

HOUSE OF ASSEMBLY

Tuesday, November 10, 1970

The SPEAKER (Hon. R. E. Hurst) took the Chair at 2 p.m. and read prayers.

SUCCESSION DUTIES ACT AMENDMENT BILL

His Excellency the Governor, by message, recommended to the House of Assembly the appropriation of such amounts of money as might be required for the purposes mentioned in the Bill.

STAMP DUTIES ACT AMENDMENT BILL

His Excellency the Governor, by message, recommended to the House of Assembly the appropriation of such amounts of money as might be required for the purposes mentioned in the Bill.

MINISTERIAL STATEMENT: TRANSPORTATION STUDY

The Hon. G. T. VIRGO (Minister of Roads and Transport): I ask leave to make a statement.

Leave granted.

The Hon. G. T. VIRGO: The report prepared by Dr. Breuning and Mr. Kettaneh, of Social Technology Systems Incorporated, was received by me towards the latter part of last week. It is at present being studied by the Government and, when the Government can announce policy decisions, appropriate statements will be made. Following this, the report will be placed before Parliament for discussion.

QUESTIONS

UNION BAN

Mr. HALL: Will the Minister of Labour and Industry approach the Trades and Labor Council of South Australia and ask that body to have lifted the ban that has been placed on wool and other farm products of Mr. Pratt, who lives at Stokes Bay, so that he may continue to earn his livelihood in the manner to which he has become accustomed? Mr. Pratt started shearing on October 26, employing two professional shearers and one neighbour who is competent but who shears only his own sheep. On the afternoon of that day Mr. Dunford, a union organizer, approached Mr. Pratt and asked him whether he could speak to the three shearers working in his shed. Mr. Pratt said he could. Mr. Dunford approached the middle stand shearer, speaking to him for over five minutes with, I believe, little result.

He then approached a second shearer and received a very poor hearing; he did not proceed to speak to the third shearer. He left the shearing board and went into Mr. Pratt's wool room, where he began taking particulars of the wool bales in that room. When asked by Mr. Pratt why he was taking particulars and what he was doing in the room, he declared, "Your wool may be declared black."

Mr. McKee: That's fair enough.

The SPEAKER: Order!

Mr. HALL: I note the remark from Government benches that this was fair enough.

The SPEAKER: Order! Interjections are out of order.

Mr. HALL: Mr. Pratt is nonplussed to know why Mr. Dunford can illegally enter his wool room and threaten to declare his wool black when he is a completely innocent person in this dispute. Obviously Mr. Pratt resented the intrusion into his wool room and the fact that particulars were taken of produce by a person who had no authority or right to be there. Mr. Pratt began to question Mr. Dunford on why he was there. In reply Mr. Dunford told Mr. Pratt that, having lost his way, he had come in to see this particular shed. Mr. Dunford was asked to leave the wool room, but he refused, saying that he would go when he was ready.

Mr. Rodda: It's the law of the jungle.

Mr. HALL: Mr. Dunford then accused Mr. Pratt of underpaying shearers in that shed.

Mr. Ryan: That's the law of the jungle.

The SPEAKER: Order!

Mr. HALL: I will repeat that, because I believe members could not hear what I said owing to interjections from the Government side. Mr. Dunford then accused Mr. Pratt of paying below the award rates to the shearers and not signing them on; needless to say, both charges were false. Mr. Pratt's reply to this was, "You said that, not me." Mr. Pratt's son then came into the dispute, asking Mr. Dunford what was his reason for being on the property. In reply to a further request that he leave, Mr. Dunford said, "Why don't you get the police?" In the end, he left when the reply to his question was, "We might sooner tar and feather you than get the police."

Members interjecting:

The SPEAKER: Order!

Mr. HALL: The essential train of events is that a union organizer legitimately and properly asked the owner of this property whether

he could interview the shearers. Despite the fact that it was not time for a smoke-o or lunch time, but a time when a run of shearing was in progress, the organizer was given permission to do this. As he was unable to make any headway with the three shearers, he came into the wool room of the owner. The subsequent events took place in that wool room, and I do not want to emphasize the events further than I have: they can be checked with the various parties. Obviously Mr. Pratt is an innocent victim.

The **SPEAKER**: Order! The honourable Leader has started to comment.

Mr. **HALL**: I will not comment, Sir. From the facts I have outlined, the Minister will be able to see that Mr. Pratt is a completely innocent victim; I am sure Mr. Pratt will be willing to be subjected to any questioning on this matter. It is a most serious matter for the Minister to consider. I suggest that a person's livelihood and, perhaps, his whole economic future are subject to severe challenge and placed in jeopardy because he has stood on his rights in this matter. Mr. Pratt reiterates (and I bring this to the Minister's attention) that at no stage did he even suggest that the shearers could not be interviewed, and he did not add any future prohibition. He objected only to unauthorized entry to his property and to the threats made to his livelihood. Because of the seriousness of this matter, I ask the Minister urgently to take it up with the Trades and Labor Council, with a view, perhaps, to explaining what may not, as yet, be understood as to the exact circumstances. If the Minister requires further information, I shall be pleased to give it to him, or I could arrange for the interested parties to speak to him direct.

The Hon. **G. R. BROOMHILL**: I have been aware of the problem to which the Leader of the Opposition has referred. However, I point out to him that these difficulties arise from time to time not only in this industry but also in many other industries between employers and the organization charged with the responsibility of representing the employees. I suggest that, if the facts were as the Leader has stated, the dispute would not have occurred as it has: obviously, there must be other factors about which the Leader does not know. I am well aware that the employer concerned has the opportunity to discuss this matter with the union involved so that it can be clarified and, if further difficulties arise at that level, it is the responsibility of our industrial tribunal

to consider ways of settling the dispute. However, I can hardly be expected, as Minister, to arbitrate on every industrial problem that arises, and I have outlined the machinery and the steps to be taken.

The Hon. **D. N. BROOKMAN**: Can the Minister of Works say what attitude the Government, through the Minister of Lands, will adopt in respect of the rent and repayment commitments of this soldier settler? Will the Government go as far as putting this settler off his block if he cannot make the required repayments, as a result of having no revenue from wool sales? As the Minister of Labour and Industry has declined to use his influence with the Trades and Labor Council to have this matter settled amicably, it seems that this settler, whose wool has been declared black, will receive no help from the Government. This person, who defended his country for some years during the war—

The **SPEAKER**: The honourable member is making a speech.

The Hon. **D. N. BROOKMAN**: I will not refer to that matter again, but I wish to impress on the Government that it is responsible for the settlement of this man on the land and for collecting repayments and payments for other commitments. This settler is receiving no revenue, and if this situation continues the Government will have to decide what to do. I wish to have a reply to this question as soon as possible. I do not know whether there is any division of opinion in Cabinet on this matter regarding the treatment of soldier settlers, but—

Mr. **McKee**: Question!

The **SPEAKER**: Order! The Minister of Works!

The Hon. **J. D. CORCORAN**: I think I should put the honourable member's mind at rest: there has been no discussion in Cabinet on this matter. However, if he wishes to know Cabinet's view on soldier settlers, he will find that it is consistent with the view held by, I think, most people in this State, namely, that we are right behind soldier settlers and always have been.

Mr. **Millhouse**: Oh!

The Hon. **J. D. CORCORAN**: I resent the chuckle of the member for Mitcham: I do not think he knows much about it, anyway. Although the honourable member's question is hypothetical, I assure him that, if this person applies for assistance in the way outlined, his application will receive due consideration.

However, I will take up the matter with my colleague.

The Hon. D. N. Brookman: Do you think the Minister of Lands would use his influence to settle this matter?

The Hon. J. D. CORCORAN: I do not think this concerns the Minister but, in the area in which he is responsible, if an application is received by him I am certain that it will receive due consideration. I will refer the honourable member's question to the Minister and bring down a report.

MURRAY STORAGES

Mr. GOLDSWORTHY: Can the Leader of the Opposition say what is the result of his trip to other States with a view to getting some assurances regarding South Australia's water supply?

The SPEAKER: Does the Leader of the Opposition desire to reply to that question?

Mr. HALL: I think I can manage, Mr. Speaker. Let me say at the outset that I deliberately adopted a policy in relation to the Dartmouth agreement of not contacting any of my colleagues in other States on this matter until the Premier had had a chance to fulfil the promise he made before the last State election that he could and would renegotiate the Dartmouth agreement. As the Government failed in this so-called attempt at renegotiation, I considered it my duty then to contact the other parties to the agreement to assure myself of their present attitude and to safeguard, as much as I could as Leader of the Opposition, the position of South Australia in relation to the real advantages that the previous Liberal and Country League Government had negotiated. On Thursday morning I saw Sir Henry Bolte, after which I travelled to Sydney by air with the Commonwealth Minister for National Development (Mr. Swartz). I saw Mr. Askin in Sydney and I spoke to the Prime Minister on Thursday night as well as after his election meeting at Rose Bay. I obtained the general impression that the other parties to the River Murray Waters Agreement are simply astonished at the action or, should I say, the inaction of the present South Australian State Labor Government, because of the obvious magnificent advantages which are available for this State but of which the Government will not take advantage by ratifying the agreement in this Parliament. There is no doubt that any alteration in quotas, for instance, would be of disadvantage to this State, and the fact that this State can obtain

a 37 per cent increase in usable water is envied by some people in other States. Some people in other States think that South Australia's request is an impossible one.

The Hon. G. T. Virgo: Why?

Mr. HALL: It is obviously impossible for any Government, whether it be this one or that of any other State, to give any undertaking regarding the construction of Chowilla in the future before a comparison of that dam is made with any possible alternative. My impression is that South Australia's request could not in any way be agreed to by the other States. The opinion was held in other States that the Deputy Premier would be much more inclined to ratify the Dartmouth agreement than would the Premier.

The Hon. G. T. Virgo: Now you're being ridiculous.

The SPEAKER: Order! The Leader of the Opposition has started to debate the question. He was asked a question and he cannot take advantage of his right of reply by debating the issue. He must reply to the question.

Mr. HALL: I appreciate your advice, Sir, but that was the distinct impression I gained on my visit to the other States.

The SPEAKER: Impressions are out of order. The honourable member can reply to the question but he cannot debate it or give his impressions.

Mr. HALL: I submit, Sir, that I was giving information for which I had been asked and which I have now supplied. I made the point to one party that it was a source of annoyance to the present Government that my signature was on the agreement.

The SPEAKER: Order! The Leader of the Opposition has had ample opportunity to answer the question. To debate it is a complete contradiction of Standing Order No. 125.

Mr. MILLHOUSE: I rise on a point of order. The Leader of the Opposition was answering a question that had been asked of him by another member of this House.

Mr. Curren: What was the question?

Mr. MILLHOUSE: I have forgotten the exact question, but it makes no difference to my point of order.

Members interjecting:

The SPEAKER: Order! There is no point of order. I call on the honourable member for Playford.

Mr. MILLHOUSE: I rise on a point of order, Sir, and I ask you to hear it.

The Hon. G. T. Virgo: Sit down!

Mr. MILLHOUSE: I have not finished making my point of order, Sir. Surely you will at least hear me when I am making a point of order.

The SPEAKER: Order! The honourable member is not permitted to comment. If he rises on a point of order he must proceed with it or resume his seat.

Mr. MILLHOUSE: I rise—

The SPEAKER: Order! The honourable member is conversant with Standing Orders, and when the Speaker is on his feet it is discourteous not only to the Speaker but also to the House for him to rise. I have been most fair in calling on members and I object to the honourable member's trying to show disrespect for the House.

Mr. MILLHOUSE: I hope I am in order in speaking now.

The SPEAKER: Order! The honourable member is out of order and he is not going to unduly hinder the business of this House. The honourable member for Playford—

Mr. MILLHOUSE: I rise on a point of order and I ask you to hear my point of order: that you have not allowed the Leader of the Opposition the same latitude in replying to a question as is allowed every time a Minister replies to a question in this House.

The SPEAKER: Order! If the honourable member looks at page 449 of Erskine May's work he will find that a remark that is ruled out of order cannot be subject to debate. There is no point of order and I do not intend to permit a debate on it.

Later:

Mr. CLARK: Will the Premier say whether further attempts will be made to renegotiate the River Murray Waters Agreement? Will he also make clear to Mr. Hall that he is not entitled to negotiate on behalf of South Australia and that his attempt to undermine South Australia's negotiating position in other States is despicable and is resented by the people of South Australia?

The Hon. D. A. DUNSTAN: The position is that this House instructed the previous Government that there were certain terms under which it would not agree to an amendment of the River Murray Waters Agreement. An amendment of that agreement in contra-

vention of the instructions of this House was, in fact, concluded by the Executive Government. It was brought back here and rejected by the House, and at a subsequent election in South Australia, at which that Government sought to make this the issue of the election, the amendment was rejected by the people of this State.

In accordance with the undertakings I gave prior to the election, attempts were made to renegotiate this agreement. At the outset of those negotiations, the things said to me by the Leaders of Victoria and New South Wales were different from what occurred at the negotiations held with the Minister of Works at the meeting that was finally convened, but they were in accord with what the Prime Minister told me when we first discussed the matter: that we would take the existing agreement, which had been rejected by this Parliament and by the people of this State, or we would get nothing, and that no negotiations would be undertaken with the people of South Australia. South Australia has endeavoured to put forward a compromise which will leave the way open for the building of the Chowilla dam in the future and which specifically provides that the works undertaken at Lake Victoria will not be considered in accounting the cost of Chowilla against that of any other storage.

That position has been rejected by the other parties to the agreement; although the Commonwealth weakened a little on that matter, the other two States would have nothing to do with such a position, and they made it clear that they would count the work at Lake Victoria against any future building of Chowilla. That, together with their veto powers, would make the building of Chowilla impossible. South Australia cannot support this position: we are the people who have been putting forward proposals for compromise. We have been told by the other parties to the agreement that they will not alter any part of the agreement rejected by this Parliament and by the people of this State, or consider any discussions relating to any alteration of the agreement. Although that position has been taken against this State in relation to its rights, this Government is responsible to the people of the State for the negotiations we undertake, and the Leader has even less right now to speak for the people of South Australia than he had when he concluded an agreement, as Premier of this State, in complete defiance of the instructions of this Parliament.

The Hon. D. N. BROOKMAN: I should like to ask a question of the Leader of the Opposition. First, does the Leader consider that, by delaying ratification of the favourable agreement that was negotiated by his Government, the present Government is risking the future water supplies of South Australia? Secondly, has the Leader any further comment to make on the distinct impression that he gained from discussions with Leaders in the other States that the Minister of Works was more ready than the Premier to agree to ratify the agreement? Thirdly, does the Leader wish to comment on the assertion of the member for Elizabeth that he (the Leader) is undermining the future water position of South Australia?

Mr. HALL: In answering the last question first, I say "No; I do not believe, of course, that I have been undermining the water position of South Australia." In that regard, the negotiations have been completed, and it is not possible to reopen them on the basis of further—

The SPEAKER: Order! The Leader is starting to debate the reply. If he has answered that part of the honourable member's question, he is not permitted to debate it.

Mr. HALL: Thank you, Sir; I do not intend to debate it. The honourable member's question was, I think, whether South Australia was under any risk of losing its water supplies because of the Government's attitude. To that question, I would say definitely, "Yes", and my reason for that, based on my interstate trip, is that I asked the other parties to the agreement to give the South Australian Government another chance, and they assured me that they would and that no precipitate action would be taken. I think this provides a most useful respite for the State and it gives—

The SPEAKER: Order! The Leader of the Opposition is starting to debate the reply. That question has been answered.

Mr. HALL: I should like to get back to that subject. There is a real risk that the project will be delayed indefinitely, although I cannot indicate the period of the delay. That is up to the Government in its negotiations for the people. It is not up to me, for I am not a negotiator in this matter; the Premier or his Minister is the negotiator. I saw the colleagues with whom I had previously concluded the agreement, and my purpose was to safeguard South Australia's position politically. I assure the honourable member that it is not for me to become involved in further argument regarding the details of the agree-

ment: that is the Government's field of operation. My purpose essentially was at least to ask the other parties not to say, "Hang South Australia; it's being absolutely ridiculous in its attitude." I did not want that; I wanted the State to have another chance, and it has been given one. However, the risk exists, because the other parties cannot wait for ever.

The SPEAKER: Order! The Leader is starting to debate the issue.

Mr. HALL: I think I have told members what were my main impressions. The reason given me (I know that I must not advance any argument, but it is not my argument) why the other Governments could not wait for ever was that the flow in the river is the greatest factor to be considered in improving the quality and reducing the salinity risk. For this reason, the other States told me that they could not wait for ever: they had to have a greater flow in the river, and therefore there is a risk. However, we have a respite, and the other Governments are awaiting the South Australian Government's coming to its senses.

SPEAKER'S RULING

Mr. MILLHOUSE: I should like to ask you, Mr. Speaker, a question, and with your permission and the concurrence of the House briefly to explain it.

The Hon. Hugh Hudson: No.

Mr. MILLHOUSE: The question is as follows: on what principles do you decide when a member, be he a Minister or other member, is entering into debate in answering a question? If I may now explain the question—

Mr. Jennings: Question!

Mr. McRAE: I rise on a point of order. What the member for Mitcham has raised is a point of order and not a question.

The SPEAKER: If the honourable member for Mitcham wishes to raise a point of order, he must do so when the matter arises. This matter arose when the Leader of the Opposition was replying to a question, and the member for Mitcham should have raised his point of order then.

Mr. MILLHOUSE: I rise now on a point of order. I did my very best to raise a point of order when the Leader was replying but you, Sir, would not allow me to do so. I have now asked you a question because, obviously, you have given a mistaken reference to Erskine May to support what you have said.

The SPEAKER: Order! The honourable member must raise points of order at the relevant time and state his objections then.

Mr. MILLHOUSE: Sir, I did raise a point of order. I beg your indulgence to remind you that I tried, I think three times, to raise a point of order during the reply being given by the Leader, and you would not hear me. Are you going to deny me all opportunity to argue about this?

The SPEAKER: What is the honourable member's point of order?

The Hon. J. D. CORCORAN: He's just raving on.

Mr. MILLHOUSE: I do not want any member, whether a Minister or not, to speak to me like that.

The SPEAKER: Order! The honourable member has taken a point of order, but he is now breaching Standing Orders by indulging in exchanges across the House. He is out of order.

Mr. Coumbe: He did ask a question.

Mr. MILLHOUSE: I put my question to you, Sir. I was going on to explain it, because I am afraid that you proceeded on a wrong assumption when you ruled against the Leader as he was answering a question. May I state my question again? The member for Playford does not want me to explain it.

The SPEAKER: Order! The honourable member cannot go on debating the point raised by the member for Playford. Will he ask his question?

Mr. MILLHOUSE: An explanation would have been in the interests of all members. Although I have already stated it once, I will state the question again: on what principles do you decide when a member, be he Minister or other member of this House, is entering into debate in answering a question?

The SPEAKER: I will consider the honourable member's question and give him a reply.

PUBLIC SERVICE ACT

Mr. McRAE: Can the Premier say whether Section 58 of the Public Service Act and Public Service Regulation 18 (pertaining thereto) are so widely drafted in law as to prevent Public Service officers from seeking assistance from lawyers and members of Parliament on their legitimate problems and grievances? If not, is there an interpretation to that effect which has been adopted and used by the Public Service Board or others? In

any event, will the Government consider making the rights of Public Service officers clear? If I may have your leave, Sir, and that of the House to explain—

Mr. Coumbe: No.

The SPEAKER: Order! Objection having been taken to the explanation, the honourable member cannot explain his question.

The Hon. D. A. DUNSTAN: I will get a report on the matter for the honourable member.

LAKE ALBERT

Mr. NANKIVELL: Has the Minister of Works a reply to my recent question concerning the Lake Albert and Lake Alexandrina channel?

The Hon. J. D. CORCORAN: With reference to the question on the maintenance of the channel between Lakes Albert and Alexandrina, it is pointed out that the lakes are excluded from the River Murray Waters Agreement and that the River Murray Commission has no responsibility in this matter. The lakes are proclaimed under the Control of Waters Act, 1919-1925, but there is no provision in the Act which makes it obligatory on given authority to the Minister to maintain the channel. As the Marine and Harbors Department is responsible for certain aspects of navigation in Lake Alexandrina, I have asked the Director of Marine and Harbors for his comment and I shall inform the honourable member further on this matter in due course.

The Hon. D. N. BROOKMAN: Has the Minister of Works a reply to my recent question regarding the future of Lake Alexandrina and, perhaps, of Lake Albert?

The Hon. J. D. CORCORAN: South Australia has a committed irrigation diversion of 450,000 acre feet a year out of the Murray River and Lakes Albert and Alexandrina, together with a present domestic and stock water supply demand of about 100,000 acre feet a year. It is necessary to allow for operational losses over and above these figures, and this could amount to about 10 per cent of the water quantities recorded at consumers' meters. Under the River Murray Waters Agreement this State receives an annual statutory entitlement of 1,254,000 acre feet which, in the years of no surplus flow, leaves about 650,000 acre feet for dilution purposes and evaporation and other losses. In extreme years it is probable that the total evaporation, evapotranspiration and percolation losses would approach this

figure, but it is difficult at this time to determine the losses with exactitude.

It will be necessary to draw more heavily on the river as a source of water supply as the demand increases, and present planning allows for an ultimate provision of 315,000 acre feet plus operational losses for this purpose, which could be reached over the next 20 years. In years of controlled flow, there could be a deficiency in excess of 250,000 acre feet with the present statutory entitlement, and any additional entitlement that would be received with the commissioning of future storages may still be insufficient to cover total diversions and losses. As it is estimated that about 500,000 acre feet is lost by evaporation from the lakes (I assume that is annually), one alternative for meeting the situation is the exclusion of Lake Albert from the river system. There is no firm proposal to implement this scheme, as no action would be taken on this or other proposals until more data is available on actual usage of water for irrigation purposes and a more accurate assessment is made on river and other losses.

INSURANCE

Mr. JENNINGS: Can the Attorney-General say whether or not he has any information to give the House about the recent activities of the Motor Marine and General Insurance Company; whether the Government can intervene in any way to protect holders of policies with that company; and whether he knows that, despite a press undertaking, the office of the company is not in communication with the public by telephone? I think that, in the circumstances, I should not ask for permission to explain my question.

The Hon. L. J. KING: I have some information about the matters referred to by the honourable member. My information is that the company has ceased operations. It has been reported to an inspector of the Registrar of Companies that a meeting of creditors of the company is likely to be held in Sydney, probably in the first week in December. I have also been informed that the company had lodged a bond of \$160,000 to secure its liabilities to policy holders, but I regret to have to say that it appears to my advisers that it is unlikely that that bond will be sufficient to meet fully the company's liabilities, although to what extent there will be a deficiency is not known in South Australia. The bulk of the company's business was transacted in States other than South Australia.

The avenues open to the Government of South Australia to protect policy holders are limited. As it is certain that the affairs of the company will be wound up in States other than South Australia, the part that South Australia will have to play will be relatively minor. I have directed that an investigation, which was already under way into the affairs of this company, be expedited to see what facts can be elicited in this State and what action can be taken here. As I was not aware that the company's office was not available on the telephone, I shall have some further inquiries made about that.

INDUSTRIAL ACCIDENTS

Mr. SLATER: Can the Minister of Labour and Industry say how many factory inspectors are currently employed by the Labour and Industry Department; whether the number of inspectors is adequate to allow regular inspections of workshops, factories, construction sites, etc., within the State; and whether statistics are available to indicate how many accidents that occurred during the past year were attributable to lack of proper and adequate safeguards and other measures that should be provided by employers in the interests of industrial safety?

The Hon. G. R. BROOMHILL: Although I could answer immediately on a couple of the matters raised by the honourable member, as he seeks some other information I shall be happy to bring down a full reply tomorrow.

ROSEWORTHY COLLEGE

Mr. COUMBE: Will the Minister of Works raise with the Minister of Agriculture the matter of the recent expulsion of several students from Roseworthy Agricultural College? Will he ask his colleague whether he will reconsider his refusal to interview a constituent of mine who is the parent of one of the students expelled? If that is not possible, will the Minister ask his colleague to refer the matter to the Roseworthy Agricultural College Advisory Committee?

The Hon. J. D. CORCORAN: Yes.

SALARY CHEQUES

Mr. HOPGOOD: Has the Minister of Education a reply to my recent question about teachers' salary cheques?

The Hon. HUGH HUDSON: Some delays have occurred in the payment of salary cheques to relieving teachers, through the need to obtain confirmation of authority to

engage a reliever and also through delays in forwarding of claims by schools to the accountant. In future, heads of schools will be given verbal authority as far as possible to engage temporary relievers at the time the request for authority to employ is received. In addition, a notice will appear in the next *Education Gazette* informing schools of the need to expedite procedures connected with the employment and payment of temporary relieving teachers. It is expected that these measures will reduce delays as far as possible.

EDUCATION BOOKLET

Mrs. STEELE: Can the Minister of Education explain the essential differences between the publication of a booklet entitled *Teaching in South Australia*, which has been recently issued, and that entitled *What our Schools are Doing*, which was prepared for general issue earlier this year? I seek leave to explain my question.

Mr. McRae: Question!

Mr. Millhouse: Will this be done every time?

Mr. Jennings: You started it.

The SPEAKER: Order!

The Hon. HUGH HUDSON: I assume that the Education Department publication described by the honourable member is the booklet relating to teachers colleges, and I may add that this booklet is issued every year. The teacher training booklet gives basic information for those interested in training to be teachers in the Education Department. The booklet *What our Schools are Doing*, as the Parent-Teacher Council of South Australia stated, did not describe the position in our schools in South Australia but put only one side of the picture. The Parent-Teacher Council, when the previous booklet was put out, took exactly the same point of view as I did, namely that the booklet *What our Schools are Doing*—

The Hon. D. N. BROOKMAN: On a point of order, Mr. Speaker, I have no objection to what the Minister is saying, but I ask whether he is not debating the reply, in terms of the ruling you gave earlier today about replies to questions.

The Hon. HUGH HUDSON: On a further point of order—

The SPEAKER: Order! I understood that the Minister was trying to reply to the question.

Mr. Millhouse: What do you think the Leader of the Opposition was doing earlier?

The Hon. HUGH HUDSON: The member for Davenport asked me what I thought was the difference—

Mrs. Steele: I wasn't allowed to explain the question.

The Hon. HUGH HUDSON: I assume the honourable member put the question.

Mrs. Steele: But I wasn't allowed to explain it.

The Hon. HUGH HUDSON: I thought the question was about the difference between a booklet issued by the Education Department giving information about teachers colleges, which is issued to prospective entrants to teachers colleges, and the booklet *What our Schools are Doing*. The first booklet, as I have said, is purely an information booklet for future teacher trainees. The second booklet purported to describe what our schools were, in fact, doing, and in my opinion and that of the Parent-Teacher Council of South Australia it presented a one-sided picture.

POLICE RECORDS

Mr. PAYNE: Will the Attorney-General ask the Chief Secretary for how long traffic offences remain on the police record of a convicted person?

The Hon. L. J. KING: I am not aware that convictions for traffic offences or any other offences are ever expunged from the Police Department's records. However, as the question has been raised, I shall refer it to the Chief Secretary for a considered reply.

GLADSTONE HIGH SCHOOL

Mr. VENNING: Can the Minister of Education say whether the plans for the new Gladstone High School have been prepared, or whether they are under economic scrutiny? Further, can he say when the plans for the new high school are expected to be referred to the Public Works Committee? I ask your leave, Mr. Speaker, and the concurrence of the House—

Mr. McRae: Question, Sir!

The SPEAKER: The honourable Minister of Education.

Members interjecting:

Mr. Jennings: That's the way you wanted it.

Mr. Coumbe: You started it.

The SPEAKER: It is not a matter of who started it: it is a matter of maintaining order. Order must be maintained.

The Hon. HUGH HUDSON: The present position regarding the Gladstone High School

is that preparation of sketch plans has commenced and it is hoped that construction of the project can commence in April next year. If that matter must be reviewed at any stage, I shall try to let the honourable member know what is the position.

PORT PIRIE WATER SUPPLY

Mr. McKEE: Has the Minister of Works a reply to my question about the Port Pirie water supply?

The Hon. J. D. CORCORAN: Two factors have contributed to the presence of discoloured water in Port Pirie in recent weeks. The first is the seasonal factor. With the first hot days of early summer comes an increase in the demand for water and the velocities of water in the pipes are consequently increased. These increased velocities pick up sediment that has settled out during the quieter winter months causing discoloured water. The second factor relates to the present state of Murray River water. Because of flood conditions in this river, the water is abnormally discoloured and this is causing complaints throughout many parts of the State. The condition of the Murray water at Morgan and the seasonal heavy demands, which have caused turbulence in the mains, unfortunately have combined at Port Pirie to cause the present conditions. The Engineering and Water Supply Department is doing all that it can to minimize these effects and, if individuals who experience abnormally severe conditions make this known to the local office, arrangements will be made to flush particular mains to improve conditions if this is in any way possible.

AIR POLLUTION

Dr. TONKIN: Will the Attorney-General ask the Minister of Health how frequently, how widely, and by whom are steps taken to estimate the degree of air pollution in various parts of the Adelaide metropolitan area, and will he also ask his colleague whether the findings will be made available to the public regularly?

The Hon. L. J. KING: I will refer the questions to my colleague and let the honourable member have a reply.

COOBER PEDY WATER SUPPLY

Mr. GUNN: Has the Minister of Works a reply to my question about work on the Coober Pedy water supply?

The Hon. J. D. CORCORAN: Cabinet approval has been given for the purchase of three new banks of 117 modules each for the

Havens desalination plant at Coober Pedy. The South Australian Manager of Havens International has advised that the tubes for the first bank have already been shipped from the United States of America on the *Arizona*, which is due to reach South Australia on November 26. It is expected that these tubes will be assembled into modules by December 4, transported to Coober Pedy, and put into commission by not later than Christmas. Provided the first consignment of tubes has travelled safely and no serious alterations have to be made to the method of packing for shipment, arrangements have been made to consign the other two banks of tubes by December 31, 1970, so that all three banks of modules should be installed and operating at Coober Pedy by mid-February, 1971. In the meantime, approval has been given for the extension of the water-carting contract by which water is brought by road from Mt. Willoughby station to Coober Pedy until December 31, 1970.

FIRE BANS

Mr. EVANS: My question is to the Minister of Works, and I seek the leave of the House and your permission to explain the question, Mr. Speaker. The question is—and I take it that I have leave of the House?

The SPEAKER: The honourable member must ask his question before asking for leave to explain it.

Mr. EVANS: I can ask for leave beforehand.

Mr. McRae: Let's have the question, just the same.

Mr. EVANS: It seems that I will not be given leave.

The SPEAKER: Will the honourable member ask his question?

Mr. EVANS: Will the Minister give the reply to the question I asked recently about fire bans?

The Hon. J. D. CORCORAN: The Minister of Agriculture states that great care is taken in the phrasing of fire warnings broadcast over radio stations, and at the commencement of the bushfire season this year the Minister wrote to each radio and television network requesting their co-operation in ensuring that the prescribed wording was carefully followed in broadcasts. It is true that a mistake was inadvertently made by one radio station in an early report on November 2. This was rectified immediately the error was realized,

and the station concerned notified the Minister's department. Nevertheless, my colleague wishes to pay a tribute to the broadcasting media for the excellent co-operation and assistance he has received from them. In his experience, the television and radio networks have co-operated splendidly and have demonstrated a most responsible attitude to this important community service.

WORKMEN'S COMPENSATION

Mr. KENEALLY: Will the Minister of Labour and Industry explain why the number of effective workmen's compensation claims has increased over the last five years although the number of industrial accidents has decreased? I see in this morning's press that the Minister was pleased with the analysis of statistics just released by the Deputy Commonwealth Statistician, which revealed a further decrease in the number of industrial accidents whereas there had been only 58,300 effective workmen's compensation claims—2,700 more than made in 1964-65? Can the Minister reconcile these two sets of statistics?

The Hon. G. R. BROOMHILL: As the honourable member has pointed out, there appears on the surface to be a contradiction in the figures provided in this morning's press. However, I point out that the incidence of injuries that occur is based on the records of accidents that cause an employee to take a week or more off from work, whereas the number of claims embodies the whole range of accidents, some of which require only a short absence, when the compensation claim can be met. It appears from the figures quoted by the honourable member that in recent years there has been an increase in the number of trivial accidents whereas there has, I am pleased to report, been a considerable decline in the number of more serious accidents. This has occurred over a period during which the number of workmen's compensation claims has increased by 4.8 per cent and during which the work force has increased by 16.3 per cent. I am pleased with the figures released yesterday on workmen's compensation claims over the last five years. However, the matter of injuries that occur in our work force deserves considerable attention, and it is towards that end that my departmental officers have been directing their attention. It may be of interest to the honourable member to know that, significantly, the greatest improvement in this field has occurred in areas in which the department and employers have concentrated on industrial safety in recent years.

MOTOR CYCLES

Mr. CARNIE: Has the Minister of Roads and Transport a reply to the question I asked recently regarding motor cycle handlebars?

The Hon. G. T. VIRGO: As indicated to the honourable member on October 27, 1970, I wrote to the Minister for Transport in New South Wales. He has informed me that New South Wales has plans to introduce additional safety measures associated with the operation of motor cycles and motor vehicles. No definite proposals have been formulated by the South Australian Government regarding the particular matter referred to by the honourable member, that is, what are known as ape-hanger handlebars on motor cycles. I can say, however, that this Government is closely examining safety features built into motor vehicles and in the *Government Gazette* of October 29, 1970, there appear regulations that will operate from January 1, 1971, regarding specified side door latches to reduce the risk of occupants being thrown from a vehicle on impact, seat anchorages capable of resisting being torn away, steering columns designed to avoid crushing or penetrating injuries, and windscreen demisting equipment. It will be seen that the Government is conscious of the need to legislate appropriately for these matters and the honourable member can be assured that if the Government considers it necessary to take action regarding the particular matter raised by him it will certainly do so.

ELECTRICITY SUBSTATIONS

Mr. MATHWIN: Will the Minister of Works consider modifying the fences that surround Electricity Trust substations? I refer to an article headed "Fence no deterrent to boys" in the *Advertiser* of November 2, in which it is reported that a 12-year old boy was badly burnt in a substation. Although I realize that the fence of the substation was 7ft. high, will the Minister consider having added to the top railings which could come back outwards a few feet, so as to make it practically (and I use that word advisedly, knowing what young boys can do) impossible for a young person to scale the fence?

The SPEAKER: The honourable member should not comment.

The Hon. J. D. CORCORAN: I doubt that a higher fence would prevent a person from getting into the substation, because as a child I was able to conquer most barriers.

The Hon. G. T. Virgo: There is also barbed wire at the top.

The Hon. J. D. CORCORAN: Yes, I realize that, but it seems that some people are out to overcome any barrier. It is a question of how far one can go to prevent this sort of occurrence. However, I shall be happy to refer the honourable member's question to the trust.

WEEDS

Mr. McANANEY: Will the Minister of Works ask the Minister of Agriculture to have an inspection made, by an authorized officer, pursuant to the provisions of section 20 of the Weeds Act, of the foothills including part of the Burnside council district, to see whether the council is complying with the provisions of the Act and, if it is not, will he take the necessary action to ensure that it does so? Last Friday, the Minister, in company with some energetic officers of the Weeds Advisory Committee, inspected the Hills. It is obvious that the grandparents and great-grandparents of the African daisy in the Hills originated at Devil's Elbow and in the foothills. The Government is providing money to spray the roads farther back in that area, but this infestation is rapidly spreading from the west.

The SPEAKER: The honourable member is starting to comment.

Mr. McANANEY: This area has for many years been allowed to reseed, as a result of which many plants 3ft. or 4ft. high will not be cut down unless action is taken. As very valuable land in the central Hills area is being ruined by the lack of action in this area, will the Minister ensure that action is taken before the area becomes completely valueless?

The Hon. J. D. CORCORAN: I shall be happy to take up the matter with my colleague and bring down a report for the honourable member.

CHILD-MINDING CENTRES

Dr. EASTICK: Has the Minister of Social Welfare considered the future control of child-minding centres in South Australia? These centres are currently controlled by a model by-law within the framework of the Local Government Act. Some councils undertake their responsibility but others do not. I understand that some councils wish to retain their interest and their control over child-minding centres in their district, although I do not deny the possibility of the State's taking over the responsibility in council areas where the council does not desire to exercise this influence.

The Hon. L. J. KING: I agree with what the honourable member says. The model by-law solution has not proved satisfactory and I suppose in the nature of things it could not because the administrative bodies vary so much in their approach to the matter. The difficulty about allowing certain councils to retain the control of child-minding centres is that it is not possible to ensure that adequate minimum standards are being maintained in such centres, particularly on the welfare side. It is much easier to insist on and to ensure the observance of adequate standards on the health side and many councils are competent and conscientious in ensuring that adequate health standards are maintained. There are, however, aspects of child minding which are of great importance and which need to be handled by people who have the training and experience to appreciate the welfare aspects and ensure the maintenance of adequate minimum standards. After considering these things, the Government believes that the only way to deal satisfactorily with the situation is to bring the supervision of child-minding centres under the control of the Public Health Department and, as I have said before, it is intended to introduce legislation for this purpose.

PINE SEEDLINGS

Mr. RODDA: Will the Minister of Works discuss with the Minister of Agriculture the availability of pine seedlings to farmers who are interested in planting pines on their properties? In Naracoorte, a newly formed committee has arranged a meeting for tomorrow evening which will be addressed by Mr. Pratt of the Woods and Forests Department to ascertain farmers' requirements and to help farmers launch out on an extensive pine-planting operation.

The Hon. J. D. CORCORAN: I was under the impression that the department does make available seedlings and technical assistance to farmers who intend to plant an area of less than 10 acres, but I shall be happy to discuss the matter the honourable member has raised.

COMPANY DIRECTOR

Mr. McRAE: Has the Attorney-General a reply to the question I asked on November 5 concerning Mr. H. C. Goretzki?

The Hon. L. J. KING: The honourable member for Playford asked me about Hans Christian Goretzki, who is the secretary of

Baron Holdings Proprietary Limited., G.H.C. Constructions Proprietary Limited, G.H.C. Development Proprietary Limited, P. & C. Nominees Proprietary Limited, and Madison Constructions Proprietary Limited, and who has recently made an announcement concerning a proposed investment of about \$12,000,000 at Glenelg. I have authorized a prosecution against Mr. Goretzki for being concerned in the management of G.H.C. Development Proprietary Limited while an undischarged bankrupt. As there is a pending prosecution I do not feel free to answer the rest of the honourable member's question.

ABORTIONS

Mr. MILLHOUSE: Does the Minister of Works intend to introduce any amendment to the Criminal Law Consolidation Act this session? On the front page of the *News* of Wednesday, November 4, and as the lead story (in the earlier editions at any rate), there is a report that the Minister is so concerned about abortion figures that he is planning to move major amendments to South Australia's controversial abortion laws; the report states that he hopes to move the amendments before the Assembly rises for the Christmas break early in December. I raised this matter in the House during a debate last Thursday and received no satisfaction when the Premier replied. Later on Thursday I discovered from friends in the press media that both the Premier and the Minister had refused to enlarge on the report in the *News* of last Wednesday. Much curiosity was aroused as to the intentions of the Minister and the Government in this matter.

The Hon. J. D. CORCORAN: I do not think it led only to speculation: it led to some snide remarks from the member for Mitcham during a television programme on Thursday evening. The honourable member should know that he cannot always believe everything he reads in a newspaper, and I think he would be well aware of that. So far as the insinuation is concerned that both the Premier and I had got together on this matter and decided to say nothing, nothing could be further from the truth as I had not seen or spoken to the Premier about the matter. Had the television station told me that the member for Mitcham was going on the programme, I would certainly have agreed to go on myself, but I was not told this. The station having asked the honourable member to appear on the programme, I think it would have been fair and reasonable to have

approached me to see whether I would appear also, and then maybe some of the things he said might not have been said in my presence. I have had under consideration for some time, as the honourable member should well expect, amendments to the Criminal Law Consolidation Act which would affect this matter. When and how I shall give effect to those amendments, if we get to that stage, is entirely my business at this stage, and when I am ready to do so the honourable member will know how it is to be done and when a Bill will be introduced, if and when it is.

ELIZABETH FIELDS SCHOOL

Mr. CLARK: Can the Minister of Education give me details of the progress made in restoring the damage caused by the recent disastrous fire at Elizabeth Fields Primary School?

The Hon. HUGH HUDSON: As a result of the fire which occurred on October 9, 1970, it was necessary to find accommodation temporarily for seven classes of the infants department. This was accomplished by using activity rooms and other available spare spaces for classrooms at Elizabeth Fields and by transporting two classes to South Downs and one to Smithfield. The manner in which Finsbury works division of the Public Buildings Department set about restoring the damage and making classrooms available again for use is much appreciated. But for delays due to the fact that certain components had to be made before rooms could be restored, most of the accommodation would be ready at this time for re-occupation. As it is, the work of restoring the classrooms lost or damaged has proceeded rapidly but, owing to factors connected with supply of materials, it has not been possible to finish any one section completely before proceeding to the next. The result is that all classrooms are at this moment partially restored, but very close to completion. Windows, electrical services, ceilings, etc. have been dealt with as a whole rather than for individual rooms. One room was finished today, having been completely repaired and repainted, and this room will be occupied tomorrow by some of the children at present being transported to Smithfield. Structural repairs to the quadruple unit have been completed, leaving only the painting which will be finished this week, enabling all children to return to Elizabeth Field.

The Headmaster has kept me well informed of progress and has maintained a close liaison

with the foreman in charge of the gang effecting repairs. He and the Infant Mistress of the infants school have maintained good relationships with the parents and have supervised transport and alternative accommodation effectively, with the result that no complaints have been received from the parents of the children affected by the fire. An interim report has been received from the Headmaster. This has been acknowledged and a file sent to him so that he may assist the Infant Mistress in the compilation of the detailed claims for losses incurred. The Elizabeth Fields Infants School will be working to normal this week.

LIBRARIES

Mr. CUMBE: Can the Minister of Education give me some further information on the report on the future of libraries in this State that was prepared for the previous Government by Mr. Mander-Jones, a former Director-General of Education? Did the Minister distribute copies of that report to various councils and library organizations in this State for their comment? If he did, has he received that comment, and can he indicate what action he intends to take, either legislatively or administratively, as a result of the replies received or being received from the various bodies to which he has circulated this report?

The Hon. HUGH HUDSON: True, the report of Mr. Mander-Jones was widely circulated, and various organizations and responsible bodies have been asked to comment and make submissions on the recommendations it contains. We are still receiving submissions from the various people and, when all the submissions have been received and we have had time fully to consider the suggestions and various alternatives open to us, decisions will be reached on what appropriate amendments to the legislation are necessary regarding the form of library organization that we should aim to develop in South Australia. However, until all the submissions are considered in detail and the appropriate decisions are made, it is not possible to make any further comment.

LOWER NORTH-EAST ROAD

Mrs. BYRNE: Can the Minister of Roads and Transport say whether the proposed widening to 84ft. of the Lower North-East Road between Dernancourt and Anstey Hill includes footpaths and when it is expected that property owners who will be affected by this work will be contacted by the Highways Department? The Minister will be aware that on

August 11, in reply to a question I had asked, he informed me that it was intended to widen the Lower North-East Road in the section referred to in order to provide two 34ft. carriageways and a 16ft. central median divider.

The Hon. G. T. VIRGO: I will refer the matter to the department and bring down a report for the honourable member.

KEITH MAIN

Mr. RODDA: Has the Minister of Works a reply to my recent question about the Taillem Bend to Keith main?

The Hon. J. D. CORCORAN: The branch mains from the Taillem Bend to Keith main are scheduled for completion in the 1972-73 financial year. As at October 31, 1970, 143 miles had been laid out of the planned total of 500 miles of branch mains, and construction is slightly ahead of the schedule that has been supplied to the Commonwealth Government. No time limit is specified in the Commonwealth legislation under which financial assistance is granted to this State for constructing these works.

POLICE FORCE

Mrs. BYRNE: Will the Attorney-General ask the Chief Secretary what are the present requirements for entrance to the Police Force?

The Hon. L. J. KING: I will refer the question to my colleague and obtain a reply for the honourable member.

SOLITARY CONFINEMENT

Dr. TONKIN: In view of the fact that the Attorney-General has intimated to me that he has an answer for me to a question I asked about solitary confinement detention rooms, I ask him to give me a reply.

The Hon. L. J. KING: Shortly after taking office I expressed concern at the use of detention rooms as a means of punishment in children's training institutions and undertook to examine the practice with a view to determining whether improvements could be made. It is obvious that the exercise of discipline in an institution requires some sanction. The important thing is to ensure that methods of punishment are as humane as possible and that they tend to improve rather than diminish the prospects of rehabilitation. There are undoubtedly circumstances in which exclusion of a child from the group is absolutely necessary to the maintenance of discipline. I have been concerned to ensure that when this becomes necessary, the exclusion from the

group does not take the form of solitary confinement for periods and in circumstances that might have a cruel and harmful effect upon children of certain temperaments. In the discussions I have had with the Director of Social Welfare, we have endeavoured to hold a balance between the requirements of discipline and the undesirability of solitary confinement as a method of punishment.

Certain conclusions have been reached, and I am now able to say that the Director will give the following instructions:

(a) Youths under the age of 12 will not be placed in detention rooms. They could be sent to their bedroom to be out of the group for a short period.

(b) No youth under the age of 15 years and over 12 years will be placed in detention rooms under solitary confinement conditions. If a youth needs to be placed away from other youths, it will be seen that he will have an opportunity for discussion with a counsellor and also the possibility of activity during his period of absence from the group. At no time shall his absence be longer than two hours, unless he or she is uncontrollably aggressive or disturbed and is to be seen by the psychiatric service.

(c) For the over-15-years group the provision for up to 48 hours detention will be handled in the following way:

(i) The youth can be placed in detention but must not remain there for longer than one hour without the Superintendent of the centre being informed and an investigation of the problems taken into account.

(ii) Unless the youth is aggressive and dangerous to himself he will be provided with useful work and/or school work, and/or reading, to be continued during his period away from the group.

(iii) The Superintendent, after investigating the type of behaviour which has initiated the youth's removal from the group, can decide that the youth should remain in the room for up to eight hours, being occupied during this time and receiving normal meals.

(d) Any requirement for youths to be in rooms for longer than this and up to 48 hours must be approved by the Deputy Director of Social Welfare. The full circumstances shall be reported verbally to him by the officer in charge of the institution for a decision. Only in cases of where aggressiveness and assault of staff has been involved would these provisions be likely to be approved.

(e) In the case of absconding, it has been practice to place children in a simple room so as not to disturb the centre on their return. This will continue only when they return at night time. The matter will be investigated as early as possible on the next morning. However, all other absconding will be investigated prior to any decision on detention and the

policy of the previous paragraphs will be followed.

All times when the detention room is used shall be recorded and the following details are essential in recording: type of problem; officers involved; time of entering detention room; and time of leaving. This book must be signed by the Superintendent each week so that he is fully aware of all punishments which have been given in his or her centre using detention rooms.

LITTER

Mrs. STEELE: Can the Minister of Local Government say whether the Government has further considered introducing legislation to control litterbugging? Some months ago I raised this matter with the Minister, pointing out that the New South Wales Government had decided to introduce legislation immediately to deal with this problem, providing for fines to be made on the spot. In reply, the Minister said that the Government did not intend to introduce such legislation or to provide for fines to be imposed on the spot. In the interim, however, I have either heard or read that legislation for this purpose is being considered. On Saturday, I drove through the city not long after the John Martin's pageant had passed through and never in my life had I seen such a concentration of litter, which was feet deep; men were busy sweeping it up. That is only typical of the sort of littering that we find throughout our streets, countryside and tourist resorts.

The Hon. G. T. VIRGO: This matter has not been specifically considered. As the honourable member will know, certain legislation already exists on the Statute Book that provides for solving the problem with regard to people littering the countryside from motor vehicles. The question raised by the honourable member is separate, and as yet has not received the specific attention of the Government. The honourable member also referred to John Martin's pageant. I notice that the Adelaide City Council apparently decided yesterday to consider providing a decorated garbage cart to follow the pageant; whether or not that comes to fruition is in the hands of the council. Whether the pageant creates a temporary litter problem is, I think, of minor importance when we consider the tremendous joy that the children of South Australia get from the pageant. I hope that the people of South Australia will not be carried away with any idea in this connection to the extent that the pageant is interfered with, irrespective of how it results in litter in the streets.

FREIGHT RATES

Mr. GUNN: Can the Minister of Roads and Transport say whether the Government has any plans to increase rail freight rates in South Australia soon? In the last edition of *The Farmer and Grazier*, Mr. Roocke reported on a recent meeting with the Premier and indicated that further increases in costs, particularly freight costs, may be imposed.

The Hon. G. T. VIRGO: I know nothing of the interview with the Premier. As the honourable member is asking a question about a matter discussed when a deputation met the Premier, I should have thought that the question would be better directed to the Premier.

DENTAL CLINICS

Mr. EVANS: As the member for Frome will be absent from the House for some days while he is in hospital recovering from a minor operation, on his behalf I ask the Attorney-General whether he has a reply to the question asked by the honourable member about dental clinics.

The Hon. L. J. KING: The Minister of Health states:

To enable the comparatively limited resources of the school dental service to be extended to as many areas as possible, the service since its inception has been limited to primary school children. The recent extension of the service in Peterborough was consistent with this policy. Although the need for dental treatment of older children is realized, the service cannot be extended to high school children whilst there is a need for dental treatment of children of eligible age in the area, which would include nearby towns.

ART GALLERY

Mr. MATHWIN: Has the Minister of Education a reply to my recent question about opening the Art Gallery at night?

The Hon. HUGH HUDSON: The Art Gallery Board is aware of the desirability of the gallery being opened to the public on one or two nights a week. However, the level of artificial lighting in the older parts of the gallery is so bad that no work there can be properly appreciated at night. At present an experimental section of new lighting is hanging in gallery No. 5. When a satisfactory design has been achieved and the total artificial lighting scheme completed, consideration will be given by the Art Gallery Board to the matter of opening at night. It is for the Art Gallery Board to determine priorities of expenditure with respect to lighting, staffing,

etc. Before the report to which the honourable member referred appeared in the *News*, the Director of the Art Gallery had informed the *News* reporter that finance was not a factor preventing night opening. Despite this, the *News* persisted in publishing a report that misrepresented the true situation.

GATE-CRASHERS

Mr. McANANEY: Has the Attorney-General a reply from the Chief Secretary to my question about whether the Government considers that it has sufficient power to deal with gate-crashers at private parties?

The Hon. L. J. KING: The Chief Secretary states that no legal difficulties have been experienced where police have been called upon to control gate-crashers at parties, and it is not considered any change in the law is necessary. Section 17 of the Police Offences Act prescribes an offence of being on premises either for an unlawful purpose or without lawful excuse. This provision is adequate where uninvited persons enter premises and refuse to leave upon the request of the occupier.

QUESTION PROCEDURE

Mr. GOLDSWORTHY: My question, which is directed to you, Mr. Speaker, is as follows: In view of the changed procedure for asking questions, how do you intend to interpret the call "Question" by a member, when the member asking the question desires to explain it genuinely? Under the old system of questioning, I understand that the call "Question" was allowed when a member thought the explanation was too long. However, three times this afternoon when a member has asked a question and has asked for leave to explain the question, "Question" has been called, without even one word of explanation having been allowed to be given. This procedure can stifle the giving of any explanation at the whim of a petulant member.

The SPEAKER: This matter is entirely in the hands of honourable members. When leave is sought to make an explanation, leave must be granted and it can be obtained only with the continuous concurrence of the House.

TEACHERS' REGULATIONS

Dr. EASTICK: Has the Minister of Education a reply to my question about school-teachers' classifications?

The Hon. HUGH HUDSON: The amended Education Department regulations which abolished the position of unclassified assistant

in primary schools from January 1, 1971, were published for the attention of teachers in the October *Education Gazette*. The salary changes to follow the amended regulations have not yet been determined by the Teachers Salaries Board. When a decision has been reached they, too, will be published in the *Education Gazette* for the information of teachers. Of the total of 736 full-time unclassified assistants, it is estimated that 360 will qualify for a salary adjustment from January 1 next, at a total estimated cost of about \$86,000. Individual teachers who are involved will each have the particulars of the adjustments attached to their pay cheques at the time of payment, in the normal way.

GOODWOOD PRIMARY SCHOOL

Mr. LANGLEY: Will the Minister of Education ascertain when the playing surface of the Goodwood Primary School will be resurfaced, as the area is deteriorating rapidly? For some time preliminary work has been carried out and I understand that the area has now been surveyed so that the resurfacing can be done. Because of the condition of the schoolyard, a scholar has seriously injured an ankle while playing basketball, and the playing of matches on the area has been suspended. The school committee hopes that the necessary work will be done as soon as possible so that the children may enjoy their play periods.

The Hon. HUGH HUDSON: I shall be pleased to get a report for the honourable member.

HOUSEBOATS

Mr. WARDLE: Has the Minister of Marine a reply to my question about houseboat sanitation?

The Hon. J. D. CORCORAN: The relatively recent increase in the number of commercial and private houseboats has introduced a new source of pollution. More than 50 houseboats are operating on the river, and more are under construction. Their popularity is expected to continue and, following a study of the various alternatives available and practice elsewhere, the Engineering and Water Supply Department is currently formulating proposals for satisfactory waste disposal. The draft proposals provide for the installation of approved holding tanks on houseboats and other large craft with disposal to land-based sanitary disposal stations located at approximately 14 points along the river. Where possible, the disposal stations will discharge to sewerage schemes or effluent

drainage schemes. Elsewhere the wastes will be treated in special treatment facilities. The proposals are being discussed with river councils and the Public Health Department to ensure that the requirements of all interested bodies are satisfied.

SEAWEED

Mr. BROWN: Will the Minister of Marine ask his colleague whether the Fisheries and Fauna Conservation Department will carry out a survey in the Spencer Gulf waters around Whyalla to establish whether there may be a general loss of seaweed in this area and whether the department can take action to rectify any such loss? I have received a deputation from professional fishermen in Whyalla, who have stated that they are concerned about the loss of weed, particularly in the area north of the Broken Hill Proprietary Company Limited blast furnace and steelworks, around False Bay. There has been a hint that there may be pollution of the water.

The Hon. J. D. CORCORAN: I shall be pleased to refer the question to my colleague and I will consider the parts of it that may come within the administration of my department.

PETERBOROUGH FARM

Mr. VENNING: Will the Minister of Works ask the Minister of Agriculture whether his colleague has a new breed of farmer managing his property at Peterborough? A recent newspaper report states that the Hon. Mr. Casey must be very pleased with the way his property at Peterborough is being managed at present, and that at the last sheep sale at Peterborough, at which a record number (30,000) of sheep was sold, the Hon. Mr. Casey topped the record with his 14-year-old ewes. At the opening of many shows recently—

The SPEAKER: Order! The honourable member has explained his question and is now drifting on to deal with country shows.

Mr. VENNING: I am explaining my question, Mr. Speaker. When the Minister has opened country shows recently, and has spoken of the rural problem, he has said that it is necessary that we should have a new breed of farmer.

The Hon. J. D. CORCORAN: I do not want to rob my colleague of the opportunity to reply to this question: I think he will come down with a good reply. However, I should like to say that, so far as the breed is concerned, if the Minister's son is managing the

property at Peterborough, the Caseys are a pretty good breed and they are pretty good farmers, as they have proved in the past. I think the honourable member would concede that. It is evidenced by the way in which the Minister's son is evidently managing the property. However, I shall be pleased to get a report from my colleague.

STUDY ASSISTANCE

Mr. MILLHOUSE: I wanted to address my question to the Premier, but he has apparently gone away and, accordingly, unless he returns I will direct it to the Minister of Works as the Deputy Premier. With your permission, Sir, and the concurrence of the House, I seek leave briefly to explain my question, which is as follows—

The SPEAKER: Order!

The Hon. HUGH HUDSON: On a point of order, Sir: you have ruled previously that the question must be stated first and that the member concerned must then seek the leave of the House to explain the question. In asking this question, the honourable member sought your concurrence and the leave of the House to explain the question before actually asking it. I suggest to you that, as well as being out of order, this would be an unsatisfactory practice and would be liable, anyway, to lead to confusion.

The SPEAKER: The honourable member must state his question.

Mr. MILLHOUSE: I was in the middle of stating it, Sir, when the Minister of Education—

The SPEAKER: Order! The honourable member knows that the question must be asked first, after which he can seek leave to explain it.

Mr. MILLHOUSE: I am only saying that I was in the middle of asking it—

The SPEAKER: Order! The honourable member must ask his question.

The Hon. Hugh Hudson: And then seek leave.

Mr. MILLHOUSE: All right. I will ask the question. It is as follows: does the Government intend to enter into discussions with the Public Service Association on the matter of study assistance for public servants and, if it does, when? In explanation of the question, for which I have already sought your leave, Sir, and the concurrence of the House—

The SPEAKER: The honourable member seeks leave of the House?

Mr. MILLHOUSE: Yes, Sir, I sought leave and I seek it still.

The Hon. HUGH HUDSON: I rise on a further point of order. The honourable member is trying on a new tactic, of seeking leave of both the Speaker and the House prior to asking a question, as he has done in this case. You, Sir, have ruled that the honourable member must ask his question and then seek leave to explain it. However, he has tried to vary the position by stating that he has already sought leave and that he continues to seek it, but not in the normal way.

The SPEAKER: Order! When I upheld the honourable Minister's point of order, I understood that the member for Mitcham had asked his question and that he then sought leave to explain it. I ask honourable members when they are speaking to address the Chair and not to speak to one another across the Chamber, as it is most difficult for me to hear when they are speaking to one another. In future I ask that honourable members address the Chair so that I can hear exactly what is said.

Mr. MILLHOUSE: Thank you, Sir. Before I proceed with the explanation, I assure you that I always do my best to address the Chair.

The SPEAKER: Order! The honourable member will not continue to waste the time of the House. I understood that he sought leave of the House to explain his question. Will he now explain it so that the business of the House can proceed.

Mr. MILLHOUSE: Very well, Sir. I have today received a copy of the *Public Service Review* of November 9, on the front page of which is the heading "New approach to Premier on study aid". The article thereunder recites the facts that on May 15 the Public Service Association wrote to the then Leader of the Opposition, who is now the Premier of this State, regarding this matter, and on May 21 the then Leader of the Opposition (who is now the Premier and, indeed, has been so since June 2 or 3) replied as follows:

I agree that it is necessary to provide better means to encourage public servants to undertake studies which will improve their capability and can undertake that a Labor Government will immediately initiate discussions with the Public Service Association to endeavour to obviate the difficulties.

I see that the Premier has now returned.

The SPEAKER: Order! The honourable member has directed his question to the Minister of Works, and he is not going to repeat it and unduly waste the time of the House.

Mr. MILLHOUSE: I need not go through the rest of the article, which is to the effect that the association has not yet had anything from the Government on this matter and that it wrote to the Government again on October 13 asking for action.

The Hon. J. D. CORCORAN: I assure the honourable member that the Premier has written to the Public Service Association about this matter. As I understood his question, the honourable member asked whether the Government intended to approach the Public Service Association.

Mr. Millhouse: No. I asked whether the Government proposed to enter into a discussion.

The Hon. J. D. CORCORAN: The honourable member went on to explain his question by saying that a new approach was to be made to the Government on this matter.

Mr. Millhouse: No, that a letter had been written.

The SPEAKER: Order! The honourable member has asked his question.

The Hon. J. D. CORCORAN: I understand that the Public Service Association is to make a new approach to the Government on this matter. If and when it does so, the Government will be happy to enter into discussions with it.

RURAL WATER SUPPLY

Mr. COUMBE: Is it a fact that the Minister of Works has a reply to the question I asked recently on rural water supplies?

The Hon. J. D. CORCORAN: Yes. In February of this year, a schedule was submitted to the Commonwealth giving brief outlines of schemes for which grants would be sought under the National Water Resources Development Programme. On the schedule were 13 individual proposals, some of which are currently only at the preliminary planning stage, and for which details have yet to be finalized. The first item of the schedule was the Lock-Kimba scheme. A full submission concerning this scheme was forwarded in April and, following the recent inspection of the area by representatives of the Commonwealth Government, the answer to the request for assistance is awaited. I explained this to the honourable member last week. The second item on the schedule was the replacement of the Minnipa

to Thevenard section of the Tod trunk main. Work is in progress on the detailed submission for this scheme, the target completion date being the end of the year.

LANGHORNE CREEK ROADS

Mr. McANANEY: I understand that \$50,000 has been allocated for improvements of roads in the Langhorne Creek township area. Can the Minister of Roads and Transport say when work in this area is likely to commence?

The Hon. G. T. VIRGO: I hope *Hansard* heard the question better than I did. When I can read the question in *Hansard*, I will provide the honourable member with a suitable reply.

HOSPITAL INQUIRY

Dr. TONKIN: Has the Attorney-General received a reply from the Chief Secretary to my question concerning the hospital inquiry?

The Hon. L. J. KING: The Chief Secretary states:

The chairman of the Hospital Communications Inquiry Committee has reported that no witness before the committee has appeared frightened and reluctant to answer questions. On the contrary, witnesses have been forthright and intelligent in their evidence and it is obvious that they appreciate the opportunity to co-operate with the Government in its endeavour to ensure that hospital services in the future will operate efficiently and with satisfaction to patients, staff and the general public. The committee is pleased with the ready response from so many persons who have notified their willingness to give evidence to it. Any evidence by a witness which is adverse to management and/or staff will be tested and when appropriate the persons concerned will be invited to appear before the committee.

The matter of protection for witnesses against action at law is unlikely to arise as evidence given before the committee will remain confidential to it and the members of Cabinet. The committee expects to complete its report in about one month's time. The question of publication of the report will be decided when it is received by Cabinet.

CAR DEALERS

Mr. MATHWIN: Can the Attorney-General say when it is expected that the legislation protecting buyers against the unethical practices of certain used car dealers will be introduced?

The Hon. L. J. KING: The legislation is being considered by a small drafting committee at present. It will be available as soon as that committee has completed its work and the Parliamentary Draftsman can find time to draft the necessary legislation.

EGGS

Mr. GUNN: Has the Minister of Works received a reply from the Minister of Agriculture concerning the handling of eggs produced on Eyre Peninsula?

The Hon. J. D. CORCORAN: Yes. The Commonwealth legislation confers no authority on State Ministers to vary the rate of the hen levy approved by the Minister for Primary Industry. My colleague the Minister of Agriculture has been advised by the Chairman of the South Australian Egg Board that the board is at present exploring ways and means of making alternative arrangements at Port Lincoln when the Port Lincoln Dairy Produce Company ceases to receive eggs.

POLLING BOOTHS

Dr. TONKIN: Can the Attorney-General say whether the Returning Officer for the District of Bragg or the Commonwealth Electoral Officer for South Australia has investigated the possibility of using either the scout hall or the Presbyterian Church hall adjacent to Tusmore Park at future elections? I am still receiving complaints from people living in the Tusmore area who say they cannot easily attend the polling booth at the Methodist Church hall.

The Hon. L. J. KING: I will refer the matter to the Returning Officer for the State and bring down a reply.

At 4 o'clock, the bells having been rung:

The SPEAKER: Call on the business of the day.

PINNAROO RAILWAY ACT AMENDMENT BILL

Second reading.

The Hon. J. D. CORCORAN (Minister of Works): I move:

That this Bill be now read a second time.

The Pinnaroo Railway Act of 1903 provided for the construction of the railway from Tailem Bend to Pinnaroo. The provision of this Act allowed for the survey of additional Crown lands for allotment. In connection with this survey of Crown lands the Act required that in the subdivision of land in the hundreds of Pinnaroo, Bews, Cotton and Parilla, the Surveyor-General should "... reserve such portions of same as he may deem advisable to be perpetually preserved as breakwinds for the prevention of drift sand and soil". The Act also provided for a penalty

for any person found cutting or removing timber, scrub or undergrowth on or from such breakwind areas.

This perpetual preservation of reserves created problems, particularly when it was necessary to relocate or create roads. This problem was overcome by the Pinnaroo Railway Act Further Amendment Act of 1914 which provided for the Minister of Lands, following the receipt of a written request from a district council, to declare parts of breakwind reserves to be public roads or to close roads or parts of roads abutting on breakwind reserves. Such closed roads were to become part of the breakwind reserves and the district council was required to preserve and protect from destruction or injury all timber and other trees growing on these former roads.

Although these breakwind reserves were previously justified, it has become evident, particularly in recent years, that problems have developed regarding control and administration and the prosecution of offences against persons alleged to have cut or removed timber from the reserves. The existing legislation does not satisfactorily indicate clearly under whose control the reserves are placed.

It is now necessary that some action be taken to resolve the present difficulties. As a prior requirement to any recommendation being made, a field inspection of all breakwind reserves was made by departmental officers to obtain an indication of present conditions. This inspection showed that the major portion of these reserves was natural scrub or regrowing scrub with the remainder being cleared or cleared and cropped. Instances were found where fences, access tracks, telephone and power lines were located on the reserves. Some of the roads were located wholly or in part on the breakwind reserves and not within the areas surveyed for roads.

Thus it became obvious that extensive amendments to the Pinnaroo Railway Act would be necessary if the breakwind reserves were to remain subject to that Act with added provisions to establish effective control and administration and to permit appropriate action in view of existing conditions. However, the kind of control contemplated and the various powers considered necessary already exist in the provisions contained in the Crown Lands Act. Therefore it is apparent that the most simple yet most suitable and effective means of achieving the desired result is for the breakwind reserves to become Crown lands subject to the provisions of the Crown Lands Act.

The present amendment is put forward with this end in view.

As Crown lands the control of these areas would be vested in the Minister of Lands and the areas could then be dealt with in various ways. They could, for example, be dedicated as follows:

- (1) National Parks under the control of the National Parks Commission;
- (2) Reserves under the control of a district council;
- (3) Reserves under the control of the Minister.

Areas that need not be preserved in their present form could be dedicated as recreation grounds or disposed of under the provisions of the Crown Lands Act. Areas required for the purpose of road making could be delineated on public plans and roads to be closed could be dealt with under the Roads (Opening and Closing) Act. Telephone and electricity lines could be covered by the issuing of licences under the Crown Lands Act.

The provisions of the Bill are as follows: Clause 1 is formal. Clause 2 incorporates portion of the Pinnaroo Railway Further Amendment Act, 1908, in the principal Act. When the Pinnaroo Railway Acts were enacted, it was usual for an amending Act to contain substantive provisions that were not incorporated as provisions of the principal Act. This is not consistent with the present drafting style. The Bill accordingly repeals these substantive amending Acts and incorporates the only substantive amendment that does not relate to breakwind reserves in the original Act. This will result in a unified principal Act in conformity with the present drafting style.

Clause 3 repeals and re-enacts section 13 of the principal Act. The new section provides that those areas that were formerly breakwind reserves shall become Crown lands subject to the Crown Lands Act. Clause 4 repeals the Pinnaroo Railway amending Acts which are now unnecessary in view of the provisions of the Bill.

Mr. EVANS secured the adjournment of the debate.

CONSTITUTION ACT AMENDMENT BILL (MINISTRY)

Consideration in Committee of the Legislative Council's amendment:

Page 1, line 16 (clause 2)—Leave out the words "word 'seven'" and insert in lieu thereof the words "words 'seven-tenths'".

The Hon. D. A. DUNSTAN (Premier and Treasurer): I move:

That the Legislative Council's amendment be disagreed to.

The amendment is aimed at providing that in all circumstances a Government must have three Ministers in the Upper House if there are 10 Ministers in total. In consequence, if a Government that could not provide three Ministers in the Upper House were elected, that Government could not take office, there would be a completely deadlocked provision and an unworkable situation constitutionally, and this Chamber would no longer be able to decide on the Government of the day. Regardless of any political considerations, I do not think that this Chamber could submit to that. This Chamber has the right constitutionally to decide on the Government of the day, according to whichever set of persons as Ministers can command majority support in this Chamber: that, of course, is general British constitutional practice.

It would be an impossible situation for us if such a provision as this were written in. I admit that it is unlikely that a Government which could not provide Ministers in the Upper House would be elected. Governments normally would want to ensure that they had Ministers in the Upper House who were able to proceed to the carriage of their measures. It would be difficult for a Government to carry on with less than its full complement of Ministers, but it is conceivably possible. I understand that the basis of this amendment was some argument that occurred about a year ago, and I will not go into that in detail. I have given my reason why this amendment should be rejected. However, its wording provides another reason why it should be rejected, because it is strange wording indeed. It provides that not more than seven-tenths of the Ministers shall at the one time be members of the House of Assembly. That means that not more than seven-tenths of the members who are Ministers corporeally shall at any one time be members of this Chamber; it states not seven-tenths of number of the Ministers but seven-tenths of the Ministers. Whatever any of us have lost physically in the past, the deletion of another three-tenths would be a little more than any one of us could be expected to support. Members in another place have not spelt this out, and all I can say is that it is most unfelicitously expressed. For that additional reason I should think that this Chamber could not support the amendment.

Mr. HALL (Leader of the Opposition): Some people would maintain that, if all the Ministers came from the House of Assembly, it still would not be seven-tenths of what was necessary if members of the present Government were filling the various portfolios. However, the Legislative Council's amendment is intolerable and cannot and must not be accepted by this Chamber. For the reasons given by the Premier, and for variants of those reasons, some of which I know well, I oppose the amendment. It would be intolerable if the Upper House could dictate who should be the Leader of a Party in this Chamber, and yet this could be done under the amendment as a result of a collective attitude of members of an Upper House group. By collectively refusing, for instance, to fill the positions, members in another place could destroy the chances of the person seeking to be Leader in this Chamber. There are many variants to be considered in relation to this problem, but, basically, the Government is formed in this Chamber, and the Leader comes from this part of a Government Party. Concerning my Party, we meet separately (we do not meet together) and, of course, the election of the Parliamentary Leader is conducted among only the members of the Lower House. This amendment represents a further intrusion into the operations of my Party in this place, and this applies perhaps even more to the Labor Party. For these reasons, I oppose the amendment.

Motion carried.

The following reason for disagreement was adopted:

Because the amendment deprives the House of Assembly of the right to constitute a Government from those members who command majority support in that House.

Later, the Legislative Council intimated that it insisted on its amendment to which the House of Assembly had disagreed.

LAND TAX ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 29. Page 2221.)

Mr. HALL (Leader of the Opposition): Although I do not intend to speak at length to this Bill, I regret some of its basic implications. We shall be facing, less than 12 months from now, the application of a new valuation relating to the unimproved value of land, the subject of land tax in this State, and in some cases this is a clear-cut increased valuation based on a fairly recognizable sale price and the valuations that emanate from

that price. However, the issues concerning rural land are not nearly so clear cut and present a problem regarding the great shift in valuation that will continue throughout until the valuations are proclaimed. I have no hesitation in saying that many valuations, because of the present difficulty that exists in this matter, will be wrong the day they are proclaimed or gazetted. In addition, the Government is moving ineffectually to help rural land owners in regard to the rural land tax problem in the present difficult times, and I am greatly concerned that the Government has been so niggardly in this matter. I remind the House of my Party's policy on land tax announced prior to the last election. First, for the present financial year, we promised to reduce rural land tax by 50 per cent. Secondly, after the operation of the new five-yearly assessment in June, 1971, we promised to reduce the yield from rural land tax to \$300,000. Anyone studying this would recognize that the detail would have to be worked out to provide that \$300,000 and no more would be collected at a later date. Although it would be a complicated calculation, it could be worked out, and this scheme recognizes several principles. It recognizes some equity in not abolishing land tax altogether on rural holdings while people living in houses pay something towards the State in this way. On the other hand, it recognizes the present precarious financial position of rural industries.

This charge, which is in many ways a capital charge, is not related directly to income or income-producing activities. There is a different attitude in other States, which is not hard to understand when one realizes that other States do not have Labor Governments. In Victoria, primary producers are exempt from land tax. In Western Australia and New South Wales, land tax is being eased out by an arrangement which, as I understand it, reduces payments by 33½ per cent in the first year. On last Thursday evening, I was on the platform at the Prime Minister's meeting in Sydney, and I heard the Premier of New South Wales (Mr. Askin) say that not only was he easing out land tax on primary-producing properties but that he also intended to ease it out with respect to all residences. That wide-ranging move will exempt all New South Wales citizens from the imposition of this tax. In view of the extremely high values in places such as Sydney of ordinary types of residence, this tax causes a great problem. In contemplating an increase in land tax for city residences, we are not moving with the times when we consider

that New South Wales is deliberately reducing such payments. Nor are we moving with the times when we reduce land tax on rural properties by the niggardly sum proposed in the Bill: a reduction of two-fifths on those properties whose value is less than \$40,000. That reduction in no way equates the promise made by my Party before the election, because in many instances it will operate on values that are significantly higher than today's values.

In his second reading explanation, the Treasurer said that the general average increase in valuations in this State was about 30 per cent and that the reduction ordered by the Government on rural valuations was about one-third. If one takes that as an average, one can expect that the reduction proposed will be a little greater than the increase, but it is not an average situation we are looking at. In many rural areas in South Australia, because the unimproved value has been low for a significant number of years, no application of this legislation will prevent a large increase in value and therefore in rating. My forecast is that areas on Eyre Peninsula and in some parts of the South-East of South Australia will, under this arrangement, produce greatly increased revenue for the Government from rural lands, despite the reference to the average made by the Treasurer in his explanation. It is hard to understand why the Government has taken this attitude.

When my Party was in Government, in looking at the rural problem, we were able to see that, if we managed our affairs as indicated, the general rise in yield from city properties, as it appeared from rates, and the 30 per cent average increase in valuations would more than cover the concessions granted, under our scheme, to primary producers. I remind honourable members that the problems of primary producers, which are admitted in a passing fashion in the Treasurer's explanation, are here to stay for as long as we can forecast, and they are most severe. I submit that any taxation applied to rural properties should wherever possible be applied to the profitability of those properties. Although their turnover is high, their profit return is low in proportion, yet they are subject to the payment of this high capital tax. Therefore, I am disappointed that the Government has been so niggardly as to provide a reduction of only two-fifths in land valuations up to \$40,000. This is only a token attempt to deal with a pressing problem. The trend in other States is being reversed in this State.

Instead of seeing the abolition of this tax or an attempt to proceed in the fair and equitable fashion that I outlined at the election as our programme, we see the Government reducing taxation by two-fifths in this area for land of lower values and reducing it much less in the case of properties valued over \$40,000.

It is also interesting to study the Treasurer's explanation about the fee of \$2 a block. I am sure that people who studied the Labor Party election manifesto believed that, if that Party were elected to Government, they would be paying \$2 more a house or a block to contribute to the fund that the Government was setting up to acquire recreational land. I did not read the fine print, if there was fine print, but I took it that this was to be paid at \$2 a time. However, we find that this fee is tied to the valuation and, as the Treasurer indicates, the fee on some houses will be \$5, while on others it will be 50c. Therefore, this becomes a matter of far greater significance to some people; in fact, it will be more than twice as significant as some people expected it would be when they read the Labor Party's election programme. The Premier refers in his explanation to section 12c. Under this provision, great hardship still exists in some areas which are not covered by the exemptions granted for land of much higher value and which are still used for primary production and are not able to be sold at this time. Much has been said about this in this place over the years, and it should be dealt with by amendment now that the Bill is before us. As these matters are properly matters on which to ask questions when we are dealing with the clauses, I shall reserve my further comments generally until the Committee stage. I repeat that the Bill does not grapple with the problem in any significant way for rural producers. It contemplates a general increase in land tax in the metropolitan area, at a time when New South Wales is setting out to exempt dwellings from land tax. It contemplates a significant increase in returns from all metropolitan properties, because of increased valuation.

This will present a further hurdle to the type of development that the Treasurer opened last evening, namely, the construction of highly-valued improvements in Adelaide and suburbs. I assure the Treasurer that, as he negotiates with people making investments of this type, he will find that the initial decision on whether to put a \$4,000,000 or \$7,000,000 construction in Adelaide is considered carefully in the light

of council rates and land tax, and the increased valuation of land in the city of Adelaide, if it is to conform to the general increase in valuations referred to by the Treasurer, will place an added and significant hurdle in the face of this development. I remind the Treasurer of his statement that in South Australia land tax is generally as high as and often higher than land tax in other States, in both valuation and yield. The land tax yield, on a per capita basis in 1968-69 in the States is as follows:

<i>State</i>	<i>Land Tax</i>
	\$
New South Wales	7.63
Victoria	6.51
Queensland	2.71
South Australia	6.73
Western Australia	5.27
Tasmania	6.1

The average tax is \$6.28, and South Australia is above that average. I remind members that New South Wales and Victoria contain many more wealthy industries and, may I say, wealthier people than does South Australia, and it is not hard to find out why, as those States are the headquarters of so many Australia-wide enterprises that have not only their administrations but, in many cases, the physical productive capacity of those enterprises within their boundaries. If one studies the position in Sydney and Melbourne, one realizes the immense wealth there and the higher content of wealth than Adelaide and South Australia have.

Therefore, in considering the yield a head of population on that basis of comparison, South Australia leads Australia in the yield from land tax imposed on the citizens. For this reason we should consider carefully the idea that the State revenue will benefit from this increased taxation. We must ensure that our development is not hindered and, if we lose one or two \$4,000,000 or \$5,000,000 projects because of this increased valuation, obviously South Australia will be the loser. I urge the Government, if it cannot consider that aspect, to reconsider the land tax on rural lands, where it is not so much a matter of development but one of survival for so many people. I repeat my disappointment at the complete failure of the Government to grapple with the problem, and I shall continue this argument when we are dealing with the particular clauses.

Mr. McANANEY (Heysen): I support fully what the Leader has said. He has dealt with the position adequately, but I should like to make a few points. The Government is making a big mistake by reducing from two years to six months the relevant period after

which it may sell a property for non-payment of taxes. We know the difficulties that country and city people are going through (and possibly this is so more often in the country), yet if these people do not pay their land tax within six months, despite the fact that they are paying a reasonable rate of interest on arrears, their properties may be sold.

The Bill also contains a provision whereby if, after three months from the day on which a notice of intention to let or sell is published, any part of the tax is still unpaid, the Commissioner may let the land from year to year. I object strongly to this provision. Many primary producers are in difficulties this year and no reduction in the amount of land tax is being made. Next year, with the increased valuations, they will be paying, despite the reductions, almost as much as they will be paying this year. I notice that the Government states that, overall, country valuations will be reduced by about 30 per cent. This varies from area to area. In some areas, the reduction will be 40 per cent and in other areas there will be no reduction.

Mr. Hall: This is on an increased valuation.

Mr. McANANEY: Yes. This will be a severe penalty on the good people who live in the Heysen District and adjoining districts, because they will receive no reduction.

Mr. Rodda: Good representation will make up for it.

Mr. McANANEY: Yes, if that gives them any cheer or hope for the future. The land in this area, particularly in the watershed areas, has been valued on the basis that until recently this land was available to be subdivided. People bought land in the area, intending to subdivide some of it, and this increased the valuation of the area to a figure that is possibly more than the productive value of the land. This applied in the area to which I have referred possibly more than in any other area in South Australia. People's activities will be restricted.

Last evening I spent about 20 minutes on the telephone talking to a poor unfortunate returned soldier who had developed a piggery since the Second World War and was getting it into productive form. His activities will be restricted. There may be an argument that there is some pollution of the lake below the piggery, but no-one has told him what he can do to stop this pollution, and I consider that the Government's action in making inflexible rules, instead of using common sense, is high-handed.

Only yesterday morning, on my way to Adelaide, I called on an unfortunate lady who was blind in one eye. This lady wanted to subdivide her land so that her granddaughter could build a house next door and live there to care for the grandmother in her old age. However, this lady has been told that she cannot subdivide, and so the granddaughter cannot build a house. The granddaughter cannot borrow money without having title to the land, and so she is prevented from building. Although I did not test the land with a spade, it was obvious that there was a considerable depth of sand, so there would be no pollution, but her request was refused and she was not told what she could do. The health inspector had said that the land would be quite suitable for building a septic tank on it and that there would be no pollution, yet she is being prevented from subdividing. This reduces the value of the whole area. I agree that there is a pollution problem in the Hills and that it must be stopped. However, this does not mean that one should rush around making inflexible rules. Common sense and intelligence, rather than the theoretical approach made by the Engineering and Water Supply Department, should prevail. All this land has therefore been over-valued for land tax purposes since the right to subdivide was taken away. No-one believes more than I do that this situation should be watched closely.

At the Oakbank Area School the sewage runs down towards the river. Having asked why this was allowed when other people miles away from the river were being stopped from doing the same thing, I was told that the situation was being watched and that it was not a problem. A reference that was before the Public Works Committee this morning involves a similar problem, although I am not sure whether it is in a watershed area. I will certainly check on that aspect before I agree to the proposition. It could have involved a project in the Onkaparinga drainage area, where a septic tank is to be installed; that will make many of my constituents hostile.

As the Leader of the Opposition has said, other States have seen fit to reduce and even eliminate the land tax paid on primary-producing land, even though South Australia is in this financial year getting a bigger increase in contributions from the Commonwealth Government than is any other State per capita.

Mr. Jennings: How?

Mr. McANANEY: The honourable member will have to get hold of the statistical information on the grants and payments made to the States. He should not listen to his Treasurer, who will lead him astray. The Minister of Education has said that we are not getting a fair share from the Commonwealth Government. I wonder whether he included the \$5,000,000 received through the Grants Commission when he said that. The Prime Minister told not only our Treasurer but also the Treasurers of the other small States that if they were not pleased with their allocation they could go to the Grants Commission: although they had not been allowed to do so under the agreement for five years, they could approach the commission now if they so desired. The Treasurer then returned to this State and misled not only the press but also his followers. South Australia decided to approach the Grants Commission, as a result of which it received an additional \$5,000,000, or \$14.70 per capita, a sum greater than that received per capita by any other State. I know that we must stand up for South Australia's rights, and no-one will do this more than members on this side. However, we must realize the facts of life.

The Hon. Hugh Hudson: One fact of life is, as you said, that the land tax per capita is higher in New South Wales.

Mr. McANANEY: I did not say that in regard to all land in New South Wales: I said it in relation to land used for primary production.

Mr. Hall: Before the concessions have been granted over there. The Minister knows that.

Mr. McANANEY: There is an argument for land tax and, when the activities of the community as a whole increase, so too will the value of land increase. This happens when a city grows: land values in the centre of the city rise. Indeed, as the whole city grows the value of land gradually increases. Perhaps the community might be able to submit a justifiable case for the payment of land tax. However, what is the value of land at present, particularly when the productive value of the land or even the sale value has dropped so much over the last year? I know of a property that was transferred for \$40,000 about five years ago. It is again on the market now but a bid for it cannot be obtained; it would probably be worth only half its value now. Therefore, the value of land at present is what the individual who owns it has put into it by clearing stones, grubbing noxious weeds, and so on.

Some district councils have been lax in having weeds sprayed; admittedly, too, some primary producers do not pull their weight in this regard. There is a Weeds Act on our Statute Book, and the Minister of Agriculture has power to ensure that the councils carry out their obligations to the community. The landholder must not allow weeds to grow and spread over the rest of the country. If firm action is not taken now to control weeds (and the dynamic group of people on the Weeds Advisory Committee is trying to get the district councils and the Government to take firm action in this respect), one would not be able to take land as a gift, particularly in some of the drier areas. It would cost more to eradicate the noxious weeds from the land than would be its productive value. One can see, therefore, that this is indeed a serious problem facing South Australia.

This is an unfair tax because, as the Leader tried to show, the community can say that it has a claim on the land. The land itself is developed by the people living on it. I therefore strongly condemn the Government for its lack of action in this regard, as the Commonwealth Government has made so much more money available and, with wise husbandry and careful management, this could have enabled more action to be taken. The Treasurer has said that the Government is incurring large railway and water losses because of country services. Admittedly, this is so in relation to water, as water mains have been extended into areas where they were not economically viable. I notice, however, that the losses incurred on the suburban passenger rail services are larger than those incurred on the country services. If one counted the number of people who travel on the country passenger rail services, one would see that few of the passengers are primary producers. Because these people do not have time to travel on public transport, they travel in their own cars. Most of the railway losses are incurred by passenger services.

It is a disgrace that the present Minister and his predecessors have not cleaned up the railways so that these losses do not continue. I firmly believe that, without disrupting services to the people, many of these losses could be eliminated and much more money spent on providing other services where no alternative exists. I oppose the Bill, because it does not take into account the existing circumstances, including the ability of people to pay. These forms of indirect taxation are of an inflationary nature. It is claimed that more than half

the land tax that is collected comes from the Adelaide city square and, even though the businesses and industries concerned are making record profits, this taxation generally is not borne by them: it is passed on, and it ultimately reaches the primary producer.

Mr. Jennings: He passes it on, too.

Mr. McANANEY: He cannot pass it on. An increase in land tax directed at various sections of the community will lead to inflation, and this will not benefit anyone. The more quickly we can reduce such taxes as this, the better Australia will be able to compete on the world export market and in importing goods from overseas, and this will indeed be a benefit to all concerned.

Mr. GUNN (Eyre): I have many reservations about the Bill; indeed, it seems that the Government has not considered the plight of the rural industries and that it has made no real concessions to those people in the community who are in most need of help. I consider that our rural industries cannot afford to pay any more capital taxation and, indeed, land tax is a capital tax: it is not a tax levied on profitability. I think the Government would be benefiting itself and the people if it were to see that land tax—

Mr. Rodda: Abolish it altogether!

Mr. GUNN: I agree. All forms of capital taxation hit the man on the land most severely. If this Government were to examine the practice of Liberal Governments in other States and implemented that practice, it would help the people in South Australia, particularly those engaged in rural industries. Having referred recently to this matter, I do not wish to have much more to say about the Bill. However, I hope that the Government will soon reconsider its attitude, especially when the new valuations are made. It has been stated that the new valuations will represent an increase of about 30 per cent, but in many areas it will be more than that, and many producers will be forced to pay more.

Mr. Nankivell: The unimproved value of land in my area has recently risen by as much as 300 per cent.

Mr. GUNN: I know of some cases in which this form of taxation has been increased by 1,200 per cent on the first valuation, although no-one knows what increases will take place under the new valuation. However, I hope that when that valuation is introduced the Government will review the matter and afford to the rural industries the help they deserve.

Indeed, I hope that we shall soon be discussing a measure to abolish land tax altogether, thereby helping the primary producer.

Mr. GOLDSWORTHY (Kavel): I intend to express a general view on land tax, and I am not criticizing the Government in this respect. The history of land tax is interesting: I believe it is the oldest form of tax that has ever been levied and, in fact, its origin is lost in antiquity. The concept of land tax has changed considerably over the years, this tax having originally been levied on the basis of production. Although I do not profess to be any expert on taxation, I have one or two views (those of a layman) on the most desirable forms of taxation. Land tax today is, I believe, left to the authorities, other than the central authority, to impose.

In Australia, for instance, where we have the central Commonwealth Government and State Governments, land tax is the type of measure that is left to the States to administer, and I believe that this is not peculiar to Australia: it is the way in which this tax operates throughout the world. However, the original concept of determining land tax on the value of production seems to have been lost, and land tax today is in the nature of a property tax. Of all the forms of taxation, I believe that land tax is the least desirable. If income is being derived or money is turning over and sales are being made, the operation concerned can be subjected to tax, and in many cases that tax is not unduly unpalatable. If people derive a good income, they should be prepared to pay their share in running the country. However, land tax is in a different category altogether; it certainly is in this country.

Land tax is levied simply because people possess some property; people are being taxed because they have a stake in the country, and to my mind this is a poor type of tax. In my view, we should encourage people to own property and to take an interest in it, for this gives them some tangible stake in the country. However, to tax this property without any relation to the turnover from that property is, I think, fundamentally fallacious, and it is the sort of tax that is out-dated. We laugh at certain taxes that were levied in the past; for instance, there was a window tax in Britain, and also, in France, a window tax and chimney tax that existed until 1917. The time comes when many taxes are considered out-dated, and I believe this applies to land tax. As I said earlier, the point I am making is that

if sales are being made money is being turned over, and I think people are prepared to pay a tax on the sales. I believe people are prepared to pay a tax on income. Even the State lottery provides a painless form of taxation, but here again money is being turned over. I accept with some reservation the fact that land tax should be imposed.

As other members have said, South Australia does not compare favourably with the other States in respect of land tax payments. Land tax on rural properties has been abolished in two States and is being abolished over three years in New South Wales. If we are genuine in our desire to help people in rural areas, this tax will be abolished as soon as practicable. At the election, the Liberal Party had a realistic policy to cut down this tax substantially by 80 per cent over two years. I should like to see this tax phased out completely. We realize the difficulties that face State Governments in that their avenues of taxation are limited. Nevertheless, we should carefully examine the way in which taxes are levied on the community. This tax is levied before any consideration is given whether income is derived from the property concerned. In these circumstances, I believe that, in the case of primary producers, this tax should be removed, particularly in view of present conditions. Certainly a reduction of far more than the two-fifths suggested in the Bill should be made. The meaning of one other provision eludes me at present. Under clause 10, if he is satisfied by a taxpayer that the payment of land tax will cause some hardship, the Commissioner can give remission of that tax but the amount of any such remission shall not exceed \$2 in any one financial year. Perhaps I am reading this provision at face value.

The Hon. Hugh Hudson: That relates to the extra levy of \$2. There can be remission of the extra levy in the case of hardship.

Mr. GOLDSWORTHY: That clears up that point. I thought that, if \$2 would make or break someone, he would be on his uppers anyway. I believe land tax to be the least desirable of all the taxes that we levy. As the Bill does nothing significant to relieve the plight of primary producers, I hope it is amended to increase the reduction considerably. In the circumstances, I cannot find much in the Bill at present to enthuse about.

The Hon. D. N. BROOKMAN (Alexandra): The policy of the Opposition with respect to land tax has been clearly expressed. At the previous election, the then Treasurer (Mr.

Hall) said that we would, first, reduce rural land tax by 50 per cent in the next financial year. He said that, secondly, after the operation of the new five-yearly assessment in June, 1971, we would further reduce rural land tax to yield about \$300,000 to the Treasury, and that this would be a total reduction of over 80 per cent on existing payments. That was a clear statement of a reduction in rural land tax. No reference was made to valuations; it was said that land tax would actually be reduced. Those members who were present at the farmers' march in the third week in July heard the Treasurer say to the farmers that land tax assessments had been revised and that land tax value rates on primary-producing properties would be altered. Anyone listening carefully to that statement would have assumed that land tax payments by the rural sector of the community would be reduced. That is the impression the Treasurer gave when he said that.

However, what he said then literally has not been aggregated in the Bill. Although he implied that land tax would be reduced, what has happened is that it has not been reduced. It is hard to know exactly what the provisions in the Bill will produce; it is impossible to know exactly what effects will be achieved. On assuming office, the Treasurer asked for revised valuations from those projected in 1970. He has now introduced a Bill that in fact adopts those revised valuations. If we look at the rates, without taking into account what the valuations are, we can get a false impression of the position. The Premier has said that rural land valuations have been reduced below the preliminary figures by one-third on average. No-one should be confused by that average reduction of one-third; that does not say anything. This is not a one-third reduction on individual assessments: it is an average of averages. The Commissioner of Land Tax has provided information to the Government and to me, on my request, to the effect that certain reductions have taken place on overall valuations. These have varied from the Murray Mallee, where the reductions have been highest, to Kangaroo Island where reductions have been lowest. These were reductions on the valuations on the 1970 projected values.

That does not mean that there is a reduction on the land tax payable above what the farmer has been used to paying during the previous quinquennial period. In fact, in some cases the farmer will pay more land tax as a result of these provisions than he would pay under the old 1965 assessment. No-one should get the

impression that, because the assessments have been revised, the farmer will not pay more in tax. In many cases he will pay more. Although it is not possible to get an overall picture until all the assessments have been put into a computer, I understand that many farmers will be paying more than they paid last year and the year before. This is no time to increase land tax, but the Bill does increase it.

I remind the House of the distinction between the Treasurer's statement during the last State election campaign that he stood for reducing land tax and the provisions of this Bill. He did not confuse the issue by saying that he would reduce or revise assessments. Many of these assessments are much higher than the 1965 figures, and that is understandable. I am not criticizing the Valuation Department in making these valuations, because the department knows its business and has carried out the request to revise the figures in the light of recent trends. Even so, many farmers will be paying more land tax, and in some cases staggering amounts will be paid.

I have some examples, provided by the department, of the present tax and the tax that will be payable under this Bill. One farmer on Eyre Peninsula paid \$11.88 in the 1966-70 period. He will now be paying \$46.15, or 288 per cent more. The tax payable by another farmer will increase by 202 per cent, from \$29.96 to \$90.42. A large property, in respect of which \$2,230.50 is now paid in land tax, will attract a tax of \$8,672.04 under this legislation, and that is an extremely big increase. There is not an increase in every instance (in some cases, there will be decreases) and for that reason it is impossible to say whether these provisions will benefit the rural sector overall. Because we do not know that, it is not feasible for us to try to block the legislation, but the result should be known. We do not know what the final result of the study will be, but we know that in some cases the increases will be considerable. In another case, the land tax on what is obviously a large property will increase from \$768.6 to \$1,376.40. The tax on one property of medium size will increase from \$56.48 to \$67.21. The tax on another medium size property (and I remind members that that is none too big, in present circumstances) on Kangaroo Island will increase from \$30.52 to \$57.60, or by about 89 per cent.

I have asked questions in the House about the position of settlers on Kangaroo Island.

Early in the session I asked the Minister of Works, representing the Minister of Lands, about a request I had made when I was Minister of Lands that the Commonwealth Minister for Primary Industry send an officer to Adelaide to discuss the position of these settlers. I was referring then specifically to soldier settlers, although many other settlers had difficulties. I cited the case of a settler who had increased his wool clip many times over and was getting a gross return of only a little more than he had got about six years or eight years previously. He had to meet increasing costs in his operations, as well as his commitments to the Government.

I have not yet received a satisfactory reply to that question. The Minister of Works said that his colleague had stated that the request had been acknowledged and a further letter had been sent to the Minister for Primary Industry, asking whether that Minister had yet made a decision on the request. The reply also stated:

The economic position of Kangaroo Island war service settlers was recently discussed informally with a Commonwealth officer who was here on another matter, with the result that Lands Department officers are now preparing information that would be valuable should discussions take place.

That reply was given on July 21, about four months ago, but I have not received further information. The examples that I have given show that a typical soldier settler will be paying nearly twice as much land tax as he paid previously, despite the revised assessments. I could give many more instances. Because there will be reductions in some cases, it is not possible to know the net effect and, therefore, whether the legislation is good. However, it is clear that many primary producers will be paying increased land tax, not the revised land tax that my Party foreshadowed in the recent election campaign. I repeat that this is not the time to increase the burden of capital taxation on the man on the land, as no honourable member could deny.

Mr. VENNING (Rocky River): I agree with the member for Alexandra that this legislation does not give the relief that the Treasurer promised in his policy speech before the last election. I recall the farmers' march on July 22. The Treasurer confronted the 8,000 primary producers who took part in the march and led them to believe, because of their presentation and demonstration, that he would give some relief from the rural problems. As I look at this legislation,

in all its confusion, I am sure that it does not give that relief. It is not necessary for me to go into any details about the problems confronting the woolgrower or the wheatgrower or anyone else in primary production, because all sections are having their problems. This Government is supposed to be responsible for handling the legislation of this State, and it is absolutely necessary that it do something in this regard.

It is known that about \$1,100,000 is collected annually from land tax on rural lands. It was the policy of my Party at the last election that land tax would be slowly but surely phased out altogether. It amused me to hear the Treasurer the other day saying in this House that South Australians were paying in succession duties less a head of population than the people in the Eastern States were paying. However, when he is talking about land tax he does not mention the States where this tax does not apply: he quotes only the States that suit him. His inconsistency is obvious when we listen to him putting forward arguments in support of legislation he introduces.

Mr. Rodda: What about the Government's rural policy?

Mr. VENNING: That was left to the Deputy Leader to handle; the Treasurer, in what is considered to be the policy of the Labor Party, dealt with that subject in a couple of words. As I said before, it was almost missed out altogether.

Mr. Burdon: You didn't have a rural policy.

Members interjecting:

The SPEAKER: Order!

Mr. VENNING: It is obvious that no relief will be forthcoming. I oppose the Bill, which is confusing because it does not clearly define what the position will be. As pointed out by the previous speaker, the land tax payable by many landowners will be increased by 400 per cent. Another aspect of the situation concerns the decrease in land values throughout the State. If what has already been said by the Treasurer is any indication, the true reduction in land values will not be recognized when the next quinquennial assessment is made. Therefore, I view with concern the whole situation of land tax as it affects our rural industries.

Mr. RODDA (Victoria): I think capital taxes are bad, especially when they touch on the primary industries of this State, situated as they are today, and no eloquence from the

people opposite who are such experts in so many things will convince my Party that this type of legislation is good for the State.

Mr. Curren: Who introduced it?

Mr. RODDA: It will not be a good thing for this Government, either, when it goes to the people next March.

Mr. Burdon: Your policy didn't click in May.

The SPEAKER: Order! Interjections are out of order.

Mr. RODDA: It is pointless for the member for Mount Gambier to be talking about May. He well knows that we went to the people at that stage on the policy of water for South Australia. What are we doing today? We are not making footprints in the sands of Chowilla, although last week the Treasurer said that he would make footprints in the sands of time. What are we doing for South Australia? This Government is following a policy of hand in the pocket and gun in the back: there is no other way to describe it. The Leader of the Opposition, when Premier, gave a clear declaration about land tax in his policy speech before the last election.

Mr. Burdon: Why was that policy rejected?

Mr. RODDA: If the honourable member will keep quiet I will tell him. It is a long road with many potholes, and I think the Government has hit a few. The Treasurer said that this legislation reduced land tax, but a revaluation will operate from June 30 next year. We are experiencing one of the greatest down-turns in rural production that this nation has known. Last Friday at an auction at Naracoorte of some of the best land in that district, there were two bids, one of \$60 and the other of \$62 an acre. I do not know whether they were genuine, but this was prime land and the member for Mount Gambier would know its true value.

Mr. Coumbe: What do you think it was worth?

Mr. RODDA: It should be worth about \$100 an acre, but only two bids were received for it. If this is an example of values at auctions at present—

Mr. Langley: Whose fault is that?

Mr. RODDA: "Whose fault" says the genius opposite: this occurs in a situation in which the Government introduces legislation such as we are dealing with now. This is like taking wheat from blind fowls. The situa-

tion cannot be described in any other way, and the man on the land is not in the race to face up to these charges.

Members interjecting:

The SPEAKER: Order!

Mr. RODDA: This legislation will drive people off the land, but it will be the honourable member's Government that pays the penalty when it goes to the people in March of next year.

Members interjecting:

The SPEAKER: Order!

Mr. Langley: You'll get thrashed again.

Mr. Burdon: I think a lot of this goes back to John Grey Gorton.

The SPEAKER: Order!

Mr. RODDA: We will not be worried about him: those urgers of the honourable member's last night had no effect on him.

Mr. Langley: That had nothing to do with us.

Mr. RODDA: With wool at \$84 a bale people will not be able to pay this land tax that the Treasurer is levying, so that in many cases the land may have to be sold. It seems that the Labor Party with this policy wants South Australia to be one great area of park lands. It is interesting to note that the people who supported the Labor Party will also be slugged an extra \$2.

Mr. Hopgood: They know all about that.

Mr. RODDA: The member for Mawson need not stick his oar in; he will have this matter as well as the shopping hours question to deal with in March next year.

The SPEAKER: Order! The honourable member must not reply to interjections.

Mr. RODDA: The member for Mawson will be hard pressed to be able to tell people in his district—

Mr. Hopgood: Why don't you come into my district and debate it with me?

Mr. RODDA: I am sure that this impost of \$2 will not be favourably received by these people. It would give me much pleasure to go into the member's district and tell the people about Ned Kelly, the Treasurer, arch thief, on his black stallion charging about ripping money off the people right, left, and centre. We will go out to the people at any time he likes and talk about land tax and succession duties. We are ready to meet him when he is ready to go.

Dr. EASTICK (Light): I shall be brief, but I point out one feature of the Bill that I find anomalous and to the detriment of those people who have broad acres. It deals with the increase provided by the Bill as a levy for future recreational purposes in those places that are now included in the metropolitan area, and I refer particularly to the District Council of Munno Para, the District Council of Salisbury and parts of the District Council of Willunga, and other council areas. There will be the application of a levy on the same basis as would apply to metropolitan small holdings, but in due course when these broad acres are subdivided another provision will apply under another Act which is on the Statute Books (in relation to areas of land or sums of money being made available for recreational purposes); thus two sums will be made available by these individuals for the same purpose. I have briefly discussed with those concerned whether those persons who have paid this additional land tax over a period immediately preceding subdivision can obtain a rebate of the amount they have paid in five or 10 years preceding the subdivision. I believe it is wrong that there should be double tax for the same purpose from the same parcel of land. I note that it is intended that the provision for interest to be charged against unpaid land tax will be deleted, and a fixed fine will be imposed against the sums outstanding at any one time. Whilst we are not dealing with the Local Government Act, a similar situation involves the unpaid rates of councils, and many unscrupulous people trade on the fact that they can obtain money for almost an unlimited time (depending on the time a council takes to start court action) at 5 per cent but are charged only once as an original fine (it is not an annual 5 per cent charge), whereas the same sum if required or obtained from the bank would incur considerably more interest, and it would be a recurring interest. I find it difficult to believe that those people who play the game by paying their land tax (or rates, under the other Act that I mentioned) should subsidize those who seek not to pay until positively forced to and who therefore gain a decided financial advantage over most people.

It is not in the best interests of all persons that this changed aspect of a fine should apply. By the same token, I am prepared to admit that, with the small sums that apply in many instances under land tax, the servicing of these accounts through the computer or through the office, as the case may be, will be a doubtful

quantity and the return obtained may not be sufficient to pay for that servicing. This, then, leads to the question whether 5 per cent is a reasonable rate or whether the fine should be more realistic and so detract from the advantage that some people gain from withholding payments until the last moment. These are aspects that I shall seek further information on in Committee, as I shall in respect of other matters.

Mr. FERGUSON (Goyder): On the very first day of this session of Parliament, the member for Rocky River asked the Treasurer an interesting question about the relief that rural properties could expect from land tax. This is the answer the Treasurer gave:

At this stage I cannot give details of the Bill that will be introduced later in the session. We intend to give relief but, as I cannot outline the precise nature of the proposals at this stage, the honourable member will have to be patient until the Bill is introduced.

All I can say is that in general the rural population of our State would be most disappointed by the contents of the Bill. In his explanation of the Bill, the Treasurer said there would be a reduction in the assessments of about 30 per cent on average. If my memory serves me correctly, I remember his having made some statement about this matter earlier in the session when he said that relief would be given to certain areas of the State in respect of assessments. I think he quoted the Upper North, some parts of Eyre Peninsula, and elsewhere in the State, but I believe that this average reduction of 30 per cent in the new assessments will give relief only to some people in some parts of the State. There is no area in the whole of South Australia where the value of property has not been reduced, according to later sales. Even in the better agricultural parts of the State, such as Yorke Peninsula, sale values have, on an average, been reduced by at least 20 per cent. If these owners are not to share in some portion of this average of a 30 per cent reduction, they will get no relief whatsoever.

At this time, we need to try to reduce rather than increase the costs of primary producers. A quotation often used by the Scotsman is "Many a mickle makes a muckle." This applies very much today to the primary producer, who is endeavouring to reduce his costs, particularly in the areas covered by the provisions of the Underground Waters Preservation Act, which are still primary-producing areas that have not been able to be used for market gardening because of the restrictions

that have been placed on them in the use of underground waters. If special consideration is not given to that primary-producing land, it will become even a greater burden than it is today. Will the Treasurer ask the Commissioner whether special consideration cannot be given in the assessment of this area as the land tax applied to those properties today is a greater burden than they can bear? Compared with other costs, land tax is unrealistic in that area. If ever there was a case for special consideration being given to an area of this State, it is in respect of the area covered by the Underground Waters Preservation Act.

Mr. NANKIVELL (Mallee): I want to speak generally to this Bill. Either there is an unrealistic attitude on the part of members opposite to the rural problem facing the agricultural community today or they are unsympathetic. I have listened with interest to debates in this House on rural industries. There have been some interesting contributions, particularly from the member for Stuart, to whom I shall reply in due course with great pleasure; but what concerns me is that there is no possibility of getting a vote on this question whether or not there should be an inquiry into the problems besetting primary industries, of which land tax is one. This acceptance of the need to continue to impose capital taxation on an industry which may be considered to be a highly capitalized industry but which we can prove, chapter and verse, is at present in difficulty in getting any return from its assets—

Mr. Venning: A profitless prosperity.

Mr. NANKIVELL: Yes. This land tax is based on unimproved values of land. These values are assessed on the basis of a fair sale value, but there are no fair sales today, because no sales are being made except mortgagee sales. We are told that this is not a fair basis of valuation. The mortgagee sales establish what those who are prepared to buy land are prepared to pay for it. A person cannot borrow money today to buy land. In any case, most people desiring to sell land cannot do so, first, because there are no buyers and, secondly, because there is no money. What has affected prices since the assessment to which I have referred was made has been the imposition of quotas on wheat production and the unprecedented and unheralded collapse of the wool market and, consequently, of the stock market. My own gross income from sheep this year has fallen 40 per cent on the prices I received last year.

Mr. Rodda: But your land tax won't be less.

Mr. NANKIVELL: No, because over the period of the last quinquennial assessment the unimproved value of land in my area rose by about 300 per cent.

Mr. Rodda: Unrealistic!

Mr. NANKIVELL: Yes, it is completely unrealistic on the basis of present production.

Mr. Keneally: Who was responsible for that?

Mr. NANKIVELL: I was as responsible as anyone else, because I did what banks and other financial institutions have done: I ran budgets on the profitability of an enterprise, and they all showed that it was feasible to borrow money at the current prices. No-one predicted what would happen, but it has happened, and I and thousands of people I represent are in the position of having high commitments to service from a reduced income. The people concerned cannot borrow any more, because the equity in their land has disappeared as a result of a fall in prices over the last eight or nine months, and they are borrowing against stock. Indeed, many of these people have to go to a bank to borrow money to pay their land tax, and they are borrowing against their capital to pay a capital tax. If that is considered fair and reasonable, we have reached a sorry state of affairs. I think the time has come when we should have looked at the position a little more critically. We should not have examined the situation as merely involving the Commonwealth Government: in this case, the State is involved in taxation and in considering the conditions of people in the rural industries. Here is a case where the State could have given a lead.

It is all right to refer continually to the Grants Commission, but we must face the situation in this State: we are placing an additional impost on people whom we should be helping, and we are not encouraging them in their present predicament. The areas I represent are probably the most affected by the increased valuation, first, because of a run of good seasons and no restrictions on production and, secondly, because of the returns formerly applying to profitable areas of production. The situation is now completely changed, and the earning capacity of the land in question, as valued over the last quinquennial period, bears no relation to the capital value being placed on the land today and to the value on which taxation is to be levied.

I appeal again to the Government to show a little more heart than is shown in the present concession that it is offering. I refer particularly to the penalty clauses that will be implemented if the tax is not paid. There is no relief for anyone: a person either pays up or has to get out. Indeed, this is a "pay up or get out" Bill. The person concerned pays 10 per cent until the appointed day, after which, if it is not paid, the property can be sold. Although this may not necessarily happen, it is not good enough, and I have no hesitation in opposing the Bill.

Dr. TONKIN (Bragg): I, too, cannot support the Bill. Members may think that, as I am a metropolitan member, it is a little strange that I should speak to a matter that so vitally affects country areas, but I believe that the measure is more than important to people in the city. I refer to people engaged in industry and, in fact, to every person in South Australia. The Bill's unsympathetic approach to primary industry is typical, I think, of the Government's short-sighted policy. This short-sighted policy is evident in many respects. The Government (indeed, every responsible legislator) should be looking ahead to a period about 20 or 30 years hence because, whether we like it or not, we have not only in South Australia but throughout Australia our own population expansion problem, just as there is a vital problem affecting the people of India and Africa. We shall have to find sufficient food to feed our own people as well as the people of the world.

The current doubling time of the world population is 35 years, and we are increasing our world population at the rate of 2 per cent compound, or 70,000,000 people, a year. Too often people say, "This is something that is happening elsewhere, not here," but I think it is one of the problems that we shall have to face: in fact, it is a problem that is behind all the crises that we have heard about, whether it be a so-called crisis in education, in health, or in agriculture. The simple fact is that we have more and more people, and we must find sufficient means of feeding them efficiently. It has been said that, if we had sufficient water, it would be possible to supply all the world's needs of food in the year 2,000 but, once again, we have an example of the present Government's short-sighted policy, this time regarding the vital commodity of water.

I believe that this measure does not go nearly far enough in encouraging the man on the land; in fact, it almost seems as though the Govern-

ment actively wishes to discourage people, to the extent that they will leave the land. What we shall live on then, I do not know, but I hope that this is not the Government's desire. I hope it is not the Government's desire to introduce socialized agriculture, for instance. Although this is a matter affecting the living of the man on the land, it is a matter of life and death to the people of this State and to Australia as a whole. Agriculture must be encouraged in every possible way and, as this Bill does not do that, I cannot support it.

Mr. EVANS (Fisher): I refer to the matter raised by the member for Heysen, namely, to land in the Adelaide Hills and to the serious effect of the new subdivision proposals on the value of that land. Land tax is based on the value of land, that value having been determined by the people making the valuation, and we find that an arbitrary line exists. One finds that land on one side of a crest of a hill may be in a catchment area, while on the other side of the crest it may be subdivided into allotments of half an acre. While in the catchment area there may be 20-acre allotments, the value of the land in the area of subdivision may be as high as \$2,000 an acre, whereas on the other side of the arbitrary line the value of the land should be regarded in the light of its use as a farm, and we should place on it a value of only \$100 or \$200. Will the departmental officers place a realistic value on it, or will they say that, because it is adjoining the subdivisional land, it is worth \$2,000, or whatever the sum may be? We must be sure that the departmental officers place a realistic value on the land.

Like other members, I believe that the rural industries are undoubtedly in difficulties. As Parliamentarians, we ought to realize that, if we do not do something about their plight now, the problems will become greater in the future and so will the burdens that the State Treasury will have to face to solve those problems. Immediately after coming to office, the Treasurer said that through land tax he would do something about the problems of rural industries. This Bill will provide some relief for some primary producers, but not for all of them. If the Treasurer is to keep his promise, this Bill should bring relief to all primary producers, not just some. I am faced with a difficulty in voting on this Bill because it is an attempt to reduce land tax for some farmers and, if we do not support the Bill, the amount of land tax that some farmers will have to pay will be even greater. I support the second reading so that I can

see what amendments are moved in Committee. I do not commend the Government for the Bill, because I do not think it is a good Bill; it does not honour the promises the Labor Party made prior to the election. Further, the Bill is not in accordance with the reply that the Treasurer gave the member for Rocky River just after the election. Therefore, to some extent the Government has been deceitful and part of the rural community has been deceived.

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4—"Interpretation."

The Hon. D. N. BROOKMAN: The definition of "unimproved value" has been considerably altered from that given in the principal Act. As far as I can ascertain, there is absolutely no intention to alter the meaning of the term other than to deal with the situation of metropolitan properties. "Unimproved value", as it applies to rural properties, will not be altered in sense. Can the Treasurer say whether there is any alteration at all in the sense of the term?

The Hon. D. A. DUNSTAN (Premier and Treasurer): There is no intention to amend the previously existing definition of "unimproved value" as it applied to rural properties. The purpose of the changed definition in this clause is to get round a decision of a magistrate that was dealt with in my second reading explanation.

Mr. COUMBE: Paragraph (c) deals with strata titles, an aspect of building we are seeing more and more. Paragraph (c) states:

Where the land is a unit defined on a deposited strata plan, its unimproved value is that portion of the unimproved value of the parcel, of which the unit is part, which bears to the total unimproved value of the parcel the same proportion . . .

Can the Treasurer further explain this provision, which relates to an aspect of land tax that will become even more important in the future?

The Hon. D. A. DUNSTAN: The provision arises out of Part XIXB of the Real Property Act, which provides that, in relation to rating and tax, there is a whole value placed upon the property, and the unit bears a proportion to the total; that is set out in the scheme. This provision simply incorporates that; its purpose is to provide that, where tax is levied on the parcel of land, the proportion a strata

title owner shall bear will be that proportion which his unit bears to the aggregate.

Clause passed.

Clause 5 passed.

Clause 6—"Rates of tax."

The Hon. D. N. BROOKMAN: I believe that it is not possible to determine who will be paying more and who will be paying less land tax other than by looking at individual assessments. In his second reading explanation the Treasurer said that the rural land revaluations had been reduced below the preliminary figures by about one-third on average. Of course, this does not give a clear picture of what will happen.

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

The Hon. D. N. BROOKMAN: It is difficult to assess the net impact of the new conditions applying to rural land, as some people will pay more tax than they have paid in the past and other people will pay less. Can the Treasurer say what sum is estimated to be recouped from rural land tax in a full year under the Bill? We can compare that figure with the receipts of the 1969-70 year, for instance. Although we know that the burden will vary individually, this will give some idea whether there is a net benefit and, if there is, how much it will be.

The Hon. D. A. DUNSTAN: Although I cannot give the honourable member any exact sum, I should think that the total derivable from the rural area is possibly about \$1,000,000 or a little less. The total land tax for the last five years has been about \$7,700,000 and, with the quinquennial reassessment combined with the abatement now proposed, while that figure will go up it is likely that we will get less than \$1,000,000 from rural land tax. If we had left rural land tax rates as they were, with no adjustment in the valuations, we would probably have got about \$1,700,000 from it. The total effect of what the Government has done has been to reduce the impost in the rural area by about \$800,000.

The Hon. D. N. Brookman: In other words, the net result will be close to the same or may be a little less.

The Hon. D. A. DUNSTAN: It will be a bit less than it was. In specific areas, with specific groups, it will be significantly less. That statement gives examples in most rural areas and shows the 1965 unimproved value, the 1966-70 tax, the 1970 amended unimproved

value (that is, the revaluations that the Government undertook as soon as it came to office have taken place), and the 1970 abated tax.

The Hon. D. N. BROOKMAN: I have that schedule of several random or semi-random selections of properties and how they are affected. For some the tax is increased and for others it is decreased. In some cases, the tax is increased by about 300 per cent, as I said in the second reading explanation. There should be an aggregate estimate of what would be recouped from rural land. I take it from what the Treasurer has said that the amount has been about \$1,000,000.

The Hon. D. A. Dunstan: It has been more than \$1,000,000 in the last five years and now it is expected to be less.

Mr. HALL (Leader of the Opposition): I move:

In new subsection (4), in paragraph (a) to strike out "two" and insert "four"; and in paragraph (b) to strike out "two" and insert "four".

When the Treasurer speaks of a reduction or abatement, he is speaking of the proposed taxation that would have applied from June 30 next and which has not yet applied. The statement supplied by the Chief Government Valuer shows that there will be substantial increases in land tax under the 1970 abated tax. In the lower part of the list, there are far more increases in tax than there will be reductions. I think the present yield from rural land tax is about \$1,150,000 a year, and I assume from what the Treasurer has said that he expects the new yield to be about \$1,000,000. The reduction in the tax at present charged is extremely small. Although the reduction will be significant for some people because their valuation is in the two-fifths category, some increases will be significant and in other cases the tax will remain about the same.

The total reduction does not allow much spread all over and it is not consistent with the action of other States in reducing present taxation, not making a reduction based so much on what could happen in future. A reduction of present taxation is the basis of our case and our policy at the last State election was to reduce the tax not to about \$1,000,000, but to \$300,000. In other words, our policy is a cash reduction of about \$800,000 in land tax, not a book entry. I do not agree with the Government's proposal in this half-hearted form, so I have moved the amendments. This matter was argued during the second reading debate and covered by

speakers on this side. I emphasize that it is not a matter of the pleasure of paying taxation, which is not related to the profitability of the property. It is a charge that must be paid whether the property is producing a profit or a loss. Most properties would be operating at a loss if they were costed properly. It is imperative that we follow to a large degree the policies of other States in this regard. This could be suggested as a total abolition, but it is a firm indication that the Government should support a move to increase the rebate to fourth-fifths or to 4c for every \$10.

The Hon. D. A. DUNSTAN: The Leader is moving to reduce substantially amounts that are obtained in revenue, and justifies this action by saying that there is a move in this direction in other States. I point out to the Leader that, in order to maintain money to this State in the areas that Opposition members have been consistently pressing us about (in education, health, hospitals, and social services), we have to maintain some sort of overall comparability with the revenue raisings and charges in the standard States. In fact, we are under heavy fire before the Grants Commission, because we are not doing that. Country rail freights in South Australia are significantly lower than those in other States. True, we can say, "Well, we would not do too well out of the freights if we put the rates up, so that we cannot argue too heavily that we would get more revenue by increasing the rates, because we would lose traffic." The immediate answer, however, is that the standard States have road transport controls.

The ACTING CHAIRMAN (Mr. Ryan): Order! I point out to the Treasurer that we are dealing with a clause and an amendment concerning revenue from land tax, and I ask him to apply his remarks to that amendment.

The Hon. D. A. DUNSTAN: I appreciate that, Sir, but I am pointing out that it is necessary to maintain land tax at this level because, if we do not, the consequences in revenue to South Australia are severe. The point is that we maintain assistance to country areas that does not occur in the standard States. We provide reduced rail freights; we are subsidizing country water districts from the profits of the metropolitan water district by about \$3,000,000, and those conditions will be counted against us by the Grants Commission. What we do in this way will place us under attack if we cannot show some offsets somewhere and, although I have been trying to temper the wind as much as I can to hard-hit

rural areas, what we cannot do is to suffer a double deduction. We cannot lose revenue here and get an adverse adjustment from the Grants Commission as well, because the immediate effect of that is that we reduce the money available for services, and we do not have enough now. If members opposite want to reduce taxation and the revenue available for schools, hospitals, and social services (including those services in country areas), then it is on them to show where we shall get the extra money from because, as the position is, with this taxation measure and other measures before members at present, we shall still be under attack from the Grants Commission. We have not gone the whole way to bringing ourselves into line with the other States. I have tried to be as easy as I can in every area in putting on imposts, but the State simply could not stand this kind of reduction in the money available to it.

Mr. HALL: I am sorry the Treasurer cannot see his way clear to increase the allowances. I do not accept the argument that in all things the Grants Commission will require that we be equal to the other States. The very reason for the Grants Commission's allocation of special funds to this State is the fact that we have these problems. The Treasurer knows that South Australia, by its position and development, does not have the wealth enjoyed by the other States. This is obvious in the grants that the Commonwealth Government makes to South Australia and the other States through uniform taxation and special grants. It is a superficial argument to say that in this area, where we do go better than the Australian average, we are probably, with the attention that the New South Wales Government is giving to reducing land tax, the highest collector per capita in Australia, even though we do not have the wealth of the other States. That justifies fully this concession. However, because of the Treasurer's remarks, these amendments will probably not be accepted.

Mr. McANANEY: The Treasurer referred to the cost of railways in respect of which he is assisting country people but, when we look at the Auditor-General's Report on the running losses of the railways (which is the only thing we should take into account because the debt charges are already incurred), if we closed down the railways tomorrow we should not save a cent in that respect.

The ACTING CHAIRMAN: Order! I pointed out to the Treasurer when he was referring to the railways that we are dealing in

Committee with amendments to clauses of the Land Tax Act Amendment Bill and that he would have to link up his remarks with the amendments under consideration. I make the same ruling in respect of the member for Heysen: that he must link up his remarks with the present amendments.

Mr. McANANEY: This was in the second reading speech—

The ACTING CHAIRMAN: Order! The Committee is considering amendments dealing with land tax amendments; we are not dealing with the second reading stage nor will I permit any discussion of the second reading of any Bill. The honourable member must link up his remarks with the amendments now under consideration.

Mr. McANANEY: These amendments deal with a reduction in revenue to this State. After you, Mr. Acting Chairman, had asked the Treasurer to link up his remarks with the amendments, he still dealt with the railways and, as I understand it, on the same premise he went on to refer to railway freights. The profit on the running of freight and livestock was about \$500,000. Country passenger services are not used by the primary producers; they are used mainly by people living in country towns and near a railway station. I think that the Treasurer's argument for not making the deduction is completely without substance. It is costing nearly \$1,000,000 for the extra week's leave.

The ACTING CHAIRMAN: Order! The member for Heysen must link up his remarks to the amendments; otherwise he is out of order. The honourable member for Kavel!

Mr. GOLDSWORTHY: I support the amendments. The Treasurer has made much recently of the necessity for the State to increase its taxing effort with a view to obtaining the maximum grant from the Grants Commission. However, when this State was a claimant State previously, that sort of thinking did not loom large in the submissions of the then Treasurer. I cannot accept the Treasurer's argument that, because primary producers receive some concessions at present, we are not justified in increasing this deduction in respect of land tax. I remind the Treasurer that the greatest crisis that exists in this State at present relates to our rural industries.

Mr. Langley: I'll swap my bankroll for that of the member for Eyre any day.

Mr. GOLDSWORTHY: I represent mainly small landholders who, on the information

received, will pay increased land tax on the basis of the new assessment. If ever people were struggling to survive and to exist as people other than merely as peasants, it is these people at present, to whom the talk of a 35-hour week is nonsense.

Mr. McKee: Are you speaking as a teacher or a primary producer?

Mr. GUNN: On a point of order, Mr. Acting Chairman; the member for Pirie has implied that the member for Kavel is a Fascist, and I ask him to withdraw.

Mr. McKee: What about you? Are you one, too?

The ACTING CHAIRMAN: Order! The member for Eyre has raised an objection, but I did not hear the word used. What is the word objected to?

Mr. GUNN: That the member for Kavel is a Fascist.

The ACTING CHAIRMAN: The member for Eyre has asked for a withdrawal of certain objectionable words by the member for Pirie.

Mr. McKee: If it upsets the honourable member I withdraw.

Mr. GOLDSWORTHY: I was invited to state whether I was a teacher or a farmer. I have had eight years full time in primary production in the sort of environment to which I have referred, and I have also had eight years as a teacher. The people in the areas I represent work very long hours, and many of them receive very small returns. Consequently, this reduction in land tax is essential. If ever there was a crisis in this State it exists in our primary industries now. The Treasurer can talk as much as he likes about a taxing effort in connection with an application to the Grants Commission, but I point out that any taxing effort made at the expense of primary producers should be kept to the absolute minimum. In these circumstances I wholeheartedly support the amendments.

The Hon. D. A. DUNSTAN: It has been suggested by members opposite that the fact that we charge significantly lower rail freights than the other States will not be taken into account by the Grants Commission because of the nature of the profit and loss account of the Railways Department. I can only say to the honourable members that they cannot have read the report of the Grants Commission if that is the conclusion they come to. What the Grants Commission requires is that, in order to consider a disability in this State, as compared with the others, and in

order to make us a disability grant that puts our budgetary position at the standard of that of the other States, it will compare our services to see that they are not more generous and it will compare our rates of taxation and charges on State instrumentalities to see that they are not lower.

Mr. Venning: Did Sir Thomas Playford worry about that aspect?

The Hon. D. A. DUNSTAN: Yes; I well remember being on the Opposition benches and raising the very sort of argument that members opposite have raised today. Sir Thomas Playford pointed out that the effect of doing what was suggested would be to reduce the amount of money I was seeking for schools, hospitals and social welfare in this State. It is true that during the period of his Government this State did not run its services in schools and hospitals and its care of the aged and the poor at the level of the other States. However, we are trying to do so now. We previously increased markedly our expenditure in those areas, and the basis of the submission made to the Premiers' Conference by the then Premier, the present Leader of the Opposition, at his first such conference was that we had had to increase the amounts we spent in those areas to give us services comparable with those of the other States and that we were therefore justified in demanding an extra amount from the Commonwealth Government. That was his submission. If we want our services at rates comparable to those of the other States, we have to make a comparable effort. I accept that we are not making a comparable effort with regard to several charges and services in the rural area. We have tried to make an effort here to assist the rural area, but I cannot double this up to the stage when we would then be faced with a marked reduction both in our revenue and in money for the Grants Commission. That would mean that the demands made for improvements in country schools and hospitals could not be met. It is as simple as that. I ask members not to accept the amendments.

The Committee divided on the amendments:

Ayes (18)—Messrs. Becker, Brookman, Carnie, Coumbe, Eastick, Evans, Ferguson, Goldsworthy, Gunn, Hall (teller), Mathwin, McAnaney, Millhouse, Nankivell, and Rodda, Mrs. Steele, Messrs. Tonkin and Venning.

Noes (23)—Messrs. Broomhill, Brown, and Burdon, Mrs. Byrne, Messrs. Clark, Corcoran, Curren, Dunstan (teller), Groth,

Harrison, Hopgood, Hudson, Jennings, Keneally, King, Langley, McKee, McRae, Payne, Simmons, Slater, Virgo, and Wells.

Pair—Aye—Mr. Wardle. No—Mr. Crimes.

Majority of 5 for the Noes.

Amendments thus negated.

Mr. HALL: Values of rural land are changing greatly, and any valuer would have difficulty in fixing a value confidently for the five years after June 30 next. In some areas unimproved land may become completely unsaleable. Improved properties on parts of Eyre Peninsula cannot be sold, and some land has no unimproved value. The Treasurer cannot commit himself, but does he envisage that action may be taken, if values drop dramatically, to reassess in accordance with the unimproved value of the day?

The Hon. D. A. DUNSTAN: If we find that there is a dramatic difference between the quinquennial assessment and the current values for property widely in rural areas, naturally we will look into the matter.

Mr. COUMBE: Most members opposite represent suburban districts, so they will be interested in what I say about increases in land tax on land in the metropolitan area and in the municipality of Gawler. In his policy speech at the last election the Treasurer said that he would introduce a charge of \$2 for each metropolitan allotment, but in his second reading explanation he said that an average charge of \$2 an allotment would be imposed on about 300,000 allotments in the metropolitan area, including the municipality of Gawler. Most land tax is paid either in the city of Adelaide or the suburban areas. Earlier, the Treasurer said that it was expected that the rating would probably be about 30 per cent higher than at present, on average. The Treasurer has said that the present tax rates on metropolitan and town land are higher than those levied in most other States, but that the valuation in other States is a little lower. The valuations will not be lower if this 30 per cent increase is applied. Therefore, Government members, who represent city districts, can expect to hear from their constituents. The proposed land tax surcharges on metropolitan land appear modest, but these figures apply to the valuations shown, and the valuations will now be increased by about 30 per cent. The increased revenue received from the metropolitan area will offset concessions to be allowed to rural areas, but an additional sum

will be available that will meet the requirements of the Grants Commission. The charge of \$2 an allotment will be used for improvements in open-space development, and I support that type of development.

Mr. McKee: Do you support it?

Mr. COUMBE: I have just said that I did support it. The member for Florey is a conscientious member, much more so than is the member for Pirie, who has opposed any concession for country people. I do not envy the member for Florey, however, when some of his constituents come to him and say, "Why has my land tax increased so substantially?"

Mr. McKee: It would not be the first time it had risen.

Mr. COUMBE: Yes; it has risen before.

Mr. McKee: Under the previous Government.

Mr. COUMBE: The honourable member knows quite well—

The ACTING CHAIRMAN: Order! Interjections are out of order. All remarks should be addressed to the Chair.

Mr. COUMBE: I shall address you, Sir, as requested. Every time there is a quinquennial reassessment, some adjustments are made. Sometimes they are minimal, at other times they are greater, as the member for Pirie well knows. I am pointing out to metropolitan members what the effect of their vote will be. The Treasurer has said that he will raise \$600,000, and this will come from the poor old suburban householder.

Dr. EASTICK: In subdividing, the people who have been paying on large properties a levy for the purpose of creating recreation areas will be required, under another Act, to make available areas of land or, alternatively, where the size of the property is not so great they will be required to make available certain funds.

The Hon. J. D. Corcoran: Would you deny that people who set aside in a subdivision a certain area add that value on to the cost of the rest of the land?

Dr. EASTICK: Inevitably it is the person seeking to purchase who will pay for it. If he does not have to pay twice, the sum he will require to charge for the blocks will be relatively less. However, if he has to pay twice for the same privilege, inevitably the cost of the block will be greater. If he is being charged only once, or if there is a rebate of the sums paid over a period immediately

preceding the subdivision, the cost of the block to the eventual purchaser will be less. While there is no appropriate provision in this clause, I ask the Treasurer whether it is intended to introduce complementary alterations to the other legislation, whereby such sums will be considered when levying the sum or determining the size of the area required of subdividers.

The Hon. D. A. DUNSTAN: The member for Torrens suggested that I was seeking to raise an extra \$600,000 but that is not so. The inevitable effect of the quinquennial reassessment will be to return to the Government more than \$600,000. The existing total return from land tax is about \$7,700,000. It can be expected that when any quinquennial reassessment occurs there will be an increased return to the Government. That is necessarily so, because of the change in the value of money and in the whole total cost structure over a five-year period. The costs within the Budget today are much greater than they were five years ago, and the costs to everyone are greater than they were five years ago; so it is in no way surprising that there should be this increase.

The \$600,000 is to be raised from the special extra metropolitan levy. That averages out to \$2 a suburban allotment, but some suburban allotments will be above this and some will be below. We have struck the tax as an average. In my policy speech I carefully said that this would cost \$2 in relation to the average suburban allotment, and that is how the tax has been designed. The purpose of this tax is to provide in the metropolitan area for some capital sums and the servicing of semi-government loans for the development fund, so that we can buy those open-space areas recommended in the 1962 development plan which we have so far been unable to buy, because there has not been money in the development fund to buy them and because local government in the outer areas has not been able to finance their purchase on the \$1 for \$1 subsidy basis, as this would create far too great an impost on local government in those areas where the major areas of open-space acquisition are required under the plan. This impost was recommended in the 1962 Town Planning Committee report, and we have no other way of doing it. This follows what has been done in Western Australia. The money will provide not only for some capital moneys and for some servicing of Loan moneys to the development fund: we have borrowed another \$300,000 this year for the development fund, which is within the amount we were

allowed to borrow without special permission from the Loan Council. We have that, and we have to service it. It will provide for development of recreation areas within the metropolitan area. Many areas were previously bought within the metropolitan area for recreation but we have had no money to use for their development. So, that is where that money is to go. It is a special impost in a particular area that will get the benefit of that money. I know of no other way to finance this. It has been discussed with local government over a long period; I addressed local government meetings as long ago as 1965 on this subject to see whether it was prepared to provide special extra amounts in the rates towards the fund, but it was not. The only other way to do it is to raise the money in this way. It was forecast quite specifically prior to the last election that we would do this, and I think the imposition is quite reasonable to achieve what is vital for posterity in the metropolitan planning area.

Clause passed.

Clause 7—"Special provision for rural land."

Mr. HALL: I move to insert the following new subsection:

(5b) The Commissioner, in making an assessment of the unimproved value of any land to which this section applies, shall have regard to the productive capacity of that land and his assessment shall be such as he considers reasonable in view of that productive capacity.

Provision was made to take care of special problems that arose in connection with the high values placed on land that was used for primary production yet was close to urban developments. Before that provision was made, such a high amount of land tax was imposed each year that it was impossible to hold the land for primary production. As members know, this provision worked well; when such land was sold, five years' tax had to be paid to the Treasury. However, a problem arose that has been ventilated in this place over several years. When I was Premier I said to the then Treasurer that we ought to do something about it the next time the principal Act was amended. In the Virginia area there are properties that have a high valuation for land tax purposes. Under this clause they are not assisted. The property owners are engaged in normal primary-producing activities that today would bring in very little net income.

The properties have a potential value; when they are split up and the pieces are sold, they are bought mainly by people who want 10

acres in the country on which to keep a couple of horses or have a weekend house. The value of the properties is therefore dictated in respect of this purpose but not in respect of irrigation farming, which used to provide the standard for valuing these properties. Today, no additional irrigation can be commenced. These property owners can go to the Commissioner of Land Tax and say, "We want these to be dealt with under section 12c, which fixes the valuation of our properties, as defined in the Act, according to the primary-producing value." In the past the Commissioner has fixed this value as an irrigation value. This has been the highest valuation and it has been legitimate. Until the water ran short, these properties had this potential, but they no longer have it. In my discussions with valuers recently, I have learnt that the value has been fixed on 5-acre, 10-acre and 20-acre subdivisions which, by their very nature, have produced a high valuation in these areas. These areas do not produce on a primary-production basis. No-one could say that the areas could be assessed at \$300 and \$400 an acre for primary production, except by virtue of irrigation. Although I do not want to add a problem by my amendment, I see it as the only way to cater for these few people who pay extremely high rates of land tax now.

Although I do not have recent figures with me, I understand that owners of properties in the areas pay over \$1 an acre land tax each year, and they produce only what other people in country areas produce, yet the people in those areas pay a minimal sum. This is an injustice that applied during the terms of office of the Playford Government, the previous Labor Government and my Government. I was determined, when this legislation next came before Parliament, to try to do something about this. These few people have no voting power to speak of, but their case deserves attention. If the amendment is not carried, they will continue to pay this taxation, which is completely unjustified. The irrigation potential that once existed in these areas no longer applies, but they are rated as they were in the past. Rates applying to properties closer to the city apply to these properties, but these people may not be able to sell their properties for years to come. I should like to hear the Treasurer at least admit the problem. If he can improve on my amendment, I shall be happy to have that done.

The Hon. D. A. DUNSTAN: I appreciate that there is a problem in land values in the northern Adelaide Plains, which are subject to

the underground water restrictions. Some disproportion in values may be caused by the fact that land in that area is now sold for purposes other than the production of vegetables from bore water. I agree that here there is a problem that we will just have to cope with administratively as best we can, but the Leader's amendment opens up the section to something that I think would create far more difficulties than it seeks to cure. He wants to provide that the Commissioner, in making an assessment of the unimproved value of any land to which this section applies (that is, the declared rural land) shall have regard to the productive capacity of that land and his assessment shall be such as he considers reasonable in view of that productive capacity. Productive capacity for what? Is the Commissioner to make a judgment about what he thinks the best return from that particular land would be? For instance, the Leader may mean that the Commissioner is to say to people at Padthaway or Beachport, "You should not have your land sown to pasture but should plant it to vines and wait seven years to get the return, because you would be making much more money out of it if you did that, and I will, therefore, judge your productive capacity on that basis."

Mr. Hall: He would not apply it outside that area. This clause has restricted application.

The Hon. D. A. DUNSTAN: Even if it were applied only to Virginia, I am sure that the Leader, having represented that area, would appreciate the problem about what, in fact, is the productive capacity of any particular farmlet in the area. This has caused grave problems in trying to get some sort of water quota for the area as it is. We have been able to come to no sort of conclusion about water quotas on the basis of productive capacity. All we have been able to do is take what the area was producing on a particular date. We have looked back and said, "This is what you had under crop at that time, so this is what you were doing and, therefore, we will grant you a water quota to cope with that."

There were minor modifications of this, but they were only minor. There was no other way of concluding what was the productive capacity of an area, because when we went into the matter, it became so speculative that a whole series of anomalies arose. A valuer is not really able to introduce this entirely new facet into valuing. All he can do is assess the unimproved value of the land, and on this basis

he must compare it with land sold in the area. I see no way out of this. The best we can do is to try to ensure that our assessments are as successful administratively as we can make them in the area, but I do not think we can do more than that. The introduction into valuing of this further principle would cause such a series of conundrums that we would be in far more trouble than we are now.

Mr. HALL: If the Treasurer consults his valuers he will find, leaving aside the irrigation problem at the moment (I think that has disappeared as a value fixing point in the area to which I have referred) that a few miles away blocks have been sold for \$1,000 an acre. The advertisements show that they are primary producing properties. If one put a large automated chicken hatchery on it, perhaps it would be a primary producing property, or if one puts a new house on it and goes up every night and rides a horse around the bushes and has two cows on it, it may be for primary production. It may even be a pig sty. People do have these things there. Surely this cannot be used as a penalty against a person who lives two miles away. This is not South-East productive land in a dry state; it is just mediocre.

The Hon. D. A. Dunstan: Are they 10-acre blocks for the most part?

Mr. HALL: The block that I am thinking about is 600 acres or 800 acres and the owner pays more than \$1,000 a year land tax. No doubt he will sell at a good price, if he ever does sell, but he would have to pay penalty land tax then. I am not trying to alter the main principles of valuing, but, in desperation, I have introduced a new principle in an extremely limited form, because if we admit the problem exists it is up to us to solve it. The present administrative procedures cannot provide justice. I have discussed this matter at great length with valuers to try to solve this problem, but I believe that this cannot be done administratively. These people need help more than does the land speculator in the city, who invariably does well. These people have to make a living, but at the same time pay this tremendous land tax. I understand what the Treasurer is speaking about and I will not press my amendment, but perhaps he could obtain advice from his officers in order to get justice for these people.

Mr. FERGUSON: I support the Leader. We are referring to primary-producing land within this area. These people are virtually farmers, growing wheat or barley and carrying cattle and sheep, in the same way as properties

are used in other parts of the State. I know of one person with a wheat quota who, after he paid his land tax from his first advance for his wheat, had only a few dollars left. It is almost impossible for any primary producer to farm under the present conditions and pay the enormous amount of land tax imposed in this area, because, together with other costs, this land tax is almost prohibitive. It is unrealistic compared with the land's ability to produce.

Mr. McANANEY: I, too, support this amendment in principle. Similar examples can be found in the Hills area, particularly around Echunga and Meadows, where there are dairy farmers. Agents came in with small subdivisions and forced up considerably the price of land, well above its productive value. Farmers there had something to look forward to, thinking that ultimately the land would be subdivided, to their benefit; but now that this area is being declared zone 1 and zone 2, the water shed of the reservoirs, it is well over-valued. Values in certain Hills areas, which have been left as they were, through the Government stopping subdivisions and restricting the use of this land for increased primary production, have been considerably reduced, yet without administrative action it will be assessed at the new rates. This is the most over-rated area in South Australia because of restrictions imposed on the water shed areas of the State. Surely those people should not be penalized to that extent.

The Hon. D. A. DUNSTAN: I cannot agree to this amendment as proposed. I am sure the Leader appreciates the difficulties involved. At the moment I cannot devise an alternative. I suggest that we proceed with the Bill (I do not propose to put the third reading through tonight) and I will get a report overnight on this problem.

Mr. HALL: I thank the Treasurer for indicating that he will get a report. In those circumstances, I will not proceed with this amendment. I ask leave to withdraw it.

Leave granted; amendment withdrawn.

Clause passed.

Clauses 8 and 9 passed.

Clause 10—"Postponement and remission of tax in cases of hardship."

The ACTING CHAIRMAN: I point out an error in new subsection 58a (2), where the words "he may" are redundant. This is a clerical amendment, which has now been made.

Clause passed.

Remaining clauses (11 to 13) and title passed.

Bill reported without amendment. Committee's report adopted.

SUCCESSION DUTIES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from November 5. Page 2432.)

Mr. HALL (Leader of the Opposition): We are dealing today with two issues which, although dissimilar regarding the form of levy to be imposed, represent two forms of capital taxation. This is a Bill that we expected to be introduced, because the Labor Party in this State, as elsewhere, has made no secret of the fact that it believes there is a rich harvest to be exploited from those in the community who have been thrifty in any way. The remarks that I have heard from Labor members over the last 12 years, including the remarks made by new members coming into the A.L.P. ranks, indicate that the Labor Party looks on this matter as a cow to be milked and, indeed, this is a measure under which the milking will take place. We see this nice tidy sum that is to be garnered in this fashion. I suppose it can be said that if there is one item for which the Labor Party has a mandate and on which it has not had to hold a referendum (it considers that it can go ahead without asking the people whether or not they want this measure) it is the subject matter of this Bill.

Mr. Hopgood: Did you read the policy speech?

Mr. HALL: Yes, I said the Labor Party had a mandate. Although it did not have a mandate for some things, it had a mandate for this, and it is a happy coincidence that it happens to be this way. Like the previous legislation considered today, this measure seeks to get more money out of those who have made some savings, and it will do this in two main ways. First, it will aggregate into one sum for assessment purposes the total successions of an individual as the result of the death of another, and this aggregation procedure is to take the form of bringing all joint successions into the one succession. It will mean that insurance policies and property held in joint ownership with a spouse, relative or another person will be used to swell the aggregate, even though many people have made proper provisions under the present Act to avoid paying maximum sums of taxation and also to suit their own family circumstances. Under this Bill those provisions will be

destroyed. The general principle seems to be that South Australia is charging less per capita in relation to succession duties and that here, therefore, is a field where higher rates can be charged. This, of course, is an invalid reason for increasing these duties.

South Australia simply does not have the sum total of the wealth of each of the larger States of Australia. I look forward to the day when our development and our progress are rapid enough, but that is not the case today. This is amply demonstrated by the grant we have received from the Grants Commission and the sums we receive through the uniform taxation system. We do not have the wealth-producing factors or the residual wealth that the other States have. The amount of property per capita is very much less in this State than in other States. As a result, the argument that our succession duties should be brought into line with those of the larger States is groundless.

Mr. Payne: There are certainly people here who have got money.

Mr. HALL: The honourable member consistently aims gibes at people who save anything or have any initiative. The general tone of his remarks is always "Get the farmers". Even during the debate on the Land Tax Act Amendment Bill, Government members on the back benches said, "The farmer is rich: get him." In this Bill there are two main types of provision—the aggregation provisions and the provisions for substantially increasing the rates of succession duties. We should read the statistical tables in the Treasurer's second reading explanation in conjunction with the schedules of Commonwealth estate duty. We will then see how little is left to thrifty people. I am not saying that people should pay no taxation at all: everyone should bear his proper share of providing the resources we need, but the best resources come from productivity and from the commercial and industrial gains that result from it.

The one over-riding factor in this State is that we must have incentive. This community will develop only with incentive—not compulsion and not ultimatums from the Minister of Roads and Transport. This State needs incentive if it is to compete with the Eastern States. The member for Stuart should know that this State needs an edge—a reason why people will come here and be enterprising. Until now they have had a fairly good reason to do so, but they will not be motivated by ultimatums. I hope members opposite will

realize that it is the incentive system that has built up this community to be the best in the world. Let us not be too busy in dismantling a system that built this community. Therefore, I protest at the extreme increase in succession duties in the Bill.

The second reading explanation states the two factors that the Government has used in promoting what is a money-grabbing measure. It has tended to cloak this as much as it can under the name of benefits, as it did when it brought in a similar Bill during its last term of office. Much is made of the relief given with regard to the matrimonial home and primary-producing properties. In relation to the matrimonial home, where property is derived by a widow, or a child under 21 years of age, the statutory exemption figure is \$12,000. Where the person deriving the home is a widower, the statutory exemption figure is \$6,000. With deference to the lady members of the House, in this age of equality it seems to me that by this measure women are getting a little more than equality. I do not know why the need of the widow is greater than that of the widower. The woman could well be a member of a profession, with the man having a job that paid much less.

The Hon. Hugh Hudson: It's a feature of the principal Act.

Mr. HALL: Many other features of the Bill are not features of the principal Act; the Minister will need a better argument than that to justify this. With many other details of this complicated measure, that matter can be pursued further in Committee. Much is being made of the concession with regard to primary-producing land. I am sorry that the debate on this Bill follows that on the Land Tax Act Amendment Bill, because this may lead to my giving the impression that I am over-emphasising a point. However, the two matters must be discussed in this short space of time. The concessions for primary-producing property in this Bill are totally inadequate; increasing the exemption by one-third does not meet today's problem. I have said before that, if a person on the land today is to receive a succession that will give him an income equal to a decent wage earned working in industry, he must succeed to land of considerable value. For the right to earn a living, which he can get without capital if he is working in industry, he pays large succession and estate duties. We should not forget this.

Property is handed down in a family from generation to generation. Every 15 years to

20 years succession duties are paid so that a person has the right to earn a living. I believe that, in the modern sense of investment, that is a tremendous burden. As wages and professional salaries increase, these people are being left farther and farther behind. Now they will be saved something by the decline in rural values and the effect on properties. Nevertheless, because of the decline in productivity, larger properties are needed. As society and the metropolis grow, so does this problem. People have to pay huge succession duties on their properties in order to earn a basic living. I am speaking not of a huge investment property (which obviously should bear some relationship to the general taxation factor) but of the right to earn a basic living. The Government has generously said, "We will put your concession up by one-third"! I again refer to the famous document that my Cabinet prepared, in which we stated, referring to a move parallel to that on land tax:

As a parallel move we will also double the concession existing today for State succession duties as applied to primary-producing properties. The present range is a concession of 30 per cent downwards according to the value of the property. This will become 60 per cent downwards on a similar escalating arrangement.

Mr. Payne: How many people voted for that?

Mr. HALL: Many people did not vote for this policy, and I told some people in the Mawson District and in northern districts, "You won them and you wear them."

Mr. Langley: The people are doing that, too.

Mr. HALL: The honourable member cannot bring up that his Government has a mandate for doing this or that. The Government is famous for doing things for which it has not a mandate. The situation is aggravated not only by the failure of the Government to meet the problem of rural land by giving any worthwhile increase in concession but also by the very fact of aggregation. People have bought insurance policies to meet succession duties, but the Government has destroyed the ability of people to cover the duties and has reduced one of the exemptions. The primary-producing exemption does not apply to new section 55e (d), which states:

Any interest in land derived from a deceased person which was held by that person as a shareholder in a company or as a joint tenant or tenant in common or as a member of a partnership.

Many families on the land today, whether husband and wife or son and father, own

properties in joint tenancy. Whilst this was in the old Act and has not been changed in this Bill, the implication has been changed completely by the other factor of aggregation. It was probably proper previously that one could not get a double benefit: the benefit of succession because of joint ownership and also a benefit because of owning primary-producing land. I am not arguing about that provision, because that was fair enough. However, this Bill takes away the benefit of the separate succession.

The Hon. Hugh Hudson: Are you talking about succession between husband and wife?

Mr. HALL: It does not matter whether it is between husband and wife or son and daughter: the property is owned in joint tenancy.

The Hon. Hugh Hudson: And one person dies?

Mr. HALL: Yes.

The Hon. Hugh Hudson: There is no aggregation in that.

Mr. HALL: I shall try to explain this again. Previously, a husband and wife may have owned primary-producing property which was providing them with their living. There may have been other money in the succession but, if the husband died, he left this property, plus other property, to his wife. She got his half of the property as a separate succession at that lower rate but she did not get the existing 30 per cent exemption for rural land. I think that was proper enough: she did not get a double benefit. I raise this matter now without criticism, because an oversight may have occurred. She will not now get the benefit of a separate succession. It will be joined with other property that her husband had and she will also not get the primary-producing exemption. I hope that the Government does not press this clause through Committee this evening and that it will re-examine the matter. If the aggregation provisions exist, there is no benefit in having a joint ownership.

The Hon. Hugh Hudson: Only half the value of the land passes, but if it is in the husband's name entirely all the property would be in the succession.

Mr. HALL: And she would get the benefit of the rebate.

The Hon. Hugh Hudson: But the entire property would pass. Once it is in joint ownership only half passes.

Mr. HALL: But she does not get the rebate on the land that passes.

The Hon. Hugh Hudson: She already owns half of it.

Mr. HALL: That half could be worth \$40,000, and that would not be a large property. There was the safeguard that she could not get two advantages, but we are not giving her any in this Bill. This provision was in the old Act and I think it has been brought forward without consideration being given to it. I ask the Government to reconsider this matter, because I cannot see any reason why she should be denied the rebate on that half of the property left to her when she could have got it if it were in separate titles. This is simply a matter of ownership, and that means nothing. There is no advantage to her.

The Hon. Hugh Hudson: There is an advantage in the joint tenancy, though, isn't there?

Mr. HALL: Not for succession duties.

The Hon. Hugh Hudson: On the death of her husband, if all the property was in his name, \$80,000 would pass and be subject to duty. However, if the property is in joint tenancy only \$40,000 passes.

Mr. HALL: I am considering only that \$40,000. She has that given to her, and she can have it by separate ownership or by joint ownership.

The Hon. Hugh Hudson: The whole property could be in the husband's name.

Mr. HALL: I am not concerned about that: there are 750 other comparisons, too, but I am drawing attention to a valid one.

The Hon. Hugh Hudson: So was I.

Mr. HALL: If the Minister cannot understand me, I shall repeat what I said. A woman who is widowed may have a succession of land worth \$40,000, which may have been that portion owned in joint ownership with her husband or owned under separate title. If it is a separate title she receives the rebate, but under joint ownership she gets nothing. I hope the Government will reconsider this matter. If it has been an oversight, perhaps the Treasurer will support an amendment, or perhaps he will introduce an amendment and I will support it.

This is an obnoxious Bill: in the moves it makes towards concessions they are token concessions. The increase in rates will result in an attack on those who have been thrifty, and on the development prospects of the State. It is falsely based on the belief that we can increase the rate of taxation to that which applies in the Eastern States. If we did that

on a per capita basis we would be more severe in our taxation provisions in this measure. I do not support the Bill except for the limited concessions it makes. However, because it contains concessions I support the second reading, hoping that alterations can be made later.

Mr. McANANEY (Heysen): I support my Leader's remarks. When similar legislation was introduced a few years ago the member for Brighton thought that succession duties were justifiable, because nobody could accumulate any money without the rest of the community helping him. That was erroneous thinking, because the way to accumulate money in this world is to be prepared to work longer than the other person and to go without things so that we can have them in the future. Surely, if we do that and create an asset that will increase productivity, we are benefiting the community more than the person does who lives up to the limit of his earnings, is not prepared to work hard and does not produce an asset of value to the community.

Basically speaking, estate duties and succession duties are good. I would argue strongly against the person who maintained that there should not be estate duties or succession duties. I prefer succession duties, because the parent with a large family can leave a reasonable amount of money to his children: the larger family is not penalized compared with the smaller one. It would not be good for the country or the State for wealth to concentrate into a small group. If this happened, ultimately there would be a few families, as happened in Japan before the Second World War, in whose hands all the wealth would lie, which would be nearly as bad as letting the Socialist Party get control of all the State's wealth. It would not be quite as bad, because there would be competent business people able to handle the situation; but, if we had a Socialist State run by theorists, without practical experience, living standards would deteriorate.

We should not create the conditions under which wealth would become accumulated in a few hands. We must protect the family unit, whether engaged in primary or secondary industry. The only reason why I believe we should have a rebate for primary-producing land is that the valuation of land is based on its sale value. It may be argued that that is the only fair and just way but, unfortunately, the sale price of land, for various reasons, has increased in recent years to a figure beyond its productive value. There have been many reasons for this. One is that the Housing Trust

bought much high-priced land around Adelaide. The owners of that land received considerable sums of money and bought property in other areas, which forced up the price of land.

Concessions granted to primary producers made primary production an attractive field for people who accumulated wealth behind tariff barriers to go out and buy land at high prices to get some taxation benefits. That is a justification for a rebate on primary-producing land rather than handing out a particular concession. I differ with some of my colleagues regarding aggregation, because I do not believe it is fair that under an Act a person should be able, on the advice of his lawyer or accountant, to so adjust his estate that the amount of estate duty is much less than that paid by another person with a similar estate. I would vote for this provision if it were not for the high rates of succession duty to be levied. I cannot support an aggregation clause that brings estates into such a higher range of duty. I believe that every person with a farm of a reasonable size should run it as a small company, having his own superannuation scheme, drawing wages, and charging interest on capital.

Mr. McRae: He pays double tax that way, you know; that's why he doesn't get any advice.

Mr. McANANEY: If the honourable member, either outside the House or later in the debate, explains this to me, I shall be interested to hear it, because this is something new to me. I have been running one of these companies for 15 years.

Mr. McRae: Don't you pay company tax and income tax?

Mr. McANANEY: The honourable member has no idea of primary production. If primary producers drew reasonable wages (only half the sum paid to seamen or men working at Mount Isa) they would not be paying any income tax.

Mr. McRae: How do you get out of company tax?

Mr. McANANEY: The member for Playford does not understand primary producing.

Mr. McRae: What about the profits?

Mr. McANANEY: These people do not make profits.

Mr. McRae: What about company tax?

The SPEAKER: Order! The member for Heysen.

Mr. McANANEY: When I once sought advice on this matter, I was taken to a lawyer lecturing at the university who told me how

to set up my estate, saying that there would be a trust here and a trust there. I went home, worked out my own scheme and then went back and said, "Is this legitimate?" The person concerned looked sour, because I had not accepted his advice. I worked out how to run my own company quite legally and, if I had followed the advice of the learned lawyer, I would really have been slugged for taxation, and I would have been in all the trouble in the world. The person concerned must have a little company of his own. We are not asking for any special advantages; we are merely getting down to carrying out the practice that is adopted by any company. A family farm nowadays is quite a big business, involving \$150,000 or \$200,000 in assets, the land representing only a small part of the business. A reasonable size business must be run as a company. One of the farmers' papers about 10 years ago set out what people should do. If people had acted on the advice contained in that article, many of them would not be in difficulty today.

Members interjecting:

The SPEAKER: Order! Interjections are out of order.

Mr. McANANEY: I oppose the aggregation clause. I notice that the Commissioner is given discretion to value shares in unlisted companies on a slightly different basis from that which was previously provided for. The provision is so vague that it should never be in the Bill. I once asked the Commissioner of Taxation why a private company could not get the exemption that applied to primary producers. He replied, "Such companies cannot make a profit. Shares in such companies would be regarded as having no value because they are not making any profit. Shares are valued on the basis of the profit or loss made." So, the few shares I still have in the farm I used to run before I became a politician for 90 hours a week could, until now, be regarded as valueless when handed over. This provision gives the Commissioner a difficult task, because he will have to guess at the value of these shares. The value of the land owned by the company of which I have had experience is exactly half that at which the district council recently assessed it. Because of the big losses that farmers are making, the Government might find that it ought to pay levies to the farmers instead of the farmers paying levies to the Government! The Taxation Office picks on people if it thinks they are trying to put something across, but I have never had to pay any extra tax, except in relation to noxious weeds.

The SPEAKER: Order! The honourable member cannot talk about noxious weeds.

Mr. McANANEY: I intended to link the matter with taxation.

The SPEAKER: But this Bill deals with succession duties.

Mr. McANANEY: The question of noxious weeds is very much connected with taxation. When my six children were aged between nine years and 18 years I employed them to cut noxious weeds. Since some of my children were under 16 years of age, the Commissioner of Taxation would not allow my claim. In argument, possibly the same situation can be arrived at by aggregation as is arrived at by non-aggregation. However, all that a primary producer does is run a business that is gradually growing in size. It is an accepted principle that all people are justified in law in taking whatever action they can to avoid paying taxation. Under the advice of their lawyers, people have taken certain action to benefit under this non-aggregation provision. If aggregation is to be applied, some breathing space or time should be allowed for people who have taken advantage of the non-aggregation provision to make transfers and continue to run their business, receiving advantages and privileges in the same way as companies receive them.

Mr. McRae: Why not give the lawyers a go and tell us about this secret scheme?

The SPEAKER: Order!

Mr. McANANEY: The honourable member is rather naive.

The SPEAKER: Order! The honourable member must disregard interjections.

Mr. McANANEY: If the honourable member makes inquiries he will find that I have set this out in public and have given many lectures on it. There is nothing secret about it: it is plain common sense. Farmers are merely doing as people in secondary industry do. Another provision in the Bill provides a rebate with regard to an insurance policy of \$2,500 held by certain people. This is a rebate and not an exemption as was provided in the old legislation. Possibly this is a good provision. However, I would much prefer a single exemption to the widow or near relatives of about \$20,000 to \$25,000 in every estate, rather than having this provision. A rebate is different from an exemption in that it affects small estates in particular. I cannot see why people should get a concession if they do certain things. When a person retires, he

does not want to pay insurance premiums. I do not know why a person over 65 years of age would want an insurance policy. Such a person does not have much income out of which to pay premiums. A person insures against risks; it is something a person does when he is young, has a wife and family and must provide for them. A person may decide to have his money in pearls or anything else. Why should an insurance policy receive a special exemption? This is completely against the principle in the stamp duties legislation.

The SPEAKER: Order! We are not dealing with insurance.

Mr. McANANEY: It is in the Bill. With life insurance, one must put in instead of take out. This is not nearly as good an exemption, and discriminating against a person is most unjust. Elderly people living in aged cottage homes, as well as other people who rent houses, accumulate sufficient money to buy a house when they are 65 and, if one party dies before reaching 65, the money does not attract a rebate. This Parliament must consider everything on the basis of what is just and right, although our opinions may differ about what that term means. We believe that, if a person gets a little bit of money, he should have certain rights, but members opposite have a different opinion. It is not fair to give an exemption to one section only. I protest against these two rebates.

There should be an exemption of at least \$20,000 before estate or succession duties are payable. This figure can be related to what the age pensioner receives. The interest on an investment of about \$20,000 would not return the value of the income, plus medical and travel benefits, that the age pensioner receives. A person who has accumulated this amount of money should be able to pass it on to his descendants without having to pay tax on it.

Members interjecting:

The SPEAKER: Order! There is too much audible conversation.

Mr. McANANEY: Regarding the exemption to widows and children under 21, when most people die their children are over 21, so what goes to the wife will attract the rebate. I was 30 before I was married and I have children who are over 21 now. Unless I die in the next six months, I will pay little estate duty or anything else. On a farming property or in a small business, it is possible to earn only enough to meet living expenses and combat the ever-increasing inflation. When I started

farming about 35 years ago, I had \$2,000. At present, a person starting a farm needs \$25,000 to \$30,000, plus stock, sheds, fences, etc. A person has to have enough income to provide for living expenses and to accumulate capital so that he can cope with the expense of capital improvements, but conditions are impossible when, in addition to those expenses, he has to pay out this large capital levy every so often. However, every assistance must be given to the family unit, and I agree that wealthy people should be willing to pay higher taxation than they are paying now. Of the 8,000 people who die in South Australia each year, 4,000 do not have estates: either these people are pensioners or they have given their assets away before they died. About 3,000 people pay tax on an estate of up to \$10,000, but, unfortunately, family groups comprise only about 7 per cent or 8 per cent of the community.

Mr. McKee: They are mainly Liberals.

Mr. McANANEY: They are hard working and conscientious people who are willing to work long hours in the interests of the people of this State. We have to be mature enough in this Parliament to assess what is in the interests of the people of South Australia. I believe that small industries, whether primary or secondary, cannot be brutally attacked every 15 or 20 years and have assets taken from them that are necessary for them to remain in production and maintain capital to keep viable. People may invest in the large firms in Adelaide, but this avenue is not usually open to the primary producer. For this reason I oppose the Bill.

Mr. Jennings: I move an extension of time for the honourable member, Mr. Speaker.

The SPEAKER: Order!

Mr. McANANEY: Have I some time to go, Mr. Speaker?

Mr. McKee: This is a very interesting speech.

The SPEAKER: Order!

Mr. McANANEY: The provisions that refer to aggregation or life interest in assets should be carefully examined. Some of them go further than do similar provisions in the Commonwealth legislation, and I understand that there is no room for evasion under that Act. I think that the aggregation clauses in this Bill should be amended to bring them into line with those in the Commonwealth Act. These provisions should be scrutinized carefully to ensure that we do not create a weakness in the present Act by going too far and

creating an injustice. A person should be given more time in which to pay succession duties in instalments, because at present it is most difficult to get money easily. We have this period of great activity in Australia, with excessive demand, and there must be some dampening down.

Mr. McKee: What do you suggest?

Mr. McANANEY: The member for Pirie dampens down the atmosphere in this House very much.

Mr. McKee: What are you doing—market gardening or watering the highway?

The ACTING DEPUTY SPEAKER: Order!

Mr. McANANEY: When the honourable member is asked to withdraw he is not man enough to stick by what he called us in the first place.

The ACTING DEPUTY SPEAKER: Order! The honourable member is out of order in referring to another member's remarks.

Mr. McANANEY: Yes. I think I have expressed fully that there are many things—

Mr. Jennings: And eloquently, too!

Mr. McANANEY: —with which I disagree.

Mr. Jennings: I do not know whether you are supporting or opposing the Bill.

Mr. McANANEY: I oppose the Bill, and will have more to say in Committee.

Mr. Jennings: Why didn't you say that in the first place?

Mr. HOPGOOD (Mawson): I congratulate the Government on introducing this measure. I imagine from remarks made in this House previously by certain back bench members of the Opposition that they will speak strongly to this Bill. I only hope they will not follow the example of their Leader in introducing heat rather than light, but rather will follow the example of the member for Heysen, who has just sat down, who, although I disagree with much of what he has said, did restore this House to some semblance of sanity. I suggest that members opposite when they rise in their places endeavour to bring light rather than heat into this debate; otherwise, I fear that from their protests they may fall prey to apoplexy or some other condition.

It is obvious from the remarks already made in this debate that the Liberal and Country League exists in a fantasy land that prevailed prior to the Lloyd George Budget of 1909. That Budget provoked a constitutional crisis, and I can only say, having followed political events in this State for some time, that, if we

had the sort of constitutional mechanisms available to us in this State that were available to Asquith and King George V, we would similarly be putting these mechanisms into order and thus getting around the problem we have in providing revenue for the services that the people of a modern community demand.

The important thing in this century has been the rise of the welfare State but it is obvious when we look at the pronouncements of the L.C.L. that it is prepared to speak the language of the welfare State when talking in terms of supplying those services but, as is obvious from its comments on succession duties, both today and previously, it is not prepared to talk the language of the welfare State in discussing ways of raising revenue to meet those services. It seeks to avoid the responsibility of raising revenue to meet the services that it concedes the community needs. How would an L.C.L. Government raise revenue? I am afraid we have been given no idea. When we refer to the policy speech of the then Premier (the present Leader of the Opposition) only a few short months ago, we see that the honourable member endeavoured to speak the language of the welfare State in terms of the services which it, as a hoped-for Government but one that did not come off, would be prepared to provide in the following three years. The Leader, for a start, congratulated himself on the surplus. I can only assume from these remarks that his Government would have continued in the following three years to provide a surplus, and I remind honourable members that in order to provide a surplus one must be able to raise revenue in excess of the expenditure required to provide services.

Mr. Gunn: It was done by good administration!

Mr. HOPGOOD: If the member for Eyre is talking in terms of good administration, I can only assume that he is talking in terms of reducing expenditure. When I look at the contents of the then Premier's policy speech, I can see little evidence of any desire to reduce expenditure on behalf of his projected Government, and the various areas in which he endeavoured to increase expenditure can be spelt out. I remind the House that all of these projected increases in expenditure were predicated against a hoped-for surplus in revenue in each of the years the Leader's Government would be in office. This Liberal Government was going to increase expenditure considerably in education. It was going to increase book

allowances; according to the member for Torrens, it was going to do more than we have done. We are inclined to doubt this, but that is what he said. The Liberal Government was going to increase grants for schools to assist in the establishment of swimming pools, halls and school canteens; it was going to double the per capita grant to independent schools; it was going to increase the supplementary grant for houses; and it was going to provide subsidies for local councils for open-space development.

Nowhere was it said how this revenue would be raised. The Liberal Government was going to increase advertising and promotion regarding tourism. No doubt, it would have honoured any increase in the awards paid to Government servants, and we could go on in this vein. In some cases it is difficult to work out from the policy speech whether some of these items would have been met out of revenue or out of Loan. I can only refer, for example, to the extremely irresponsible promise (and extremely expensive promise) to filter Adelaide's water supply at a cost of \$35,000,000. When one talks about throwing money around, that is the sort of money that the former Government was prepared to throw around. I apologize to the House for making this slight digression, but I think it is a digression that had to be made, because the Liberal Party in South Australia has at least recognized twentieth century realities to the extent of talking the language of the welfare State in terms of the sort of services that a Liberal Government would provide.

However, when we ask just how it will raise this sort of revenue, we find members opposite mute; they are dumb. We are given no idea, and certainly this Government, which seeks to provide all these services and amenities that a modern society needs, is being given no assistance whatever by members opposite in the way in which it is to raise the sort of revenue needed for the jobs that have to be done. I should like to take the Leader of the Opposition to task on what I regard, with due respect, as a complete misunderstanding on his part of the mechanism of the Grants Commission. The Leader has reminded us that we have gone to the Grants Commission because we are a poorer State than the standard States. This is conceded on all sides.

Mr. Jennings: We should have been going for the last 10 years.

Mr. HOPGOOD: Precisely. I vividly recall the then member for Norwood (now the

Premier) in 1959, when we left the Grants Commission, saying simply that in order to salve some sort of pride we were throwing money down the drain, and this is exactly what happened. It was perfectly consistent that a Government, of which he is the Leader, took the decision to return to the Grants Commission this year. The Leader of the Opposition says that we have gone to the Grants Commission because we are a poorer State and that this destroys the argument for raising increased revenues. That simply does not follow.

The Hon. J. D. Corcoran: The opposite is the case.

Mr. HOPGOOD: Precisely. We have to show that we are endeavouring to raise revenue at the level employed by the standard States. It is conceded that we will not raise as much revenue, because we have not got the capacity to do so. This is why we are at the Grants Commission, whose function is to make available to us the sorts of grant that will bring us up to the provision of services in the standard States. However, we have to show that we are making an effort commensurate with the effort being made by the standard States. I remind members that the standard for this financial year is a deficit standard, and this is the sort of position that faces us. As the Treasurer reminded us, if we do not make the sort of effort commensurate with that being made in the standard States, we lose in two ways—because we are taxing at a lower level and because the Grants Commission will not be prepared to provide us with the grant that it would provide if we were making an effort to provide revenue at the level being made in the Eastern States.

The Hon. J. D. Corcoran: We will recover something under this legislation.

Mr. HOPGOOD: Precisely. The Opposition has pleaded the case of the primary producer. The type of primary producer who is in real trouble will be assisted by this measure. The man in the street will, of course, be assisted, because he leaves very little to his heirs. Those, on the other hand, who have wealth (those who have chosen their parents well) will pay—as they should. I remind Opposition members that this is accumulated wealth. We are dealing with the sort of tax that they, by implication, supported when they attacked land tax a few hours ago in this House. I support this type of measure. I do not suppose that in the long run anyone likes supporting any sort of taxation, but we realize that revenues have to be raised to run the State. If the

people demand these sorts of service and if both Parties have said in their policy speeches that that demand is legitimate and honest, it is necessary that the revenues be raised in the fairest possible way.

I support this measure because it is one of the sorts of taxation that are the fairest possible. I remind Opposition members that in their policy statement, or credo, they say that taxation should be decreased, but I have never known a Liberal Government to decrease taxation generally. I remind Opposition members that the previous Liberal Government increased taxation in various fields, and that that taxation was regressive in its effect on the community. I support the sort of taxation in this Bill because it is progressive. If I do not horrify members opposite by an illustration of what I mean by progressive taxation and by progressive provision of services, I say that they are the legitimate marriage of these two principles—from each according to his ability and to each according to his needs.

Mr. CARNIE (Flinders): I find this a very difficult Bill to speak to, because I am not an economist, an accountant or a lawyer. It was a very difficult Bill to study over the weekend. In his second reading explanation the Treasurer said that it was substantially the Bill that the House of Assembly passed in October, 1966. I was not in this House at that time and I have therefore not compared the two Bills, but I am sure that one thing that is the same is the misleading publicity that we have seen on this matter. That publicity has sought to tell the people of South Australia that the vast majority of them will be better off under this Bill. Also, it shows that the Government is still unable to fulfil its promises to reduce succession duties. The tables in the second reading explanation show that reductions are provided. I am speaking mainly of primary-producing properties, because they are what concern me more directly. Therefore, most figures that I give will be in connection with those properties. There will be reductions on properties that are up to about \$50,000 in value.

The member for Mawson said that the Bill was designed to help the type of primary producer who was in trouble. Although the Bill affords reductions in the case of estates of up to \$50,000, estates of that value are not living areas today; they are nothing like living areas. Earlier today, when an Opposition member spoke about the poor income farmers were making, the member for Pirie interjected, "How

would they like to live on the basic wage?" I can take him around my area and introduce him to many farmers who are receiving considerably less than the basic wage. They have properties valued at \$100,000 or \$150,000, but they are earning less than \$2,000 a year from those farms. Therefore, the Bill does not help the type of primary producer who is in trouble. I have no objection to more duty being imposed on wealthier estates, but there is a vast difference in my definition and the Government's definition of what is a wealthy and what is a poor estate. I contend that to cut out reductions at the level of \$50,000, as the Bill does, is not realistic.

In the case of a farm, the value does not matter one bit. To the person inheriting that property it is simply a means of earning a living. It does not matter whether on paper the property is worth \$50,000 or \$150,000: it is still worth only a certain income a year to the farmer. The living presently derived from most properties is not good. I wish to make a comparison between, for example, a \$100,000 farm and a \$100,000 business of any type in the city or in a large country town. From a \$100,000 property, the income may be only 2 per cent or 3 per cent. However, a \$100,000 business can net between 12 per cent and 13 per cent. Both these estates would incur the same sum in succession duty. Where is the equity in that?

Another way in which the Bill will do harm is in relation to the fact that over the years many businessmen and farmers have made schemes of arrangement to avoid succession duties. There is nothing wrong in avoiding taxation: it is perfectly legal and right, and any accountant, economist or lawyer will advise it. It is vastly different from evasion. Therefore, most successful businessmen who think about this have made some scheme of arrangement to protect their heirs. Under the Bill, many of these schemes will become not unlawful but unhelpful.

Mr. Evans: Ineffective.

Mr. CARNIE: Completely. A situation may arise where a person, a year or two before death, finds it is too late to alter any scheme he has or to bring in any new schemes that will minimize the effect of succession duty, so he is stuck with the scheme which he has perhaps carried out for many years and which is now completely ineffective. Insurance has probably been the most common method of protecting one's heirs. Now this is to be aggregated,

except for the remission of \$2,500. Another method was the division of estates when it passed to a single testator.

Mr. Burdon: Don't these provisions operate in all other Australian States?

Mr. CARNIE: This is the Parliament of South Australia; I am not interested in what happens in other States. However, if the honourable member is patient, I will deal later with comparisons with those States. I am pointing out some schemes which were carried out but which are no longer practical or lawful. The Treasurer, in his explanation, made the comparison that he has often made. He said that, on a per capita basis, South Australia's income from succession duties was the lowest in Australia. He said:

South Australia raised \$7.20 per capita, whilst the other States' revenues per capita were \$12.24 in New South Wales \$12.99 in Victoria, . . .

The Treasurer, when dealing with any form of taxation, continually says that this State is an extremely low tax State and, therefore, when we apply to the Grants Commission for finance, it will take this into account. He said that New South Wales and Victoria were not richer by the ratio of 100 to 60, which he stated was the equivalent between our per capita return from this source and the return in those States. However, I am willing to debate this on one set of figures that I know. They deal with the average wheat-wool mixed farm. The average value in South Australia is \$65,000 and in New South Wales it is \$105,000, giving a ratio of about 100 to 60, which is the difference between the two rates of taxation. Even so, quoting succession duties on a per capita basis is completely useless, because we do not have the extremely large estates that New South Wales and Victoria have. Those States are much wealthier than South Australia. Victoria, in particular, is a compact State compared with South Australia, and so it has these much larger estates. As I have said, we do not have them, and the information given here shows that it is the larger estates that will incur a large increase. There is a reduction on the estates of lesser value, so it is the man in the middle who will pay. The farmers of this State comprise 3 per cent of the population and they contribute 70 per cent of the total succession duties. This capital cost will not enable them to obtain an effective return.

Members interjecting:

The SPEAKER: Order! The honourable member for Flinders is speaking.

Mr. CARNIE: I pointed out earlier (and apparently members opposite were not listening) that capital values on rural properties were not directly related to the net return. The concession in respect of a matrimonial home has been increased. A bank manager, manager of a stock firm, or schoolteacher may be renting a house and putting money aside so that when he retires he will be able to buy a house in Adelaide or somewhere else. He may put his money in a savings bank or invest it, or put it aside in some other way. The point is that it is an asset. However, if such person should die two years before his retirement the money put aside to buy a house will be assessed for succession duties and he will not receive the rebate intended for matrimonial homes, although his saving has been for that purpose. As the member for Mawson said, no Government likes to introduce any form of taxation, but this particular form of taxation is one of the most iniquitous and inequitable that we have. I foreshadow an amendment, about which I cannot speak now, but I intend to ask that the Committee be empowered to consider it. At this stage, I oppose the Bill.

Mr. GUNN (Eyre): I, too, oppose the Bill. I consider that succession duties is one of the most hated and iniquitous forms of taxation that can be levied on any community. This type of taxation cannot be justified, particularly when it is levied on the rural industry, which can ill afford to pay additional taxation. When one considers the capital required to operate an average property and to make only a living, and when one considers the amount of duty payable on the property, one must realize that in many cases a farmer and his family have no alternative but to sell a portion of the farm to enable them to survive. By selling part of their property they would reduce their income and, in many cases, the farm would become an uneconomic unit. I sincerely hope that no member would want that to happen.

Mr. Venning: Everyone on the other side would.

Mr. GUNN: Yes, they support this form of taxation. I do not know whether it is their Socialistic outlook that promotes this type of thinking or whether they believe that people in the community who have initiative and want to get on in this world and to provide something for their children should not be able to do so. It is the duty of parents to provide

for their children if they can. Basically, succession duties set out to prevent parents from doing this. I quote a report of what the President of the Stockowners' Association of South Australia (Mr. D. F. Cowell) had to say about the rural aspect of succession duties, as follows:

"It is perfectly clear," the president of the Stockowners' Association of S.A., Mr. D. F. Cowell, said "that the Premier is not fully aware of the difficulties of survival that are facing woolgrowers. Some small measure of alleviation has been given up to \$40,000, but it is most disappointing that the Premier has not seen fit to allow reductions on estates valued over \$200,000," he said.

Mr. Jennings: I reckon that's shocking!

Mr. GUNN: I do, too.

Mr. Hopgood: How would you raise money?

Mr. GUNN: The report continues:

Commenting on the proposed adjustments, the general secretary of the United Farmers and Graziers of South Australia, Mr. G. E. Andrews, said that there would be gainful assistance up to values of \$40,000. However, the \$40,000 figure was at least \$20,000 too low.

The member for Mawson is fond of attacking anyone in the community who wants to get on and have a stake in the community. He could not care less for the rural sector, and that is the attitude of most Government members.

Mr. Hopgood: Are you against income tax, too?

Mr. GUNN: No, I am not. That is a fair tax, as it is based on earnings, but this is a most iniquitous form of taxation.

Members interjecting:

The SPEAKER: Order!

Mr. GUNN: Throughout the rural sector, this type of taxation is regarded as a burden hanging over the heads of many farmers. They are vitally concerned about what would happen to their families if they were killed. Every day there is the doubt in their minds that they cannot provide for their families. This Bill in no way assists these people. I do not know whether members opposite want to knock the rural industries. If they do, they will certainly knock the people of South Australia. Members opposite do not realize that, in order to make an average living off a rural property, a large amount of capital must be invested. Many farmers have \$100,000 invested in their properties and they are lucky to be making a living from them.

I challenge members opposite, especially those who have been most vocal, to deny this.

The member for Chaffey and the Deputy Premier should know about these things. It would be interesting to hear what farmers in their districts said about this. I certainly hope they will take action at the appropriate time. The policy speech of our Leader at the last election shows that we do appreciate the problem that this tax is causing the community. The Leader said:

As a parallel move we will also double the concession existing today for State succession duties as applied to primary producing properties.

I should like members opposite to try their luck now and see what the people will do. I am sure that the member for Mawson would agree with one of Marx's 10 points—"Abolition of all right of inheritance."

Mr. GOLDSWORTHY (Kavel): This Bill shows that there is a big difference between the two major Parties in this State. This Government makes no secret of the fact that it is hell-bent on a socialistic policy, the great process of levelling people down.

Mr. Keneally: You don't mind concessions!

Mr. GOLDSWORTHY: I do not cease to be amazed at the ignorance of the Government members of the position of the rural industries in this State. Their lack of sympathy is obvious and their ignorance is abysmal. The interjections this evening from all members opposite, not only backbenchers, indicate that they not only lack sympathy for these people but also are abysmally ignorant of their problems.

Mr. Brown: That is not true.

The SPEAKER: Order!

Mr. GOLDSWORTHY: The interjections we have had so far must have been made with tongue in cheek. Members are now suddenly giving the impression that they are in sympathy with these people over their problems. Succession duties create a tremendous problem for people on the land, as well as others.

Members interjecting:

Mr. GOLDSWORTHY: I do not need the support of the member for Pirie to realize that this Bill will make the position significantly worse. In fact, I am surprised that he has even realized it himself. This legislation will make it more difficult for any person in the community who has shown any measure of thrift and who desires to leave any sort of property to his children or widow. I disagree most emphatically with

the philosophy of the member for Mawson, I think it was, in whose view this is the fairest type of tax: in my view, it is the least fair. I made the same comment about land tax: it is a capital tax (a property tax), taking no account of the profitability of the enterprise. The member for Eyre, in making an excellent speech, was asked what type of tax he favoured, and he was courageous enough to say (and I agree) that the fairest type of tax is an income tax.

We will not argue that the level of income tax depends on the level of services provided, and we agree that we must look after the person who cannot look after himself. However, as I say, this Government is hell bent on knocking back anyone who wants to do something for himself. In my association with people on the land in the Hills and in broad acre farming areas, I have seen countless examples of people making a real endeavour to safeguard their property for their sons, who in many cases are working the property with the parent, and it is exceedingly difficult for someone to secure a rural property at present by means of insurance and the other means at his disposal. We hear all sorts of tripe from Government members who say, "Why aren't you paying income tax?" The answer is simple: a person does not pay income tax if he does not have any income. If it were not for the fact that these people managed to live more cheaply—

Mr. Payne: Do you—

Mr. GOLDSWORTHY: If I am permitted to get a word in over the member who most sounds like a magpie on the back bench on the Government side, I repeat that if it were not for the fact that people on the land managed to live more cheaply and often consumed foodstuffs produced on their properties, they would starve. We make these points in all sincerity.

Mr. McKee: You have not got up to speak sincerely.

Mr. GOLDSWORTHY: The member for Pirie can interject as much as he wishes; we know perfectly well how sincere his crowd is. We say these things time after time, knowing that we are speaking the absolute truth.

Mr. McKee: That's where—

Mr. GOLDSWORTHY: I should be happy to take the member for Pirie on a tour of my district. I can introduce him to many people on the Murray Plains and in the Adelaide Hills whose sons have had to leave the properties

because they cannot make a go of it. These succession duties are heavy.

Succession duties vary from country to country. In some countries they account for about 10 per cent of the taxation effort. In the welfare State in Great Britain the previous Labor Prime Minister had to freeze wages to right the position, but this levelling-down process has reached the stage where there are only a few left to tax in this way. In France the proportion of taxation raised through succession duties is 5 per cent whereas in Germany it is 1 per cent.

This Bill highlights the difference in philosophy between the two Parties. We have seen that difference in other directions, too. We have seen it in the type of representation that people can expect to receive from Labor members on a contentious issue: the people they represent are forgotten. However, Liberal members do not forget the people they represent. We remember the people who will suffer hardship through these increases in succession duties. They suffered hardship before, but it will now be increased significantly.

I oppose the Bill in its entirety, but I wish to refer to several anomalies. Queries have been raised about the provision that deals with the exemption on land held in joint tenancy and land held by tenants in common. This provision seems to be unjust; perhaps it is an oversight. The Leader cited the case of the deduction allowed in the case of a widow or widower. I cannot see any real justification for the difference in the statutory amount provided in this Bill. Perhaps one of the most disturbing features is the proposal to aggregate successions. Many people have tried to secure their properties in good faith through insurance policies and the like. The provision regarding aggregation will upset the precautions those people have taken. Many people who thought they would be covered will, in fact, be in difficulties. The whole concept of the Bill is typical of the socialistic policy that the Government is following at an increasingly rapid rate. The overall effects of the Bill are undesirable. The catch cry is "Tax the rich to help the poor". There are very few wealthy people in our community, and we believe they should pay succession duties. Nevertheless, most of the revenue to be raised by this Bill will come from the average citizen and from those primary producers with modest estates. An estate in broad acre farming of \$100,000 is very modest. It may sound a large sum, but members opposite should try to make a

living from it. An efficient farmer would find it particularly difficult, and I suggest that if some members opposite turned their hand to it they would starve within a couple of weeks: they would not even get off the ground. In these circumstances, I am adamant in opposing the Bill, which I believe is ill-conceived. I have never subscribed to the theory that because something happens somewhere else that justifies what we do here. One of the features in South Australia for many years was that we were a low-tax State, and Government members cannot get away from that. This led to a great many benefits.

Mr. Curren: Your Government imposed increased taxes.

Mr. GOLDSWORTHY: Had we not had a Labor Government in office for three years before we took office, we would not have had to make up the tremendous deficits resulting from the Labor Government's operations, and in all probability the tax we imposed would not have had to be levied.

Mr. Payne: You're sincere now!

Mr. GOLDSWORTHY: The honourable member should look at the tables of deficits when the last Labor Government was in office and he would see the position. I oppose the Bill as it stands, believing that it has several serious anomalies, apart from the matter of principle in it to which I have referred.

Mr. VENNING (Rocky River): It has been said this evening that succession duties were introduced in the early days to reduce the size of large estates. As that has been achieved, I believe succession duties are no longer required, particularly in South Australia.

Mr. McKee: You're still buying properties yourself.

Mr. VENNING: No, I am not. When a young man takes on a farm today, after he is married and has children he has the problem of how he will preserve his estate should anything happen to him at an early age. He must take out an insurance policy to protect his estate. This problem confronts farmers, who have much capital involved in their properties. The member for Pirie has interjected right through this debate, but I know very well that he is aware that the real position is not what he makes it out to be. He has been brought up to know the problems of the man on the land. However, as a member of the Government, he is opposed to the man on the land having anything at all.

Mr. McKee: I should take a point of order on that.

The ACTING DEPUTY SPEAKER: Order!

Mr. VENNING: I do not know how the Government will take blood out of a stone, and that is what it amounts to with regard to these succession duties. Whilst the Government claims that it will give some relief, the tables show that, because of high values, it is a very small property today that is worth about \$100,000. We are told that the small man must get out and that farms must be bigger. This whole matter involves a problem and I am disappointed that members opposite, not only the members of Cabinet—

Mr. McKee: What would be the size of a property you would buy for \$100,000?

Mr. VENNING: It would not be a very large property.

Mr. McKee: Come on, what size?

Mr. VENNING: One needs equipment and capital. A property must be grazed. Wheat quotas at present are low and farmers must diversify. The cost of 100 head of cattle at present would be about \$15,000 to \$20,000. The Government either is not aware of the problems involved or is not sympathetic and does not want to know anything about them. We have heard much from the Treasurer about South Australia being a claimant State and, therefore, we must bring land tax and succession duties into line with the rates applying in New South Wales and Victoria. However, when Sir Thomas Playford was Treasurer, although the Grants Commission told him that he had to increase rail freights and do everything else in comparison with the other States, he did not go along with this.

South Australia was the best State in the Commonwealth and it deteriorated only when the Labor Government took office in 1965. That deterioration was bad enough, but then the present Treasurer went to the other States and decried South Australia and described it as the Cinderella State. In a matter of days South Australia fell from being the best State to being the lowliest State, because of the Treasurer's propaganda. He and his Government are using the fact that South Australia is a claimant State to increase taxes so that it can spend money willy-nilly. When the Labor Government came into office in 1965, it squandered about \$2,000,000 on service pay in one fell swoop and, when it resumed office in 1970, it squandered a further \$6,000,000 on service pay. Is it any wonder that the Commonwealth Government knows the irresponsible way in which this State Government handles finance?

I view this legislation with concern. As I have said previously, anything dealing with succession duty makes me see red, because I know the problems that have been involved over many years. I have known people who have had to sell half their property to pay these iniquitous duties. Sons who have come home from school with the idea of working on the farm have had to leave and seek employment in the city or in one of our country towns. This is a problem, and it is most evident that this Government will do nothing to alleviate the situation. I view with concern this legislation, and oppose it.

Mr. McRAE (Playford): I support the Bill, and I have been interested in some speeches—

Mr. Goldsworthy: If you stopped yapping long enough to listen.

Mr. McRAE: Some responsible speeches were made by members, such as the member for Flinders, but then there were some extraordinary speeches made by other members. I am pleased that the exemption provision for widows and children has been greatly increased, and that benefit has been greatly increased in respect of the matrimonial home. In any lawyer's office or trustee company's office an overwhelming preponderance of estates would fall into this category. It can be said that in most parts of the States most families can expect real benefit from these provisions. In terms of the higher capital groups it is true that the rate of duty has been significantly increased, but it has not been increased to anything like the rate that applies in other States.

I do not say that every tax and duty is a pleasant one, but I support the principle that taxation should be levied on the basis of capital holdings, when one considers this type of tax. One of the basic principles that has been discussed throughout Australia is whether we should impose duty on the estate duty principle or on the succession duty principle, and it must have been some temptation for the Government to consider seriously the estate duty principle, in that so many other States and the Commonwealth have adopted it. However, I am glad that we still maintain the succession duty principle, because it is fair and enables the division of an estate into parts and reduces the duty on the respective parts. I hasten to add that we cannot have it both ways: if we want the principle of succession duty maintained instead of estate duty, we cannot demand the right to avoid that duty by various means. I am not saying that the avoidance of duty is

illegal or improper. If, like some people, one can do this, well, good luck: if one can do it successfully, more good luck.

However, the whole position has been aggravated by the deliberate avoidance of duty by separate dispositions of joint property, testamentary dispositions, and trusts and gifts of all kinds. That has been the principle used in South Australia for many years. As members opposite have said, many families have built towards the avoidance of the current succession duty rate by using these devices.

Mr. Clark: What about the McAnaney theory?

Mr. McRAE: I will now come to some of the points mentioned by the member for Flinders, who in his speech, which I regarded as a responsible one, made one comment that I thought was not very attractive. He argued in this way: he admitted that he liked the principle of succession duties, that many families (I think he put it this way) have been building towards the finding of this duty in a number of ways and that for that reason we should not be interfering with the current principles; in other words, we should not be heading towards an aggregation of the capital. I cannot agree that that is any excuse at all; in fact, it could lead to the most alarming excursions in terms of reason. It could be argued that, every time a person found a neat dodge of avoiding duty, it should be sacrosanct because somebody else would rely upon it. Careful thought by anyone present would lead to the conclusion that any argument based on that type of reasoning would lead to further and greater difficulties.

The member for Kavel said that this Bill pointed out or showed up the difference in philosophy between the two Parties. I am sure it does, because the whole basis of this Bill is to reduce the amount of duty falling in certain areas and to increase (although I put it at a rather moderate rate) its incidence in another area. That line of philosophy would not be adopted by members opposite or by their colleagues in another place. In fact, previously their colleagues in another place made it clear that they would reject entirely this type of principle. This principle has been accepted by the electorate of South Australia after it had been rejected once by the Legislative Council and, on the line of reasoning which has been put by the Treasurer and which, I say, has not been undermined in any way by the comments to which I have referred and on the basis of electoral mandate, the

principles in this Bill should be proceeded with. That is not a Socialist line of thought at all. In fact, members on this side do not worry particularly about the labels being attached to them. I would regard myself not as a Socialist but as a Social Democrat. The word "Socialist" can have very wide implications. That is why it is used so often by members opposite in respect of Government members. However, I do not attack their freedom of speech or their freedom of labels: they stopped me from speaking this afternoon on a simple matter. On the other hand, I would not want to stop their freedom of speech.

The problems of the rural industries were put before us by several speakers at some length and in some detail. I have no doubt that every one of them had done his homework to put forward the best case. I am sure that members on this side of the House have no wish to see that unfair duties or levies are imposed upon rural industry in South Australia, but it staggers me, as a metropolitan member, to see just what advantages have been gained for rural industry compared with secondary industry. Let me take, by way of contrast, a small electrical or sheet metal company operating in secondary industry and compare it with a company of similar size and capital working in the country, where tremendous concessions are being granted. For a start, such things are granted to rural industry as subsidies or bounties, put very generally, by the Commonwealth Government, and in this tax year they will amount to about \$200,000,000. In terms of extension services, about \$5,000,000 will be spent; in terms of loans, about \$250,000,000 will be spent; in terms of grants, it will be about \$40,000,000; and in terms of devaluation compensation, about \$21,000,000 will be spent. That is not the end of it by any means. In addition to those Commonwealth bounties and subsidies, we may turn to the tax position, which is quite extraordinary.

We find that there are special depreciation allowances, investment allowances, capital expenditure on land clearing, averaging of incomes, zone allowances in remote areas, drought bond schemes, structural improvements, and exemptions from estate duty. All of these benefits are being accorded to rural industry by the Commonwealth Government. In addition to that, the State Government is granting numerous concessions of land tax, succession duties, and freight rates, etc. We

will take the same capital expenditure on what I have given as an example of a sheet metal plant in a suburb of Adelaide. The people behind the two companies start off with exactly the same end in view, namely, to gain a benefit for themselves and, as a side product of that, they will provide a benefit for the community.

The people in the secondary industry in Adelaide will not receive any of the concessions or bounties to which I have referred. True, they will be eligible for certain limited and restricted grants to secondary industry, but these benefits are heavily restricted and in most cases are related directly to a proven export potential. The same secondary industry will not receive any of the taxation benefits to which I have just referred. However, the same type of company, started with the same objective and contemplating the same results, will find all of these benefits accruing to it, purely because it is in the rural sector. I must say that rural industry must have had magnificent representatives in the past to have been able to obtain such benefits for that industry. When one talks to a man in a company such as one involved in the sheet metal company I have just described, he is horrified to find that, if things go wrong for him in any given year, there is only one course open to him, and that is bankruptcy.

No-one will turn around and say to him, "We're terribly sorry you have had a tough year; we'll give you grants, bounties and concessions." All that is said to this person is, "Face up to your responsibilities and, if you cannot pay, go bankrupt!" The metropolitan members opposite will know that that is true, and they know how often people in their districts, who are involved in small secondary industries, have complained about the lack of Government assistance they receive and about the way they are forced into bankruptcy because of one bad year or one stroke of misfortune. I appreciate the point honourable members have made; if there is a run of bad seasons, obviously the stage will be reached where the capital value of the land will still be about stable and at a high rate but the income derived from the property will have dropped greatly. I appreciate that, and I can feel great sympathy for anyone in that position. By the same token, surely members can see that their counterparts in the city would not even be allowed to exist in that position—they would be bankrupted. Although primary producers

go through tough periods, usually they reach a run of good seasons and they pick up the income potential that they lost for a short time.

So, whilst I can fully understand some of the comments made by members opposite, I do not think they have been put into a fair or realistic context. If they are put into such a context and primary industries are compared with secondary industries, it can be seen that the rural sector is protected to an extraordinary degree. In this very Bill we find that there is a very significant rebate in respect of rural holdings. So, those arguments put forward on the basis of an alleged attack on rural industry cannot in any way dissuade me from supporting the Bill, because these are attempts to make us weep at the temporary disadvantages (real though they may be) of people who in the end will reap the full benefits because of the way the man in the city has given his support.

Most people in my electoral district have no capital backing to speak of (the only capital backing they have is their house property or their equity in it) and their income is certainly no higher than that of a farmer on the type of property we are talking about. I find it difficult to believe that the income from a property worth \$200,000 would be below \$40 a week. The rate of income, if we take \$2,000 as against \$200,000 invested, is extraordinarily low. However, we will accept what members say, and assume that it is about \$40 a week. We have one man with a capital backing of \$200,000 and an income of \$40 a week; and we have another man with a capital backing of \$10,000 and the same income. And, in the name of something called justice to the rural sector, this man with little capital backing has to pay out of his meagre income a whacking slice to provide benefits, subsidies, concessions, and taxation deductions to his counterpart in the country. I can find very little justice for the man in the city in that. I say it is a great credit to representatives of the rural sector that they have been able to achieve that.

It is extraordinary that they have been able to persuade the people of Australia that we should not worry about bankruptcies in secondary industry, nor should we worry about the man in the city who has struggled hard and failed because of a recession. However we are told that we should do everything to keep the rural sector afloat, no matter how inefficient it may be and no matter how blind it may be to the advice given to it by its own advisers in

terms of running its business. This whole argument, based upon the rural sector, was enough tonight to reduce us to tears, but it does not do that when we consider all the benefits provided for the rural sector, contrasted with the miserable plight of pensioners, deserted wives and low wage earners in metropolitan electoral districts. Those who argue against the Bill for whatever reason, even assuming that some of the suspect arguments may be good reasons for opposing the Bill, do so in reckless disregard of South Australia's economic position.

As the Treasurer has pointed out, we cannot disregard the fact that the Grants Commission will examine our financial position in the light of the taxes we are imposing. These taxes are at a minimal level: they are still under the weighted average that has been referred to. I would regard it as recklessly irresponsible to maintain the head-in-the-sand position that we should do nothing in the faint hope that the Grants Commission might excuse us for some very vague reason. I hope the Bill will pass this House and go to the Legislative Council which, I hope, on this occasion does not for the second time disregard the wishes of the people of the State. I see that members of that Chamber are changing some of their descriptions of themselves recently. They are no longer representing themselves as the permanent will of the people but are now representing the family vote. If they represent the family vote (and this has become a very popular phrase; since one honourable member has used it many others now use it), I hope they will bear in mind that the Government has gone to some lengths to look after the average family in this community. The member for Heysen explained to us this evening some scheme by which duties and taxes could be avoided. He had invented this scheme himself and it was a scheme that no lawyer or the law school had been able to provide. I congratulate him on this. I was sorry that details of the scheme were kept a secret from us.

Mr. McAnaney: It's inside my head.

Mr. McRAE: That may well be. If the details were made public that could lead to scrutiny by people more intelligent than I am who could feed me the details to enable me correctly to advise clients who came to me. This scheme of complete non-payment of company tax, income tax, and all sorts of other taxes is most interesting. I may make some personal representations to the honourable member to see how this is done, because I can see tremendous possibilities for me in the

secondary industry area. I hope that some details of the scheme will be made public so that we can learn from it.

Apparently the honourable member thought that the legal profession was not up to date in thinking up methods of avoiding duty, and he may be right. However, on news being received by members of the legal profession that this Bill was about to be introduced, there was a tremendous scurry in all quarters, and company and commercial lawyers everywhere were working back at nights and weekends preparing all sorts of complicated documents to avoid what they thought would be the terms of the Bill. At that time we had lengthy discussions on whether duty payable on certain shares could be avoided. I think the member for Torrens has some sneaking knowledge of this; it was well known at the time. I say that to indicate to the member for Heysen that the legal profession, although it may be wrong, was terribly active in trying to think of new schemes to help people in his position, and perhaps to improve on his ideas. Of course, there is a serious side to this. I put it to the House that it is all very well to say that these schemes have been available, but they have been available to only a selected few. Only one member (the member for Heysen, who knows of some scheme that I shall not comment further on) has said that he is completely pleased with the avoidance provisions that have been open to him. All other members have not been so pleased about any of the schemes at present in existence, and that is because they know well that one must be in a very special and privileged position to make the maximum use of these schemes.

Even if we take the example of the person with the high capital potential, there are two groups inside the section with that high capital potential. One group has access to skilled professional advice, but it is one thing to get access to that advice and another thing to have it work. Any reasonable man must admit that, even inside this group, there is a disparity and, because one person can hire the necessary team or because he has the necessary skill himself to avoid payment of these duties, there is real injustice. I suggest that that is grossly unfair to his counterpart in the same capital group.

I am pleased that the days of drawing up complex trust deeds and other instruments in respect of separate aggregations seem to have gone. At least we can see that there is a reasonable measure of consistency, even if we

do not agree about the rate that is being applied. I have summarized my main points, and, basically because the philosophy of taxation based on total capital value was made such a key issue during the election campaign, I support the Bill.

Mr. RODDA (Victoria): After listening to the member for Playford and his comparison of the sheet metal worker with the farmer, I realize why this learned gentleman, after a short time in this House, has got himself into so much trouble with his electors. His speech will look nice to many rural people! I am sure that it will not do the member for Millicent and the member for Chaffey any good.

Mr. Keneally: It probably won't do any harm.

Mr. McRae: All your colleagues quote figures, you know.

Mr. RODDA: What is wrong with quoting the figure? It is true. Both the farmer and the electrical contractor are producing on an internal economy, but the former must sell on an external economy. That is the basic difference between the two. I should have thought an extremely learned person like Terry McRae—I am sorry, Mr. Speaker.

The SPEAKER: The honourable member must not refer to other members by name.

Mr. RODDA: No, Mr. Speaker. I know some of the honourable member's good friends in Naracoorte who have known him from his student days, and they say, "This boy is bright." I am sorry that his speech will not look good to the electors in the District of Millicent. The dairy farmers in the distinguished District of Mount Gambier will not like it, and persons in the rural industry in the District of Stuart will not like it, either. The introduction of this Bill has been a long-cherished hope of the Australian Labor Party. I remember in 1968 when no less a person than the present Minister of Education made a speech. Members would not say that the Minister has the lowest I.Q. in this place, and he was lauded by the then member for Gawler, now the member for Elizabeth, as follows:

Although I have been a member since 1952 I do not think I have heard a speech on a Budget to equal that made this evening by the member for Glenelg (Mr. Hudson). I consider his points instructive and valuable to all members and I suggest that those members who did not bother to listen would be well advised to read and digest his speech.

Perhaps I could read one or two more paragraphs.

The SPEAKER: Order! I hope the honourable member's remarks are valid and that he will link them with this Bill.

Mr. RODDA: This comment is very valid: it was the spring from the mountain that caused this great river rushing through South Australia and washing it to ruin. The then member for Glenelg (now the Minister of Education and member for Brighton) when speaking on the succession duties Bill and when warning the then Treasurer, Sir Glen Pearson, said:

I point out one further matter to the Treasurer. In the election in 1971, as he and most other members opposite know, the L.C.L. Government will probably be defeated and the Labor Party returned to power with a mandate to do something positive about the Succession Duties Act.

The honourable member points out to the Treasurer that if the Government put through amendments that would remove the basic loopholes, a future Labor Government would have great difficulty in getting amending legislation through, because of a hostile Legislative Council. I submit that this Government is not terribly interested in the results of this Bill, but is on a collision course with the Legislative Council.

Mr. Langley: Ha, ha!

Mr. RODDA: The Government Whip can laugh if he wants to.

Mr. Langley: I am always laughing about that.

Mr. RODDA: The Government is on a collision course with the Legislative Council.

Mr. Clark: And it is on a collision course with us.

Mr. RODDA: I quoted that remark of the Minister of Education, because it has been dear to his heart to have this Socialist legislation introduced. The member for Playford spoke about land values. I should like to give details of property sales in my district that occurred not so long ago. A property of 800 acres in the Hynam district was sold for \$180 an acre: it would take a capital investment of \$40,000 to operate a property like that, so that there would be a gross investment of \$184,000. Two men are working that property with the assistance of one man's wife, (a slip of a girl, who is a mother of three children) plus a casual employee. A property was sold last year for \$75,000.

Mr. Keneally: Who can pay this sort of money?

Mr. RODDA: Some people in my district who started out shearing sheep saved their money and got a small place and then a bigger property; their families helped them.

Mr. Langley: And they are getting subsidies.

Mr. RODDA: That is by the way.

Mr. Langley: We do not get any subsidies in our districts.

Mr. RODDA: Some members seem to think that these people are living off the fat of the land. They are none other than the salt of the earth.

Mr. Keneally: And, what is more, you believe that.

Mr. RODDA: I do. If this legislation is passed, the member for Stuart will live to see the day when South Australia is in ashes and he himself is wearing sack cloth. We are now getting ourselves into an economic crisis. The rural sector still produces more than 50 per cent of this country's oversea income.

Mr. Keneally: That is not correct. Be careful! You are living in the past.

Mr. RODDA: It is very close to that.

Mr. Keneally: It is 41 per cent.

Mr. RODDA: The wool cheque for South Australia was \$96,000,000 last year.

Mr. Keneally: Then what are you complaining about?

Mr. RODDA: The honourable member is sucking them dry. It is sad for me to stand here and see this legislation brought into this House. Let us look at the table produced by the Treasurer. Things go along nicely up to \$40,000, with rebates, but once we come to the larger estates the position is different. For instance, in relation to the Hynam estate of 800 acres that I mentioned, the farmer has a capital investment of \$184,000. This table shows that he will have to find \$38,000 plus 35 per cent of the excess over \$160,000. I submit that that class of property just will not exist, and the blame must be laid at the Government's doorstep, if it pursues this course. With this sort of legislation, this Government cannot expect to go to the polls if it has a head-on collision with the Legislative Council. Does it believe that people in the metropolitan area support it? I assure the honourable member that the farmer is having a bad time. I am a farmer—

The Hon. G. T. Virgo: I thought you were a politician.

Mr. Brown: You've got money.

The SPEAKER: Order! The member for Victoria.

Mr. RODDA: In view of the present situation, I drove a tractor and cut hay most of last weekend in order to keep a farm solvent.

The Hon. G. T. Virgo: I thought your job was full-time as a politician.

Mr. RODDA: Because of the situation of the farmer at present, it is in the interests of South Australia that we raise this hue and cry against iniquitous legislation that will only make the situation worse. I oppose the Bill.

Mr. EVANS (Fisher): I oppose the Bill at this stage, although my final decision on whether or not I vote for the measure will depend on what happens in Committee when certain clauses are discussed or when I see what happens to certain amendments proposed. I believe that one should answer some of the comments made by the member for Mawson and the member for Playford, in particular. I do not dispute the statement of the member for Playford concerning the concessions received by the rural industry in the way of bounties, grants, subsidies, loans, and devaluation compensation, etc. However, let the member for Playford be honest and say that the cost of tariff on weedicides represents 40 per cent. In addition, we mine iron ore in this country, send it to Japan and bring it back as a motor car, paying 40 per cent duty on it. This type of motor car is equal to anything that we can produce here in the same horsepower category. Although we pay 40 per cent tariff on it, it is able to compete, yet the member for Playford speaks of efficiency! What is more inefficient than our secondary industries here, when they need to have imposed a 40 per cent tariff duty on motor vehicles and, on some small motors, even up to 50 per cent and 55 per cent tariff, in addition to 25 per cent to 40 per cent tariff on insecticides? This is the type of comment made by a man who is supposed to be a learned lawyer.

We are told that rural industry is the only industry that receives concessions, but secondary industry is just as protected as if not more protected than rural industry. Why were Government members concerned when they were in Opposition at a time when the rural industry was in a sorry plight and honourable members were worried about machinery manufacturing firms that supplied their products to the rural industry? It looked as though there would be unemployment in these firms. Government

members know as well as I that one of the reasons why the farmer is in his present plight is as the member for Victoria said: when he produces his article, he has to sell it overseas for what he can get for it; he cannot write up the market price. The rural industry is the only industry that produces an article, puts it on the market and says, "I will take what you give me for it."

A person engaged in rural industry has no alternative, because he has a perishable product in most cases. In secondary industry over-award payments have been made where there is tariff protection, and this has increased the cost to the primary producer to such an extent that he is now in great difficulty. This Bill imposes succession duties on the primary producer so that he will be in a worse position, and that is unjust. It has already been shown that a farmer needs to make \$7 of capital investment to produce one pound of wool. If he has \$50,000 invested he can produce 7,143 lb. of wool. Assuming that the average price of wool is 30c a pound, he will earn \$2,142. Even at an interest rate of 8 per cent, he needs \$4,000 a year to pay the interest on the capital invested. I realize that lambs will be produced, but what hope has the farmer got? Some members say that it does not matter. The member for Mawson would like to see all the holders of freehold titles go broke.

Mr. Hoggood: I said that, did I?

Mr. EVANS: No, but the honourable member implied it. He implied that farmers should be brought down so that they could not get a living and so that their land would revert to leasehold. He implied that no-one should use initiative and get on in the world. This Bill is a direct attack on the person who is prepared to work for more than 35 hours a week and expect a reasonable return for the effort he puts in. If he puts something together in his lifetime for his wife or son, what does this Bill do? It takes it away from him through succession duties. This is the Government's line of thinking. The member for Mawson speaks of a welfare State, but what he really wants is a farewell State. I hope that, if the Government continues to introduce this type of Bill, which destroys initiative, the people of South Australia will say at the next election, "Farewell to the A.L.P."

Mr. McKEE (Pirie): Just imagine a backwoods fellow like the member for Eyre coming in here and trying to tell Government members that people with \$200,000 invested are not

making any money—they are practically struggling! Let us turn our attention to people who are having a bad run, not people like the member for Rocky River or the member for Eyre. Let no-one try to tell me that people with \$200,000 invested are not earning the living wage. If they are not earning that wage, they ought to be certified.

Members interjecting:

The SPEAKER: Order! Members must stop interjecting. Honourable members have had their say.

Mr. McKEE: It is utterly impossible for me to let the members for Rocky River and Eyre get up with tears of blood and suffering from Jewish haemorrhages and try to tell me that they are battling to survive. This is beyond reason. The thing about it is that they all have their properties left to them anyhow. The member for Rocky River may have done some hard work on his father's property, but he got a start from his father. The member for Eyre says that he has shorn more sheep than the previous member for that district, and that may be right, but I think I have done more of this work than the member for Eyre, because I was reared on the land. My parents battled on a farm during the depression in the late 1920's and early 1930's. However, we were much better off than some others. Many pensioners and basic wage earners would have traded places with us, because we could kill our beef, milk our cows and eat our produce. Farmers today are in a similar position. Who has forced them into their present position? The Liberal Government in Canberra has caused this situation, not the Labor Government here.

Members interjecting:

The SPEAKER: Order!

Mr. McKEE: It is impossible for a man to sit here and cop what members opposite are trying to tell us. There is one thing wrong with members opposite, and the member for Rocky River falls into this category. You bought your land at twice its value. Now you have run into a recession and are not getting your money back as fast as you want to get it back, and you are complaining.

Mr. RODDA: On a point of order, Mr. Speaker. This is a personal attack on the member for Rocky River about his personal affairs.

The SPEAKER: The member for Pirie is making comments about the Bill that are

similar to those made by the member for Rocky River.

The Hon. D. N. BROOKMAN: On a point of order, Mr. Speaker. I ask you to direct the member for Pirie to address the Chair instead of pointing to members on this side and using the word "you" repeatedly.

The SPEAKER: I have asked the member for Pirie to direct his remarks to the Chair, and honourable members can help a little by ceasing to interject. The member for Pirie must direct his remarks to the Chair.

Mr. McKEE: I am prepared to do that. The member for Victoria cares to take a point of order, but I think the same applies to him as applies to the member for Rocky River.

The SPEAKER: We are not discussing points of order.

Mr. McKEE: Members opposite are dead unlucky because I was just about to finish my remarks. I have here the national policy of the independent rural community.

Mr. Rodda: What's your rural policy?

The SPEAKER: Order! Honourable members are taking points of order, so they must observe the direction of the Chair, and interjections must cease. The member for Pirie must address the Chair.

Mr. McKEE: We are referring to the plight of the man on the land, and I have here submissions prepared and presented by the rural community of South Australia. This is the farmers' manifesto.

Mr. Gunn: You should—

The SPEAKER: Order! I intend to insist that interjections cease. Honourable members will not make a farce of proceedings in this Chamber. If honourable members wish to take points of order, it is up to them to help to preserve decorum in the Chamber.

Mr. McKEE: The United Farmers and Graziers of South Australia Incorporated states that the Commonwealth Government should make a study of rising rates on imports of primary products which are having a detrimental effect on the sale of our primary produce. This form of taxation, of course, has brought a certain amount of fire from the rural members and politician farmers on the Opposition benches, so it is obvious that they are speaking through their own pockets. I would say that the member for Rocky River, the member for Eyre, the member for Victoria, and the member for Alexandra are taking advantage of this piece of legislation to feather their own nests, if one likes to put it that way.

Mr. GOLDSWORTHY: I rise on a point of order.

The SPEAKER: What is the point of order?

Mr. GOLDSWORTHY: The point of order is that the member for Pirie is making personal attacks of a scurrilous type on the country members of this Chamber, and I ask that they be withdrawn.

The SPEAKER: What does the honourable member ask to be withdrawn?

Mr. GOLDSWORTHY: That they are doing this to feather their own pockets, they are speaking the way they have spoken to feather their own pockets. This is not true.

The SPEAKER: Is the member for Pirie prepared to withdraw?

Mr. McKEE: No, Mr. Speaker. I did not say that. I said, "to feather their own nests", and they have been speaking about rural industry, which could apply to poultry farming or anything else around the farm. It includes everything.

Members interjecting:

The SPEAKER: Order! The honourable member for Pirie.

Mr. McKEE: I support this form of taxation, because I cannot see any point in any person's wanting to die, leaving thousands of acres. Of what benefit is that to anyone?

Mr. Venning: Rubbish!

Mr. McKEE: That is of no advantage to his family, to his sons. I think a son should be able to stand on his own feet. Succession duties would not take the property from him, and he has an obligation to contribute to the development of the country. Why should every young person be born with a silver spoon in his mouth? That is why I support the Bill. The member for Rocky River has two big sons, and they should do a little after their father has done something. I support this form of taxation.

The Hon. D. N. BROOKMAN (Alexandra): Some comments that have been made do not require much attention.

Mr. McKee: They brought you to your feet.

The SPEAKER: Order!

The Hon. D. N. BROOKMAN: There is much misunderstanding about agricultural investment in South Australia. Some members have referred to the amount of the investment in the land and have questioned what profit is being made. It is clear that some members do not know how the profit-

ability of farming has drifted, although the investment or the paper value has remained high. It is true that people on the land are not making reasonable profits, yet they seem to own considerable investments. That sort of misunderstanding has been shown repeatedly in this debate.

I do not want to get too excited about this, but I have never favoured capital taxation. Any support that I have ever given to it has been given grudgingly, and succession duties are in this category. It is easy for Government members to support capital taxation, because as I see it (and I may be doing them an injustice) their doctrine is to oppose the ownership of capital. That doctrine has been, to some extent, broken down in practice, but obviously they are not in favour of large amounts of capital. Any concession to capitalism is only because they have come to accept small holders and small investors, but they are ready to sweep away anyone who is higher than the rest. I do not think that that is an unfair charge against Government members, and I am sure they would not deny it. They have been quite frank in favour of capital taxation and we are frank, for the most part, in opposing it. Perhaps there is a range of exceptions whereby some form of tax on capital is acceptable to us, but this legislation does not come into that category.

The doctrine as espoused by the Government is one where it is heading towards the elimination of any large amount of capital. I remind Government members that they will also remove much incentive. Everyone knows people (and I mean worthy people) who struggle hard to make money, and when they have done this their greatest concern is that they shall be able to leave their families in a better position than they found themselves at the beginning of their careers. I have seen many examples of extreme unselfishness by owners of properties in the way they managed the property with the idea of passing it on to their families. The Government's attitude in favour of capital taxation has been demonstrated many times, and no secret has been made of it. However, I noticed that after the recent Premiers' Conference and after the Treasurer had decided to apply to the Grants Commission for assistance, he made a statement that he, in effect, would be forced to increase succession duties, because it was necessary for him to apply to the commission.

We have heard the argument many times: sometimes it is claimed that we are a sovereign

State and do what we like, but there are times when it is claimed that we have no option. This argument can be twisted to suit a particular action, but it seemed that the first reaction of the Labor Government after the decision to apply to the Grants Commission was that it would have to increase succession duties, as if it had not thought of doing it before. The clauses of the Bill will be discussed later in greater detail, but some I find unacceptable. I see no reason for the change of conditions in relation to aggregation of a succession, and no reason for changing the rules: there is every reason not to change them. One of the most frustrating and irritating things for any person is to have a set of rules by which he is governed altered after he has made dispositions to meet and conform to the rules as they were. It is not fair, and we know it. Parliament finds it necessary at times to change the rules, and we all agree that there are times when they must be changed, but this is not one of them. We should acknowledge openly here that every time we change the rules in relation to succession duties we are doing an injustice to someone who has tried to live legitimately by the other rules and prepare for his death so that his family will be looked after.

Now, by alteration of these rules, he will have to go back, if he wishes to provide for his family, and do whatever he can to alter trusts and all sorts of other arrangements, which is not fair. There are one or two other matters I would comment upon. One in particular I find is fraught with all sorts of injustices—namely, the Commissioner's power to value shares and debentures. With the uncertainty both in the share market and in agricultural investment, we have seen fluctuations in mining and investments, which indicates how widely people can vary in their judgment of the value of this kind of property. If this is to be included, it should be a rule that the most conservative view be taken; otherwise, there will be a situation so ruinous and unjust that it will be possible to have hypothetical cases where estates can be almost annihilated by faulty judgment on the part of the Commissioner.

The other objection I want to raise (and this is perhaps more basic than any of the others) is that we have not had in any way a proper estimate of what revenue is likely to be received. The second reading explanation did not disclose the estimated revenue. There are, of course, obvious problems in making accurate

estimates of returns from succession duties, but some attempt should have been made, even if it was an estimate subject to considerable error.

In other legislation today, I made somewhat the same complaint, that we were dealing with an alteration of rates and conditions, yet we did not know the net result that would follow from that alteration. This will happen more so in the case of this legislation. We are told the good things about this Bill, that there are concessions here and there, but we are not told the bad things. In trying to win support for a measure as far-reaching in its effect as this one, it is up to the Government to make a comprehensive estimate and a comprehensive statement balancing the factors, whether they be good or bad, to try to win the approval of the House. As it stands at present, I cannot see the merit in this Bill. Obviously, there is some advantage in respect of certain successions but, without a realistic assessment of the full effect of the Bill and without some alteration to certain provisions, I will take an attitude that I have taken on many occasions in the past and oppose the legislation.

Mr. NANKIVELL (Mallee): Earlier today I spoke on the Bill regarding land tax and raised certain matters concerning that measure. As certain matters have been raised this evening by Government members, I should like to rebut some of the arguments that have been advanced. At the outset, I accept that there is a principle of capital taxation, and I do not think that we can avoid imposing this type of taxation. However, this taxation has a significant effect in certain areas. Members on this side are speaking not through their pockets but on behalf of their constituents. We are concerned, because in the agricultural industry capital taxation has a significant effect on something which we respect and which honourable members opposite ought to respect, namely, the family farm unit, which we have learned to view as the basis of agriculture in this country.

What will result from the practice of imposing on the agricultural industry capital taxes of the sort proposed here? As the member for Rocky River pointed out, a property changes hands once every 15 to 20 years, and each person concerned pays for it within that period. This being the situation, the whole future of people involved in agriculture is in jeopardy because the alternative will be to have farming in the form of capital security or public companies, when it

does not matter if the principal dies, because other people can take up his share, and the whole enterprise becomes impersonal. I can speak with some experience here, because this applies in certain areas that I represent. What this does to country communities is something to be seen to be believed. Instead of dealing through the local community, one is dealing direct with the merchant; the local people are avoided, and one looks to where the cheapest article is available. This has a significant effect on the whole rural community, and that is why I say we must be careful that we do not overdo these capital taxes to the extent that we destroy the whole basis of our farming community.

The Hon. G. T. Virgo: Is this tax overdoing it?

Mr. NANKIVELL: It all depends on how the basis of the tax is assessed. As the member for Alexandra said, we do not know what is expected to be derived from this source of revenue. We have not been told that. A true assessment of the value of the property we are taxing is very important in this whole exercise. Our basis of assessment is what people are prepared to pay for land, but is that a fair basis? All sorts of things are involved in arriving at the price paid for land. This afternoon I said that prices paid for land 12 months ago are still being carried forward in respect of quinquennial assessments and council rates, but those prices are irrelevant today. The Development Bank and other banks and many individuals made the mistake of working out budgets and saying that we could afford to pay a certain price for land because it had a certain productive return, but that is no longer there. This happened without anyone being prepared for it to happen. If these taxes are related to a land value based on productivity, the future of the industry is not significantly affected. However, if these taxes are based on a fictitious value—and it is a fictitious value—it is virtually impossible for people to carry on.

Mr. Clark: How do you suggest land should be valued? What would you suggest?

Mr. NANKIVELL: That is a very proper question. With due deference to what has been said about the Valuation Department, I would say that one of its bases of checking the value it arrives at for land is productivity. For instance, a fair basis can be arrived at from the viewpoint of so much for each head of stock that a man can safely carry on a

property. The member for Fisher mentioned the figure of \$7 of capital investment to produce a pound of wool; though I do not know if that is correct. If a farmer knows what a reasonable return is and what his production for each acre or for each head of stock is, he can arrive at a fair value for the land, but people do not always do this. One of my colleagues was challenged tonight that he had paid too much for land. What happens if a farm between two small farms comes up for sale? The owners of the adjoining properties will compete for the farm, because they can work it with the same labour force and plant. They may pay a figure for the farm that is profitable to them, but not to an outsider. I am sorry that the member for Playford is not here now, because he made me weep tonight, just as we made him weep. The member for Unley said that electricians do not make magnificent profits. Those of us who have worked on the land and know the problems that primary producers have had, realize that much of what has been said by some members tonight is not correct. The margins of profitability in industry are such that not only can a person borrow money at interest rates of 8 per cent or 9 per cent, show a profit on it and repay it within five years or less but he can also put surplus income into taking advantage of the wonderful tax deductions under section 76 of the Commonwealth taxation legislation that are there to assist farmers. Aynone can become a farmer, whether he is an engineer, doctor, lawyer or electrician, and he can benefit from these concessions.

(Midnight)

Mr. Clark: And they do.

Mr. NANKIVELL: Yes, they have gone out into the country and paid fictitious prices for undeveloped land. They do not want developed land; they want the benefits attached to land clearing right from the start. First, they have paid excessive prices for this land, then they pinch the contractors by offering rates in excess of the standard contract rate to get the job done before the end of June. They have also been able to monopolize much of the finance available from the Commonwealth Development Bank. They put up this sort of proposition to the bank: "We have no money; we have income; we can guarantee income; here are our balance sheets; here is what we have been getting from our profession. If you can lend us money, we can service this borrowing and repay this debt."

Mr. Clark: This can be stopped.

Mr. NANKIVELL: It is all right to stop it now, but the horse has bolted. The impact is that land values have increased to a fictitious level by this means of people aggregating property where there are special advantages to them. As a consequence, we have a situation where, generally speaking, all land values have got out of gear. The man who gets a high price for his little farm does not always want to give up farming. I have seen a chain reaction take place. Such farmers may go to other districts where they see farms that they would like. This happened just after the war when the Elizabeth area was developed. People displaced from Salisbury suddenly became wealthy farmers overnight.

Mr. Clark: They went north of Gawler.

Mr. NANKIVELL: Yes, and they went to the South-East and other places. When they saw a farm they wanted they put a price on it. As they had the money in their pockets, they paid the price, and that established prices in those areas for all forms of capital tax. Today we have the legacy of this and we are also in a situation where there is a high cost of money. This is most important when it comes back to the situation in this legislation. Today, if one has to find money to pay this tax, one can go to a trustee company, which has an obligation to find money if one is dealing with that company in the handling of an estate. One can go to an insurance company or to several institutions that will lend money on first mortgage security, but one has to pay $8\frac{1}{2}$ per cent or 9 per cent interest. That is the cheapest money a person can get today for the sort of taxation we are talking about. The land cannot carry a tax based on the sort of valuation in the Bill, because it is outside its productive capacity. That is one of the serious things about the way this legislation operates. If there was a fair basis of valuation that related in some way to productivity so that there was a possibility that the family unit of the person who had to borrow the money would be able to continue to function, I would have no objection and this would not in any way affect the future of the country, as this legislation will affect it. Any form of capital taxation that is out of relation to productivity will in some way materially affect the present basis of country living and the present social system in the country.

Mr. Keneally: If you were able to sell all you could produce, and you could produce

effectively, would this particular capital taxation worry you?

Mr. NANKIVELL: I shall reply to that, because it is a fair question. In some areas the answer would be "Yes". If many farmers who are in difficulties today could continue to produce unlimited quantities of wheat at the guaranteed price of \$1 a bushel, they would be in less difficulty. Regarding wool, it would not make any difference because the problem here is completely beyond control. We have no guaranteed price, no support scheme, for wool, and the meat industry operates on a cost structure determined by working conditions and industrial awards in Australia, selling a commodity depending strictly on supply and demand, and there may be collusion regarding demand at present. The effect of wool prices on meat prices, with all the other things that have happened to meat prices so far as the export of mutton to America is concerned, has caused an alarming reduction. Today we are getting prices for sheep that I have not known since the early 1940's. A person is lucky today if he can get \$2.50 for a sheep that dresses 60 lb. or 70 lb. of good mutton. A farmer does not get too fat on that. Last year these sheep were bringing twice as much as that. The same position of low prices applies to lambs. People are doubtful about the wool industry and reluctant to invest in it. They do not know what to do, so they are breeding sheep and selling them at a discount. Last year the price was up to about \$10 for good young breeding ewes. However, a person is lucky if he gets \$4 today.

Mr. Venning: In some cases, the price is down to about \$1 a head.

Mr. Keneally: They were 5c a head in 1949, and wool was 10c a pound.

Mr. NANKIVELL: But what were our costs? What was the basic wage in 1949, and what is it now? In 1949 it was about \$6.50. At present I am paying \$25 a hundred for shearing and \$8 to have the sheep crutched.

Mr. Groth: It should be twice that.

Mr. NANKIVELL: Crutching results in about a pound of wool, and present prices make sending it to Adelaide not worth while. Another point was that no assistance was given to secondary industries, that people in these industries are badly done by. I wish the member for Playford was in the Chamber to hear what I am saying. There is investment allowance for export. From a token export

exercise companies get a payroll tax rebate, so they export. It helps their throughput, because they can produce more and they send some overseas to get back their payroll tax. It is a substantial hand-out for many companies. The member for Fisher has mentioned the tariff protection given, and I do not begrudge them this protection. We must not say that it is one way traffic: secondary industry is getting a hand-out in bounties and subsidies.

Mr. Keneally: That's the story we've been getting since I've been here, that it's only one way traffic.

Mr. NANKIVELL: I am stating facts as I know them. If the honourable member wants to quote anything then he should get it straight, but he should not twist things and repeat what he has heard. He may accept what I am saying: he can listen to me or have his argument with someone else. The point I am making is that whilst I do not object to a capital tax (there must be some taxation, one cannot avoid it and we have always had some capital taxes), I do not like this tax, because of the effect it is having on an industry through the basis of valuation and the inability of people in present circumstances to find the money and to service the money so that they can continue to operate independently in rural industry. If we want company farming the quickest way to have it is to be unrealistic from this point of view. I could say many other things, but I will not. I have made my point. I support the second reading, because there are amendments in which I am interested to be considered.

Mr. BURDON (Mount Gambier): I respect the member for Mallee and his views on some aspects, but on others I do not agree with him. I was brought up on the land, but the great depression forced me to leave it and I realize what problems the rural industry has to face. However, many of them are of its own creation. Much of what we have heard today (and what has been said in the last few sitting days), has been an attempt by Opposition members to create an impression in this Chamber and among the public that there is only one type of industry in this country. I remind Opposition members that during the depression of 1929 to 1935, when the population of Australia was only about 4,500,000, nearly 500,000 people were out of work.

Today, the Australian economy has been built up and we have no significant unemployment. This situation has been created

because Australia has developed industries: if it were not for those industries there would be a situation in Australia today that prevailed between 1929 and 1935, and I defy the members for Rocky River and Eyre to say otherwise. Not one Opposition member has suggested an alternative to this taxation measure. No member on this side objects to criticism of measures introduced by the Government. The Government expects constructive criticism from the Opposition, but it also expects that it will get alternative suggestions. However, we have had none. It is admitted by Government members, as it is acknowledged by Opposition members, that there are substantial subsidies to the rural industries. Members are complaining today about low prices. Did they complain when wool was \$2 a pound or when they could get \$1.10 for a bushel of wheat in their first advance? No members opposite have complained about this. They complain now because quotas have been introduced and the basis of agriculture in this country has been affected.

For the last 20 years we have had a Liberal Government in Canberra. Did it ever encourage rural industries to explore the overseas markets? Pick up agricultural journals today and see what they say about succession duties; look at what has been said by a British official about milk—that once Britain enters the Common Market there will be no market for Australian dairy produce in that country. It has been known to everybody for the last 10 to 15 years that ultimately Britain would enter the Common Market, but what decisions have been made by the Australian Government? Few, if any, and only a year or two ago the Commonwealth Department of Primary Industry was encouraging farmers to grow this and that, even to the extent that they were growing wheat in their front gardens in the wheatgrowing areas to get the extra \$1.10 advance. I know what can be produced in the Rocky River District and on Eyre Peninsula, so the members representing those areas need not get excited. The problem is to come up with an alternative suggestion to this. Is something being imposed by this measure that people in other parts of Australia have not already had imposed on them for many years? The member for Eyre will say, "But this is South Australia." Is South Australia any different from New South Wales, Queensland or Victoria? If it is, that has been caused by the policy pursued by L.C.L. Governments down through the years to keep South Australia a low-wage State and to deny the workers the benefits enjoyed by workers in

other States. Every social service in this State has been below the level of similar services in the Eastern States.

Mr. Venning: Rubbish!

Mr. BURDON: The member for Rocky River says "Rubbish!", but let him get out into the wider field of industry. I am not talking about the farmers in his area—

Members interjecting:

The SPEAKER: Order! Interjections are out of order.

Mr. BURDON: I am referring to the agricultural position, which, rather than succession duties, seems to be the prime subject of discussion this evening. I ask the member for Victoria to suggest an alternative to this measure; indeed, we have been looking for suggestions from members opposite, but they have not offered one constructive suggestion of an alternative to our proposal.

Reference has been made to the Grants Commission. I recall that about 10 years ago the then Liberal Government withdrew from the Grants Commission, but this was probably one of the worst things that ever happened to this State, because over the years it has lost many millions of dollars which would have been available as a result of an application to the commission. However, this was denied South Australia because it was not a claimant State. South Australia has returned to the Grants Commission, because more money can be obtained from the Commonwealth Government by South Australia's being a claimant State. Although we know that we will receive \$4,000,000 or \$5,000,000 this year, this sum may be increased to \$8,000,000 or \$9,000,000 in a full year, after proper investigation.

Mr. Becker: I hope so; you'll never balance the Budget otherwise.

The SPEAKER: Order! The honourable member must address the Chair. Interjections are out of order.

Mr. BURDON: Probably no other Government in Australia is concerned about balancing the Budget. Have the Commonwealth, Victorian, New South Wales and Queensland Governments balanced their Budgets?

Mr. Becker: You worry about South Australia!

Mr. BURDON: Members opposite, by opposing this measure, will deny the people of South Australia extra money from the Grants Commission next year, and the first people to get up in the House and scream

for some other concession that they think they should get will be the member for Eyre and the member for Rocky River. I believe in getting all that we can for the rural industry and for country people generally—

Mr. Venning: You wouldn't think so.

Mr. BURDON: —but, from the way in which members opposite are going about it, they are doing nothing less than destroying their own case in the eyes of the majority of the people in Australia. Members opposite are only making the situation more serious. This has to be an exercise in co-operation between country and city people, each sector depending on the other. The greatest co-operation between these sectors of the community, the better it will be. I remind the member for Rocky River that the best market is the home market; for instance, although butter is sold in Australia at 50c a pound, it is sold on the English market at only 25c a pound. Whose subsidizes that? It is the man on the street.

I happen to be the member of a certain Parliamentary committee, and I know that if the member for Eyre and the member for Rocky River were members of the same committee they would get a horrible shock. I will not reveal confidences that have been placed in me as a member of that committee, however. Whilst I have been a member I have been concerned with many cases involving large sums and much investigation. I suggest that the member for Hanson should bring himself up to date on rural problems. As a result of my experience, I know the problems involved in rural finance. Members opposite should be constructive in their criticism and should advance firm alternative proposals.

Bill read a second time.

Mr. CARNIE (Flinders) moved:

That it be an instruction to the Committee of the whole House on the Bill that it have power to consider a new clause relating to interest on duties.

Motion carried.

In Committee.

Clauses 1 to 5 passed.

Progress reported; Committee to sit again.

ADJOURNMENT

At 12.32 a.m. the House adjourned until Wednesday, November 11, at 2 p.m.