. However, in the case where the property passes by will alone and where the home is held in the name of the deceased person only, then the reductions in duty involved in the Bill to bring this case on a par with the joint tenancy case (because quite often it is purely accidental whether or not a home is in joint names) become very substantial. At a succession of $15,000 the existing duty is $525 against a proposed duty of nil; at $20,000 there is a reduction from $1,275 to nil; at $25,000, a reduction from $2,025 to $697; at $30,000, a reduction from $2,775 to $1,504; at $35,000, a reduction from $3,525 to $2,330; and at $40,000, a reduction of from $4,275 to $3,169. The new rate catches up with that of the existing Act at $50,000 in that case. The Bill will give some additional remedy, although not much, for this year. The increase is estimated at $250,000 which is not a substantial change. However, in a full year of operation the Bill is estimated to give about $1,000,000.

The Treasurer's second reading explanation made it clear that even at that level we would be well below succession duty per capita in other States. Our rate is currently $5.77 per head of population whereas the rate in New South Wales is $9.45; Victoria $9.87; Queensland $6.39; Western Australia $4.83; and Tasmania $5.39. Even an extra $1,000,000 (and nobody can be sure of what the actual amount will be) would raise us to $6.77 a head, which would be well below the Australian average. I was interested to see in the second reading explanation the table which compared the incidence of duty on various classes of estate in South Australia with those in other States and which showed from the Commonwealth statistics of estate duty the percentage of State probate on succession duties allowed as deductions for Commonwealth duty purposes according to the size of estates. This table gives some idea of whether we are different from other States with our duty. It shows that up to about $60,000 the rates and the incidence of duty are rather hard compared with those of other States but above that figure we fall well below the position in other States.

The additional revenue will come (and I say this frankly) from the larger successions which at present are most favourably and most unjustifiably treated because it is only those in the know who get the really expert advice and receive the biggest advantage. The existing Act is bad law indeed. I suggest that when one checks with Appendix 4 in the appendices to the Treasurer's Financial Statement one will discover that throughout the last 10 years or so (particularly in the last few years) succession duty as a percentage of the State taxation levy has been falling. As I pointed out at the beginning of my speech, the Leader said that it was terrible that succession duty in South Australia should have been 20.1 per cent of taxation collected in 1964-65. He did not say that in 1965-66 it had declined to 16.6 per cent. Without this Bill, with the existing Act continuing in force, and with the advantages of the existing Act being exploited more and more by the larger successions, as time goes by and the advantages become more widespread and a little better known, and when some of the previous exploitations come to fruition, as it were, then succession duty revenue in this State will, I think, tend to decline. Certainly, the percentage of State taxation levied from successions will decline. If this Bill is thrown out by members of another place, the time will come when, whichever Government is in power, it will have to face up to the problem of how to close the avenues of avoidance in the present Act.

Just as Sir Henry Bolte (who, on the Leader's standard of judgment, would have to be the most terrible Socialist of all time) had to close, in 1962, the avenues of avoidance that existed in Victoria, so that will happen here. If it does not happen now it will have to be done in future. Nothing any Opposition member can say will alter that; sooner or later, this State will have to face up to the fact that these avenues of avoidance cannot be continually promoted, as they are at present, and exploited to a greater and greater extent without their seriously infringing further on the State's revenue position and on its Budget. The fact that the Bill provides for such substantial benefits below the level of $40,000, and in the case of rural properties, and yet is able to provide in a full year for $1,000,000 extra revenue is some indication of the extent of avoidance occurring at present.

I have been chivvied before in this place for saying that the net value of a rural property that would give a living would, in most cases, be something less than $40,000. I had a term as a member of the Land Settlement Committee and, whilst I was a member, a number of applications for assistance cropped up. In each case it had to be certified whether or not a living would be obtained if assistance were granted. In no case that came before that committee while I was a member was the loan plus the intending purchaser's equity in the property over $40,000, and I am sure other members of the committee will confirm that.

Mr. Nankivell: How many cases were there?

Mr. HUDSON: I suggest it would be a rare case indeed (and the member for Albert can check this) for the Land Settlement Committee to grant approval where the purchaser's equity plus the loan was significantly over $40,000.

Mr. Ferguson: How many applications were approved?

Mr. HUDSON: I think about 15 or 20 over six or eight months.

Mr. Ferguson: How many were refused?

Mr. HUDSON: There may have been one or two refused but no case came before the committee that involved something certified as a living area where the net equity was to be over $40,000. If the records of the committee were checked I think it would be found that this would apply generally. In view of the information I have given in relation to sole ownership and joint tenancies of rural land, it is a complete sham for members of the Opposition to suggest that the net value of rural successions is in the main over $40,000: it is not. In fact, 80 per cent are less than $40,000. That should not be denied, because members opposite last year, in my view, misled constituents in country areas as to the effect of the 1965 Bill. I hope that this year they will tell the truth. I support the Bill.

The Hon. G. G. PEARSON (Flinders): This Bill is so similar to the one we had last year that obviously it has been introduced as a sugar-coated version of what we had then in the hope that it will be more palatable to the members of the Opposition, not only to the members in this place but, more important, to members in some other place. I listened with much attention and interest to the honourable member who has just resumed his seat, and from his point of view he made out a very good case. I suggest that, if the honourable member is not an expert in this matter, he is not an expert in any. For him to suggest in a rather derogatory way that members on this side do not do their homework rather belittles himself because, after all, if we were to have a debate

in this House on agricultural matters I could probably accuse the honourable member of not knowing much about his homework either.

Mr. Speaker, it is a case of every man to his own job, and I do not think the honourable member did himself any credit in making the remarks he did about some members on this side. Although I do not presume to be an expert on matters of this sort, I have a few comments to make on the Bill. I admit that they are not expert comments in the sense that I have made a long and detailed study of matters contained within the ambit of the legislation generally or of the Bill itself on this occasion. However, it is obvious to me that, if the member for Glenelg is correct, at least 80 per cent of the people in this State who are affected by the succession duties legislation are wrong. Further, if what he has said is true regarding primary producers particularly, most of us on this side are utter idiots and we are, in effect, refusing a hand-out from a benign Treasurer in this Bill compared with the present legislation. That is what the honourable member is saying.

Unfortunately, perhaps, for us we do not see it that way. I discovered from listening to the honourable member that in some instances in his speech (at not closely related points but at different times) he was contradicting something he had said earlier. Indeed, he admitted, in referring to the tables and figures that he was so strenuously presenting to the House in one case, that the table referred to so-and-so and so-and-so specifically; in other words, it was rather a rare class of beneficiary. The whole point in looking at this legislation is that one can compile a figure or a table (as was attempted in the *Advertiser* yesterday) and one can produce a set of figures, as was produced in the Treasurer's second reading explanation. No doubt when we see in *Hansard* the figures presented to the House today they will appear to be very convincing and very conclusive, but when we come to examine them, how can we fit a particular person into that category? The honourable member knows I am not being personal here. I merely say that, when we come to look at how many beneficiaries under estates can actually come within the specific categories of the people he mentions, it is another matter entirely.

I know there are many widows, many children under 21, and many primary producers, but how many of them actually comply with all the conditions that are laid down in each set of figures applicable to them? That is the point. I think this aspect of it might possibly be illustrated by the writer of a letter in the *Advertiser* this morning. I do not know who he is.

Mr. Langley: He was not game to say who he was.

The Hon. G. G. PEARSON: That is not a matter at issue between the honourable member and me. I merely point out that it is a letter apparently written by somebody who may be even one of these super experts the member for Glenelg mentioned in his speech. The writer states:

> No-one would be likely to criticize added exemptions to widows, if they stood by themselves, because these have always existed, and they need periodical adjustment because of the decline in the value of money. One unhappy feature of the present Bill is, however, that the apparent added benefits to widows and children will be more than cancelled out in many instances by the effect of the new aggregation provisions.

The honourable member knows full well (and he said so in his remarks) that there are very few estates that comprise a total benefaction of one particular category. Most of the estates that are divided up in these days comprise land, house, shares, and other property which make the benefaction something other than a straightout issue of one kind in total. Therefore, the honourable member knows that the benefits he has alleged for the Bill are very much less in operation than they would appear to be on a theoretical analysis of them.

I think that is the main point at issue between those who take sides on this Bill: the theoretical application of the Bill and the practical application of it. I think that is where the practising solicitors, for example, and the people who practise in accountancy and in trustee matters and so on are at issue with the protagonists of this legislation, and that this is where the whole thing falls down. The solicitor whose job it is to recommend the best way for his client to dispose of his estate on his decease knows very well the problems of administration of estates, and he knows from experience exactly what happens: not what the honourable member for Glenelg thinks ought to happen, but what does in fact happen, and how it affects the gift to the donee at the time it becomes available to that donee.

The member for Glenelg talked about the very shrewd and clever people with $200,000 estates who could afford to take the very best advice, and he drew a comparison between one person receiving $200,000 in a lump sum and a person receiving the $200,000 in four lumps each of

$50,000. That was a curious analogy. Any person with $200,000 would seek the best possible advice in disposing of such an estate. I join issue with those who say that people making wills are avoiding duty or robbing the public by using legal machinery. That is a wrong and immoral view of this problem. If the member for Glenelg wanted to buy a motor car he would seek the best possible advice from mechanics, dealers, and his friends, and would leave no source of information untapped in order to ensure that he bought the best motor car at the best price. Why should not a citizen in dealing with his estate take similar expert advice in order to ensure that he pays, in the words of a previous Commissioner of Taxation in this State, not a penny more than he ought to pay and not a penny less? That is the proper view to take. I deprecate the aspersions cast on people who seek the wisest advice in order to pay what the law requires them to pay. It is wrong to say that is an evasion, and that such evasion is immoral or dishonest. It is the ordinary prudence exercised by a businessman, but applied to taxation.

Mr. Curren: The member for Glenelg said "avoidance", not "evasion".

The Hon. G. G. PEARSON: That is correct, but he used it with the flavour of evasion, and that is the purport I have heard other Socialist members using in regard to these matters. We hear the rather sneering reference to wealthy people in the community: we have heard it from the Attorney-General several times, and from the member for Glenelg this afternoon. We do not hear it from the member for Frome because he would not criticize himself. This expression is heard when Government members sneer at the so-called wealthy person, but I doubt whether there are many of these people in this State who have not earned what they have got. It does not come easily, and people who have accomplished many things for this State have applied themselves with energy and diligence to using their talents, both financial and intellectual, in order to build up estates that they want to divide amongst their families. What is wrong with that? I do not hear criticism from Government members, because they know that what makes the wheels of progress turn in this country are people who build up assets and reinvest in industry.

Recently, I had the good fortune to visit the Old Country. We know the history of England and of the so-called wealthy people. In many cases, because of its longer existence as a nation, in England much wealth has been inherited. However, the Government has taxed the wealthy assets so that the capital of these people has been depleted and is no longer available to them yet the British Government asks the International Monetary Fund or the Bank of France to back up the crumbling sterling currency. History should teach every wise man and administrator a lesson. When the accretion of wealth in the community is discouraged by this tax, and when the sponsors of this Bill deliberately set out to crack down on the chap who has a few bob, that is going the wrong way to develop a community. There will never be agreement between a private enterprise Party and a Socialist Party on this point. Private enterprise tries to level up, whereas Socialism deliberately sets out to level down: that is the essential difference between the two approaches. Because the so-called wealthy people in this community happen to be in a political minority they are attacked in this Bill, but this is not the way to encourage people to develop, speculate, and invest. By discouraging these things, this Bill is doing the State a disservice.

It is class taxation and legislation which, if introduced by members on this side, would have caused a howl to high heaven by the Socialists. The member for Glenelg had much to say about joint tenancies under the Act and under this Bill. He pointed out how advantageous it was to an estate to be owned under a joint tenancy, and he explained how the proposed legislation preserved succession rights under joint tenancies. Eventually, he told us the truth about it and admitted that joint tenancies did not just happen, but that people had to arrange to own property in joint names. Doing this costs money, and he was good enough (perhaps it was a slip of the tongue) to admit that, when a person registers property in joint names, he pays stamp duty. The member for Glenelg also admitted that, if a gift of a house or property was made to a wife or son, Commonwealth gift duties were payable. Should a person be expected to pay twice on these things? If he pays to create a joint tenancy, it is reasonable that he should obtain some benefit when he passes on an estate. I do not think any evasion occurs in these matters. I think that, whichever course is adopted, the person concerned pays, and that no logical means (at least, none known to me) exists by which the person can avoid his just payments to the State. This Bill is merely a sugar-coated version of the last Bill, in the hope that the Government can sell the legislation to the Opposition both in this place and in

another place a little more easily than it succeeded in doing so last year. We have heard much about widows and primary production, but the member for Glenelg did not say that under this Bill gifts of one year's standing would be acceptable, whereas previously, under the last Bill, a gift had to be current for three years before it was eligible for consideration.

After all, the levying of succession duties is a power to tax placed in the hands of the Government of the day, which must obviously be used with a degree of discretion that prevents it from becoming a weapon against industry, energy, and a willingness to take risks in developing various resources. If the power ceases to be used with discrimination, it sets in motion the law of diminishing returns. I think the claim that only 3 per cent of the deceased persons in South Australia leave estates over $40,000 in value, as reported by the press and attributed to the Treasurer, is meaningless in this argument. The member for Glenelg produced a table in his effort to demonstrate the benefit to primary-producing estates under this legislation, showing the percentages of estates of various values, but it is idle to say that only 3 per cent of the people who die in South Australia leave estates over $40,000 in value, because many people do not leave any estate at all or, at least, very little. They are not the people who stand to gain or lose by this legislation. To average the whole of the estates of people who have died in this State, and to say that only 3 per cent represent properties over $40,000 in value, is not worth anything. I refer again to the person whose letter appears in this morning's *Advertiser*, stating:

It is unfortunate, however, that whoever prepared these statements—

that is, the statements appearing in the press, and probably referring, in particular, to the schedule of tables in the same paper the day before—

continues to assert what is a flagrant untruth, by suggesting that there are "loopholes" in the present Act which people have "exploited", and that there are "avenues of avoidance" which need to be closed. The simple truth is that, for the past 73 years, different types of succession have always been taxed separately, with appropriate scales of duty and exemptions applicable to each. Now, for the first time—

not strictly the first time; it was proposed last year—

it is proposed to add different kinds of successions together, and tax them as one, at escalated rates.

The Leader of the Opposition, in mentioning escalated rates, was either misunderstood or deliberately misinterpreted by the member for Glenelg, who said he could not understand what the Leader meant. I do not think he wished to understand. I think the Leader said that, under the aggregation proposals, the gross value of the bequest was calculated, and that, from that gross value, rebates were deducted at the rate applicable to each: that is, tax is struck at the rate applicable to the gross estate, and the rebates are taken from that. If the rebates were deducted from the estate first and then a rate calculated, it would mean a substantial difference in the tax to be paid. Although the Leader may have had something different in mind, that point must be considered. The Bill is, in effect, deluding the taxpayer, because the rebates alleged to be available to him are, in fact, not really available to him in the full sense. It makes much difference to the amount of duty to be paid.

The member for Glenelg had much to say about the fact that the sums being received by the Treasury in succession duty at present were tending to diminish, and he criticized the Leader's statement that the relationship of taxation received to the whole of the taxation levied in South Australia was 20.1 per cent; he claimed that it had recently fallen substantially. It must be realized that the greater the severity of any tax, the more the people will try to find ways of paying as little as they need pay legally. After all, unless something is to be gained, people just will not bother about seeking advice and ways to overcome it. I suggest to the member for Glenelg that an ordinary tightening up of the law may tend to defeat the objective. It is not so simple that it is like what he calls a tightening up of the law to ensure that more revenue will be obtained.

I object to the Bill mainly because it has obviously been presented in a way that does not tell anything like the whole story. Much has been said today about the benefits that are alleged to accrue to primary-producing estates. I wonder why the Government has found it necessary so suddenly to make overtures to primary-producer constituents of the State when, ever since it took office, it has done nothing to assist primary producers. It has loaded primary producers with all kinds of additional charges: charges affecting railways and water; $2,000,000 from highways money; and additional land tax. These charges affect the costs of primary producers, costs which cannot be passed on or avoided. In addition, legislation was projected affecting road transport which would also have been felt by

primary producers. During its Administration the Government has done nothing to encourage support from the country areas; rather it has done everything it could to alienate that support. Now we find that it has come back in a sudden burst of enthusiasm for the wellbeing of primary producers of the State. I assure the member for Glenelg and the Treasurer that the people in the country areas are not likely to fall for this. I think they know, too, that the alleged benefits are not as real as they have been made out to be.

It is rather interesting that, at this stage of the life of this Parliament and with the present state of political ferment, the Government should have seen fit to come forward with this sort of legislation, apparently attractive to primary producers. Many other speakers after me will examine more closely and expertly than I am able to do the statistical factors involved in the Bill, so I will make room for them. I do not like this sort of legislation although I know Governments must have money and must impose taxes. I realize that succession duty is a tax no-one likes whether it is imposed by a Liberal or Labor Government. However, I object to legislation that is obviously class legislation, such as this. It is admittedly class legislation and almost belligerently so, according to members opposite. It does no good and discourages enterprise: it discourages people from going ahead and developing the State. I oppose the Bill, not because I dislike the Government that introduced it but because I dislike legislation in this form. It introduces an entirely new principle which was not foreshadowed by the Government at the last election. The Government has no mandate to alter the principles of the application of this tax and to that extent it has exceeded any mandate it might have had. It is to the alteration of the principle that I object, and I therefore oppose the Bill.

Mr. MILLHOUSE (Mitcham): As the Leader and the member for Flinders have said, this Bill is substantially the same as the one introduced last session that was defeated in another place and opposed as strongly as possible by the Opposition in this place. Any improvements that have been included in this edition have been included as a result of what was said by the Opposition in this and in another place but, as I say, this is substantially the same Bill as the one we debated last session, and I therefore oppose it for the same reasons as I gave on the previous occasion. The member for Flinders has rightly said that the Government has no mandate at all for a Bill of this type. I do not know whether members opposite ever bother to study what was in the Treasurer's policy speech, but the following is all he said about succession duties when he delivered that speech on behalf of the Labor Party on February 19, 1965:

Our policy on succession duties provides an exemption of $12,000 for the estates inherited by widows and children. It also provides that a primary producer will be able to inherit a living area without the payment of any succession duties but a much greater rate of tax will be imposed on the very large estates. This will be more in keeping with that which is in operation in other States.

He did not talk about the loopholes in succession duties about which we now hear so much (*ad nauseam* from the member for Glenelg). Strangely enough, in the following paragraph of his policy speech the Treasurer talked about loopholes, but in relation to stamp duties. The so-called loopholes about which we now hear so much in relation to succession duties had not occurred to the honourable gentleman when he made his speech in February, 1965. I have quoted all he said about succession duties in that speech and I suggest with great respect to him that what he said was his policy on this matter before the last election does not justify the Government in the sweeping changes it proposes, in this Bill, and which it introduced in the Bill last session, to make in relation to succession duty. The real reason for the Bill, of course, is substantially to increase the revenue from succession duty or, as it will become very largely if the Bill is passed, estate duty, because this is a long step indeed towards turning the traditional succession duty system of this State into an estate duty system.

Let us look at the figures the Treasurer produced when he introduced the Budget. His Estimates of Receipts on Consolidated Revenue Account under this head were $6,750,000, an increase over his actual receipts in 1965-66 of $615,733—a substantial increase in succession duties. Of course, incidentally the figures that the honourable gentleman put before the House on August 31 do not tally with the figures he put forward in his second reading explanation on the Bill, and we have no reason for the change that has occurred in about seven weeks. In his second reading explanation, the Treasurer spoke about $250,000 in the present year from this measure (about $1,000,000 in a full year), less than half the estimated sum which he put to the House before. What the significance of

this is, if any, I do not know. Whether it means that he does not now expect to be able to reach the revenue estimate he made is something I do not know, but there is a substantial difference in the estimate he now gives for the increased amount of succession duty and the estimate in the Budget. The reasons for the Bill (the reasons put forward by the Treasurer, by the brains of the Government—the Attorney-General—and by the member for Glenelg, who is the self-appointed economic expert of the Government) are that this will raise the tax on what are called the wealthy few in our community and that it will raise succession duty revenue to the level of that in other States.

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

Mr. MILLHOUSE: This afternoon we had a long and dreary speech from the member for Glenelg, who spent about an hour or more expounding to us in his usual style the exceptions, the concessions which are made in this Bill in favour of widows, children under 21, and those succeeding to rural land. Earlier this afternoon, in question time, the Attorney-General said that whether he was able to introduce his Evidence Act Amendment Bill again before the House got up depended on how many repetitive speeches were made on this side in the next five weeks. Well, the member for Glenelg is not on this side and one cannot say that his speech was repetitive because he was only the second Government speaker to take part. However, one could use other adjectives, not particularly complimentary, about his speech.

Mr. Coumbe: One could say it was prolix.

Mr. MILLHOUSE: The speech was certainly prolix. If ever anything was going to hold up the introduction of the Evidence Act Amendment Bill it was the speech made by the member for Glenelg this afternoon. As I say, he concentrated only on the exceptions to this Bill, on the sugar-coating, as members on this side of the House have called it. The honourable member and other members opposite can talk until they are blue in the face about the advantages some people will get from this Bill, but the fact remains (and we cannot get away from this fact) that the aim of the Bill is to raise more money by way of succession duty.

Mr. Coumbe: It would not have been introduced otherwise.

Mr. MILLHOUSE: No. As a result, more people are going to pay more in duty under it. As a whole, the community is going to have more money taken out of its pocket by virtue of this Bill, and not less. These are facts. The member for Glenelg and other members opposite can canvass individual suppositional examples as much as they like, but the fact is that people are going to pay more in succession duty. As I say, we have had two estimates. The honourable gentleman opposite is not noted for his consistency. Mr. Speaker, if this Bill is not to increase succession duty—

Mr. Rodda: What about the villagers of Wallaroo?

Mr. MILLHOUSE: They will pay more; everyone will pay more. These estimates count for nothing at all. Let there be no mistake about this. We can concentrate if we like on the exceptions to this Bill, but the stark fact is that the Bill has been introduced to raise more money, and this means that more people will pay by way of succession duty. The Government wants to get more money and it does not care how it does this. Everything said by the member for Glenelg, by the Attorney-General in his broadcasts, and even by the Treasurer in explaining this Bill, was aimed to divert the community's attention from this central fact.

I remind members opposite that the deliberate policy of the last Government and the Government that preceded it (the deliberate policy of this Party from the time it came to office in the 1930's until it went out of office in 1965) was to keep costs down in this State, and to keep our level of taxation deliberately below that of other States. This policy was adopted to attract investment to South Australia, to make this a very attractive place in which to invest. That was the basis of the industrial expansion that started in South Australia in the 1930's. This is common ground, surely, or common knowledge anyway: it was by way of concessions in company taxation that the Butler Government was first able to attract industry to South Australia. This was our deliberate policy when we were in office. We do not believe (as the Government does, and as its supporters apparently do) that it is right and proper and in our best interests deliberately to raise the level of taxation in this State to the average level obtaining throughout Australia, and we were successful, of course, in our efforts in this direction.

Let us look at the latest report of the Grants Commission which has come into the Parliamentary Library only today. Let us see what the position was before the Playford Government went out of office in 1965, because this report contains the figures for the financial

year 1964-65, during most of which the former Government was in office. On page 171, in the table headed "State Taxation and Net Lottery Revenue per capita, 1964-65" we find that the total State taxation in South Australia was $35.71 a head, compared with New South Wales, $52.22; Victoria, $47.80; Queensland, $42.61; Western Australia, $38.48; and Tasmania, $32.78. Therefore, our total per capita was amongst the lowest in Australia and, as I say, this had been a deliberate policy over several decades.

This is the policy which the present Government is deliberately abandoning, and so giving away the great advantage of a lower cost level in this State, the great advantage which our industry and commerce has enjoyed, and the only advantage that has allowed us to compete on markets in other States. As we all know, this is the greatest disservice that the present Government is doing to the economy of South Australia, and eventually, if this goes on long enough (and this jolly Bill is only one step in the process), it will ruin industry and commerce in this State. Surely this has been said often enough and plainly enough by Opposition members to have made some impression on Government members, but I am afraid it has not.

The figures showing the level of probate and succession duties in the year 1964-65 do not tally with those used by the Treasurer in his second reading explanation. I admit that he was speaking about 1965-66; I do not know where he obtained his figures, but no doubt his officers did the mental arithmetic. I am speaking of 1964-65 and the comparison between the States is significantly different. This underlines the fact that returns from succession duties are about as chancy as any returns of taxation, because they depend on who dies, how large the estate is, and what the successions are.

In 1964-65, we paid $6.33 per capita; in New South Wales the figure was $9.22; in Victoria, $9.98; in Queensland, $6.18; in Western Australia, $3.80; in Tasmania, $5.45; with an Australian average of $8.21. We were considerably under the Australian average, but the figures comparing one State with another are not the same as the figures quoted by the Treasurer. This State's figure of $6.33 is substantially above the $5.77 that he used in his speech. The Treasurer complained about the level per capita in this State, but I point out that, in spite of the progress that was made in this State (but is not continuing) during the period the Liberal and Country League was in office, we do not have the same number of wealthy people (I use the word of the Attorney-General and the member for Glenelg) in this State as there are in other States and, therefore, we cannot expect the amount per capita to be as high as it is in Victoria and New South Wales where there are far more people who are well off.

The Grants Commission Report sets out the personal income per capita in Australia, and for 1964-65, in this State the figure was $1,291; in New South Wales, $1,417; in Victoria, $1,432; in Queensland, $1,228; in Western Australia, $1,139; and in Tasmania, $1,149. We were above the level of all States except New South Wales and Victoria, and it is significant that those States, which have the highest personal income per capita, are also the States in which the highest amount per capita was paid in these years in succession or probate and estate duties. The latest Commonwealth income tax statistics schedule, which Sir John McLeay was kind enough to send me yesterday, is a return of income not capital. It is a return of taxation that is uniform throughout Australia and, therefore, gives an exact comparison between States. The highest grade of income, which fascinates members opposite, is $30,000 a year and over, and in New South Wales there were 700 people with that income; in Victoria, 604; in Queensland, 344; in South Australia, 112; and fewer in Western Australia and Tasmania. The total for the Commonwealth was 2,231.

Our proportion of people with a large income was low indeed. In the next preceding bracket $20,000 to $29,999, the same pattern is found. There were 1,777 in New South Wales; 1,321 in Victoria; 952 in Queensland; 282 in South Australia, and the total for the Commonwealth was 5,174. That illustrates that there is not the wealth in this State that there is in other States, and we cannot expect so much to be dragged out of the community by succession duties. It is all very well for the Attorney-General and the member for Glenelg to talk about taking money from the wealthy. Incidentally, although the member for Glenelg refused to define "wealthy" this afternoon, one could say that the Attorney-General would come within that broad category. The stark fact is that there are not enough wealthy people in this community to make up the extra tax that the Government hopes to make from this measure.

Mr. Coumbe: What is the Government's idea of a wealthy person?

Mr. MILLHOUSE: The member for Glenelg avoided any such definition, but apparently it

is used as a term of abuse for some nameless and undefined class of people in the community. People who will suffer from this legislation are not the wealthy people but those in the middle bracket of incomes and assets. Those are the ones who will suffer, because they are the ones who even now contribute most to succession duty. I have another table that will illustrate that fact, taken from the volume of *Taxation Statistics*, 1964-65. If we look (as the Treasurer wanted us to do, and as some of us have done), at the estate duty statistics, we find under South Australia, on page 150, that the greatest number of estates occurs in the bracket from $10,000 to $50,000. In quoting these figures I am following only the examples set by the Treasurer who referred to Commonwealth estate duty statistics. In 1964-65, there were in this State 186 estates in the bracket from $10,000 to $19,999; in the next bracket from $20,000 to $30,000 there were 232 estates; from $30,000 to $40,000, 169 estates; from $40,000 to $50,000, 103 estates; and then the figures steadily decline as the estates become larger.

The total number of estates on which Commonwealth estate duty was paid was 1,045, so that members will see that the great bulk of estates in South Australia on which duty is paid are in the middle bracket from $10,000 to $50,000. Therefore, it is from estates in this bracket that the extra duty will come; it will not come from the so-called wealthy people of this State (because there are so few of them), but from the people with middling assets, in the bracket I have mentioned. I hope that the public will not be misled by the propaganda that the Government is pouring out in the papers and in this House, to the effect that this Bill will tax only the wealthy and that it is meant to relieve widows, the sick and the poor, because that is not accurate.

Even if it were accurate, let us assume for a moment that the wealthy people of this State, whoever they may be, will pay the extra duty under this Bill. Do not members opposite have any idea of what has happened in the last 18 months since they came into office? If experience has shown us anything since March, 1965, it is that, if one section of the community is attacked, all of us suffer because, to use the words of St. Paul, we are members one and another: we are the community, and every section of this community and every individual depends on the well-being of everyone else in the community.

Yet they say that this Bill is to take from the wealthy (by "they" I mean, of course, the Attorney-General who does most of the talking for the present Government, and to help the sick, the poor, and the other unfortunate individuals in the community. Let me remind the honourable gentleman, however (if he is listening in the comparative tranquility of his room), and let me remind other members, that a far better way to help the less fortunate members of our community is to raise the general level of prosperity in the community so that we are all better off. This was, again, the deliberate policy of the last Government; it is a policy that has been abandoned by the present Government to the regret of most people in the community and, certainly, it has meant that we are less well off than we were before.

It is far better to increase the total size of the cake than to be pre-occupied with cutting up the cake as it now stands. Anyway, why should people not be allowed to save their money and to conserve their assets? After all, it is a human desire to provide for those who come after us.

The Hon. Sir Thomas Playford: A commendable desire.

Mr. MILLHOUSE: Yes. I do not suppose one member in this Chamber, or one person in the gallery for that matter, does not wish to provide for his family and those who come after him: all of us try to do it. I am sure even the member for Gawler would be one of the first to admit that this is what he does. Yet this doctrinaire Party opposite does not believe in that, as a Party: it believes in taking away people's savings; it believes that it is good Socialism to level everybody down. That, however, is one of the great fallacies in Socialism, because it is against human nature.

I may say, without going into the details of the Bill or chasing members opposite all round the examples they have dragged up to try to justify this Bill, that I have two great objections to it as it stands. My first objection is to the principle introduced relating to aggregation. As I said in the beginning, that principle will bring the Bill near enough to making our form of succession duty into an estate duty. Members opposite have talked about loopholes in the present Act, but what they have said is wrong because, ever since the Act came into operation (and the member for Light may remind me if I am wrong), I think, in 1893, different sorts of succession have been dutiable at different rates. That is not a matter of loopholes; it is a matter of the way in

which the Act was consciously framed right from the beginning. There is nothing wrong with that; in fact—

The Hon. Sir Thomas Playford: There is much wisdom in the original Act.

Mr. MILLHOUSE: Yes; in fact, in some cases the rate of succession duty, because there have been separate successions, has been rather higher than it would otherwise have been. This Bill will change altogether the computation of succession duty in this State. This is achieved, if members doubt it, by clause 7, which drastically alters section 7 of the Act. The second part of the present section is repealed and replaced by the following new subsection:

Duties shall, in relation to a particular person, be assessed upon the aggregate amount of the net present value of all the property derived or deemed to be derived by such person from any deceased person and shall be chargeable and payable accordingly.

That is the crux of the matter—the subsection that provides for aggregation in future. That is the subsection to which I take the strongest exception in the Bill. People in this State have done what they have been perfectly entitled to do under the law of this State; they have arranged their affairs on the basis of the present Act, as any prudent person would have done. We heard much nonsense this afternoon from the member for Glenelg about the loopholes in the Act; he apparently flatters himself that he has discovered a few loopholes that have never been known to the legal profession and others in this State. What absolute nonsense! As I have said, in the first place, they are not loopholes; this is the way in which the Act is and always has been drawn.

Mr. Coumbe: I thought that was common knowledge.

Mr. MILLHOUSE: Of course it is common knowledge! What is the common practice? Anyone who goes to a solicitor or an executor company to have his will drawn is advised on the best way to dispose of his assets by will and to make arrangements during his lifetime. This is not something which is done only for a few and of which only a few can take advantage: it is something which is and always has been well known. People in this State have ordered their affairs on this basis and, now they have done that, the basis on which they ordered their affairs is to be altered. In many cases it will not be possible to re-arrange their affairs to meet the new basis. This is the fundamental unfairness in the Bill: this is why it is so unfair to change the whole basis of the succession duty law in South Australia, as the Bill does. People have perfectly properly arranged their affairs on the present basis and it may not be possible for them to alter such arrangements: there is no need, I believe, to alter the present basis. However, the Government must have more money and it seems to be a bottomless pit into which the money of the citizens of the State must be poured. If the Government must increase duties then let it increase the rates only and leave the basis on which the rates have been computed as it always has been.

That is my first objection to the Bill and on that alone I should be willing to vote against it, but I have another objection to it and this is something that members opposite have been careful to sweep under the mat when they have been trying to explain and excuse the Bill. The Bill contains a sharp rise indeed in the rates of succession duty payable. It can be seen (and I say this with due deference to the Treasurer who takes responsibility no doubt for the drafting) that this is an incredibly complicated tangle of legislation as it stands. It is almost impossible to understand what is meant and to work out the computations that must be made to find out how much duty is payable in many circumstances. Perhaps my brethren in the legal profession can take comfort from this because it is notorious that the more complicated a piece of legislation is the more real loopholes that can be found in it.

The Hon. D. N. Brookman: Especially when the basis is changed every year.

Mr. MILLHOUSE: Maybe so, but I have no doubt that if by some mischance this jolly Bill does get through, then the legal profession will be able to find loopholes in it because of the way in which it has been drafted. As I have said (and I am glad to see the member for Glenelg in the Chamber taking his ease in the easy chair), the honourable member concentrated this afternoon on the exemptions in the Bill—widows, children under 21 years of age, and those who succeed to rural land.

Let us take a few examples stripped of these exceptional characteristics; let us look at the tables in the schedule to the Bill. Under the Bill (and no member opposite has bothered to talk about this; the Treasurer certainly did not expound on it in his explanation), all the tables in the Second Schedule to the present Act are repealed and are replaced by new tables carrying substantially greater rates of duty. These are about as much as I have been able to understand. I should like to point out for the benefit of the member for Glenelg that I am not practising as a solicitor now. Even

if I were I would not hold myself out as competent to advise on this type of legislation but, even so, I think I know just as much about it as he does.

The Hon. Sir Thomas Playford: I hope you do.

Mr. MILLHOUSE: I hope so, too, for I would be ashamed if I did not. The computations under the various tables have been about as much as I have been able to do, but they are interesting and there is much food for thought in them. Let us take a few examples and strip them of their exceptional characteristics upon which the Attorney-General and the member for Glenelg have concentrated. Let us look at the rates of duty that will be imposed under the new Bill compared with those imposed now in the first and second tables of the Second Schedule. First, let us take the case (and surely this is typical) of a son and daughter of full age succeeding to assets of their mother or father. This is much commoner than taking the case of a child under 21 years because, after all (thank God), in our community most people live until their children are of full age, and these are the ones who succeed. Let us take a few examples of straight-out cases, which will undoubtedly happen, of sons and daughters aged over 21 years succeeding their parents.

I have drawn up a simple table showing the amount of succession, the present duty payable and the proposed duty, and it is very illuminating, especially as the Government is boasting that those who are to succeed to smaller sums are helped by the Bill: in fact, they are not helped at all. On a succession of $2,000 (a small succession), the present duty payable is nil and the proposed duty is $300; on a succession of $4,000, the present duty is nil and the proposed duty $600; on a succession of $5,000, the present duty is $125 and the proposed duty $750; and on a succession of $6,000, the present duty is $250 and the proposed duty $900. I now come to the larger figures: on a succession of $20,000, the present duty is $2,000 and the proposed duty $3,000. Finally under this head, on succession of $40,000, the present duty is $5,000 and the proposed duty $6,500. Those are a few figures that I have taken at random. Yet the Government says the Bill is supposed to help those who succeed to small amounts.

Mr. Shannon: The small man's friend!

Mr. MILLHOUSE: Yes; why does the Government not tell the people of South Australia these facts when it publishes its rotten tables in the press? I shall now deal with table 3 which deals with successions of a collateral, a brother or sister, or the descendant of a collateral, a nephew or niece. I have taken four examples: on a succession of $1,000, the present duty if $50 and the proposed duty $50; on a succession of $2,000, the present duty is $150 and the proposed duty $150; on a succession of $3,000, the present duty is $275 and the proposed duty $325; on a succession of $5,000, the present duty is $550 and the proposed duty is $675. Above that, I have no doubt that the amounts of duty draw apart significantly. These are supposed to be the wealthy people.

Mr. Coumbe: Why weren't these mentioned?

Mr. MILLHOUSE: Let us ask the Treasurer at this stage. Perhaps he will reply on this when he replies to the debate. I respectfully invite him to do so.

The Hon. Sir Thomas Playford: What were the first figures you quoted?

Mr. MILLHOUSE: The first two figures are significant. Let us take the case of a son or daughter of full age: on a succession of $2,000 the present duty is nil; whereas the proposed duty is $300; on a succession of $4,000 the present duty is nil, whereas the proposed duty is $600.

Mr. Rodda: Ned Kelly rides again!

Mr. MILLHOUSE: Let us look finally at a succession by a stranger in blood. For instance, supposing the Treasurer were good enough to leave me something in his will, which is highly unlikely. I see that the Attorney-General has re-entered the Chamber. I hope he, too, will listen to this and then when he speaks again of helping the sick and poor in this State he will quote the figures I have quoted here tonight to show how well the Government is doing.

The Hon. D. A. Dunstan: I shall be a little more careful about the figures I quote.

Mr. MILLHOUSE: I challenge the Attorney-General to show that I am wrong. These figures come directly from the tables at the back of the Bill.

The Hon. D. A. Dunstan: Without the exemptions?

Mr. MILLHOUSE: Yes.

The Hon. D. A. Dunstan: That makes a difference.

Mr. MILLHOUSE: I am reminded that there is an exemption under new section 55j of $6,000 for children, but that does not alter the basis of what I am putting to the House. Let us look at a strangers in blood succession of $1,000: the present duty is $100 and the proposed duty is $100. So

far so good, but we do not carry on in that way. With a succession of $2,000 the present duty is $250 and the proposed duty $300. With a succession of $3,000 the present duty is $450 and the proposed duty $550. With a succession of $5,000 the present duty is $875 and the proposed duty is $1,050. With a succession of $10,000 the present duty is $2,000 and the proposed duty is $2,300. Those are the figures set out in the table to this Bill. I know there are exemptions in new section 55j but I suggest to honourable members opposite that they do not explain away the figures I have quoted. I invite members opposite to explain them away if they can or in any way to explain why they have not been mentioned so far in the propaganda put out to support this Bill. There has been a most significant silence on this matter.

Those are the facts and this is an additional reason why I am opposed to this Bill. I am opposed to it on the general grounds I have mentioned and because of the provisions for aggregation and because of the very steep rise in the rates of duty from the very smallest estates upwards. I submit that these are more than sufficient grounds for opposition; certainly, they are more than sufficient grounds for my opposition to the Bill and I therefore oppose the second reading.

Mr. FREEBAIRN (Light): I compliment my colleague on the brilliant exposition he has just given of the weaknesses in the Government's Bill. I do not think anybody who was present in the Westbourne Park hall about 18 months ago listening to the speech that the present Treasurer made on that occasion could reconcile what he said then with his recent remarks about this Bill. The reference made by the Treasurer to his Party's policy on succession duties was clear on that occasion. I thought the policy was so clear that there could be no reason for doubt. I think his words are worth repeating. On that occasion he said:

Our policy on succession duties provides an exemption of $6,000 for the estates inherited by widows and children. It also provides that a primary producer will be able to inherit a living area without the payment of any succession duties, but a much greater rate of tax will be imposed on the very large estates.

That is clear. The Bill introduced earlier this year did not give precise effect to the Treasurer's indication. In his second reading explanation he then said:

This Bill increases the rebate of duty in respect of land used for primary production and which passes to a near relative, so that an amount of $5,000 in a particular estate is entirely freed from duty.

So we see that the Government has increased its exemption for primary production land from $5,000 in the Bill introduced earlier this year to $6,000. This figure of $6,000 is a long way away from any realistic appreciation of the value of land required for a living area.

Earlier this year the member for Glenelg (Mr. Hudson)—and I think my Leader quoted this figure this afternoon—quoted a figure of £20,000 (or $40,000). I submit that this figure of $40,000 is much closer to the mark. When the honourable member was speaking this afternoon he seemed to be using figures of that order. Although he was using big figures he was most ineffective, but he said that $40,000 could be regarded as a figure for a reasonable living area for a farmer. I am reminded that in the South-East of the State as recently as five years ago the Australian Mutual Provident Society cited a living area as costing $56,000. I do not think that the authorities were able to settle any soldier settlers on land in the South-East at a figure much below that. Perhaps the member for Victoria (Mr. Rodda) when he speaks later in this debate will be able to give the House some information on living areas. The exemption given under this Bill to the man on the land is very much less than a realistic appreciation of a living area would provide.

The most important feature of the Bill to which I object is aggregation. The Treasurer and the member for Glenelg claimed that introducing a provision for aggregation would close some of the loopholes that they said had existed in the Act and would make it more difficult for testators to avoid succession duties. There is no doubt that the more the restrictions and the higher the rate of succession duty, the more effective will be the measures taken by prudent testators to avoid the payment of duty. It seems to me inconsistent that, while the Government is aggregating in this Bill certain life assurance policies on which succession duty was levied at a special rate under the existing legislation, it has not taken the matter one step further to what could be an exciting field of succession duties: superannuation funds. As the Australian Labor Party is trying to tax the widow and children of a man who has been able to save a few dollars by thrift and hard work, if it is to be consistent there does not seem to be any reason why it should not tax people who provide for their widows and children by means of a superannuation fund.

We all know how keen members opposite have been to see that they are included in a

very satisfactory superannuation fund. I was interested to look up the value of superannuation payments provided under the Parliamentary Superannuation Act. A member who entered Parliament at the age of 30 and stayed for 20 years would be able to enjoy a pension of $3,000 a year, and if he died his widow would be paid $2,250 a year. I mention this figure because I think some reasonable construction should be placed on it by members opposite. If a farmer, businessman or self-employed person, who provided for his widow to receive a pension for life, died at the age of 50, he would have had to provide a capital of $33,300. This morning I telephoned a friend (a life assurance representative) who told me that the figure which his company applied and which was fairly general for other companies was that an investment of $1,668 was necessary to obtain an annual annuity of $104. This means that, to provide a widow with $2,250 a year (which she would enjoy from the Parliamentary Superannuation Fund), over $32,000 capital would be needed. If a member of Parliament died at the age of 60, the value of the credit in the fund to his widow would be about $26,000. The two figures I have mentioned represent the value of the fund to which members subscribe.

Why in equity should a member of Parliament or a public servant get benefits from a superannuation fund free of succession duties whereas the private person, who has to provide for his widow by the sweat of his brow and by his own industry, must pay succession duty? I notice that members opposite are quiet, and we all know that there is another benefit payable if a member dies by accident. This increases his effective estate even more. Why do members opposite, who are happy to tax the man who has saved his money throughout his lifetime, want their own estates free of succession duty? One of the features of the accident fund provided by the previous Government that members opposite were keen to see was that the money was free of death duties. I do not begrudge members opposite their cover, but they should at least be consistent and consider people who have had to provide for their wives and families by the ordinary means available to the man in the street.

I was interested in the speech made by my Leader, who held up the Victorian Probate Duty Act as an example to the present Government. In the July, 1966, issue of the *Taxpayer* there is a brief commentary of insurance policy under the Victorian Act, as follows:

Whether or not the proceeds of an insurance policy on the life of the deceased forms part of the estate now depends on several factors. Basically the whole proceeds would be dutiable if the deceased paid all the premiums, or if he had any interest in the policy within the last three years before death (assigned). However, overriding the vital principles are the following four special cases, which are treated in detail. So long as the deceased did not hold or retain an interest in the policy, none of the proceeds shall be dutiable where the policy:

(*a*) was on the life of the deceased;
(*b*) was effected by the deceased or his spouse; and
(*c*) was expressed to be for the benefit of his spouse or children.

This result holds even if the whole of the premiums were paid by the deceased. However, the premium paid by the deceased during the three years immediately preceding death are added into the estate.

I have read that in the hope that members opposite will note the provisions of the Victorian Act. I know that one or two members opposite have rather large life assurance policies, and perhaps what I have said will apply to these members, whom I know to have been provident. I hope that no member opposite is so improvident as not to have a life assurance policy.

Mr. McANANEY (Stirling): In my youth I was lucky enough to go around the world and to see the Indian rope trick and various other confidence tricks, so I am more able to understand how members opposite can say that there will be a reduction to everyone yet the Government is going to take an extra $1,000,000. An examination of the estates set out shows only a limited number of large estates. However, it is obvious that this duty cannot come out of these large estates: a fairly large proportion of it must come out of the smaller and medium size estates. No matter how much the Government maintains that is to come out of the large estates, I say emphatically that that is not so.

In imposing any tax it is necessary to examine whether the tax is in the interests of the State and of the people. In Australia at the present time our shortage is in capital to provide for the various works that are necessary. The younger people want houses, and we are providing these at practically no deposit, so somebody must be prepared to save. We can get a certain amount from bank credit. In this particular year, when there is a slight recession in Australia and a fairly big one in South Australia, bank credit is being used to a large extent. However, when things are booming it is not possible, in any circumstances or conditions, to use bank credit, and we may

even have to withdraw some. Therefore, as I say, somebody must be prepared to save.

If we are going to hit the people who save we will not get savings and this will be to the detriment of the nation as a whole. We will then have to get capital from overseas, which is not necessarily in the interests of Australia. At present there is only a small group of people with the incentive to save. This group consists of people in primary production and in small businesses, who must save if they are going to continue their businesses. A headmaster at a school retires now on about $3,000 a year, and that is equivalent to interest at Commonwealth loan rates on a capital sum of $60,000. Going to the other extreme, we find that about 57,000 people out of the 78,000 people in South Australia over the age of 65 are receiving a pension of some sort. Allowing for this pension, travelling allowances, free hospitalization and such things, these people have an income equivalent to Commonwealth bank interest on a sum of $30,000. Therefore, how can we put up a case to say that there should be duty on an amount less than that these people receive in pension and benefits?

A man in a small business does not get a pension or superannuation, and therefore he must save that amount so that he can live decently in his old age. I say that the exemption is not high enough. The Treasurer in his policy speech said that there would be concessions for the widows and the poorer people. However, as the member for Glenelg so eloquently set out, there are under the existing Act at least four ways in which people can get this $9,000 exemption, which adds up to a possible $36,000 exemption. The most the Treasurer is prepared to give now by way of exemption is $26,500, so he is not honouring the promise he made in this respect.

I am not particularly keen on this non-aggregation; I think there should be a fairly substantial exemption that is common to everybody, and then a graduated scale. The present Bill discriminates in one respect, and that is in relation to a dwellinghouse. I have had a number of complaints about this already. Bank managers, school teachers, and people in many walks of life often have to live in rented houses, and during that period they have to save to buy a house when they leave their jobs. If either the husband or the wife should happen to die between the ages of 60 and 65, they have savings in the bank for the house but because they do not actually own a house at that period they are penalized under this legislation. Therefore, a grave injustice is done to this fairly large section of the community. In that respect, it is not fair to everybody, and it would be much better if there was a flat rate exemption.

I point out here that a person who is receiving Government superannuation is heavily subsidized by the employer, who pays 70 per cent compared with the contributor's 30 per cent. Almost the same proportion applies in many superannuation schemes. In my opinion, the special section of the community that must save if they are to stay in their businesses and enjoy a decent standard when they retire should have a bigger base exemption. Many people insure. I do not believe in whole of life assurance. I know it is necessary for a person to insure up to the hilt when he is young and has a family, for he has certain commitments to meet and he must see that when the children are young they are cared for. However, I cannot see any point in a person paying heavy life assurance premiums when he has got on a bit and his children are earning for themselves. I know that probably 80 per cent of the people would not agree with me on that. Summarizing, I do not see that this particular exemption has any merit, and I maintain it would be far better to have a flat rate exemption of a fairly large amount.

The Treasurer said that he was going to exempt a living area, but the living area he has provided in this respect is primary-producing land valued at $12,000. If a person lives in the city he gets his exemption for a house. However, a person does not get an exemption for the house he occupies on the farm, so actually his exemption for a living area is only $6,000. This is just another way in which the Treasurer has publicly broken his word. It is absolutely ridiculous to say that land valued at $6,000 is a living area. In the valuation of a normal estate, shares and other things are taken at the then market value. The return from shares varies between 4 per cent and 9 per cent on capital. Perhaps a person who is going out of primary production will be able to sell a farm at the figure at which it is assessed, but, if he is staying in production, under present conditions he cannot get anything like 4 per cent. I think accountants will say that many people now make only 2 per cent on the capital in their property.

There should be a considerable exemption for primary-producing land. I do not know whether the Government is ashamed of this Bill, but I reprimand it sometimes when it

does not honour its promises to the electors, and that is what is happening here. Succession duty taxation is bad because it prevents savings. If estate duties are increased it will be a tax of diminishing return: people will not save but will make other provisions, and the Government will receive less revenue. I am not concerned about the tax on high-valued estates. A $50,000 farm property is a one or two-man farm, and that is an economical unit. Whether a primary or secondary industry, capital cannot be taken from an industry of that size because it is impossible to replace, and that affects production in this State. I accept the fact that assets are aggregated, but I basically believe that all people should pay the same tax if they have the same capital, and I stand firm on that principle on whatever form of taxation is imposed.

Mr. QUIRKE (Burra): Succession duty is the lowest form of taxation that any Government can levy, but it has become respectable because so many Governments impose it. My main objection is that it can bar the right of succession of families to estates built up by their parents. That system can never be supported. Cases exist where, in order to meet succession duties, one member of a family is deprived of his entitlement of land because the land has to be sold to pay the duty. Why should there be this heavy assault on what is called the higher-valued or wealthy estates? There are landed estates and business estates, but this legislation aims at the destruction of landed estates, although the owners have committed no crime. Some of the most valuable landed estates in this State are the large ones that produce some of the most valuable stock that we have, and I see no reason for their destruction. I cannot object if it is done voluntarily, but I oppose any compulsory action to break them up.

The Government aims at obtaining $1,000,000 revenue from succession duties. However, large estates are not the rule in South Australia. The average estate here is about $12,000, and with more little men than big ones, it may be difficult for the Government to obtain the $1,000,000. Although exemptions are permitted, the tax scale has been heavily increased, although most of this revenue will not come from the large estates. Why is there this enmity against families who have striven, sometimes in virgin country and generally with many hardships, to build up an estate, but who have made good because of of the family's industry? During succeeding generations other sections of the family start on the property and continue the good work. Why must people look on them with horror as people who victimize others in the community? Many of them are benefactors to the rest of the community, but if we must obtain revenue from them by means of succession duties, a part of their holding may have to be sold because they usually do not have much ready cash.

A good land man does not take money from the land and stack it away as though it were in Fort Knox. He puts the money back into the land that he is forever improving. Early in the 1930's this country's wool production was about 60,000,000 lb., whereas it is now about 200,000,000 lb. The record set for wheat in the peak year of 1932 was not broken until 1954, and a further record not quite reached in 1955. It is expected that this year's wheat production will not be bad, either.

Yet, with the colossal rise in wool production over 30 years, as well as a colossal rise in wheat production, from the State's worked areas, the people who have achieved these things are those who paid for them but who are being damned as people intent on destroying the country, and whose work has made widows and orphans. That is absolute rubbish, which no intelligent man would use as an argument; nor do I think the widows and orphans would make such an accusation. These people, who are being threshed and ground between the upper and nether millstone of succession duties, have built this State up but, because of that, are held suspect. I will never vote for any increase in succession duties, but only for a decrease. I will certainly vote against the Bill.

Mrs. STEELE (Burnside): Like other members on this side, I oppose the Bill. A study of the matter shows that this Bill is largely a re-hash of the legislation before the House last year, except that the Government has added to it some of the points expounded by members on this side in the previous debate. Of course, it is the principle of aggregation that I believe is the real villain of the piece here. I do not think it matters how the members of the Government try to disguise the fact: this aggregation will react unfavourably on many people in all sections of the community. I cannot help wondering why the Government slavishly adopts the attitude that, because many costs in South Australia are lower than those in the Eastern States, we have to bring everything up to a

parity with the other States, and this apparently applies to the legislation before us.

In fact, it would seem obvious from the member for Mitcham's comments that that fact is rather in dispute, anyway, because I think he cited cases in which different categories of succession duty in other States were considerably lower than ours. It is extraordinary that, with Bill after Bill to raise money for public spending, the Government has not learned the lesson that the very reason for South Australia's prosperity up until 18 months ago was our ability to be able to keep costs low and thus attract people to invest in South Australia and to contribute towards our economy. This Bill, like the one last year, discourages all desire to be thrifty and to build up assets, which most people in the world today try to do. There is this desire to improve one's position so that one's family will benefit in the long run and be a little better off than the benefactor was at the same age.

Mr. Quirke: That's a crime; never do that!

Mrs. STEELE: Exactly; it is the prime motive of most parents to provide for their children, at whatever age the parents may die. I can see nothing wrong with that, yet under this legislation people are to be penalized for having a natural and commendable desire. The Treasurer's policy speech referred to loopholes, and the great emphasis that was placed on this fact in the Treasurer's second reading explanation illustrates the socialistic trend of the present Government. The Government tries to suggest that people with quite honourable and natural intentions are trying to evade the law, but that is perfectly absurd.

Mr. Quirke: This is a new type, though.

Mrs. STEELE: Of course. In fact, the present Act provides for people to obtain rebates in various categories, and I maintain that such people are within their rights in taking advantage of the concessions available to them. In the publicity given to this legislation, one would think it was almost a crime for people to take advantage of such concessions. The fact that people have been disposing of estates on the basis of the present Act means that the Bill is literally cutting the ground from under their feet and depriving people of a right to expect some stability and continuity in the law of succession. I do not think there is any doubt that the existing Act is equitable and has worked well in the past, but we know that it is this Government's insatiable appetite for money to bolster up the falling finances of the State, brought about by reckless spending on items stemming from the Government's election promises, that necessitates this kind of legislation.

As I have said previously this session, if the Government were honest in its assertion that it inherited an empty Treasury (a fact that has been roundly refuted by Treasury documents in the possession of the ex-Treasurer, who wisely had the state of the Treasury confirmed for him prior to the last election), I think it should have at least been honest with the people and told them outright at the time that it could not honour the election promises, because there was no money in the Treasury and because there was a general lack of funds. We know that that was not true. It was only after much unnecessary spending that the Government found that it had over-committed the State's funds and that a spate of increases began in all directions: increases in water and sewer charges, increases in charges for other services, land tax, stamp duties, and the attempt to increase succession duties last session and again this session. I should like to suggest that the volume of publicity we have seen in the few days since the Bill was first introduced into this House and the explanations given, the speeches made on television and radio, and the interviews and articles given to the press by the Treasurer and the Attorney-General have been designed to lull the public of South Australia into an acceptance of this legislation by saying that it provides concessions principally for people with small estates and in particular for widows and the children of testators.

Yet, we know it is hard indeed to come to any real assessment of what the duty will be because of the different nature of the estates and because of the different categories in which people can obtain rebates. Certainly we know there are exemptions in the lower categories of estate, but I suggest these are attempts to disguise the savage increase in the higher brackets where aggregation will hit hardest of all. I read in the press the other day, 600 years after the crimes he was supposed to have committed (robbing the rich to help the poor), the city of Nottingham had pardoned Robin Hood. I do not think that even in 100 years' time this Government is likely to be pardoned for the kind of legislation which it is trying to inflict on the public at present and for which I believe it will be indicted. I suggest that the public's real reaction to this Bill and to others similar to

it will be demonstrated in about 18 months' time—at the next election.

Mr. RODDA (Victoria): I have assured a dear old friend of mine, the member for Adelaide (Mr. Lawn), that I am not going to be repetitive, which I know the Attorney-General will be pleased to hear. In my district there has been a gnashing of teeth and expressions of great concern about this vexed question of succession duties. Mr. Gaffney, of Coonawarra, who is well-known to many people, raised this matter at a recent meeting of the South-East Dairymen's Association at Mount Gambier. He described succession duties as a savage piece of legislation and said that during his life he had been president of many organizations, a number of which were primary-producer organizations. Presenting his suggestion, he said:

By being in contact with so many people from time to time I have had the opportunity of learning at first hand a true picture of how many times this savage Act of Parliament has retarded the continuation of primary producers' properties by the immediate members of the family, and also the savage imposition on widows and their children after the death of their breadwinner.

Mr. Lawn: The honourable has not kept his second promise to stand up, speak up—

Mr. RODDA: And shut up. Patience is a virtue, and I will not detain the House long. Mr. Gaffney continued:

I will describe why I consider this Act to be a savage piece of legislation. If there is not enough ready cash in the estate to pay the figure assessed by inflated valuations, it means either mortgaging or increasing the mortgage on the estate to be able to pay. In cases where finance is not available it is necessary to sell portion of the estate to meet the assessment without any regard to the welfare of the widow and children.

He then castigated all members of Parliament, including the Minister of Lands and me, when he said:

This should not be allowed to continue by members of Parliament who are elected to office by the people to run the country in the best interests of the people and the nation as a whole. I will now try to explain the position as exists at present when property owners try to make provision for probate and succession duties by taking out insurance policies. In the case of a large estate the premiums are too high to allow full protection. Advanced age also renders adequate protection by this method almost impossible and therefore many widows and families are left without any protection in the form of insurances. Failure to pass medical test is another factor prohibiting cover by insurance in many cases. I can recall when incomes were low in days gone by and the Income Tax Act did not include provisional tax. This provisional tax was only introduced when incomes became higher. I consider that a similar scheme could be introduced to provide for probate and succession duties. These did not constitute a major problem when land values were low, but now that values have rocketed I feel that this Act must be amended and a provisional fund created so that families will not be penalized by being unable to make adequate provision by insurance for reasons beyond their control.

My suggested scheme to create a pool of money to cover estate and probate duties is based on the following figures obtained from the Deputy Commonwealth Statistician:

(1) The South Australian annual average receipts from succession duties for the years 1960-61 to 1964-65 amounted to $5,480,210.

(2) The Commonwealth annual average taxation receipts from estate duties for the years 1960-61 to 1964-65 was $36,154,800.

(3) The area of South Australia is 243,245,000 acres.

(4) The area of the Commonwealth is 1,899,462,000 acres.

(5) The annual average Commonwealth net estate duty assessed in South Australia for the year 1959-60 to 1963-64 was $2,370,000.

According to my calculations on the above figures, if all landholders in Australia paid provisional tax for probate and estate duties each year according to acreage of land owned, the Commonwealth and State could receive as much money per year as quoted above at a total cost of 4.15c per acre, made up of 2.25c to the State and 1.90c to the Commonwealth. This represents $4.15 per 100 acres. This annual cost to the rural landholder would be further reduced when the returns from houses, business and industry holdings were taken into account. A formula would have to be devised to incorporate such holdings into the overall scheme.

Mr. Gaffney summarized his remarks as follows:

(1) By the establishment of this central fund the widow and children would hear nothing about probate and succession duties charges during the height of their grief. The money would be taken out of the central fund.

(2) $4.15 per 100 acres calculated in this proposal would mean $20.75 for a property of 500 acres. For land highly developed under the existing scheme it costs somewhere around $400 for private insurance policy showing an advantage of $395.75. This is quite sensational.

(3) A unit system would bring all the various types of estates into a category such as: (i) large estates of low carrying capacity per 100 acres; (ii) industry holdings; (iii) houses, salaries, etc.; also sale of estates.

(4) Part 3 of this summary when incorporated into the overall scheme would further reduce the $4.15 per 100 acres as quoted in part 2 of this summary.

(5) A formula would have to be devised to iron out the problems of all existing private

insurance policies being held as coverage against probate and succession duties.

I put that forward as another angle to succession duties. As I said a moment ago, the Bill has been adequately covered by my colleagues. I say no more than that I oppose it.

The Hon. Sir THOMAS PLAYFORD (Gumeracha): I, too, oppose this Bill, for several reasons. First, I have always believed that, of all the forms of taxation that a State or a Government may be called on to impose, succession or estate duties are the least desirable. I have been Treasurer and know the problems of providing for the various State services. On occasion, I have had the duty of introducing a Bill to increase succession duties. I have also had the privilege of introducing Bills giving exemptions to various classes that were obviously badly affected by the system. There is no doubt that succession duties are a form of duty that has the effect of working against any kind of development in the country. At this time when we are so anxious to get real development going again in South Australia it is unfortunate that the Government should introduce a Bill designed, as the Treasurer says, to increase taxation by 15 per cent. That is not a small increase, and incidentally it is the increase after all the concessions that the Treasurer has told us about have been considered. So, while the overall increase is 15 per cent, there is no doubt that the actual increase will be steeper.

In the last 18 months there has been introduced into this House legislation to raise the standard of taxation to that of the other States of Australia. This, of course, is a feature of the Treasurer's statement on this matter. He quotes figures for comparison and, having quoted such figures, concludes that this State is less heavily taxed in this respect than are other States, and that it is necessary to increase our taxation. However, anybody with any knowledge of succession duties and of trying to budget for succession duties realizes that to cite only one year can be gravely misleading, and that the amount derived from succession duties depends on so many factors: how many people die, how much money they leave, and how they leave it. So the Treasurer's figures, while I cannot say that they are not accurate, do not mean anything at all: in another year we can get a totally different picture.

For instance only today (and this is for another year, not the year the Treasurer has spoken about) the Commonwealth Grants Commission's report has been made available in the Parliamentary Library. I do not suppose that anyone in this House will for one moment deny that the Commonwealth Grants Commission is probably the most effective body on this matter. It is a highly qualified Royal Commission set up by the Commonwealth Government for the very purpose of measuring the severity of taxation and comparing the conditions applying in the various States. The figures of that Commission give an entirely different picture from that given by the Treasurer. For the information of members, let me say that the Commission's figures show that the probate and succession duties severity in dollars per capita in the various States is as follows: $922 for New South Wales, $998 for Victoria, $618 for Queensland, $633 for South Australia, $380 (I want the Treasurer to listen to this particular figure) for Western Australia, the State that is forging ahead so fast. It is significant that the figure for Western Australia is $380 and the figure for Tasmania $545. So South Australia is more heavily taxed than three of the other States. In fact, except for Victoria and New South Wales we are, per capita, the most heavily taxed State in respect of succession duties.

The figures are for a different year, certainly, but they are just as valid as those given by the Treasurer, because succession duty depends so much on the people who happen to die in a particular year and the successions that become available to the Treasurer; and, even more than that, the way in which the money is left. South Australia cannot assume a level of taxation equal to that of the Eastern States. If the Government believes we can sustain such a level of taxation, it has a very rude awakening coming to it, because our industry today is of great importance to this State. We have to compete in respect of as much as 80 per cent of our total production on the Eastern States markets. It is easy for the Treasurer to quote comparative figures but, if we attempt to raise our general level of taxation to that of the Eastern States, we shall suffer a retrogression in our economy and employment, and we shall stagnate. The sooner members of the Government get that idea into their heads the better it will be for South Australia and for the living standards of all its people.

The second part of the Treasurer's statement to which I object is the statement that this was introduced to give effect to the election undertakings of the Government, but

what was that undertaking? In his policy speech, the Treasurer said:

Our policy on succession duties provides for an exemption of $12,000 for the estates inherited by widows and children. It also provides that a primary producer will be able to inherit a living area without the payment of any succession duties, but a much greater rate of tax will be imposed on the very large estates. This will be more in keeping with that which is in operation in other States.

So, it can be seen that three factors were associated with the Government's electoral policy: that there was to be an exemption of $12,000 for a widow or children, that a primary producer was to be able to inherit a living area free of taxation, and that taxation on the large estates was to be increased. However, this Bill does not do one of those things, as the Treasurer knows. The provision relating to a widow and children now refers to children under 21 years of age, and that is a significant change that was not mentioned in the policy speech. With the present expectancy of life, the number of children under 21 is likely to be very small, and any protection given to them is likely to be almost costless, but the Treasurer did not mention that in his policy speech.

I do not know what he regards as a living area for a primary producer. The dairy properties and orchards in my district are small, and I do not know of one large property there. What would be regarded as a living area in my district or in the Murray District, where river swamp properties are small? I am certain that a living area in any of these places could not be purchased for $40,000. Far from providing that a living area valued at $40,000 will be exempt, this Bill provides that more taxation will be paid if a son over 21 inherits the property, and this would be the normal type of inheritance. The Attorney-General is smiling: no doubt he thinks this is a joke, but this will have a very big effect on the primary industry. No doubt the Attorney-General is not concerned about this industry, but it is important to the Government and, if anything happens to it, there will be an effect on the Government and on the prosperity of South Australia. I do not think it is a big joke that, although the Government promised that living areas for primary producers would be exempt, under this Bill, without any aggregation, a son inheriting his father's property will pay more on a value of $40,000 than he would have paid under the existing scales. Is that the way the Government is giving effect to its election promise? Does the Government believe that $40,000 represents more than a living area? If it does, I want to disabuse its mind, as not even a simple dairy could be obtained at that figure. If a son or daughter inherited even a leasehold fruit block in the Chaffey District from the father, more would be payable than under the existing legislation, yet the Treasurer said that this Bill was to give effect to an election promise. Does he deny that he made this election promise and that $40,000 is less than the value of a living area? If that is what he thinks, I should be glad to debate the matter with him. I have worked this out, and I know that more tax will be payable on a property valued at this figure. This comes at a time when our industries, particularly our primary industries, are faced with increased charges and a growing competition overseas, and when their general standard of cost has been increased enormously by the actions of this Government.

Quite apart from other features, the Bill does not give effect to the Treasurer's policy speech. It increases taxation by at least 15 per cent, and there was no suggestion of that in the policy speech. Although Treasurers have been constrained to raise revenue from succession duties, I believe that this is an undesirable form of taxation. It certainly militates against thrift and enterprise. I am glad to see that the member for Mount Gambier (Mr. Burdon) is taking an interest in this debate, for this legislation will affect primary producers in his district. I am pleased also to see that the member for Chaffey (Mr. Curren) is listening intently, because it will undoubtedly affect his district adversely.

The Bill certainly does not give effect to the primary-producing policy set out by the Treasurer at the last election. The Treasurer said then that a living area would be exempted, but under this Bill a living area pays a considerably increased tax. Even a comparatively small property worth $40,000 is subject to increased tax (apart altogether from the aggregation) on a simple passing of the property from a father to a son over 21 years of age or to a daughter. A primary-producing property of that value under this Bill would be subject to duty of no less than $3,575. Is that giving effect to the Government's policy speech?

What sort of an impact does it make on a primary producer with a small property when he suddenly finds himself up for an account of that description? I ask that question of the honourable members for Mount Gambier and Chaffey, and I would ask it of one or two

other honourable members if they happened to be here. However, they are not favouring me with their attention at the moment. Can the member for Mount Gambier or the member for Chaffey say how the Government can justify a tax of $3,575 on a $40,000 property upon a simple succession from a father to a son or from a father to a daughter? Can either honourable member claim that that is in accordance with the Government's election policy? Mr. Speaker, it is not.

The third basis upon which this Bill should be opposed (and, I hope, defeated) is that it entirely alters the system of taxation that has been in existence in South Australia for over 60 years, and the Government has no mandate for this whatever. This certainly was not mentioned by the Treasurer at the time of the last election. I do not know whether at that time the Treasurer had ever had the privilege of consulting the honourable member for Glenelg in connection with it. The present Bill completely alters the basis of the law, and it does so in a way that undoubtedly will cause hardship and to a very large extent wipe out what the Treasurer suggested are the benefits it contains.

I hope the Bill will be defeated, because I say advisedly that at this time this State cannot afford a 15 per cent increase in succession duty. Incidentally, the Treasurer admitted in his second reading explanation that this tax was being increased by 15 per cent. We do not now have the beneficial employment position that we had, and economically we have drifted back. I believe that in itself should be a warning to this House that we have gone far enough in dampening down initiative and enterprise, and that it would be a very good thing indeed if we moderated our demands on the community to enable enterprise and initiative to pick up again so as to give a fillip to industry and business generally.

The House divided on the second reading:

Ayes (19).—Messrs. Broomhill and Burdon, Mrs. Byrne, Messrs. Bywaters, Casey, Clark, Corcoran, Curren, Dunstan, Hudson, Hughes, Hurst, Hutchens, Langley, Lawn, Loveday, McKee, Ryan, and Walsh (teller).

Noes (17).—Messrs. Bockelberg, Brookman, Coumbe, Ferguson, Freebairn, Hall (teller), Heaslip, McAnaney, Nankivell, and Pearson, Sir Thomas Playford, Messrs. Quirke, Rodda, and Shannon, Mrs. Steele, Messrs. Stott and Teusner.

Pair.—Aye—Mr. Jennings. No—Mr. Millhouse.

Majority of 2 for the Ayes.

Second reading thus carried.

In Committee.

Clauses 1 and 2 passed.

Progress reported; Committee to sit again.

APPROPRIATION BILL (No. 2).

Returned from the Legislative Council without amendment.

PLANNING AND DEVELOPMENT BILL.

In Committee.

(Continued from October 12. Page 2252.)

Clause 36—"Planning regulations."

The Hon. D. A. DUNSTAN (Attorney-General): I move:

In subclause (4) (*n*) after "unloading" to insert ", turning".

This is a drafting amendment.

Amendment carried.

The Hon. D. A. DUNSTAN: I move to insert the following paragraph in subclause (4):

(*n*1) regulate, restrict or prohibit, either absolutely or subject to any conditions which may be imposed by the authority, the extraction from the soil of any turf, soil, sand, gravel, clay, rock, stone or similar minerals, the production of salt by the solar evaporation of sea water, the dressing and treatment of minerals or the manufacture of products therefrom:

This is to regulate quarry operations, particularly within the metropolitan area, but they have a considerable effect in any area on planning proposals. At present no effective power exists to control quarrying operations, and in areas in the metropolis these operations significantly affect living conditions and can affect the Town Planning Committee's proposals. It is important that this power be inserted in the regulations: it has been sought by councils.

The Hon. Sir THOMAS PLAYFORD: At present, quarrying operations are controlled by the Mines Department, and inspectors have authority and can and do exercise it to reduce nuisances and make quarries safer. Many method reforms have also been introduced. What effect has the amendment on powers of the Minister of Mines to control these operations? Is this an extra authority? Why, when there is one Government authority with complete power over quarrying, is it necessary to establish another authority with perhaps a conflicting or supplementary power?

The Hon. D. A. DUNSTAN: This does not override the authority of the Minister of Mines

in relation to the nature of the quarrying operations, but the Minister does not have power to restrict the area of extractive industries. The Minister does not have complete power over mining and quarrying operations at all. It is possible to extend the area of extractive industries without any gainsaying by the Minister of Mines at the moment. It is intended to extend extractive industries in numbers of areas in the districts of the member for Burnside and the member for Glenelg, which the Minister of Mines has no power to stop. He has power to control the method of quarrying but not to stop expansion of extractive industries in what is basically a residential area. That is the purpose of this amendment.

Mr. COUMBE: This clause refers to extractive industry and I understand the regulations will specify where such industries can function, be restricted, or made to cease in a certain area. No doubt exists that many councils and residents alike will wish to see pugholes filled and eventually reclaimed. However, a number of people may have bought areas of land years ago that have been worked and developed as pugholes, which are a wasting asset but which have to be used because of the particular type of clay in existence. Under this regulation-making power, a council may agree to restrict or even close down the working of a particular pughole. Can the Attorney-General say what redress the owner of such a pughole would have? A satisfactory conclusion in determining compensation could not be reached previously. If a pughole user were restricted in his work would he be entitled to compensation?

The Hon. D. A. DUNSTAN: Not if a regulation were made pursuant to a plan. On the other hand, the likelihood of the acceptance of a plan that completely ruled out an existing non-conforming use would, I think, be quite remote. Of course, the plan would be subject to appeal.

Mr. Coumbe: When the plan is exhibited, the majority of people may want the pughole closed down.

The Hon. D. A. DUNSTAN: That may be so, but, at the same time, the whole planning operation and the report of the Town Planning Committee so far (and the report in relation to the metropolitan area, of course, will be the initial plan) has not been to rule out existing non-conforming uses but to provide that they do not expand in certain areas. Of course, we have first of all the protection of the publication of the plan, objections made to it, and appeals against it, and then we have the regulation-making power that is subject to the fact that it can be disallowed in this place. The whole history of our dealing with these things is not to rule out the vested interests of an existing non-conforming use. Personally, I can see no likelihood of an existing non-conforming use being closed down. It has plenty of protection under this legislation, but I see such an existing non-conforming use being restricted in future expansion.

Mr. Hall: That would not apply to a pughole.

The Hon. D. A. DUNSTAN: No, but quarrying operations in the hills face zone area seek to expand into what are already existing residential areas. This could be regulated to prevent expansion that would upset existing residential occupation in those areas. That is what the regulation-making power is designed to provide.

The Hon. Sir THOMAS PLAYFORD: The more I look at this amendment the more difficulties I see in it, first in its administration and, secondly, in its desirability. Can the Attorney-General say whether the regulation is intended to prohibit the expansion, for instance, of Imperial Chemical Industries which has the only salt pans in the metropolitan area?

The Hon. D. A. DUNSTAN: No.

The Hon. Sir Thomas Playford: Why is the provision included then?

The Hon. D. A. DUNSTAN: The need may arise.

Mr. Coumbe: The solar evaporation of sea water is undertaken by I.C.I.

The Hon. Sir Thomas Playford: Yes.

The Hon. D. A. DUNSTAN: This provision relates not only to existing conditions: provision has to be made for the next 50 years.

The Hon. Sir THOMAS PLAYFORD: Surely, the Government will not interfere with one of the most beneficial industries in this State.

The Hon. D. A. Dunstan: Of course not.

The Hon. Sir THOMAS PLAYFORD: What is the purpose of including such a provision? The Attorney-General may roll his eyes as much as he wishes; everyone knows that for a number of years the South Australian Government was negotiating with the Commonwealth Government to secure the Dean Rifle Range for the purpose of the Harbor's Board acquiring it to expand the I.C.I's. solar salt works. It would have been economically advantageous to South Australia for that to happen. Unfortunately, the matter seems to have died and salt development appears to be taking place in Queensland and Western Australia.

Mr. Hall: I.C.I. still has land it wants to develop.

The Hon. Sir THOMAS PLAYFORD: Yes. The land in question is waste land subject to inundation by the tides and on which housing development has been objected to by the Director and Engineer-in-Chief of the Engineering and Water Supply Department because of sewerage problems. Why should we provide for a regulation which enables a restriction to be made on an industry which is so desirable, which employs so many people, and which we should want to encourage?

The Hon. D. A. DUNSTAN: It was never intended that this should be a restrictive regulation-making power in relation to I.C.I., and the honourable member's suggestion in this respect is nonsense. This is a general regulation-making power in relation to extractive industries and applies to the whole of the State and to all future conditions in the State. Therefore, it applies in country areas where salt pans may occur. The honourable member knows perfectly well that salt pans might be developed elsewhere. What would happen if we decided to adopt a regional plan in relation to Coober Pedy? Is not the question of our solar extractive industry in that area of some material significance to any plan that might be developed? I do not know why the honourable member proceeds to raise this cry about I.C.I., because it is plainly not true that this power could apply only to I.C.I.

Mr. SHANNON: I do not agree that this provision could apply to any part of the State. The only industry working on the system of extracting salt by the solar evaporation of sea water is I.C.I. Therefore, it seems that this regulation would apply only to I.C.I.

The Hon. D. A. Dunstan: What about the people near Port Augusta: they were experimenting with sea water.

Mr. SHANNON: Of course, but they fell down on the job. Is it suggested that if we could find a competitor in this field we should have some restrictive control over it?

The Hon. D. A. Dunstan: We want any industry to fit into a town plan, if necessary.

Mr. SHANNON: Quite obviously there could not be any worthwhile housing or industrial development in an area where salt pans could be established. This would naturally be waste land, as was the case at Port Augusta where the land was unsuitable for any purpose other than to gather salt by means of solar evaporation. I think the Minister would be wise to leave out the part of this provision relating to the solar evaporation of sea water. If he does not want to do that, then it is obvious that this power to provide a regulation is directed at I.C.I., which is one of the basic industries in South Australia. It has been wise enough to secure additional areas of land of a similar nature to the areas on which it now works. Is it proposed to have some regulation which will cover any extension I.C.I. might make? It has already bought the land and if we are not going to develop that area then why should we worry about this power at all?

Mr. QUIRKE: I oppose the provision relating to the solar evaporation of sea water. Only in certain areas can this be done and it is solely in the low-lying areas near the coast; also, a large area of country is needed for the purpose. I cannot see why the provision is necessary unless it is to cover the possibility of I.C.I. wanting to expand. Why is this power in a Bill such as this? This work can be done only on waste land. The area at Port Augusta considered for this use was nowhere near the town. None of the salt produced by I.C.I. is used as table salt: it is used as industrial salt and is extremely valuable. At Lochiel, table salt is produced but the method used there has nothing to do with the solar evaporation of sea water. This amendment gives too great a power to such an authority.

Mr. COUMBE: The latter part of this suggested regulation-making power may be going too far. Leaving aside the treatment of salt, the paragraph goes on to talk about "the dressing and treatment of minerals". Obviously, this is designed to catch part of the quarry industry, but it goes further than that and concludes with the words "or the manufacture of products therefrom". This brings in the fertilizer industry, because phosphates and superphosphates are made from minerals. It also brings in all sorts of smaller industries, like factories making products from talc. This is essentially a zoning regulation. The latter part of this amendment is far too wide. I am not interested in the big users, because obviously they would be zoned correctly; I am worried about the small manufacturer who buys a mineral in either its raw or semi-processed state and proceeds to manufacture an article from it.

The Hon. D. A. DUNSTAN: The honourable member does not seem to realize that under planning regulations normally prescribed under town planning legislation wide powers in regard to the use of land are given and already have been passed by this Committee. The use of

land for any purpose may be prescribed by the State Planning Authority under regulation, so the fact that this happens to prescribe certain quarrying or industrial operations merely means it is a general regulation-making power of land user already passed by the Committee. The fact is that as regards planning regulations existing non-conforming uses where they exist are always allowed. The Committee would not put an end to valuable existing non-conforming uses, regardless of what had been agreed.

The inclusion of these matters here in relation to quarrying (things manufactured from minerals) is, so far as it relates to manufacture in South Australia, already covered. It is only a general regulation-making power to make certain that in quarrying and extractive industries some restriction may be placed on the expansion of non-conforming uses. That is the only purpose of this amendment. It has been expressed in terms to make certain that the regulation would be valid if proposed; but it would be subject to disallowance by Parliament if it unduly restricted existing non-conforming uses. We have already provided in relation to manufactures that such regulations may be made anyway. I see no validity in the objection.

The Hon. Sir THOMAS PLAYFORD: I was surprised to hear the Attorney-General say that it is proposed to make plans that would—

regulate, restrict, or prohibit, either absolutely or subject to any conditions which may be imposed by the authority—

the salt pans that may be developed in any other part of the State outside the metropolitan area, because I should have thought there would be nothing more desirable than the encouragement, and not the prohibition or the restriction, of the use of this otherwise waste land—and it must be waste or it would not be suitable for this purpose. At this moment, when the other States are getting multi-million-dollar projects to develop salt pans, it is anomalous that we in South Australia are inserting a power to regulate, restrict or prohibit. There is nothing useful in that. I cannot see what the Attorney-General is trying to gain. Is it desired to have a Bill giving the Government complete power over everything? That appears to be the case under clause 36. The Attorney-General says that the Committee has already approved of this matter in other respects, but I have an amendment on the file concerning this matter. I have not approved of it yet, and I certainly will not approve of it if my amendment is not accepted because I do not believe we should go nearly as far as clause 36 will go.

Mr. SHANNON: When bulk handling for Thevenard was investigated, one of the major factors considered was that the Lake MacDonald gypsum deposits would use the same facilities. Otherwise, this would not have been an economic proposition. I do not know what a regulation-making power such as this would mean to any industry that might want to develop large deposits of gypsum, which is a low-value product that must be handled economically. Any restrictions may adversely affect that industry. When an investigation was made in relation to a salt industry at Port Augusta, the Government of the day offered to provide shipping facilities but, through no fault of the Government, the industry did not eventuate. However, with these powers hanging over their heads, industries would look elsewhere. This is not desirable if we want industries to come here.

The Hon. Sir THOMAS PLAYFORD: I would have hoped that the Attorney-General would have a better reason for including this provision, which obviously was the result of second thought. I do not think this is necessary or desirable, and it is capable of misunderstanding. It can be used only to restrict development at places where no other development can logically take place. Other States for many years were jealous of the fact that we supplied salt all over the Commonwealth, but other States now have projects going ahead. Any restrictions here will only hinder development. This land is owned by the Harbors Board, so I should like to know why it is necessary to have the provision, who asked for it, and what its purpose is.

The Hon. D. A. Dunstan: I have already stated that.

The CHAIRMAN: "That the words proposed to be inserted be so inserted."

The Hon. Sir THOMAS PLAYFORD: I have never before known a Bill on which the person in charge could not state reasons for a clause.

The Hon. D. A. Dunstan: I have given the reasons several times already.

The Hon. Sir THOMAS PLAYFORD: Unfortunately, the Attorney-General has not.

The Hon. D. A. Dunstan: This was asked for by local government: I have told you that.

The Hon. Sir THOMAS PLAYFORD: Is it proposed that local government should be given power to stop an important local industry?

The Hon. D. A. Dunstan: No, of course not.

The Hon. Sir THOMAS PLAYFORD: Then why is it in the Bill?

The Committee divided on the Hon. D. A. Dunstan's amendment:

Ayes (18).—Messrs. Broomhill and Burdon, Mrs. Byrne, Messrs. Bywaters, Casey, Clark, Corcoran, Curren, Dunstan (teller), Hudson, Hughes, Hurst, Hutchens, Langley, Loveday, McKee, Ryan, and Walsh.

Noes (17).—Messrs. Bockelberg, Brookman, Coumbe, Ferguson, Freebairn, Hall, Heaslip, McAnaney, Nankivell, and Pearson, Sir Thomas Playford (teller), Messrs. Quirke, Rodda, and Shannon, Mrs. Steele, Messrs. Stott and Teusner.

Pair.—Aye—Mr. Jennings. No—Mr. Millhouse.

Majority of 1 for the Ayes.

Amendment thus carried.

Progress reported; Committee to sit again.

ADJOURNMENT.

At 10.31 p.m. the House adjourned until Wednesday, October 19, at 2 p.m.